

CITY OF GOODLETTSVILLE, TENNESSEE

Comprehensive Annual Financial Report

For the Year Ended

June 30, 2017



Prepared by: City of Goodlettsville, Department of Finance

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June 30, 2017

Prepared by: City of Goodlettsville, Department of Finance
Julie High, Director of Finance and Administration

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Introductory Section



December 28, 2017

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, 2017.

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 Blankenship CPA Group, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Goodlettsville, for the fiscal year ended June 30, 2017, 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, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY OF GOODLETTSVILLE

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

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

The City of Goodlettsville provides a wide range of services which include police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation services, recreational and cultural services, planning and zoning, and general administrative services. In addition, the City operates a sewer collection system that currently serves 4,663 customers as of June 30, 2017. 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, as evidenced by this financial report. Commercial and residential construction is strong. Commercial construction includes five new hotels, Towne Place by Marriott, Candlewood Suites,

Hampton Inn, Holiday Inn Express, and Best Western. Towne Place opened in October 2017, and the others are scheduled to open in calendar year 2018. New businesses completing or under construction this year include Goodlettsville Pediatrics, Higgs Pediatric Dental, Denham & Blythe Engineering, Jubilee Hills Assisted Living, North Creek Office Complex). Businesses that have submitted plans for construction include HCA Administrative Offices, Keller Williams Office Complex, North Creek Commons Residential Community and Conference Drive Office Park. 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).

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 June 2017 unemployment rate for Nashville was 3.4% and Sumner County is 3.1%. The reported State of Tennessee average for June 2017 was 4.2% while the U.S. average was 4.1%. Those figures have seen a decrease through the end of calendar year 2017.

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 to not 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 fund balance in the City's General Fund has grown over the past ten years, to a current fund balance \$8,508,123. This current unassigned fund balance for the General Fund is \$5,755,343, 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, 2016. This was the fourth 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 Blankenship CPA Group, PLLC for their invaluable guidance and assistance.

Respectfully Submitted,



Julie High
Assistant City Manager

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Email: jhigh@cityofgoodlettsville.org • Phone: 615.851.2201 • Fax: 615.851.2212

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

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Goodlettsville
Tennessee**

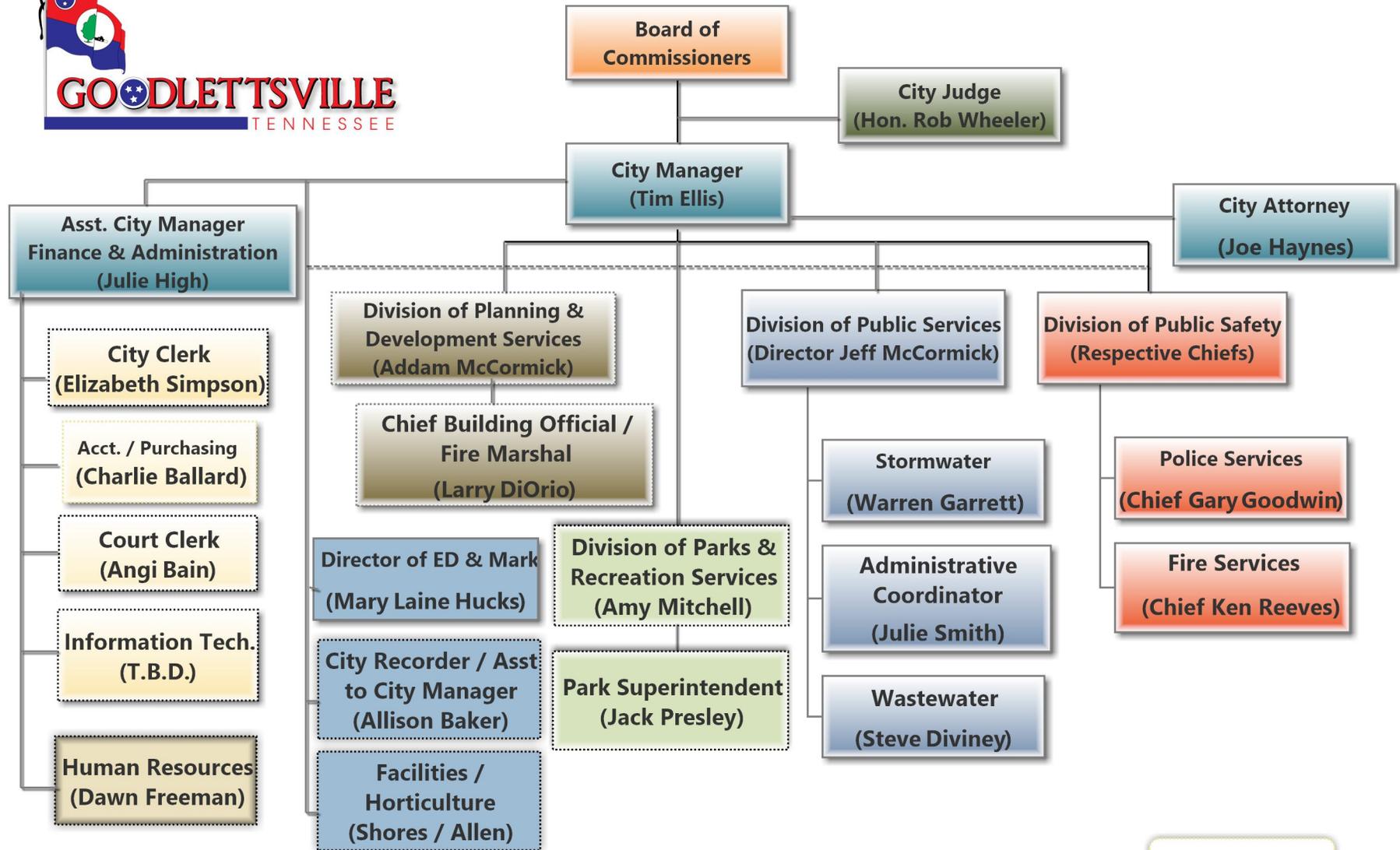
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



City of Goodlettsville Organizational Chart



June 30, 2017

CITY OF GOODLETTSVILLE, TENNESSEE
Roster of City Officials and
Official Bonds of Principal Officials
June 30, 2017

		<u>Period of Service</u>
City Commissioners		
Mayor	John Coombs	7/1/16 to 6/30/17
Vice Mayor	Jeff Duncan	7/1/16 to 6/30/17
Commissioner	Rusty Tinnin	7/1/16 to 6/30/17
Commissioner	Harry Bell	7/1/16 to 6/30/17
Commissioner	Zach Young	7/1/16 to 6/30/17
City Manager	Tim Ellis	7/1/16 to 6/30/17
City Attorney	Joe Haynes	7/1/16 to 6/30/17
City Judge	Robert Wheeler	7/1/16 to 6/30/17
City Recorder	Allison Baker	7/1/16 to 6/30/17
Chief of Police	Gary Goodwin	7/1/16 to 6/30/17
Director of Public Services	Jeff McCormick	7/1/16 to 6/30/17
Director of Planning and Development Services	Addam McCormick	7/1/16 to 6/30/17
Director of Finance and Administration, Assistant City Manager, CMFO Designee	Julie High	7/1/16 to 6/30/17
Fire Chief	Ken Reeves	7/1/16 to 6/30/17

* 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

BLANKENSHIP CPA GROUP, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodlettsville, Tennessee (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for each major fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules listed on pages 44-46, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information presented 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 an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information on pages 47-55, and the 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 47-55 are the responsibility of management and was derived from and relates 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 47-55 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section 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 28, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

December 28, 2017

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis
June 30, 2017

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 and the Stormwater Utility Fund, the two major funds presented. 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, 2017

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 56-77 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			
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and Other Assets	\$ 17,146,507	\$ 16,450,339	\$ 12,240,043	\$ 11,546,988	\$ 29,386,550	\$ 27,997,327
Capital assets	20,808,121	19,596,577	28,978,448	29,521,618	49,786,569	49,118,195
Total Assets	<u>37,954,628</u>	<u>36,046,916</u>	<u>41,218,491</u>	<u>41,068,606</u>	<u>79,173,119</u>	<u>77,115,522</u>
DEFERRED OUTFLOWS						
OF RESOURCES						
Deferred Outflow s	2,287,492	2,336,920	150,274	152,053	2,437,766	2,488,973
Total Deferred Outflow s	<u>2,287,492</u>	<u>2,336,920</u>	<u>150,274</u>	<u>152,053</u>	<u>2,437,766</u>	<u>2,488,973</u>
LIABILITIES						
Other liabilities	1,412,189	1,068,190	229,354	89,550	1,641,543	1,157,740
Long-term liabilities	9,767,006	8,864,558	7,303,124	8,028,450	17,070,130	16,893,008
Total Liabilities	<u>11,179,195</u>	<u>9,932,748</u>	<u>7,532,478</u>	<u>8,118,000</u>	<u>18,711,673</u>	<u>18,050,748</u>
DEFERRED INFLOWS						
OF RESOURCES						
Deferred Inflow s	4,483,322	5,394,898	-	62,940	4,483,322	5,457,838
Total Deferred Inflow s	<u>4,483,322</u>	<u>5,394,898</u>	<u>-</u>	<u>62,940</u>	<u>4,483,322</u>	<u>5,457,838</u>
NET POSITION						
Net Investment in						
Capital Assets	17,071,758	15,527,487	22,014,305	21,759,049	39,086,063	37,286,536
Restricted	1,546,320	2,666,094	-	-	1,546,320	2,666,094
Unrestricted	5,961,525	4,862,609	11,821,982	11,280,670	17,783,507	16,143,279
Total Net Position	<u>\$ 24,579,603</u>	<u>\$ 23,056,190</u>	<u>\$ 33,836,287</u>	<u>\$ 33,039,719</u>	<u>\$ 58,415,890</u>	<u>\$ 56,095,909</u>

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis - Continued
June 30, 2017

<u>Functions/Programs:</u>	Change in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Program Revenues						
Charges for Services	\$ 3,307,981	\$ 3,057,296	\$ 5,809,005	\$ 5,895,504	\$ 9,116,986	\$ 8,952,800
Operating grants and contributions	511,740	507,891	-	-	511,740	507,891
Capital grants and contributions	349,833	970,273	-	-	349,833	970,273
General Revenues	13,015,224	13,059,301	103,138	80,464	13,118,362	13,139,765
Total Revenues	<u>17,184,778</u>	<u>17,594,761</u>	<u>5,912,143</u>	<u>5,975,968</u>	<u>23,096,921</u>	<u>23,570,729</u>
Expenses						
General government	2,757,841	2,367,320	-	-	2,757,841	2,367,320
Public safety	7,521,379	7,217,111	-	-	7,521,379	7,217,111
Public Works	1,600,430	1,618,968	-	-	1,600,430	1,618,968
Sanitation	945,688	893,407	-	-	945,688	893,407
Parks and recreation	1,797,012	1,765,258	-	-	1,797,012	1,765,258
Tourism	782,321	665,425	-	-	782,321	665,425
Stormwater Utility	289,360	263,846	-	-	289,360	263,846
Interest on long-term debt	111,068	88,910	-	-	111,068	88,910
Sewer	-	-	4,971,845	4,643,832	4,971,845	4,643,832
Total Expenses	<u>15,805,099</u>	<u>14,880,245</u>	<u>4,971,845</u>	<u>4,643,832</u>	<u>20,776,944</u>	<u>19,524,077</u>
Increase (Decrease) in net position before transfers	1,379,679	2,714,516	940,298	1,332,136	2,319,977	4,046,652
Transfers	143,730	135,525	(143,730)	(135,525)	-	-
Increase (Decrease) in net position	1,523,409	2,850,041	796,568	1,196,611	2,319,977	4,046,652
Net Position - Beginning	23,056,194	20,206,149	33,039,719	31,843,108	56,095,913	52,049,257
Net Position - Ending	<u>24,579,603</u>	<u>23,056,190</u>	<u>33,836,287</u>	<u>33,039,719</u>	<u>58,415,890</u>	<u>56,095,909</u>

Overall analysis

The City's overall financial condition continued to improve in Fiscal Year 2017. The City's total net position improved by 4.1%; from \$56.1 million in fiscal year 2016 to \$58.4 million in fiscal year 2017. Governmental activities net position improved \$1.5 million and business-type activities improved \$797,000 in the current year. Program revenues were strong, with charges for services increasing approximately 2% from the prior year. There was a decrease in Capital Grants and Contributions due to the timing of certain significant capital projects.

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. Collections continued to be strong in fiscal year 2017 at \$4,422,930, a 3.7% increase over the prior year. The City's property tax rate remained constant in fiscal year 2017, and the City collected \$143,000 additional property tax revenue, due to growth and the strong economy in the area. Further indication of the strong economy is the increase in license and permit revenue. That revenue source increased from \$229,301 in fiscal year 2016 to \$630,271 in fiscal year 2017. This increase was mainly due to the increase in construction type permits.

The City ended the year with a fund balance in the General Fund of \$8,508,123, which was an increase of \$297,611. The unassigned fund balance in the General Fund is \$5,755,343.

Police Drug Fund - The Police Drug Fund had revenues of \$22,917 in Fiscal Year 2017 and proceeds from the sale of fixed assets of \$1,898. Revenue collections were consistent with the prior fiscal year. Expenditures in the drug fund were \$1,436, all related to the Police K-9 officer. The ending fund balance June 30, 2017 for the Drug Fund was \$55,182, an increase of \$23,379.

CITY OF GOODLETTSVILLE, TENNESSEE
Management's Discussion and Analysis - Continued
June 30, 2017

Solid Waste Fund – The City began outsourcing its sanitation services to a private contractor beginning in 2012. The City collected \$1,010,917 in sanitation fees in Fiscal Year 2017, and \$3,913 in miscellaneous revenues. The City spent \$721,854 for the contracted sanitation and recycling services for the City. In addition, labor and related benefit costs of \$74,702 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 \$120,208 and capital expenditures of \$35,593. The capital expenditures included the purchase of replacement containers to be distributed to residents as needed. Revenues exceeded expenditures in the Solid Waste Fund by \$62,473. The Solid Waste Fund ended fiscal year 2017 with a fund balance of \$120,061.

