City of Clarksville
Tennessee

Photograph Courtesy of Sam K Photo

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

CITY OF CLARKSVILLE, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:

Department of Finance and Revenue

CITY OF CLARKSVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

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Introductory Section

THE CITY OF CLARKSVILLE
TENNESSEE'S TOP SPOT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
LETTER OF TRANSMITTAL

December 21, 2015

The Honorable Mayor, City Council and
Citizens of the City of Clarksville, Tennessee:

As a general purpose local government, the City of Clarksville, Tennessee (the "City") hereby submits the Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2015 as required by state law. This report is published to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with detailed information concerning the financial activities and fiscal condition of the City government. Although the financial statements have been audited by a licensed, certified public accounting firm under U.S. Generally Accepted Auditing Standards ("GAAS"), responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Clarksville.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Clarksville has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Clarksville's financial statements have been audited by Crosslin & Associates, P.C. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Clarksville for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Clarksville's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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Clarksville, TN 37041
[931] 645-7437
www.cityofclarksville.com

Profile of the Government

Founded along the Cumberland River in the gently rolling hills of middle Tennessee, the City's roots began with dark fired tobacco and agriculture with its ease of transportation along the river in 1785. The City of Clarksville was incorporated under State of Tennessee Private Acts of 1807. The City is located within Montgomery County and holds the honor of being the only incorporated City within the County's border; the only such municipality in the state of Tennessee. Clarksville encompasses 97.6 square miles and is within 50 miles of Nashville. Official results of the 2010 U.S. Census show a population of 132,929, a 28% growth since the 2000 Census. The City is known for being a growing city with a well-preserved small-town feel. The City is empowered to levy a property tax on both real and personal property located within its boundaries. Corporate limits may be extended at the request of the property owner or by a referendum of the people in the affected areas that might want to petition to come into the City.

The City's Charter was recently amended under Chapter 24 of the 2015 Private Acts of the General Assembly of the State of Tennessee and operates under a Mayor-Council form of government. The City Mayor is elected at large and is a member of the City Council. The Council is additionally composed of 12 members being elected to staggered terms with one-half of the Council being elected every two years. One Council member is elected of each of the 12 Wards within the geographic boundaries of the City, and must reside within the Ward they represent. The Mayor and Council are elected on a non-partisan basis for four year terms, not to exceed three consecutive terms of office. The Mayor shall be the executive head of the City government, responsible for the efficient and orderly administration of the City's affairs. The Mayor and City Council enact local laws, establish policies and adopt an annual budget.

The City provides a full range of municipal services including but not limited to fire and police protection; streets and infrastructure maintenance and improvements, recreation and cultural activities; community development; general administrative services and a municipal court system. It also operates natural gas utility, water quality program and wastewater system for residents and other communities outside the City limits. The City's Department of Electricity provides electric and fiber-to-the-home services. Additionally, the City provides public transportation and parking facilities.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for budget appropriations annually. The Mayor with the Chief Financial Officer use these requests as the starting point for development of a budget for City Council's approval. During the month of May, public workshops are held by the Mayor where Councilmembers and residents are given the opportunity to comment and ask questions prior to presentation for a vote and final passage. Two readings and a public hearing are required for approving the budget. The budget is legally enacted through passage of an ordinance with an operative date of July 1. Revisions increasing the total expenditures of a department must be approved by the City Council by Ordinance. While the legal level of budgetary control is at the fund level, the budget is prepared by fund, function and department. Budgetary comparison schedules are provided in the budget document for each individual fund for which an appropriated annual budget has been adopted.

Local Economy

The City of Clarksville has been nationally recognized for its diverse economic base and continues to enjoy substantial stability. The City has a blend of commercial, industrial, service, agricultural, and retail industries within the City limits. The City is also the home of the 101st Airborne Division, Fort Campbell with approximately three-quarters of its land mass within the City limits.

Clarksville enjoys strategic advantages related to its location, strong transportation system, educated employment base, and competitive cost of doing business. The local unemployment rate is 5.8% compared to the overall state of Tennessee unemployment rate of 5.7%. Over the past several years, the City has been fiscally strategizing for continued anticipated growth.

While Fort Campbell continues to assist with the economic stability, there is an assortment of other business activities located within the City's healthy business and labor climate. The downtown area is historic and attractive and the City continues its revitalization efforts. Austin Peay State University resides within the downtown area and is one of the largest non-government employers and is the state's fastest growing university. Cost of living is among the lowest in Tennessee, as are median home values. The area offers an array of city, suburban and rural living environments attracting a diverse group of citizens. Our close proximity to Nashville provides businesses with access to larger markets.

Through the Industrial Development Board, the City actively seeks company expansions and new businesses coming to Clarksville. Through our CDE Lightband we are one of the first cities in Tennessee to offer one-gigabit per second internet service; which makes us extremely attractive to the technology industry and businesses focusing on state-of-the-art facilities.

Manufacturing has been experiencing an increase over the past several years with the latest foreign direct investment being with Hankook Tires, Inc. They selected Clarksville to invest $800 million to open their first U.S. based state-of-the-art manufacturing facility. Hankook is expected to bring 1,800 jobs directly to the manufacturing plant.

The City actively seeks opportunities to partner with private entities to bring additional businesses and services to the City. As the City continues to grow, so does the need for expanded infrastructure; the City has sought and secured many road improvements with State and Federal grants as well as through partnerships with the State to improve and enhance the roadways.

Retention of existing jobs can be as important as the addition of new jobs for a city. Not only do we continue to attract new industries but our long-term entities are retaining and expanding their facilities. Trane Manufacturing has remained our largest non-government employer and has recently completed their latest expansion.

Transportation is another key factor to a vibrant economy. Clarksville has four exits off of Interstate 24, an active railway in operation by RJ Corman, the Cumberland and Red River's and our City operated Transportation Department. The addition of commuter service to Nashville has proven to grow exponentially since its inception.

The City continues to see steady growth as evidenced by an overall 8% growth in taxable values, continued growth in the commercial and residential property assessments and a 25% increase in building permits issued. Throughout the fiscal year, local and state sales tax collections have been reflective of growing consumer confidence. The City's unemployment rate continues to decrease with a 22.7% decrease from last year. All of these factors set the road for a stable outlook for our City.

Financial Planning and Policies

Financial Health - The fiscal health of the City remains strong. The City has maintained a healthy financial position through sound fiscal management. We have a history of strong fiscal discipline, healthy reserves, a constant review of operations, being ever vigilant to seek new efficiencies and cost reduction measures. Moody's Investor Services provided a bond rating of Aa2 in 2014 stating strong tax base growth as one of the key rating factors. Fitch Ratings issued AA outlook stable in 2014 and reaffirmed their ratings in 2015 stating a strong financial profile as one of the key rating factors.

Financial Planning - The City's budget process begins the short-term and long-term financial planning process. Forward looking projects are brought to the table by City departments for consideration and discussion. While the City's budget is focused on annual appropriations, capital needs are focused on the long-term. A Five-Year Capital Improvement Plan is coordinated and compiled by the Regional Planning Commission, a related entity, with input of all departments of the City.

Relevant Financial Policies - Annually, the City Council approved, Debt Management Policy is reviewed. The policy is intended to guide current and future decisions related to debt issued by the City.

Major Accomplishments-For the Year

The City's Liberty Park continues to grow; since the opening of Liberty Park Grill in August 2014, the community continues to support this public/private partnership.

During the fiscal year, the City completed the ADA compliance project, with a total investment of nearly $21 million for sidewalk improvements. Moving forward, with completion of the project, the City can continue the priority plan for repairing, replacing and adding sidewalks. Fire Station #12 was completed and fully operational in November 2015. Site work is underway for Fire Station #11 to be completed during Fiscal Year 2016. A new North Police Precinct was completed during the fiscal year which was part of a partnered project with the school system to provide necessary police presence.

Major Challenges

As with most cities, there is always the possibility of potential revenue shortfalls from both the local economy and state shared revenues. To mitigate that risk, we carefully monitor revenues and collections to remain well positioned for the year. While the overall economy is showing growth and stability, experts are advising caution as the cyclical process of peaks and valleys comes around once again. Clarksville has been and continues to be recognized nationally as a city that has fared well through the deep recession. The City's diverse economic structure including agriculture, various industrial and commercial industries, as well as the presence of Fort Campbell, can all be attributed to much of the stability. The demands of continued growth and the lack of new revenue streams to support the growth is and will be a challenge. The growth we are experiencing not only necessitates additional and improved infrastructure but also additional services. Over the past 2 years and the coming fiscal year, we are in the process of constructing two new fire stations and a police precinct. In order to provide necessary public safety services, this past year and coming year will necessitate the addition of 39 essential services personnel for fire alone. The police department continues to maintain our ratio of 2.0 officers per thousand citizens with funding from COPS grants. As this funding comes to an end, we will need to continue the employment of 14 officers as a requirement of the grant and to maintain our standards.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clarksville for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2014. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to receive this prestigious award, the government is required to publish an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In closing, the preparation of this report would not have been possible without the leadership and support of the Mayor and the efficient and dedicated services of the entire staff of the Finance Department.

Sincerely,

Laurie Matta

Laurie Matta, CMFO
Chief Financial Officer
City of Clarksville

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Clarksville

Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

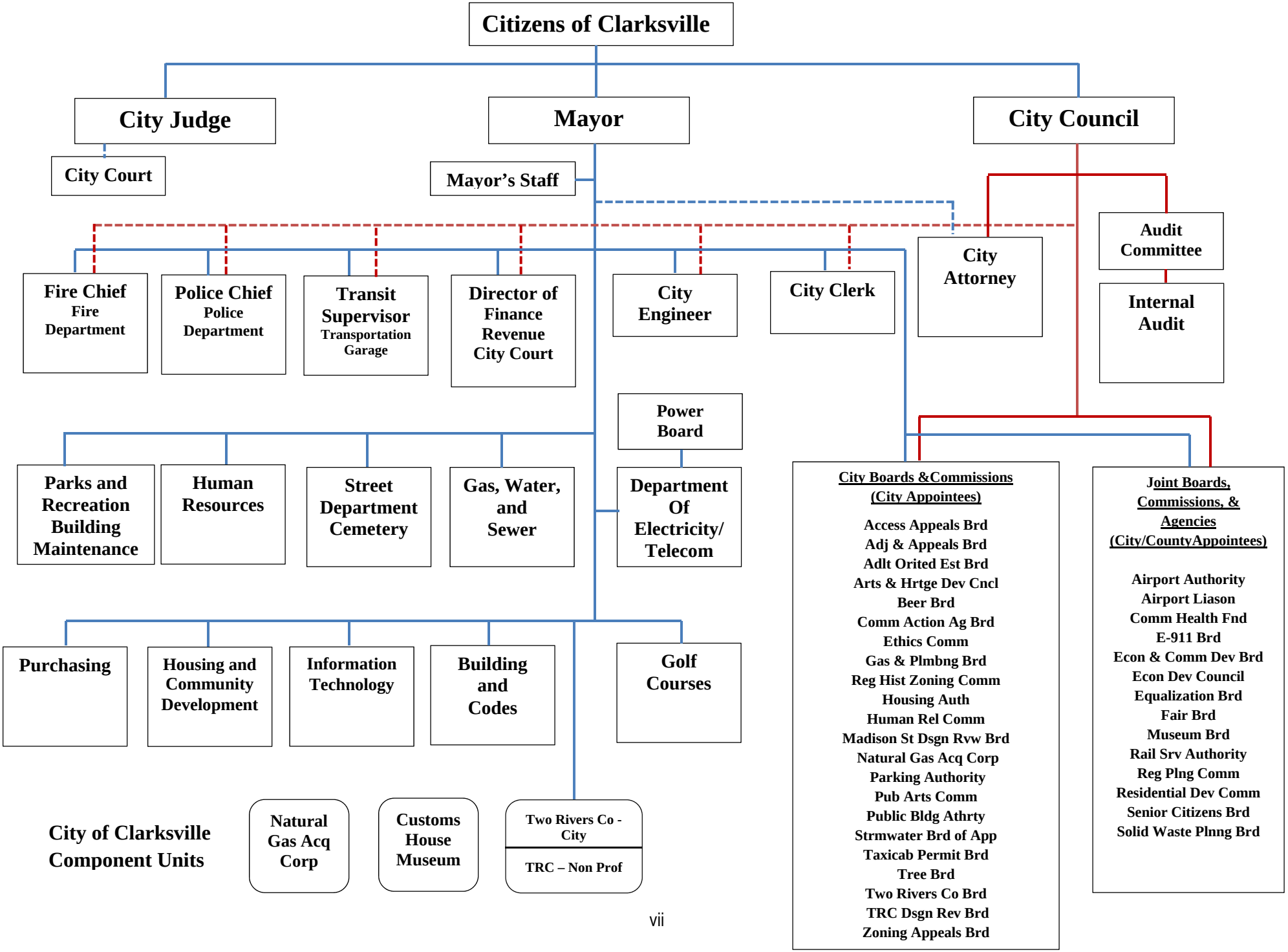
Executive Director/CEO

CITY OF CLARKSVILLE
SCHEDULE OF OFFICIALS
JUNE 30, 2015

Mayor, Kim McMillan	Term expires: December 31, 2018
City Attorney, Lance Baker	Appointed by the City Council
City Clerk, Sylvia Skinner	Appointed by the City Council
Chief Financial Officer, Laurie Matta	Appointed by the City Council
Director of Internal Audit, Lynn Stokes	Approved by the City Council

Ward	Council Member	Term Expires
1	Richard Garrett	December 31, 2018
2	Deana M. McLaughlin	December 31, 2018
3	James R. Lewis	December 31, 2016
4	Wallace Redd	December 31, 2016
5	Valerie Guzman	December 31, 2016
6	Wanda Smith	December 31, 2018
7	Geno Grubbs	December 31, 2018
8	David Allen	December 31, 2016
9	Joel Wallace	December 31, 2016
10	Mike Alexander	December 31, 2018
11	Bill Powers	December 31, 2018
12	Jeff Burkhart	December 31, 2016

ORGANIZATIONAL CHART OF THE CITY OF CLARKSVILLE



Financial Section

CROSSLIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Clarksville, Tennessee

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Clarksville, Tennessee (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clarksville-Montgomery County Museum, a discretely presented component unit, which represents 87% of the total assets, 87% of total net position and 77% of the total operating revenues of the City's aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Clarksville-Montgomery County Museum, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 units, each major fund, and the aggregate remaining fund information of the City of Clarksville, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A-27, in fiscal year 2015, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the schedule of changes in the net pension liability and related ratios – pension plan, schedule of employer contributions – pension plan, notes to required supplementary information – pension plan, schedules of funding progress and schedules of employer contributions – other postemployment benefit plans, the condition rating of transportation network, and budgetary information on pages 82 through 87, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules on pages 89 through 106, the supplemental schedules on pages 116 through 131, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State of Tennessee, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements, the schedules on pages 116 through 120, and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the schedules on pages 116 through 120, and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, and the supplemental schedules on pages 121 through 131 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Crosslin & Associates, P.C.

Nashville, Tennessee
December 21, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the City of Clarksville, Tennessee (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. Management's Discussion and Analysis ("MD&A") focuses on current year activities and resulting changes. Readers are encouraged to consider the information presented here in conjunction with our letter of transmittal and the City's financial statements and notes to the financial statements, contained in the financial section of this report.

FINANCIAL HIGHLIGHTS

- Net Position - The net position of the City increased from $764.9 million in 2014 to $799.8 million in 2015 with the most significant changes occurring as follows:
  - The City's governmental activities net position increased 2.6%, from $345.7 million in 2014 to $354.5 million in 2015. The governmental activities general revenues, including sales taxes, property taxes, and intergovernmental state shared revenues, increased by 4.3% for fiscal year 2015.
  - The net position of the City's business-type activities increased 6.3%, from $419.1 million in 2014 to $445.3 million in 2015, with significant changes highlighted as follows:
    - The net position of the Gas, Water and Sewer Departments increased 5.6%, from $285.7 million in 2014 to $301.7 million in 2015, as the City continues to invest in infrastructure and the rebuilding of the wastewater plant destroyed by the 2010 historic flood. The City estimates 5-6 years to rebuild and improve the wastewater facility with a total cost of approximately $130 million. To date, $114 million has been spent to rebuild and improve the wastewater facility. Completion of the wastewater treatment plant project is not anticipated prior to April 2016. FEMA and TEMA have reobligated funds to reimburse the City for a portion of construction and improvement of the Wastewater Treatment Plant in the amount of approximately $18.1 million.
    - The net position of the Electric Department increased 8.5%, from $123.5 million in 2014 to $134.1 million in 2015, the majority of which is due to timing of funds restricted for debt service as well as the Electric division had a significant increase in investment in capital assets of $8.0 million as a result of continued infrastructure improvements to the electric transmission and distribution system and communications equipment. The Broadband division of the Electric Department had ending net position of ($13.8 million), with funding being provided by a loan from the Electric Division, as approved by both State and TVA regulatory bodies. The Broadband Division remains in the growth stage. The progress of the Broadband Division is reviewed and monitored on a regular basis by management, the power board and TVA. Great strides have been made during fiscal year 2015. The negative net position of the Broadband Division has decreased 12.5% attributed to video service rate increases and growth of internet subscribers. Subscriber growth continues to be tracked against the business plan and has shown improvement over this past fiscal year. Subscribers continue to grow and are projected to continue to do so for the next 5 years. Broadband and fiber are considered to be the electric of the next century.

- Fund Balance – The total fund balance of the governmental funds decreased 17.0%, from $34.8 million in 2014 to $28.9 million in 2015. The majority of the decrease is attributed to the Capital Projects Fund. The budget planned for the issuance of $10 million debt to cover fiscal year 2015 projects. The financial market and capital project progression has been monitored throughout the year. As of fiscal year end, debt for 2015 projects has not been issued. In an effort to save issuance costs and limit interest expense prior to the necessity of all funds, we plan to issue two years of capital needs in the first quarter of the calendar year. The unassigned fund balance for the General Fund decreased from $25.2 million in 2014 to $24.8 million in 2015 and is 29.7% of the general fund budgeted operating expenditures, well above the City's Fund Balance Policy minimum requirement of 20%.

- Capital Assets – The City had $1.165 billion (net of depreciation) invested in a broad range of capital assets at fiscal year end 2015. These capital assets include police and fire equipment, buildings, park facilities, roads, bridges, utility plant, and infrastructure. Capital assets increased 3.5% as compared to $1.125 billion at the end of 2014. The most significant increases were to the City's streets and sidewalk improvements of $3.5 million and $2 million, respectively. For the City's proprietary funds, the Water and Sewer Department's construction work-in-progress has increased $12.8 million due to the replacement and enhancement of the wastewater facility and other various capital asset projects and asset retirements. The Electric Department had significant investment in transmission distribution and general plant of $11.3 million. More specifically, improvements to the fiber to the home project providing fiber optic communications infrastructure and materials allowing for increased efficiencies. Another significant impact on capital assets is the work-in-progress on the primary substation rebuild and construction of the new SCADA center, drive through and warehouse project. For more detailed information on the City's capital assets, please see Note D in the notes to the financial statements on page 53.

- Debt – The City's long term debt was $587.9 million at fiscal year-end 2015, a net increase of $1.6 million. The City's total debt in governmental activities is $104.8 million a net decrease of $6.9 million attributed to normally scheduled debt service payments. Business-type activities had a net increase of $8.5 million, which is composed of normally scheduled debt service payments, the draw down of funds for repairs and replacement of the wastewater plant of $38.6 million and the partial refunding of the Series 2007 Electric System Revenue and Improvement Bonds. The refunding provided a net present value savings of $5.2 million. For detailed information, see Note E in the notes to the financial statements on page 58.

- Component Units – The City has one *blended component unit,* the Natural Gas Acquisition Corporation (NGAC) and two *discretely presented component units,* the Clarksville Montgomery County Museum (the "Museum") and the Clarksville CBID Management Corporation of 1999 d/b/a the Two Rivers Company ("Two Rivers Company" or "TRC"). The Natural Gas Acquisition Corporation is reported as a blended component unit because it was formed by the City of Clarksville for the primary function of purchasing natural gas for the City. Although the Natural Gas Acquisition Corporation has agreed to purchase gas for a neighboring utility, 91% of the gas purchased is for the direct benefit of the City of Clarksville and we believe this meets the almost exclusive test. NGAC meets the test for a component unit in that all the board members are appointed by the City, the Corporation is supervised by the City's Utility Committee and there is a financial benefit/burden relationship. Additionally, the assets of NGAC are held for the almost exclusive use of the City and the City has the ability to access those assets if needed. We also believe that the transactions of NGAC are significant to the operations of the City and that it would be misleading to not include them.

The Museum is considered a discretely presented component unit because the City appoints all its Board members and provides a majority of its financial support. During fiscal year 2015, Two Rivers Company is also considered a discretely presented component unit as the City appoints all its Board members and provides the majority of the funding as well as the Executive Director is an employee of the City and is paid directly by the City.

The City also has related organizations, such as The Public Building Authority, the Industrial Development Board of Montgomery County and joint ventures such as the Montgomery County Public Library, the Clarksville Montgomery County Regional Airport Authority and the Clarksville Montgomery County Regional Planning Commission which, under U.S. generally accepted accounting principles, do not meet the requirements to be reported as component units.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. Government-wide statements are provided on a full accrual basis. Activities reported herein are considered either as those of the primary government or those of component units, and those activities are delineated as:

Primary Government	Component Units
Governmental Activities	Natural Gas Acquisition Corporation
Business-Type Activities	Clarksville-Montgomery County Museum
	Clarksville CBID Management Corp. of 1999 d/b/a Two Rivers Company

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over periods of 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 government'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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 Clarksville include general government, public safety, highways and streets, community development, and parks and recreation. The *government-wide financial statements* can be found on pages 19 through 20 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Clarksville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained twenty-two (22) individual governmental funds during 2015. The General Fund, the Debt Service Fund and the Capital Projects Funds are the only funds considered to be major funds and are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the governmental funds. Data from the other non-major governmental funds is combined into a single, aggregated presentation in the form of combining statements found on pages 90 and 91.

The City adopts an annual appropriation budget for its general fund and special revenue funds. A budgetary comparison has been provided for the general fund on pages 25 through 29 and for the special revenue funds on pages 92 through 94 to demonstrate compliance with this budget. The *basic governmental fund financial statements* can be found on pages 21 through 24 of this report.

Proprietary Funds: The City maintains five major and two non-major proprietary funds. An enterprise fund is used to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for its electric and broadband operations, and for its gas, water, and sewer operations and the Natural Gas Acquisition Corporation (a blended component unit of the City). The City has three (3) internal service funds – dental, health, and self-insurance – to account for the revenues and expenses of services funded through employee and City contributions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the electric, broadband, gas, water, and sewer funds, and NGAC which are considered to be major funds. The *basic proprietary fund financial statements* can be found on pages 30 through 37 of this report. The City's two non-major proprietary funds are Parking Authority and the Transit system, details found on pages 96 through 99.

Fiduciary Funds: The City of Clarksville has no fiduciary funds. A fiduciary fund is used to account for resources held for the benefit of parties outside the government (i.e. account for a pension plan). The City's pension plans are administered externally. The fiduciary fund is not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for these fiduciary funds is much like that used in proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38 through 81 of this report.

FINANCIAL ANALYSIS OF THE FINANCIAL STATEMENTS

Government-wide Financial Analysis

During fiscal year 2015, the City adopted Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. GASB No. 68 was implemented through a restatement of beginning net position. Amounts within this MD&A have been restated, where practical. See Note A-27 for further information.

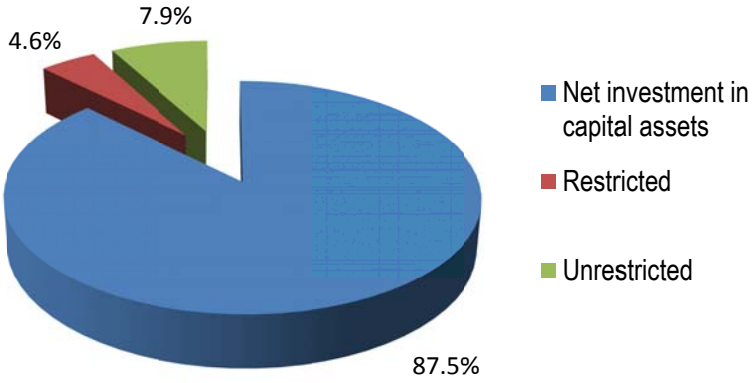
Over time, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $800 million as of June 30, 2015. A condensed version of the Statement of Net Position follows:

City of Clarksville Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets	$ 80.2	$ 84.3	$ 332.3	$ 336.4	$ 412.5	$ 420.7
Capital Assets	472.6	467.0	692.4	658.7	1,165.0	1,125.7
Deferred Outflow of Resources	5.7	5.4	4.2	1.8	9.9	7.2
Total assets and deferred outflows	$ 558.5	$ 556.7	$ 1,028.9	$ 996.9	$ 1,587.4	$ 1,553.6
Liabilities	$ 160.1	$ 173.0	$ 579.7	$ 577.7	$ 739.7	$ 750.7
Deferred Inflows of Resources	43.9	38.0	3.9	-	47.8	38.0
Total liabilities and deferred inflows	$ 204.0	$ 211.0	$ 583.6	$ 577.7	$ 787.5	$ 788.7
Net Position	$ 354.5	$ 345.7	$ 445.3	$ 419.2	$ 799.8	$ 764.9
Net investment in capital assets	$ 370.1	$ 364.1	$ 330.2	$ 314.2	$ 700.3	$ 678.3
Restricted	1.4	1.1	35.2	33.2	36.6	34.3
Unrestricted	(17.0)	(19.5)	79.9	71.8	62.9	52.3
Total Net Position	$ 354.5	$ 345.7	$ 445.3	$ 419.2	$ 799.8	$ 764.9

The largest portion of the City's net position, $700.3 million or 87.5%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the City's net position, $36.7 million or 4.6% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $62.9 or 7.9% may be used to meet the government's ongoing obligations to citizens and creditors. A graphical representation of the primary government's net position follows:

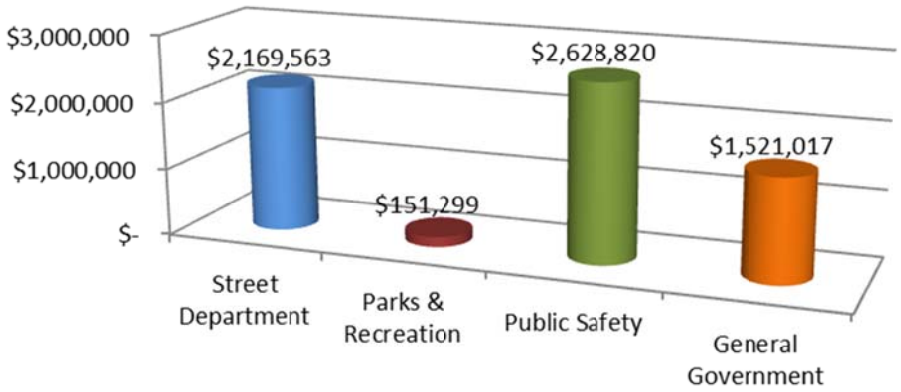
Primary Government Net Position



Governmental Activities

The City's governmental net position increased by $8.8 million due primarily to growth in general revenues and capital contributions. The City implemented GASB No. 68, which required the recognition of a $22.8 million liability and deferred inflow of resources and a $5.7 million deferred outflow of resources associated with TCRS pension for a net effect of $17.1 million. The implementation of GASB No. 68 was recorded through restatement, as required. General government's net investment in capital assets increased $6.0 million. While some assets and liabilities fluctuate annually due to timing, the continued steady growth in net capital assets reflects the City's continued growth and investment in infrastructure. During this fiscal year, the City had expenditures of $6.5 million for various approved capital projects in the capital projects fund. Of the most significant investment is 40.6% on public safety which includes the construction of a new fire station and ladder truck and construction of the Police Department's north precinct. Another 33.5% was invested in our streets, drainage, intersection improvements and sidewalks. The graph below represents the breakdown by functional area for the total capital expenses for fiscal year 2015.

