

CITY OF BOLIVAR, TENNESSEE

FINANCIAL STATEMENTS

JUNE 30, 2016

**CITY OF BOLIVAR, TENNESSEE
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FOR THE YEAR ENDED JUNE 30, 2016**

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**CITY OF BOLIVAR, TENNESSEE
ROSTER OF PUBLICLY ELECTED OFFICIALS
AND MANAGEMENT OFFICIALS - UNAUDITED
JUNE 30, 2016**

Publicly Elected Officials

Barrett Stevens, Mayor
Larry McKinnie, Vice-Mayor
Quantissia Hamer, Council Member
Julian McTizic, Council Member
Willie McKinnie, Council Member
Todd Lowe, Council Member
Suzanne Rhea, Council Member
Tracy Byrum, Council Member
Randy Hill, Council Member

Management Officials

Shelia Dellinger, City Administrator
Lisa Dellinger, Finance Director, CMFO Designee



Members: American Institute of Certified Public Accountants | Tennessee Society of Certified Public Accountants
Governmental Audit Quality Center | Private Companies Practice Section
www.crscpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Board of Aldermen
City of Bolivar
Bolivar, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, Tennessee, (the City) as of and for the year ended June 30, 2016, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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

64 Lynoak Cv
Jackson, TN 38305
(731)668-1806
Fax (731)668-9543

309 N. Market St.
Paris, TN 38242
(731)642-1755
Fax (731)644-0413

304 Broadway St
Martin, TN 38237
(731)587-4221
Fax (731)587-9474

11 N. Court Square
Brownsville, TN 38012
(731)772-2273
Fax (731)772-2275

110 West Court
Dyersburg, TN 38024
(731)286-6080
Fax (731)285-8975

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, Tennessee, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The supplementary and other information, except that which is marked "unaudited," are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the supplementary and other information, which has been marked “unaudited,” has 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 15, 2016 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 City's internal control over financial reporting and compliance.



Cowart Reese Sargent CPAs, PC
Brownsville, Tennessee
December 15, 2016

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

The Management's Discussion and Analysis of the City of Bolivar, Tennessee, (the City) will offer readers of the City's financial statements this narrative as an overview and review of the financial activities of the City for the fiscal year ended June 30, 2016. This narrative is intended to provide readers with a broad view of the City's finances, short-term and long-term activities based on information presented in the financial report, and fiscal policies adopted by the City. Readers are encouraged to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$29.97 million (net position). Of this amount, \$14.14 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's total governmental funds reported ending fund balances of \$2.57 million, a increase of \$489 thousand in comparison with the prior year. Of the total fund balances, \$2.21 million is available for spending at the City's discretion (unassigned).
- The water and sewer fund posted net income of \$450 thousand and the natural gas fund posted net income of \$282 thousand during the year ending June 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to the City of Bolivar's basic financial statements. The City's basic financial statements are comprised of the following components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information in addition to the basic financial statements themselves

REPORTING ENTITY

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) of United States of America. All assets, liabilities, deferred inflows/outflows of resources, revenues, and expenses are reported regardless when the cash is received or paid. These statements report net position and changes in net position. Over time, the increase or decrease in the City's net position is an indicator of whether its financial conditions are improving or deteriorating. However, other non-financial factors such as changes in property tax bases, tax rates, etc. must be considered in evaluating the result of changes in net position.

The government-wide financial statements report Statement of Net Position and Statement of Activities and they are divided into two types of activities: Governmental Activities and Business-type Activities.

Governmental Activities - Consists mostly of the City's basic services, including the police, fire, public works, senior center, library, parks and recreation departments, and general administration. Property taxes, local sales taxes, and state shared revenues finance most governmental activities.

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

Business-type Activities - Report as revenues the charges to customers to cover costs of services provided by the City to citizens. The City's water and sewer, natural gas, and sanitation services are provided here.

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 the City's assets, liabilities, and deferred inflows/outflows of resources, with the 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 most recent fiscal year. All changes in net position are reported as soon as 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 future fiscal periods (e.g., uncollected taxes, compensated absences, etc.).

Both of the government-wide financial statements distinguish functions of the City of Bolivar that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities.) The governmental activities of the City of Bolivar include General Government, Public Safety, Public Works, Health, Welfare, and Recreation, Drug, and State Street Aid. The business-type activities of the City of Bolivar include Water and Sewer, Natural Gas, and Sanitation.

The government-wide financial statements include not only the City itself (known as the primary government) but also one legally separate entity (known as a component unit). The Bolivar Downtown Development Corporation, although legally separate, is included because the City can impose its will on this entity and the State of Tennessee deems it a component unit of the City. Issued separately, audited financial reports for the Bolivar Downtown Development Corporation can be obtained from the Bolivar Downtown Development Corporation, 211 North Washington Street, Bolivar, Tennessee 38008.

Fund Financial Statements - The fund financial statements provide more detailed information about the most significant funds - not the City as a whole. Some funds are required by State or Federal law or by bond covenants. Other funds are established by the City Council to help it control and manage money for designated or restricted purposes. All of the funds of the City of Bolivar can be divided into two categories: Governmental Funds and Proprietary Funds. The City does not have any Fiduciary Funds.

Governmental Funds - The City's basic services are included in the Governmental Funds. The focus of these funds is on how cash and other financial assets that can readily be converted to cash when received are used, and what remains at the end of the fiscal year for future spending. This detailed short-term view helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not include the additional long-term focus of the Government-Wide Statements, we provide additional information after the Governmental Fund Statements that explain the differences between the long-term view and the

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

short-term view. The accounting method is "Modified Accrual Accounting", which measures cash inflows and outflows and financial assets that can be readily converted to cash.

The City maintains a General Fund and two Special Revenue Funds as Governmental Funds. Information is presented separately in the Balance Sheet - Governmental Funds and Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds for the General Fund since this is considered a major fund. Data for the other funds is combined into a single column.

The City of Bolivar adopts a budget for all Governmental Funds. A budgetary comparison for the major Governmental Fund is found in the fund financial statements of this report. Budgetary comparisons are provided to demonstrate compliance with the budget.

Proprietary Funds - Services for which the City charges customers a fee are generally reported in Proprietary Funds. Proprietary Funds, like the Government-Wide Financial Statements, provide both long-term and short-term financial information. The accounting method is "Accrual Accounting", which measures and reports all revenues earned and expenses incurred regardless of when cash flows have happened. There are two different types of Proprietary Funds: Enterprise Funds and Internal Service Funds. The City of Bolivar maintains only Enterprise Funds.

Enterprise Funds are the same as business-type activities in the Government-Wide Financial Statements but provide more detail and additional information, such as cash flows. The Water and Sewer Fund and Natural Gas Fund are considered major funds.

Internal Service Funds provide services for other City activities. The City of Bolivar could choose to account for maintenance of City vehicles or self-financed health insurance through an Internal Service Fund. Because services like these benefit predominantly governmental rather than business-type functions, they are typically included in the activities in the Governmental Funds.

Fiduciary Funds - Fiduciary Funds provide information about the financial relationships where the City acts solely as a trustee or fiduciary for the benefit of others to whom the resources belong. The City does not maintain any fiduciary funds.

Notes to the Financial Statements - The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information about the City's pension plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bolivar, assets and deferred outflows of resources exceeded deferred inflows of resources and liabilities by \$29.97 million (excluding the component unit) at the close of the most recent fiscal year. The largest portion of the City's net position (52.11%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure) net of any related debt used to acquire those assets that are still outstanding. The City

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The unrestricted balance of net position, which makes up 47.18% of the net position, may be used to meet the City's ongoing obligations to citizens and creditors. The City also reports net position that is restricted (0.71%) for various reasons. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its total governmental and total business-type activities.

CITY OF BOLIVAR'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and Other Assets	\$ 4,083,899	\$ 3,950,444	\$ 11,783,907	\$ 11,119,000	\$ 15,867,806	\$ 15,069,444
Capital Assets	4,825,481	3,501,609	16,553,946	16,763,680	21,379,427	20,265,289
Total Assets	8,909,380	7,452,053	28,337,853	27,882,680	37,247,233	35,334,733
Deferred Outflows of Resources	722,015	389,413	360,028	185,042	1,082,043	574,455
Total Assets and Deferred Outflows of Resources	\$ 9,631,395	\$ 7,841,466	\$ 28,697,881	\$ 28,067,722	\$ 38,329,276	\$ 35,909,188
Long Term Liabilities	\$ 1,525,597	\$ 1,299,125	\$ 4,661,702	\$ 4,818,060	\$ 6,187,299	\$ 6,117,185
Other Liabilities	608,459	139,464	125,505	169,217	733,964	308,681
Total Liabilities	2,134,056	1,438,589	4,787,207	4,987,277	6,921,263	6,425,866
Deferred Inflows of Resources	1,236,825	1,344,990	197,873	267,091	1,434,698	1,612,081
Net Position:						
Net Investment in Capital Assets	3,587,151	2,351,842	12,033,207	12,006,701	15,620,358	14,358,543
Restricted	212,501	264,595	-	47,414	212,501	312,009
Unrestricted	2,460,862	2,441,450	11,679,594	10,759,239	14,140,456	13,200,689
Total Net Position	6,260,514	5,057,887	23,712,801	22,813,354	29,973,315	27,871,241
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,631,395	\$ 7,841,466	\$ 28,697,881	\$ 28,067,722	\$ 38,329,276	\$ 35,909,188

During the current fiscal year, the City's net position increased by \$2.10 million. A substantial part of the increase resulted capital grants. The police department received federal surplus property of \$415 thousand and the water and sewer fund and public works both received CDBG grants totaling \$915 thousand.

Statement of Activities - Revenues in governmental and business-type activities exceeded expenses by \$1.20 million and \$887 thousand, respectively.

Governmental Activities

Revenues for the City's governmental activities decreased 4.22% mostly due to the receipt of federal surplus property in the prior year exceeding the current year amount. Total expenses for the City's governmental activities increased 3.97%. This increase was mostly due to increases among general government, public safety, and public works.

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

Business-type Activities

In the business-type activities, net position increased by \$899 thousand. However, net income from the funds (noted below) totaled \$887 thousand and was increased by \$13 thousand for a prior period adjustment (see Note 7).

- Natural Gas had a profit of \$282 thousand.
- Water and Sewer had a profit of \$450 thousand.
- Sanitation's profit was \$ 154 thousand.

The following table provides a summary of the City's operation for the year ended June 30, 2016 with comparative totals for the governmental activities and business-type activities for the year ended June 30, 2016.

CITY OF BOLIVAR'S STATEMENT OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues						
Fees, Fines and Charges for Services	\$ 661,328	\$ 555,442	\$ 5,053,631	\$ 5,614,971	\$ 5,714,959	\$ 6,170,413
Operating Grants and Contributions	218,901	220,077	-	-	218,901	220,077
Capital Grants and Contributions	899,362	1,312,639	430,930	44,228	1,330,292	1,356,867
General Revenues:						
Property Taxes	1,005,250	1,034,773	-	-	1,005,250	1,034,773
Other Taxes	2,849,050	2,807,826	-	-	2,849,050	2,807,826
Investment Earnings	3,658	2,499	12,268	9,955	15,926	12,454
Tax and Tax Equivalents	475,385	479,234	-	-	475,385	479,234
Other	135,438	111,053	-	-	135,438	111,053
Total Revenues	6,248,372	6,523,543	5,496,829	5,669,154	11,745,201	12,192,697
Expenses						
General Government	427,747	400,140	-	-	427,747	400,140
Public Safety	2,470,124	2,349,002	-	-	2,470,124	2,349,002
Public Works	772,994	734,621	-	-	772,994	734,621
Health, Welfare, Recreation	1,334,667	1,325,250	-	-	1,334,667	1,325,250
Interest on Long-term Debt	40,213	44,078	-	-	40,213	44,078
Water and Sewer	-	-	1,924,560	1,715,462	1,924,560	1,715,462
Natural Gas	-	-	2,345,569	2,915,064	2,345,569	2,915,064
Sanitation	-	-	340,026	356,327	340,026	356,327
Total expenses	5,045,745	4,853,091	4,610,155	4,986,853	9,655,900	9,839,944
Change in net position	1,202,627	1,670,452	886,674	682,301	2,089,301	2,352,753
Net Position - Beginning, as Originally Stated	5,057,887	3,660,442	22,813,354	22,267,913	27,871,241	25,928,355
Prior Period Adjustment	-	(273,007)	12,773	(136,860)	12,773	(409,867)
Net Position - Restated	5,057,887	3,387,435	22,826,127	22,131,053	27,884,014	25,518,488
Net Position - Ending	\$ 6,260,514	\$ 5,057,887	\$ 23,712,801	\$ 22,813,354	\$ 29,973,315	\$ 27,871,241

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

COMMENTS ON FUND FINANCIAL STATEMENTS

As noted earlier, the City of Bolivar uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund accounts for 96.18% of governmental fund revenues. Accordingly, this discussion will focus on the general fund.

The general fund balance was \$2.36 million at the end of the current fiscal year, up \$441 thousand from the previous year. Of the balance \$2.21 million is available to meet the day-to-day needs of the City. Revenues decreased from the prior year by \$232 thousand due primarily to a \$307 thousand increase in intergovernmental revenue and a decrease of \$677 thousand in other revenue. Expenditures decreased from the prior year by \$261 thousand due to a \$567 thousand decrease in public safety and an increase in public works of \$369 thousand. A budget comparison statement with necessary amendments has been provided in the attached report to demonstrate compliance with the budget.

Proprietary funds - The City of Bolivar's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Net position of the proprietary funds at the end of the year amounted to \$23.71 million, up \$899 thousand from the previous year. Current year profit was \$887 thousand with the difference being from a prior period adjustment.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final Budgeted and Actual Amounts

Budgeted revenues and other financing sources exceeded the actual amounts by \$223 thousand. Expenditures and other financing uses were under budget by \$683 thousand. Significant variances are as follows:

- 2010 Disaster Recovery Grant revenue exceeded the budget by \$415,851.
- Donation of surplus property revenue was under the budget by \$785,001 due to the amount budgeted for surplus property..
- Capital outlay for the police department was under the budget by \$827,311 due primarily to the amount budgeted for surplus property.
- CDBG Disaster 2010 expenditures exceeded budget by \$434,850.

**CITY OF BOLIVAR, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2016, the City had \$21.38 million net of accumulated depreciation invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, water and sewer lines, natural gas lines, and various other equipment. This amount represents an increase of 5.50% in comparison with the prior year.

Debt

At end of the year, the City had \$5.76 million in outstanding total debt (excluding compensated absences and net pension liability). Of the total outstanding debt 77.09% belongs to Water and Sewer Fund.

ECONOMIC FACTOR AND NEXT YEAR'S BUDGET AND RATES

The City continues to receive surplus property through the State of Tennessee, Department of General Services under the federal Department of Defense Section 1033 Excess Property Program. They will also continue to sell the surplus property once the time requirements have been met and the City is not still in need of the property.

Housing sales have maintained a constant level, although several medium range houses have been on the market for over one year.

The City of Bolivar's tax rate is \$1.1542 per \$100 assessment.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the funds it receives. If you have any questions about this report or need additional financial information contact us at (731) 658-2020.