Tourism Fund – Hotel/Motel occupancy tax collections for fiscal year 2017 were \$656,403, an increase over fiscal year 2016 of \$30,542. The tourism fund also recorded admission fees and gift shop sales of \$24,889. Other miscellaneous revenues of \$6,950 were recorded as well. Expenditures in the Tourism fund are mostly related to the operation of the City's Historic Sites. Those expenditures totaled \$538,173 in Fiscal Year 2017. This was an increase in expenditures of \$144,829. The Tourism Fund ended fiscal year 2017 with a fund balance of \$894,693, an increase of \$150,069.

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. Revenues of \$498,633 were recorded in the Capital Projects Fund in fiscal year 2017. Most of these proceeds were reimbursement from the prior year. The City collected \$170,649 in reimbursement type grant proceeds related to expenditures for the Main Street Project. The City also received \$153,800 in bond proceeds which were issued to cover the City's "local portion" of the Main Street Project. Similar to the Main Street Project, the City received \$174,132 reimbursement for the Conference Drive Enhancement project. Both of these projects are funded through the Federal Highway Administration and are 80/20 grants. These grants require the recipient to expend the funds and then request reimbursement through TDOT. The City spent \$205,043 in the Capital Projects Fund related to these two projects in fiscal year 2017.

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 2017, revenues generated from storm water fees were \$899,364. The fund also recorded \$7,851 in interest revenue. Total expenditures related to storm water operations, repair and maintenance were \$242,258 in FY 2017, with an additional \$1,058,480 expended toward infrastructure improvement projects. This resulted in a \$393,523 reduction in the ending fund balance at June 30, 2017 of \$1,086,858.

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. Fees collected in the Electronic Citation Fund for FY 2017 totaled \$8,469. Grant funds of \$5,000 were received as well from the Tennessee Highway Safety Office. These funds, as well as the fund balance, were used to acquire additional electronic citation devices and printers. Expenditures of \$29,268 were recorded in fiscal year 2017 as a result. The current fund balance at June 30, 2017 is \$286.

Sewer Fund - Operating revenues in the Sewer Fund decreased during fiscal year 2017, from \$5.7 million to \$5.6 million. Operating expenditures increased in the current year from \$4.4 million to \$4.8 million. Operating income for fiscal year 2017 in the Sewer Fund was \$775,469. The net position in the Sewer Fund increased \$796,568 during fiscal year 2017 to \$33,836,287.

Budget variances in the General Fund

The General Fund revenues exceeded budgeted revenues by approximately 9.0% (\$1,159,550). 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. The largest variances were local taxes and licenses and permits, indicative of the strengthening local economy. Total General Fund expenditures were 10.0% under budget (\$1,733,312). These things combined resulted in a positive net change in the fund balance of \$297,611 with an ending balance at June 30, 2017 of \$8,508,123.

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Capital asset and long-term debt activity

The City purchased 6 new police vehicles (\$192,075) financed with capital leases in fiscal year 2017. The City also acquired a new fire rescue truck (\$49,504), a new single axle dump truck for Public Works snow removal (\$160,050), and an administrative vehicle (\$21,445) with capital leases. The City invested in the Public Safety operations by constructing a fire training facility on existing property (\$44,779) and by replacing the Computer Aided Dispatch system in its Communications Department (\$69,066). In addition to the aforementioned capital leases, the City also entered into the Local Government Loan Program with the Public Building Authority (PBA) of Clarksville, Tennessee in the amount of \$3 million in fiscal year 2017. The purpose of this loan is to finance the City's local portion of the Main Street Project. 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 38-42.

Schedule of Changes in Capital Assets

	Balance 6/30/2016	Additions	Disposals	Transfers	Balance 6/30/2017
Governmental Activities					
Capital Assets not being Depreciated					
Land	\$ 4,136,838	\$ -	\$ -	\$ -	\$ 4,136,838
Construction in Progress	738,690	449,656	-	-	1,188,346
Total Capital Assets not being Depreciated	<u>\$ 4,875,528</u>	<u>\$ 449,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,325,184</u>
Capital Assets being Depreciated					
Buildings	\$ 7,761,630	\$ 44,780	\$ -	\$ -	\$ 7,806,410
Improvements	7,563,220	78,962	-	-	7,642,182
Machinery & Equipment	9,312,205	733,349	(224,535)	47,588	9,868,607
Infrastructure	8,722,834	1,727,684	-	-	10,450,518
Total Capital Assets being Depreciated	<u>\$ 33,359,889</u>	<u>\$ 2,584,775</u>	<u>\$ (224,535)</u>	<u>\$ 47,588</u>	<u>\$ 35,767,717</u>
Business-type Activities					
Capital Assets not being Depreciated					
Land	\$ 2,154,521	\$ -	\$ -	\$ -	\$ 2,154,521
Construction in Progress	28,150	151,603	-	-	179,753
Total Capital Assets not being Depreciated	<u>\$ 2,182,671</u>	<u>\$ 151,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,334,274</u>
Capital Assets being Depreciated					
Buildings	\$ 4,332,627	\$ -	\$ -	\$ -	\$ 4,332,627
Improvements	5,213,308	-	-	-	5,213,308
Machinery & Equipment	1,935,182	-	-	(47,588)	1,887,594
Infrastructure	30,365,964	332,643	-	-	30,698,607
Total Capital Assets being Depreciated	<u>\$ 41,847,081</u>	<u>\$ 332,643</u>	<u>\$ -</u>	<u>\$ (47,588)</u>	<u>\$ 42,132,136</u>
Governmental Activities					
Accumulated Depreciation					
Buildings	\$ 4,303,502	\$ 183,511	\$ -	\$ -	\$ 4,487,013
Improvements	3,282,700	357,901	-	-	3,640,601
Machinery & Equipment	7,032,990	876,669	(224,535)	47,588	7,732,712
Infrastructure	4,019,648	404,809	-	-	4,424,457
Total Accumulated Depreciation	<u>\$ 18,638,840</u>	<u>\$ 1,822,890</u>	<u>\$ (224,535)</u>	<u>\$ 47,588</u>	<u>\$ 20,284,783</u>
Business-type Activities					
Accumulated Depreciation					
Buildings	\$ 1,898,755	\$ 108,339	\$ -	\$ -	\$ 2,007,094
Improvements	418,414	107,576	-	-	525,990
Machinery & Equipment	1,470,407	138,482	-	(47,588)	1,561,301
Infrastructure	10,720,558	673,019	-	-	11,393,577
Total Accumulated Depreciation	<u>\$ 14,508,134</u>	<u>\$ 1,027,416</u>	<u>\$ -</u>	<u>\$ (47,588)</u>	<u>\$ 15,487,962</u>
Total Governmental Activities, Net	\$ 19,596,577	\$ 1,211,541	\$ -	\$ -	\$ 20,808,118
Total Business-type Activities, Net	\$ 29,521,618	\$ (543,170)	\$ -	\$ -	\$ 28,978,448

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Schedule of Changes to Long-Term Liabilities – Governmental Activities

	Balance			Balance	
	June 30, 2016	Additions	Reductions	June 30, 2017	Due within 1 Year
Compensated Absences	\$ 526,326	\$ 570,003	\$ 351,256	\$ 745,073	\$ 351,256
Net OPEB Obligation	2,993,453	615,942	344,506	3,264,889	-
Capital Leases	1,400,958	411,411	590,465	1,221,904	488,427
Bonds Payable	2,668,131	-	149,475	2,518,656	150,321
Net Pension Liability	1,275,690	744,994	-	2,020,684	-
Totals	<u>\$ 8,864,558</u>	<u>\$ 2,342,350</u>	<u>\$ 1,435,702</u>	<u>\$ 9,771,206</u>	<u>\$ 990,004</u>

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

	Balance			Balance	
	June 30, 2016	Additions	Reductions	June 30, 2017	Due Within 1 Year
Compensated Absences	\$ 13,077	\$ 31,357	\$ 15,746	\$ 28,688	\$ 15,746
Net OPEB Obligation	168,192	39,828	28,689	179,331	-
State Revolving Loan	6,427,229	-	286,689	6,140,540	347,942
General Obligation Refunding Bond	1,201,870	-	440,525	761,345	459,679
Capital Leases	92,003	-	49,581	42,422	20,988
Debt Refunding Premium	41,467	-	21,631	19,836	19,836
Net Pension Liability	84,612	46,350	-	130,962	-
Totals	<u>\$ 8,028,450</u>	<u>\$ 117,535</u>	<u>\$ 842,861</u>	<u>\$ 7,303,124</u>	<u>\$ 864,191</u>

Other Matters

Fiscal Year 2017 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.

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 2017. At June 30, 2017, \$2,040,454 of the General Fund is committed to the fleet maintenance program. The use of funds as a part of the fleet management program will be used to procure motor vehicles without the need of debt service beginning in fiscal year 2018.

The City's Tourism Fund (Hotel / Motel Tax) revenue for fiscal year 2017 was \$688,242, and increase of up \$29,643 over the prior year, approximately a 4% increase. It is expected that a continual increase in this fund will occur over the next several years with the construction of five new hotels and the city's tourism efforts to attract more visitation to the city.

Local Option Sales Tax collections increased in fiscal year 2017 due to an improved economy. Collections for the year were \$4,422,930 which was a \$160,612 increase from fiscal year 2016, 3.76%. 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 fourth 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, 2016.

The City's Solid Waste Fund operated soundly during fiscal year 2017. The City outsources the garbage pickup and recycling services, while continuing to operate an onsite collection facility. The Sanitation function had operating expenditures of \$952,357 with revenues of \$1,014,830 in fiscal year 2017.

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The City's Stormwater Utility operated very soundly during fiscal year 2017. Revenues for the fiscal year 2017 were \$907,215 with total funds available being \$2,387,596. During fiscal year 2017, many storm water infrastructure projects were completed and many more started. Total expenditures during the year same period of time there were \$1,300,738, leaving a fund balance of \$1,086,858 at June 30, 2017.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,662,816	\$ 11,653,089	\$ 22,315,905
Receivables, Net	6,275,934	577,271	6,853,205
Prepaid Items	207,757	9,583	217,340
Deposits	-	100	100
Subtotal Assets	<u>17,146,507</u>	<u>12,240,043</u>	<u>29,386,550</u>
Capital Assets:			
Land, Land Improvements & Construction in Progress	5,325,184	2,334,274	7,659,458
Other Capital Assets, Net of Depreciation	15,482,937	26,644,175	42,127,112
Total Capital Assets	<u>20,808,121</u>	<u>28,978,448</u>	<u>49,786,569</u>
 Total Assets	<u>37,954,628</u>	<u>41,218,491</u>	<u>79,173,119</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pensions	<u>2,287,492</u>	<u>150,274</u>	<u>2,437,766</u>
 Total Deferred Outflows of Resources	<u>2,287,492</u>	<u>150,274</u>	<u>2,437,766</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,412,189	229,354	1,641,543
Long-term Liabilities:			
Compensated Absences	745,073	28,688	773,761
Net OPEB Obligation	3,264,889	179,331	3,444,220
Current Portion of Long-term Debt	638,748	828,609	1,467,357
Long-term Debt	3,097,612	6,135,534	9,233,146
Net Pension Liability	2,020,684	130,962	2,151,646
Total Liabilities	<u>11,179,195</u>	<u>7,532,478</u>	<u>18,711,673</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	<u>4,483,322</u>	<u>-</u>	<u>4,483,322</u>
 Total Deferred Inflows of Resources	<u>4,483,322</u>	<u>-</u>	<u>4,483,322</u>
NET POSITION			
Net Investment in Capital Assets	17,071,758	22,014,305	39,086,063
Restricted for:			
Drug	59,664	-	59,664
Tourism	780,318	-	780,318
Stormwater Utility	627,397	-	627,397
Solid Waste	78,655	-	78,655
Electronic Citation	286	-	286
Unrestricted	5,961,525	11,821,982	17,783,507
Total Net Position	<u>\$ 24,579,603</u>	<u>\$ 33,836,287</u>	<u>\$ 58,415,890</u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,757,841	\$ 685,533	\$ -	\$ 349,833	\$ (1,722,475)	\$ -	\$ (1,722,475)
Public safety	7,521,379	340,545	34,200	-	(7,146,634)	-	(7,146,634)
Public works	1,600,430	-	474,259	-	(1,126,171)	-	(1,126,171)
Solid Waste	945,688	1,014,831	-	-	69,143	-	69,143
Parks and recreation	1,797,012	334,350	-	-	(1,462,662)	-	(1,462,662)
Tourism	782,321	24,889	3,281	-	(754,151)	-	(754,151)
Stormwater Utility	289,360	899,364	-	-	610,004	-	610,004
Electronic Citation	-	8,469	-	-	8,469	-	8,469
Interest on long-term debt	111,068	-	-	-	(111,068)	-	(111,068)
Total Governmental Activities	<u>15,805,099</u>	<u>3,307,981</u>	<u>511,740</u>	<u>349,833</u>	<u>(11,635,545)</u>	<u>-</u>	<u>(11,635,545)</u>
Business-type Activities:							
Sewer	4,971,845	5,809,005	-	-	-	837,160	837,160
Total Business-type Activities	<u>4,971,845</u>	<u>5,809,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837,160</u>	<u>837,160</u>
Total Primary Government	<u>\$ 20,776,944</u>	<u>\$ 9,116,986</u>	<u>\$ 511,740</u>	<u>\$ 349,833</u>	<u>\$ (11,635,545)</u>	<u>\$ 837,160</u>	<u>\$ (10,798,385)</u>
General Revenues:							
Property and Personalty Taxes					\$ 4,538,409	\$ -	\$ 4,538,409
TVA and Other PILOT Taxes					197,136	-	197,136
Income Taxes					149,424	-	149,424
Sales Taxes					5,742,902	-	5,742,902
Alcoholic Beverage Taxes					599,933	-	599,933
Business Taxes					440,116	-	440,116
Hospitality Taxes					656,403	-	656,403
Cable Taxes					127,046	-	127,046
Franchise Taxes					418,384	-	418,384
Miscellaneous State Taxes					14,913	-	14,913
Unrestricted Investment Earnings					42,575	71,988	114,563
Insurance Proceeds					13,551	-	13,551
Drug and Gambling Revenue					22,916	-	22,916
Miscellaneous					51,516	31,150	82,666
Transfers, Net					143,730	(143,730)	-
Total General Revenues and Transfers					<u>13,158,954</u>	<u>(40,592)</u>	<u>13,118,362</u>
Change in Net Position					1,523,409	796,568	2,319,977
Net Position - July 1, 2016					23,056,194	33,039,719	56,095,913
Net Position - June 30, 2017					<u>\$ 24,579,603</u>	<u>\$ 33,836,287</u>	<u>\$ 58,415,890</u>