General Government Capital Expenses FY 2015



Business-Type Activities

The business-type entities net position increased by $26.2 million in 2015. The most significant increase is in net investment of capital assets which increased by $16.0 million as a result of expansion of infrastructure and rebuild of a primary substation in the Electric Department and major repairs and replacements at the wastewater plant and systems. Total assets and deferred outflows of resources increased by $32.0 million primarily attributed to construction work-in-progress and deferred outflows of resources related to pensions and bond refunding. Total liabilities and deferred inflows of resources increased by $5.8 million due primarily to long-term debt related to the wastewater plant construction and deferred inflows of resources relating to pensions. Unrestricted net position increased by $8.1 million due primarily to the Broadband Division's negative unrestricted net position decreasing by 12.3% as well as overall operating revenue growth of 2.2% with no significant increase in operating expenses. Business-type activities continue to expand as evidenced by an increase of $62.8 million in capital assets and a steady growth in customer base of approximately 2.5%.

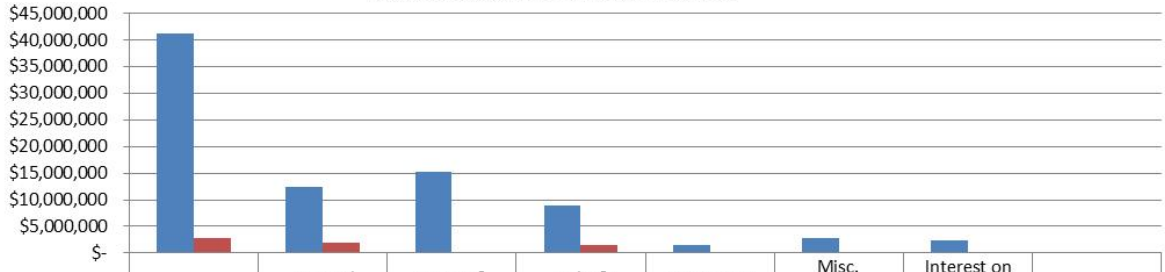
While its useful to analyze the City's ending net position, the following condensed Change in Net Position depicts how the City got there. Further analysis by governmental and business-type activities follows.

Primary Government Change in Net Position
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for services	$ 6.6	$ 6.6	$ 287.7	$ 281.7	$ 294.3	$ 288.3
Operating grants, capital grants and contributions	12.8	10.2	11.9	30.5	24.7	40.7
General Revenues						
Property taxes	30.5	30.0	-	-	30.5	30.0
Other taxes/state shared taxes	36.7	34.2	-	-	36.7	34.2
Other revenues	0.5	0.4	0.2	0.2	0.7	0.6
Transfers(net)	6.4	6.5	(6.4)	(6.5)	-	-
Total Revenues and Transfers	93.5	87.9	293.4	305.9	386.9	393.8
Expenses						
General government	12.4	13.3	-	-	12.4	13.3
Public safety	41.3	43.5	-	-	41.3	43.5
Highways and streets	15.2	13.3	-	-	15.2	13.3
Recreation	8.9	9.1	-	-	8.9	9.1
Other	6.9	6.9	-	-	6.9	6.9
Electric Division	-	-	150.5	147.5	150.5	147.5
Broadband Division	-	-	16.3	16.4	16.3	16.4
Gas Department	-	-	25.6	26.7	25.6	26.7
Parking fees	-	-	0.1	0.1	0.1	0.1
Clarksville Transit System	-	-	6.6	6.9	6.6	6.9
Water and Sewer Dept.	-	-	45.6	47.5	45.6	47.5
Natural Gas Acquisition Corp.	-	-	22.5	21.0	22.5	21.0
Total Expenses	84.7	86.1	267.2	266.1	351.9	352.2
Change in net position	8.8	1.8	26.2	39.8	35.0	41.6
Beginning net position	345.7	364.3	419.1	386.3	764.8	750.6
GASB No. 68 Restatement	-	(20.4)	-	(6.9)	-	(27.3)
Ending net position	$ 354.5	$ 345.7	$ 445.3	$ 419.1	$ 799.8	$ 764.9

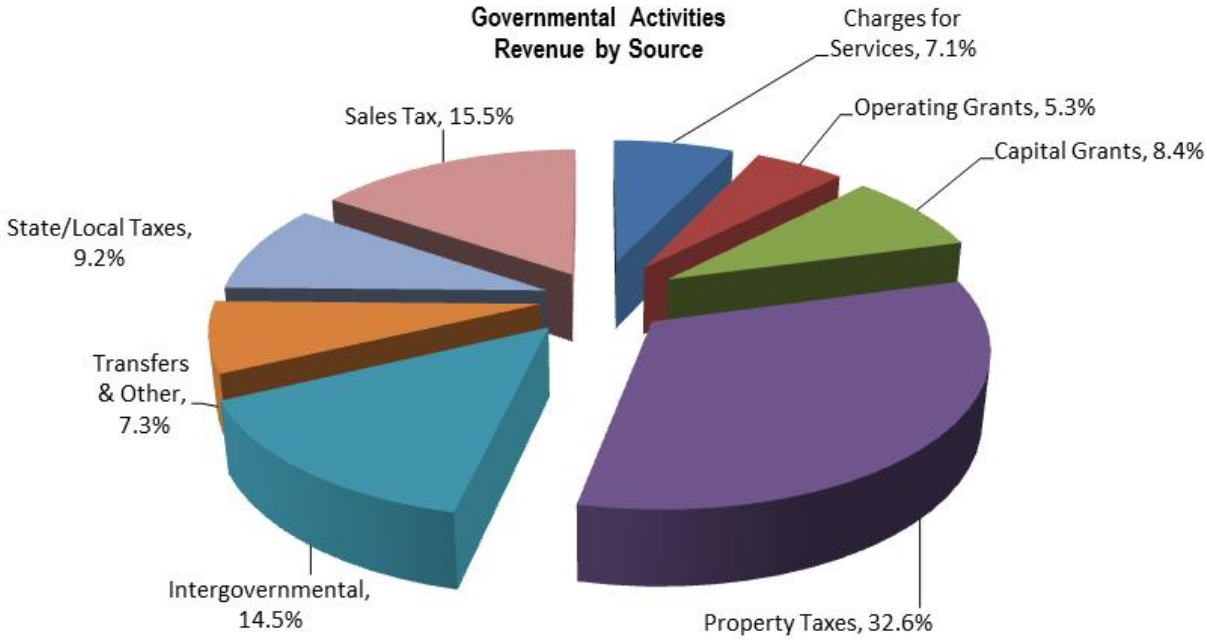
Governmental Activities

General government activities such as police protection, fire suppression, street maintenance and recreational activities are normally financed through taxes, as is the case in Clarksville; other revenue sources for these activities typically come in the form of grants from other agencies and limited user fees. The chart below reflects this reality with the majority of revenues from various grants, supplemented by a small amount of user fees from Parks & Recreation and Community Development as compared to the expenditures to provide the service.



	Public Safety	General Government	Streets & Highways	Parks & Recreation	Community Development	Misc. Community Agencies	Interest on Long-Term Debt	Other
Expenditures	$41,349,309	$12,404,741	$15,196,835	$8,862,843	$1,549,154	$2,793,293	$2,395,758	$209,576
Charges for Services	$2,832,034	$1,951,033	$34,182	$1,438,352	$204,936	$-	$-	$147,128

The graph below displays, by source, the various types of the City's governmental revenues, which total $93.6 million for fiscal year 2015.



Further detail related to governmental activity revenues by source follows:

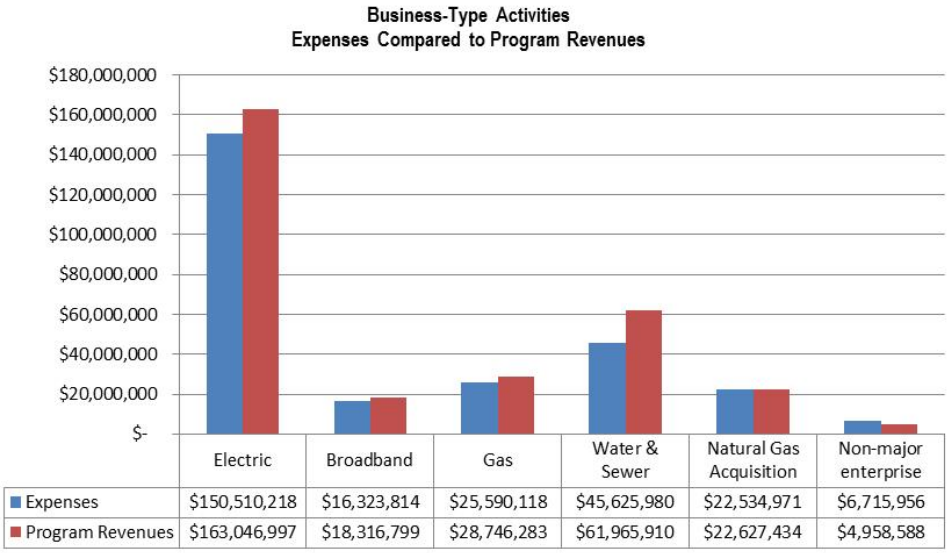
	2015		2014	
	Source of Revenue	As a Percent	Source of Revenue	As a Percent
Charges for Services	$ 6,607,665	7.1%	$ 6,643,222	7.6%
Operating Grants	4,940,603	5.3%	4,937,913	5.6%
Capital Grants	7,858,392	8.4%	5,234,776	6.0%
Property Taxes	30,537,995	32.6%	29,962,877	34.1%
Intergovernmental	13,554,513	14.5%	12,651,488	14.4%
Transfers & Other	6,850,989	7.3%	6,855,263	7.8%
State/Local Taxes	8,635,345	9.2%	7,856,301	8.9%
Sales Tax	14,569,147	15.6%	13,792,357	15.7%
	$ 93,554,649	100.0%	$ 87,934,197	100.0%

Clarksville continues to prove its sustainability during the current economic challenges, as evidenced by revenue growth in the majority of categories. We experienced a slight reduction in charges for services (0.6%) and transfers (0.1%) for a total decrease of less than $43,000. Typical governmental revenue sources increased an average of 4.7% as compared to 2014 with the exception of capital grants which increased over 50%. Local sales tax grew 5.6% indicating consumer confidence in the economy. Property tax revenue likewise increased 1.9% signifying growth. Fiscal year 2015 was a reappraisal year which sets the tax rate to provide the same revenues as the prior year, providing for a revenue neutral environment. Any increase in property tax revenues is solely from growth. The reassessment provided a certified tax rate of $1.1832 (per $100 of assessed value).

Business-Type Activities

Proprietary funds are intended to be self-supporting funds with revenues derived from charges for the services provided. The chart below depicts the comparison of revenues versus expenses for the City's proprietary funds.

The City's business-type activity total charges for services increased from $281.7 million in 2014 to $287.7 million in 2015, or 2.2%. This increase is due to various elements including increased utility usage, much of the revenues are directly related to weather; increased customer base, and increased rates for broadband and sewer services. Capital grants and capital contributions decreased 69.5% from the prior fiscal year. This was primarily due to the FEMA/TEMA reobligated funds, for the wastewater treatment plant, which were recognized in FY 2014.



Financial Analysis of the City's Funds

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

Governmental Funds

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

At the end of the current fiscal year – June 30, 2015 – the City's governmental funds reported combined ending fund balances of $28.9 million, a decrease of $5.9 million over the prior year balance. The decrease is due to the delayed issuance of debt to pay for capital projects. The City planned and budgeted to issue $8 million of new debt for new FY 2015 capital projects. Due to timing of the construction and spend of the capital projects it was determined in the best interest of the City to delay the issuance until such time as funds will be utilized.

The General Fund is the chief operating fund of the City of Clarksville: $24.8 million of the Fund Balance was considered unassigned and available for spending at the government's discretion, while $0.7 million was nonspendable (inventories and prepaid items). In other governmental funds, $1.4 million is restricted to special revenue funds, including State Street Aid, and $0.8 million is restricted for capital projects. In the Debt Service Fund, $0.4 million is assigned to repay debt. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. For 2015, the unassigned fund balance represents 33.3% of fiscal year 2015 general fund expenditures and total fund balance represents 30.6% of total general fund expenditures plus transfers out. The City's policy is to maintain unassigned fund balance equal to or greater than 20% of the budgeted expenditures.

The General Fund's most significant revenue increases for 2015 were in business license, franchise fees and income tax with increases in excess of $1 million. Other revenue sources increased and decreased minimally, which is representative of the stability in the local economy.

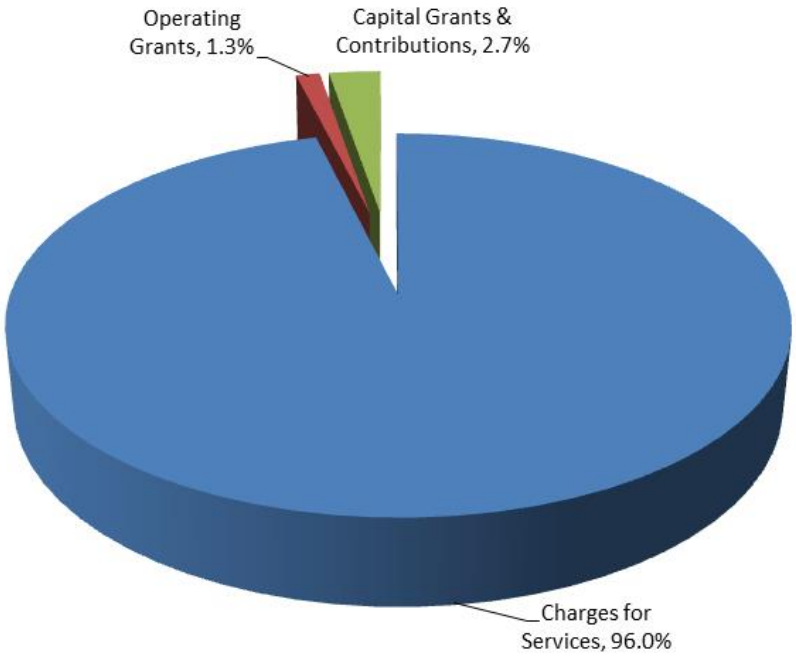
Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the business-activities section of the government-wide financial statements, but in more detail.

Operating revenues increased by 2.2% as compared to the prior fiscal year from $281.7 million to $287.7 million, in FY 2015. This increase is mainly attributed to sewer rate increases, broadband (video) rate increase as well as increased broadband subscriber base. Operating expenses increased by 0.6% as compared to the prior fiscal year from $256.2 million to $257.6 million attributed to normal operations. All major proprietary funds have experienced customer growth of approximately 2%, which in turn increases the operating expenses to provide the service. The largest growth in customer base is in the Broadband division with a growth of 3.17% as compared to FY 2014. While operating expenses experienced minor fluctuations, the largest increases were in electric and natural gas as a direct relationship to demand. Purchased power increased $1.6 million and purchased natural gas increased $0.4 million.

Following is a graph showing the revenues by source for the City's proprietary funds. There is a stark contrast from governmental funds with the more than 90% of revenues derived from charges for services.

Proprietary Funds Revenues by Source



The following table shows actual revenues, expenses, and results of operations for the current fiscal year in the City's proprietary funds (in millions):

	Operating Revenues	Operating Expenses	Operating Income (Loss)	Non-Operating Income (Expense)	Capital Contributions & Other	Interfund Transfers	Change in Net Position
Electric	$ 163.0	$ 147.0	$ 16.0	$ (3.4)	$ -	$ (4.2)	$ 8.5
Broadband	18.3	16.2	2.1	(0.1)	-	-	2.0
Gas	28.7	25.1	3.6	(0.4)	-	(0.6)	2.6
Water & Sewer	53.8	38.5	15.3	(6.4)	7.5	(3.0)	13.4
Natural Gas Acquisition Corp.	22.6	24.0	(1.4)	1.5	-	-	-
Non Major Enterprise Funds	1.2	6.7	(5.5)	3.8	-	1.4	(0.4)
Total	$ 287.7	$ 257.6	$ 30.1	$ (5.1)	$ 7.5	$ (6.4)	$ 26.1

General Fund Budgetary Highlights

As the major operating fund of the City, budgetary comparison statements for the general fund can be found on pages 25 to 29. Highlights of revenue and expenditures follow:

- The original budgeted revenues were increased by approximately $1.1 million in anticipation of increased property tax, local options sales tax and grants.
- Actual revenues exceeded the amended budget by $0.9 million mainly attributed to additional state shared revenues ($366,780) and various local taxes ($271,221), which once again, points to the sustained economic growth in this area.

- Actual expenditures were $2.3 million less than original budgeted appropriations. This reduction in expenditures is mainly attributed to the departments within public safety. The original budgeted appropriations were amended downward $1.9 million to better reflect actual expenditures for the various departments.
- While legal budgetary control is at the fund level we present the General Fund at the department level. Monitoring and compliance with budgets internally is maintained at the department level. During the FY 2016 budget process, the Parks and Recreation department's FY 2015 budget was amended below the level of actual expenditures.
- The original approved budget had planned use of unrestricted fund balance in excess of $5 million. The actual use of unrestricted fund balance was $375,409.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Clarksville's investment in capital assets from its governmental and business-type activities as of June 30, 2015 is approximately $1.2 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways and bridges.

Major capital asset events during the current fiscal year included the following:

- The City invested in multiple capital projects for Public Safety, Highway and Streets other various improvements with fiscal year expenditures in excess of $6 million. In addition, the City completed the sidewalk ADA compliance requirement with a total investment in excess of $21 million. Other various projects completed related to Parks and Recreation for rails to trails and blueways in excess of $880 thousand and the City's share to refurbish the RJ Corman Bridge over the Cumberland River was $250 thousand. Currently underway is the partnering with the Army Corps of Engineers for the riverbank stabilization project with the City's maximum investment of $2.2 million and the balance of this multi-million dollar project being paid for by the Army Corp of Engineers.
- Drainage systems, roadways, right-of-ways, street lighting and sidewalk additions were contributed to the general government by private developers with a value in excess of $5 million.
- Under the City's multi-year commitment to improve quality of life through better pedestrian accessibility and better traffic flow, $2 million was spent to build or repair sidewalks and a substantial investment was made in intersection improvements.
- Contractors contributed $7.5 million in capital assets to the Gas & Water and Sewer Department.
- The Water and Sewer Department's plant and equipment increased by $31.6 million and construction-in-progress increased by $12.8 million as they continue to invest in maintaining and upgrading infrastructure, especially the wastewater treatment plant.
- The Electric Department invested $11.3 million in capital assets the majority of which is attributed to the electric transmission system, station equipment and communications equipment. Construction work in progress increased by $2.9 million due to the substation rebuild and the construction of a new SCADA center, drive through, and warehouse.

City of Clarksville Capital Assets

At fiscal year end the City has a total of $1.2 billion invested in capital assets, net of depreciation. Below is a summary of the City's capital assets by classification and fund type. Additional information on the City's capital assets can be found at Note D, Capital Assets in the Notes to the Financial Statements section of this report beginning on page 53.

	Governmental Activities	Business-Type Activities	Total
Land and Easements	$ 43,361,297	$ 6,875,546	$ 50,236,843
Buildings and Utility Plant	103,805,985	877,731,738	981,537,723
Vehicles	18,664,281	12,360,106	31,024,387
Equipment and Furniture	29,270,175	4,244,990	33,515,165
Construction in Progress	4,268,977	69,272,317	73,541,294
Infrastructure & Acquisition	353,148,686	464,146	353,612,832
Total Capital Assets	552,519,401	970,948,843	1,523,468,244
Less Accumulated Depreciation	(79,927,989)	(278,596,479)	(358,524,468)
Net Capital Assets	$ 472,591,412	$ 692,352,364	$ 1,164,943,776

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for reporting its street assets. The Modified Approach requires the City to capitalize the existing streets and preserve these assets at or above an established condition level, which the City of Clarksville has established a pavement condition index (PCI) of 41. The City maintains 640 miles of pavement and rates the condition in three categories: good to excellent – 58%, fair – 34% and poor to failed – 8%. City policy recognizes that streets will always be rated below our 41-PCI, and that once streets fall below this level that management may allow the street to completely fail before restoring the street to a 100-PCI and starting the process over. The City's overall system was estimated at a pavement condition index of "59" at June 30, 2015. Please see Schedule F in Required Supplementary Information on page 85.

Long-term Bonded Debt

At the end of the current fiscal year, the City of Clarksville had total long-term bonded debt outstanding of $588 million (excluding premiums). Of this amount, $105 million comprises debt backed by the full faith and credit (general obligation) of the City and $483 million comprises bonds secured solely by specified revenue streams (i.e. revenue bonds).

More detailed information regarding the City's long term debt can be found in Note E, Long Term Obligations in the Notes to the Financial Statements section of this report beginning on page 58.

City of Clarksville Outstanding Debt
General Obligation and Revenue Bonds
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	$ 104,752,000	$ 111,652,941	$ -	$ -	$ 104,752,000	$ 111,652,941
Revenue and Tax Bonds	-	-	483,191,628	474,671,840	483,191,628	474,671,840
Total	$104,752,000	$ 111,652,941	$483,191,628	$474,671,840	$587,943,628	$586,324,781

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Clarksville considered the fragile overall U.S. economy and the growth the City has and continues to experience in preparing its budget for 2016. The proposed budget focused on meeting the needs of our continued growth for the current year and forward looking. We maintained a very conservative approach to our revenue streams and increased expenditures only where justified necessary. Over the past few years, we have been planning for growth with the funding and constructing of two fire stations that requires hiring 39 positions to fully staff. For fiscal year 2016, City Council approved a property tax rate of $1.24 per $100 of assessed value.

Money magazine placed Clarksville on the top 10 list of the nation's top places millennials are moving for bigger paychecks. Hankook Tires plans to open in 2016. The first phase of their hiring has already occurred toward their ultimate hiring of 1,800 positions.

Despite continued national accolades for the Clarksville economy and a positive growth expectation, the budget was built around minimal budget increases and maintaining at least the minimum fund balance as required by the City Charter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Clarksville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

- Department of Finance and Revenue
  Attention: Chief Financial Officer
  1 Public Square, Suite 300
  Clarksville, TN 37040-3463

- Clarksville Department of Electricity
  Attention: Chief Financial Officer
  PO Box 31509
  Clarksville, TN 37040-0026

- Clarksville Gas, Water & Sewer Department
  Attention: Chief Financial Officer
  2215 Madison Street
  Clarksville, TN 37040-0387

Certain information regarding state compliance of the Department of Electricity and the Gas, Water & Sewer Departments can be found in their respective stand-alone financial reports. Please see those reports for additional information.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
June 30, 2015

	Primary Government			
	Governmental Activities	Business Type Activities	Total Primary Government	Component Units
Assets				
Cash and cash equivalents	$ 18,335,103	$ 85,607,102	$ 103,942,205	$ 710,646
Investments	6,621,270	-	6,621,270	-
Receivables (net allowance for uncollectibles):				
Accounts	1,141,040	26,047,843	27,188,883	58,682
Taxes	36,886,843	-	36,886,843	-
Notes and leases	6,085,201	-	6,085,201	-
TVA conservation program	-	8,113,257	8,113,257	-
Other	4,611,250	15,944,095	20,555,345	-
Due from component units	141,805	-	141,805	-
Inventories	239,654	5,320,003	5,559,657	26,455
Prepaid and other assets	1,245,892	10,458,572	11,704,464	74,591
Prepaid gas supplies	-	129,574,728	129,574,728	-
Restricted assets:				
Cash and cash equivalents	1,769,574	20,837,283	22,606,857	172,807
Investments	-	30,413,263	30,413,263	1,665,597
Unused bond proceeds	3,207,657	-	3,207,657	-
Capital assets not being depreciated:				
Land and easements	43,361,297	6,875,546	50,236,843	-
Street network	264,529,749	-	264,529,749	-
Construction in progress	4,268,977	69,272,317	73,541,294	-
Capital assets net of accumulated depreciation:				
Building and building improvements	75,408,536	-	75,408,536	2,623,363
Utility plant in service	-	615,740,355	615,740,355	-
Equipment, furniture and fixtures	19,286,508	-	19,286,508	9,274
Infrastructure	65,736,345	464,146	66,200,491	-
Total Assets	552,876,701	1,024,668,510	1,577,545,211	5,341,415
Deferred Outflows of Resources				
Deferred outflows related to pensions	5,667,270	1,909,059	7,576,329	-
Deferred outflows related to bond refundings	-	2,291,506	2,291,506	-
Total Deferred Outflows of Resources	5,667,270	4,200,565	9,867,835	-
Liabilities				
Accounts payable and other current liabilities	4,981,741	33,182,462	38,164,203	80,186
Accrued interest payable	331,037	4,733,345	5,064,382	3,499
Internal balances	(231,307)	231,307	-	-
Due to other governmental agencies	158,820	-	158,820	-
TVA advances	-	8,315,114	8,315,114	-
OPEB liability	27,597,508	10,668,296	38,265,804	-
Net pension liability	11,258,519	3,799,015	15,057,534	-
Customer deposits	66,245	10,005,639	10,071,884	-
Compensated absences due within one year	1,698,069	1,392,696	3,090,765	14,706
Compensated absences due in more than a year	1,423,462	1,478,544	2,902,006	-
Long-term debt due within one year	8,006,000	30,015,089	38,021,089	17,955
Long term debt due in more than a year	97,730,429	471,389,938	569,120,367	99,007
Other noncurrent liabilities	-	69,998	69,998	-
Unearned revenue	301,630	4,351,992	4,653,622	-
Advanced grants and contributions	6,840,485	-	6,840,485	-
Total Liabilities	160,162,638	579,633,435	739,796,073	215,353
Deferred Inflows of Resources				
Property taxes	32,347,445	-	32,347,445	-
Deferred inflows related to pensions	11,533,547	3,891,820	15,425,367	-
Total Deferred Inflows of Resources	43,880,992	3,891,820	47,772,812	-
Net Position				
Net investment in capital assets	370,062,640	330,216,796	700,279,436	2,515,675
Restricted for:				
Debt service	-	35,246,977	35,246,977	-
Special revenue	1,430,660	-	1,430,660	-
Non-expendable	-	-	-	1,665,597
Other	-	-	-	172,807
Unrestricted	(16,992,959)	79,880,047	62,887,088	771,983
Total Net Position	$ 354,500,341	$ 445,343,820	$ 799,844,161	$ 5,126,062