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Corporation
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,200,669	\$ 10,149,292	\$ 12,349,961	\$ 20,989
Investments	207,980	694,408	902,388	794,722
Receivables (net of allowance for uncollectibles)				
Taxes	928,435	-	928,435	-
Accounts	-	496,446	496,446	-
Intergovernmental	219,429	-	219,429	-
Fire calls	16,364	-	16,364	-
Interest	-	343	343	-
Grants	473,718	1,318	475,036	-
Other	3,007	-	3,007	-
Internal Balances	(1,000)	1,000	-	-
Inventories	-	426,029	426,029	-
Prepaid Expenses	35,297	15,071	50,368	-
Other Current Assets	-	-	-	-
Total Current Assets	<u>4,083,899</u>	<u>11,783,907</u>	<u>15,867,806</u>	<u>815,711</u>
Noncurrent Assets:				
Capital Assets, not being depreciated:				
Land	823,126	60,654	883,780	-
Construction in Progress	814,154	512,074	1,326,228	-
Capital Assets, being depreciated:				
Buildings and Improvements	2,509,399	374,698	2,884,097	51,220
Equipment	4,903,155	3,688,867	8,592,022	24,151
Improvements	549,532	-	549,532	-
Infrastructure	288,318	-	288,318	-
Plant	-	30,606,811	30,606,811	-
Intangibles	-	419,247	419,247	-
Total Capital Assets	9,887,684	35,662,351	45,550,035	75,371
Less Accumulated Depreciation	(5,062,203)	(19,108,405)	(24,170,608)	(22,174)
Capital Assets Net of Accumulated Depreciation:	<u>4,825,481</u>	<u>16,553,946</u>	<u>21,379,427</u>	<u>53,197</u>
Total Noncurrent Assets	<u>4,825,481</u>	<u>16,553,946</u>	<u>21,379,427</u>	<u>53,197</u>
Total Assets	<u>8,909,380</u>	<u>28,337,853</u>	<u>37,247,233</u>	<u>868,908</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension differences between expected and actual experience	91,242	43,824	135,066	-
Net difference between projected and actual earnings of pension plan investments	314,670	157,743	472,413	-
Pension contributions subsequent to the measurement date	316,103	158,461	474,564	-
Total Deferred Outflows of Resources	<u>722,015</u>	<u>360,028</u>	<u>1,082,043</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,631,395</u>	<u>\$ 28,697,881</u>	<u>\$ 38,329,276</u>	<u>\$ 868,908</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Corporation
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 608,459	\$ 125,505	\$ 733,964	\$ -
Total Current Liabilities	<u>608,459</u>	<u>125,505</u>	<u>733,964</u>	<u>-</u>
Noncurrent Liabilities:				
Due in One Year	307,884	243,249	551,133	300,000
Due in More Than One Year	930,446	4,277,490	5,207,936	2,433,305
Compensated Absences	149,358	61,081	210,439	-
Net Pension Liability	137,909	79,882	217,791	-
Total Noncurrent Liabilities	<u>1,525,597</u>	<u>4,661,702</u>	<u>6,187,299</u>	<u>2,733,305</u>
Total Liabilities	<u>2,134,056</u>	<u>4,787,207</u>	<u>6,921,263</u>	<u>2,733,305</u>
DEFERRED INFLOWS OF RESOURCES				
Net difference between projected and actual earnings of pension plan investments				
	424,011	197,873	621,884	-
Unavailable revenue - property taxes	812,814	-	812,814	-
Total Deferred Inflows of Resources	<u>1,236,825</u>	<u>197,873</u>	<u>1,434,698</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	3,587,151	12,033,207	15,620,358	53,197
Restricted for:				
Bolivar Downtown Development Corporation	-	-	-	15,558
Historical Zoning	1,740	-	1,740	-
State Street Aid	136,495	-	136,495	-
Drug Fund	74,266	-	74,266	-
Unrestricted	<u>2,460,862</u>	<u>11,679,594</u>	<u>14,140,456</u>	<u>(1,933,152)</u>
Total Net Position	<u>6,260,514</u>	<u>23,712,801</u>	<u>29,973,315</u>	<u>(1,864,397)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position				
	<u>\$ 9,631,395</u>	<u>\$ 28,697,881</u>	<u>\$ 38,329,276</u>	<u>\$ 868,908</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/ Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Corporation
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 427,747	\$ 362,563	\$ -	\$ -	\$ (65,184)	\$ -	\$ (65,184)	\$ -
Public Safety	2,470,124	131,059	54,160	414,999	(1,869,906)	-	(1,869,906)	-
Public Works	772,994	148,461	133,043	484,363	(7,127)	-	(7,127)	-
Health, Welfare, Recreation	1,334,667	19,245	31,698	-	(1,283,724)	-	(1,283,724)	-
Interest on Long-term Debt	40,213	-	-	-	(40,213)	-	(40,213)	-
Total Governmental Activities	5,045,745	661,328	218,901	899,362	(3,266,154)	-	(3,266,154)	-
Business-type Activities:								
Water and Sewer	1,924,560	1,940,766	-	430,930	-	447,136	447,136	-
Natural Gas	2,345,569	2,619,620	-	-	-	274,051	274,051	-
Sanitation	340,026	493,245	-	-	-	153,219	153,219	-
Total Business-type Activities	4,610,155	5,053,631	-	430,930	-	874,406	874,406	-
Total Primary Government	\$ 9,655,900	\$ 5,714,959	\$ 218,901	\$ 1,330,292	\$ (3,266,154)	\$ 874,406	\$ (2,391,748)	\$ -
Component Unit:								
Downtown Development Corporation	\$ 237,991	\$ 777,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539,812
Total Component Unit	\$ 237,991	\$ 777,803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539,812
General Revenues:								
Property Taxes					817,711	-	817,711	-
Sales Tax					2,457,495	-	2,457,495	-
Business Taxes					90,343	-	90,343	-
In Lieu of Taxes					187,539	-	187,539	-
Alcoholic Beverages Taxes					256,414	-	256,414	-
Income Taxes					44,798	-	44,798	-
Reimbursements					80,314	-	80,314	-
Other Sources					90,292	-	90,292	-
Unrestricted Investment Earnings					-	12,268	12,268	-
Tax and Tax Equivalents					3,658	-	3,658	-
Loss on Sale of Capital Assets					475,385	-	475,385	-
Total General Revenues					(35,168)	-	(35,168)	-
Change in Net Position					4,468,781	12,268	4,481,049	-
Net Position - Beginning					1,202,627	886,674	2,089,301	539,812
Prior Period Adjustment					5,057,887	22,813,354	27,871,241	(2,404,209)
Net Position - Beginning - Restated					-	12,773	12,773	-
Net Position - Ending					5,057,887	22,826,127	27,884,014	(2,404,209)
					\$ 6,260,514	\$ 23,712,801	\$ 29,973,315	\$ (1,864,397)

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

CITY OF BOLIVAR, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,001,506	\$ 199,163	\$ 2,200,669
Investments	207,980	-	207,980
Receivables:			
Property taxes (net of allowance of \$110,288)	928,435	-	928,435
Intergovernmental	206,305	13,124	219,429
Fire calls	16,364	-	16,364
Grants	473,718	-	473,718
Other	3,007	-	3,007
Due From Other Funds	-	-	-
Prepaid Expenses	35,297	-	35,297
Total Assets	<u>\$ 3,872,612</u>	<u>\$ 212,287</u>	<u>\$ 4,084,899</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 606,933	\$ 1,526	\$ 608,459
Due to Other Funds	1,000	-	1,000
Total Liabilities	<u>607,933</u>	<u>1,526</u>	<u>609,459</u>
Deferred Inflows of Resources:			
Unavailable Revenue - property tax	868,338	-	868,338
Unavailable Revenue - grants	40,359	-	40,359
Total Deferred Inflows of Resources	<u>908,697</u>	<u>-</u>	<u>908,697</u>
Fund Balances:			
Reserved for:			
Nonspendable	35,297	-	35,297
Restricted	-	210,761	210,761
Committed	10,000	-	10,000
Assigned	105,282	-	105,282
Unassigned	2,205,403	-	2,205,403
Total Fund Balances	<u>2,355,982</u>	<u>210,761</u>	<u>2,566,743</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,872,612</u>	<u>\$ 212,287</u>	<u>\$ 4,084,899</u>

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

CITY OF BOLIVAR, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2016

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

Fund Balance - total governmental funds		\$ 2,566,743
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,825,481
Compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(149,358)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, they are not reported in the governmental funds.		
Due in one year	(307,884)	
Due in more than one year	<u>(930,446)</u>	(1,238,330)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: Deferred outflows of resources related to pensions	722,015	
Less: Deferred inflows of resources related to pensions	<u>(424,011)</u>	298,004
Net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental funds.		(137,909)
Receivables not available to pay for current expenditures and, therefore, are deferred in the funds.		
Unavailable property taxes	55,524	
Unavailable grant funds	<u>40,359</u>	95,883
Net Position - Governmental Activities		<u><u>\$ 6,260,514</u></u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes			
Property and Utility Taxes	\$ 808,510	\$ -	\$ 808,510
In Lieu of Taxes	187,539	-	187,539
Tax and Tax Equivalents	475,385	-	475,385
Penalties and Interest	14,165	-	14,165
Local Sales Tax	1,253,684	-	1,253,684
Other	342,045	-	342,045
Intergovernmental	1,973,986	148,461	2,122,447
Licenses and Permits	8,647	-	8,647
Charges for Services	50,805	-	50,805
Recreational Revenue	19,245	-	19,245
Fines, Forfeits, and Penalties	337,176	87,730	424,906
Other Revenue	547,000	2,784	549,784
Total Revenues	<u>6,018,187</u>	<u>238,975</u>	<u>6,257,162</u>
EXPENDITURES			
Current			
General Government	400,118	-	400,118
Public Safety	2,960,978	40,639	3,001,617
Public Works	1,188,987	133,148	1,322,135
Health, Welfare, and Recreation	1,345,064	-	1,345,064
Debt Service			
Principal	102,446	16,991	119,437
Interest	39,705	508	40,213
Total Expenditures	<u>6,037,298</u>	<u>191,286</u>	<u>6,228,584</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Debt	208,000	-	208,000
Proceeds from Disposal of LESO Property	248,891	-	248,891
Sales - Surplus/ Abandoned Property	3,681	-	3,681
Total Other Financing Sources	<u>460,572</u>	<u>-</u>	<u>460,572</u>
Net Change in Fund Balance	441,461	47,689	489,150
Fund Balance - Beginning	<u>1,914,521</u>	<u>163,072</u>	<u>2,077,593</u>
Fund Balance - Ending	<u>\$ 2,355,982</u>	<u>\$ 210,761</u>	<u>\$ 2,566,743</u>

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

CITY OF BOLIVAR, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

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

Net change in fund balances - total governmental funds	\$	489,150
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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.

Add: Acquisition of Capital Assets	2,036,867	
Less: Surplus Other Assets recorded in prior year	(781,197)	
Less: Disposal of Capital Assets	(287,740)	
Less: Depreciation Expense	<u>(425,255)</u>	542,675

Principal paid on debt		119,437
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Proceeds from loans are recorded on the governmental funds as revenue, but the government-wide statement of activities does not report debt proceeds as revenue.

Loan Proceeds		(208,000)
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Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:

The pension contributions subsequent to the measurement date of June 30, 2015 consumes the financial resources in the fund statements but is considered deferred outflows of resources in the government wide statements. Therefore, these transactions do not have any effect on net position.		316,103
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The actuarially determined pension expense does not consume current financial resources and, therefore, is not reported in the governmental funds. It is reported as expenses in the statement of activities.		(83,116)
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Change in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable property taxes	(4,964)	
Change in unavailable grant revenues	<u>31,342</u>	26,378