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Stormwater Utility Fund	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash in Bank	\$ 7,729,689	\$ 1,702,862	\$ 1,230,267	\$ 10,662,818
Receivables, Net	4,789,386	118,888	317,496	5,225,770
Intergovernmental Receivables	726,802	-	-	726,802
Prepaid Items	205,508	105	2,144	207,757
Total Assets	\$ 13,451,385	\$ 1,821,855	\$ 1,549,907	\$ 16,823,147
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	\$ 180,380	\$ 732,644	\$ 171,512	\$ 1,084,536
Other Current Liabilities	44,110	714	5,006	49,830
Accrued Wages and Taxes	235,450	1,639	3,899	240,988
Total Liabilities	459,940	734,997	180,417	1,375,354
Deferred Inflows of Resources - Deferred Property Tax	4,483,322	-	-	4,483,322
Fund Balances				
Nonspendable:				
Prepaid Items	205,508	104	2,145	207,757
Restricted For:				
Drug	-	-	55,182	55,182
Tourism	-	-	644,633	644,633
Stormwater Utility	-	1,078,904	-	1,078,904
Solid Waste	-	-	116,149	116,149
Electronic Citation	-	-	286	286
Committed To:				
Fleet Maintenance	2,040,454	-	-	2,040,454
Assigned To:				
OPEB	506,818	-	-	506,818
Tourism	-	-	247,915	247,915
Capital Projects	-	-	299,268	299,268
Sanitation	-	-	3,912	3,912
Stormwater Utility	-	7,850	-	7,850
Unassigned	5,755,343	-	-	5,755,343
Total Fund Balances	8,508,123	1,086,858	1,369,490	10,964,471
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,451,385	\$ 1,821,855	\$ 1,549,907	\$ 16,823,147
Reconciliation of Balance Sheet- Governmental Funds to Statement of Net Assets are different because:				
Total Governmental Fund Balances				\$ 10,964,471
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.				20,808,121
Deferred outflows of resources that are not report in the funds				2,287,492
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.				(9,803,844)
Net Position of the Governmental Activities				\$ 24,579,603

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, 2017

	General Fund	Stormwater Utility Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$ 10,511,884	\$ -	\$ -	\$ 10,511,884
Licenses and Permits	630,271	-	-	630,271
Fines	340,545	-	-	340,545
Drug and Gambling Revenue	-	-	22,917	22,917
Intergovernmental Revenues	2,265,235	-	-	2,265,235
Charges for Services	349,216	899,364	1,044,275	2,292,855
Hotel/ Motel Taxes	-	-	656,403	656,403
Interest	-	-	3,669	3,669
Miscellaneous Revenues	46,800	7,851	3,913	58,564
Total Revenues	<u>14,143,951</u>	<u>907,215</u>	<u>1,731,177</u>	<u>16,782,343</u>
Expenditures				
Current:				
General Government	2,532,488	-	-	2,532,488
Public Safety	6,855,051	-	29,268	6,884,319
Public Works	743,606	-	-	743,606
Street Lights - Public Works	171,901	-	-	171,901
Street Maintenance - Public Works	40,273	-	-	40,273
Solid Waste	-	-	916,764	916,764
Drug Fund	-	-	1,436	1,436
Parks and Recreation	1,581,887	-	-	1,581,887
Tourism	909	-	503,173	504,082
Stormwater Utility	-	242,258	-	242,258
Debt Service:				
Principal	867,803	-	-	867,803
Interest	134,168	-	-	134,168
Capital Outlay	809,066	1,058,480	455,687	2,323,233
Street Paving	711,200	-	-	711,200
Total Expenditures	<u>14,448,352</u>	<u>1,300,738</u>	<u>1,906,328</u>	<u>17,655,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(304,401)</u>	<u>(393,523)</u>	<u>(175,151)</u>	<u>(873,075)</u>
Other Financing Sources (Uses)				
Contributions and Grants	-	-	353,114	353,114
Transfers In (Out)	143,730	-	-	143,730
Sales of Capital Assets	33,874	-	1,898	35,772
Capital Leases	410,857	-	-	410,857
Insurance Recoveries	13,551	-	-	13,551
Debt Proceeds	-	-	153,800	153,800
Total Other Financing Sources (Uses)	<u>602,012</u>	<u>-</u>	<u>508,812</u>	<u>1,110,824</u>
Net Change in Fund Balances	297,611	(393,523)	333,661	237,749
Fund Balance - July 1, 2016	<u>8,210,512</u>	<u>1,480,381</u>	<u>1,035,829</u>	<u>10,726,722</u>
Fund Balance - June 30, 2017	<u>\$ 8,508,123</u>	<u>\$ 1,086,858</u>	<u>\$ 1,369,490</u>	<u>\$ 10,964,471</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, 2017

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	\$ 237,749
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 \$3,034,433 exceeded depreciation expense of \$1,822,890 in the current period.	1,211,543
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.	(33,380)
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.	326,241
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.	(218,744)
	\$ 1,523,409

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, 2017

	General Fund				Special Revenue Fund Stormwater Utility Fund			
	Budgeted Amounts		Actual	Positive (Negative) Variance with Final	Budgeted Amounts		Actual	Positive (Negative) Variance with Final
	Original	Final			Original	Final		
Revenues								
Local Taxes:								
Property and Personalty Taxes	\$ 4,259,000	\$ 4,259,000	\$ 4,578,807	\$ 319,807	\$ -	\$ -	\$ -	\$ -
Sales Taxes	4,230,000	4,230,000	4,422,930	192,930	-	-	-	-
Alcoholic Beverage Taxes	620,000	620,000	524,602	(95,398)	-	-	-	-
Business Taxes	350,000	350,000	440,116	90,116	-	-	-	-
Cable Taxes	120,000	120,000	127,046	7,046	-	-	-	-
Franchise Taxes	350,000	350,000	418,384	68,384	-	-	-	-
Licenses and Permits	144,500	144,500	630,271	485,771	-	-	-	-
Fines	371,200	371,200	340,545	(30,655)	-	-	-	-
Intergovernmental Revenues:								
Sales Taxes	1,282,000	1,282,000	1,319,972	37,972	-	-	-	-
Gasoline and Motor Fuel Taxes	405,000	405,000	305,303	(99,697)	-	-	-	-
Gas 1989 Taxes	-	-	48,830	48,830	-	-	-	-
Gas 3 Cent Taxes	-	-	90,629	90,629	-	-	-	-
Petroleum Special Taxes	32,000	32,000	29,497	(2,503)	-	-	-	-
Income Taxes	157,000	157,000	164,337	7,337	-	-	-	-
Alcoholic Beverage Taxes	64,000	64,000	75,331	11,331	-	-	-	-
TVA - In Lieu of Tax	237,000	237,000	197,136	(39,864)	-	-	-	-
Grants	35,000	35,000	34,200	(800)	-	-	-	-
Charges for Services	305,200	305,200	349,214	44,014	930,000	930,000	899,364	(30,636)
Miscellaneous Revenues	22,500	22,500	46,800	24,300	2,000	2,000	7,850	5,850
Total Revenues	12,984,400	12,984,400	14,143,951	1,159,550	932,000	932,000	907,214	(24,786)
Expenditures								
Current:								
General Government:								
Salaries and Benefits	1,481,953	1,481,953	1,427,193	54,760	-	-	-	-
Repairs and Maintenance	86,500	86,500	53,628	32,872	-	-	-	-
Supplies	60,200	60,200	91,533	(31,333)	-	-	-	-
Retirees Benefits	400,000	400,000	344,507	55,493	-	-	-	-
Other Operating Expenses	631,536	714,936	615,630	99,306	-	-	-	-
Public Safety - Police:								
Salaries and Benefits	4,143,350	4,143,350	4,072,854	70,496	-	-	-	-
Repairs and Maintenance	215,000	215,000	182,656	32,344	-	-	-	-
Supplies	148,000	148,000	105,410	42,590	-	-	-	-
Other Operating Expenses	395,100	395,100	344,210	50,890	-	-	-	-
Public Safety - Fire:								
Salaries and Benefits	1,780,409	1,780,409	1,838,690	(58,281)	-	-	-	-
Repairs and Maintenance	75,000	75,000	66,774	8,226	-	-	-	-
Supplies	52,000	52,000	68,649	(16,649)	-	-	-	-
Other Operating Expenses	169,800	169,800	175,807	(6,007)	-	-	-	-
Public Works:								
Salaries and Benefits	539,046	539,046	493,847	45,199	-	-	-	-
Repairs and Maintenance	185,000	185,000	124,522	60,478	-	-	-	-
Supplies	33,000	33,000	25,863	7,137	-	-	-	-
Street Lighting	175,000	175,000	171,901	3,099	-	-	-	-
Other Operating Expenses	199,000	199,000	139,647	59,353	-	-	-	-
Parks and Recreation:								
Salaries and Benefits	970,321	970,321	1,006,727	(36,406)	-	-	-	-
Repairs and Maintenance	190,000	190,000	181,233	8,767	-	-	-	-
Supplies	30,000	30,000	26,021	3,979	-	-	-	-
Other Operating Expenses	358,000	358,000	367,904	(9,904)	-	-	-	-
Tourism:								
Salaries and Benefits	346,544	346,544	909	345,635	-	-	-	-
Repairs and Maintenance	65,000	65,000	-	65,000	-	-	-	-
Supplies	44,500	44,500	-	44,500	-	-	-	-
Other Operating Expenses	162,500	162,500	-	162,500	-	-	-	-
Capital Outlay	1,883,100	2,013,100	1,520,266	492,834	-	-	-	-
Debt Service:								
Principal	948,914	948,914	867,803	81,111	-	-	-	-
Interest	199,491	199,491	134,168	65,323	-	-	-	-
Stormwater:								
Salaries and Benefits	-	-	-	-	220,055	220,055	167,840	52,215
Repairs and Maintenance	-	-	-	-	5,000	5,000	4,529	471
Supplies	-	-	-	-	10,000	10,000	9,188	812
Other Operating Expenses	-	-	-	-	126,500	126,500	60,700	65,800
Stormwater Utility	-	-	-	-	1,624,000	1,624,000	1,058,480	565,520
Total Expenditures	15,968,264	16,181,664	14,448,352	1,733,312	1,985,555	1,985,555	1,300,737	684,818
Excess of Revenues Over (Under) Expenditures	(2,983,864)	(3,197,264)	(304,401)	2,892,863	(1,053,555)	(1,053,555)	(393,523)	660,032
Other Financing Sources (Uses)								
Transfers In (Out)	407,960	407,960	143,730	(264,230)	-	-	-	-
Sales of Capital Assets	-	-	33,874	33,874	-	-	-	-
Capital Leases	416,000	416,000	410,857	(5,143)	-	-	-	-
Insurance Recoveries	-	-	13,551	13,551	-	-	-	-
Total Other Financing Sources (Uses)	823,960	823,960	602,012	(221,948)	-	-	-	-
Net Change in Fund Balances	(2,159,904)	(2,373,304)	297,611	2,670,915	(1,053,555)	(1,053,555)	(393,523)	660,032
Fund Balance - July 1, 2016	8,210,512	8,210,512	8,210,512	-	1,480,381	1,480,381	1,480,381	-
Fund Balance - June 30, 2017	\$ 6,050,608	\$ 5,837,208	\$ 8,508,123	\$ 2,670,915	\$ 426,826	\$ 426,826	\$ 1,086,858	\$ 660,032

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Fund Net Position
Proprietary Funds
June 30, 2017

	Enterprise Fund Sewer Fund
Assets	
Current Assets	
Cash	\$ 11,653,089
Accounts Receivable, Less Allowance of \$188,172	577,271
Prepaid Items	9,583
Total Current Assets	12,239,943
Capital Assets	
Capital Assets	44,466,410
Accumulated Depreciation	(15,487,962)
Total Capital Assets	28,978,448
Utility Deposit	
Total Assets	100 41,218,491
Deferred Outflows of Resources	
Deferred Pensions	150,274
Total Deferred Outflows of Resources	150,274
Liabilities	
Accounts Payable	220,509
Accrued Interest Payable	2,141
Accrued Wages, Payroll Taxes and Deductions Payable	6,428
Other Current Liabilities	276
Current Portion of Long-term Liabilities	828,609
Total Current Liabilities	1,057,963
Long-Term Liabilities	
Compensated Absences Payable	28,688
Net OPEB Obligation	179,331
Notes Payable	21,426
Revenue Bonds Payable	6,114,108
Net Pension Liability	130,962
Total Long-term Liabilities	6,474,515
Total Liabilities	7,532,478
Net Position	
Net Investment in Capital Assets	22,014,305
Unrestricted	11,821,982
Total Net Position	\$ 33,836,287

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, 2017

	Enterprise Fund
	Sewer Fund
Operating Revenues	
Charges for Services:	
Sewer Fees	\$ 5,414,748
Sewer Flow Charges	120,057
Permits/Connection Fees	45,400
Total Operating Revenues	5,580,205
Operating Expenses	
Cost of Services	2,563,679
Administration	1,039,866
Depreciation and Amortization	1,027,416
Insurance	19,320
Repairs and Maintenance	154,455
Total Operating Expenses	4,804,736
Operating Income	775,469
Non-Operating Revenues (Expenses)	
Interest Revenue	71,988
Rental Revenue	28,000
Miscellaneous Revenue	3,150
Interest Expense	(167,109)
Total Non-Operating Revenues (Expenses)	(63,971)
Income before Contributions and Transfers	711,498
Tap Fees - Contributions	228,800
Transfers	(143,730)
Increase in Net Position	796,568
Net Position - July 1, 2016	33,039,719
Net Position - June 30, 2017	\$ 33,836,287