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government:								
Governmental activities:								
General Government	$ 12,404,741	$ 1,951,033	$ -	$ -	$ (10,453,708)	$ -	$ (10,453,708)	$ -
Public Safety	41,349,309	2,832,034	842,800	400,000	(37,274,475)	-	(37,274,475)	-
Highways & Streets	15,196,835	34,182	3,896,378	6,161,694	(5,104,581)	-	(5,104,581)	-
Community Support	2,793,293	-	-	-	(2,793,293)	-	(2,793,293)	-
Community Development	1,549,154	204,936	-	1,229,408	(114,810)	-	(114,810)	-
Parks & Recreation	8,862,843	1,438,352	185,470	67,290	(7,171,731)	-	(7,171,731)	-
Drug Enforcement	209,576	147,128	15,955	-	(46,493)	-	(46,493)	-
Interest on Long-Term Debt	2,395,758	-	-	-	(2,395,758)	-	(2,395,758)	-
Total governmental activities	84,761,509	6,607,665	4,940,603	7,858,392	(65,354,849)	-	(65,354,849)	-
Business-type activities:								
Electric	150,510,218	163,046,997	-	-	-	12,536,779	12,536,779	-
Broadband	16,323,814	18,316,799	-	-	-	1,992,985	1,992,985	-
Gas	25,590,118	28,746,283	-	-	-	3,156,165	3,156,165	-
Water and Sewer	45,625,980	53,803,023	-	8,162,887	-	16,339,930	16,339,930	-
Natural Gas	22,534,971	22,627,434	-	-	-	92,463	92,463	-
Parking fees	87,856	378,577	-	-	-	290,721	290,721	-
Transit fees	6,628,100	817,209	3,762,802	-	-	(2,048,089)	(2,048,089)	-
Total business-type activities	267,301,057	287,736,322	3,762,802	8,162,887	-	32,360,954	32,360,954	-
Total primary government	$ 352,062,566	$ 294,343,987	$ 8,703,405	$ 16,021,279	$ (65,354,849)	$ 32,360,954	$ (32,993,895)	-
Discretely Presented Component Units	$ 1,828,087	$ 165,553	$ 1,651,801	$ -	-	-	-	(10,733)
General revenues:								
Property taxes					30,537,995	-	30,537,995	-
State shared revenues - intergovernmental					13,554,513	-	13,554,513	-
Franchise/business tax					4,230,378	-	4,230,378	-
Sales tax					14,569,147	-	14,569,147	-
Beer and liquor tax					3,833,917	-	3,833,917	-
In Lieu of tax					47,453	-	47,453	-
Other tax					523,597	-	523,597	-
Other unrestricted revenue					496,760	-	496,760	-
Net investment income					-	188,410	188,410	72,945
Transfers					6,354,229	(6,354,229)	-	-
Total general revenues and transfers					74,147,989	(6,165,819)	67,982,170	72,945
Change in net position					8,793,140	26,195,135	34,988,275	62,212
Net position - beginning, as restated					345,707,201	419,148,685	764,855,886	5,063,850
Net position - ending					$ 354,500,341	$ 445,343,820	$ 799,844,161	$ 5,126,062

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Balance Sheet
Governmental Funds
June 30, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 11,816,074	$ 428,831	$ -	$ 367,817	$ 12,612,722
Investments	6,621,270	-	-	-	6,621,270
Receivables (net allowance for uncollectibles):					
Accounts receivable	1,098,934	-	-	42,106	1,141,040
Taxes receivable	35,113,970	-	-	1,772,873	36,886,843
Notes receivable	29,880	-	-	6,055,321	6,085,201
Due from other governments	3,870,813	-	413,756	326,681	4,611,250
Due from other funds	6,399,704	-	-	1,874,620	8,274,324
Due from component units	141,805	-	-	-	141,805
Inventories	239,382	-	-	272	239,654
Other	429,899	1,125	-	714,055	1,145,079
Restricted assets:					
Cash and cash equivalents	-	-	4,843,563	133,668	4,977,231
Total assets	$ 65,761,731	$ 429,956	$ 5,257,319	$ 11,287,413	$ 82,736,419
Liabilities					
Accounts payable	$ 1,784,475	$ -	$ 826,936	$ 219,820	$ 2,831,231
Accrued liabilities	648,073	-	-	-	648,073
Customer deposits	66,245	-	-	-	66,245
Due to other funds	5,154,021	19,907	3,640,933	145,591	8,960,452
Due to other governmental agencies	158,820	-	-	-	158,820
Unearned revenues	145,764	-	-	155,866	301,630
Advanced grants and contributions	-	-	-	6,840,485	6,840,485
Total liabilities	7,957,398	19,907	4,467,869	7,361,762	19,806,936
Deferred inflows of resources					
Unavailable revenues	32,367,037	-	-	1,650,000	34,017,037
Total deferred inflows of resources	32,367,037	-	-	1,650,000	34,017,037
Fund balances					
Nonspendable:					
Inventories	239,382	-	-	272	239,654
Prepaid items	429,899	1,125	-	-	431,024
Restricted:					
Special revenue funds	-	-	-	1,430,660	1,430,660
Public safety/street related improvements	-	-	789,450	-	789,450
Committed:					
Special revenue funds	-	-	-	844,719	844,719
Assigned to:					
Debt service	-	408,924	-	-	408,924
Unassigned	24,768,015	-	-	-	24,768,015
Total fund balances	25,437,296	410,049	789,450	2,275,651	28,912,446
Total liabilities, deferred inflows of resources and fund balances	$ 65,761,731	$ 429,956	$ 5,257,319	$ 11,287,413	$ 82,736,419

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2015

Total fund balances of governmental funds		$ 28,912,446
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.		472,591,412
Receivables not available to pay for current expenditures are unavailable in the governmental funds.		1,669,592
Internal service funds are used by management to charge the costs of certain activities, including dental, health and risk management, to other funds. The assets and liabilities of the internal service funds are included as governmental activities in the statement of net position.		5,238,192
Long-term liabilities, including notes payable, bonds payable, accrued annual leave and sick pay and OPEB liability, are not due and payable in the current period, and therefore are not reported in the funds.		
Long-term debt	(105,736,429)	
Net pension liability	(11,258,519)	
OPEB liability	(27,597,508)	
Compensated absences	(3,121,531)	
		(147,713,987)
Accrued interest payable is not due and payable from current resources, and therefore is recorded in government-wide but not in the governmental funds.		(331,037)
Deferred outflows and inflows related to pensions		(5,866,277)
Net position of governmental activities		$ 354,500,341

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	$ 28,414,175	$ -	$ -	$ 2,000,000	$ 30,414,175
Sales	14,446,274	-	-	122,873	14,569,147
Franchise	1,792,672	-	-	-	1,792,672
Wholesale beer and liquor	3,833,917	-	-	-	3,833,917
Business tax	2,437,706	-	-	-	2,437,706
Other taxes	523,597	-	-	-	523,597
State shared revenues	17,335,075	-	-	-	17,335,075
Licenses and permits	1,576,198	-	-	-	1,576,198
Fines and forfeitures	994,034	-	-	747,238	1,741,272
Contributions	-	-	301,500	75,784	377,284
Intergovernmental	244,133	-	1,033,969	1,768,031	3,046,133
Charges for services:					
Program income	-	-	-	371,802	371,802
Fees for services	2,565,183	-	-	-	2,565,183
Payment in lieu of taxes	47,453	-	-	-	47,453
E-911 transfer	-	353,213	-	-	353,213
Miscellaneous	395,325	-	5,672	24,860	425,857
Total revenues	74,605,742	353,213	1,341,141	5,110,588	81,410,684
Expenditures					
Current:					
General government	9,375,940	-	-	-	9,375,940
Public safety	40,158,250	-	-	516,156	40,674,406
Highway and streets	11,549,824	-	-	-	11,549,824
Recreation	7,409,955	-	-	363,063	7,773,018
Community development	-	-	-	1,549,154	1,549,154
Drug enforcement	-	-	-	133,036	133,036
Other appropriations	1,209,870	-	-	-	1,209,870
Misc. community agencies	1,697,150	-	-	-	1,697,150
Other	1,024,310	-	-	71,833	1,096,143
Debt service:					
Principal	-	7,041,999	-	-	7,041,999
Interest and other charges	-	2,468,382	-	-	2,468,382
Capital outlay	1,981,959	-	6,992,508	232,876	9,207,343
Total expenditures	74,407,258	9,510,381	6,992,508	2,866,118	93,776,265
Excess (deficiency) of revenues over (under) expenditures	198,484	(9,157,168)	(5,651,367)	2,244,470	(12,365,581)
Other financing sources (uses)					
Issuance of debt	-	-	141,059	-	141,059
Transfers in	8,083,487	8,802,307	93,035	88,255	17,067,084
Transfers out	(8,657,380)	-	-	(2,055,475)	(10,712,855)
Total other financing sources(uses)	(573,893)	8,802,307	234,094	(1,967,220)	6,495,288
Net change in fund balances	(375,409)	(354,861)	(5,417,273)	277,250	(5,870,293)
Fund balances - beginning	25,812,705	764,910	6,206,723	1,998,401	34,782,739
Fund balances - ending	$ 25,437,296	$ 410,049	$ 789,450	$ 2,275,651	$ 28,912,446

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds	$	(5,870,293)
Amounts reported for the governmental activities in the statement of activities are different because:		
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 Specifically these items are as follows:		
Capital assets purchased		7,079,670
Depreciation expense		(7,063,175)
Net carrying value of governmental capital assets disposed of		(52,934)
Contributions of infrastructure assets		5,595,015
Revenues in the statement of activities that do not provide for current financial resources are not reported as revenues in the funds		123,820
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Specifically, these items are as follows:		
Debt issuances		(141,059)
Debt payments		7,041,999
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities for:		
Amortization of bond premiums		70,903
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds for:		
Compensated absences		(114,379)
Accrued interest		72,624
Increase in OPEB liability		(2,773,948)
Changes in the net pension liability and related deferred outflows and inflows of resources		3,314,167
Internal service funds are used by management to charge the costs of certain activities to individual funds. Employee health insurance and risk management are also included.		1,510,730
Change in net position of governmental activities	$	8,793,140

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ 28,019,807	$ 28,490,701	$ 28,414,175	$ (76,526)
Sales	14,425,000	14,322,550	14,446,274	123,724
Beer and liquor	3,736,700	3,815,931	3,833,917	17,986
Business	2,547,525	2,327,356	2,437,706	110,350
Franchise fee	1,400,000	1,702,742	1,792,672	89,930
Hotel and motel	320,000	326,841	330,326	3,485
Litigation	20,000	25,877	26,521	644
Payments in lieu of taxes	85,653	47,453	47,453	-
Weed bills/demolition	100,000	165,122	166,750	1,628
Total taxes	50,654,685	51,224,573	51,495,794	271,221
Intergovernmental:				
Sales tax	9,400,000	9,949,547	10,067,603	118,056
Income tax	479,450	522,587	761,546	238,959
Beer tax	67,240	63,576	63,576	-
Liquor tax	700,000	712,411	702,405	(10,006)
TVA replacement taxes	1,450,000	1,540,716	1,540,715	(1)
Excise tax	95,200	137,456	137,456	-
Telecommunication tax	12,200	12,725	13,012	287
Training-Public Safety	270,000	268,200	268,200	-
State street aid:				
Gas and motor fuel	2,400,000	2,393,901	2,406,186	12,285
1989 gas tax	387,000	383,705	386,337	2,632
$.03 per gallon gas tax	718,000	712,159	717,044	4,885
Petroleum special	279,000	271,312	270,995	(317)
Total intergovernmental revenue	16,258,090	16,968,295	17,335,075	366,780
Licenses and permits:				
Building and codes enforcement permits	1,060,000	834,046	841,377	7,331
Plumbing permits	190,000	168,157	172,162	4,005
Electrical permits	284,000	196,918	200,535	3,617
Fireworks permits	16,000	17,600	18,400	800
Other permits	281,283	337,312	343,724	6,412
Total licenses and permits	1,831,283	1,554,033	1,576,198	22,165
Fines and forfeitures	893,530	979,017	994,034	15,017
Charges for services	2,666,429	2,481,347	2,565,183	83,836
Miscellaneous revenues:				
Interest	30,000	12,000	16,145	4,145
Grants	8,750	168,293	244,133	75,840
Sales of general capital assets	35,000	35,000	48,712	13,712
Other	205,550	284,618	330,468	45,850
Total miscellaneous revenues	279,300	499,911	639,458	139,547
TOTAL REVENUES	72,583,317	73,707,176	74,605,742	898,566

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
EXPENDITURES				
General Government:				
Mayor's Office				
Personnel	528,162	492,729	493,337	(608)
Operations	76,301	81,257	79,115	2,142
Capital Outlay	-	-	-	-
Total Mayor's Office	604,463	573,986	572,452	1,534
City Court				
Personnel	356,583	350,003	349,894	109
Operations	65,403	57,647	51,818	5,829
Capital Outlay	-	-	-	-
Total City Court	421,986	407,650	401,712	5,938
Building Codes				
Personnel	1,692,063	1,634,349	1,634,586	(237)
Operations	243,406	215,605	185,412	30,193
Capital Outlay	-	7,700	7,700	-
Total Building Codes	1,935,469	1,857,654	1,827,698	29,956
Finance and Revenue				
Personnel	1,061,533	1,029,150	1,029,400	(250)
Operations	146,970	145,327	139,344	5,983
Capital Outlay	-	-	-	-
Total Finance and Revenue	1,208,503	1,174,477	1,168,744	5,733
Parking				
Personnel	210,459	203,339	203,087	252
Operations	118,547	135,263	129,654	5,609
Capital Outlay	-	-	-	-
Total Parking	329,006	338,602	332,741	5,861
Legal				
Personnel	323,797	332,333	331,779	554
Operations	77,877	89,924	61,785	28,139
Capital Outlay	-	-	-	-
Total Legal	401,674	422,257	393,564	28,693
Garage				
Personnel	881,995	824,833	819,981	4,852
Operations	112,058	117,765	109,841	7,924
Capital Outlay	25,000	42,792	40,998	1,794
Total Garage	1,019,053	985,390	970,820	14,570
Human Resources				
Personnel	665,880	626,400	626,085	315
Operations	63,127	79,182	66,398	12,784
Capital Outlay	-	-	-	-
Total Human Resources	729,007	705,582	692,483	13,099

The notes to the financial statements are an integral part of this statement.

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Information Systems				
Personnel	788,605	788,992	787,853	1,139
Operations	670,794	649,162	634,988	14,174
Capital Outlay	78,000	60,000	55,720	4,280
Total Information Systems	1,537,399	1,498,154	1,478,561	19,593
Internal Audit				
Personnel	252,660	240,729	238,284	2,445
Operations	86,392	78,662	65,543	13,119
Capital Outlay	-	-	-	-
Total Internal Audit	339,052	319,391	303,827	15,564
Municipal Properties				
Personnel	176,469	169,691	169,232	459
Operations	556,224	491,369	460,411	30,958
Capital Outlay	-	-	-	-
Total Municipal Properties	732,693	661,060	629,643	31,417
Legislative				
Personnel	284,785	285,877	289,739	(3,862)
Operations	346,923	305,909	296,120	9,789
Capital Outlay	-	-	-	-
Total Legislative	631,708	591,786	585,859	5,927
Purchasing				
Personnel	136,540	106,658	103,920	2,738
Operations	16,965	20,066	18,334	1,732
Capital Outlay	-	-	-	-
Total Purchasing	153,505	126,724	122,254	4,470
Public Safety:				
Fire Rescue				
Personnel	14,113,200	13,951,926	13,935,370	16,556
Operations	971,053	1,036,984	997,842	39,142
Capital Outlay	282,448	277,043	245,252	31,791
Total Fire Rescue	15,366,701	15,265,953	15,178,464	87,489
Police Department				
Personnel	20,864,153	20,352,921	20,348,294	4,627
Operations	3,327,780	3,058,219	2,976,138	82,081
Capital Outlay	1,081,401	1,081,382	1,081,380	2
Total Police Department	25,273,334	24,492,522	24,405,812	86,710

The notes to the financial statements are an integral part of this statement.

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2015

	Budget Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Dispatch				
Personnel	1,914,147	1,863,827	1,864,452	(625)
Operations	40,148	41,147	36,154	4,993
Capital Outlay	6,697	4,622	4,622	-
Total Dispatch	1,960,992	1,909,596	1,905,228	4,368
Highways and Streets:				
Personnel	5,214,014	5,095,747	5,082,122	13,625
Operations	6,487,112	6,527,098	6,467,702	59,396
Capital Outlay	376,000	338,766	338,765	1
Total Highways and Streets	12,077,126	11,961,611	11,888,589	73,022
Recreation:				
Parks and Recreation				
Personnel	4,673,153	4,312,291	4,381,662	(69,371)
Operations	2,067,760	2,052,483	2,105,751	(53,268)
Capital Outlay	147,000	191,218	188,697	2,521
Total Parks and Recreation	6,887,913	6,555,992	6,676,110	(120,118)
Golf Course- Mason Rudolph				
Personnel	138,102	135,684	132,118	3,566
Operations	94,821	97,239	90,775	6,464
Capital Outlay	-	-	-	-
Total Golf Course - MR	232,923	232,923	222,893	10,030
Golf Course - Swan Lake				
Personnel	465,393	442,107	438,822	3,285
Operations	279,426	290,054	260,827	29,227
Capital Outlay	18,000	18,825	18,825	-
Total Golf Course - Swan Lake	762,819	750,986	718,474	32,512
Other Appropriations:				
Other Retirement Benefits	1,091,679	1,091,579	1,093,961	(2,382)
FEMA Flood Buyout	10,000	-	-	-
State Unemployment Insurance	32,250	26,375	26,262	113
Pension Payments	8,604	6,453	6,452	1
HRC General Supplies	6,000	4,900	4,633	267
BOZA General Supplies	11,500	11,500	5,365	6,135
Tree Board	5,000	5,000	903	4,097
Industrial Dev. Board-Impact Plan	29,614	46,895	46,895	-
Economic Development Council	25,000	25,000	25,000	-
Montgomery County Rail Authority	1,800	1,800	399	1,401
Total Other Appropriations	1,221,447	1,219,502	1,209,870	9,632

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2015

	Budgeted Amounts			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Miscellaneous Community Agencies:				
Regional Planning Commission	302,499	302,499	302,499	-
County's Share of Taxes	350,000	360,000	356,206	3,794
Senior Citizens Center	320,212	320,212	320,212	-
Regional Airport	325,335	241,335	241,335	-
GIS (APSU, Mont. Co.,City of Clarksville)	84,000	84,000	84,000	-
Property Reappraisal	98,672	103,090	103,090	-
E911	54,511	54,511	54,511	-
Arts & Culture Commission	40,000	40,000	40,000	-
Salvation Army Shelter	14,220	14,220	14,220	-
Roxy Theater	16,590	16,590	16,590	-
Humane Society	10,893	10,893	10,893	-
MidCumberland Human Resource Agency	5,926	5,926	5,926	-
Crime Stoppers	18,000	18,000	18,000	-
Habitat for Humanities	3,160	3,160	2,000	1,160
Other Non-profit Charitable Organizations	86,031	86,031	86,031	-
Montgomery County Pictometry	41,637	41,637	41,637	-
Total Community Agencies	1,771,686	1,702,104	1,697,150	4,954
Other:				
Gas & Water & CDE Clearing (Revenue)	110,000	67,220	(1,253)	68,473
Component Units:				
Museum Expenditure	769,378	791,378	763,513	27,865
Two Rivers Company	262,050	262,050	262,050	-
Total Component Units	1,031,428	1,053,428	1,025,563	27,865
Total Expenditures	76,739,887	74,874,550	74,407,258	467,292
OTHER FINANCING SOURCES (USES):				
Transfers in from other funds:				
Payment in lieu of tax-CDE	3,957,955	4,211,955	4,173,674	(38,281)
Payment in lieu of tax-GWS	3,576,284	3,576,284	3,576,284	-
Parking Authority	328,406	338,602	333,529	(5,073)
Total financing sources	7,862,645	8,126,841	8,083,487	(43,354)
Transfers out to other funds:				
Debt Service	(6,918,133)	(6,757,812)	(6,757,812)	-
Transit System	(1,729,258)	(1,729,258)	(1,729,258)	-
Other Transfers	(96,238)	(79,521)	(77,275)	2,246
Capital Projects	-	(93,035)	(93,035)	-
Total financing uses	(8,743,629)	(8,659,626)	(8,657,380)	2,246
NET CHANGE IN FUND BALANCE	(5,037,554)	(1,700,159)	(375,409)	1,324,750
FUND BALANCE-BEGINNING OF YEAR	23,499,611	25,812,705	25,812,705	-
FUND BALANCE-END OF YEAR	$ 18,462,057	$ 24,112,546	$ 25,437,296	$ 1,324,750

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity							
	Electric Division	Broadband Division	Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds	Total	Internal Service Funds
Assets								
Current assets:								
Cash and cash equivalents	$ 33,210,013	$ 1,202,889	$ 25,661,053	$ 24,015,118	$ 178,073	$ 1,339,956	$ 85,607,102	$ 5,722,381
Restricted assets:								
Investments	-	-	-	-	15,027,647	-	15,027,647	-
Accounts receivable (net)	18,030,551	3,130,942	1,223,039	2,575,209	1,055,019	33,083	26,047,843	-
Interest receivable	-	-	-	-	13,130	-	13,130	-
Due from other funds of the primary government	-	41,235	-	-	-	588,750	629,985	2,649,416
Inventory	3,206,279	96,474	964,282	891,171	-	161,797	5,320,003	-
Prepaid gas supplies	-	-	-	-	17,250,317	-	17,250,317	-
Grants receivable	-	-	-	15,336,478	-	594,487	15,930,965	-
Prepaid expenses and other	10,075,266	161,312	38,809	124,626	605	32,057	10,432,675	100,813
Total current assets	64,522,109	4,632,852	27,887,183	42,942,602	33,524,791	2,750,130	176,259,667	8,472,610
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	13,091,311	-	526,865	7,219,107	-	-	20,837,283	-
Investments	-	-	1,090,208	11,809,362	2,486,046	-	15,385,616	-
Total restricted assets	13,091,311	-	1,617,073	19,028,469	2,486,046	-	36,222,899	-
Capital assets:								
Land	1,826,018	-	223,626	4,672,470	-	153,432	6,875,546	-
Building, plant and equipment	226,108,096	7,794,139	63,688,854	579,761,174	-	16,962,541	894,314,804	-
Construction in progress	11,595,237	160,569	2,643,228	54,873,283	-	-	69,272,317	-
Less accumulated depreciation	(73,493,920)	(6,995,170)	(24,312,725)	(163,076,943)	-	(10,695,691)	(278,574,449)	-
Total capital assets (net of accumulated depreciation)	166,035,431	959,538	42,242,983	476,229,984	-	6,420,282	691,888,218	-
Unamortized plant acquisition adjustments	464,146	-	-	-	-	-	464,146	-
Net capital assets	166,499,577	959,538	42,242,983	476,229,984	-	6,420,282	692,352,364	-

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
Proprietary Funds - Continued
June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity			Water and	Natural Gas	Non-Major		
	Electric Division	Broadband Division	Gas Department	Sewer Department	Acquisition Corporation	Enterprise Funds	Total	Internal Service Funds
Other assets:								
Receivables:								
TVA residential energy services program	8,113,257	-	-	-	-	-	8,113,257	-
Interfund receivables from the Broadband Division	17,296,708	-	-	-	-	-	17,296,708	-
Prepaid gas supplies	-	-	-	-	112,324,411	-	112,324,411	-
Other	25,897	-	-	-	-	-	25,897	-
Total other assets	25,435,862	-	-	-	112,324,411	-	137,760,273	-
Total noncurrent assets	205,026,750	959,538	43,860,056	495,258,453	114,810,457	6,420,282	866,335,536	-
Total assets	269,548,859	5,592,390	71,747,239	538,201,055	148,335,248	9,170,412	1,042,595,203	8,472,610
Deferred Outflows of Resources:								
Deferred outflows related to pensions	-	-	377,783	1,149,008	-	382,268	1,909,059	-
Deferred outflows related to bond refundings	2,291,506	-	-	-	-	-	2,291,506	-
Total deferred outflows of resources	2,291,506	-	377,783	1,149,008	-	382,268	4,200,565	-
Liabilities								
Current liabilities:								
Accounts payable	21,598,986	1,312,982	812,689	4,272,936	235,870	208,661	28,442,124	98,967
Contacts and retainage payable	-	-	-	2,800,696	-	-	2,800,696	-
Accrued liabilities	113,439	-	-	-	-	49,077	162,516	1,403,470
Interest payable	1,161,812	-	194,407	3,087,695	288,854	577	4,733,345	-
Due to other funds of the primary government	731,201	-	105,437	-	-	24,654	861,292	1,731,981
Unearned revenue	-	700,292	-	-	-	253,781	954,073	-
Current portion of bonds payable	2,606,098	-	792,600	9,552,400	15,525,000	-	28,476,098	-
Current portion of notes payable	-	-	-	1,530,721	-	8,270	1,538,991	-
Current portion of interfund payable	-	552,889	-	-	-	-	552,889	-
Compensated absences	573,924	-	167,117	481,411	-	170,244	1,392,696	-
Other	1,777,126	-	-	-	-	-	1,777,126	-
Total current liabilities	28,562,586	2,566,163	2,072,250	21,725,859	16,049,724	715,264	71,691,846	3,234,418

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
Proprietary Funds - Continued
June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity			Water and	Natural Gas	Non-Major		
	Electric Division	Broadband Division	Gas Department	Sewer Department	Acquisition Corporation	Enterprise Funds	Total	Internal Service Funds
Noncurrent liabilities:								
Compensated absences	1,298,504	-	74,633	105,407	-	-	1,478,544	-
OPEB liability	435,416	120,154	2,228,454	6,196,530	-	1,687,742	10,668,296	-
Net pension liability	-	-	747,836	2,284,751	-	766,428	3,799,015	-
Customer deposits	5,631,632	8,488	1,155,176	3,210,343	-	-	10,005,639	-
Advances- TVA residential energy services program	8,315,114	-	-	-	-	-	8,315,114	-
Bonds payable, less current portion	79,334,326	-	9,678,013	159,916,884	124,884,176	-	373,813,399	-
Notes payable, less current portion	292,199	-	-	97,263,307	-	21,033	97,576,539	-
Unearned revenue	-	-	-	-	3,397,919	-	3,397,919	-
Interfund payable to								-
the Electric Division	-	16,743,819	-	-	-	-	16,743,819	-
Other	69,998	-	-	-	-	-	69,998	-
Total noncurrent liabilities	95,377,189	16,872,461	13,884,112	268,977,222	128,282,095	2,475,203	525,868,282	-
Total liabilities	123,939,775	19,438,624	15,956,362	290,703,081	144,331,819	3,190,467	597,560,128	3,234,418
Deferred Inflows of Resources:								
Deferred outflows related to pensions	-	-	766,105	2,340,564	-	785,151	3,891,820	-
Net Position								
Net investment in capital assets	86,094,314	959,538	31,680,360	205,091,605	-	6,390,979	330,216,796	-
Restricted:								
Expendable - debt service	12,901,596	-	1,617,073	19,028,469	1,699,839	-	35,246,977	-
Unrestricted	48,904,680	(14,805,772)	22,105,122	22,186,344	2,303,590	(813,917)	79,880,047	5,238,192
Total net position	$ 147,900,590	$ (13,846,234)	$ 55,402,555	$ 246,306,418	$ 4,003,429	$ 5,577,062	$ 445,343,820	$ 5,238,192