Change in Net Position of Governmental Activities	\$	<u><u>1,202,627</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Water and Sewer	Natural Gas	Other Nonmajor Proprietary Fund	Total Proprietary Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 836,710	\$ 8,533,375	\$ 779,207	\$ 10,149,292
Investments	375,590	318,818	-	694,408
Receivables				
Accounts (net of allowance)	228,587	204,975	62,884	496,446
Interest	-	343	-	343
Grants	1,318	-	-	1,318
Due from Other Funds	-	1,000	-	1,000
Inventories	79,389	346,640	-	426,029
Prepaid Expenses	5,749	5,283	4,039	15,071
Total Current Assets	<u>1,527,343</u>	<u>9,410,434</u>	<u>846,130</u>	<u>11,783,907</u>
Capital Assets, not being depreciated				
Land	43,197	17,457	-	60,654
Construction in Progress	512,074	-	-	512,074
Total Capital Assets, not being depreciated	<u>555,271</u>	<u>17,457</u>	<u>-</u>	<u>572,728</u>
Capital Assets, being depreciated				
Buildings and Improvements	195,343	179,355	-	374,698
Equipment	1,278,537	1,781,229	629,101	3,688,867
Plant	20,200,647	10,406,164	-	30,606,811
Intangibles	274,118	145,129	-	419,247
Total Capital Assets, being depreciated	<u>21,948,645</u>	<u>12,511,877</u>	<u>629,101</u>	<u>35,089,623</u>
Less Accumulated Depreciation	(11,813,768)	(6,754,329)	(540,308)	(19,108,405)
Net Capital Assets, being depreciated	<u>10,134,877</u>	<u>5,757,548</u>	<u>88,793</u>	<u>15,981,218</u>
Total Capital Assets, net of depreciation	<u>10,690,148</u>	<u>5,775,005</u>	<u>88,793</u>	<u>16,553,946</u>
Total Assets	<u>12,217,491</u>	<u>15,185,439</u>	<u>934,923</u>	<u>28,337,853</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension differences between expected and actual experience	17,306	18,528	7,990	43,824
Net difference between projected and actual earnings of pension plan investments	62,107	70,727	24,909	157,743
Pension contributions subsequent to the measurement date	62,390	71,049	25,022	158,461
Total Deferred Outflows of Resources	<u>141,803</u>	<u>160,304</u>	<u>57,921</u>	<u>360,028</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 12,359,294</u>	<u>\$ 15,345,743</u>	<u>\$ 992,844</u>	<u>\$ 28,697,881</u>
LIABILITIES				
Accounts Payable	\$ 47,248	\$ 63,516	\$ 14,741	\$ 125,505
Current Portion of Long-term Debt	235,632	-	7,617	243,249
Total Current Liabilities	<u>282,880</u>	<u>63,516</u>	<u>22,358</u>	<u>368,754</u>
Long-Term Liabilities				
Notes Payable	4,203,770	-	73,720	4,277,490
Compensated Absences	21,559	28,541	10,981	61,081
Net Pension Liability	31,202	42,112	6,568	79,882
Total Long-Term Liabilities	<u>4,256,531</u>	<u>70,653</u>	<u>91,269</u>	<u>4,418,453</u>
Total Liabilities	<u>4,539,411</u>	<u>134,169</u>	<u>113,627</u>	<u>4,787,207</u>
DEFERRED INFLOWS OF RESOURCES				
Net difference between projected and actual earnings of pension plan investments	78,304	80,127	39,442	197,873
Total Deferred Inflows of Resources	<u>78,304</u>	<u>80,127</u>	<u>39,442</u>	<u>197,873</u>
NET POSITION				
Net Investment in Capital Assets	6,250,746	5,775,005	7,456	12,033,207
Unrestricted	1,490,833	9,356,442	832,319	11,679,594
Total Net Position	<u>7,741,579</u>	<u>15,131,447</u>	<u>839,775</u>	<u>23,712,801</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 12,359,294</u>	<u>\$ 15,345,743</u>	<u>\$ 992,844</u>	<u>\$ 28,697,881</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	<u>Water and Sewer</u>	<u>Natural Gas</u>	<u>Other Nonmajor Proprietary Fund</u>	<u>Total Proprietary Funds</u>
Operating Revenues:				
Water Sales	\$ 1,047,456	\$ -	\$ -	\$ 1,047,456
Gas Sales	-	2,514,597	-	2,514,597
Sanitation Fees	-	-	492,505	492,505
Connection Fees	41,194	46,029	-	87,223
Sewer Charges	727,504	-	-	727,504
Service Charges and Tap Fees	48,958	3,005	-	51,963
Penalties	47,505	35,315	-	82,820
Recovery of Bad Debts	1,127	3,205	235	4,567
Miscellaneous	27,022	17,469	505	44,996
Total Operating Revenues	<u>1,940,766</u>	<u>2,619,620</u>	<u>493,245</u>	<u>5,053,631</u>
Operating Expenses:				
Personnel Services	477,353	524,091	200,844	1,202,288
Administrative and General	561,595	435,989	84,152	1,081,736
Utilities	61,885	23,276	4,159	89,320
Repairs and Maintenance	229,006	33,633	14,345	276,984
Gas Purchases	-	1,014,830	-	1,014,830
Depreciation	484,664	313,750	32,759	831,173
Total Operating Expenses	<u>1,814,503</u>	<u>2,345,569</u>	<u>336,259</u>	<u>4,496,331</u>
Operating Income	<u>126,263</u>	<u>274,051</u>	<u>156,986</u>	<u>557,300</u>
Nonoperating Revenues (Expenses):				
Interest Income	3,182	8,417	669	12,268
Interest Expense	(110,057)	-	(3,767)	(113,824)
Grant Revenue	430,930	-	-	430,930
Total Nonoperating Revenues (Expenses)	<u>324,055</u>	<u>8,417</u>	<u>(3,098)</u>	<u>329,374</u>
Change in Net Position	<u>450,318</u>	<u>282,468</u>	<u>153,888</u>	<u>886,674</u>
Total Net Position - Beginning	7,291,261	14,836,206	685,887	22,813,354
Prior Period Adjustment	-	12,773	-	12,773
Total Net Position - Beginning - Restated	<u>7,291,261</u>	<u>14,848,979</u>	<u>685,887</u>	<u>22,826,127</u>
Total Net Position - Ending	<u>\$ 7,741,579</u>	<u>\$ 15,131,447</u>	<u>\$ 839,775</u>	<u>\$ 23,712,801</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	<u>Water and Sewer</u>	<u>Natural Gas</u>	<u>Other Nonmajor Proprietary Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	\$ 1,884,154	\$ 2,667,597	\$ 488,052	\$ 5,039,803
Cash Paid to Other Funds for Services	-	(51,841)	-	(51,841)
Cash Paid to Suppliers for Goods and Services	(896,442)	(1,463,362)	(113,697)	(2,473,501)
Cash Paid to Employees for Services	(477,353)	(524,091)	(200,844)	(1,202,288)
Net Cash Provided by Operating Activities	<u>510,359</u>	<u>628,303</u>	<u>173,511</u>	<u>1,312,173</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Fixed Assets	(492,234)	(122,275)	(6,930)	(621,439)
Grant Revenue	430,930	-	-	430,930
Proceeds from Long-Term Debt	-	-	-	-
Principal Payments on Long-Term Debt	(228,931)	-	(7,309)	(236,240)
Interest Paid on Long-Term Debt	(110,057)	-	(3,767)	(113,824)
Net Cash Used by Capital and Related Financing Activities	<u>(400,292)</u>	<u>(122,275)</u>	<u>(18,006)</u>	<u>(540,573)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of Investments	(2,476)	(1,790)	-	(4,266)
Interest Earned	3,182	8,417	669	12,268
Net Cash Provided by Investing Activities	<u>706</u>	<u>6,627</u>	<u>669</u>	<u>8,002</u>
Net Increase in Cash and Cash Equivalents	110,773	512,655	156,174	779,602
Cash and Cash Equivalents - Beginning	<u>725,937</u>	<u>8,020,720</u>	<u>623,033</u>	<u>9,369,690</u>
Cash and Cash Equivalents - End	<u>\$ 836,710</u>	<u>\$ 8,533,375</u>	<u>\$ 779,207</u>	<u>\$ 10,149,292</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income	\$ 126,263	\$ 274,051	\$ 156,986	\$ 557,300
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	484,664	313,750	32,759	831,173
Changes in pension related outflows and inflows of resources	(95,925)	(114,326)	(33,953)	(244,204)
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(56,612)	47,977	(5,193)	(13,828)
(Increase) Decrease in Inventories	(2,204)	87,579	-	85,375
Increase (Decrease) in Accounts Payable	4,233	(42,574)	7,402	(30,939)
Increase (Decrease) in Net Pension Liability	49,940	61,846	15,510	127,296
Net Cash Provided by Operating Activities	<u>\$ 510,359</u>	<u>\$ 628,303</u>	<u>\$ 173,511</u>	<u>\$ 1,312,173</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property Tax - Current	\$ 675,000	\$ 675,000	\$ 662,147	\$ (12,853)
Utility Tax - Current	25,000	25,000	25,814	814
Property Tax - Delinquent	130,000	130,000	120,549	(9,451)
Penalties and Interest	20,000	20,000	14,165	(5,835)
Tax & Tax Equivalents - Bolivar Electric	464,000	464,000	475,385	11,385
In Lieu of Taxes	153,000	153,000	178,876	25,876
In Lieu of Taxes - Bolivar Housing Authority	12,000	12,000	8,663	(3,337)
Local Sales Tax	1,220,000	1,220,000	1,253,684	33,684
Beer Tax Allocation - Wholesale	250,000	250,000	251,702	1,702
Business Tax	500	500	405	(95)
Gross Receipt Tax	165,000	165,000	89,888	(75,112)
Trans. Vendor License - Business Tax	1,000	1,000	50	(950)
Total Taxes	<u>3,115,500</u>	<u>3,115,500</u>	<u>3,081,328</u>	<u>(34,172)</u>
Intergovernmental				
Library - County Reimbursement	80,315	80,315	80,314	(1)
Police Salary Supplement	12,000	12,000	10,800	(1,200)
Forestry Block Grant	3,000	3,000	2,980	(20)
2010 Disaster Recovery Grant	-	10,852	426,703	415,851
2011 Disaster Recovery Grant	-	16,011	26,318	10,307
FEMA Grant	-	59,280	72,267	12,987
ACV Payment from State	3,600	3,600	4,110	510
TML Driver Safety Grant	2,500	2,500	2,463	(37)
State of Tennessee				
- State Telecommunication	500	500	455	(45)
- Sales Tax Allocation	410,000	410,000	435,853	25,853
- State Sales Tax Courthouse Square	700,000	767,958	767,958	-
- Income Tax Allocation	12,000	21,203	21,571	368
- Beer Tax Allocation	2,500	2,500	2,645	145
- Mixed Drink Tax Allocation	2,000	2,000	2,067	67
- City Street & Transportation	11,500	11,500	10,102	(1,398)
- TVA Replacement Tax	63,000	63,000	63,569	569
- Corporate Excise Tax	17,000	17,000	23,227	6,227
- Governors Hwy Safety Grant	-	12,062	12,645	583
- Firewise Grant	20,000	20,000	2,939	(17,061)
- Industrial Park Grant	-	5,000	5,000	-
Total Intergovernmental	<u>1,339,915</u>	<u>1,520,281</u>	<u>1,973,986</u>	<u>453,705</u>
Licenses and Permits				
Application Fee - Beer Permit	1,000	1,000	750	(250)
Privilege Tax - Beer Permit	1,200	1,200	1,300	100
Privilege Tax - Fireworks	200	200	100	(100)
Building Permits	3,000	3,000	4,132	1,132
Sign Permits	100	100	40	(60)
Demolition Permits	50	50	-	(50)
Special Events Permits	75	75	75	-
Rezoning Application Fees	500	500	2,250	1,750
Total Licenses and Permits	<u>6,125</u>	<u>6,125</u>	<u>8,647</u>	<u>2,522</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services				
Clerk's Fees - Business Tax	\$ 10,000	\$ 10,000	\$ 9,920	\$ (80)
Fire Protection Charge	40,000	40,000	38,900	(1,100)
Safety Grant Program - TML Fire	1,500	1,500	1,500	-
Restitution - Fire Dept	100	100	-	(100)
Miscellaneous Fire Dept	200	200	10	(190)
Mowing Service	-	-	475	475
Total Charges for Services	<u>51,800</u>	<u>51,800</u>	<u>50,805</u>	<u>(995)</u>
Recreation				
Swimming Pool Revenue	2,000	2,000	3,602	1,602
Admissions (Park & Gym)	5,500	5,500	4,571	(929)
Camp - Basketball	350	350	180	(170)
Commission on Vending	600	600	896	296
Volleyball League Fees	500	500	350	(150)
Soccer League Fees	1,500	1,500	1,330	(170)
Basketball League Fees - Adult	4,000	4,000	3,535	(465)
Basketball League Fees - Little League	4,000	4,000	4,581	581
Donations - Recreations	-	-	100	100
Miscellaneous receipts	600	600	-	(600)
Aerobic Fees	-	-	100	100
Total Recreation	<u>19,050</u>	<u>19,050</u>	<u>19,245</u>	<u>195</u>
Fines, Forfeits, and Penalties				
Fines and Forfeits	275,000	275,000	312,565	37,565
Restitution	200	200	171	(29)
Fines - General Sessions Court	25,000	25,000	21,071	(3,929)
Sex Offender Registry Fees	450	450	450	-
Miscellaneous Police Receipts	1,000	1,000	2,919	1,919
Total Fines, Forfeits, and Penalties	<u>301,650</u>	<u>301,650</u>	<u>337,176</u>	<u>35,526</u>
Other				
Miscellaneous Revenue	5,000	5,000	9,129	4,129
Copies	50	50	37	(13)
Reimbursement Postage	50	50	44	(6)
Yard Sale Permits	50	50	54	4
Community Room Rent	7,000	7,000	6,625	(375)
Farmers Market Grant	1,500	1,500	1,000	(500)
Rent/ Commission on Collections	60,776	60,776	60,776	-
Franchise Fee - Cable TV	31,000	31,000	32,854	1,854
Insurance Recoveries	10,000	18,843	18,843	-
Surplus Property Donation	-	1,200,000	414,999	(785,001)
Christmas Lighting	2,500	2,500	-	(2,500)
Ensure	5,000	5,000	2,975	(2,025)
Senior Citizens Center Donations	500	500	514	14
ACV Holding Account	(4,600)	(4,600)	(4,110)	490
Interest Income	2,000	2,000	3,260	1,260
Total Other	<u>120,826</u>	<u>1,329,669</u>	<u>547,000</u>	<u>(782,669)</u>
Total Revenues	<u>4,954,866</u>	<u>6,344,075</u>	<u>6,018,187</u>	<u>(325,888)</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures				
General Government				
Mayor, Council, and Judicial				
Salaries	\$ 10,334	\$ 10,334	\$ 10,334	\$ -
Mayor and Council Salary	38,754	38,754	38,754	-
Workers Compensation Insurance	200	200	2	198
Registration and Dues	6,000	6,000	5,415	585
Advertising	1,200	1,200	1,935	(735)
Printing	250	250	553	(303)
Telephone	1,500	1,500	1,183	317
Legal Service	500	500	-	500
Travel	8,000	8,000	6,901	1,099
Food/ Drink Items	100	100	104	(4)
General Liability	6,200	6,200	7,404	(1,204)
Miscellaneous	500	500	978	(478)
Total Mayor, Council, and Judicial	73,538	73,538	73,563	(25)
General Government Building				
Salary	31,607	31,607	25,346	6,261
Employee Benefits	11,123	11,123	8,030	3,093
Utilities	6,000	6,000	7,408	(1,408)
Janitorial Services	1,500	1,500	760	740
Grounds and Grounds Improvements	5,500	5,500	2,013	3,487
Building Repairs and Maintenance	20,000	20,000	12,697	7,303
Other Repair and Maintenance	700	700	1,374	(674)
Food/Drink Items	100	100	-	100
Household and Janitorial	2,000	2,000	2,301	(301)
Clothing and Uniforms	800	800	670	130
Other Operating Supplies	200	200	(75)	275
Other Repair and Maintenance - Sundry	100	100	-	100
Insurance on Buildings	6,800	6,800	6,642	158
General Liability	4,000	4,000	3,819	181
Workers Compensation	2,000	2,000	1,142	858
Miscellaneous	3,000	3,000	2,090	910
Capital Outlay	-	-	3,228	(3,228)
Total General Government Building	95,430	95,430	77,445	17,985
Planning Commission				
Board and Committee Members	1,960	1,960	2,153	(193)
Advertising	100	100	-	100
General Liability	2,000	2,000	2,468	(468)
State Planning Commission	15,000	15,000	14,441	559
Total Planning Commission	19,060	19,060	19,062	(2)
Administrative				
Salary	113,720	113,720	102,993	10,727
Employee Benefits	33,134	33,134	32,967	167
Postage and Freight	2,000	2,000	1,853	147

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
General Government (continued)				
Administrative (continued)				
Printing	\$ 1,700	\$ 1,700	\$ 1,588	\$ 112
Tax, Law, and Publications	3,000	3,000	573	2,427
Registration and Dues	4,500	4,500	7,165	(2,665)
Advertising	1,000	1,000	1,215	(215)
Subscriptions	100	100	38	62
Other Adv, Sub. and Dues	100	100	36	64
Utilities	14,500	14,500	10,080	4,420
Telephone	13,000	13,000	11,390	1,610
Medical	200	200	-	200
Accounting and Auditing	10,000	10,000	9,733	267
Computer Support Service	7,500	7,500	6,778	722
Other Professional Services	1,000	1,000	783	217
Repairs and Maintenance	300	300	95	205
Training	3,000	3,000	1,705	1,295
Travel	7,000	7,000	3,974	3,026
Equipment Rental	5,500	5,500	5,114	386
Miscellaneous	700	700	875	(175)
Supplies	3,400	3,400	2,503	897
General Liability	100	100	53	47
Workers Compensation	1,000	1,000	627	373
Capital Outlay	1,500	1,500	10,974	(9,474)
Total Administrative	227,954	227,954	213,112	14,842
Miscellaneous				
Fees	12,000	12,000	12,000	-
Registration Dues	700	700	-	700
Travel	700	700	-	700
General Liability	4,000	4,000	4,936	(936)
Board Member Fee	538	538	-	538
Advertising	50	50	-	50
Total Miscellaneous	17,988	17,988	16,936	1,052
Total General Government	433,970	433,970	400,118	33,852
Public Safety				
Police Department				
Salary	901,031	901,031	865,575	35,456
Employee Benefits	324,485	329,485	293,586	35,899
Postage and Freight	1,000	1,000	531	469
Freight for Surplus Property	10,000	25,000	27,933	(2,933)
Vehicle Tow-in Service	1,500	1,500	1,598	(98)
Printing	3,000	3,000	664	2,336
Tax, Law, and Publications	600	600	477	123
Registration and Dues	1,000	1,000	1,343	(343)
Advertising	700	700	639	61
Subscriptions	100	100	-	100
Other Adv, Sub and Dues	100	100	-	100
Utilities	12,000	12,000	8,008	3,992