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Enterprise Fund
	Sewer Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 5,590,385
Cash Payments to Suppliers for Goods and Services	(3,040,352)
Cash Payments to Employees for Services	(605,758)
Net Cash Provided by Operating Activities	1,944,275
Cash Flows from Noncapital Financing Activities:	
Increase in Transfer to Other Funds	(143,730)
Net Cash Used by Noncapital Financing Activities	(143,730)
Cash Flows from Capital and Related Financing Activities:	
Principal Paid on Bonds/Notes	(776,795)
Interest Paid on Long-Term Debt	(169,672)
Cash Received from Tap Fees	228,800
Acquisition and Construction of Capital Assets	(484,246)
Net Cash Used by Capital and Related Financing Activities	(1,201,913)
Cash Flows from Investing Activities:	
Cash Received from Billboard Rentals	28,000
Interest Received	71,988
Net Cash Provided by Investing Activities	99,988
Net Increase in Cash	698,620
Cash at Beginning of Year	10,954,469
Cash at End of Year	\$ 11,653,089
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 775,469
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	1,027,416
Amortization of Bond Premium	(21,469)
Miscellaneous Revenue	3,150
(Increase) Decrease in:	
Accounts Receivable	7,030
Prepaid Items	(1,465)
Deferred Outflow - Pension	1,779
Increase (Decrease) in:	
Accounts Payable	142,145
Accrued Wages, Payroll Taxes and Deductions Payable	60
Compensated Absences Payable	15,611
Net OPEB Obligation	11,139
Net Pension Liability	46,350
Deferred Inflow - Pension	(62,940)
Net Cash Provided by Operating Activities	\$ 1,944,275
Supplemental Disclosure of Noncash Capital and Related Financing Activities:	
Transfer of Capital Asset from Sewer Fund to Stormwater Fund	\$ 47,588

See notes to the financial statements.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements
June 30, 2017

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 (the City) 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 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 – This fund is the primary operating fund of the City and 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 the Financial Statements – Continued
June 30, 2017

Note 1. Significant Accounting Policies – Continued

B. Government-wide and Fund Financial Statements - Continued

Special Revenue Funds – These 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 Stormwater Utility Fund is considered a major fund for reporting purposes. The Solid Waste, Tourism, Drug, and Electronic Citation Funds are not considered major funds for reporting purposes.

Capital Projects Fund – This fund 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 the Financial Statements – Continued
June 30, 2017

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 Useful <u>Life (Years)</u>
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 the Financial Statements – Continued
June 30, 2017

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 government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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 the Financial Statements – Continued
June 30, 2017

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 Fund, Solid Waste Fund, and Electronic Citation Fund totaling \$1,546,320.

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 the Financial Statements – Continued
June 30, 2017

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 appropriate 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, 2017, 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 the Financial Statements – Continued
June 30, 2017

Note 3. Pension Plan

A. General Information about the Pension Plan

Plan Description

Employees of the City 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.

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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	81
Inactive employees entitled to but not yet receiving benefits	143
Active employees	127
	351

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 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. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, employer contributions for The City were \$933,771 based on a rate of 14.97 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City'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 the Financial Statements – Continued
June 30, 2017

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

The City's net pension liability (asset) was measured as of June 30, 2016, 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, 2016 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, 2016 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 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%
		<hr/> 100%

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 the Financial Statements – Continued
June 30, 2017

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 the City 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)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 6/30/15	\$ 25,353,167	\$ 23,992,865	\$ 1,360,302
Changes for the Year:			
Service Cost	419,564	-	419,564
Interest	1,890,070	-	1,890,070
Differences Between Expected and Actual Experience	93,581	-	93,581
Contributions - Employer	-	919,489	(919,489)
Contributions - Employees	-	67,883	(67,883)
Net Investment Income	-	634,180	(634,180)
Benefit Payments, Including Refunds of Employee Contributions	(1,143,604)	(1,143,604)	-
Administrative Expense	-	(9,681)	9,681
Other Changes	-	-	-
Net Changes	<u>1,259,611</u>	<u>468,267</u>	<u>791,344</u>
Balance at 6/30/16	<u>\$ 26,612,778</u>	<u>\$ 24,461,132</u>	<u>\$ 2,151,646</u>

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

The following presents the net pension liability (asset) of the City 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:

	1% Decrease (6.5%)	Current Discount	1% Increase (8.5%)
Goodlettsville's Net Pension Liability (Asset)	\$ 5,835,509	\$ 2,151,646	\$ (894,519)

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, 2017, the City recognized pension expense of \$680,946.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements
June 30, 2017

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, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 688,151	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	815,801	-
Contributions Subsequent to the Measurement Date of June 30, 2016	933,771	(not applicable)
Total	\$ 2,437,723	\$ -

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2016,” 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:

Year Ended	Amount
June 30,	Amount
2018	\$ 222,757
2019	222,757
2020	587,897
2021	381,620
2022	75,558
Thereafter	13,363

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, 2017, the City reported a payable of \$12,973 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2017.

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 did not make any matching contributions to the plan for the year ended June 30, 2017.

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 the Financial Statements – Continued
June 30, 2017

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 \$38,197 for fiscal 2017, approximately 10% of total premiums. The City contributions to the program for the fiscal year 2017 were \$373,195.

C. Annual OPEB Cost and Net OPEB Obligation

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

	Governmental Activities	Business Activities	Total
Annual required contribution (ARC)	\$ 605,252	\$ 39,136	\$ 644,388
Interest on net OPEB obligation	133,633	8,641	142,274
Adjustments to annual required contributions	<u>(122,943)</u>	<u>(7,949)</u>	<u>(130,892)</u>
Annual OPEB cost (expense)	615,942	39,828	655,770
Contributions made	<u>(344,506)</u>	<u>(28,689)</u>	<u>(373,195)</u>
Increase in net OPEB obligation	271,436	11,139	282,575
Net OPEB obligation - beginning of the year	<u>2,993,453</u>	<u>168,192</u>	<u>3,161,645</u>
Net OPEB obligation - end of the year	<u>\$ 3,264,889</u>	<u>\$179,331</u>	<u>\$ 3,444,220</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

Year Ended June 30,	Annual OPEB Cost	Annual Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation/ (Asset)
2017	\$ 655,770	\$ 373,195	57%	\$ 3,444,220
2016	\$ 654,457	\$ 308,198	47%	\$ 3,161,645
2015	\$ 604,100	\$ 276,867	46%	\$ 2,815,387

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

Note 5. Post-retirement Health Care Benefits – Continued

D. Funded Status and Funding Progress

As of July 1, 2015, 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, 2015, 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, 2015 was 30 years.

Note 6. Property Taxes Receivable

Gross property taxes receivable of \$4,815,559 is summarized in the Revenue Capacity Information portion of the Statistical Section of this report on pages 61-67.

Note 7. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2017:

	Balance 6/30/2016	Additions	Disposals	Transfers	Balance 6/30/2017
Governmental Activities					
Capital Assets not being Depreciated					
Land	\$ 4,136,838	\$ -	\$ -	\$ -	\$ 4,136,838
Construction in Progress	738,690	449,656	-	-	1,188,346
Total Capital Assets not being Depreciated	<u>\$ 4,875,528</u>	<u>\$ 449,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,325,184</u>
Capital Assets being Depreciated					
Buildings	\$ 7,761,630	\$ 44,780	\$ -	\$ -	\$ 7,806,410
Improvements	7,563,220	78,962	-	-	7,642,182
Machinery & Equipment	9,312,205	733,349	(224,535)	47,588	9,868,607
Infrastructure	8,722,834	1,727,684	-	-	10,450,518
Total Capital Assets being Depreciated	<u>\$ 33,359,889</u>	<u>\$ 2,584,775</u>	<u>\$ (224,535)</u>	<u>\$ 47,588</u>	<u>\$ 35,767,717</u>

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

Note 7. Capital Assets – Continued

	Balance 6/30/2016	Additions	Disposals	Transfers	Balance 6/30/2017
Business-type Activities					
Capital Assets not being Depreciated					
Land	\$ 2,154,521	\$ -	\$ -	\$ -	\$ 2,154,521
Construction in Progress	28,150	151,603	-	-	179,753
Total Capital Assets not being Depreciated	\$ 2,182,671	\$ 151,603	\$ -	\$ -	\$ 2,334,274
Capital Assets being Depreciated					
Buildings	\$ 4,332,627	\$ -	\$ -	\$ -	\$ 4,332,627
Improvements	5,213,308	-	-	-	5,213,308
Machinery & Equipment	1,935,182	-	-	(47,588)	1,887,594
Infrastructure	30,365,964	332,643	-	-	30,698,607
Total Capital Assets being Depreciated	\$41,847,081	\$ 332,643	\$ -	\$ (47,588)	\$ 42,132,136
Governmental Activities					
Accumulated Depreciation					
Buildings	\$ 4,303,502	\$ 183,511	\$ -	\$ -	\$ 4,487,013
Improvements	3,282,700	357,901	-	-	3,640,601
Machinery & Equipment	7,032,990	876,669	(224,535)	47,588	7,732,712
Infrastructure	4,019,648	404,809	-	-	4,424,457
Total Accumulated Depreciation	\$18,638,840	\$ 1,822,890	\$ (224,535)	\$ 47,588	\$ 20,284,783
Business-type Activities					
Accumulated Depreciation					
Buildings	\$ 1,898,755	\$ 108,339	\$ -	\$ -	\$ 2,007,094
Improvements	418,414	107,576	-	-	525,990
Machinery & Equipment	1,470,407	138,482	-	(47,588)	1,561,301
Infrastructure	10,720,558	673,019	-	-	11,393,577
Total Accumulated Depreciation	\$14,508,134	\$ 1,027,416	\$ -	\$ (47,588)	\$ 15,487,962
Total Governmental Activities, Net	\$19,596,577	\$ 1,211,541	\$ -	\$ -	\$ 20,808,118
Total Business-type Activities, Net	\$29,521,618	\$ (543,170)	\$ -	\$ -	\$ 28,978,448

Depreciation Expense by Function

General Government	\$ 147,933
Public Safety	624,640
State Street Aid	641,990
Sanitation	28,695
Parks & Recreation	206,281
Tourism	128,221
Storm Water	45,130
Sewer	1,027,416
	<u>\$ 2,850,306</u>

The City received insurance proceeds in the amount of \$13,551 for the impairment of various capital assets disposed during 2017.

Note 8. Long-Term Debt

Below is a condensed schedule of maturities for long-term debt and obligations at June 30, 2017. A detailed Schedule of Long-term Debt, Principal, and Interest Requirements is included on pages 54 – 55 of this report.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

Note 8. Long-Term Debt – Continued

Year Ended	Principal Due	Interest Due
<u>June 30,</u>		
2018	\$ 1,467,357	\$ 276,676
2019	1,217,362	237,270
2020	708,342	212,570
2021	582,115	193,669
2022	506,128	177,824
2023-2027	2,730,004	680,553
2028-2032	3,124,745	288,112
2033	348,614	6,071
Total Long-Term Debt	<u>\$ 10,684,667</u>	<u>\$ 2,072,745</u>

Long-term debt and obligations payable at June 30, 2017 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 \$ 6,140,540

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. 761,345

Capital Lease Payable to Municipal Leasing Consultants, LLC Bearing Interest at 1.99% Per Annum, Payable in Annual Installments of \$51,417, Principal and Interest Payments are Based on Total Debt of \$286,431. 42,422

6,944,307

Plus unamortized premium 19,836

Total Sewer Fund Debt Payable 6,964,143

Less: Current Portion (828,609)

Long-Term Debt Payable - Sewer Fund \$ 6,135,534

The following is a summary of changes to long-term debt in the Business-type activities during the year ended June 30, 2017:

	Balance			Balance	Due Within
	<u>June 30, 2016</u>	Additions	Reductions	<u>June 30, 2017</u>	<u>1 Year</u>
Compensated Absences	\$ 13,077	\$ 31,357	\$ 15,746	\$ 28,688	\$ 15,746
Net OPEB Obligation	168,192	39,828	28,689	179,331	-
State Revolving Loan	6,427,229	-	286,689	6,140,540	347,942
General Obligation Refunding Bond	1,201,870	-	440,525	761,345	459,679
Capital Leases	92,003	-	49,581	42,422	20,988
Debt Refunding Premium	41,467	-	21,631	19,836	19,836
Net Pension Liability	84,612	46,350	-	130,962	-
Totals	<u>\$ 8,028,450</u>	<u>\$ 117,535</u>	<u>\$ 842,861</u>	<u>\$ 7,303,124</u>	<u>\$ 864,191</u>

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

Note 8. Long-Term Debt – Continued
Governmental Activities

Long-term debt and obligations payable at June 30, 2017 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	\$ 2,485,000
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	33,656
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.	201,344
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.	64,022
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	397,918
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	248,569
Capital Lease Payable to Ford Motor Credit Company LLC Bearing Interest at 6.00% Per Annum, Payable in Annual Installments of \$11,104 Principal and Interest Payments are Based on Total Debt of \$31,462 with the final payment due in December 2018	20,358
Capital Lease Payable to Magnolia Bank, Inc. Bearing Interest at 3.03% Per Annum, Payable in Annual Installments of \$5,606 Principal and Interest Payments are Based on Total Debt of \$21,445 with the final payment due in November 2019	15,839
Capital Lease Payable to Magnolia Bank, Inc. Bearing Interest at 3.18% Per Annum, Payable in Annual Installments of \$12,973 Principal and Interest Payments are Based on Total Debt of \$49,504 with the final payment due in June 2020	36,531
Capital Lease Payable to Magnolia Bank, Inc. Bearing Interest at 3.00% Per Annum, Payable in Annual Installments of \$42,112 Principal and Interest Payments are Based on Total Debt of \$161,158 with the final payment due in August 2019	119,046

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

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

Capital Lease Payable to PACCAR Financial Corp.
 Bearing Interest at 4.05% Per Annum, Payable in Annual Installments
 of \$32,624 Principal and Interest Payments are Based on
 Total Debt of \$147,842 with the final payment due in April 2021 118,276

Tennessee Municipal Bond Fund Fund, due in annual payments of
 principal ranging from \$158,000 through \$248,000 and semi-annual
 interest payments at 3.24%. Maturity date is April 1, 2031.
 Current year balance reflects an overpayment of principal due at year-end. (4,199)

Total Governmental Activities Long-Term Obligations	3,736,360
Less: Current Portion	<u>(638,748)</u>
Total Long-Term Governmental Activities Obligations	<u><u>\$ 3,097,612</u></u>

The following is a summary of changes to long-term liabilities in the Governmental Activities during the year ended June 30, 2017. The compensated absences liability, OPEB obligation and pension liability are attributable to the governmental activities will be liquidated primarily by the General Fund.