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity							
	Electric Division	Broadband Division	Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds	Total	Internal Service Funds
Operating Revenues								
Sales	$ 163,046,997	$ 18,316,799	$ 28,069,983	$ 48,227,933	$ 22,627,434	$ -	$ 280,289,146	$ -
Fees	-	-	-	-	-	1,026,014	1,026,014	-
Other income	-	-	676,300	5,575,090	-	-	6,251,390	-
Rental income	-	-	-	-	-	98,121	98,121	-
Advertising	-	-	-	-	-	70,267	70,267	-
Internal charges for services	-	-	-	-	-	-	-	14,091,289
Miscellaneous	-	-	-	-	-	1,384	1,384	10,649
Total operating revenues	163,046,997	18,316,799	28,746,283	53,803,023	22,627,434	1,195,786	287,736,322	14,101,938
Operating Expenses								
Purchased power and gas	119,676,371	9,924,281	17,597,446	-	23,541,852	-	170,739,950	-
Plant operations	-	-	-	3,183,279	-	-	3,183,279	-
Distribution	3,242,827	-	2,946,020	3,927,001	-	-	10,115,848	-
Sewer pumping/discharge collection	-	-	-	4,550,794	-	-	4,550,794	-
Treatment plant expense	-	-	-	3,754,936	-	-	3,754,936	-
Sales and customer services	3,449,432	608,046	1,014,528	4,014,981	-	-	9,086,987	-
Administrative and general	3,102,538	1,005,043	1,083,923	2,225,583	497,672	789,334	8,704,093	1,890,822
Operation and maintenance	5,833,853	3,401,163	-	-	-	4,779,103	14,014,119	-
Engineering	-	-	155,380	1,541,916	-	-	1,697,296	-
Taxes and tax equivalents	1,746,266	173,396	-	-	-	-	1,919,662	-
Fort Campbell operations	-	-	495,420	-	-	-	495,420	-
Claims	-	-	-	-	-	-	-	10,113,663
Depreciation	9,947,105	751,455	1,714,415	15,051,933	-	1,145,376	28,610,284	-
Other	-	366,831	116,231	255,105	-	-	738,167	587,216
Total operating expenses	146,998,392	16,230,215	25,123,363	38,505,528	24,039,524	6,713,813	257,610,835	12,591,701
Operating income (loss)	16,048,605	2,086,584	3,622,920	15,297,495	(1,412,090)	(5,518,027)	30,125,487	1,510,237

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds - Continued
For the Year Ended June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity			Water and	Natural Gas	Non-Major		
	Electric Division	Broadband Division	Gas Department	Sewer Department	Acquisition Corporation	Enterprise Funds	Total	Internal Service Funds
Nonoperating Revenues (Expenses)								
Interest and investment earnings	154,673	-	47,118	91,779	-	606	294,176	493
Interest expense	(3,509,459)	(93,599)	(486,433)	(7,877,849)	(7,261,813)	(2,037)	(19,231,190)	-
Grants	-	-	-	685,557	-	3,762,802	4,448,359	-
Amortization income (expense)	-	-	19,678	757,397	8,766,366	-	9,543,441	-
Gain (loss) on investments	-	-	-	-	(42,544)	-	(42,544)	-
Other income (expense)	(2,367)	-	25,672	(88,894)	-	(106)	(65,695)	-
Total nonoperating revenues (expenses)	(3,357,153)	(93,599)	(393,965)	(6,432,010)	1,462,009	3,761,265	(5,053,453)	493
Income (loss) before contributions and transfers	12,691,452	1,992,985	3,228,955	8,865,485	49,919	(1,756,762)	25,072,034	1,510,730
Capital Contributions	-	-	-	7,477,330	-	-	7,477,330	-
Transfers Out	(4,151,914)	(21,760)	(603,310)	(2,972,974)	-	(333,529)	(8,083,487)	-
Transfers In	-	-	-	-	-	1,729,258	1,729,258	-
Change in net position	8,539,538	1,971,225	2,625,645	13,369,841	49,919	(361,033)	26,195,135	1,510,730
Net Position Beginning of Year, As Restated	139,361,052	(15,817,459)	52,776,910	232,936,577	3,953,510	5,938,095	419,148,685	3,727,462
Net Position End of Year	$ 147,900,590	$ (13,846,234)	$ 55,402,555	$ 246,306,418	$ 4,003,429	$ 5,577,062	$ 445,343,820	$ 5,238,192

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity			Water and	Natural Gas	Non-Major		
	Electric Division	Broadband Division	Gas Department	Sewer Department	Acquisition Corporation	Enterprise Funds	Total	Internal Service Funds
Cash Flows From Operating Activities								
Receipts from customers	$ 158,842,430	$ 16,356,849	$ 28,732,817	$ 54,220,183	$ 22,491,222	$ 1,199,344	$ 281,842,845	$ -
Receipts from internal services provided	-	-	-	-	-	-	-	15,000,098
Payments to suppliers	(127,411,146)	(12,660,105)	(19,947,253)	(9,841,041)	(353,548)	(1,554,557)	(171,767,650)	(10,209,694)
Payments to employees	(8,937,278)	(2,759,047)	(3,826,078)	(11,714,561)	-	(3,988,567)	(31,225,531)	-
Internal activity to other funds	-	(419,008)	(116,231)	(255,105)	-	-	(790,344)	-
Internal activity from other funds	419,008	-	-	-	-	-	419,008	-
Other receipts	3,379,564	1,653,415	-	-	-	-	5,032,979	-
Other payments	-	-	-	-	-	-	-	(2,478,038)
Net cash provided by (used in) by operating activities	26,292,578	2,172,104	4,843,255	32,409,476	22,137,674	(4,343,780)	83,511,307	2,312,366
Cash Flows From Noncapital Financing Activities								
Grants	-	-	-	-	-	3,714,121	3,714,121	-
Operating transfers in	-	-	-	-	-	1,372,911	1,372,911	-
Transfers to other funds	(4,151,914)	(21,760)	(603,310)	(2,972,974)	-	(391,048)	(8,141,006)	-
Repayments from Broadband Division	304,173	(304,173)	-	-	-	-	-	-
Other	(2,367)	-	8,440	238,610	-	(106)	244,577	-
Net cash provided by (used in) noncapital financing activities	(3,850,108)	(325,933)	(594,870)	(2,734,364)	-	4,695,878	(2,809,397)	-

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Cash Flows
Proprietary Funds - Continued
For the Year Ended June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity			Water and	Natural Gas	Non-Major		
	Electric Division	Broadband Division	Gas Department	Sewer Department	Acquisition Corporation	Enterprise Funds	Total	Internal Service Funds
Cash Flows from Capital and Related Financing Activities								
Acquisition and construction of capital assets	(15,654,811)	(647,367)	(1,024,597)	(43,393,073)	-	(520,215)	(61,240,063)	-
Principal repayments on bond and loan maturities	(2,224,108)	-	(670,900)	(10,678,930)	(14,370,000)	(7,809)	(27,951,747)	-
Interest paid	(3,972,022)	(93,599)	(500,616)	(8,510,888)	(7,291,750)	(2,190)	(20,371,065)	-
Bond and note proceeds, net of refundings	339,284	-	-	38,606,535	-	-	38,945,819	-
Proceeds from federal awards	-	-	-	3,504,994	-	-	3,504,994	-
Proceeds from sale of fixed assets	-	-	13,338	18,964	-	-	32,302	-
Net cash used in capital and related financing activities	(21,511,657)	(740,966)	(2,182,775)	(20,452,398)	(21,661,750)	(530,214)	(67,079,760)	-
Cash Flows from Investing Activities								
Interest and investment earnings received	154,673	-	47,118	91,779	156,934	606	451,110	493
Proceeds from sale and maturities of investments	-	-	-	-	46,195,500	-	46,195,500	-
Purchase of investments	-	-	-	-	(46,825,000)	-	(46,825,000)	-
Repayment of note receivable from City general fund	74,675	-	-	-	-	-	74,675	-
Net cash provided by (used in) investing activities	229,348	-	47,118	91,779	(472,566)	606	(103,715)	493
Net increase (decrease) in cash and cash equivalents	1,160,161	1,105,205	2,112,728	9,314,493	3,358	(177,510)	13,518,435	2,312,859
Cash and Cash Equivalents- Beginning of Year	45,141,163	97,684	24,075,190	21,919,732	174,715	1,517,466	92,925,950	3,409,522
Cash and Cash Equivalents- End of Year	$ 46,301,324	$ 1,202,889	$ 26,187,918	$ 31,234,225	$ 178,073	$ 1,339,956	$ 106,444,385	$ 5,722,381

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Cash Flows
Proprietary Funds - Continued
For the Year Ended June 30, 2015

	Business-Type Activities/Enterprise Funds							Governmental Activities
	Department of Electricity							
	Electric Division	Broadband Division	Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	$ 16,048,605	$ 2,086,584	$ 3,622,920	$ 15,297,495	$ (1,412,090)	$ (5,518,027)	$ 30,125,487	$ 1,510,237
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	9,947,105	751,455	1,714,415	15,051,933	-	1,145,376	28,610,284	-
Net pension liability and related amounts	-	-	(220,483)	(671,868)	-	(222,082)	(1,114,433)	-
Depletion of prepaid gas supplies	-	-	-	-	23,541,852	-	23,541,852	-
(Increase) decrease in:								
Accounts receivable	712,928	(270,565)	(13,466)	417,160	(136,212)	(20,646)	689,199	-
Inventory	(6,034)	66,406	59,366	(111,232)	-	(21,390)	(12,884)	-
Prepaid expenses	(447,708)	(64,932)	(1,571)	(2,375)	89	8,990	(507,507)	-
Receivable -TVA Residential Energy Services Program	(64,840)	-	-	-	-	-	(64,840)	-
Increase (decrease) in:								
Accounts payable	(988,774)	(172,057)	(470,908)	236,374	144,035	68,552	(1,182,778)	(56,620)
Accrued liabilities	148,446	-	-	-	-	26,758	175,204	(39,411)
Customer deposits	338,495	244	(63,809)	(176,753)	-	-	98,177	-
Contracts and retainage	-	-	(391)	1,612,613	-	-	1,612,222	-
Compensated absences	-	-	(7,230)	4,766	-	5,811	3,347	-
OPEB liability	(52,299)	98,030	224,412	751,363	-	158,674	1,180,180	-
Due to other funds of the primary government	-	-	-	-	-	-	-	926,287
Interdivisional payables	419,008	(419,008)	-	-	-	-	-	-
Unearned revenue	-	137,182	-	-	-	-	137,182	-
Advances - TVA Residential Energy Services Program	89,870	-	-	-	-	-	89,870	-
Other	147,776	(41,235)	-	-	-	24,204	130,745	(28,127)
Total adjustments	10,243,973	85,520	1,220,335	17,111,981	23,549,764	1,174,247	53,385,820	802,129
							-	
Net cash provided by (used in) operating activities	$ 26,292,578	$ 2,172,104	$ 4,843,255	$ 32,409,476	$ 22,137,674	$ (4,343,780)	$ 83,511,307	$ 2,312,366
Reconciliation of cash and cash equivalents from statement of cash flows to statement of net position:								
Cash and cash equivalents	$ 33,210,013	$ 1,202,889	$ 25,661,053	$ 24,015,118	$ 178,073	$ 1,339,956	$ 85,607,102	$ 5,722,381
Restricted cash and cash equivalents	13,091,311	-	526,865	7,219,107	-	-	20,837,283	-
Cash and cash equivalents, June 30, 2015	$ 46,301,324	$ 1,202,889	$ 26,187,918	$ 31,234,225	$ 178,073	$ 1,339,956	$ 106,444,385	$ 5,722,381
Noncash Capital and Related Financing Activities:								
Amortization of bond premiums	$ 297,273							
Amortization of deferred amount on bond refunding	59,059							
Capital assets contributed by developers				$ 7,477,330				
Unearned interest revenue					$ 499,750			
Amortization of asset interest earnings					7,756,751			
Amortization of asset interest expenses					(132,203)			
	$ 356,332			$ 7,477,330	$ 8,124,298			

The notes to the financial statements are an integral part of this statement.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clarksville, located in Montgomery County, Tennessee, was founded in 1785 and is organized under Chapter 24 of the 2015 Private Acts of the General Assembly of the State of Tennessee. The City operates under a Mayor and City Council form of government.

The financial statements of the City of Clarksville, Tennessee (the "City") have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units, as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the more significant of these accounting policies:

1. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements present the accounts and operations of the government and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the government.

As of June 30, 2015, the City had one blended component unit, the Natural Gas Acquisition Corporation (the "Corporation"), a non-profit corporation, which was established May 7, 1991, for the purpose of purchasing and selling natural gas for the direct benefit of the City. On June 27, 2006, the Corporation issued bonds in the amount of $240,525,000 to purchase prepaid natural gas. The Corporation is governed by a Board of Directors appointed by the City Council and the City has a financial benefit and burden relationship with the Corporation. The assets of NGAC are held for the almost exclusive use of the City and the City has the ability to access those assets as needed. The Corporation is presented as a blended component unit of the City as NGAC was created as per TCA 7-39 for the direct and almost exclusive benefit of the City of Clarksville Gas Department ("CGW"). More than ninety percent of NGAC's total resources, including the prepaid natural gas supply, are intended for use of the City. Management has determined this is an almost exclusive benefit relationship, with only an insignificant portion of overall activities provided to one other neighboring governmental entity, the Humphreys County Utility District ("HCUD"). Additionally, the Corporation is managed and accounted for by City employees who also manage the CGW. For the year ended June 30, 2015, sale of gas to the City of Clarksville equaled $20,575,965 or 91% of gas sales for the fiscal year. This percentage is consistent with prior years and no amounts of natural gas are sold outside of the City and HCUD.

As of June 30, 2015, the City had two discretely presented component units: The Clarksville-Montgomery County Museum (the "Museum") and Clarksville CBID Management Corporation of 1999 d/b/a the Two Rivers Company ("TRC"). The City has determined, based on GASB Statement No. 14, that the Component units are non-major.

The Museum, a non-profit corporation, was established in November 1982 to collect and interpret significant historic, political, social, intellectual and technological achievements of Clarksville and Montgomery County and further the understanding of the historical developments of Clarksville and Montgomery County from their beginning to the present. The City is responsible for appointing the majority of the Museum's board of directors and provides its primary funding support.

TRC, formerly known as the Downtown District Partnership, was created as per City Code Sec. 12.901 through the Tennessee Nonprofit Corporation Act authorizing a district management corporation for the purpose of administering the activities, improvements and provision of services for and within the district. The TRC is governed by a Board of Directors, all of which are appointed by the City Mayor with approval of City Council. The City has not delegated to the TRC the ability to issue debt or assess fees or taxes. Should the TRC wish to issue debt or assess fees, it must be accomplished through the City. Through fiscal year 2015, operational responsibility lies with the City as the day to day management is provided by the Executive Director who is a City employee. Approximately 81% of the funding for TRC operations comes from the City's general fund. As any other non-profit, the TRC must request City funding annually. Use and purpose of these funds must be approved and appropriated by City Council and adopted as part of the City's annual budget process.

Effective for fiscal year 2016, TRC began transitioning from a component unit of the City to an independent, self-financed non-profit organization. As part of this transition, TRC will seek to fund its activities through various public and private sources. TRC has engaged with Montgomery County, Tennessee to provide certain funding for the 2016 fiscal year. Additionally, TRC expects certain continued funding from a separate, private foundation as well as other sources. The City has not provided any funding for fiscal year 2016. However, the City Council has approved a resolution authorizing TRC to reallocate previously approved funding it had received from the City. TRC's continued operations will be dependent on its ability to secure ongoing funding for its activities.

Complete financial statements for the component units may be obtained at each entity's administrative offices as follows:

Natural Gas Acquisition Corporation
2215 Madison Street
Clarksville, Tennessee 37043

Clarksville-Montgomery County Museum
200 2nd Street
Clarksville, Tennessee 37040

Two Rivers Company
329 Main Street, Suite 3
Clarksville, Tennessee 37040

Complete financial statements of two of the City's departments can be obtained from their respective administrative offices in the following locations:

Clarksville Department of Electricity
2021 Wilma Rudolph Blvd.
Clarksville, Tennessee 37043

Clarksville Gas, Water and Sewer Department
2215 Madison Street
Clarksville, Tennessee 37043

2. Related Organizations

The following entities are considered related organizations of the City, but are not a part of the City's reporting entity:

The *Public Building Authority* (the "Authority") exists under the provisions of the Tennessee Public Building Authority Act of 1971. The Authority's primary purpose is the issuance of bonds, the proceeds of which are used to make loans to municipalities throughout the State of Tennessee. The loans to the municipalities serve as the sole payment source and security for the bonds issued by the Authority. The Authority works in connection with the Tennessee Municipal Bond Fund to administer the loan program. The Authority has no taxing authority nor does it have the power to pledge the general credit or taxing power of the City or any political subdivisions. The City Council is responsible for appointing the seven-member Board, but the City's accountability does not extend beyond making these appointments.

The *Industrial Development Board of Montgomery County* provides inducements to industry to locate or remain in Montgomery County. The governing body of the Industrial Development Board of Montgomery County is appointed by Montgomery County's Board of Commissioners. City and County appropriations provide the majority of its funding.

The *Montgomery County Emergency Communications District* provides a simplified means of securing emergency services through a uniform emergency number for the residents of Montgomery County. The governing body of the Montgomery County Emergency Communications District is appointed by Montgomery County's Board of County Commissioners. Before the issuance of debt instruments, the District must obtain the approval of the County Commission. The City is financially responsible for its portion of expense associated with the use of the Communications District's services.

3. Joint Ventures

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Public Library, the Clarksville Montgomery County Regional Planning Commission and the Clarksville-Montgomery County Regional Airport Authority. The County and City jointly appoint the Board of the Planning Commission. The County has certain additional legislative oversight. Each entity is responsible for funding a portion of any deficits from operations for the Planning Commission. Montgomery County appoints the board members and has control over budgeting and financing of the Public Library. The Airport Authority's board is appointed jointly by both entities and the County has primary budgetary control. Complete financial statements for these joint ventures can be obtained from their respective administrative offices.

The Electric Department and Pennyrile Rural Electric Cooperative Corporation (the "Cooperative") constructed jointly-owned electric facilities. Under the terms of the joint venture, the Electric Department owns 54% of the facilities and the Cooperative owns 46%. The amount of the Electric Department's plant covered by this agreement was $979,661 at June 30, 2015. This amount is included in electric plant. The Electric Department's ongoing financial responsibility for the joint venture is the maintenance of its share of the electric facilities. All transactions related to the Electric Department's portion of these facilities are recorded in the financial statements.

4. Basis of Presentation

Government - Wide Financial Statements

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

The Statement of Net Position presents the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Debt that was issued for capital purposes is not a part of the calculation of net investment in capital assets, until the proceeds have been used to acquire capital assets.

Restricted net position results from restriction placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two proceeding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City follows generally accepted accounting principles in eliminating internal activity from the statement of activities in the government-wide statements. No direct expenses are eliminated from the functional categories. Internal Service Funds are used to provide self-insurance for health, dental and liability areas and the change in net position of these accounts, $1,510,730, was treated as a decrease of expense in the statement of activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are combined and reported in a single column.

The City reports the following major governmental funds:

- The *General Fund* is the primary operating fund of the City and accounts for all financial resources of the general government, except those required to be accounted for in other funds. Most essential services such as police and fire protection, general administration and community services are reported in the General Fund.

- The *Capital Projects Fund* is used to account for the accumulation and expenditures of funds set aside for certain large capital projects.

- The *Debt Service Fund* accounts for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

The City reports the following non-major governmental funds:

- *Special Revenue Funds* are funds used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes and include the Community Development Funds, the Drug Fund, the Police Special Funds, the Parks Special Funds, the Capital Projects Revenue District Fund and other small Special Revenue Funds.

The City reports the following major proprietary funds:

- The *Gas Department* operates a natural gas distribution system serving the citizens of the City and certain surrounding portions of Montgomery County as well as portions of Cheatham and Robertson Counties in Tennessee and portions of Christian and Todd Counties in Kentucky.

- The *Water and Sewer Department* operates a water and sewer distribution and collection system serving the citizens of the City and certain surrounding portions of Montgomery County.

- The *Department of Electricity* operates an electric distribution system serving the citizens of the City. It purchases power from the Tennessee Valley Authority ("TVA") and operates under the direction of an Electric Power Board appointed by the Mayor and approved by City Council. The Broadband Division was added to the *Department of Electricity* operations in 2007 and began operating in February 2008. It operates as a separate division and fund, but is currently subsidized by a loan from the Electric Department as approved by the State, TVA and City Council.

- The *Natural Gas Acquisition Corporation* is responsible for purchasing and selling natural gas on behalf of the City Gas Department.

The City reports the following non-major proprietary funds:

- The *Parking Authority* regulates parking in the City and collects fees and fines in the downtown business district.

- The *Transit System* operates a public transportation system for the citizens of the City.

Additionally, the City reports the following other fund types:

- The *Internal Service Funds* account for operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis.

As a general rule the effect of interfund activity has been eliminated from the financial statements. Exceptions to this general rule are certain payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

5. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end of the current fiscal period and up to one year for certain grant revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, OPEB, pension liability, and claims and judgments, are recorded only when the payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, at which time it is recognized as revenue.

6. Budgetary Information

Annual budgets are adopted on a cash basis for governmental funds, however, financial statements for governmental funds are prepared on the modified accrual basis, recognizing both U.S. GAAP and State requirements. The accompanying Budgeting Comparison Statement - General Fund is presented using the same basis of accounting as the basic financial statements.

The City Mayor is responsible for overseeing the preparation of the budget and presenting it for approval by the City Council no later than June 30th of each fiscal year. The preliminary budget as submitted is compiled based on historical revenue and expense trends as well as taking into account the current economy and future economic projections. The budget must be approved by ordinance which requires two readings before the City Council. The departments have authority to approve transfers of funds between line items in departmental operating budgets. Transfers between operating and capital require approval of the City Council, as does increasing any fund or departmental budget total.

Budgetary accounting is employed as a formal management control for all funds of the City. Proprietary funds budgets are adopted with less detail since their revenues can fluctuate due to customer demand, but any increase in the total appropriations as originally approved must be formally approved by City Council. Outstanding purchase orders at year end where goods are expected to be delivered within 30 days of the fiscal year end are expensed in the current budget. The City's policy is to not allow expenditures to exceed budgetary amounts at either the fund or departmental level without obtaining additional appropriation approval from City Council. Budgets are estimates and overages that are estimated for the current year are approved in the same ordinance under which the next year's budget is approved.

7. Operating and Non-operating Revenues and Expenses of Proprietary Funds

In the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity such as charges to customers for the purchase of goods and services. Operating expenses are those that are incurred to provide those goods and services. Non-operating revenues and expenses are items related to financing and investing activities.

8. Program Revenues and Recognition of Revenues

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Within the Gas, Water and Sewer Departments, unbilled service revenue from the date of the most recent meter reading to the balance sheet date is not recorded. Therefore, only billed revenue is recognized in the financial statements. However, the effect is considered to be immaterial.

9. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

10. Cash and Cash Equivalents

Cash and cash equivalents are stated at cost and consist of highly-liquid investments purchased with original maturities of three months or less.

11. Deposits and Investments

Investments of the governmental and proprietary fund types consist primarily of U.S. Treasury securities, other U.S. agency notes and private debt obligations and are stated at fair value using primarily quoted market prices, where available. The City has adopted an official investment policy. The primary objectives of investment activities in order of priority are safety of principal, liquidity to meet obligations as they become due and a reasonable yield on City investments.

12. Internal Balances

Any residual receivable or payable balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

13. Receivables

Accounts receivable are presented net of any allowance for uncollectible accounts.

14. Restricted Assets

Restricted assets represent cash, cash equivalents, and investments required to be set aside for the retirement of bonds, interest payable, construction of plant assets or capital improvements. It is the City's policy to use restricted assets before unrestricted assets unless legal requirements disallow.

15. Inventories and Prepaid Items

Proprietary fund inventories are stated at average cost and are determined by the moving average inventory method. A perpetual inventory is maintained by these departments, with a physical inventory taken annually. Items held for resale in the general fund are assigned to inventory when purchased and cost of goods sold is determined after a year-end inventory, with items remaining in inventory valued based on average cost.

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

16. Capital Assets

The City's assets are capitalized at historical costs or estimated historical costs. Gifts or contributions of capital assets are recorded at estimated fair value when received. The City of Clarksville has set the capitalization policy threshold for infrastructure and other capital assets at the following levels:

Infrastructure:	
Sidewalks	$ 30,000
Drainage Systems	$100,000
Traffic Systems	$ 50,000
Bridges	$500,000
Electric and Broadband Divisions	$ 2,500
Other Capital Assets	$ 5,000

Depreciation is computed using the straight-line method over the following estimated useful lives:

Other Capital Assets:	
Land Improvements	20 - 50 years
Main Lines	50 years
Machinery and Equipment	10 - 20 years
Buildings	40 - 50 years
Motor Vehicles	5 - 8 years
Computers	5 years

The City defines Infrastructure as the basic physical assets that allow the City to function. The assets include the Street Network, Sidewalks, Drainage Systems, Traffic Signals and Lighting Systems, and Bridges. The City elected to use the Modified Approach as defined by GASB Statement No. 34 for Infrastructure reporting of its streets, concrete, and asphalt pavements. The Modified Approach requires the City to capitalize existing infrastructure and preserve those existing assets at or above an established condition level. Infrastructure under the Modified Approach is not depreciated nor are amounts capitalized in connection with improvements unless they expand capacity.

For all other Infrastructure Systems, the City has elected to use the basic approach as defined by GASB Statement No. 34 for Infrastructure Reporting. The City commissioned an appraisal of City-owned infrastructure and property as of June 30, 2001, and has completed an internal update for the year ended June 30, 2015. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for construction/acquisition date; 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation (defined as the total depreciation from the date of construction/acquisition to the current date on a straight-line, unrecovered cost method) was computed using industry accepted life expectancies for each infrastructure system. The book value was then computed by deducting the accumulated depreciation from the original cost.

17. Interest Capitalization

Interests cost are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. Interest capitalization occurs mainly in the City's proprietary funds. Total interest costs incurred and total interest cost capitalized for the year ended June 30, 2015 were as follows:

	Interest Cost Incurred	Interest Cost Capitalized
Gas Department	$ 486,433	$ -
Water & Sewer Department	8,358,992	481,143
Electric Division	3,509,459	-
Broadband Division	93,599	-
	$ 12,448,483	$ 481,143

18. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation days and sick leave benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. However, it is the City's policy to apply the accumulated sick leave toward years for retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. City employees with the exception of the Electric Department (as detailed below) earn 12 sick days each year and 12 or more days of vacation annually. Unused vacation days in excess of 240 hours are rolled into sick leave on the employee's anniversary. Fire Department shift personnel earn 144 hours of sick leave and 144 or more hours of vacation leave annually. Unused vacation hours in excess of 360 are rolled into sick leave on the employee's anniversary.