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public Safety (continued)				
Police Department (continued)				
Medical	\$ 1,000	\$ 1,000	\$ 1,605	\$ (605)
Telephone	8,000	8,000	7,481	519
Legal Services	1,500	1,500	7,700	(6,200)
Computer Service	12,000	12,000	11,300	700
Other Professional Services	500	500	1,014	(514)
Repair and Maintenance	32,500	41,343	35,010	6,333
Training	3,000	7,290	7,290	-
Travel	3,000	11,000	11,562	(562)
Office Equipment Rental	5,000	5,000	4,037	963
Dispatcher Consolidation	112,500	112,500	112,500	-
Miscellaneous	2,000	2,000	1,684	316
Supplies	5,450	5,450	7,115	(1,665)
Clothing and Uniforms	10,000	21,500	21,489	11
Gas, Oil, and Diesel	66,500	66,500	46,726	19,774
Tires, Tubes, etc.	6,000	6,000	3,501	2,499
Insurance	16,500	17,689	17,511	178
General Liability	16,000	16,000	15,310	690
Workers Compensation	32,000	35,409	40,409	(5,000)
Governor's Hwy Safety Grant	-	2,169	474	1,695
Capital Outlay	46,000	1,454,000	626,689	827,311
Total Police Department	1,634,966	3,102,366	2,180,761	921,605
Fire Department				
Salaries	412,715	412,715	404,629	8,086
Employee Benefits	167,072	170,557	174,276	(3,719)
Volunteer Firemen	14,500	14,500	12,669	1,831
Postage and Freight	150	150	63	87
Vehicle Tow-in Service	200	200	-	200
Printing	200	200	98	102
Registration and Dues	500	500	530	(30)
Advertising	175	175	16	159
Subscriptions	1,300	1,300	460	840
Other Adv, Sub. And Dues	50	50	100	(50)
Utilities	16,000	16,000	10,080	5,920
Telephone	3,000	3,000	2,094	906
Medical	6,250	6,250	4,700	1,550
Other Professional Fees	200	200	821	(621)
Repair and Maintenance	11,500	16,000	12,834	3,166
Training	4,950	4,950	4,606	344
Travel	5,000	5,000	3,980	1,020
Dispatcher Consolidation	19,500	19,500	19,500	-
Miscellaneous	2,500	2,500	1,408	1,092
Supplies	7,650	7,650	7,289	361
Clothing and Uniforms	3,000	3,000	3,040	(40)
Gas, Oil, and Diesel	10,000	10,000	6,228	3,772
Tires, Tubes, etc.	1,000	1,000	2,727	(1,727)
Insurance	13,500	13,500	12,728	772
General Liability	5,000	5,000	4,592	408

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued)				
Public Safety (continued)				
Fire Department				
Workers Compensation	\$ 12,500	\$ 12,500	\$ 15,037	\$ (2,537)
Forestry Block Grant	6,000	6,000	5,964	36
Grant - TML/Driver Safety	8,000	8,000	7,986	14
Grant - Forestry - Firewise	20,000	20,000	2,939	17,061
Total Fire Department	<u>752,412</u>	<u>760,397</u>	<u>721,394</u>	<u>39,003</u>
Safety Inspector				
Salaries	1,800	1,800	1,800	-
OASI	138	138	120	18
Retirement	343	343	343	-
Training	2,000	2,000	-	2,000
Total Safety Inspector	<u>4,281</u>	<u>4,281</u>	<u>2,263</u>	<u>2,018</u>
Building Inspector				
Salaries	35,934	35,934	35,605	329
Employee Benefits	15,240	15,240	16,758	(1,518)
Registration and Dues	125	125	135	(10)
Telephone	650	650	619	31
Training	1,000	1,000	-	1,000
Travel	1,000	1,000	988	12
Miscellaneous	500	500	60	440
Legal Fees	1,000	1,000	-	1,000
Repairs and Maintenance	1,500	1,500	600	900
Insurance	500	500	232	268
Workers Compensation	2,000	2,000	1,563	437
Total Building Inspector	<u>59,449</u>	<u>59,449</u>	<u>56,560</u>	<u>2,889</u>
Total Public Safety	<u>2,451,108</u>	<u>3,926,493</u>	<u>2,960,978</u>	<u>965,515</u>
Public Works				
Street and Highways				
Salaries	218,694	218,694	206,431	12,263
Employee Benefits	111,900	118,900	115,724	3,176
Registration and Dues	40	40	45	(5)
Advertising	250	250	64	186
Utilities	13,000	13,000	7,339	5,661
Telephone	1,300	1,300	1,171	129
Medical	300	300	16	284
Legal Services	500	500	-	500
Repair and Maintenance	23,200	28,700	23,766	4,934
Traffic Lights, Rel Equipment	7,000	7,000	163	6,837
Travel	150	150	27	123
Miscellaneous	300	300	862	(562)
Supplies	19,300	19,300	14,692	4,608
Clothing and Uniform	4,000	4,000	3,125	875
Gas, Oil and Diesel	32,000	32,000	23,018	8,982

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued)				
Public Works (continued)				
Street and Highways (continued)				
Tires, Tubes etc.	\$ 5,000	\$ 5,000	\$ 4,106	\$ 894
Concrete Products	4,000	4,000	53	3,947
Steel	2,000	2,000	-	2,000
Metal Culverts	3,000	3,000	850	2,150
Gravel and Sand	6,000	6,000	6,179	(179)
Asphalt	50,000	50,000	53,105	(3,105)
Insurance	10,000	10,000	8,319	1,681
General Liability	2,000	2,000	2,343	(343)
Workers Compensation	23,000	23,000	27,269	(4,269)
Street Project - 2011 CDBG Disaster	-	33,863	88,716	(54,853)
CDBG Disaster 2010	-	31,202	466,052	(434,850)
FEMA Disaster Stevens Road	-	39,750	39,750	-
Total Streets and Highways	<u>536,934</u>	<u>654,249</u>	<u>1,093,185</u>	<u>(438,936)</u>
Street Lighting				
Street Lighting	105,000	105,000	95,802	9,198
Total Street Lighting	<u>105,000</u>	<u>105,000</u>	<u>95,802</u>	<u>9,198</u>
Total Public Works	<u>641,934</u>	<u>759,249</u>	<u>1,188,987</u>	<u>(429,738)</u>
Health, Welfare, and Recreation				
Rabies Control				
Utilities	2,000	2,000	1,831	169
Total Rabies Control	<u>2,000</u>	<u>2,000</u>	<u>1,831</u>	<u>169</u>
Recreation Department				
Salaries	210,186	210,186	194,370	15,816
Employee Benefits	50,827	50,827	45,311	5,516
Postage	50	50	-	50
Registration and Dues	500	500	45	455
Utilities	40,000	40,000	22,373	17,627
Advertising	800	800	907	(107)
Telephone	1,200	1,200	963	237
Professional Fees	500	500	499	1
Repairs and Maintenance	26,550	26,550	11,110	15,440
Training	600	600	645	(45)
Travel	400	400	(340)	740
Miscellaneous	10,300	10,300	50	10,250
Supplies	19,925	19,925	10,851	9,074
Food/ Drink Items	100	100	43	57
Uniforms	900	900	593	307
Gas, Oil, Diesel	5,500	5,500	5,613	(113)
Tires, Tubes, Etc.	500	500	724	(224)
Pool Permits	850	850	-	850
Concrete and Concrete Products	500	500	536	(36)
Gravel and Sand	500	500	384	116
Insurance	2,800	2,800	2,250	550
General Liability	6,000	6,000	6,404	(404)

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (continued)				
Health, Welfare, and Recreation (continued)				
Recreation Department (continued)				
Workers Compensation	\$ 5,200	\$ 5,200	\$ 6,896	\$ (1,696)
Equipment Rental	300	300	65	235
Pleasant Creek Park	22,230	22,230	23,470	(1,240)
Capital Outlay	8,000	8,000	9,097	(1,097)
Total Recreation Department	<u>415,218</u>	<u>415,218</u>	<u>342,859</u>	<u>72,359</u>
Housing Authority				
Board Member Fee	3,230	3,230	2,960	270
General Liability	2,000	2,000	2,468	(468)
Total Housing Authority	<u>5,230</u>	<u>5,230</u>	<u>5,428</u>	<u>(198)</u>
Senior Citizens Center				
Salaries	31,709	31,709	16,745	14,964
Postage	25	25	-	25
Advertising	100	100	-	100
Subscriptions	100	100	84	16
Utilities	15,000	15,000	10,045	4,955
Telephone	700	700	600	100
Repairs and Maintenance	1,300	1,300	74	1,226
Travel	200	200	95	105
Miscellaneous	3,500	3,500	3,386	114
Supplies	3,650	3,650	4,106	(456)
Insurance	850	850	657	193
Gas, Oil, and Diesel	750	750	95	655
Workers Compensation	650	650	77	573
Total Senior Citizens Center	<u>58,534</u>	<u>58,534</u>	<u>35,964</u>	<u>22,570</u>
Library				
Salaries	154,450	154,450	94,865	59,585
Employee Benefits	-	-	25,697	(25,697)
Utilities	-	-	16,511	(16,511)
Training	-	-	32	(32)
Repairs and Maintenance	-	-	117	(117)
Miscellaneous	-	-	2,447	(2,447)
Supplies	-	-	6,126	(6,126)
Insurance	-	-	1,070	(1,070)
General Liability	-	-	488	(488)
Workers Compensation	-	-	202	(202)
Total Library	<u>154,450</u>	<u>154,450</u>	<u>147,555</u>	<u>6,895</u>
Historical Zoning				
General Liability	2,000	2,000	2,468	(468)
Advertising	150	150	15	135
Miscellaneous	100	100	27	73
Travel	500	500	51	449
Total Historical Zoning	<u>2,750</u>	<u>2,750</u>	<u>2,561</u>	<u>189</u>

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

CITY OF BOLIVAR, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures (continued)				
Health, Welfare, and Recreation (continued)				
Miscellaneous				
Various Community Projects	\$ -	\$ -	\$ 13,522	\$ (13,522)
Professional Fees	-	-	511	(511)
Business License Tax to State	10,000	10,000	-	10,000
Downtown Grounds	3,000	3,000	914	2,086
Miscellaneous	20,000	20,000	6,673	13,327
Food/Drink Items	300	300	572	(272)
Hosting Fee - Geo Jobe	5,500	5,500	5,400	100
Blue Cross 65 Retirees	1,650	1,650	3,000	(1,350)
Donations - Other Institutions	8,000	8,000	450	7,550
Promotional Items	500	500	866	(366)
Farmer's Market Grant	1,000	1,000	1,000	-
Industrial Park Site Readiness	-	5,000	5,000	-
Visitor Center Rental	3,000	3,000	3,000	-
Pilot Grant Expense	700,000	767,958	767,958	-
Total Miscellaneous	752,950	825,908	808,866	17,042
Total Health, Welfare, and Recreation	1,391,132	1,464,090	1,345,064	119,026
Debt Service				
Principal - First South - Farmer's Market	82,780	82,780	70,955	11,825
Interest - First South - Farmer's Market	-	-	18,465	(18,465)
Principal - Ladder Truck	16,441	16,441	17,139	(698)
Interest - Ladder Truck	13,001	13,001	12,303	698
Principal - Vehicle Loan USDA	12,206	12,206	12,730	(524)
Interest - Vehicle Loan USDA	4,694	4,694	4,170	524
Interest - Gas Revenue Loan	1,000	1,000	125	875
Principal - West Park USDA	1,432	1,432	1,622	(190)
Interest - West Park USDA	4,832	4,832	4,642	190
Total Debt Service	136,386	136,386	142,151	(5,765)
Total Expenditures	5,054,530	6,720,188	6,037,298	682,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(99,664)	(376,113)	(19,111)	357,002
Other Financing Sources (Uses)				
Proceeds from Debt	-	208,000	208,000	-
Proceeds from Disposal of LESO Property	150,000	150,000	248,891	98,891
Sales - Surplus/ Abandoned Property	-	-	3,681	3,681
Total Other Financing Sources and Uses	150,000	358,000	460,572	102,572
Net Change in Fund Balance	\$ 50,336	\$ (18,113)	441,461	\$ 459,574
Fund Balance - Beginning			1,914,521	
Fund Balance - Ending			\$ 2,355,982	

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

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bolivar, Tennessee (the City) complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. REPORTING ENTITY

The City of Bolivar, Tennessee is a municipal corporation governed by the Mayor and Board of Council. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City is accountable and those are included within the City's financial statements. In accordance with GASB Statement No. 14, the City is financially accountable if: (1) it appoints a voting majority of the organization's governing board, and (2) it is able to impose will on the organization, or (3) it is potential for the organization to provide specific financial benefit to or impose financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City has identified one organization it considers to be a component unit: Bolivar Downtown Development Corporation.

Discretely Presented Component Unit

A discretely presented component unit is a separate legal entity that meet the component unit criteria described above but do not meet the criteria for blending. Bolivar Downtown Development Corporation is considered a discretely presented component unit.

In accordance with GASB No. 61, the City must disclose the reason each component unit is considered so. The City considers Bolivar Downtown Development Corporation a component unit because the City can impose its will on this entity, and the State of Tennessee deems it a component unit of the City. Issued separately, audited financial statements for the Bolivar Downtown Development Corporation can be obtained from the Bolivar Downtown Development Corporation, 211 North Washington Street, Bolivar, Tennessee 38008. The only significant transaction between Bolivar Downtown Development Corporation and the City includes the payment of the State Sales Tax Courthouse Square (state sales tax specifically designated for downtown development) from the City to the Bolivar Downtown Development Corporation.

B. BASIS OF PRESENTATION

The City's basic financial statements include both government-wide (reporting the City as whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The component unit Bolivar Downtown Development Corporation is also classified as a governmental activity. The City's water and sewer, natural gas, and sanitation services are classified as business-type activities. The City does not have any fiduciary funds or component units that are fiduciary in nature; however, if the City did have either of those, they would not be included in the government-wide financial statements.

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. BASIC FINANCIAL STATEMENTS

Government-Wide Statements

Statement of Net Position reports both the governmental and business-type activities columns that are (a) presented on a consolidated basis by column and (b) reported on a full accrual basis, the economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three categories: 1) net investment in capital assets, 2) restricted net position, and 3) unrestricted net position. When both restricted and unrestricted net positions are available, the City first utilizes restricted resources to finance qualifying activities.

Statement of Activities reports both the gross and net cost of each of the City's functions: governmental activities and business-type activities. The functions are also supported by general revenues (property taxes, sales and use taxes, intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function (police, public works, etc.) or a business-type activity. Operating grants include operating or capital of which could be specific and discretionary while the capital grants column reflects capital-specific grants. The net costs (by function or business-type) are normally covered by general revenues (property taxes, sales and use taxes, intergovernmental revenues, interest income, etc).