	Balance			Balance	
	June 30, 2016	Additions	Reductions	June 30, 2017	Due within 1 Year
Compensated Absences	\$ 526,326	\$ 570,003	\$ 351,256	\$ 745,073	\$ 351,256
Net OPEB Obligation	2,993,453	615,942	344,506	3,264,889	-
Capital Leases	1,400,958	411,411	590,465	1,221,904	488,427
Bonds Payable	2,668,131	-	149,475	2,518,656	150,321
Net Pension Liability	1,275,690	744,994	-	2,020,684	-
Totals	<u>\$ 8,864,558</u>	<u>\$ 2,342,350</u>	<u>\$ 1,435,702</u>	<u>\$ 9,771,206</u>	<u>\$ 990,004</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.

Note 9. Capital Leases

The City has ongoing capital lease agreements for the following capital assets as of June 30, 2017:

	Capitalized Cost
Public Safety Vehicles	\$ 1,114,656
General Government Vehicles/Equipment	1,023,341
Parks and Recreation Equipment	151,925
Public Works Equipment	1,137,565
Sewer Equipment	286,431
Total Assets in Machinery & Equipment	<u><u>\$ 3,713,918</u></u>

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception dates. The future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2017, are as follows:

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

Note 9. Capital Leases – Continued

Year Ended June 30,	Future Minimum Lease Pmts
2018	\$ 544,215
2019	457,576
2020	236,354
2021	94,027
2022	-
Total Minimum Lease Payments	1,332,172
Less: Amount Representing Interest	(67,849)
Present Value of Future Minimum Lease Payments	\$ 1,264,323

Note 10. Construction Commitments

The City has the following construction projects in progress at June 30, 2017:

Construction Project	Total Estimated Cost	Total Expenses Through FYE 6/30/17
Governmental Activities:		
Greenway	n/a	\$ 200,800
Main Street Redevelopment	n/a	623,974
Conference Drive Enhancement	n/a	78,959
Conference Drive CMAQ	n/a	180,052
Stream Bank	n/a	64,562
Hwy 31/41	n/a	40,000
Total Governmental Activities		\$ 1,188,347
Business Type Activities:		
Sewer Project	n/a	\$ 179,753

Note 11. Interfund Receivables/Payables/Transfers

There are no Interfund Receivables and Payables as of June 30, 2017.

The composition of interfund transfers for the year ended June 30, 2017, consisted of \$143,730 transfer from the Sewer Fund to the General Fund.

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.

CITY OF GOODLETTSVILLE, TENNESSEE
Notes to the Financial Statements – Continued
June 30, 2017

Note 13. Risk Management

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

Note 14. Upcoming Accounting Pronouncement

GASB has issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, Statement No. 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. Management of the City believes implementation of Statement No. 75 will increase the OPEB liability for the OPEB Plan disclosed in Note 5 and will decrease the unrestricted net position. Statement No.75 is required to be adopted by the City for the fiscal year ending June 30, 2018.

Required Supplementary Information

CITY OF GOODLETTSVILLE, TENNESSEE
Required Supplementary Information
Schedule of Post-retirement Health Care Benefits Program Funding Progress
(Dollar Amounts in Thousands)
June 30, 2017

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/(c))
July 1, 2015	-	\$ 9,239	\$ 9,239	0.00%	\$ 6,195	149.14%
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%

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>	<u>2016</u>
Total Pension Liability			
Service Cost	\$ 359,116	\$ 404,575	\$ 419,564
Interest	1,658,224	1,775,558	1,890,070
Changes in Benefit Terms	-	-	-
Differences Between Actual & Expected Experience	519,740	435,324	93,581
Change of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(972,500)</u>	<u>(1,063,650)</u>	<u>(1,143,604)</u>
Net Change in Total Pension Liability	1,564,580	1,551,807	1,259,611
Total Pension Liability - Beginning	<u>22,236,780</u>	<u>23,801,360</u>	<u>25,353,167</u>
Total Pension Liability - Ending (a)	<u>\$ 23,801,360</u>	<u>\$ 25,353,167</u>	<u>\$ 26,612,778</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 795,723	\$ 902,048	\$ 919,489
Contributions - Employee	20,214	49,280	67,883
Net investment income	3,336,100	718,665	634,180
Benefit Payments, Including Refunds of Employee Contributions	(972,500)	(1,063,650)	(1,143,604)
Administrative Expense	(5,530)	(6,476)	(9,681)
Other	-	(746)	-
Net Change in Plan Fiduciary Net Position	<u>3,174,007</u>	<u>599,121</u>	<u>468,267</u>
Plan Fiduciary Net Position - Beginning	<u>20,219,737</u>	<u>23,393,744</u>	<u>23,992,865</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 23,393,744</u>	<u>\$ 23,992,865</u>	<u>\$ 24,461,132</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 407,616</u>	<u>\$ 1,360,302</u>	<u>\$ 2,151,646</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.29%	94.63%	91.91%
Covered-Employee Payroll	\$ 5,468,883	\$ 6,021,684	\$ 6,138,715
Net Pension Liability as a Percentage of Covered-Employee Payroll	7.45%	22.59%	35.05%

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>	<u>2017</u>
Actuarially Determined Contribution	\$ 795,723	\$ 902,048	\$ 919,489	\$ 993,771
Contributions in Relation to the Actuarially Determined Contribution	<u>795,723</u>	<u>902,048</u>	<u>919,489</u>	<u>993,771</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 5,468,883	\$ 6,021,684	\$ 6,138,715	\$ 6,336,219
Contributions as a Percentage Covered-Employee Payroll	14.55%	14.98%	14.98%	15.68%

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 the year ended June 30, 2017 were calculated based on the June 30, 2015 actuarial valuation. Detailed below are the methods and assumptions used in the June 30, 2015 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	Varies by Year
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

Supplemental Information

CITY OF GOODLETTSVILLE, TENNESSEE
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2017

	<u>Special Revenue</u>				<u>Total Special Revenue Funds</u>	<u>Capital Projects</u>	<u>Total Non-major Governmental Funds</u>
	<u>Solid Waste Fund</u>	<u>Drug Fund</u>	<u>Tourism Fund</u>	<u>Electronic Citation Fund</u>		<u>Capital Projects Fund</u>	
Assets							
Cash	\$ 92,955	\$ 55,220	\$ 897,265	\$ -	\$ 1,045,440	\$ 184,827	\$ 1,230,267
Receivables, Net	150,083	-	-	5,000	155,083	162,413	317,496
Prepaid Items	-	-	2,144	-	2,144	-	2,144
Total Assets	<u>\$ 243,038</u>	<u>\$ 55,220</u>	<u>\$ 899,409</u>	<u>\$ 5,000</u>	<u>\$ 1,202,667</u>	<u>\$ 347,240</u>	<u>\$ 1,549,907</u>
Liabilities and Fund Equity							
Liabilities							
Accounts Payable	\$ 120,345	\$ 38	\$ 3,157	\$ -	\$ 123,540	\$ 47,972	\$ 171,512
Other Liabilities	-	-	292	4,714	5,006	-	5,006
Accrued Wages and Taxes	2,632	-	1,267	-	3,899	-	3,899
Total Liabilities	<u>122,977</u>	<u>38</u>	<u>4,716</u>	<u>4,714</u>	<u>132,445</u>	<u>47,972</u>	<u>180,417</u>
Fund Balances							
Nonspendable:							
Prepaid Items	-	-	2,145	-	2,145	-	2,145
Restricted For:							
Drug Fund	-	55,182	-	-	55,182	-	55,182
Tourism Fund	-	-	644,633	-	644,633	-	644,633
Stormwater Utility Fund	-	-	-	-	-	-	-
Solid Waste Fund	116,149	-	-	-	116,149	-	116,149
Electronic Citation Fund	-	-	-	286	286	-	286
Assigned To:							
Tourism Fund	-	-	247,915	-	247,915	-	247,915
Capital Projects	-	-	-	-	-	299,268	299,268
Sanitation	3,912	-	-	-	3,912	-	3,912
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>120,061</u>	<u>55,182</u>	<u>894,693</u>	<u>286</u>	<u>1,070,222</u>	<u>299,268</u>	<u>1,369,490</u>
Total Liabilities and Fund Balances	<u>\$ 243,038</u>	<u>\$ 55,220</u>	<u>\$ 899,409</u>	<u>\$ 5,000</u>	<u>\$ 1,202,667</u>	<u>\$ 347,240</u>	<u>\$ 1,549,907</u>

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, 2017

	Special Revenue				Total Special Revenue Funds	Capital Projects	Total Non-major Governmental Funds
	Solid Waste Fund	Drug Fund	Tourism Fund	Electronic Citation Fund		Capital Projects Fund	
Revenues							
Drug Revenue	\$ -	\$ 22,917	\$ -	\$ -	\$ 22,917	\$ -	\$ 22,917
Hotel/ Motel Taxes	-	-	656,403	-	656,403	-	656,403
Charges for Services	1,010,917	-	24,889	8,469	1,044,275	-	1,044,275
Interest	-	-	3,669	-	3,669	-	3,669
Miscellaneous Revenue	3,913	-	-	-	3,913	-	3,913
Total Revenues	<u>1,014,830</u>	<u>22,917</u>	<u>684,961</u>	<u>8,469</u>	<u>1,731,177</u>	<u>-</u>	<u>1,731,177</u>
Expenditures							
Current:							
Solid Waste Fund	916,764	-	-	-	916,764	-	916,764
Drug Fund	-	1,436	-	-	1,436	-	1,436
Tourism Fund	-	-	503,173	-	503,173	-	503,173
Electronic Citation Fund	-	-	-	29,268	29,268	-	29,268
Capital Outlay	35,593	-	35,000	-	70,593	385,094	455,687
Total Expenditures	<u>952,357</u>	<u>1,436</u>	<u>538,173</u>	<u>29,268</u>	<u>1,521,234</u>	<u>385,094</u>	<u>1,906,328</u>
Excess of Revenues Over (Under) Expenditures	62,473	21,481	146,788	(20,799)	209,943	(385,094)	(175,151)
Other Financing Sources (Uses)							
Proceeds from Sale of Capital Assets	-	1,898	-	-	1,898	-	1,898
Debt Proceeds	-	-	-	-	-	153,800	153,800
Contributions and Grants	-	-	3,281	5,000	8,281	344,833	353,114
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,898</u>	<u>3,281</u>	<u>5,000</u>	<u>10,179</u>	<u>498,633</u>	<u>508,812</u>
Net Change in Fund Balances	62,473	23,379	150,069	(15,799)	220,122	113,539	333,661
Fund Balance - July 1, 2016	<u>57,588</u>	<u>31,803</u>	<u>744,624</u>	<u>16,085</u>	<u>850,100</u>	<u>185,729</u>	<u>1,035,829</u>
Fund Balance - June 30, 2017	<u>\$ 120,061</u>	<u>\$ 55,182</u>	<u>\$ 894,693</u>	<u>\$ 286</u>	<u>\$ 1,070,222</u>	<u>\$ 299,268</u>	<u>\$ 1,369,490</u>

See independent auditors' report.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds - Nonmajor Funds
For the Year Ended June 30, 2017

	Solid Waste Fund				Drug Fund			
	Original Budgeted	Final Budgeted	Actual	Variance Favorable (Unfavorable)	Original Budgeted	Final Budgeted	Actual	Variance Favorable (Unfavorable)
Revenues								
Drug and Gambling Revenue	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000	\$ 22,917	\$ 6,917
Charges for Services	918,450	918,450	1,010,917	92,467	-	-	-	-
Miscellaneous Revenues	7,000	7,000	3,913	(3,087)	-	-	-	-
Total Revenues	<u>925,450</u>	<u>925,450</u>	<u>1,014,830</u>	<u>89,381</u>	<u>16,000</u>	<u>16,000</u>	<u>22,917</u>	<u>6,917</u>
Expenditures								
Current:								
Solid Waste								
Salaries and Benefits	98,502	98,502	74,702	23,800	-	-	-	-
Supplies	4,000	4,000	3,314	686	-	-	-	-
Repairs and Maintenance	3,000	3,000	1,252	1,748	-	-	-	-
Solid Waste Contract	720,000	720,000	721,854	(1,854)	-	-	-	-
Other Operating Expenses	30,500	30,500	115,642	(85,142)	-	-	-	-
Capital Outlay	40,000	40,000	35,593	4,407	-	-	-	-
Drug and Gambling								
Supplies	-	-	-	-	5,000	5,000	1,436	3,564
Other Operating Expenses	-	-	-	-	5,000	5,000	-	5,000
Debt Service:								
Principal	-	-	-	-	12,720	12,720	-	12,720
Total Expenditures	<u>896,002</u>	<u>896,002</u>	<u>952,357</u>	<u>(56,354)</u>	<u>22,720</u>	<u>22,720</u>	<u>1,436</u>	<u>21,284</u>
Excess of Revenues Over (Under) Expenditures	29,448	29,448	62,473	33,025	(6,720)	(6,720)	21,481	28,201
Other Financing Sources								
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	1,898	1,898
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,898</u>	<u>1,898</u>
Net Change in Fund Balance	29,448	29,448	62,473	33,025	(6,720)	(6,720)	23,379	30,099
Fund Balance - July 1, 2016	<u>57,588</u>	<u>57,588</u>	<u>57,588</u>	<u>-</u>	<u>31,803</u>	<u>31,803</u>	<u>31,803</u>	<u>-</u>
Fund Balance - June 30, 2017	<u>\$ 87,036</u>	<u>\$ 87,036</u>	<u>\$ 120,061</u>	<u>\$ 33,025</u>	<u>\$ 25,083</u>	<u>\$ 25,083</u>	<u>\$ 55,182</u>	<u>\$ 30,099</u>