Department of Electricity compensated absences:

The Department of Electricity's annual vacation leave and sick leave policies were updated effective July 1, 2012. Both apply to active full-time employees. Annual vacation leave granted is earned based upon the employee's years of service with the Department. Leave accrual is awarded in the following manner: 1-9 years: 80 hours; 10-14 years: 120 hours; 15+ years: 160 hours. Leave is based upon the employee's standard workday and is paid at the employee's base hourly rate. The earned benefit date is the anniversary date of the employee.

Carry-over is allowed from year to year with a maximum carry-over of 200 hours. Any amount held above 200 hours shall be forfeited at the end of the anniversary year. At the time of termination or retirement, all accumulated vacation leave shall be paid to the employee.

Sick leave is based upon an employee's standard work day and is paid at the employee's hourly rate. Sick leave is accrued at a rate of 1 full day per full calendar month and begins on the first of the month following 90 days of employment.

Carry-over of sick leave is allowed until a maximum of 90 days is reached. Any days earned per year beyond the 90 day maximum will be paid out at a rate of $.50 on the $1.00 each year on December 15th. Those employees with balances from the previous policy's sick bank shall roll both balances into one to have one combined "sick days" accrual. If the banked days total is above the 90 day maximum, the $.50 on the $1.00 payout made each year will only be on the days earned for that year (maximum of 12 days), not on the previously banked days. At the time of termination, all sick leave is forfeited.

19. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has the following types of deferred outflows of resources: the deferred amounts on refunding of debt issuance for CDE and implementation of GASB Statement No. 68 related to reporting of the Tennessee Consolidated Retirement System ("TCRS") pension plan. Deferred outflows of resources related to pension may result from actuarial losses related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions, differences between expected and actual investment earnings, as well as employer contributions made subsequent to the measurement date. See Note G.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The City has the following types of deferred inflows of resources: the unavailable revenue reported in the governmental funds balance sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. These amounts relate primarily to unavailable property taxes and other receivables not within the collection period. The deferred inflows of resources reported in the statement of net position, arises from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. TCRS pension related deferred outflows of resources may result from actuarial gains related to the difference between expected and actual experience for the plan's adopted economic and demographic assumptions and differences between expected and actual earnings on plan investments. See Note G.

20. Property Tax

The City levies property taxes annually based upon assessed valuations provided by the Montgomery County Tax Assessor. The various types of property are assessed at a percentage of estimated actual value on January 1 of each year. Taxes levied by the City against real property are payable October 1 through February 28, and taxes on real estate are considered to be a lien on such realty as of January 1 of the year the assessment is made. Total property tax, including delinquent taxes from prior years, collected during the fiscal year was $30,414,175 and included $29,004,679 collected from current year levy, which was approximately 95.4 percent.

The property tax levy is without legal limit. The rate, as permitted by the Tennessee state law and City charter, is set annually by the Mayor and City Council and collected by the Finance and Revenue Department. The property tax rate for the year ended June 30, 2015 (2014 levy), was $1.1832 per $100 of assessed value.

21. 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

22. Fund Balances

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Based on the requirements of GASB No. 54, the fund balances for June 30, 2015 are reported as: nonspendable - $670,678, restricted - $2,220,110, committed - $844,719, assigned - $408,924, and unassigned – $24,768,015. Fund balances for governmental funds can consist of the following:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash (for example: inventories, prepaid amounts, and long-term notes receivable).

Restricted Fund Balance – includes amounts that are (a) externally restricted by creditors, grantors, contributors, or laws or regulations of other governments, or (b) restricted by law through constitutional provisions or enabling legislation. Restrictions may be effectively changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision making authority, City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed that constraint originally. City's fund balance policy requires a Resolution passed by the City Council to commit funds.

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the (a) City Council, or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – is a residual classification for the general fund and includes all spendable amounts not contained in other classifications. It is also used for any negative fund balances in other funds.

The City's policy is to expend any available restricted, committed or assigned resources, in that order, prior to expending unassigned resources.

The City will maintain a minimum unassigned fund balance for the General Fund not less than twenty percent (20%) of the estimated budgeted expenditures and transfers out for the ensuing fiscal year beginning July 1.

23. Prepaid Gas Supplies

Prepaid gas supplies represent Natural Gas Acquisition Corporation's secured prepayment of natural gas to be received by the Corporation at specified quantities per month through September 2021. This amount is reduced monthly by the cost of gas sold and is increased by imputed interest based on the effective interest rate implied in the prepayment based on the prepayment amount and term.

24. Postemployment Benefits

The City participates in the Political Subdivision Pension Plan administered by TCRS. Postemployment pension benefits are accounted for under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, An Amendment of GASB Statement No.* 27, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, note disclosures, and required supplementary information. See additional information regarding the City's pension benefits in Notes A-27. and G.

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 the pension plan and additions to/deductions from pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment healthcare benefits other than pension benefits are accounted for under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions,* which establishes standards for the measurement, recognition, and display of postemployment healthcare benefits expense and related liabilities, assets, note disclosures, and, if applicable, required supplementary information.

25. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows or resources, liabilities, deferred inflows or resources, and disclosures, and the reported amounts of revenue and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

26. Other Significant Accounting Policies

Other significant accounting policies are described throughout the notes section of this audit report or disclosed in the financial statements themselves.

27. Application of New Accounting Principle and Restatement of Net Position

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, *An Amendment of GASB Statement No. 27*, which is intended to improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and enhance the value for assessing accountability by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The provisions of Statement No. 68 became effective in fiscal year 2015 for the City.

The new standard intends to improve the accounting and financial reporting by state and local governments for pensions and by improving the transparency about the pension plan through new note disclosures and supplementary information. It resulted in the City recognizing the net pension liability on the statement of net position for its pension plan. The net pension liability is the discounted liability determined based on the expected benefit payments for past periods of service (i.e., the Total Pension Liability) less the net position of the plan based on the fair value of assets at the measurement date (i.e., the Fiduciary Net Position). The statement requires retroactive application through restatement of beginning net position. This adjustment resulted in a decrease in the unrestricted net position on the statements of net position. Additionally, the new standard computes the annual actuarially determined contribution in a new manner. Other measurement changes include recognizing annual pension expense in-lieu-of pension cost.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. This Statement amends GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement were required to be applied simultaneously with the provisions of Statement No. 68.

The impact on the financial statements of the adoption of GASB Statement Nos. 68 and 71 is a restatement of beginning net position for the earliest period presented, as follows:

	Statement of Activities		Statement of Revenues, and Expenses and Changes in Net Position – Proprietary Funds		
	Governmental Activities	Business-Type Activities	Gas Department	Water and and Sewer Department	Non-Major Enterprise -
Net position, beginning of year, as previously reported	$ 366,146,164	$ 426,045,504	$ 54,134,020	$ 237,084,893	$ 7,329,488
Adjustment to record net pension liability and related deferred outflows of resources	(20,438,963)	(6,896,819)	(1,357,110)	(4,148,316)	(1,391,393)
Net position, beginning of year, as restated	$ 345,707,201	$ 419,148,685	$ 52,776,910	$ 232,936,577	$ 5,938,095

B. DEPOSITS AND INVESTMENTS

Investment in debt and equity securities with readily determinable fair values are carried at fair value based on quoted prices in the active markets. At year end, the City had the following investments with the noted weighted average maturities:

Investment Type	Fair Value	Weighted Average Maturity (in years)
Tennessee LGIP	$ 9,828,927	0.15
US Treasuries/Government Agencies	28,322,621	0.4
Private debt obligations	2,090,642	6.5
	$ 40,242,190	

Risk and Uncertainties of Investments - Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the City's investment account balances and the amounts reported in the related financial statements at June 30, 2015.

Custodial credit risk: Investment types permitted are consistent with State laws and the GFOA Policy Statement on State and Local Laws Concerning Investment Practices and included but are not limited to: U.S. Treasury obligations, U.S. government agency obligations, certificates of deposit and local government investment pools which are state-administered. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance, by the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name or by the Federal Reserve Banks acting as third party agents. As of June 30, 2015, all bank deposits were fully collateralized and insured.

Interest rate risks: Investments held for longer periods are subject to increased risk for adverse interest rate changes. City policy provides, that to the extent practicable, investments should be matched with anticipated cash flow requirements and that a portion of the portfolio should be continuously invested in readily available funds such as a local government investment pool. At June 30, 2015, a summary of weighted-average maturities are presented above.

Credit risk: Credit risk is the risk of loss due to the failure of the security issuer or backers and the City's investment policy minimizes this risk by limiting the types of securities to be purchased, pre-qualifying financial institutions, broker/dealers, etc. that the City does business with and by requiring the diversifying of the portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Concentration of credit risk: Although the investment policy does not place a specific percentage limit on any type of investment, it requires diversification, competitive biddings, and investment officials to operate under the prudent-person rule. At June 30, 2015, there are no investments which subject the City to concentration of credit risk.

Investments of the Component Unit-Museum consist of the following at June 30, 2015:

Investment Type	Fair Value	Cost
Common stocks	$ 535,485	$ 388,325
Money market fund	19,760	19,760
Real estate	6,857	6,339
Mutual funds:		
Equity	840,424	699,581
Balanced	101,598	104,277
Fixed	161,473	166,382
	$ 1,665,597	$ 1,384,664

Substantially all of the Museum's investments are held by a trustee and are not registered in the name of the Museum.

C. RECEIVABLES

Receivables as of the year end, including the applicable allowances for uncollectible accounts, are detailed in the table that follows:

	General Fund	Special Revenue	Electric & Broadband Department	Gas, Water & Sewer Department	NGAC	Transit	Other	Total
Receivables:								
Accounts	$ 1,032,050	$ 42,106	$ 21,588,628	$ 3,914,456	$ 1,055,019	$ 26,912	$ 6,171	$ 27,665,342
Taxes	35,788,771	1,772,873	-	-	-	-	-	37,561,644
Other Governments	3,870,813	326,681	-	15,336,478	-	594,487	413,756	20,542,215
Notes*	29,880	6,055,321	-	-	-	-	-	6,085,201
TVA	-	-	8,113,257	-	-	-	-	8,113,257
Other	66,884	-	-	-	13,130	-	-	80,014
Gross receivables	40,788,398	8,196,981	29,701,885	19,250,934	1,068,149	621,399	419,927	100,047,673
Less: Allowance for uncollectibles	(674,801)	-	(427,135)	(116,208)	-	-	-	(1,218,144)
Net total receivables	$ 40,113,597	$ 8,196,981	$ 29,274,750	$ 19,134,726	$ 1,068,149	$ 621,399	$ 419,927	$ 98,829,529

*Consists of a number of notes collectible over several years; included in notes receivable and other in the accompanying statement of net position.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable, net of allowance	$ 1,669,592
2015 tax levy due October 2015	32,347,445
Total	$ 34,017,037

D. CAPITAL ASSETS

Infrastructure Assets

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for reporting its Street Assets. The Modified Approach requires the City to capitalize the existing streets and preserve these assets at or above an established condition level, which the City has established as a Pavement Condition Index ("PCI") of 41. The City maintains 640 miles of pavement and rates the condition in three conditions: Good to Excellent – 58%; Fair – 34%; and Poor to Failed – 8%. City policy recognizes that streets will always be rated below the 41-PCI, and that once streets fall below this level that management may allow the street to completely fail before restoring the street to a 100-PCI and starting the process over. The City's overall system was estimated at a Pavement Condition Index of "59" at June 30, 2015.

Infrastructure and other capital asset activity for governmental activities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Infrastructure-Modified Approach Street Network	$ 261,051,478	$ 3,478,271	$ -	$ 264,529,749
Basic Approach:				
Bridges	4,217,506	-	-	4,217,506
Drainage Systems	42,948,829	664,560	-	43,613,389
Sidewalks	32,319,107	2,044,868	-	34,363,975
Boat Docks	1,144,992	-	-	1,144,992
Traffic Signals/Lighting	4,929,980	349,095	-	5,279,075
Total Infrastructure	346,611,892	6,536,794	-	353,148,686
Less Accumulated Depreciation:				
Bridges	(717,788)	(95,816)	-	(813,604)
Drainage Systems	(9,757,791)	(661,856)	-	(10,419,647)
Sidewalks	(7,281,418)	(1,645,987)	-	(8,927,405)
Boat Docks	(372,297)	(70,981)	-	(443,278)
Traffic Signals/Lighting	(1,931,393)	(347,265)	-	(2,278,658)
Total Accumulated Depreciation	(20,060,687)	(2,821,905)	-	(22,882,592)
Net Infrastructure	326,551,205	3,714,889	-	330,266,094
Capital Assets not depreciated:				
Land	16,824,121	25,500	(157,140)	16,692,481
Easements	26,316,656	352,160	-	26,668,816
Construction in progress	8,207,753	5,788,998	(9,727,774)	4,268,977
Total Capital Assets not depreciated	51,348,530	6,166,658	(9,884,914)	47,630,274
Capital Assets being depreciated:				
Land Improvements	28,033,664	425,045	-	28,458,709
Machinery and equipment	22,435,203	7,674,255	(839,283)	29,270,175
Buildings	74,798,427	566,149	(17,300)	75,347,276
Motor vehicles	17,862,134	1,190,698	(388,551)	18,664,281
Total Capital Assets depreicated	143,129,428	9,856,147	(1,245,134)	151,740,441
Less Accumulated Depreciation:				
Land Improvements	(5,537,236)	(751,903)	-	(6,289,139)
Machinery and equipment	(15,206,932)	(974,072)	824,873	(15,356,131)
Buildings	(20,697,439)	(1,410,871)	-	(22,108,310)
Motor vehicles	(12,554,720)	(1,104,424)	367,327	(13,291,817)
Total Accumulated Depreciation	(53,996,327)	(4,241,270)	1,192,200	(57,045,397)
Net Capital Assets depreciated	89,133,101	5,614,877	(52,934)	94,695,044
Net Governmental Activities Capital Assets	140,481,631	11,781,535	(9,937,848)	142,325,318
Net Governmental Activities Capital Assets and infrastructure	$ 467,032,836	$ 15,496,424	$ (9,937,848)	$ 472,591,412

Depreciation expense related to governmental activities was charged to the following functions:

General Government	$ 799,712
Highways and Streets	3,087,619
Public Safety	1,465,875
Culture and Recreation	1,709,969
Total	$ 7,063,175

Capital asset activity for business-type activities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Parking Authority				
Plant and equipment	$ 3,686,941	$ -	$ (18,837)	$ 3,668,104
Less Accumulated Depreciation	(1,607,458)	(85,819)	18,837	(1,674,440)
Net Parking Authority Capital Assets	$ 2,079,483	$ (85,819)	$ -	$ 1,993,664
Transit System				
Capital Assets not depreciated:				
Land	$ 153,432	$ -	$ -	$ 153,432
Total Capital Assets not depreciated	153,432	-	-	153,432
Capital Assets being depreciated:				
Building	3,461,836	47,320	-	3,509,156
Revenue vehicles	6,065,229	113,522	(89,472)	6,089,279
Revenue vehicles - ARRA	1,896,285	-	(31,215.00)	1,865,070
Other vehicles	339,567	207,964	(1,770)	545,761
Furniture and equipment	1,227,078	315,915	(257,822)	1,285,171
Total Capital Assets depreciated	12,989,995	684,721	(380,279)	13,294,437
Less Accumulated Depreciation	(8,177,467)	(1,059,557)	215,773	(9,021,251)
Net Capital Assets depreciated	4,812,528	(374,836)	(164,506)	4,273,186
Net Transit Capital Assets	$ 4,965,960	$ (374,836)	$ (164,506)	$ 4,426,618
Clarksville Electric and Broadband				
Capital Assets not depreciated:				
Land and land rights	$ 1,826,018	$ -	$ -	$ 1,826,018
Construction in progress	8,738,312	22,732,176	(19,714,682)	11,755,806
Total Capital Assets not depreciated	10,564,330	22,732,176	(19,714,682)	13,581,824
Capital Assets being depreciated:				
Station equipment	35,700,860	302,405	(564,254)	35,439,011
Electric transmission system	92,481,706	6,913,486	(1,309,998)	98,085,194
Transportation equipment	3,438,413	513,405	(91,822)	3,859,996
Furniture and equipment	2,901,038	88,935	(30,154)	2,959,819
Communication equipment	78,358,687	5,507,735	(63,561)	83,802,861
Poles and fixtures	1,935,164	-	(5,739)	1,929,425
Overhead conductors and devices	684,257	-	-	684,257
Structures and improvements	7,042,358	99,314	-	7,141,672
Plant acquisition adjustments	590,317	-	(126,171)	464,146
Total Capital Assets depreciated	223,132,800	13,425,280	(2,191,699)	234,366,381
Less Accumulated Depreciation	(71,841,633)	(10,698,560)	2,051,103	(80,489,090)
Net Capital Assets depreciated	151,291,167	2,726,720	(140,596)	153,877,291
Net CDE Capital Assets	$ 161,855,497	$ 25,458,896	$ (19,855,278)	$ 167,459,115

Unamortized electric plant acquisition adjustments represent compensation for electric plant acquired through annexation in excess of the book value of the plant. These adjustments are amortized because no tangible asset is specifically identified with these amounts. The adjustments are being amortized over ten to twenty years.

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Water and Sewer				
Capital Assets not depreciated:				
Land and land rights	$ 4,446,103	$ 226,367	$ -	$ 4,672,470
Construction in progress	42,100,473	44,694,186	(31,921,376)	54,873,283
Total Capital Assets not depreciated	46,546,576	44,920,553	(31,921,376)	59,545,753
Capital Assets being depreciated:				
Plant and equipment	548,171,849	31,695,010	(105,685)	579,761,174
Less Accumulated Depreciation	(148,221,577)	(14,961,051)	105,685	(163,076,943)
Net Capital Assets depreciated	399,950,272	16,733,959	-	416,684,231
Net Water and Sewer Capital Assets	$ 446,496,848	$ 61,654,512	$ (31,921,376)	$ 476,229,984

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Gas				
Capital Assets not depreciated:				
Land and land rights	$ 223,626	$ -	$ -	$ 223,626
Construction in progress	2,028,287	933,303	(318,362)	2,643,228
Total Capital Assets not depreciated	2,251,913	933,303	(318,362)	2,866,854
Capital Assets being depreciated:				
Plant and equipment	63,468,844	318,362	(98,352)	63,688,854
Less Accumulated Depreciation	(22,696,661)	(1,714,415)	98,351	(24,312,725)
Net Capital Assets depreciated	40,772,183	(1,396,053)	(1)	39,376,129
Net Gas Capital Assets	$ 43,024,096	$ (462,750)	$ (318,363)	$ 42,242,983

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Natural Gas Acquisition Corporation				
Capital Assets being depreciated:				
Plant and equipment	$ 22,030	$ -	$ -	$ 22,030
Less Accumulated Depreciation	(22,030)	-	-	(22,030)
Net NGAC Capital Assets	$ -	$ -	$ -	$ -
Net Business-Activities Capital Assets	$ 658,421,884	$ 86,190,003	$ (52,259,523)	$ 692,352,364

Depreciation expense related to business-type activities was charged to the following functions:

Parking Authority	$ 85,819
Transit System	1,059,557
Electric & Broadband	10,698,560
Water & Sewer	14,961,051
Gas	1,714,415
Total	$ 28,519,402

Capital asset activity for component units for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Museum				
Capital Assets being depreciated:				
Leasehold improvements	$ 4,311,751	$ 75,243	$ -	$ 4,386,994
Furniture and equipment	145,879	3,648	-	149,527
Vehicles	14,565	-	-	14,565
Total Capital Assets depreciated	4,472,195	78,891	-	4,551,086
Less Accumulated Deprecation	(1,757,453)	(162,977)	-	(1,920,430)
Net Museum Capital Assets	2,714,742	(84,086)	-	2,630,656
Two Rivers Company				
Capital Assets being depreciated:				
Furniture and equipment	$ 4,242	$ -	$ -	$ 4,242
Total Capital Assets depreciated	4,242	-	-	4,242
Less Accumulated Deprecation	(1,356)	(905)	-	(2,261)
Net TRC Capital Assets	2,886	(905)	-	1,981
Net Component Units Capital Assets	$ 2,717,628	$ (84,991)	$ -	$ 2,632,637

Depreciation expense related to component unit activities was charged to the following functions:

Museum	$ 162,977
TRC	905
Total	$ 163,882

E. LONG-TERM OBLIGATIONS

Governmental long-term debt activity for the year ended June 30, 2015 consists of the following:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due in Year Ending June 30, 2016
Bonds payable	$ 51,988,000	$ -	$ 4,019,000	$ 47,969,000	$ 4,218,000
Notes payable	59,664,941	141,059	3,022,999	56,783,000	3,788,000
Bond premiums	1,055,331	-	70,903	984,429	-
Subtotal	112,708,272	141,059	7,112,902	105,736,429	8,006,000
Accrued compensated absences	3,007,152	1,995,436	1,881,057	3,121,531	1,698,069
Total governmental activities	$ 115,715,424	$ 2,136,495	$ 8,993,959	$ 108,857,960	$ 9,704,069

Governmental long-term debt at June 30, 2015 consists of the following obligations:

Bonds Payable:

$21,753,000 2009 General Obligation Refunding Bonds due in increasing annual installments through June 1, 2027, at an interest rate of 3.76%.	$ 14,814,000
$4,990,000 2006 Taxable General Obligation Industrial Park Bonds due in increasing annual installments through June 1, 2022, at varying rates from 5.2% to 5.6%.	2,840,000
$800,000 1976 Farmers Administration Loan due in increasing annual installments through January 1, 2016, at an interest rate of 5%.	45,000
$12,180,000 2011 Taxable General Obligation Improvement Refunding Bonds due in annual installments through June 1, 2028, at varying rates of interest from 2% to 5.45%.	9,535,000
$13,025,000 2012 General Obligation Public Improvement Bonds due in annual installments through January 15, 2033, at varying rates of interest from 2% to 3%.	10,845,000
$7,950,000 2014 General Obligation Public Improvement Bonds due in annual installments through June 1, 2034 at varying rates of interest from 3% to 4%.	7,680,000
$2,475,000 2014 General Improvement Refunding Bonds due in annual installments through June 1, 2022 at varying rates of interest from 3% to 4%.	2,210,000
Total bonds payable	47,969,000

$16,047,000 2007 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2033, with interest payable monthly at an adjustable rate.	$	13,082,000
$4,000,000 2007 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2032, with interest payable monthly at an adjustable rate.		3,268,000
$6,193,353 2008 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2034, with interest payable monthly at an adjustable rate.		5,572,000
$2,836,000 2005 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2021, with interest payable monthly at an adjustable rate.		1,414,000
$25,175,000 2008 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2034, with interest payable monthly at an adjustable rate.		23,252,000
$1,380,000 2008A Tennessee Municipal Bond Fund Alternative Loan Program; taxable capital outlay note provides for repayment of note in increasing annual installments through December 1, 2015, at an interest rate of 4.2%.		776,000
$1,210,000 2008 Tennessee Municipal Bond Fund Alternative Loan Program; taxable capital outlay note provides for repayment of note in increasing annual installments through August 1, 2015, at an interest rate of 4.39%.		198,000
$9,500,000 2010 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2031, with interest payable monthly at an adjustable rate.		8,021,000
$3,000,000 2011 General Obligation Capital Outlay Notes: due in even annual installments through September 26, 2016 at an interest rate of 1.65%.		1,200,000
Total notes payable		56,783,000
Bond premiums		984,429
Total bonds, notes payable and premiums		105,736,429
Add: Accrued compensated absences		3,121,531
Less: Current portion of long-term debt		(8,006,000)
Current portion of accrued compensated absences		(1,698,069)
Total governmental activities long-term debt and accrued compensated absences	$	99,153,891

Business-type activities long-term liability activity for the year ended June 30, 2015, consists of the following:

	Balance July 1, 2014	Additions	Reductions	Refundings	Balance June 30, 2015	Amounts Due in Year Ending June 30, 2016
Gas Department and Water and Sewer Department						
Bonds and notes payable	$ 242,722,323	$ 38,606,535	$ 11,349,830	$ -	$ 269,979,028	$ 11,875,721
Accrued compensated absences	831,032	647,152	649,616	-	828,568	648,528
Customer deposits	4,606,081	1,568,628	1,809,190	-	4,365,519	-
Premiums on bonds	9,531,972	-	777,075	-	8,754,897	-
Total Gas, Water and Sewer	257,691,408	40,822,315	14,585,711	-	283,928,012	12,524,249
Natural Gas Acquisition Corp.						
Bonds payable	153,020,000	-	14,370,000	-	138,650,000	15,525,000
Premiums on bonds	2,247,255	-	488,079	-	1,759,176	-
Total NGAC	155,267,255	-	14,858,079	-	140,409,176	15,525,000
Clarksville Transit						
Accrued compensated absences	164,433	132,501	126,690	-	170,244	170,244
Parking Authority						
Note payable	37,112	-	7,809	-	29,303	8,270
Department of Electricity						
Bonds and notes payable	78,892,405	38,545,000	2,224,108	40,680,000	74,533,297	2,606,098
Premiums on bonds	3,230,809	6,776,459	297,273	2,010,669	7,699,326	-
Customer deposits	5,301,381	2,260,964	1,922,225	-	5,640,120	-
TVA advances	8,225,244	2,583,921	2,494,051	-	8,315,114	-
Accrued compensated absences	1,730,113	360,942	218,627	-	1,872,428	573,924
Other	155,416	68,850	154,268	-	69,998	-
Total Department of Electricity	97,535,368	50,596,136	7,310,552	42,690,669	98,130,283	3,180,022
Total business-type activities	$ 510,695,576	$ 91,550,952	$ 36,888,841	$ 42,690,669	$ 522,667,018	$ 31,407,785
Museum (Component Unit)						
Note payable	$ 134,347	$ -	$ 17,385	$ -	$ 116,962	$ 17,955

Business-type activity long-term debt at June 30, 2015, consists of the following obligations:

Bonds Payable:

Series 2002 ($22,040,000) Water, Sewer and Gas Revenue Refunding in annual installments of $1,735,000 to $1,920,000 through February 2018 at 5.15% to 5.25% interest.	$	5,485,000
Series 2007 ($60,150,000) Water, Sewer and Gas Revenue in annual installments of $1,270,000 to $5,370,000 through February 2032 at 4.35% interest.		47,800,000
Series 2006 ($240,051,000) Natural Gas Acquisition Corp. (NGAC) Gas Revenue in annual installments of $15,525,000 to $25,500,000 through December 2021 at 5.0% interest.		138,650,000
Series 2007 ($52,790,000) Electric System Revenue in annual installments of $1,825,000 to $3,750,000 through September 2017 at 4.0% to 4.25% interest.		5,255,000
Series 2010A ($29,258,018) Electric System Revenue in annual installments of $255,000 to $5,685,000 through September 2035 at 2.5% to 5.0% interest.		27,365,000
Series 2011 ($67,645,000) Water, Sewer and Gas Revenue Refunding in annual installments of $1,745,000 to $12,550,000 through February 2025 at 4.25% to 5.0% interest.		59,625,000
Series 2013A Water, Sewer and Gas Revenue Refunding bonds due in annual installments of $375,000 to $3,740,000 to February 2038 at 3.0% to 5.0% interest.		46,535,000
Series 2013B Water, Sewer and Gas Revenue Refunding bonds due in annual installments of $2,845,000 to $3,080,000 to February 2019 at 2.0% to 5.0% interest.		11,740,000
Series 2014 ($3,215,000) Electric System Revenue Refunding in annual installment of $290,000 to $365,000 through September 2023 at 2.0% to 4.0%.		2,930,000
Series 2015 ($38,545,000) Electric System Revenue Refunding in annual installment of $235,000 to $3,000,000 through September 2031 at 2.0% to 5.0%.		38,545,000
Total bonds payable	$	383,930,000

Notes Payable:

Series 2005 ($49,181,269) Tennessee Municipal Bond Fund Loan due in annual installments of $1,530,721 to $3,341,373 through May 2032, at a variable rate of interest.	$	39,554,400
Series 2008 ($841,080) CEMC Note to purchase plant assets in annual installments of $146,098 to $30,998 between June 2016 and June 2020 at 0.0% interest.		438,297
Series 2013 Tennessee Municipal Bond Fund Loan due in lump sum on July 15, 2016 at a variable rate of interest.		46,586,913
Series 2014 Tennessee Municipal Bond Fund Loan due in lump sum on July 15, 2016 at a variable rate of interest.		12,652,715
Interfund note Parking Authority to purchase garage underneath Transit Garage		29,303
Total notes payable		99,261,628
Total bonds and notes payable		483,191,628
Add: Accrued compensated absences		2,871,240
Customer deposits		10,005,639
TVA advances		8,315,114
Bond premiums		18,213,399
Other		69,998
Less: Current portion of long-term debt and accrued compensated absences		(31,407,785)
Total business activity long-term liabilities	$	491,259,233

Component Unit-Museum

Museum promissory note held by the City of Clarksville. Minimum annual principal and interest payments of $20,000 are due on December 31st of each year through 2020. Interest is charged on the unpaid balance of the loan at a rate of 3.28% annually.	$	116,962

The 2015 Series Electric System Revenue Refunding Bonds were issued on January 28, 2015 to refund the part of the 2007 Series Electric System Revenue and Improvement Bonds callable after September 1, 2017, pay the costs of issuance, and recognize interest savings. These bonds are due in annual installments of $235,000 to $3,000,000 between September 1, 2015 and September 1, 2031. These bonds bear interest ranging from 2% to 5%. These bonds are secured by a subordinate interest in substantially all of the net revenues of the Electric Division. The difference between the reacquisition price and the carrying amount of the bonds was $2,350,565, which was recorded as a deferred outflow of resources related to bond refundings. Amortization recorded in fiscal year 2015 totaled $59,059, and the balance of deferred outflows of resources related to bond refunding at year end totaled $2,291,506.