The City does not allocate indirect costs.

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the financial activities in the current fiscal year.

Fund Financial Statements

The City utilizes the following fund types:

Governmental Funds

The focus of governmental funds is upon determination of financial position - Balance Sheet and changes in the financial position - Statement of Revenues, Expenditures, and Changes in Fund Balance. The City reports the following governmental funds:

- a. General Fund - is the general operating fund of the City and is considered a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. BASIC FINANCIAL STATEMENTS (cont.)

Proprietary Funds

The focus of proprietary funds is to report on financial position - Statement of Net Position and Changes in Net Position - Statement of Revenues, Expenses, and Changes in Net Position, and cash flows - Statement of Cash Flows. The generally accepted accounting principles applicable are similar to the private business sector.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are results of providing services to citizens and users and from delivering goods in accordance with the fund's principal operations for charges and fees. Operating expenses include cost of providing services and delivering goods such as: personnel, contractual services, supplies, repairs and maintenance, utilities, and depreciation on capital assets, etc. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Proprietary funds - there are two types of proprietary funds. Enterprise Funds are financed and operated in a manner similar to business private sector, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods and services to the general public are financed through user charges. The City has two major enterprise funds: a.) water and sewer and b.) natural gas. These funds operate and collect revenues from citizens and user of services on fee basis. Internal Service Funds are used when the governing body decides that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes. The City does not have an internal service fund.

D. BASIS OF ACCOUNTING MEASUREMENT FOCUS

Basis of accounting refers to the point which revenues and expenditures are recognized in the accounts and reported in the financial statements. It is related to the timing of the measurement made, regardless of the measurement focus applied.

Government-wide financial statements are presented using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenues as soon as all eligibility requirements imposed by the provider/grantor have been met. All assets and liabilities (current and noncurrent) are reported.

Government fund financial statements presented 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 thereafter to pay liabilities for the current period. The exception to this general rule is that principal and interest on general obligations of long-term debt is recognized when due. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred.

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. BUDGETARY DATA

The City follows the following guidelines in establishing the budgetary data reflected in financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.
- b. Revisions to the budget may be made throughout the year in accordance with governing statutes and consistent with generally accepted accounting principles.
- c. Unused appropriations for all the annually budgeted funds lapse at the end of the year.

F. RECEIVABLES

Receivables are recorded in various fund types. Receivables are shown net of any allowance for uncollectible accounts. The allowance amounts are as follows: General - \$110,288; Water and Sewer - \$15,491; and Gas \$1,500.

G. INVENTORIES

Inventories consist primarily of supplies and natural gas storage, valued at cost, which approximates the market. Cost is determined using an average-cost method. All City inventories are maintained on a consumption method of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed.

H. BOND PREMIUMS AND DISCOUNTS/ISSUANCE COSTS

In the governmental fund, bond premiums and discounts and issuance costs are treated as period cost in the year of issue. Bond premiums and discounts are shown as other financing sources (uses). In the proprietary funds, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method if it does not differ materially from the interest method. Bond premiums and discounts are netted with the bond.

I. CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date contributed. The City defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of one year or greater. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

I. CAPITAL ASSETS (cont.)

<u>ASSETS</u>	<u>YEARS</u>
Buildings and Improvements	7 - 40
Equipment (including vehicles)	3 - 20
Plant	10 - 50
Infrastructure	15
Intangibles	20 - 50

J. COMPENSATED ABSENCES

All funds, other than the Proprietary Funds, record as expenditures the vacation accrued during the year that would normally be liquidated with expendable available financial resources. The Governmental Funds' employees accumulate vacation days and in the event of termination (unless terminated for gross misconduct), employees are reimbursed for accumulated vacation up to the maximum days based on years of service noted below. This amount is reported in the Statement of Net Position under noncurrent liabilities.

The Proprietary Funds accrue a liability for vacation in the period it is earned by the employees. The employees are allowed to accumulate vacation up to the maximum days based on years of service noted below and are reimbursed for such accumulation in the event of termination unless terminated by gross misconduct. This amount is reported in the Statement of Net Position under long-term liabilities.

<u>Years of Service</u>	<u>Maximum Days</u>
1 to 10 years	24 days
11 to 20 years	30 days
Over 20 years	36 days

All City employees' sick leave accumulation is unlimited. Employees who retire have all unused sick leave credited toward their retirement. However, employees who resign or are dismissed retain no vested interest in their unused sick leave. Therefore, no reasonable estimate is necessary.

K. LONG-TERM OBLIGATIONS

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. Bond issuance costs are expensed in the current period.

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

K. LONG-TERM OBLIGATIONS (cont.)

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has three items reported in this category: pension contributions subsequent to the measurement date, net difference between projected and actual earnings of pension plan investments, and pension differences between expected and actual experience.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The items that qualify for reporting as a deferred inflow of resources are unavailable revenue - property taxes and net difference between projected and actual earnings of pension plan investments.

M. NET POSITION

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is separated into three categories: net investment in capital assets, restricted, and unrestricted.

- Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted Net Position - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or restrictions imposed by law through constitutional provisions or enabling legislation.

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

M. NET POSITION (cont.)

- Unrestricted Net Position - Unrestricted net position consist of net positions that do not meet the definition of “restricted” or “net investment in capital assets.” These are available for current use by the City.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. FUND BALANCE

For the fiscal year ending June 30, 2011, the City of Bolivar implemented GASB Statement No. 54, “Fund Balance Reporting and Government Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained in tact.
- Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance - amounts constrained to specific purposes by the City Council. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.
- Assigned Fund Balance - amounts the City intends to use for a specific purpose. The City Council is the authorized body to make assignments.
- Unassigned Fund Balance - amounts that are available for any purpose. General Fund is the only fund that should report a negative unassigned fund balance amount.

The details of the fund balance are included in the Governmental Funds Balance Sheet as listed in the table of contents. Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Board or the assignment has been changed by the Mayor. Decreases to fund balance first reduce committed fund balance; in the event that committed fund balance becomes zero, then assigned and unassigned fund balances are used in the respective order.

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

O. REVENUES, EXPENDITURES/EXPENSES

Substantially all governmental funds revenues, except for accrued property taxes, are billed and collected within the same period the taxes are levied. Subsidies and grants to proprietary funds, which finances either capital or current operations, are reported as nonoperating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognized liabilities and expenses and the recipient recognized receivables and revenue when the applicable eligibility requirements are met, otherwise they are reported as advances by the provider and unavailable revenues by the recipient.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities. All revenues that are not generated from the daily operations are defined as nonoperating items.

Expenditures generally are recorded when a related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements are recorded only when payment is due.

P. POLITICAL SUBDIVISION RETIREMENT PLAN

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 Bolivar's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Bolivar'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.

Q. ESTIMATES

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The carrying amount of deposits is presented on the balance sheet as "Cash and Cash Equivalents" and "Investments". Investments (for the primary government) consist of certificate of deposits at local banks whose original maturity exceeds three months. Investments that have maturities of three months or less at the date of purchase are classified as cash and cash equivalents. Cash represents money on deposit in various banks. Cash and investments are stated at cost, which approximates market value. A summary of cash balances is as follows:

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

A. CASH AND INVESTMENTS (cont.)

Cash and cash equivalents	\$ 12,349,961
Investments	<u>902,388</u>
	<u><u>\$ 13,252,349</u></u>

State of Tennessee law authorizes the City to invest in obligations of the United States of America or its agencies, nonconvertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States of America or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the Tennessee Department of Treasury Local Government Investment Pool (the LGIP). The LGIP contains investments in certificates of deposit, U.S. Treasury securities, and repurchase agreements, backed by the U.S. Treasury securities. The Treasurer of the State of Tennessee administers the investment pool.

All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee Bank Collateral Pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

All cash and cash equivalents balances at June 30, 2016, were entirely insured through the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool.

B. ACCOUNTS RECEIVABLE

Receivables as of the year end for the government's individual major funds and nonmajor in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

B. ACCOUNTS RECEIVABLE (cont.)

	General	Water & Sewer	Natural Gas	Nonmajor Funds		Total
				Governmental Activities	Business-type Activities	
Receivables:						
Taxes	\$ 1,038,723	\$ -	\$ -	\$ -	\$ -	\$ 1,038,723
Accounts	-	244,078	206,475	-	62,884	513,437
Fire calls	16,364	-	-	-	-	16,364
Interest	-	-	343	-	-	343
Intergovernmental						
State	166,209	-	-	13,124	-	179,333
Bolivar Electric	40,096	-	-	-	-	40,096
Grants	473,718	1,318	-	-	-	475,036
Other	3,007	-	-	-	-	3,007
Gross receivables	1,738,117	245,396	206,818	13,124	62,884	2,266,339
Less: allowance for uncollectibles	(110,288)	(15,491)	(1,500)	-	-	(127,279)
Net receivables	\$ 1,627,829	\$ 229,905	\$ 205,318	\$ 13,124	\$ 62,884	\$ 2,139,060

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, various components of unavailable revenue and unearned revenue reported in the governmental funds balance sheet were as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable	\$ 55,524	\$ -	\$ 55,524
2016 property tax assessment	-	812,814	812,814
Grants	40,359	-	40,359
	<u>\$ 95,883</u>	<u>\$ 812,814</u>	<u>\$ 908,697</u>

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

During the current fiscal year June 30, 2016, the following changes in capital assets occurred:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 823,126	\$ -	\$ -	\$ 823,126
Construction in Progress	227,557	586,597	-	814,154
Total Capital Assets, not being depreciated	<u>1,050,683</u>	<u>586,597</u>	<u>-</u>	<u>1,637,280</u>
Capital assets, being depreciated:				
Buildings	2,509,399	-	-	2,509,399
Equipment	3,859,189	1,450,270	406,304	4,903,155
Improvements	549,532	-	-	549,532
Infrastructure	288,318	-	-	288,318
Total Capital Assets, being depreciated	<u>7,206,438</u>	<u>1,450,270</u>	<u>406,304</u>	<u>8,250,404</u>
Less Accumulated Depreciation for:				
Buildings	1,423,429	58,877	-	1,482,306
Equipment	2,791,668	317,371	118,564	2,990,475
Improvements	383,210	29,786	-	412,996
Infrastructure	157,205	19,221	-	176,426
Total Accumulated Depreciation	<u>4,755,512</u>	<u>425,255</u>	<u>118,564</u>	<u>5,062,203</u>
Total Capital Assets, being depreciated, net	<u>2,450,926</u>	<u>1,025,015</u>	<u>287,740</u>	<u>3,188,201</u>
Governmental Activities Capital Assets, net	<u>\$ 3,501,609</u>	<u>\$ 1,611,612</u>	<u>\$ 287,740</u>	<u>\$ 4,825,481</u>

Depreciation was charged to various functions and activities as follows:

Governmental Activities	
General Government	\$ 49,157
Public Safety	268,767
Public Works	41,209
Health, Welfare, and Recreation	54,746
Drug	11,376
Total Governmental Activities	<u><u>\$ 425,255</u></u>

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital Assets, not being depreciated:				
Land	\$ 60,654	\$ -	\$ -	\$ 60,654
Construction in Progress	47,537	464,537	-	512,074
Total Capital Assets, not being depreciated	<u>108,191</u>	<u>464,537</u>	<u>-</u>	<u>572,728</u>
Capital Assets, being depreciated				
Buildings and Improvements	374,698	-	-	374,698
Equipment	3,603,165	85,702	-	3,688,867
Plant	30,535,613	71,198	-	30,606,811
Intangibles	419,247	-	-	419,247
Total Capital Assets, being depreciated	<u>34,932,723</u>	<u>156,900</u>	<u>-</u>	<u>35,089,623</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	209,964	5,298	-	215,262
Equipment	1,985,485	149,637	-	2,135,122
Plant	15,725,142	668,620	-	16,393,762
Intangibles	356,641	7,618	-	364,259
Total Accumulated Depreciation	<u>18,277,232</u>	<u>831,173</u>	<u>-</u>	<u>19,108,405</u>
Total Capital Assets, being depreciated, net	<u>16,655,491</u>	<u>(674,273)</u>	<u>-</u>	<u>15,981,218</u>
Business-type Activities Capital Assets, net	<u>\$ 16,763,682</u>	<u>\$ (209,736)</u>	<u>\$ -</u>	<u>\$ 16,553,946</u>

Depreciation was charged to various functions and activities as follows:

Business-type Activities	
Water and Sewer	\$ 484,664
Natural Gas	313,750
Sanitation	<u>32,759</u>
Total Business-type Activities	<u><u>\$ 831,173</u></u>

The City's police department received \$414,999 in federal surplus property through the Law Enforcement Support Office (LESO) Program for the year ended June 30, 2016. These were donations and nonmonetary in nature. An original value for the property was provided by the state. The property was recorded at one-third of the original value to estimate market value. As of June 30, 2016, the City still had possession of all of the donated property with the exception of nine items that were sold after the time restriction passed. In addition to the property, related freight was also capitalized. Below is a breakdown of how the property is classified on the statement of net position.

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Capital Assets:	
Equipment	\$ 1,324,366
Total Surplus Property	<u>\$ 1,324,366</u>

D. PROPERTY TAXES

Property taxes are levied annually on the first of January. Taxes are due and payable from the following October through February in the year succeeding the tax levy. An unperfected lien attaches by statute to property on March 1 for unpaid taxes from the prior year's levy. Taxes uncollected for one year past the due date are submitted to the Chancery Court for collection. Tax liens become perfected at the time the court enters judgment.

E. LONG-TERM OBLIGATIONS AND NOTES PAYABLE

The City's long-term debt is segregated between amount to be repaid from governmental activities and amounts to be repaid from business-type activities. Long-term debt as of June 30, 2016 is summarized as follows:

Governmental Activities

Notes Payable

2008 USDA West Park Loan, originally issued November 13, 2008 for \$115,500, due semiannually in installments of \$3,132 (including interest) through November 13, 2046, bearing interest of 4.25%, secured by full faith and credit of the City.	\$ 104,863
2008 USDA Loan on Fire Truck, originally issued March 26, 2008 for \$391,400, due in annual installments of \$29,442 including interest through March 2029, bearing interest of 4.25%, secured by full faith and credit of the City.	272,332
2007 USDA Loan on Equipment, originally issued February 21, 2007 for \$186,000, due semiannually in installments of \$8,450 including interest through February 2022, bearing interest of 4.25%, secured by full faith and credit of the City.	88,561
2015 First South Bank Police Vehicles, originally issued for \$208,000, dated September 28, 2015, due upon lender's demand; however, if no demand is made, due in annual installments of \$72,525 including interest through September 2018, bearing interest of 2.25%; secured by police vehicles	208,000
2013 1st South Bank Note, originally issued September 3, 2013 for \$706,533, due in annual installments of \$82,780 including interest through June 1, 2024, bearing interest of 2.85%, secured by full faith and credit of the City.	564,574
Total Governmental Activities Notes Payable	<u><u>\$ 1,238,330</u></u>

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS AND NOTES PAYABLE (cont.)