See independent auditors' report.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Special Revenue Funds - Nonmajor Funds
For the Year Ended June 30, 2017

	<u>Tourism Fund</u>				<u>Electronic Citation Fund</u>			
	<u>Original Budgeted</u>	<u>Final Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Original Budgeted</u>	<u>Final Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues								
Hotel/ Motel Tax	\$ 600,000	\$ 600,000	\$ 656,403	\$ 56,403	\$ -	\$ -	\$ -	\$ -
Charges for Services	23,500	23,500	24,889	1,389	9,500	9,500	8,469	(1,031)
Interest	800	800	3,669	2,869	-	-	-	-
Total Revenues	<u>624,300</u>	<u>624,300</u>	<u>684,961</u>	<u>60,661</u>	<u>9,500</u>	<u>9,500</u>	<u>8,469</u>	<u>(1,031)</u>
Expenditures								
Current:								
Tourism								
Salaries and Benefits	-	-	255,003	(255,003)	-	-	-	-
Supplies	-	-	58,251	(58,251)	-	-	-	-
Repairs and Maintenance	-	-	52,406	(52,406)	-	-	-	-
Other Operating Expenses	713,543	713,543	137,513	576,030	-	-	-	-
Capital Outlay	-	-	35,000	(35,000)	-	-	-	-
Electronic Citation								
Supplies	-	-	-	-	29,600	34,600	29,268	5,332
Total Expenditures	<u>713,543</u>	<u>713,543</u>	<u>538,173</u>	<u>175,370</u>	<u>29,600</u>	<u>34,600</u>	<u>29,268</u>	<u>5,332</u>
Excess of Revenues Over (Under) Expenditures	(89,243)	(89,243)	146,788	236,031	(20,100)	(25,100)	(20,799)	4,301
Other Financing Sources								
Contributions and Grants	-	-	3,281	3,281	5,000	10,000	5,000	(5,000)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,281</u>	<u>3,281</u>	<u>5,000</u>	<u>10,000</u>	<u>5,000</u>	<u>(5,000)</u>
Net Change in Fund Balance	(89,243)	(89,243)	150,069	239,312	(15,100)	(15,100)	(15,799)	(699)
Fund Balance - July 1, 2016	<u>744,624</u>	<u>744,624</u>	<u>744,624</u>	<u>-</u>	<u>16,085</u>	<u>16,085</u>	<u>16,085</u>	<u>-</u>
Fund Balance - June 30, 2017	<u>\$ 655,381</u>	<u>\$ 655,381</u>	<u>\$ 894,693</u>	<u>\$ 239,312</u>	<u>\$ 985</u>	<u>\$ 985</u>	<u>\$ 286</u>	<u>\$ (699)</u>

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, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>	<u>Project (Over) Under Budget</u>
Revenues					
FEMA Proceeds	\$ 710,220	\$ -	\$ 710,220	\$ -	\$ (710,220)
TDOT Greenway, Etc.	117,798	52	117,850	-	(117,850)
TDOT Traffic Synchronization/Signalization	392,128	-	392,128	150,000	(242,128)
Main Street Redevelopment Grant	278,556	170,649	449,205	9,353,000	8,903,795
Conference Drive Enhancement	6,480	174,132	180,612	2,220,000	2,039,388
Total Revenues	<u>1,505,182</u>	<u>344,833</u>	<u>1,850,015</u>	<u>11,723,000</u>	<u>9,872,985</u>
Expenditures					
Capital Outlay:					
FEMA Home Buyout	598,797	-	598,797	-	(598,797)
TDOT Traffic Synchronization/Signalization	505,667	-	505,667	-	(505,667)
TDOT Greenway/Bike	200,700	-	200,700	600,000	399,300
Main Street Redevelopment	449,222	174,752	623,974	11,286,250	10,662,276
Conference Drive Enhancement	48,668	210,342	259,010	2,597,500	2,338,490
I65 at Hwy 31/41	40,000	-	40,000	450,000	410,000
Total Expenditures	<u>1,843,054</u>	<u>385,094</u>	<u>2,228,148</u>	<u>14,933,750</u>	<u>12,705,602</u>
Other Financing Sources (Uses)					
Operating Transfers In	475,000	-	475,000	460,583	(14,417)
Debt Issuance	-	153,800	153,800	3,000,000	2,846,200
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>153,800</u>	<u>628,800</u>	<u>3,460,583</u>	<u>2,831,783</u>
Net Change in Fund Balances		113,539			
Fund Balance - July 1, 2016		<u>185,729</u>			
Fund Balance - June 30, 2017		<u>\$ 299,268</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
June 30, 2017

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass Through Entity	Contract Number	Passed Through To Subrecipients	Expenditures
Federal Awards					
U.S. Department of Transportation					
Pass-through programs:					
Bicycle/Pedestrian Improvements and Greenway Project	20.205	Tennessee Department of Transportation	CM-9321(1)	\$ -	\$ 52
Main Street Redevelopment Project	20.205	Tennessee Department of Transportation	PIN 120326 Contract 140052 STP-M-NH-11 (74)	-	176,178
Conference Drive CMAQ	20.205	Tennessee Department of Transportation	CM-9321(2);19LPLM-F3-137	-	180,052
Conference Drive Enhancement	20.205	Tennessee Department of Transportation	PIN120327 Contract 140053 STP-M-445(2)	-	17,640
Highway Safety Grant	20.600	Tennessee Department of Transportation	PF-17	-	5,000
Total U.S. Department of Transportation				<u>-</u>	<u>378,922</u>
Total Federal Awards				<u>-</u>	<u>378,922</u>
State Financial Assistance					
Commission on Fire Fighting					
Commission on Fire Fighting	N/A	N/A	N/A	-	10,800
Tennessee Peace Officers Standards and Training					
Peace Officer Standard and Training Commission	N/A	N/A	N/A	-	23,400
Total State Financial Assistance				<u>-</u>	<u>34,200</u>
Total Federal Awards and State Financial Assistance				<u>\$ -</u>	<u>\$ 413,122</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, 2017. 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.
- (2) Pass-through entity identifying numbers are presented where available.

Note 3. Loans Outstanding

At June 30, 2017, there was an outstanding balance of \$6,140,540 on 09-224 State Revolving Loan Fund. There were payments of \$286,689 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, 2017

State Street Aid

Beginning Reserve for State Street Aid	\$	-
Receipts		
Gas Taxes	474,260	
Total Receipts	474,260	474,260
Expenditures		
Street Lights	171,901	
Street Maintenance	40,273	
Capital Improvements	262,086	
		474,260
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, 2017

Governmental Activities

Fiscal Year Ended June 30,	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
2018	\$ 130,000	\$ 57,405	\$ 110,190	\$ 4,429	\$ 24,520	\$ 534	\$ 64,022	\$ 1,530	\$ 136,637	\$ 9,766	\$ 83,733	\$ 8,004
2019	135,000	53,505	91,154	2,237	9,136	-	-	-	139,965	6,438	86,320	5,417
2020	140,000	50,805	-	-	-	-	-	-	61,446	3,029	78,516	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	-	-	-	-	-	-	-	-	-	-
Total	\$ 2,485,000	\$ 535,956	\$ 201,344	\$ 6,666	\$ 33,656	\$ 534	\$ 64,022	\$ 1,530	\$ 397,918	\$ 20,766	\$ 248,569	\$ 16,171

Governmental Activities

Fiscal Year Ended June 30,	Ford Motor Credit Master Equipment Lease		Magnolia Bank Equipment Lease		Magnolia Bank Equipment Lease		Magnolia Bank Equipment Lease		Paccar Financial Equipment Lease		Local Government Loan Program Bond Series 2016	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 9,882	\$ 1,221	\$ 5,171	\$ 394	\$ 11,792	\$ 1,181	\$ 39,169	\$ 2,638	\$ 27,831	\$ 4,793	\$ (4,199)	\$ -
2019	10,476	629	5,344	235	12,173	800	40,464	1,442	28,959	3,665	-	-
2020	-	-	5,324	70	12,566	406	39,413	209	30,133	2,492	-	-
2021	-	-	-	-	-	-	-	-	31,353	1,271	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 20,358	\$ 1,850	\$ 15,839	\$ 699	\$ 36,531	\$ 2,387	\$ 119,046	\$ 4,289	\$ 118,276	\$ 12,221	\$ (4,199)	\$ -

See independent auditors' report.

CITY OF GOODLETTSVILLE, TENNESSEE
Schedule of Long-Term Debt, Principal, and Interest Requirements
By Fiscal Year
June 30, 2017

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
2018	\$ 638,748	\$ 91,895	\$ 347,942	\$ 171,870	\$ 459,679	\$ 12,067	\$ 20,988	\$ 844	\$ 828,609	\$ 184,781	\$ 1,467,357	276,676
2019	558,991	74,368	331,272	162,476	301,666	-	21,433	426	654,371	162,902	1,213,362	237,270
2020	367,398	59,761	340,944	152,809	-	-	-	-	340,944	152,809	708,342	212,570
2021	231,223	50,809	350,892	142,860	-	-	-	-	350,892	142,860	582,115	193,669
2022	145,000	45,205	361,128	132,619	-	-	-	-	361,128	132,619	506,128	177,824
2023	145,000	42,305	371,664	122,081	-	-	-	-	371,664	122,081	516,664	164,386
2024	150,000	39,405	382,512	111,234	-	-	-	-	382,512	111,234	532,512	150,639
2025	150,000	36,405	393,672	100,072	-	-	-	-	393,672	100,072	543,672	136,477
2026	155,000	33,405	405,168	88,583	-	-	-	-	405,168	88,583	560,168	121,988
2027	160,000	30,305	416,988	76,758	-	-	-	-	416,988	76,758	576,988	107,063
2028	160,000	26,905	429,156	64,589	-	-	-	-	429,156	64,589	589,156	91,494
2029	165,000	23,225	441,684	52,064	-	-	-	-	441,684	52,064	606,684	75,289
2030	170,000	19,100	454,572	39,175	-	-	-	-	454,572	39,175	624,572	58,275
2031	175,000	14,850	467,844	25,909	-	-	-	-	467,844	25,909	642,844	40,759
2032	180,000	10,038	481,488	12,257	-	-	-	-	481,488	12,257	661,488	22,295
2033	185,000	5,088	163,614	983	-	-	-	-	163,614	983	348,614	6,071
Total	\$ 3,736,360	\$ 603,069	\$ 6,140,540	\$ 1,456,339	\$ 761,345	\$ 12,067	\$ 42,422	\$ 1,270	\$ 6,944,307	\$ 1,469,676	\$ 10,680,667	\$ 2,072,745

See independent auditors' report.

Statistical Section

CITY OF GOODLETTSVILLE, TENNESSEE
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June 30, 2017

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CITY OF GOODLETTSVILLE, TENNESSEE
Financial Trends Information
Net Position by Component-Last Ten Fiscal Years
(prepared using the accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$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	\$17,071,758
Restricted for:										
State Street Aid	322,662	104,943	29,752	53,880	-	250,105	-	-	-	-
Conference Drive	-	-	-	600,202	600,911	-	-	-	-	-
Drug Fund	2,913	17,100	(5,733)	-	-	-	29,371	34,888	31,803	59,664
Tourism	510,371	707,413	832,935	802,736	963,510	874,573	323,333	491,410	739,279	780,318
Solid Waste Fund	-	-	-	-	-	-	40,729	1,456	59,533	627,397
Stormwater Utility	-	-	-	-	-	-	146,913	1,097,880	1,819,394	78,655
Electronic Citation Fund	-	-	-	-	-	-	-	6,008	16,085	286
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	5,961,525
Total Net Position	<u>\$14,725,011</u>	<u>\$15,040,930</u>	<u>\$15,029,492</u>	<u>\$14,880,248</u>	<u>\$16,276,562</u>	<u>\$17,967,045</u>	<u>\$19,138,104</u>	<u>\$20,206,149</u>	<u>\$23,056,190</u>	<u>\$24,579,603</u>
Business Type Activities										
Net Investment in Capital Assets	\$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	\$22,014,305
Restricted for:										
State Street Aid	-	-	-	-	-	-	-	-	-	-
Conference Drive	-	-	-	-	-	-	-	-	-	-
Drug Fund	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-	-
Solid Waste Fund	-	-	-	-	-	-	-	-	-	-
Stormwater Utility	-	-	-	-	-	-	-	-	-	-
Electronic Citation	-	-	-	-	-	-	-	-	-	-
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	11,821,982
Total Net Position	<u>\$21,942,847</u>	<u>\$21,959,719</u>	<u>\$22,198,857</u>	<u>\$22,376,013</u>	<u>\$23,904,294</u>	<u>\$29,997,749</u>	<u>\$30,731,992</u>	<u>\$31,843,108</u>	<u>\$33,039,719</u>	<u>\$33,836,287</u>
Primary Government										
Net Investment in Capital Assets	\$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	\$39,086,063
Restricted for:										
State Street Aid	322,662	104,943	29,752	53,880	-	250,105	-	-	-	-
Conference Drive	-	-	-	600,202	600,911	-	-	-	-	-
Drug Fund	2,913	17,100	(5,733)	-	-	-	29,371	34,888	31,803	59,664
Tourism	510,371	707,413	832,935	802,736	963,510	874,573	323,333	491,410	739,279	780,318
Solid Waste Fund	-	-	-	-	-	-	40,729	1,456	59,533	627,397
Stormwater Utility	-	-	-	-	-	-	146,913	1,097,880	1,819,394	78,655
Electronic Citation	-	-	-	-	-	-	-	6,008	16,085	286
Other Purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	17,783,507
Total Net Position	<u>\$36,667,858</u>	<u>\$37,000,649</u>	<u>\$37,228,349</u>	<u>\$37,256,261</u>	<u>\$40,180,856</u>	<u>\$47,964,794</u>	<u>\$49,870,096</u>	<u>\$52,049,257</u>	<u>\$56,095,909</u>	<u>\$58,415,890</u>