During fiscal year 2015, the Water and Sewer Department obtained $38,605,535 from Tennessee Municipal Bond Fund loans, which were used to finance various projects at the waste-water treatment facility.

The annual debt service requirements to amortize bonds and notes payable outstanding as of June 30, 2015, are as follows:

For the Years Ended June 30,	Governmental Activity Debt Principal	Business-Type Activity Debt Principal	Component Unit Debt Principal	Total Debt Principal	Total Interest
2016	$ 8,006,000	$ 30,015,089	$ 17,955	$ 38,039,044	$ 21,529,674
2017	7,229,000	91,220,746	18,544	98,468,290	19,210,602
2018	6,918,000	33,824,998	19,152	40,762,150	17,478,894
2019	7,195,000	35,847,996	19,781	43,062,777	15,657,919
2020	7,484,000	37,996,599	20,429	45,501,028	13,766,943
2021	6,726,000	40,378,631	21,101	47,125,732	11,756,445
2022	6,747,000	44,281,313	-	51,028,313	9,605,974
2023	5,578,000	19,938,879	-	25,516,879	8,013,397
2024	5,117,000	20,546,573	-	25,663,573	7,128,467
2025	5,336,000	21,324,651	-	26,660,651	6,218,899
2026	4,620,000	9,203,384	-	13,823,384	5,243,417
2027	4,879,000	9,648,053	-	14,527,053	4,775,423
2028	4,690,000	10,123,956	-	14,813,956	4,272,920
2029	4,261,000	10,626,403	-	14,887,403	3,760,827
2030	4,432,000	11,155,724	-	15,587,724	3,258,500
2031	4,606,000	11,692,260	-	16,298,260	2,759,828
2032	4,152,000	11,606,373	-	15,758,373	2,238,493
2033	4,045,000	3,555,000	-	7,600,000	1,808,077
2034	2,731,000	7,675,000	-	10,406,000	1,439,786
2035	-	8,065,000	-	8,065,000	991,250
2036	-	8,470,000	-	8,470,000	581,125
2037	-	2,925,000	-	2,925,000	299,750
2038	-	3,070,000	-	3,070,000	153,500
Total	$ 104,752,000	$ 483,191,628	$ 116,962	$ 588,060,590	$ 161,950,110

The City is not subject to requirements relating to its debt, including the any state or other law that limits the amount of net bonded debt that it may have outstanding. The City's full faith and credit is pledged for the repayment of all General Obligation Bond principal and interest.

The City is subject to requirements relating to its debt, including various bond indentures which contain significant limitations, restrictions, annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various reserve funds as well as federal arbitrage and certain state regulations. The City is in compliance with all such significant limitations, restrictions and regulations. Substantially all revenue bonds of the proprietary funds are payable from restricted assets.

F. DEFEASED DEBT

Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2001, were issued on June 28, 2001 in part to refund $1,130,000 Series 1991 Bonds, refund $7,244,138, Series 1992 capital appreciation bonds, and refund $10,200,000 Series 1997 bonds. Sufficient proceeds were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the financial statements at the time of refunding. At June 30, 2015, bonds outstanding of $920,131 were considered defeased.

Electric System Revenue Refunding Bonds, Series 2015, were issued in January 2015 to refund a part of the Series 2007 Electric System Revenue and Improvement Bonds callable after September 1, 2017. Sufficient proceeds were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for these bonds was removed from the financial statements at the time of the refunding. As June 30, 2015, bonds outstanding totaling $40,680,000 were considered defeased.

G. PENSION PLAN

General Information:

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

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

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

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

Inactive employees or beneficiaries currently receiving benefits	374
Inactive employees entitled to but not yet receiving benefits	686
Active employees	1,096
	2,156

Contributions - Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ending June 30, 2015, employer contributions for the City were $7,576,329 based on a rate of 17.32% of covered payroll for sworn personnel and 13.82% of covered payroll for all other employees. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution ("ADC") and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability:

The City's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions – The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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, 2014 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%

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

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Assets) (a) – (b)
Balance at June 30, 2013	$ 152,615,860	$ 118,039,056	$ 34,576,804
Changes for the year:			
Service cost	3,634,505	-	3,634,505
Interest	11,514,610	-	11,514,610
Differences between expected and actual experience	(7,761,672)	-	(7,761,672)
Contributions-employer	-	7,241,024	(7,241,024)
Net investment income	-	19,710,982	(19,710,982)
Benefit payments, including refunds of employee contributions	(5,444,459)	(5,444,459)	-
Administrative expense	-	(45,293)	45,293
Net changes	1,942,984	21,462,254	(19,519,270)
Balance at June 30, 2014	$ 154,558,844	$ 139,501,310	$ 15,057,534

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Clarksville's net pension liability (asset)	$ 36,540,690	$ 15,057,534	$ (2,827,400)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Pension expense – For the year ended June 30, 2015, the City recognized pension expense of $3,147,121.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,791,463
Net difference between projected and actual earnings on pension plan investments	-	8,633,904
Contributions subsequent to the measurement date of June 30, 2014	7,576,329	-
Total	$7,576,329	$15,425,367

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2014," will be recognized as a reduction to net pension liability 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	$(3,128,685)
2017	(3,128,685)
2018	(3,128,685)
2019	(3,128,685)
2020	(970,209)
Thereafter	(1,940,418)

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

Allocation of Pension Related Activity to Funds of the Primary Government:

The Pension related activity has been allocated to the individual funds of the Primary Government by use of an allocation ratio of the fiscal year 2014 pension contributions by fund. This ratio dictates that 74.77% of the pension related activity belongs to the General Government, 20.14% is attributed to the Gas, Water and Sewer Funds, and the remaining 5.09% is the Transit Fund.

A summary of the Pension related activity by fund follows:

	General Government	Gas, Water and Sewer	Transit
Net Pension Liability	$11,258,519	$3,032,587	$766,428
Deferred Inflows	11,533,547	3,106,669	785,151
Deferred Outflows	5,667,270	1,526,791	382,268

Payable to the Pension Plan:

At June 30, 2015, the City reported a payable of $-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2015.

* * * * *

Prior to April 1, 1993, the City of Clarksville was the administrator of a single-employer public employee retirement system ("PERS") established and administered by the City to provide pension benefits for its employees, excluding employees of the Department of Electricity. Current retirees and former employees vested in the City's PERS were not eligible to join TCRS. Annuities were purchased for these individuals from Plan assets, effective September 1, 1993.

Component Units - Employees of the Museum are not considered employees of the City and do not participate in the TCRS plan or the City PERS.

H. DEFERRED COMPENSATION PLAN

City General - The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees except those of the Department of Electricity, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan's investments are held in trust by Public Employee Benefit Services Corporation ("PEBSCO").

Department of Electricity - The Electric Department ("CDE") maintains a defined contribution pension plan (the Clarksville Department of Electricity 401(K) Retirement Plan or the "Plan"), which is administered by John Hancock USA, for all eligible employees. In order to be eligible to participate in the Plan, employees must be at least 21 years old and have attained at least 12 months service with CDE. Employees are eligible to contribute up to 100% of their salary subject to the Internal Revenue Code limits. Vesting in the plan is full and immediate. Contributions and forfeitures are allocated to plan participants based on the proportion of their salary to the total salaries of all eligible plan participants. Employer contributions to this Plan are discretionary. In addition, any forfeitures would be used to offset employer contributions; however, for the plan year ended December 31, 2014, there were no forfeitures.

CDE established a progress sharing plan as part of its Plan. Employees are divided into three groups, based upon date of hire, to determine the contribution by CDE for each employee. Those hired on or after July 1, 2009 receive 3% Progress Sharing Contribution. Those hired from January 1, 1998 – June 30, 2009, receive 5% Progress Sharing Contribution. Those hired prior to January 1, 1998, are in an Age Based Pool program with a guaranteed minimum contribution of 5%. Plan provisions, including contribution requirements are established and/or amended upon approval of the Power Board.

Additionally, CDE matches up to an additional 3% contribution to each employee's 401(k) account. Employer contributions to this Plan are discretionary.

The following is selected information relating to the plan:

Contributions for the year ended June 30, 2015:		
Employer contributions	$	223,897
Employer progress sharing contributions		477,393
Employee contributions		351,105
Total	$	1,052,395

The plan is audited on a calendar year basis and the plan market value as of December 31, 2014, is as follows:

Plan assets on December 31, 2014 (market value)	$	12,001,485

The plan assets are the property of the employees and are not included in these statements.

I. OTHER POST EMPLOYMENT BENEFITS

The City accounts for its other post-employment benefit plans in accordance with the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Plan Description - The City of Clarksville's Retired Employees' Benefit Plan ("Plan") is a single-employer defined benefit healthcare, dental, and life insurance plan administered by the City of Clarksville. The plan was provided for in Section 1-1340 through Section 1-1348 of the Official Code of the City of Clarksville. The Plan provides medical, dental, and life insurance benefits to eligible retirees of the general government, the Gas, Water and Sewer Department and the Transit System. The plan allowed retirees to obtain medical and dental insurance at the City group rates for their spouses. Employees hired on or after July 1, 2006 are not eligible for the retirement benefits provided by the Plan. Eligible employees must have been hired on or before June 30, 2006. The Plan has a total of 795 participants of which 242 are retired participants and 533 are active participants. The Plan does not issue a publicly available financial report that includes financial statements and required supplementary information.

Funding Policy - The contribution requirements of the general government, the Gas, Water, and Sewer Departments, and the Transit System are determined by an annual actuarial study. The level of actual funding is determined by the Clarksville City Council during the budget process. The City Council approved funding the estimated cost of insurance for current premiums. The City will continue to pay current premiums on a pay-as-you-go basis. Funds approved in fiscal year 2015 were sufficient to pay the current cost of premiums for other post employment benefits for eligible retirees in fiscal year 2015. For fiscal year 2015, the general government, the Gas, Water, and Sewer Departments and the Clarksville Transit System paid a total of $1,525,444 for current premiums for retiree insurance coverage.

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount that is actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution ("ARC")	$ 5,705,067
Interest on net OPEB obligation	1,352,073
Actuarial Adjustment	-
Adjustment to annual required contribution	(1,623,299)
Annual OPEB expense	5,433,841
Contributions made	(1,525,444)
Increase in net OPEB obligation	3,908,397
Net OPEB obligation - beginning of year	33,801,837
Net OPEB obligation - end of year	$37,710,234

General Government	$ 27,597,508
Gas Department	2,228,454
Water and Sewer Department	6,196,530
Transit Department	1,687,742
	$ 37,710,234

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB, obligation for 2015, 2014 and 2013 are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual Employer Contribution	% of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
2015	$ 5,433,841	$ 1,525,444	28.07%	$ 37,710,234
2014	6,003,417	1,424,549	23.73%	33,801,837
2013	5,869,052	556,133	9.48%	29,222,969

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was $73.7 million, and the actuarial value of assets was $0 million, resulting in an unfunded actuarial accrued liability (UAAL) of $73.7 million. The covered payroll (annual payroll of active employees covered by the plan) was $47.2 million, and the ratio of the UAAL to the covered payroll was 156.12%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the health and dental care and life insurance cost trend. Amounts actuarially determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and as new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following is a schedule of funding progress for the City:

Plan Year	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) - Entry Age[b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a percentage of Covered Payroll [[b-a]/c]
2014-2015	$ -	$ 73,657,231	$ 73,657,231	0.00%	$ 47,179,844	156.12%
2013-2014	-	78,690,907	78,690,907	0.00%	45,466,396	173.10%
2012-2013	-	74,506,222	74,506,222	0.00%	44,574,898	167.10%

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to the employer and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The discount rate was 4% per annum. The actuarial assumptions included an annual healthcare cost trend rate of 9.0% initially, reduced by uniform decrements to an ultimate rate of 5.0% over an eight year period. Dental costs for single coverage are assumed to be $414 per year for all attained ages. No benefit increases are included. The rate of inflation (assumed rate of increase in payroll) was assumed at 2.0%. The actuarial value of assets was not applicable to the actuarial valuation. The UAAL is being amortized as a level percentage of projected payrolls. The plan is closed to any employees hired on or after July 1, 2007. The remaining amortization period as of the July 1, 2014 study date was thirty years.

The Department of Electricity – The Department of Electricity, under authority of the Electric Power Board, provides a medical insurance coverage plan for substantially all retiring employees with thirty years of service until they reach age 65. Prior to March 1, 2011, retirement could begin at age 55. On March 1, 2011, the plan was amended so that retirement could begin at age 60. Ten employees were grandfathered under the prior age and service limit. On March 1, 2013, the plan was again amended so that retirement could begin at either age 55 and 30 years of service, or age 60 and 15 years of service. Ten retired employees were covered for medical insurance at June 30, 2015.

The plan is a single-employer defined benefit plan for medical insurance. The provisions of the plan can be amended by the Electric Power Board at any time. The plan is funded on a pay-as-you-go basis with expense calculated under time provisions of GASB No. 45 as described below. The plan does not issue stand-alone financial reports.

The annual OPEB expense is calculated based on the annual required contributions of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the Electric Department's annual medical insurance OPEB cost for the year, the amount actually contributed to the plan, and changes in the Electric Department's net OPEB obligation for fiscal year 2015:

Normal Cost	$ 60,502
30 year amortization of accrued liability	19,856
Interest on net OPEB obligation	15,295
Annual OPEB expense	95,653
Contributions made	(49,922)
Increase in net OPEB obligation	45,731
Net OPEB Obligation - beginning of year	509,839
Net OPEB Obligation - end of year	$ 555,570
Electric Division	$435,416
Broadband Division	120,154
Total	$ 555,570

The Electric Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2014 and 2013 are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Contribution	% of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
2015	$ 95,653	$ 49,922	52.19%	$ 555,570
2014	118,989	37,356	31.39%	509,839
2013	51,766	37,075	71.60%	428,206

As of June 30, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $916,452 and the actuarial value of the assets was zero, resulting in an unfunded actuarial liability ("UAAL") of $916,452. The covered payroll (annual payroll of active employees covered by the plan) was $9,076,183, and the ratio of the UAAL to the covered payroll was 10.10%. The ARC was 1.05% of covered payroll and the funding was determined on a pay-as-you-go basis.

Actuarial valuations of ongoing plans involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an annual healthcare cost trend rate of 4.0% initially, reduced by .25% until 2.0% is reached. This rate includes a 2.0% inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls, with the remaining amortization period at June 30, 2015 of twenty-one years.

J. SELF-INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City, with the exception of the Department of Electricity, is self-insured for worker's compensation and automobile liability claims. The City chose not to participate in the Worker's Compensation program as allowed by state statute and has implemented an "on-the-job" injury program. The City must pay all medical and related expenses of injured employees including 75% of the employee's salary. The City is subject to the Governmental Tort Liability Act (T.C.A. 29-20-101 to 29-20-407), which sets the maximum liability at $700,000 per occurrence and $300,000 per individual. The City is a reimbursable entity for unemployment purposes and thus pays all claims as they occur.

The City is also self-insured on its general liability claims and maintains reinsurance for claims in excess of $1,000,000 and up to $5,000,000 annual aggregate. The policy of the City is to recognize as an expense claims actually filed plus claims estimated by the City to have been incurred but not yet reported based on historical data. At June 30, 2015, the amount of these estimated insurance liabilities was $1,396,679. Changes in the reported liability are as follows for the last three fiscal years:

	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2014-2015	$ 1,207,239	$ 789,537	$ 600,097	$ 1,396,679
2013-2014	837,008	922,231	552,000	1,207,239
2012-2013	1,573,912	229,388	966,292	837,008

The Department of Electricity's exposure to property and general liability is handled through the purchase of commercial insurance. Insurance coverage has been adequate to cover settlements for the past three fiscal years. The Department of Electricity carries only liability insurance on its trucks. Management believes additional insurance is not cost effective. The Department of Electricity participates in the Distributors' Self-Insurance Fund for workers compensation insurance coverage. Participants in this plan remain liable for any underfunding. The Department of Electricity is a reimbursable entity for unemployment purposes and thus pays all claims as they occur.

K. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the City to significant concentration of credit risk consist principally of cash and accounts receivable. The City places its cash with federally insured financial institutions and limits the amount of credit exposure to any one institution by requiring collateral, as described in Note B. With respect to accounts receivable, credit risk is dispersed across a large number of customers who are geographically concentrated in the Clarksville, Tennessee service area. The City obtains an initial credit evaluation for new customers, a security deposit or third-party guaranty where appropriate.

L. INTER-FUND TRANSACTIONS

Inter-fund receivable and payable balances at June 30, 2015, are as follows:

Inter-fund transactions were used to account for reimbursements of insurance premiums, capital projects, operating expenses, repayment of principal and interest on debt and to fund operating deficits.

	Major Fund General	Non-Major Governmental	Non-Major Proprietary	Internal Service	Major Fund Electric
Interfund Receivable	$ 6,399,704	$ 1,874,620	$ 588,750	$ 2,649,416	$ 41,235
Interfund Payable:					
Major Funds:					
General	$ -	$ 1,874,620	$ 588,750	$ 2,649,416	$ 41,235
Capital Projects	3,640,933	-	-	-	-
Debt Service	19,907	-	-	-	-
CDE	731,201	-	-	-	-
GWS	105,437	-	-	-	-
Non-Major Funds:					
Governmental	145,591	-	-	-	-
Proprietary	24,654	-	-	-	-
Internal Service	1,731,981	-	-	-	-
	$ 6,399,704	$ 1,874,620	$ 588,750	$ 2,649,416	$ 41,235

M. INTERDIVISIONAL ALLOCATIONS

The Electric Division formed the Broadband Division on April 1, 2007, to provide video, internet and telephone services to existing electric customers. Also in April 2007, the Electric Division began installing a fiber network that allowed the Electric Division to remotely perform electric related functions. During the 2008 fiscal year, the Broadband Division began "renting" a portion of the fiber network on a per connection basis to provide the broadband services listed above to existing electric customers. The "rent" cost allocated to the Broadband Division was based upon an allocation formula applied to the costs of the fiber infrastructure. Fiber infrastructure costs, for the purpose of this allocation, included depreciation, taxes, interest, and a pole attachment fee. This allocation methodology has evolved, along with the development of the Broadband project, over previous years.

For fiscal year ended June 30, 2015, allocated infrastructure costs were as follows:

	Unit Costs	June 30, 2015 Annual Broadband Units	June 30, 2015 Allocated Costs
Depreciation	$ 2.84	344,891	$ 979,490
Interest	2.04	344,891	703,578
Taxes	0.78	344,891	269,015
Pole Attachment	0.48	344,891	165,549
Totals	$ 6.14		$ 2,117,632

During the 2008 fiscal year, the Broadband Division began "renting" an office building from the Electric Division for Broadband operations. During the 2015 fiscal year, approximately 71% of the depreciation, property tax and insurance costs associated with this building were allocated to the Broadband Division. During the 2015 fiscal year, the Electric Division allocated certain costs as "rent" to the Broadband Division for the office building on Wilma Rudolph Boulevard. During the 2015 fiscal year, approximately 34% of the depreciation, property tax and insurance costs associated with this building were allocated to the Broadband Division. Costs allocated from the Electric Division to the Broadband Division, for these buildings, were $96,564 for the year ended June 30, 2015.

At June 30, 2015, the Electric Division owed the Broadband Division $1,719,309. This amount represents payments for broadband services the Electric Division had collected on behalf of the Broadband Division. These amounts are typically remitted to the Broadband Division the month after they are collected by the Electric Division.

N. INTERDIVISIONAL RECEIVABLE/PAYABLE BETWEEN THE DEPARTMENT OF ELECTRICITY - ELECTRIC AND BROADBAND DIVISIONS

Changes in the interdivisional payable/receivable account for the year ended June 30, 2015, were as follows:

	Balance July 1, 2014	Loan Draws	Loan Repayment	Changes in Current Receivable/ Payable	Balance June 30, 2015
Interdivisional Receivable/Payable	$ 17,600,881	$ -	$ (250,000)	$ (54,173)	$ 17,296,708

The interdivisional payable represents allocated expenses and cash borrowed by the Broadband Division from the Electric Division plus accrued interest. The rate of interest is the highest interest rate earned by the Electric Division on deposited funds in the previous month. This rate of interest was 0.50% at June 30, 2015.

On December 21, 2009, the City of Clarksville, Tennessee, the Clarksville Electric Power Board, and the Tennessee Valley Authority ("TVA") entered into an agreement to specify the terms and conditions of interdivisional loans between the Electric Division and the Broadband Division. On March 20, 2014, the parties entered into an agreement amending certain aspects of the original agreement. These agreements defined two loans from the Electric Division to the Broadband Division and specified the terms of each loan, as follows:

- *2007 Loan* - The aggregate amount of this interdivisional loan may not exceed $16,000,000. Interest on the outstanding loan balance accrues monthly at the highest rate then being earned by the Electric Division on its investments, as required by Tennessee law. Repayment of this loan began during fiscal year 2013, when, according to the Broadband Division's business plan, the Division was expected to begin to generate positive cash flows. Per the new agreement with TVA, signed on March 20, 2014, CDE was not required to make a loan repayment during fiscal year 2014 so that the Broadband Division could build their cash reserves to $1,000,000. In addition, the previous loan schedule was amended. The new repayment schedule calls for annual interest payments (based on the outstanding balance of the loan) and principal payments ranging in amount from $350,000 in fiscal year 2016 to $800,000 in fiscal year 2035. Further, the new agreement stipulates that the Broadband Division will apply any cash amount over and above the $1,000,000 cash reserve noted previously towards payment on the loan principal each year. The cash balance for the Broadband Division as of June 30, 2015 was $1,202,889. Therefore, per the terms of the new agreement, an additional $202,889 will be paid towards the loan principal during fiscal year 2016 for a total payment of $552,889. Repayment of any cash amount over and above the $1,000,000 reserve threshold is capped at $1,000,000. The balance of this loan was $14,750,000 at June 30, 2015.

- *2009 Loan* - Once the aggregate balance of the 2007 Loan reached $16,000,000, the Electric Division may make additional loan(s) to the Broadband Division up to an aggregate amount of $4,500,000. The Electric Division will be under no obligation or responsibility to set aside any funds for this purpose. Interest shall be due and payable in annual installments (in arrears) due on June 30 of each year beginning June 30, 2011. The interest rate on this loan will be the highest interest rate being earned by CDE on invested funds, or the Constant Maturity Treasury rate for similar terms as CDE invested funds. All principal payments, along with accrued interest, must be repaid no later than June 30, 2038. Any loan(s) made under this provision of the agreement will be callable by the Electric Division with no more than 15 days' written notice. Other terms of this portion of the agreement include the establishment of a separate fund by the City of Clarksville for repayment of interest, if necessary; a right of the Electric Division to first payment of Broadband Division revenues; and a guarantee that the City of Clarksville will make payment for any interest past due amounts from City General Funds. Repayment of this loan will begin during fiscal year 2036. The repayment schedule calls for minimum annual interest payments (based on the outstanding balance of the loan) and principal payments of $800,000 annually. The balance of this loan was $2,546,708 at June 30, 2015.

As described above, the City has pledged certain revenues in conjunction with an agreement of CDE Lightband. Based on current estimates, the City has established a reserve of $14,305 within the debt service fund for the guarantee of interest payments from the Broadband Division to the Electric Division. The issuer, the City's pledge, the length of time of the pledge, and the amount of the pledge outstanding at June 30, 2015 is as follows:

Business-Type Agreement	Pledged Non-Tax Revenues of	Date of Final Maturity/Payment	Outstanding at June 30, 2015
2009 Loan Agreement Between the Broadband Division and Electric Division of CDE Lightband	General Fund	July 1, 2038	$14,305
Total guarantees extended			$14,305

No payments related to this pledge have been made. Based on current interest rates, total interest is estimated to be approximately $330,000 over the term of the note. Should any payments be required in the future, the agreement provides for recovering any such payments from the issuer - generally from the issuer's revenues after the subsequent year's annual principal and interest payments and certain other obligations are met.

O. OPERATING TRANSFERS

Operating transfers were used primarily to account for payments-in-lieu-of-taxes, payments of principal and interest, and funding of operating deficiencies. Operating transfers among individual funds of the City for the fiscal year ended June 30, 2015, were as follows:

	Amount	General Fund	Non-Major Transit	Debt Service	Non-Major Special Revenue	Capital Projects
Transfer from:						
General Fund	$ 8,657,380	$ -	$ 1,729,258	$ 6,757,812	$ 77,275	$ 93,035
Electric/Broadband	4,173,674	4,173,674	-	-	-	-
Gas Dept	603,310	603,310	-	-	-	-
Water and Sewer	2,972,974	2,972,974	-	-	-	-
Parking Authority- Non-Major	333,529	333,529	-	-	-	-
Special Revenue- Non-Major	2,055,475	-	-	2,044,495	10,980	-
	$ 18,796,342	$ 8,083,487	$ 1,729,258	$ 8,802,307	$ 88,255	$ 93,035

P. COMMITMENTS AND CONTINGENCIES

Leases

The City receives rental income principally for real property from various agencies and rental of recreation facilities. Rental income from these sources totaled approximately $533,960 for the year ended June 30, 2015.