Business-type Activities

Notes Payable

2004 Tennessee Municipal Bond Fund, originally issued for \$1,450,000, dated December 12, 2005, due in annual installments of \$78,000 to \$106,000 through May 25, 2025, at 3.95% interest rate, collateralized by full faith and credit of the City.	\$ 821,000
State of Tennessee Revolving Loan, originally issued for \$2,000,000, dated March 1, 2007, due in monthly installments of \$10,080 including interest through February 28, 2027, at 1.96%; secured by water and sewer revenues and state shared revenues.	1,163,412
2007 USDA Revenue & Tax Bond, originally issued December 21, 2007 for \$531,000, due in monthly installments for \$2,438 (including interest) through December 2045, bearing interest of 4.5%, secured by the operating revenues of the water and sewer fund.	475,538
USDA Series 2010 General Obligation Bond, originally issued for \$121,000, dated April 22, 2010, due in annual installments of \$11,076 including interest through April 22, 2025, bearing interest of 4.25%, collateralized by full faith and credit of the City.	81,337
USDA Series 2010 Water & Sewer Bond Revenue and Tax Bond, originally issued for \$1,484,000 on March 30, 2011, due in monthly installments of \$5,640 including interest through March 28, 2051, bearing interest of 3.375%, secured by the operating revenues of the water and sewer fund.	1,382,897
USDA Series 2013 Water & Sewer Bond Revenue and Tax Bond, originally issued for \$689,000 on February 5, 2013, due in monthly installments of \$3,652 including interest through February 5, 2033, bearing interest of 2.50%; collateralized by the revenues of the operation of the water and sewer fund.	596,555
Total Business-type Activities Notes Payable	<u><u>\$ 4,520,739</u></u>

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Notes Payable	\$ 1,149,767	\$ 208,000	\$ 119,437	\$ 1,238,330	\$ 307,884
Compensated Absences	149,358	-	-	149,358	-
Net Pension Liability (Asset)	(99,783)	239,692	-	139,909	-
Total Governmental Activities	<u>\$ 1,199,342</u>	<u>\$ 447,692</u>	<u>\$ 119,437</u>	<u>\$ 1,527,597</u>	<u>\$ 307,884</u>
Business-type Activities					
Notes Payable	\$ 4,756,979	\$ -	\$ 236,240	\$ 4,520,739	\$ 243,249
Compensated Absences	61,081	-	-	61,081	-
Net Pension Liability (Asset)	(47,414)	127,296	-	79,882	-
Total Business-type Activities	<u>\$ 4,770,646</u>	<u>\$ 127,296</u>	<u>\$ 236,240</u>	<u>\$ 4,661,702</u>	<u>\$ 243,249</u>

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS AND NOTES PAYABLE (cont.)

The annual requirements, by activity type, to amortize all long-term debt outstanding except compensated absences net pension liability at June 30, 2016 are as follows:

Year Ending June 30,	Notes Payable					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 307,884	\$ 40,072	\$ 243,249	\$ 140,387	\$ 551,133	\$ 180,459
2018	102,986	32,290	250,367	133,149	353,353	165,439
2019	106,191	29,087	257,597	125,679	363,788	154,766
2020	109,502	25,774	264,953	117,963	374,455	143,737
2021	112,652	22,351	273,422	110,014	386,074	132,365
2022-2026	353,356	62,578	1,442,500	421,664	1,795,856	484,242
2027-2031	73,808	21,788	436,340	277,497	510,148	299,285
2032-2036	16,599	14,171	346,725	210,609	363,324	224,780
2037-2041	20,483	10,288	332,152	152,528	352,635	162,816
2042-2046	25,276	5,494	377,221	84,326	402,497	89,820
2047-2051	9,593	245	296,213	24,831	305,806	25,076
	<u>\$ 1,238,330</u>	<u>\$ 264,138</u>	<u>\$ 4,520,739</u>	<u>\$ 1,798,647</u>	<u>\$ 5,759,069</u>	<u>\$ 2,062,785</u>

All significant debt covenants and restrictions as set forth in the bond agreements were complied with.

Long-term liabilities for accrued compensated absences and net pension liability in the governmental funds are being liquidated by the General Fund.

Interest expense for the year was charged to the following funds:

General Fund	\$ 39,705
Drug Fund	508
Water and Sewer Fund	110,057
Sanitation Fund	<u>3,767</u>
	<u>\$ 154,037</u>

F. INTERFUND RECEIVABLES AND PAYABLES

Most interfund balances are due to disbursements for accounts payable being issued through one fund.

	DUE TO	
	Gas	Total
DUE FROM:		
General	\$ 1,000	\$ 1,000
Total	<u>\$ 1,000</u>	<u>\$ 1,000</u>

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 - DETAIL NOTES ON ALL FUNDS (cont.)

G. FUND BALANCES

The City's Fund Balances are made up of the following:

Fund Balances:	<u>General</u>	<u>State Street Aid</u>	<u>Drug</u>	<u>Total</u>
Nonspendable for:				
Prepaid Insurance	\$ 35,297	\$ -	\$ -	\$ 35,297
Restricted for (by enabling legislation):				
State Street Aid Fund	-	136,495	-	136,495
Drug Fund	-	-	74,266	74,266
Committed	10,000	-	-	10,000
Assigned for:				
Historical Zoning	1,752	-	-	1,752
Workers Compensation	103,530	-	-	103,530
Unassigned	2,205,403	-	-	2,205,403
Total Fund Balances	<u>\$ 2,355,982</u>	<u>\$ 136,495</u>	<u>\$ 74,266</u>	<u>\$ 2,566,743</u>

H. INSURANCE

The City is exposed to various risks of loss related to such issues: torts; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is carried for employees bonds and certain property destruction and employee health and accident claims. The City also participated in the Tennessee Municipal League Risk Management Pool, a public entity risk pool, for errors and omission, automobile liability and physical damage, workers compensation and employees' liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Tennessee Municipal League Risk management pool has been self-sustaining through member premiums. Members consist of local jurisdiction municipalities and utility districts in the State. Members are responsible for a pro-rata portion of claims that exceed the Pool's reserves. No additional assessments have ever been made by the Pool to its members as a result of losses experienced.

NOTE 3 - RETIREMENT PLANS

A. POLITICAL SUBDIVISION RETIREMENT PLAN

General Information about the Pension Plan

Plan description. Employees of Bolivar 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.

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 - RETIREMENT PLANS (cont.)

A. POLITICAL SUBDIVISION RETIREMENT PLAN (cont.)

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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	90
Active employees	75
	222

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees do not contribute any of their salary. Bolivar makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarially Determined Contribution (ADC) for Bolivar was \$466,410 based on a rate of 19.05 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Bolivar'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.

Net Pension Liability (Asset)

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

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - RETIREMENT PLANS (cont.)

A. POLITICAL SUBDIVISION RETIREMENT PLAN (cont.)

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

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost of Living Adjustment	2.5 percent

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

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

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

Asset Class:	Long-Term Expected Real Rate of Return	Target Allocation
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%
		100%

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - RETIREMENT PLANS (cont.)

A. POLITICAL SUBDIVISION RETIREMENT PLAN (cont.)

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.

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 Bolivar 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.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 6/30/2014	\$ 13,256,965	\$ 13,404,162	\$ (147,197)
Changes for the year:			
Service Cost	202,525	-	202,525
Interest	989,634	-	989,634
Differences between expected and actual experience	52,423	-	52,423
Contributions - Employer	-	466,410	(466,410)
Contributions - Employees	-	4,443	(4,443)
Net investment income	-	412,485	(412,485)
Benefit payments, including refunds of employee contributions	(528,736)	(528,736)	-
Administrative expense	-	(3,744)	3,744
Net changes	715,846	350,858	364,988
Balance at 6/30/2015	<u>\$ 13,972,811</u>	<u>\$ 13,755,020</u>	<u>\$ 217,791</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Bolivar 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:

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 3 - RETIREMENT PLANS (cont.)

A. POLITICAL SUBDIVISION RETIREMENT PLAN (cont.)

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Bolivar's Net Pension Liability (Asset)	\$ 2,007,983	\$ 217,791	\$ (1,286,676)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense. For the year ended June 30, 2016, Bolivar recognized pension expense of \$124,782.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Bolivar 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	\$ 135,066	\$ -
Net difference between projected and actual earnings on pension plan investments	472,413	621,884
Contributions subsequent to the measurement date of June 30, 2015	474,564	-
Total	\$ 1,082,043	\$ 621,884

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

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

Year Ended June 30,	
2016	\$ (63,677)
2017	(63,677)
2018	(63,677)
2019	143,618
2020	25,515
Thereafter	7,493
	\$ (14,405)

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 - RETIREMENT PLANS (cont.)

A. POLITICAL SUBDIVISION RETIREMENT PLAN (cont.)

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

Payable to the Pension Plan

At June 30, 2016, Bolivar reported a payable of \$38,572 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

B. DEFINED CONTRIBUTION PLAN

Plan Name and Administration - The City's plan name is City of Bolivar 457 Plan (457 Plan). The plan is administered by VOYA Retirement Insurance and Annuity Company. The Mayor or City Administrator is the decision making authority for the plan.

Benefit Terms - All employees of the City are eligible to make contributions to the 457 Plan after a 6 month probationary period. The City does not contribute on behalf of new participants. The City only makes contributions for certain employees who received a contribution years ago in lieu of a raise. An employee is considered fully vested after the probationary period is met. Benefit terms may only be amended by the City Council.

Contributions - Most employees who participate do not receive a contribution from the City. The 457 Plan requires the City to contribute 3% of gross wages for nine employees who years ago received the contribution in lieu of a raise. The employees are not required to contribute any certain amount to the plan. During the year ended June 30, 2016, the City contributed \$12,291 to the 457 Plan. There were also nonemployer contributions for the year.

Forfeitures - Due to the terms of the contributions being 100% vested immediately, there are never any amounts forfeited.

Payable to the 457 Plan

At June 30, 2016, there were no amounts due from the City for contributions to the 457 plan.

NOTE 4 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The City adopts its budget in accordance with State's legal requirement which is the level of classification detail at which expenditures may not legally exceed appropriations.

In establishing the budgetary data reflected in the financial statements, the City follows these procedures:

**CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. BUDGETARY INFORMATION (cont.)

1. Prior to May 1st, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the resources of financing them.
2. The proposed budget is published in the local newspaper with invitations for the public to attend the budget hearings.
3. Prior to July 1st the budget is legally adopted by the Mayor and City Council through adoption of the appropriation ordinance upon two readings.
4. The Mayor is responsible for controlling expenditures of the various agencies of the City government within the appropriated amounts. No expenditures shall be in excess of the appropriations.

Budgeted amounts of the revenues and expenditures presented for the General and Special Revenue Funds are shown as originally adopted and after final amendments by the City Council. Budget appropriations lapse at year end.

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the City Council in the major appropriation categories (the legal level of control) of the following fund:

Fund/Function/Major Appropriation Category	Amount Overspent
General Fund:	
Debt Service	\$ 5,765
Public Works/Streets and Highways	438,936

Expenditures that exceed appropriations are a violation of state statutes. The expenditures in excess of appropriations for debt service were funded by available fund balances. The expenditures in excess of appropriations for the streets and highways are mostly offset by related revenue for a CDBG grant.

NOTE 5 - JOINT VENTURE

The Bolivar-Hardeman County Library is jointly owned by the City of Bolivar and Hardeman County and is operated by an appointed board. The Board comprises seven members, three of whom are appointed by the Bolivar City Mayor. The remaining four are appointed by Hardeman County Mayor. The City has control over budgeting and financing the joint venture only to the extent of representation by the three appointed board members. Complete financial statements for the Bolivar-Hardeman County Library can be obtained from its administrative office at the:

Bolivar-Hardeman County Library, 213 North Washington Street, Bolivar, TN 38008.

NOTE 6 - SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 15, 2016, the date which the financial statements were available to be issued.

CITY OF BOLIVAR, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment for the City was made in the amount of \$12,773 to the natural gas fund to correct sales tax payable and hospital insurance expense for an error that was made in the prior year. This adjustment is for the natural gas fund on the Statement of Revenues, Expenses, and Changes in Net Position and on the business-type activities on the Statement of Activities.

NOTE 8 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally from federal and state awarding governments. Any disallowed claims, including amounts already collected, may constitute a liability of the City of Bolivar, Tennessee. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 9 - RECLASSIFICATION

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE
PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30

	2014	2015
Total pension liability		
Service cost	\$ 215,347	\$ 202,525
Interest	931,741	989,634
Changes in benefit terms	-	-
Differences between actual & expected experience	126,184	52,423
Change of assumptions	-	-
Benefit payments, including refunds of employee contributions	(448,341)	(528,736)
Net Change in total pension liability	824,931	715,846
Total pension liability - beginning	12,432,034	13,256,965
Total pension liability - ending (a)	<u>\$13,256,965</u>	<u>\$13,972,811</u>
Plan fiduciary net position		
Contributions - employer	\$ 460,232	\$ 466,410
Contributions - employee	-	4,443
Net investment income	1,899,044	412,485
Benefit payments, including refunds of employee contributions	(448,341)	(528,736)
Administrative expense	(3,512)	(3,744)
Net change in plan fiduciary net position	1,907,423	350,858
Plan fiduciary net position - beginning	11,496,739	13,404,162
Plan fiduciary net position - ending (b)	<u>\$13,404,162</u>	<u>\$13,755,020</u>
Net Pension Liability (asset) - ending (a) - (b)	<u>\$ (147,197)</u>	<u>\$ 217,791</u>
Plan fiduciary net position as a percentage of total pension liability	101.11%	98.44%
Covered-employee payroll	\$ 2,535,714	\$ 2,448,349
Net pension liability (asset) as a percentage of covered-employee	(5.80%)	8.90%

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

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION
IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year Ending June 30

	2014	2015	2016
Actuarially determined contribution	\$ 460,232	\$ 466,410	\$ 474,564
Contributions in relation to the actuarially determined contribution	460,232	466,410	474,564
Contribution in deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$2,535,714	\$2,448,349	\$2,491,152
Contributions as a percentage of covered - employee payroll	18.15%	19.05%	19.05%

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.

Notes to Schedule:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	2 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation
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

See independent auditors' report.