CITY OF GOODLETTSVILLE, TENNESSEE
Financial Trends Information
Changes in Net Position-Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities:										
General government	\$2,952,980	\$3,084,557	\$2,885,572	\$3,441,250	\$3,320,663	\$2,752,406	\$2,614,421	\$2,261,558	\$2,367,320	\$2,757,841
Public Safety	5,363,001	5,113,792	5,339,890	5,502,153	5,663,684	5,706,302	6,497,320	6,396,791	7,217,111	7,521,379
Public Works	1,214,839	1,216,964	1,142,901	1,245,971	1,053,706	1,272,691	1,527,196	1,665,390	1,618,968	1,600,430
Solid Waste	754,109	755,411	751,294	845,076	863,007	702,779	894,450	917,317	893,407	945,688
Parks and recreation	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	1,797,012
Tourism	289,944	173,820	270,514	323,864	383,334	509,145	501,046	602,624	665,425	782,321
Tornado Relief	3,646	-	-	-	-	-	-	-	-	-
Stormwater Utility	-	-	-	-	-	97,702	150,981	99,357	263,846	289,360
Electronic Citation	-	-	-	-	-	-	-	-	-	-
Interest expense on long term debt	69,465	56,429	60,363	40,026	32,329	42,212	112,537	117,292	88,910	111,068
Total governmental activities expenses	12,190,363	11,990,456	11,702,046	12,711,641	12,608,690	12,507,947	13,851,170	13,559,464	14,880,245	15,805,099
Business-Type Activities										
Sewer	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	4,971,845
Total business-type activities expenses	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	4,971,845
Total primary government expenses	\$ 15,307,061	\$ 15,372,335	\$ 15,448,283	\$ 16,975,693	\$ 15,989,097	\$ 16,681,942	\$ 18,191,300	\$ 17,701,444	\$ 19,524,077	\$ 20,776,944
Program Revenues										
Governmental Activities:										
Charges for Services:										
General government	\$419,824	\$243,585	\$221,549	\$236,453	\$137,127	\$197,237	\$135,681	\$310,502	\$270,842	\$685,533
Public Safety	418,263	374,942	331,612	249,802	377,653	450,102	457,760	429,923	460,072	340,545
Public Works	26,644	11,000	28,647	30,822	4,500	2,100	2,100	5,475	-	-
Solid Waste	13,747	750,628	755,567	822,711	801,298	764,672	730,821	725,196	997,912	1,014,831
Parks and recreation	255,952	251,078	250,796	249,439	271,804	251,980	326,325	268,432	316,550	334,350
Tourism	39,415	19,813	26,643	26,112	24,315	26,572	24,592	26,652	29,713	24,889
Stormwater Utility	-	-	-	-	-	195,936	199,206	919,895	972,130	899,364
Electronic Citation	-	-	-	-	-	-	-	-	10,077	8,469
Operating Grants and Contributions	580,549	451,559	535,204	467,800	473,505	546,390	695,249	486,551	507,891	511,740
Capital Grants and Contributions	-	726,750	83,578	314,946	1,492,334	163,772	479,145	85,251	970,273	349,833
Total governmental activities program revenues	1,754,394	2,829,355	2,233,596	2,398,085	3,582,536	2,598,761	3,050,879	3,257,877	4,535,460	4,169,554
Business-Type Activities										
Charges for Services:										
Sewer	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	5,809,005
Capital Grants and Contributions	-	-	-	-	-	-	-	37,818	-	-
Total business-type activities program revenues	3,213,085	3,309,267	3,931,217	4,493,710	4,972,421	5,111,824	5,170,098	5,422,581	5,895,504	5,809,005
Total primary government program revenues	4,967,479	6,138,622	6,164,813	6,891,795	8,554,957	7,710,585	8,220,977	8,680,458	10,430,964	9,978,559
Net (Expense)/Revenue										
Governmental Activities	(10,435,969)	(9,161,101)	(9,468,450)	(10,313,556)	(9,026,154)	(9,909,186)	(10,800,291)	(10,301,587)	(10,344,785)	(11,635,545)
Business-Type Activities	96,387	(72,612)	184,980	229,658	1,592,014	937,829	829,968	1,280,601	1,251,672	837,160
Total primary government net expense	(10,339,582)	(9,233,713)	(9,283,470)	(10,083,898)	(7,434,140)	(8,971,357)	(9,970,323)	(9,020,986)	(9,093,113)	(10,798,385)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property and Personalty Taxes	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	4,538,409
TVA and Other PILOT Taxes	88,596	55,504	162,379	291,630	248,490	282,786	223,155	233,630	236,541	197,136
Income Taxes	148,558	181,943	208,520	98,458	112,017	154,168	178,717	213,942	240,438	149,424
Sales Taxes	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	5,742,902
Alcoholic Beverage Taxes	658,151	641,687	645,542	658,616	687,506	710,163	687,448	707,930	647,773	599,933
Business Taxes	360,501	346,151	312,670	341,693	338,337	380,080	410,971	361,236	386,698	440,116
Hospitality Taxes	384,460	329,861	342,195	443,718	523,124	546,679	568,057	666,942	625,861	656,403
Franchise Taxes	-	-	-	-	-	-	252,384	373,024	593,473	545,430
Miscellaneous State Taxes	144,599	155,243	4,710	4,014	5,813	8,183	-	7,114	11,660	14,913
Unrestricted Investment Earnings	110,367	26,318	8,444	9,127	8,651	15,013	17,398	20,652	30,937	42,575
Insurance Recoveries and Gain on Disposal of Capital Assets	31,888	-	110,221	98,308	195,157	2,680	13,901	60,046	253,110	13,551
Miscellaneous	52,472	91,754	30,664	28,806	32,315	16,372	29,075	10,720	82,349	74,432
Transfers, Net	80,784	77,829	77,529	105,359	110,083	150,586	152,216	156,112	135,525	143,730
Total governmental activities	9,874,351	9,477,021	9,457,009	10,131,419	10,422,471	11,599,669	11,971,356	12,417,318	13,194,826	13,158,954
Business-Type Activities										
Investment Earnings	174,078	54,396	22,915	23,384	18,350	25,996	28,491	30,669	52,464	71,988
Insurance Recoveries and Gain on Disposal of Capital Assets	-	66,691	-	-	-	-	-	-	-	-
Miscellaneous	50,534	46,225	24,834	29,473	28,000	280,216	28,000	28,000	28,000	31,150
Extraordinary Item	-	-	-	-	-	5,000,000	-	-	-	-
Transfers, Net	(80,784)	(77,829)	(77,529)	(105,359)	(110,083)	(150,586)	(152,216)	(156,112)	(135,525)	(143,730)
Total business-type activities	143,828	89,483	(29,780)	(52,502)	(63,733)	5,155,626	(95,725)	(97,443)	(55,061)	(40,592)
Total primary government	10,018,179	9,566,504	9,427,229	10,078,917	10,358,738	16,755,295	11,875,631	12,319,875	13,139,765	13,118,362
Change in Net Position										
Governmental Activities	(561,618)	315,920	(11,441)	(182,137)	1,396,317	1,690,483	1,171,065	2,115,731	2,850,041	1,523,409
Business-Type Activities	240,215	16,871	155,200	177,156	1,528,281	6,093,455	734,243	1,183,158	1,196,611	796,568
Total primary government	\$ (321,403)	\$ 332,791	\$ 143,759	\$ (4,981)	\$ 2,924,598	\$ 7,783,938	\$ 1,905,308	\$ 3,298,889	\$ 4,046,652	\$ 2,319,977

CITY OF GOODLETTSVILLE, TENNESSEE
Financial Trends Information
Fund Balances, Governmental Funds, Last Ten Years
(prepared using the modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Funds:										
General Fund										
Reserved	-	-	-	-	-	-	-	1,441,289	1,450,846	1,462,424
Unreserved and undesignated	-	-	-	-	-	-	-	2,536,110	1,863,214	1,613,316
Nonspendable	205,508	192,073	166,777	181,176	154,732	187,562	107,846	-	-	-
Restricted	-	-	-	-	250,105	600,911	654,082	-	-	-
Committed	2,040,454	1,606,580	1,130,658	639,178	494,462	288,552	417,825	-	-	-
Assigned	506,818	503,949	552,121	1,719,322	2,498,074	501,462	500,830	-	-	-
Unassigned	5,755,343	5,907,910	5,681,142	4,525,133	4,625,329	1,986,638	2,032,259	-	-	-
Total General Fund	<u>8,508,123</u>	<u>8,210,512</u>	<u>7,530,698</u>	<u>7,064,809</u>	<u>8,022,702</u>	<u>3,565,125</u>	<u>3,712,842</u>	<u>3,977,399</u>	<u>3,314,060</u>	<u>3,075,740</u>
All Other Governmental Funds										
Reserved for Special Revenue Funds	-	-	-	-	-	-	-	103,983	17,904	(16,376)
Reserved for Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Unreserved reported in Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Unreserved reported in Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,249	1,116	-	-	-	-	-	-	-	-
Restricted reported in Special Revenue Funds	1,895,154	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	259,677	216,075	-	-	-	-	-	-	-	-
Assigned reported in the Capital Projects Fund	299,268	185,729	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>2,456,348</u>	<u>2,516,210</u>	<u>1,310,111</u>	<u>319,075</u>	<u>934,806</u>	<u>767,325</u>	<u>1,067,565</u>	<u>103,983</u>	<u>17,904</u>	<u>(16,376)</u>
Total	<u>10,964,471</u>	<u>10,726,722</u>	<u>8,840,809</u>	<u>7,383,884</u>	<u>8,957,508</u>	<u>4,332,450</u>	<u>4,780,407</u>	<u>4,081,382</u>	<u>3,331,964</u>	<u>3,059,364</u>

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

CITY OF GOODLETTSVILLE, TENNESSEE
Financial Trends Information
Changes in Fund Balances, Governmental Funds, Last Ten Years

(prepared using the modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Local Taxes	10,511,884	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
Licenses and Permits	630,271	229,301	295,837	124,170	196,576	104,264	238,258	158,204	210,480	417,264
Fines	340,545	405,552	376,750	398,256	383,982	314,991	221,503	303,867	276,741	341,525
Drug and Gambling Revenue	22,917	22,788	24,191	28,482	17,185	29,038	27,312	23,127	56,070	32,936
Intergovernmental Revenues	2,265,235	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
Charges for Services	2,292,855	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
Hotel/Motel Taxes	656,403	625,861	542,221	457,156	442,943	426,303	362,354	272,081	-	-
Interest	3,669	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
Miscellaneous Revenues	58,564	98,309	77,748	54,557	33,394	46,083	75,457	65,870	119,546	162,839
Total Revenues	16,782,343	17,393,053	15,525,400	14,471,404	13,964,351	12,628,458	12,253,157	11,502,856	12,302,180	11,514,257
Expenditures:										
Current:										
General Government	2,532,488	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
Public Safety	6,884,319	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
Public Works	955,780	1,043,591	1,165,939	1,081,918	940,156	940,662	969,315	960,243	46,980	27,696
Solid Waste	916,764	883,355	909,962	885,152	823,067	803,679	773,941	702,062	940,758	936,324
Drug Fund	1,436	28,141	23,950	4,193	14,125	238,232	36,676	45,960	715,511	686,556
Parks and Recreation	1,581,887	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
Storm Expenditures	-	-	-	-	-	34,415	131,648	57,937	-	34,663
Tourism	504,082	393,344	492,872	466,126	422,642	330,259	286,989	243,412	203,219	298,798
Stormwater Utility	242,258	255,083	82,020	150,981	97,702	-	-	-	-	-
Debt Service-Principal	867,803	803,403	683,453	604,672	435,381	391,465	616,030	477,341	404,484	450,845
Debt Service-Interest	134,168	101,667	107,348	120,731	31,839	32,951	55,135	60,784	61,195	59,439
Capital Outlay	3,034,433	2,131,529	2,054,159	3,778,257	2,484,254	2,015,897	456,563	734,701	1,230,399	1,045,704
Total expenditures	17,655,418	16,405,964	15,359,032	16,708,858	14,265,396	13,771,950	12,140,436	11,688,672	12,107,410	12,557,853
Excess of revenues over (under) expenditures	(873,075)	987,089	166,368	(2,237,454)	(301,045)	(1,143,492)	112,721	(185,816)	194,770	(1,043,596)
Other Financing Sources & Uses:										
Bonds, notes, and leases	917,771	432,000	811,000	454,688	4,476,411	287,766	152,205	271,818	-	552,957
Transfers In	143,730	195,000	301,112	152,216	815,813	495,629	105,359	77,529	77,829	755,491
Transfers Out	-	(59,475)	(145,000)	-	(564,000)	(321,000)	-	-	-	(674,707)
Sale of capital assets	35,772	78,190	94,307	43,025	195,199	37,982	24,988	-	-	-
Insurance recoveries	13,551	253,110	60,046	13,901	2,680	195,157	98,308	585,889	-	31,888
Total other financing sources (uses)	1,110,824	898,825	1,121,465	663,830	4,926,103	695,534	380,860	935,236	77,829	665,629
Special Item	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	237,749	1,885,914	1,287,833	(1,573,624)	4,625,058	(447,958)	493,581	749,420	272,599	(377,967)
Debt Service as % of noncapital expenditures	6.85%	6.34%	5.94%	5.61%	3.97%	3.61%	5.74%	4.91%	4.28%	4.43%

CITY OF GOODLETTSVILLE, TENNESSEE
Revenue Capacity Information
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Years

Tax Year	Fiscal Year	Commercial/Industrial	Residential	Farm/Other Property	Tangible/Intangible Personal Property	Public Utility Property	Total Assessed Value	Total Direct Tax Rate *	Estimated Actual Taxable Value	Taxable Assessed Value As a Percentage of Actual Taxable Value
2016	2017	253,841,541	223,067,775	4,390,030	28,788,186	11,162,404	521,249,936	\$0.9018	1,785,551,958	29.19%
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%

* per \$100 of assessed valuation

CITY OF GOODLETTSVILLE, TENNESSEE
Revenue Capacity Information
Direct and Overlapping Property Tax Rates, Last Ten Years

Fiscal Year	Levy Year	Direct Rate*		Overlapping Rates**		Total	
		Sumner City	Davidson City	Sumner County	Davidson County	Sumner City	Davidson City
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
2017	2016	\$ 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, TENNESSEE
Revenue Capacity Information
Principal Property Taxpayers