The City leases office space on the first floor of the City Hall Municipal Building to US Bank in the amount of $78,829 annually. The US Bank lease agreement expires on May 31, 2020 with the option to renew for an additional five years.

Litigation

The City is a party to various lawsuits, many of which occur in the normal course of governmental operations. The ultimate outcome of the actions is not determinable; however, the City officials and legal counsel believe that the ultimate outcome, either singularly or in the aggregate, will not have a material adverse effect on the City's financial statements. See Note J for discussion of reserve amounts established for litigation and claims.

Commitments

The Clarksville general government has contractual commitments for various construction projects totaling approximately $2.3 million at June 30, 2015. The Gas Department and the Water and Sewer Department have construction commitments totaling $21.6 million at June 30, 2015.

Effective January 31, 2004, the Gas Department entered into an easement agreement with the U.S. Department of the Army that expires on January 30, 2053. Pursuant to this contract, the Gas Department will manage the construction, operation, maintenance, repair or replacement of the natural gas utility system at Fort Campbell Army post. The Gas Department will be compensated for these services on a cost-plus basis.

The Natural Gas Acquisition Corporation has a 15 year contract to purchase natural gas from Merrill Lynch Commodities, Inc., a Delaware corporation. The Clarksville Gas Department has contracted to buy this gas from the Natural Gas Acquisition Corporation for the entire fifteen years.

On February 23, 2012 the Sewer Department received a Tennessee Department of Environment and Conservation ("TDEC") Commissioner issued enforcement order (this order supersedes all requirements of previous Commissioner's order in 2004). From the period September 2011 through November 2011 the Sewer Department's wastewater discharges exceeded TDEC National Pollutant Discharge Elimination System Permit limits and provisions. In order to comply with TDEC Commissioner's order, the Sewer Department must develop several response and corrective action plans, complete assessments and maintenance, construct and rehabilitate flood damaged sewer treatment plants, and issue reports on the status of the compliance with the order. All projects are to be completed by December 31, 2016. The consequences of not complying the Commissioner's order include civil penalties up to $287,300 total. In addition, noncompliance with the order could be a factor in future enforcement actions. The Sewer Department currently estimates it will cost an additional $3 million to comply with this consent order. To date, the Sewer Department has spent $12 million. Noncompliance with the order is not anticipated.

The Federal Energy Regulatory Commission ("FERC") regulates the rates charged to the Clarksville Gas Department for the transportation and storage of natural gas. FERC has retroactively adjusted charges in the past and may do so in the future. No estimate of any future adjustments can be made. However, the Department has been able to pass through to customers past adjustments approved by the FERC. Management believes any future rate adjustments will be recovered through amounts charged to affected customers.

Bi-County Solid Waste Post-Closure Costs

In 1974, the City, along with Montgomery and Stewart Counties, entered into a 20 year Bi-County solid waste agreement for the joint and cooperative operation and maintenance of a solid waste and collection disposal system. The agreement provided for the City to be responsible for a 45% share of costs and expenses relating to the system, including any applicable post-closure costs. Upon expiration of the agreement on June 30, 1994, the City chose not to participate in the renewal agreement entered into by the other two parties. The City contends that all funds necessary to cover its share of landfill costs applicable to the original 20-year joint agreement, including all applicable post-closure costs, have been paid, and no additional liability should be provided. In the event the actual costs of the landfill post-closure operations exceed amounts previously estimated and paid, the City may be liable for its applicable share of the excess. Such costs will not be known until the landfill is ultimately closed, and no estimate can be reasonably made at June 30, 2015. Accordingly, no provision has been recorded in the accompanying financial statements.

Q. UTILITIES

CDE - During October 2010, CDE Lightband (Electric Division) implemented a new accounting policy concerning revenue recognition. Historically, CDE Lightband (Electric Division) has recognized revenue and power costs when those revenues/costs have been billed. In October 2010, the Electric Division began recognizing all revenue earned and power costs incurred through the date of each financial statement issued.

This accounting change was implemented in conjunction with anticipated rate and billing changes being implemented by the Tennessee Valley Authority ("TVA"). Since 1992, TVA has used an "End-Use" wholesale rate schedule to bill CDE for wholesale power purchases. Under this rate structure, TVA billed CDE based upon CDE's sales of power to retail customers. Traditionally, TVA has billed CDE on or about the 19th of each month for the thirty day period ending on that day.

In April 2011, TVA implemented a new wholesale rate structure and billing schedule that resulted in TVA billing CDE on a calendar month basis. The new wholesale rate structure applies to metered wholesale energy sales from TVA to CDE. This decoupling of wholesale and retail power consumption is expected to create significant fluctuations in margins between power sales revenue and power costs, when compared to the relative consistency CDE has experienced since 1992.

TVA Residential Energy Services Program – This program provides loans to consumers within the CDE service area for the purchase of qualified electric heating and cooling systems. The program is managed by Regions Bank and the loans are backed by TVA. CDE functions as a conduit for the servicing of these loans. Loan principal and interest payments are included in monthly utility bills. The loan payments are remitted to Regions Bank. Differences in the receivable/payable balances at June 30, 2015 are timing differences.

R. EXTRAORDINARY LOSS

Excessive rainfall on May 1st and 2nd of 2010 resulted in the Cumberland River cresting at 62.58 feet, well above the flood stage of 46 feet. This resulted in extensive damage to the wastewater treatment facility and several components of the wastewater collection system. Work is continuing on all the affected components of the treatment system and it will likely be 2016 before all permanent solutions are in place.

For funding purposes, the Federal Emergency Management Agency ("FEMA") has divided the damages into smaller components referred to as projects. The Water and Sewer Department was notified in 2011 that many of the projects at the wastewater treatment plant had been defunded. The Department appealed the defunding, and in May of 2014 was informed by FEMA that the appeal was successful and projects totaling approximately $18.1 million had been re-obligated. Approximately $3.5 million of this amount was received in fiscal year 2015, with the remaining amount included in receivables at year-end.

The Department estimates the total cost of the recovery will be in excess of $130 million. Since FEMA will reimburse for actual costs, the Department anticipated receiving an amount greater than the $18.35 million listed on the project worksheets. Completion of the projects at the Wastewater Treatment Plant is not anticipated before April 2016. The Department has spent approximately $114 million to date.

S. DEFICIT FUND BALANCES

For the fiscal year ended June 30, 2015, there were no instances of deficit fund balance in any funds.

T. ACCOUNTING PRONOUNCEMENTS

The following are recent accounting pronouncements which, to the extent applicable, pose consideration for the City. Management is currently in the process of determining the impact of these Statements to the City's financial statements.

The GASB issued Statement No. 72, *Fair Value Measurement and Application*, which is effective in fiscal year 2016 for the City. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which is effective for fiscal year 2016 for the City—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which is effective for fiscal year 2017. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

The GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is effective for fiscal year 2017 for the City. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan.

The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal year 2018 for the City. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is effective for fiscal year 2016 for the City. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature.

The GASB issued Statement No. 77, *Tax Abatement Disclosures*, which is effective for fiscal year 2017 for the City. This Statement improves financial reporting by giving users of financial statements essential information regarding tax abatements that is not currently reported consistently or comprehensively.

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015
(Unaudited - See Accompanying Auditor's Report)

A. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – PENSION PLAN

	2015 Financial Statement Date 2014 Measurement Date
TOTAL PENSION LIABILITY	
Service cost	$ 3,634,505
Interest	11,514,610
Change in benefit terms	-
Difference between expected and actual experience	(7,761,672)
Change of assumptions	-
Benefit payments	(5,444,459)
Net change in total pension liability	1,942,984
Total pension liability beginning	152,615,860
Total pension liability ending (a)	$154,558,844
PLAN FIDUCIARY NET POSITION	
Contributions - employer	$ 7,241,024
Contributions - employee	-
Net investment income	19,710,982
Benefit payments, including refunds of member contributions	(5,444,459)
Administration expenses	(45,293)
Net change in plan fiduciary net position	21,462,254
Plan fiduciary net position - beginning	118,039,056
Plan fiduciary net position - ending (b)	$139,501,310
Net pension liability (a) - (b)	$ 15,057,534
Plan fiduciary net position as a percentage of total pension liability	90.26%
Covered - employee payroll	$46,918,937
Net pension liability as a percentage of covered - employee payroll	32.09%

This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

B. SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLAN

Fiscal Year Ended	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions	Contribution (Excess) Deficiency	Covered Employee Payroll	Contribution as a Percent of Covered Employee Payroll
June 30, 2015	$7,576,329	$7,576,329	$ -	$49,393,821	15.34%
June 30, 2014	$7,241,024	$7,241,024	$ -	$46,918,937	15.43%

This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

C. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions:

The actuarially determined contribution rates for the fiscal year ended June 30, 2015 were calculated as the result of an actuarial valuation performed on July 1, 2013. The following assumptions were used to determine contribution rates as reported in the Schedule of Employer Contributions:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	15 years
Asset valuation	10 year smoothed within a 20% corridor to market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation, averaging 4.25%
Investment rate of return	7.5%, 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%

Information regarding the Plan's annual money-weighted rate of return can be obtained in the separate TCRS report at www.treasury.tn.gov/tcrs.

D. SCHEDULES OF FUNDING PROGRESS FOR OPEB (in thousands)

City of Clarksville Departments Excluding Electric and Broadband:

Actuarial Valuation Date	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) [b]	Unfunded AAL (UAAL) [b] - [a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a % of Covered Payroll [[b-a]/c]
July 1, 2014	$ -	$ 73,657	$ 73,657	0.00%	$ 47,180	156.12%
July 1, 2013	-	78,691	78,691	0.00%	45,466	173.10%
July 1, 2012	-	74,506	74,506	0.00%	44,574	167.10%

Electric and Broadband Departments (in thousands):

Actuarial Valuation Date	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) [b]	Unfunded AAL (UAAL) [b] - [a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a % of Covered Payroll [[b-a]/c]
June 30, 2015	$ -	$ 916	$ 916	0.00%	$ 9,076	10.10%
June 30, 2014	-	817	$ 817	0.00%	8,754	9.83%
June 30, 2013	-	870	870	0.00%	8,273	10.51%

E. SCHEDULES OF EMPLOYER CONTRIBUTIONS FOR OPEB (in thousands)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB, obligation for 2015, 2014, and 2013 are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual Employer Contribution	% of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
2015	$ 5,434	$ 1,525	28.07%	$ 37,710
2014	6,003	1,425	23.73%	33,802
2012	5,869	556	9.48%	29,223

The Electric Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2014, and 2013 are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual Employer Contribution	% of Annual OPEB Cost Contributed	Net Ending OPEB Obligation
2015	$ 96	$ 50	52.19%	$ 556
2014	119	37	31.39%	510
2013	52	37	71.60%	428

F. MODIFIED APPROACH FOR STREET NETWORK INFRASTRUCTURE CAPITAL ASSETS:

In accordance with GASB Statement No. 34, the City is required to account for and report Infrastructure Capital Assets. The City defines Infrastructure as the basic physical assets including the Street Network, Sidewalks, Traffic Signals Lighting Systems, Bridges, and Drainage Systems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for reporting its street network. Under the Modified Approach, eligible Infrastructure Assets are not required to be depreciated under the following requirements:

1. The City manages the eligible infrastructure assets using an asset management system characterized by (1) utilization of an up-to-date inventory; (2) performance of condition assessments and summarization of the results using a measurement scale; and (3) estimation of the annual amount to maintain and preserve at the established condition assessment level.

2. The City documents that the eligible infrastructure assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City of Clarksville Street Department uses an automated pavement management system called Micro Paver that was originally developed by the U.S. Army Corps of Engineers. The computer database encompasses a complete network inventory of all streets and a Pavement Condition Index (PCI) rating for each individual street. The rating process requires the department to physically measure the quantity and severity of nineteen different pavement distresses in each sample. The PCI is a numerical score from 1 to 100, with 100 being a perfect score. The average PCI of all the rated segments is the reported condition level.

Prior to using Micro Paver, the Street Department rated each street of the network under a different system using a scale of 1 to 5. Transitioning from the old scale to Micro Paver required the department to reassess each street in the network. One-third of the Street Network was assessed each year starting in 2002 and was completed in 2006.

The following table details the condition levels under both the old pavement management system and the new system.

Old System	Condition Level	New System
-	Excellent	86-100
5	Very Good	71-85
4	Good	56-70
3	Fair	41-55
2	Poor	26-40
1	Very Poor	11-25
0	Failed	0-10

Established Condition Level

The City of Clarksville intends to maintain roadways so that the reported condition level each year does not fall below "Fair" or a PCI of 41.

Assessed Conditions

The following table presents the average PCI of all rated segments.

For the Period Ended	Maintenance Rating	Total Miles
June 30, 2015	Good (PCI 59)	640
June 30, 2014	Good (PCI 60)	634
June 30, 2013	Good (PCI 62)	624
June 30, 2012	Good (PCI 63)	615
June 30, 2011	Good (PCI 54)	603
June 30, 2010	Good (PCI 55)	595
June 30, 2009	Good (PCI 56)	587
June 30, 2008	Good (PCI 58)	572
June 30, 2007	Good (PCI 58)	560
June 30, 2006	Good (PCI 60)	550

The following table illustrates the condition of the entire network.

Maintenance Rating	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Good to Excellent	58%	59%	59%	64%	56%	55%	57%	60%	60%	65%
Fair	34%	32%	30%	22%	18%	23%	20%	18%	20%	17%
Poor to Failed	8%	9%	11%	14%	25%	22%	23%	22%	20%	18%

The following table details the actual funding and projected funding by fiscal year to maintain the road network at the present condition:

Fiscal Year	Budgeted Estimate	Actual Expenditure
2015	$ 3,870,000	$ 3,682,066
2014	3,720,000	3,585,410
2013	3,520,000	3,872,665
2012	3,520,000	3,764,685
2011	2,970,000	3,076,298
2010	2,970,000	3,022,640
2009	2,970,000	2,916,036
2008	2,970,000	2,780,995
2007	2,280,000	2,672,459
2006	3,300,000	2,358,345

G. BUDGETARY INFORMATION

The Mayor and City Council approve the operating budget for the fiscal year commencing on July 1. Annual appropriated budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP").

Total expenditures for each department should not exceed the total amount appropriated in the budget ordinance. Budgetary data is revised for amendments authorized during the year. Departmental appropriations comprise a legal spending limit for governmental funds. All annual appropriations lapse at year end. The annual budget serves from July 1 to the following June 30, and is a vehicle that accurately and openly communicates the City's priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance. Furthermore, through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The annual budget assures the efficient uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by program or department and are distributed monthly to the City Council. The departments may produce these reports at any time, and the departments have access to financial information relating to their operations at all times. Individual departments are reviewed and analyzed for budgetary compliance and for unusual deviations from their expected normal expenditure pattern. Within each department, emphasis is placed on the bottom line budget total for the department. Department heads have discretion within the total budget for their departments and can move funds within their operational budget, but cannot reallocate salaries or capitalized items. Amendments in both of these areas must be approved by the City Council. Revenues are reviewed monthly and compared to expected rates of collections, and unusual revenue patterns are analyzed for changes in trends or possible unfavorable variances from budgeted amounts.

Budgetary Comparison Schedules:

This section contains original and final budget information as well as comparison of the actual amounts to the final budget for the following funds:

Capital Projects Fund
Debt Service Fund

Non-Major Governmental Funds:

This section contains combining financial statements for the City's non-major governmental funds, which are all special revenue funds. Special revenue funds are used to account for specific revenues that are to be expended for particular purposes.

This section also contains budgetary comparisons detailing the original and final budgets, actual amounts, and the variance from actual to final budget for the following funds:

Community Development
Drug Fund
Police Special
Parks Special
Capital Projects Revenue District
Other Special Revenue

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Schedule
Capital Projects and Debt Service Funds
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Capital Projects				
Revenue				
Interest	$ -	$ 5,564	$ 5,672	$ 108
Federal and state grants	3,295,000	650,218	1,033,969	383,751
Contributions	300,000	301,500	301,500	-
Other Financing Sources				
Bond proceeds	7,888,617	141,059	141,059	-
Transfers in	-	-	93,035	93,035
Total revenue and other financing sources	11,483,617	1,098,341	1,575,235	476,894
Expenditures				
Capital investments	931,779	1,238,398	585,887	652,511
Other expenditures	21,184,953	8,586,184	6,406,621	2,179,563
Total expenditures	22,116,732	9,824,582	6,992,508	2,832,074
Net Change in Fund Balance	$ (10,633,115)	$ (8,726,241)	(5,417,273)	$ 3,308,968
Fund Balance, Beginning of Year			6,206,723	
Fund Balance, End of Year			$ 789,450	
Debt Service				
Revenue				
Transfers from non-component unit	$ 353,213	$ 353,213	$ 353,213	$ -
Other Financing Sources				
Bond proceeds	-	-	-	-
Transfers In	9,453,155	8,803,072	8,802,307	(765)
Total revenue and other financing sources	9,806,368	9,156,285	9,155,520	(765)
Expenditures				
Principal retirement	7,042,000	7,042,000	7,041,999	1
Interest and other charges	3,122,133	2,472,050	2,466,782	5,268
Other	2,000	2,000	1,600	400
Total expenditures	10,166,133	9,516,050	9,510,381	5,669
Net Change in Fund Balance	$ (359,765)	$ (359,765)	(354,861)	$ 4,904
Fund Balance, Beginning of Year			764,910	
Fund Balance, End of Year			$ 410,049	

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds						
	Community Development	Drug Fund	Police Special Fund	Parks Special Fund	Capital Projects Revenue District Fund	Other Special Revenue Funds	Total
Assets							
Cash and cash equivalents	$ 367,817	$ -	$ -	$ -	$ -	$ -	$ 367,817
Notes receivable	6,055,321	-	-	-	-	-	6,055,321
Accounts receivable	-	-	-	-	-	42,106	42,106
Taxes receivable	-	-	-	-	1,650,000	122,873	1,772,873
Grants receivable	100,532	-	84,614	-	-	58,279	243,425
Due from other governments	-	259	-	82,997	-	-	83,256
Due from other funds of the primary government	77,948	601,073	79,025	304,145	547,267	265,162	1,874,620
Inventory	-	-	-	272	-	-	272
Other	714,055	-	-	-	-	-	714,055
Restricted assets:							
Cash and cash equivalents	-	133,668	-	-	-	-	133,668
Total assets	$ 7,315,673	$ 735,000	$ 163,639	$ 387,414	$ 2,197,267	$ 488,420	$ 11,287,413
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ 89,018	$ 1,345	$ 2,595	$ 89,690	$ -	$ 37,172	$ 219,820
Due to other funds of the primary government	87,315	-	-	-	-	58,276	145,591
Unearned revenues and advanced grants	6,840,485	128,723	27,143	-	-	-	6,996,351
Total liabilities	7,016,818	130,068	29,738	89,690	-	95,448	7,361,762
Deferred Inflows of Resources							
Unavailable revenues	-	-	-	-	1,650,000	-	1,650,000
Fund Balances							
Nonspendable	-	-	-	272	-	-	272
Restricted	298,855	604,932	133,901	-	-	392,972	1,430,660
Committed	-	-	-	297,452	547,267	-	844,719
Total fund balances	298,855	604,932	133,901	297,724	547,267	392,972	2,275,651
Total liabilities, deferred inflows of resources and fund balances	$ 7,315,673	$ 735,000	$ 163,639	$ 387,414	$ 2,197,267	$ 488,420	$ 11,287,413

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue Funds						
	Community Development Fund	Drug Fund	Police Special Fund	Parks Special Fund	Capital Projects Revenue District Fund	Other Special Revenue Funds	Total
Revenues							
Local taxes	$ -	$ -	$ -	$ -	$ 2,000,000	$ 122,873	$ 2,122,873
Program income	204,936	-	-	166,866	-	-	371,802
Interest	39	-	-	-	-	-	39
Federal and state grants	1,229,408	15,955	355,295	109,095	-	58,278	1,768,031
Fines and forfeitures	-	147,128	108,587	-	-	491,523	747,238
Contributions	-	-	3,834	71,950	-	-	75,784
Miscellaneous	24,821	-	-	-	-	-	24,821
Total revenues	1,459,204	163,083	467,716	347,911	2,000,000	672,674	5,110,588
Expenditures							
Recreation	-	-	-	276,504	-	86,559	363,063
Drug enforcement	-	133,036	-	-	-	-	133,036
Community development	1,549,154	-	-	-	-	-	1,549,154
Public safety	-	-	310,350	-	-	205,806	516,156
Capital outlay	-	76,542	32,396	71,864	-	52,074	232,876
Other expenditures	-	-	-	-	-	71,833	71,833
Total expenditures	1,549,154	209,578	342,746	348,368	-	416,272	2,866,118
Excess (deficiency) of revenue over (under) expenditures	(89,950)	(46,495)	124,970	(457)	2,000,000	256,402	2,244,470
Other Financing Sources(Uses)							
Transfers in	87,754	-	501	-	-	-	88,255
Transfers out	-	-	-	-	(2,044,495)	(10,980)	(2,055,475)
Total other financing sources (uses)	87,754	-	501	-	(2,044,495)	(10,980)	(1,967,220)
Net change in fund balances	(2,196)	(46,495)	125,471	(457)	(44,495)	245,422	277,250
Fund Balance - Beginning	301,051	651,427	8,430	298,181	591,762	147,550	1,998,401
Fund Balance - Ending	$ 298,855	$ 604,932	$ 133,901	$ 297,724	$ 547,267	$ 392,972	$ 2,275,651

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Non-Major Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Community Development				
Revenue				
Program income	$ 140,500	$ 217,155	$ 204,936	$ (12,219)
Interest	-	-	39	39
Federal and state grants	1,534,749	1,069,898	1,229,408	159,510
Other	-	-	24,821	24,821
Other Financing Sources				
Transfers In	90,000	90,000	87,754	(2,246)
Total revenue and other financing sources	1,765,249	1,377,053	1,546,958	169,905
Expenditures				
Community development	1,750,249	1,422,984	1,549,154	(126,170)
Total expenditures	1,750,249	1,422,984	1,549,154	(126,170)
Net Change in Fund Balance	$ 15,000	$ (45,931)	(2,196)	$ 43,735
Fund Balance, Beginning of Year			301,051	
Fund Balance, End of Year			$ 298,855	
Drug Fund				
Revenue				
Fines and forfeitures	$ 205,497	$ 110,182	$ 147,128	$ 36,946
Federal reimbursements	17,202	17,374	15,955	(1,419)
Total revenue	222,699	127,556	163,083	35,527
Expenditures				
Drug enforcement	208,639	183,871	133,036	50,835
Capital investments	108,131	90,544	76,542	14,002
Total expenditures	316,770	274,415	209,578	64,837
Net Change in Fund Balance	$ (94,071)	$ (146,859)	(46,495)	$ 100,364
Fund Balance, Beginning of Year			651,427	
Fund Balance, End of Year			$ 604,932	

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Non-Major Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Police Special Fund				
Revenue				
Interest	$ -	$ 3	$ -	$ (3)
Federal and state grants	514,597	346,727	355,295	8,568
Fines and forfeitures	105,850	104,530	108,587	4,057
Contributions	18,000	3,735	3,834	99
Other Financing Sources				
Transfers in	6,238	501	501	-
Total revenue and other financing sources	644,685	455,496	468,217	12,721
Expenditures				
Public safety	552,082	307,509	310,350	(2,841)
Capital investments	123,449	32,396	32,396	-
Total expenditures	675,531	339,905	342,746	(2,841)
Net Change in Fund Balance	$ (30,846)	$ 115,591	125,471	$ 9,880
Fund Balance, Beginning of Year			8,430	
Fund Balance, End of Year			$ 133,901	
Parks Special Fund				
Revenue				
Program income	$ 142,475	$ 164,905	$ 166,866	$ 1,961
Federal and state grants	100,100	202,404	109,095	(93,309)
Contributions	62,250	66,750	71,950	5,200
Total revenue	304,825	434,059	347,911	(86,148)
Expenditures				
Recreation	311,561	327,341	276,504	50,837
Capital investments	80,000	72,029	71,864	165
Total expenditures	391,561	399,370	348,368	51,002
Net Change in Fund Balance	$ (86,736)	$ 34,689	(457)	$ (35,146)
Fund Balance, Beginning of Year			298,181	
Fund Balance, End of Year			$ 297,724	

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Non-Major Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Capital Projects Revenue District Fund				
Revenue				
Local taxes	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ -
Total revenue	2,000,000	2,000,000	2,000,000	-
Other Financing Uses				
Transfers out	2,535,022	2,045,260	2,044,495	765
Total other financing uses	2,535,022	2,045,260	2,044,495	765
Net Change in Fund Balance	$ (535,022)	$ (45,260)	(44,495)	$ 765
Fund Balance, Beginning of Year			591,762	
Fund Balance, End of Year			$ 547,267	
Other Special Revenue Funds				
Revenue				
Federal and state grants	$ 36,357	$ 58,278	$ 58,278	$ -
State sales tax	-	-	122,873	122,873
Fines and forfeitures	351,145	487,874	491,523	3,649
Other Financing Sources				
Transfers In	-	-	-	-
Total revenue	387,502	546,152	672,674	126,522
Expenditures				
Miscellaneous	-	71,834	71,833	1
Public safety	129,537	217,417	205,806	11,611
Recreation	140,520	90,520	86,559	3,961
Capital investments	142,336	54,456	52,074	2,382
Other Financing Uses				
Transfer out	-	10,980	10,980	-
Total expenditures and other financing uses	412,393	445,207	427,252	17,955
Net Change in Fund Balance	$ (24,891)	$ 100,945	245,422	$ 144,477
Fund Balance, Beginning of Year			147,550	
Fund Balance, End of Year			$ 392,972	

See independent auditor's report.