**CITY OF BOLIVAR, TENNESSEE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2016**

	<u>Special Revenue</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>State Street Aid</u>	<u>Drug</u>	
ASSETS			
Cash and Cash Equivalents	\$ 123,371	\$ 75,792	\$ 199,163
Receivables:			
Intergovernmental	13,124	-	13,124
 Total Assets	<u>\$ 136,495</u>	<u>\$ 75,792</u>	<u>\$ 212,287</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ -	\$ 1,526	\$ 1,526
Total Liabilities	<u>-</u>	<u>1,526</u>	<u>1,526</u>
 Fund Balance			
Restricted	136,495	74,266	210,761
Total Fund Balance	<u>136,495</u>	<u>74,266</u>	<u>210,761</u>
 Total Liabilities and Fund Balance	<u>\$ 136,495</u>	<u>\$ 75,792</u>	<u>\$ 212,287</u>

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>Special Revenue</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>State Street Aid</u>	<u>Drug Fund</u>	
Revenues			
Intergovernmental:			
Gasoline Tax	\$ 101,779	\$ -	\$ 101,779
Gas 1989	16,345	-	16,345
Gas 3 Cent	30,337	-	30,337
Other:			
Fines and Fees	-	87,730	87,730
Government Deals	-	2,386	2,386
Interest	208	190	398
Total Revenues	<u>148,669</u>	<u>90,306</u>	<u>238,975</u>
Expenditures			
Current:			
Public Works	133,148	-	133,148
Public Safety	-	40,639	40,639
Debt Service:			
Principal	-	16,991	16,991
Interest	-	508	508
Total Expenditures	<u>133,148</u>	<u>58,138</u>	<u>191,286</u>
Net Changes in Fund Balance	<u>15,521</u>	<u>32,168</u>	<u>47,689</u>
Fund Balance - Beginning	<u>120,974</u>	<u>42,098</u>	<u>163,072</u>
Fund Balance - Ending	<u>\$ 136,495</u>	<u>\$ 74,266</u>	<u>\$ 210,761</u>

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
STATE STREET AID FUND
For the Year Ended June 30, 2016

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Intergovernmental:				
State Gas Tax 1989	\$ -	\$ -	\$ 16,345	\$ 16,345
State Gas Tax 3 Cent	-	-	30,337	30,337
State Gasoline and Motor Fuel Tax	143,000	143,000	101,779	(41,221)
Other:				
Interest	135	135	208	73
Total Revenues	<u>143,135</u>	<u>143,135</u>	<u>148,669</u>	<u>5,534</u>
Expenditures				
Current:				
Public Works:				
Salaries	95,000	95,000	95,000	-
Street Maintenance	45,000	45,000	38,148	6,852
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>133,148</u>	<u>6,852</u>
Net Change in Fund Balance	<u>\$ 3,135</u>	<u>\$ 3,135</u>	15,521	<u>\$ 12,386</u>
Fund Balance - Beginning			<u>120,974</u>	
Fund Balance - Ending			<u>\$ 136,495</u>	

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
DRUG FUND
For the Year Ended June 30, 2016

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and Fees	\$ 60,000	\$ 60,000	\$ 87,730	\$ 27,730
DEA Profit Sharing	10,000	10,000	-	(10,000)
Government Deals	10,000	10,000	2,386	(7,614)
Interest	150	150	190	40
Total Revenues	<u>80,150</u>	<u>80,150</u>	<u>90,306</u>	<u>10,156</u>
Expenditures				
Current:				
Public Safety:				
K-9 Expense	1,500	1,500	1,260	240
Automobile	5,000	5,000	13,731	(8,731)
Donations/ Sponsorships	1,000	1,000	-	1,000
Repairs and Maintenance	6,000	6,000	12,268	(6,268)
Advertising	2,000	2,000	1,650	350
Telephone	1,000	1,000	373	627
Miscellaneous	12,500	12,500	810	11,690
Undercover	20,000	20,000	1,500	18,500
Capital Outlay	-	-	9,047	(9,047)
Debt Service				
Principal	25,000	25,000	16,991	8,009
Interest	1,200	1,200	508	692
Total Expenditures	<u>75,200</u>	<u>75,200</u>	<u>58,138</u>	<u>17,062</u>
Net Change in Fund Balance	<u>\$ 4,950</u>	<u>\$ 4,950</u>	32,168	<u>\$ 27,218</u>
Fund Balance - Beginning			<u>42,098</u>	
Fund Balance - Ending			<u>\$ 74,266</u>	

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUND
June 30, 2016

	Sanitation	Total
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 779,207	\$ 779,207
Receivables:		
Accounts (net of allowance for uncollectibles)	62,884	62,884
Prepaid expenses	4,039	4,039
Total Current Assets	846,130	846,130
Capital Assets		
Equipment	629,101	629,101
Less Accumulated Depreciation	(540,308)	(540,308)
Total Capital Assets, net	88,793	88,793
Total Assets	934,923	934,923
DEFERRED OUTFLOWS OF RESOURCES		
Pension differences between expected and actual experience	7,990	7,990
Net difference between projected and actual earnings of pension plan investments	24,909	24,909
Pension contributions subsequent to the measurement date	25,022	25,022
Total Deferred Outflows of Resources	57,921	57,921
Total Assets and Deferred Outflows of Resources	\$ 992,844	\$ 992,844
LIABILITIES		
Accounts Payable	\$ 14,741	\$ 14,741
Current Portion of Long-term Debt	7,617	7,617
Total Current Liabilities	22,358	22,358
Long-Term Liabilities		
Notes Payable	73,720	73,720
Compensated Absences	10,981	10,981
Net Pension Liability	6,568	6,568
Total Long-term Liabilities	91,269	91,269
Total Liabilities	113,627	113,627
DEFERRED INFLOWS OF RESOURCES		
Net difference between projected and actual earnings of pension plan investments	39,442	39,442
Total Deferred Inflows of Resources	39,442	39,442
NET POSITION		
Net investment in capital assets	7,456	7,456
Unrestricted	832,319	832,319
Total Net Position	839,775	839,775
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 992,844	\$ 992,844

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUND
For the Year Ended June 30, 2016

	<u>Sanitation</u>	<u>Total</u>
Operating Revenues		
Sanitation Fees	\$ 492,505	\$ 492,505
Recovery of Bad Debts	235	235
Miscellaneous	505	505
Total Operating Revenues	<u>493,245</u>	<u>493,245</u>
Operating Expenses		
Personnel Services	200,844	200,844
Other Administrative	53,897	53,897
Materials and Supplies	30,255	30,255
Utilities	4,159	4,159
Repairs and Maintenance	14,345	14,345
Depreciation	32,759	32,759
Total Operating Expenses	<u>336,259</u>	<u>336,259</u>
Operating Income	<u>156,986</u>	<u>156,986</u>
Nonoperating Revenues (Expenses)		
Interest Income	669	669
Interest Expense	(3,767)	(3,767)
Total Nonoperating Expenses	<u>(3,098)</u>	<u>(3,098)</u>
Change in Net Position	<u>153,888</u>	<u>153,888</u>
Total Net Position - Beginning	<u>685,887</u>	<u>685,887</u>
Total Net Position - Ending	<u>\$ 839,775</u>	<u>\$ 839,775</u>

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUND
For the Year Ended June 30, 2016

	Sanitation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 488,052	\$ 488,052
Cash Paid to Suppliers for Goods and Services	(113,697)	(113,697)
Cash Paid to Employees for Services	(200,844)	(200,844)
Net Cash Provided by Operating Activities	173,511	173,511
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Fixed Assets	(6,930)	(6,930)
Principal Payments on Long-Term Debt	(7,309)	(7,309)
Interest Paid on Long-term Debt	(3,767)	(3,767)
Net Cash Used by Capital and Related Financing Activities	(18,006)	(18,006)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Earned	669	669
Net Cash Provided by Investing Activities	669	669
Net Increase in Cash and Cash Equivalents	156,174	156,174
Cash and Cash Equivalents - Beginning of Year	623,033	623,033
Cash and Cash Equivalents - End of Year	\$ 779,207	\$ 779,207
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	\$ 156,986	\$ 156,986
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	32,759	32,759
Changes in pension related outflows and inflows of resources	(33,953)	(33,953)
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(5,193)	(5,193)
Increase (Decrease) in Accounts Payable	7,402	7,402
Increase (Decrease) in Net Pension Liability	15,510	15,510
Net Cash Provided by Operating Activities	\$ 173,511	\$ 173,511

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
For the Year Ended June 30, 2016

Tax Levy for Year	Property Tax Rates	Assessed Value	Original Tax Levy	Balance July 1, 2015	Taxes Levied	Collections and Adjustments	Balance June 30, 2016
2015	1.1542	\$67,829,572	\$ 782,902	\$ -	\$ 782,902	\$ 722,805	\$ 60,097
2014	1.1542	67,661,295	780,962	64,865	-	41,295	23,570
2013	1.1542	67,557,935	779,766	28,839	-	19,616	9,223
2012	1.1466	67,558,316	774,643	10,011	-	646	9,365
2011	1.1466	67,257,046	771,170	7,269	-	562	6,707
2010	1.1466	66,525,204	762,761	7,026	-	367	6,659
2009	1.1466	66,575,466	763,343	7,343	-	579	6,764
2008	1.1466	66,234,221	759,434	8,429	-	214	8,215
2007	1.1466	66,173,331	758,736	7,570	-	214	7,356
2006	1.30	57,399,327	746,214	8,437	-	-	8,437
2005	1.30	56,930,574	740,114	9,397	-	-	9,397
2004	1.30	57,085,897	742,148	8,892	-	-	8,892
2003	1.30	58,905,395	765,783	13,151	-	-	13,151
2002	1.09	55,693,565	607,185	10,408	-	-	10,408
2001	0.79	53,566,493	423,246	7,607	-	-	7,607
2000	1.00	44,047,576	440,609	8,391	-	-	8,391
1999	1.00	42,356,338	395,123	5,136	-	-	5,136
1998	1.00	49,137,214	410,251	4,162	-	-	4,162
1997	1.00	40,420,723	395,906	4,615	-	-	4,615
1996	1.00	40,938,447	380,455	3,530	-	-	3,530
1995	1.15	36,592,871	393,348	4,227	-	-	4,227
Total				<u>\$ 229,305</u>	<u>\$ 782,902</u>	<u>\$ 786,298</u>	<u>\$ 225,909</u>
Considered current receivables							\$ 60,097
Allowance for uncollectible accounts							110,288
Unavailable revenue							55,524
							<u>225,909</u>
Estimated 2016 levy due October 1, 2016 considered as unavailable revenue							<u>812,814</u>
Total property taxes receivable							1,038,723
Less Allowance for uncollectible accounts							(110,288)
Property taxes receivable, net							<u>\$ 928,435</u>

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF LONG-TERM DEBT REQUIREMENTS - GOVERNMENTAL FUNDS
June 30, 2016

Year Ended June 30,	2013 - 1st South Bank		2008 USDA West Park		Vehicles and Equipment		2008 General Obligation		2015 - Police Vehicles		Total Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2017	\$ 67,781	\$ 14,999	\$ 1,621	\$ 4,533	\$ 13,131	\$ 3,769	\$ 17,351	\$ 12,091	\$ 208,000	\$ 4,680	\$ 307,884	\$ 40,072	\$ 347,956
2018	69,496	13,284	1,691	4,463	13,689	3,211	18,110	11,332	-	-	102,986	32,290	135,276
2019	71,254	11,526	1,764	4,391	14,271	2,630	18,902	10,540	-	-	106,191	29,087	135,278
2020	73,057	9,723	1,839	4,315	14,877	2,023	19,729	9,713	-	-	109,502	25,774	135,276
2021	74,906	7,874	1,645	4,236	15,509	1,391	20,592	8,850	-	-	112,652	22,351	135,003
2022	76,801	5,979	2,001	4,153	17,084	732	21,493	7,949	-	-	117,379	18,813	136,192
2023	78,745	4,035	2,087	4,067	-	-	22,434	7,008	-	-	103,266	15,110	118,376
2024	52,534	2,044	2,176	3,978	-	-	23,415	6,027	-	-	78,125	12,049	90,174
2025	-	-	2,270	3,884	-	-	24,440	5,002	-	-	26,710	8,886	35,596
2026	-	-	2,367	3,787	-	-	25,509	3,933	-	-	27,876	7,720	35,596
2027	-	-	2,469	3,685	-	-	26,625	2,817	-	-	29,094	6,502	35,596
2028	-	-	2,575	3,579	-	-	27,790	1,652	-	-	30,365	5,231	35,596
2029	-	-	2,685	3,469	-	-	5,942	-	-	-	8,627	3,469	12,096
2030	-	-	2,801	3,353	-	-	-	-	-	-	2,801	3,353	6,154
2031	-	-	2,921	3,233	-	-	-	-	-	-	2,921	3,233	6,154
2032	-	-	3,047	3,107	-	-	-	-	-	-	3,047	3,107	6,154
2033	-	-	3,177	2,977	-	-	-	-	-	-	3,177	2,977	6,154
2034	-	-	3,314	2,840	-	-	-	-	-	-	3,314	2,840	6,154
2035	-	-	3,456	2,698	-	-	-	-	-	-	3,456	2,698	6,154
2036	-	-	3,605	2,549	-	-	-	-	-	-	3,605	2,549	6,154
2037	-	-	3,760	2,395	-	-	-	-	-	-	3,760	2,395	6,155
2038	-	-	3,921	2,233	-	-	-	-	-	-	3,921	2,233	6,154
2039	-	-	4,089	2,065	-	-	-	-	-	-	4,089	2,065	6,154
2040	-	-	4,265	1,889	-	-	-	-	-	-	4,265	1,889	6,154
2041	-	-	4,448	1,706	-	-	-	-	-	-	4,448	1,706	6,154
2042	-	-	4,639	1,515	-	-	-	-	-	-	4,639	1,515	6,154
2043	-	-	4,839	1,315	-	-	-	-	-	-	4,839	1,315	6,154
2044	-	-	5,046	1,108	-	-	-	-	-	-	5,046	1,108	6,154
2045	-	-	5,263	891	-	-	-	-	-	-	5,263	891	6,154
2046	-	-	5,489	665	-	-	-	-	-	-	5,489	665	6,154
2047	-	-	9,593	245	-	-	-	-	-	-	9,593	245	9,838
	\$ 564,574	\$ 69,464	\$ 104,863	\$ 89,324	\$ 88,561	\$ 13,756	\$ 272,332	\$ 86,914	\$ 208,000	\$ 4,680	\$ 1,238,330	\$ 264,138	\$ 1,502,468

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF LONG-TERM DEBT REQUIREMENTS - PROPRIETARY FUNDS
June 30, 2016