Taxpayer	2017			2008			
	Total Assessed Value	Rank	Percent of Total Assessed Value	Total Assessed Value	Rank	Percent of Total Assessed Value	
Dollar General	\$20,005,392	1	4.04%	Rivergate	\$18,419,480	1	4.28%
IBP/Tyson	14,532,733	2	2.93%	Dollar General	13,345,560	2	3.10%
Realty Assoc Iowa Corp	10,514,040	3	2.12%	Realty Associates Iowa Group	9,261,840	3	2.15%
Rivergate Mall	10,333,982	4	2.09%	Tyson/IBP	9,170,989	4	2.13%
KC Investors	9,153,560	5	1.85%	KC Investors	7,652,760	5	1.78%
Piccadilly Apartments	7,845,640	6	1.58%	Piccadilly	6,960,680	6	1.62%
United Fidelity Bank/Pedcor	7,706,840	7	1.56%	Lenoxgate	5,339,320	7	1.24%
Preston Run	7,597,000	8	1.53%	Preston Run	5,198,320	8	1.21%
Armed Services Mutual Benefit	6,620,280	9	1.34%	May Dept. Stores	3,736,000	9	0.87%
TopValco	5,690,800	10	1.15%	Armed Services Mutual	3,417,856	10	0.79%
Totals	\$100,000,267		20.19%		\$82,502,805		19.17%
Total Assessed Value	\$495,249,426				\$430,265,523		

Source: City Tax Rolls

Note: Fiscal Year 2017 reflects Tax Year 2016 and Fiscal Year 2009 reflects 2008 Tax Year

CITY OF GOODLETTSVILLE, TENNESSEE
Revenue Capacity Information
Property Tax Levies and Collections, Last Ten Fiscal Years

Fiscal Year	Levy Year	Total Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Collections	Total Collected as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
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%
2017	2016	4,457,970	4,356,546	97.72%	185,360	4,541,906	101.88%	101,424	2.28%

CITY OF GOODLETTSVILLE, TENNESSEE
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
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%
2017	4,422,930	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 2008 and 2017

Sector	Fiscal Year 2008				Fiscal Year 2017			
	Number of Filers	% of Total	Tax Liability	% of Total	Number of Filers	% of Total	Tax Liability	% of Total
1 Retail Trade	351	57.17%	\$5,644,810	82.86%	287	48.24%	\$5,801,765	77.58%
2 Services	151	24.59%	\$565,371	8.30%	163	27.39%	\$777,992	10.40%
3 Manufacturing	39	6.35%	\$113,276	1.66%	33	5.55%	\$161,350	2.16%
4 Wholesale Trade	43	7.00%	\$291,447	4.28%	28	4.71%	\$265,385	3.55%
5 Construction	5	0.81%	\$42,321	0.62%	8	1.34%	\$80,094	1.07%
6 Finance Insurance Real Estate	2		Not available		7	1.18%	128,878	1.72%
7 Transportation and Utilities	3		Not available		5	0.84%	\$47,107	0.63%
8 Agriculture	3		Not available		6	1.01%	\$9,273	0.12%
9 Other, Non Classified	17	2.77%	\$79,422	1.17%	58	9.75%	\$206,632	2.76%
Total	614	100.00%	\$6,812,749	100.00%	595	100.00%	\$7,478,476	100.00%

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, TENNESSEE
Revenue Capacity Information
Local Taxable Sales by Category, Last Ten Calendar Years

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 Apparel Stores	\$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	\$10,532,155
2 General Merchandise Stores	\$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	\$45,891,155
3 Food Stores	\$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	\$83,921,513
4 Eating and Drinking Places	\$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	\$43,360,207
5 Furniture Stores	\$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	\$21,315,240
6 Building Materials	\$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	\$2,039,008
7 MV Dealers and Service Stations	\$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	\$15,619,174
8 Other Retail	\$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	\$36,811,222
9 All Other Outlets	\$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	\$71,998,053
Total	\$307,717,621	\$288,061,478	\$264,084,820	\$282,012,234	\$298,756,325	\$295,031,592	\$300,312,281	\$284,387,735	\$308,045,696	\$331,487,727

Source: Department of Revenue, Research Section

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

CITY OF GOODLETTSVILLE, TENNESSEE
Debt Capacity Information
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities				Total Primary Government	Percent of Personal Income*	Debt Per Capita
	Population **	General Obligation Bonds	Capital Leases	Capital Notes	General Obligation Bonds	State Loan-Wastewater	Capital Leases	Capital Notes			
2008	14,761	949,600	305,879	200,000	430,000	4,153,084	-	300,000	6,338,563	1.53%	429
2009	14,761	688,810	178,710	183,336	340,000	3,812,044	-	275,000	5,477,900	1.32%	371
2010	15,921	422,930	246,946	166,667	230,000	4,625,014	-	250,000	5,941,557	1.33%	373
2011	15,921	281,730	256,333	-	3,400,000	7,722,973	-	-	11,661,036	2.61%	732
2012	15,921	126,584	307,780	-	2,863,536	11,178,796	-	-	14,476,696	3.26%	909
2013	15,921	3,078,803	1,396,025	-	2,461,198	7,313,392	235,014	-	14,484,432	3.26%	910
2014	15,921	2,950,810	1,374,154	-	2,054,191	7,003,156	188,281	-	13,570,592	3.05%	852
2015	15,921	2,812,182	1,640,329	-	1,632,819	6,757,101	140,616	-	12,983,047	2.92%	815
2016	15,921	2,668,131	1,400,958	-	1,201,870	6,427,229	92,003	-	11,790,191	2.65%	741
2017	15,921	2,514,457	1,221,902	-	761,345	6,140,541	42,422	-	10,680,667	2.40%	671

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 schedule 16 for personal income information

CITY OF GOODLETTSVILLE, TENNESSEE
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
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
2016	2015	15,921	495,249,426	2,518,656	0.51%	158

Source: Population data per the US Census Bureau

CITY OF GOODLETTSVILLE, TENNESSEE
Debt Capacity Information
Direct and Overlapping Governmental Activities Debt

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to City *	Amount Applicable to City *
Sumner County	\$ 158,010,000	11.30%	\$ 17,854,638
Davidson County	\$ 2,457,830,196	2.34%	<u>\$ 57,409,426</u>
Subtotal, overlapping debt			\$ 75,264,064
City of Goodlettsville direct debt of governmental activities			\$ 3,736,360
Total direct and overlapping debt			<u><u>\$ 79,000,424</u></u>

* Based upon Assessed Value of Property in:

Sumner County	\$4,382,859,043
Davidson County	\$21,202,772,407
City of Goodlettsville	495,249,426

CITY OF GOODLETTSVILLE, TENNESSEE
Debt Capacity Information
Debt Margin Information, Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Value	495,249,426 \$	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
General Obligation Debt	3,736,360 \$	4,069,089 \$	4,452,511 \$	4,324,964	4,474,828	434,365	538,063	836,542	1,050,852	1,455,479
Debt as % of Assessed Value	0.75%	0.84%	0.91%	0.87%	0.90%	0.09%	0.11%	0.18%	0.24%	0.34%

Note- The City has no legal debt limit

CITY OF GOODLETTSVILLE, TENNESSEE
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**	Sumner Unemployment Rate**
2008	14,761	414,311,748	28,068	37.00	13.41	5.5	6.0
2009	14,761	414,311,748	28,068	37.00	13.41	9.0	9.9
2010	15,921	446,870,628	28,068	39.90	13.62	8.9	8.8
2011	15,921	446,870,628	28,068	39.90	13.62	8.2	8.1
2012	15,921	444,371,031	27,911	39.90	13.62	6.6	6.7
2013	15,921	444,371,031	27,911	39.90	13.62	6.9	6.8
2014	15,921	444,371,031	27,911	39.90	13.62	6.9	6.8
2015	15,921	444,371,031	27,911	39.90	13.62	6.9	6.8
2016	15,921	459,113,877	28,837	37.00	13.62	3.8	4.1
2017	15,921	464,288,202	29,162	43.10	13.62	2.7	2.9

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

**Tennessee Department of Labor and Workforce Development

CITY OF GOODLETTSVILLE, TENNESSEE
Demographic and Economic Information
Principal Employers

Employer	Product/Service	2017		2008		Rank	%
		Employees	Rank	Employees	Rank		
Tyson Foods, Inc	Meat Packing	1,800	1	44%	1,512	1	37%
Dollar General Corporation HDQ	Retail Distribution	1,200	2	29%	900	2	22%
Associated Wholesale Grocers	Food Distribution	400	3	10%	400	3	10%
USF Holland Motor Freight	Distribution	400	3	10%	300	4	7%
City of Goodlettsville	Government	132	4	3%	139	5	3%
Des-Case	Filters	90	5	2%			
Richards & Southern	Entertainment Marketing	50	6	1%			
Prevost Motorcar	High-end luxury motor coaches	37	7	1%			
		4,109			3,251		

Source: City Tax Rolls and Middle Tennessee Industrial Development Association

CITY OF GOODLETTSVILLE, TENNESSEE
Operating Information
Full-time Equivalent City Government by Function, Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government	11	12.0	14.0	11.0	12.0	13.0	13.0	11.0	12.0	12.0
Community Services	6	6.0	5.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Police	55.2	63.6	60.4	56.0	57.0	56.0	57.0	53.0	54.0	54.0
Fire	26	23.0	23.8	19.0	19.0	19.0	19.0	18.0	18.0	18.0
Hwys and Streets	10.7	8.3	12.2	15.0	14.0	14.0	14.0	11.0	11.0	12.0
Parks and Recreation	29	20.0	23.0	18.0	17.0	17.0	18.0	19.0	19.0	20.0
Sanitation	1	1.0	1.7	0.0	0.0	0.0	5.0	7.0	7.0	7.0
Sewer	7.7	8.3	6.6	6.0	6.0	6.0	6.0	9.0	9.0	9.0
Stormwater	2	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	148.6	144.2	146.6	131.0	131.0	132.0	139.0	135.0	137.0	139.0

CITY OF GOODLETTSVILLE, TENNESSEE
Operating Information
Operating Indicators by Function/Program

	Fiscal Year					
	2017	2016	2015	2014	2013	2012
Police						
Calls for Service	45,367	46,794	48,701	41,559	34,780	29,263
Traffic Accidents	845	911	833	909	935	1,200
Fire						
Calls for Service	3,670	3,156	2,837	2,730	2,713	2,651
EMS/Rescue Incidents	2,525	2,203	1,990	1,772	1,837	1,836
Structure fires	11	17	20	10	18	18
Fire Inspections	32	29	24	57	73	73
Community Services						
Total Permits Issued	438	306	192	181	99	188
Construction Plans Reviewed	30	81	85	51	12	37
Certificates of Occupancy Issued	86	98	42	46	73	33
Building Inspections	1,096	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, TENNESSEE
Operating Information
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Stations	1	2	2	2	2	1	1	1	1	1
Vehicles	50	45	45	50	53	52	*	*	*	*
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Trucks	6	6	6	6	6	6	6	6	6	5
Autos and trucks	3	3	3	3	3	3	3	3	3	3
Inflatable boat	1	1	1	1	1	1	0	0	0	0
Public Works										
Streets (miles)	85	85	85	85	85	85	85	83	83	83
Traffic Signals	21	21	22	22	21	21	21	20	20	19
Parks and Recreation										
Acreage	210	210	210	210	210	205.4	205.4	205.4	205.4	205.4
Playgrounds	5	5	4	4	3	3	3	3	3	3
Baseball/softball diamonds	12	12	12	12	12	12	12	12	12	12
Soccer/football fields	15	15	15	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 4,700 customers at June 30, 2017. Its rate structure was as follows:

Residential <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>		Small Commercial and Industrial <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>	
Meter Size	Rate (\$)	Meter Size	Rate (\$)
5/8"	10.98	5/8"	12.27
3/4"	31.15	3/4"	34.89
1"	37.52	1"	42.02
1 1/2"	55.16	1 1/2"	61.78
2"	74.28	2"	83.19
3"	98.01	3"	109.77
4"	159.72	4"	178.88
6"	250.80	6"	280.91
8"	392.22	8"	439.28
10"	392.22	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.

Intermediate Commercial and Industrial <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>		Large Commercial and Industrial <i>(Minimum Charges per Month up to 200 Cubic Feet Usage)</i>	
Meter Size	Rate (\$)	Meter Size	Rate (\$)
5/8"	40.17	5/8"	1,550.46
3/4"	55.97	3/4"	1,567.22
1"	62.41	1"	1,572.67
1 1/2"	77.51	1 1/2"	1,587.75
2"	94.68	2"	1,604.93
3"	118.50	3"	1,620.00
4"	187.57	4"	1,689.17
6"	289.60	6"	1,791.17
8"	450.81	8"	1,961.07
10"	450.81	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 4,749 Solid waste customers at June 30, 2017 that are charged \$16/month per residential living unit - standard rate. Overall rates range from \$8 to \$24.

Internal Control and Compliance Section

BLANKENSHIP CPA GROUP, PLLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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 Members of the City Commission
City of Goodlettsville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Goodlettsville, Tennessee (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 28, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described below as item 2017-001.

2017-001 Issuance of Capital Leases

Finding: The City issued capital leases in violation of Tennessee Code Annotated (TCA Code) without proper governing body authority, and in violation of the City's debt management policy. The City

incorporated the leases into a budget ordinance through appropriation, and did not draft resolutions for each lease issued. The City did not report the leases to the State of Tennessee Office of State and Local Government Finance on Form CT-0253.

Recommendation: Before entering into future capital lease agreements, we recommend the City present resolutions to the Board of Commissioners for approval and properly submit form CT-0253 to the State of Tennessee.

Managements' Response: Management concurs with the audit finding and recommendation. The City originally had a different interpretation of the guidance issued by the Local Government Finance Department on exceptions to reporting. Once management was made aware of the issue, management corrected it immediately with commission action and self reported the violation to the state.

City Goodlettsville, Tennessee's Response to the Finding

The City's response to the finding identified in our audit is described above. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

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

Blankenship CPA Group, PLLC

December 28, 2017

City of Goodlettsville, Tennessee
Summary Schedule of Prior Audit Findings
June 30, 2017

Financial Statement Findings

Finding Number	Finding Title	Status
N/A	None Identified	N/A

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	None Identified	N/A