Year Ended June 30,	2004 Tennessee Pooled Loan Program		State of Tennessee (TML) Loan		2007 Revenue & Tax Bond		General Obligation Bond Series 2010		Water & Sewer Revenue and Tax Bond, Series 2011		Water & Sewer Revenue and Tax Bond, Series 2013		Total Requirements		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2017	\$ 78,000	\$ 32,840	\$ 99,048	\$ 21,912	\$ 8,047	\$ 21,209	\$ 7,617	\$ 3,459	\$ 21,295	\$ 46,385	\$ 29,242	\$ 14,582	\$ 243,249	\$ 140,387	\$ 383,636
2018	81,000	29,720	101,004	19,956	8,417	20,839	7,940	3,136	22,025	45,655	29,981	13,843	250,367	133,149	383,516
2019	84,000	26,480	102,996	17,964	8,803	20,453	8,278	2,798	22,781	44,899	30,739	13,085	257,597	125,679	383,276
2020	87,000	23,120	105,036	15,924	9,208	20,048	8,630	2,446	23,562	44,118	31,517	12,307	264,963	117,963	382,916
2021	91,000	19,640	107,112	13,848	9,630	19,626	8,996	2,080	24,370	43,310	32,314	11,510	273,422	110,014	383,436
2022	94,000	16,000	109,236	11,724	10,073	19,183	9,379	1,697	25,206	42,474	33,131	10,693	281,025	101,771	382,796
2023	98,000	12,240	111,396	9,564	10,537	18,719	9,777	1,299	26,070	41,609	33,969	9,855	289,749	93,286	383,035
2024	102,000	8,320	113,592	7,368	11,020	18,236	10,193	883	26,965	40,715	34,828	8,996	298,598	84,518	383,116
2025	106,000	4,240	115,848	5,112	11,527	17,729	10,527	450	27,890	39,790	35,708	8,116	307,500	75,437	382,937
2026	-	-	188,114	3,406	12,057	17,199	-	-	28,846	38,834	36,611	7,213	265,628	66,652	332,280
2027	-	-	10,030	7	12,612	16,644	-	-	29,835	37,845	37,537	6,287	90,014	60,783	150,797
2028	-	-	-	-	13,191	16,065	-	-	30,859	36,821	38,486	5,338	82,536	58,224	140,760
2029	-	-	-	-	13,795	15,461	-	-	31,917	35,763	39,480	4,364	85,172	55,588	140,760
2030	-	-	-	-	14,430	14,826	-	-	33,012	34,668	40,458	3,366	87,900	52,860	140,760
2031	-	-	-	-	15,093	14,163	-	-	34,144	33,536	41,481	2,343	90,718	50,042	140,760
2032	-	-	-	-	15,787	13,469	-	-	35,315	32,365	42,530	1,294	93,632	47,128	140,760
2033	-	-	-	-	16,511	12,745	-	-	36,526	31,154	28,563	267	81,600	44,166	125,766
2034	-	-	-	-	17,270	11,986	-	-	37,779	29,901	-	-	55,049	41,887	96,936
2035	-	-	-	-	18,062	11,194	-	-	39,075	28,605	-	-	57,137	39,799	96,936
2036	-	-	-	-	18,892	10,364	-	-	40,415	27,265	-	-	59,307	37,629	96,936
2037	-	-	-	-	19,760	9,496	-	-	41,801	25,879	-	-	61,561	35,375	96,936
2038	-	-	-	-	20,667	8,589	-	-	43,235	24,445	-	-	63,902	33,034	96,936
2039	-	-	-	-	21,618	7,638	-	-	44,718	22,962	-	-	66,336	30,600	96,936
2040	-	-	-	-	22,614	6,642	-	-	46,251	21,429	-	-	68,865	28,071	96,936
2041	-	-	-	-	23,650	5,606	-	-	47,838	19,842	-	-	71,488	25,448	96,936
2042	-	-	-	-	24,736	4,520	-	-	49,478	18,202	-	-	74,214	22,722	96,936
2043	-	-	-	-	25,873	3,383	-	-	51,175	16,505	-	-	77,048	19,888	96,936
2044	-	-	-	-	27,062	2,194	-	-	52,931	14,749	-	-	79,993	16,943	96,936
2045	-	-	-	-	34,596	783	-	-	54,746	12,934	-	-	89,342	13,717	103,059
2046	-	-	-	-	-	-	-	-	56,624	11,056	-	-	96,624	11,056	67,680
2047	-	-	-	-	-	-	-	-	58,566	9,114	-	-	103,680	9,114	67,680
2048	-	-	-	-	-	-	-	-	60,574	7,105	-	-	110,680	7,105	67,680
2049	-	-	-	-	-	-	-	-	62,652	5,028	-	-	117,680	5,028	67,680
2050	-	-	-	-	-	-	-	-	64,801	2,879	-	-	124,680	2,879	67,680
2051	-	-	-	-	-	-	-	-	49,620	705	-	-	171,680	705	50,325
	\$ 821,000	\$ 172,600	\$ 1,163,412	\$ 126,785	\$ 475,538	\$ 379,009	\$ 81,337	\$ 18,248	\$ 1,382,897	\$ 968,546	\$ 596,555	\$ 133,459	\$ 4,520,739	\$ 1,798,647	\$ 6,319,386

See independent auditors' report.
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CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF DELINQUENT PROPERTY TAXES FILED WITH CHANCERY COURT
For the Year Ended June 30, 2016

Tax Year	Outstanding Balance
2014	\$ 23,570
2013	9,223
2012	9,365
2011	6,707
2010	6,659
2009	6,764
2008	8,215
2007	7,356
2006	8,437
2005	<u>9,397</u>
	<u><u>\$ 95,693</u></u>

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2016

Grant Description	Federal CFDA #	Grant Number	Accrued 06/30/2015	Federal Receipts	Expenditures	Accrued 06/30/2016
Federal Awards						
Department of Agriculture						
Rural Business Development Grant	10.351	30418982	\$ -	\$ 5,000	\$ 5,000	\$ -
Passed through to subrecipient						
Department of Housing and Urban Development						
Passed through Tennessee Department of Economic and Community Development						
Community Development Block Grant - Disaster Recovery	14.228*	33004-05613	(30,386)	32,222	417,686	(415,850)
Community Development Block Grant - Sewer System Improvements	14.228*	33004-08315	(7,753)	438,002	431,567	(1,318)
			(38,139)	470,224	849,253	(417,168)
Hurricane Sandy Community Development Block Grant Disaster Recovery	14.269	33004-36015	-	26,318	66,677	(40,359)
Total Department of Housing and Urban Development			(38,139)	496,542	915,930	(457,527)
Department of Transportation						
Passed through Tennessee Department of Transportation						
Alcohol Open Container Requirements - HEAT	20.607	Z16GHSO37	-	615	1,198	(583)
National Priority Safety Programs - HEAT	20.616	Z15GHSO37	(11,259)	22,706	11,447	-
Total Department of Transportation			(11,259)	23,321	12,645	(583)
General Services Administration						
Passed through Tennessee Department of General Services						
Donation of Federal Surplus Personal Property	39.003*	N/A	-	414,999	414,999	-
Department of Homeland Security						
Passed through Tennessee Department of Military, Tennessee Emergency Management Agency						
Disaster Grants - Public Assistance	97.036	FEMA-4211-DR-TN	-	56,160	62,400	(6,240)
Total Expenditures of Federal Awards			(49,398)	996,022	1,410,974	(464,350)

See independent auditors' report.
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CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2016

Grant Description	Federal CFDA #	Grant Number	Accrued 06/30/2015	Federal Receipts	Expenditures	Accrued 06/30/2016
State Financial Assistance						
Tennessee Department of Agriculture						
TAEF Farmers' Market Grant		FM14-15	(971)	971	-	-
TAEF Farmers' Market Grant		32506-37716	-	-	1,000	(1,000)
Division of Forestry						
Volunteer Fire Assistance		VFA 15-16	-	2,980	2,980	-
Hazard Mitigation Grant - Firewise		N/A	(17,060)	17,060	2,939	(2,939)
			(18,031)	21,011	6,919	(3,939)
Tennessee Department of Environment and Conservation						
Local Park and Recreation Fund		32701-02224	(59,375)	59,375	-	-
Tennessee Department of Military, Tennessee Emergency Management Agency						
Disaster Grants - Public Assistance	97.036	FEMA-4211-DR-TN	-	3,120	9,867	(6,747)
Total State Financial Assistance			<u>\$ (77,406)</u>	<u>\$ 83,506</u>	<u>\$ 16,786</u>	<u>(10,686)</u>
Total Grant Receivable						<u>\$ (475,036)</u>

Memo: "Accrued" is due from grantor.

* Major federal financial assistance program

Note 1: Basis of Presentation

The accompanying schedule of federal awards and state financial assistance summarizes the expenditures of the City of Bolivar under programs of the federal and state governments for the year ended June 30, 2016. The schedule is presented using the modified accrual basis of accounting.

See independent auditors' report.

CITY OF BOLIVAR, TENNESSEE AWWA SCHEDULE - UNAUDITED JUNE 30, 2016

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

WAS v5.0
American Water Works Association
Copyright © 2014, All Rights Reserved.

Water Audit Report for: **Bolivar Water System (0000063)**

Reporting Year: **2016** 7/2015 - 6/2016

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

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

WATER SUPPLIED

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

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

Volume from own sources:	+ ? 9	245.041	MG/Yr		
Water imported:	+ ? n/a	0.000	MG/Yr		
Water exported:	+ ? 7	48.479	MG/Yr		

WATER SUPPLIED: 200.818 MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	+ ? 7	-1.90%	MG/Yr		
	+ ? 7	0.00%	MG/Yr		
	+ ? 7	-1.00%	MG/Yr		

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

AUTHORIZED CONSUMPTION

Billed metered:	+ ? 9	164.975	MG/Yr		
Billed unmetered:	+ ? 7	0.708	MG/Yr		
Unbilled metered:	+ ? 7	2.376	MG/Yr		
Unbilled unmetered:	+ ?	2.510	MG/Yr		

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 170.569 MG/Yr

Click here: ? for help using option buttons below

Use buttons to select percentage of water supplied OR value

Pcnt:	+ ?	1.25%	MG/Yr		
	+ ?	0.25%	MG/Yr		
	+ ?	0.50%	MG/Yr		
	+ ?	0.25%	MG/Yr		

WATER LOSSES (Water Supplied - Authorized Consumption)

30.249 MG/Yr

Apparent Losses

Unauthorized consumption:	+ ?	0.502	MG/Yr		
---------------------------	-----	-------	-------	--	--

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

Customer metering inaccuracies:	+ ? 9	0.841	MG/Yr		
Systematic data handling errors:	+ ?	0.412	MG/Yr		

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

Apparent Losses: 1.755 MG/Yr

Pcnt:	+ ?	0.50%	MG/Yr		
	+ ?	0.25%	MG/Yr		

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 28.494 MG/Yr

WATER LOSSES: 30.249 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 35.135 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ? 7	102.0	miles		
Number of active AND inactive service connections:	+ ? 7	3,267			
Service connection density:	+ ?	32	conn./mile main		

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

Average length of customer service line: + ?

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

Average operating pressure: + ? 7 80.0 psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

COST DATA

Total annual cost of operating water system:	+ ? 7	\$1,205,460	\$/Year		
Customer retail unit cost (applied to Apparent Losses):	+ ? 7	\$8.31	\$/1000 gallons (US)		
Variable production cost (applied to Real Losses):	+ ? 9	\$794.98	\$/Million gallons	<input type="checkbox"/>	Use Customer Retail Unit Cost to value real losses

*** YOUR SCORE IS: 79 out of 100 ***

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

PRIORITY AREAS FOR ATTENTION:

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

- 1: Volume from own sources
- 2: Unauthorized consumption
- 3: Systematic data handling errors

See independent auditors' report.
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CITY OF BOLIVAR, TENNESSEE AWWA SCHEDULE - UNAUDITED JUNE 30, 2016

AWWA Free Water Audit Software:
System Attributes and Performance Indicators

WAS v5.0
American Water Works Association.
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Water Audit Report for: **Bolivar Water System (000063)**

Reporting Year: **2016** | 7/2015 - 6/2016

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 79 out of 100 ***

System Attributes:

	Apparent Losses:	1.755	MG/Yr	
	+ Real Losses:	28.494	MG/Yr	
	= Water Losses:	30.249	MG/Yr	
? Unavoidable Annual Real Losses (UARL): 30.42 MG/Yr				
Annual cost of Apparent Losses: \$14,588				
Annual cost of Real Losses: \$22,652 Valued at Variable Production Cost <small>Return to Reporting Worksheet to change this assumption.</small>				

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	17.5%	
		Non-revenue water as percent by cost of operating system:	3.4%	Real Losses valued at Variable Production Cost
Operational Efficiency:	{	Apparent Losses per service connection per day:	1.47	gallons/connection/day
		Real Losses per service connection per day:	23.89	gallons/connection/day
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per psi pressure:	0.30	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL): 28.49 million gallons/year				
? Infrastructure Leakage Index (ILI) [CARL/UARL]: 0.94				

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

See independent auditors' report.



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

The Honorable Mayor and Board of Aldermen
City of Bolivar
Bolivar, Tennessee

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bolivar, Tennessee (the City), as of and for the year ended June 30, 2016, 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 15, 2016.

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 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material

64 Lynoak Cv
Jackson, TN 38305
(731)668-1806
Fax (731)668-9543

309 N. Market St.
Paris, TN 38242
(731)642-1755
Fax (731)644-0413

304 Broadway St
Martin, TN 38237
(731)587-4221
Fax (731)587-9474

11 N. Court Square
Brownsville, TN 38012
(731)772-2273
Fax (731)772-2275

110 West Court
Dyersburg, TN 38024
(731)286-6080
Fax (731)285-8975

weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bolivar, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2016-001.

City of Bolivar, Tennessee's Response to Findings

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

Purpose of this Report

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



Cowart Reese Sargent CPAs, PC
Brownsville, Tennessee
December 15, 2016



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Governmental Audit Quality Center | Private Companies Practice Section
www.crscpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Board of Aldermen
City of Bolivar
Bolivar, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of Bolivar, Tennessee's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

64 Lynoak Cv
Jackson, TN 38305
(731)668-1806
Fax (731)668-9543

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Fax (731)285-8975

Report on Internal Control over Compliance

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

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

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

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



Cowart Reese Sargent CPAs, PC
Brownsville, Tennessee
December 15, 2016

**CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ <input checked="" type="checkbox"/> yes	_____ none reported
Noncompliance material to financial statements noted?	_____ <input checked="" type="checkbox"/> yes	_____ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ yes	_____ <input checked="" type="checkbox"/> none reported

Type of auditors' report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a)?	_____ yes	_____ <input checked="" type="checkbox"/> no
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Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant
39.003	Donation of Federal Surplus Personal Property

Dollar Threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
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Auditee qualified as a low-risk auditee	_____ yes	_____ <input checked="" type="checkbox"/> no
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CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016

Section II - Financial Statement Findings

Current Year Findings

City of Bolivar

2016-001 - Exceeding Budgeted Expenditures (Significant Deficiency under *Government Auditing Standards* and Non-Compliance)

Condition: We noted the major function public works and debt service in the general fund had expenditures exceeding appropriations by \$429,738 and \$5,765, respectively. The budget overage on the public works function is due primarily to the 2010 CDBG Disaster grant obtained for the streets and highways which is \$434,850 over budget.

Criteria: Tennessee Code Annotated (TCA) 6-56-203 states “notwithstanding any other provision of law, no municipality may expend any monies regardless of their source, including monies derived from bond and long-term note proceeds, federal, state or private grants or loans, or special assessments, except in accordance with a budget ordinance adopted under this section.”

Effect: The city failed to comply with the TCA 6-56-203 by having expenditures exceeding appropriations.

Recommendation: We recommend that all expenditures be authorized by the City’s budget in the future. Potential budget overruns should be anticipated in advance so that appropriate action may be taken by the City Council. The City needs to amend the budget as necessary when such situations arise where expenditures exceed budget.

Response: The City did not receive grant money until August 2016. Therefore, we did not know how much to pay in time to do a budget amendment by June 30, 2016.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

City of Bolivar

None Noted

**CITY OF BOLIVAR, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2016**

Financial Statement Findings

City of Bolivar

Finding Number	Finding Title	Status
2015-001	Inventory Deficiency	Corrected
2015-002	Improper use of Section 1033 Excess Federal Surplus Property	Corrected
2015-003	Exceeding Budgeted Expenditures	Repeated (2016-001)

Federal Award Findings and Questioned Costs

City of Bolivar

Finding Number	Finding Title	Status
2015-001	Inventory Deficiency	Corrected
2015-002	Improper use of Section 1033 Excess Federal Surplus Property	Corrected