Non-Major Enterprise Funds:

This section contains combining financial statements for the City's non-major enterprise funds. Enterprise funds are used to account for operations where it is the intent that costs of providing services to the general public on a continuing basis be financed or recovered through user charges and space rentals; or the City has decided that periodic determination of net income is appropriate for accountability purposes. The City's non-major enterprise funds are as follows:

Parking Authority
Clarksville Transit System

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2015

	Business-Type Activities / Enterprise Funds		
	Parking Authority	Clarksville Transit System	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 284,968	$ 1,054,988	$ 1,339,956
Accounts receivable	6,171	26,912	33,083
Due from other funds of the primary government	-	588,750	588,750
Inventory	-	161,797	161,797
Grants receivable	-	594,487	594,487
Prepaid items	-	32,057	32,057
Total current assets	291,139	2,458,991	2,750,130
Noncurrent assets:			
Capital assets - at cost:			
Assets not depreciated	-	153,432	153,432
Property, plant and equipment	3,668,104	13,294,437	16,962,541
Less accumulated depreciation	(1,674,440)	(9,021,251)	(10,695,691)
Net capital assets	1,993,664	4,426,618	6,420,282
Total noncurrent assets	1,993,664	4,426,618	6,420,282
Total assets	2,284,803	6,885,609	9,170,412
Deferred outflows of resources:			
Deferred outflows related to pensions	-	382,268	382,268
Liabilities			
Current liabilities:			
Accounts payable	$ -	$ 208,661	$ 208,661
Accrued liabilities	-	49,077	49,077
Interest payable	577	-	577
Due to other funds of the primary government	286	24,368	24,654
Accrued compensated absences	-	170,244	170,244
Current portion of long-term debt	8,270	-	8,270
Unearned revenue	4,536	249,245	253,781
Total current liabilities	13,669	701,595	715,264
Noncurrent liabilities:			
Notes payable	21,033	-	21,033
OPEB liability	-	1,687,742	1,687,742
Net pension liability	-	766,428	766,428
Total noncurrent liabilities	21,033	2,454,170	2,475,203
Total liabilities	34,702	3,155,765	3,190,467
Deferred inflows of resources:			
Deferred inflows related to pensions	-	785,151	785,151
Net Position			
Net investment in capital assets	1,964,361	4,426,618	6,390,979
Unrestricted	285,740	(1,099,657)	(813,917)
Total net position	$ 2,250,101	$ 3,326,961	$ 5,577,062

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Non-Major Proprietary Funds
For the Year Ended June 30, 2015

	Business-Type Activities / Enterprise Funds		
	Parking Authority	Clarksville Transit System	Total
Operating Revenues			
Fees	$ 279,723	$ 746,291	$ 1,026,014
Advertising	-	70,267	70,267
Rental income	98,121	-	98,121
Miscellaneous	733	651	1,384
Total operating revenues	378,577	817,209	1,195,786
Operating Expenses			
Administrative and general	-	789,334	789,334
Operation and maintenance	-	4,779,103	4,779,103
Depreciation	85,819	1,059,557	1,145,376
Total operating expenses	85,819	6,627,994	6,713,813
Operating income (loss)	292,758	(5,810,785)	(5,518,027)
Nonoperating Revenues (Expenses)			
Interest income	147	459	606
Grants	-	3,762,802	3,762,802
Other	-	(106)	(106)
Interest expense	(2,037)	-	(2,037)
Total nonoperating (expenses) revenues	(1,890)	3,763,155	3,761,265
Income (Loss) Before Transfers	290,868	(2,047,630)	(1,756,762)
Transfers out	(333,529)	-	(333,529)
Transfers in	-	1,729,258	1,729,258
Changes in Net Position	(42,661)	(318,372)	(361,033)
Net Position - Beginning of Year, as Restated	2,292,762	3,645,333	5,938,095
Net Position - End of Year	$ 2,250,101	$ 3,326,961	$ 5,577,062

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Cash Flows
Non-Major Proprietary Funds
For Year Ended June 30, 2015

	Business-Type Activities / Enterprise Funds		
	Parking Authority	Clarksville Transit System	Total
Cash Flows From Operating Activities			
Receipts from customers	$ 377,129	$ 822,215	$ 1,199,344
Payments to suppliers	(6,600)	(1,547,957)	(1,554,557)
Payments to or on behalf of employees	-	(3,988,567)	(3,988,567)
Net cash provided by (used in) operating activities	370,529	(4,714,309)	(4,343,780)
Cash Flows From Noncapital Financing Activities			
Grant collections	-	3,714,121	3,714,121
Operating transfers in	-	1,372,911	1,372,911
Transfers to other funds	(391,048)	-	(391,048)
Other	-	(106)	(106)
Net cash provided by (used in) noncapital financing activities	(391,048)	5,086,926	4,695,878
Cash Flows From Capital and Related Financial Activities			
Acquisition and construction of capital assets	-	(520,215)	(520,215)
Interest paid	(2,190)	-	(2,190)
Repayment of notes payable	(7,809)	-	(7,809)
Net cash used in capital and related financing activities	(9,999)	(520,215)	(530,214)
Cash Flows From Investing Activities			
Interest received	147	459	606
Net cash provided by investing activities	147	459	606
Net decrease in cash and cash equivalents	(30,371)	(147,139)	(177,510)
Cash and Cash Equivalents - Beginning of Year	315,339	1,202,127	1,517,466
Cash and Cash Equivalents - End of Year	$ 284,968	$ 1,054,988	$ 1,339,956

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Cash Flows - Continued
Non-Major Proprietary Funds
For Year Ended June 30, 2015

	Business-Type Activities / Enterprise Funds		
	Parking Authority	Clarksville Transit System	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating income (loss)	$ 292,758	$ (5,810,785)	$ (5,518,027)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	85,819	1,059,557	1,145,376
Net pension liability and related amounts	-	(222,082)	(222,082)
(Increase) decrease in:			
Accounts receivable	(788)	(19,858)	(20,646)
Inventory	-	(21,390)	(21,390)
Prepaid items	-	8,990	8,990
Increase (decrease) in:			
Accounts payable	(6,600)	75,152	68,552
Accrued compensated absences	-	5,811	5,811
Accrued liabilities	-	26,758	26,758
OPEB liability	-	158,674	158,674
Other	(660)	24,864	24,204
Total adjustments	77,771	1,096,476	1,174,247
Net cash provided by (used in) operating activities	$ 370,529	$ (4,714,309)	$ (4,343,780)

See independent auditor's report.

Internal Service Funds:

This section contains combining financial statements for the City's internal service funds. Internal service funds are used for financing of goods and services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis. The City's internal service funds relate to self-insurance are as follows:

Dental Fund
Health Insurance Fund
Self-Insurance Fund

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Net Position
Internal Service Funds
June 30, 2015

	Dental Fund	Health Insurance Fund	Self-Insurance Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 225,818	$ 4,938,056	$ 558,507	$ 5,722,381
Due from other funds of the primary government	-	-	2,649,416	2,649,416
Other assets	-	50,813	50,000	100,813
Total assets	225,818	4,988,869	3,257,923	8,472,610
Liabilities				
Current liabilities:				
Accounts payable	$ 13,302	$ 52,018	$ 33,647	$ 98,967
Due to other funds of the primary government	442	1,731,539	-	1,731,981
Accrued liabilities	-	6,791	1,396,679	1,403,470
Total liabilities	13,744	1,790,348	1,430,326	3,234,418
Net Position				
Unrestricted	$ 212,074	$ 3,198,521	$ 1,827,597	$ 5,238,192

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2015

	Dental Fund	Health Insurance Fund	Self-Insurance Fund	Total
Operating Revenues				
Insurance premiums	$ 1,057,998	$ 12,188,291	$ 845,000	$ 14,091,289
Miscellaneous	-	-	10,649	10,649
Total operating revenues	1,057,998	12,188,291	855,649	14,101,938
Operating Expenses				
Administrative and general	53,689	1,783,194	53,939	1,890,822
Other	-	587,216	-	587,216
Claims	896,528	8,481,536	735,599	10,113,663
Total operating expenses	950,217	10,851,946	789,538	12,591,701
Operating income	107,781	1,336,345	66,111	1,510,237
Non-Operating Revenues				
Interest and dividend income	-	11	482	493
Total non-operating revenues	-	11	482	493
Changes in Net Position	107,781	1,336,356	66,593	1,510,730
Net Position - Beginning of Year	104,293	1,862,165	1,761,004	3,727,462
Net Position - End of Year	$ 212,074	$ 3,198,521	$ 1,827,597	$ 5,238,192

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Cash Flows
Internal Service Funds
For Year Ended June 30, 2015

	Dental Fund	Health Insurance Fund	Self-Insurance Fund	Total
Cash Flows from Operating Activities				
Receipts from interfund services provided	$ 1,057,722	$ 13,280,909	$ 661,467	$ 15,000,098
Claims paid	(910,124)	(8,692,042)	(607,528)	(10,209,694)
Other payments	(53,689)	(2,370,410)	(53,939)	(2,478,038)
Net cash provided by operating activities	93,909	2,218,457	-	2,312,366
Cash Flows from Investing Activities				
Interest received	-	11	482	493
Net cash provided by investing activities	-	11	482	493
Net change in cash and cash equivalents	93,909	2,218,468	482	2,312,859
Cash and Cash Equivalents - Beginning of Year	131,909	2,719,588	558,025	3,409,522
Cash and Cash Equivalents - End of Year	$ 225,818	$ 4,938,056	$ 558,507	$ 5,722,381
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	$ 107,781	$ 1,336,345	$ 66,111	$ 1,510,237
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) decrease in:				
Due from other funds of the primary government	-	-	(194,182)	(194,182)
Other	-	(28,127)	-	(28,127)
Increase (decrease) in:				
Accounts payable	(13,596)	18,345	(61,369)	(56,620)
Accrued liabilities	-	(228,851)	189,440	(39,411)
Due to other funds of the primary government	(276)	1,120,745	-	1,120,469
Total adjustments	(13,872)	882,112	(66,111)	802,129
Net cash provided by operating activities	$ 93,909	$ 2,218,457	$ -	$ 2,312,366

See independent auditor's report.

NON-MAJOR COMPONENT UNITS

Non-Major Component Units:

This section contains combining financial statements of the City's non-major component units. The City has two non-major discretely presented component units, which are as follows:

Clarksville - Montgomery County Museum
Clarksville CBID Management Corp of 1999 d/b/a Two Rivers Company

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Net Position
Component Units
June 30, 2015

		Component Units		
		Clarksville-Montgomery Co. Museum	Clarksville CBID Management Corp. of 1999	Total
Assets				
Current assets:				
Cash and cash equivalents		$ 80,045	$ 630,601	$ 710,646
Accounts receivable		58,682	-	58,682
Inventory		26,455	-	26,455
Prepaid items		4,591	70,000	74,591
	Total current assets	169,773	700,601	870,374
Restricted assets:				
Cash and cash equivalents		172,807	-	172,807
Investments		1,665,597	-	1,665,597
	Total restricted assets	1,838,404	-	1,838,404
Property and equipment:				
Leasehold Improvements		4,386,994	-	4,386,994
Furniture and equipment		164,092	4,242	168,334
Less: Accumulated depreciation		(1,920,430)	(2,261)	(1,922,691)
	Net property and equipment	2,630,656	1,981	2,632,637
	Total assets	4,638,833	702,582	5,341,415
Liabilities				
Current liabilities:				
Accounts payable		62,417	12,830	75,247
Accrued liabilities		4,939	-	4,939
Accrued interest		3,499	-	3,499
Accrued compensated absences		14,706	-	14,706
Current portion of long-term debt		17,955	-	17,955
	Total current liabilities	103,516	12,830	116,346
Noncurrent liabilities:				
Notes payable		99,007	-	99,007
	Total liabilities	202,523	12,830	215,353
Net Position				
Net investment in capital assets		2,513,694	1,981	2,515,675
Restricted:				
Expendable		172,807	-	172,807
Nonexpendable		1,665,597	-	1,665,597
Unrestricted		84,212	687,771	771,983
	Total net position	$ 4,436,310	$ 689,752	$ 5,126,062

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Activities
Component Units
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Component Units
Clarksville-Montgomery County Museum	$ 1,559,782	$ 146,296	$ 1,257,855	$ -	$ (155,631)
Clarksville CBID Management Corporation of 1999	268,305	19,257	393,946	-	144,898
Discretely Presented Component Units	$ 1,828,087	$ 165,553	$ 1,651,801	$ -	(10,733)
General revenues:					
Net investment income of Museum					72,945
Change in net position					62,212
Net position - beginning					5,063,850
Net position - ending					$ 5,126,062

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

SUPPLEMENTAL SCHEDULES

This section contains supplemental schedules which are intended to provide additional financial information or demonstrate compliance with federal, state or other legal requirements. This section contains the following schedules:

Schedule of Expenditures of Federal Awards
Schedule of Expenditure of State Awards
Notes to the Schedules of Expenditures of Federal and State Awards
Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year
Gas Rates and Customers
Water Rates and Customers
Sewer Rates and Customers
Electric Rates
Broadband Rates
Electric and Broadband Customers and Other Data
Schedule of Unaccounted for Water - AWWA Format

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Grantor	Federal CFDA Number	Grant Number	Grant (Receivables) Deferred July 1, 2014	Federal Receipts	Program Income	Expenditures	Other	Grant (Receivables) Deferred June 30, 2015
US DEPARTMENT OF HOMELAND SECURITY - FEMA								
Passed through TEMA:								
Disaster Declaration - Flood - GF	97.036	FEMA-1909-DR-TN	$ (90,825)	$ -	$ -	$ -	$ -	$ (90,825)
Disaster Declaration - Flood- CDE	97.036	FEMA-1909-DR-TN	-	6,020	-	-	6,020	-
Passed through TEMA:								
Disaster Declaration - CDE	97.036	PA-04-TN-1979-0020(19)	(16,238)	16,238	-	-	-	-
Disaster Declaration - CDE	97.036	PA-04-TN-1979-0020(22)	(312,310)	348,124	-	-	35,814	-
Disaster Declaration - CDE	97.036	PA-04-TN-1974-0026(27)	(413,743)	-	-	-	12,957	(426,700)
Passed through TEMA:								
Disaster Declaration - Property Buyout - GF	97.039	FEMA-1909-0004	(64,936)	64,936	-	-	-	-
Disaster Declaration - Property Buyout - GF	97.039	FEMA-1909-0004	(2,625)	2,250	-	-	(375)	-
TOTAL US DEPARTMENT OF HOMELAND SECURITY - FEMA			(900,677)	437,568	-	-	54,416	(517,525)
US DEPARTMENT OF AGRICULTURE								
Passed through the TN Department of Human Services:								
Food Distribution - Summer 2014	10.550	30-006	(72,324)	92,813	-	20,524	(35)	-
Food Distribution - Summer 2015	10.550	30-006	-	-	-	80,353	2,644	(82,997)
TOTAL US DEPARTMENT OF AGRICULTURE			(72,324)	92,813	-	100,877	2,609	(82,997)
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Direct Program:								
Community Development Block Grant	14.218	B-12-MC-47-0002	(26,907)	34,525	-	7,618	-	-
Community Development Block Grant	14.218	B-13-MC-47-0002	(13,686)	674,650	-	701,556	(658)	(39,934)
Community Development Block Grant	14.218	Various	15	-	104,898	102,119	2,102	692
Home Investment Partnership Act	14.239	M-11-MC-47-0206	(6,094)	30,910	-	24,815	1	-
Home Investment Partnership Act	14.239	M-12-MC-47-0206	-	15,916	-	18,089	-	(2,173)
Home Investment Partnership Act	14.239	M-13-MC-47-0206	(19,518)	200,302	-	181,963	-	(1,179)
Home Investment Partnership Act	14.239	M-14-MC-47-0206	-	52,951	-	52,951	-	-
Home Investment Partnership Act	14.239	Various	3,650	-	107,227	100,133	7,763	2,981
Shelter Plus Care	14.235	TN0113C4J031103	-	-	-	-	-	-
Shelter Plus Care	14.235	TN0113L4J031204	-	107,060	-	107,060	-	-
			(62,540)	1,116,314	212,125	1,296,304	9,208	(39,613)

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Grantor	Federal CFDA Number	Grant Number	Grant (Receivables) Deferred July 1, 2014	Federal Receipts	Program Income	Expenditures	Other	Grant (Receivables) Deferred June 30, 2015
Passed through TN Department of Housing Development Agency:								
Emergency Shelter	14.231	ESG-12-10	2,120	-	-	2,120	-	-
Emergency Shelter	14.231	ESG-13-08	-	76,154	39	133,398	39	(57,244)
			2,120	76,154	39	135,518	39	(57,244)
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			(60,420)	1,192,468	212,164	1,431,822	9,247	(96,857)
US DEPARTMENT OF THE INTERIOR								
Passed through TN Historical Commission:								
Historic Preservation Grant	15.904	33019	(16,986)	16,986	-	-	-	-
TOTAL US DEPARTMENT OF THE INTERIOR			(16,986)	16,986	-	-	-	-
US DEPARTMENT OF JUSTICE								
Direct Program:								
COPS Hiring 2010	16.710	2010UMWX0296	(84,777)	83,850	-	-	(927)	-
COPS Hiring 2014	16.710	2014UMWX0129	-	104,361	-	175,983	-	(71,622)
JAG 2013	16.738	2013-DJ-BX-0445	23,767	-	-	23,767	-	-
JAG 2014	16.738	2013-DJ-BX-0110	-	63,734	-	36,591	-	27,143
			(61,010)	251,945	-	236,341	(927)	(44,479)
Passed through the State of TN:								
JAG/BYRNE - TN Office of Criminal Justice Program	16.738	Edison #16420	(79,782)	126,080	-	46,298	-	-
TOTAL US DEPARTMENT OF JUSTICE			(140,792)	378,025	-	282,639	(927)	(44,479)
US DEPARTMENT OF TRANSPORTATION								
Direct Program:								
Federal Transit Administration								
Capital Grant	20.500	TN-04-0064	(48,639)	68,424	-	20,439	-	(654)
Capital Grant	20.500	TN-04-0037	-	35,748	-	35,748	-	-
Capital Grant	20.500	TN-04-0045-02	(1,499)	71,620	-	70,121	-	-
Operating Assistance - Planning	20.505	TN-80-0005-00	(29,637)	41,546	-	11,909	-	-

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Grantor	Federal CFDA Number	Grant Number	Grant (Receivables) Deferred July 1, 2014	Federal Receipts	Program Income	Expenditures	Other	Grant (Receivables) Deferred June 30, 2015
Capital Grant	20.507	TN-90-X301	(9,823)	9,823	-	-	-	-
Capital Grant	20.507	TN-90-X317	(2,400)	6,284	-	3,884	-	-
Capital Operating Grant	20.507	TN-90-X360	(62,659)	62,659	-	-	-	-
Capital Operating Grant	20.507	TN-90-X382	-	2,085,798	-	2,147,401	-	(61,603)
Operating Assistance	20.507	TN-95-X052	(17,349)	48,430	-	31,081	-	-
Operating Assistance	20.507	TN-95-X052-01	-	119,822	-	161,936	-	(42,114)
Jobs Access	20.516	TN-90-X087-01	(32,421)	126,994	-	94,573	-	-
			(204,427)	2,677,148	-	2,577,092	-	(104,371)
Passed through the Tennessee Dept. of Transportation								
Governor's Highway Safety Office:								
Clarksville 2014 Alcohol countermeasures	20.607	154AL-14-39	(97,727)	177,907	-	80,180	-	-
Clarksville 2015 Alcohol countermeasures	20.607	154AL-15-41	-	83,845	-	168,433	26	(84,614)
			(97,727)	261,752	-	248,613	26	(84,614)
Federal Highway Administration Passed Through TDOT Managed by the Tennessee Department of Environment and Conservation Recreation Educational Services Division:								
Recreational Trails Program 2011	20.219	32701-01829	-	4,800	-	36,397	-	(31,597)
Intersection Improvements	20.205	CM9301(18)	(71,507)	119,358	-	74,785	(7,355)	(19,579)
Rossview Road	20.205	STP-M-237(14)	(25,652)	51,439	-	69,685	4,889	(48,787)
Sango Road	20.205	STP-M-9301(22)	(35,612)	252,430	-	424,676	-	(207,858)
STP Paving Program	20.205	STP-M-9310(29)	-	-	-	-	-	-
Intersection Improvements	20.205	STP-SIP-12(44)	-	-	-	-	-	-
2013 Transportation Alternative Project	20.205	STP-EN-9301(31)	-	-	-	47,879	-	(47,879)
Roadscapes Phase II	20.205	STP-EN-9301(27)	-	-	-	45,185	-	(45,185)
Roadscapes Signage/Landscaping SR-48 & US 41A	20.205	STP-EN-9301(16)	-	-	-	13,093	-	(13,093)
			(132,771)	423,227	-	675,303	(2,466)	(382,381)
TOTAL US DEPARTMENT OF TRANSPORTATION			(434,925)	3,366,927	-	3,537,405	(2,440)	(602,963)
TOTAL FEDERAL AWARDS			$ (1,626,124)	$ 5,484,787	$ 212,164	$ 5,352,743	$ 62,905	$ (1,344,821)

See independent auditor's report and accompanying notes to the schedules of expenditures of federal and state awards.

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Summary of Expenditures of Federal Awards by CFDA Number:

US Department of Agriculture	10.550	$	100,877
US Department of Housing and Urban Development	14.218		811,293
	14.239		377,951
	14.235		107,060
	14.231		135,518
US Department of Justice	16.710		175,983
	16.738		106,656
US Department of Transportation	20.500		126,308
	20.505		11,909
	20.507		2,344,302
	20.516		94,573
	20.607		248,613
	20.205		675,303
	20.219		36,397
Total Federal Awards		$	5,352,743

See independent auditor's report and accompanying notes to the schedules of expenditures of federal and state awards.

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

Grantor	Federal CFDA Number	Grant Number	Grant (Receivables) Deferred July 1, 2014	State Receipts	Program Income	Expenditures	Other	Grant (Receivables) Deferred June 30, 2015
STATE OF TENNESSEE - TEMA GRANT PROGRAM								
Disaster Declaration - Flood - GF	97.036	FEMA-1909-DR	$ (38,508)	$ -	$ -	$ -	$ -	$ (38,508)
Disaster Declaration - Property Buyout - GF	97.039	FEMA-1909-0004	(10,823)	10,823	-	-	-	-
TOTAL TEMA			(49,331)	10,823	-	-	-	(38,508)
TN DEPARTMENT OF TRANSPORTATION								
Capital Grant	20.500	TN-04-0064	(6,582)	9,037	-	2,555	-	(100)
Capital Grant	20.500	TN-04-0037	-	4,468	-	4,468	-	-
Capital Grant	20.500	TN-04-0045-02	(187)	8,952	-	8,765	-	-
Operating Assistance - Planning	20.505	TN-80-0005-00	(3,705)	5,194	-	1,489	5,160	(5,160)
Capital Grant	20.507	TN-90-X317	(300)	300	-	-	-	-
Capital Grant	20.507	TN-90-X301	(3,149)	3,149	-	-	-	-
Capital Grant	20.507	TN-90-X382	-	-	-	15,372	-	(15,372)
Capital Operating Grant	20.507	TN-90-X301	-	-	-	-	-	-
Capital Operating Grant	20.507	TN-90-X360	(25,560)	25,560	-	-	-	-
Capital Operating Grant	20.507	TN-90-X382	-	-	-	91,289	-	(91,289)
Operating Assistance	20.507	TN-90-X301	345	-	-	-	-	345
Operating Assistance	20.507	TN-90-X382	-	552,645	-	884,300	-	(331,655)
Operating Assistance	20.507	TN-95-X052	(5,213)	9,099	-	3,885	1	-
Operating Assistance	20.507	TN-95-X052-01	-	14,977	-	20,242	-	(5,265)
Operating Assistance	20.507	TN-90-X360	(280,472)	280,472	-	-	-	-
Jobs Access	20.516	TN-37-X087	1	-	-	-	1	-
Jobs Access	20.516	TN-37-X087-01	(16,211)	63,492	-	47,281	-	-
TOTAL TN DEPARTMENT OF TRANSPORTATION			(341,033)	977,345	-	1,079,646	5,162	(448,496)
TN HOUSING DEVELOPMENT AGENCY								
House Grant			215,873	-	18,685	26,542	(13,349)	221,365
TOTAL TN HOUSING DEVELOPMENT AGENCY			215,873	-	18,685	26,542	(13,349)	221,365
TN DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT								
Community Development Block Grant-Disaster Recovery	14.228	36665	(10,249)	12,864	-	2,615	-	-
TOTAL TN DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT			(10,249)	12,864	-	2,615	-	-

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

Grantor	Federal CFDA Number	Grant Number	Grant (Receivables) Deferred July 1, 2014	State Receipts	Program Income	Expenditures	Other	Grant (Receivables) Deferred June 30, 2015
TN DEPARTMENT OF FINANCE AND ADMINISTRATION								
Passed through the Industrial Development Board of Montgomery County:								
Hemlock Reimbursement Grant		529/000-04-2009	(713,367)	713,367	-	-	-	-
Passed through the Industrial Development			-	341,944	-	400,000	-	(58,056)
TOTAL TN DEPT OF FINANCE AND ADMINISTRATION			(713,367)	1,055,311	-	400,000	-	(58,056)
TN DEPARTMENT OF ENVIRONMENT AND CONSERVATION								
Local Parks and Recreation Funding Program		GG1236818	(71,696)	73,304	-	-	1,608	-
TOTAL TN DEPARTMENT OF ENVIRONMENT AND CONSERVATION			(71,696)	73,304	-	-	1,608	-
TN DEPARTMENT OF AGRICULTURE								
TAEP Grant - Farmers Markets		DG1338296	-	1,000	-	1,000	-	-
TAEP Grant - Swan Lake Complex Trees		DG1339727	-	-	-	2,425	-	(2,425)
TOTAL TN DEPARTMENT OF AGRICULTURE			-	1,000	-	3,425	-	(2,425)
TOTAL STATE AWARDS			$ (969,803)	$ 2,130,647	$ 18,685	$ 1,512,228	$ (6,579)	$ (326,120)

See independent auditor's report and accompanying notes to the schedules of expenditures of federal and state awards.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Schedules of Expenditures of Federal and State Awards

For the Year Ended June 30, 2015

Note 1 – Basis of Presentation

The accompanying schedules of expenditures of federal and state awards is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

Note 2 – Loans Outstanding

The City of Clarksville had the following loan funding balances and gross loan balances outstanding at June 30, 2015. These 2015 loan funding balances are also included in the federal expenditures presented in the accompanying schedule.

Program Title	CFDA Number	FY 2015 Loan Funding	Outstanding Balance
Community Development Block Grant	14.218	$263,784	$2,671,690
HOME Investment Partnerships Program	14.239	230,897	3,300,580
House Program Income	N/A	-	335,153
Total Loans		$494,681	$6,307,423

Note 3 – Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

Program Title	CFDA Number	Amount Provided to Subrecipient
Community Development Block Grant	14.218	$117,082
Emergency Solutions Grant	14.231	125,974

Note 4 – Compliance Audit Scope

Audit procedures on compliance requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 were performed as part of the Single Audit of the City of Clarksville, Tennessee. As permitted by OMB Circular A-133, the City's policy is for Departments which issue separate financial statements and that have federal expenditures exceeding the threshold for an OMB Circular A-133 audit to be audited and reported on separately under OMB Circular A-133. Accordingly, the expenditures and adjustments of federal awards of the Gas, Water and Sewer Departments, totaling $685,557, are not included in the accompanying schedule of expenditures of federal awards for the year ending June 30, 2015. The Gas, Water and Sewer Departments' federal expenditures have been audited and reported on separately.

The accompanying schedules of expenditures of federal and state awards have been provided to comply with OMB Circular A-133 and State of Tennessee reporting requirements. The audit report on compliance requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133 will be issued in conjunction with the audit of the City of Clarksville and encompasses federal/state awards received by the City and its Departments, except for the Gas, Water and Sewer Department, as described above.

Note 5 – Flood Recovery Expenditures

Under GASB Statement No. 33, Voluntary Non-Exchange Transactions are accounted for in the period when all eligibility requirements have been met. At June 30, 2015, certain eligibility requirements, relative to flood recovery expenditures, had not been met. These expenditures, therefore, have not been included in this schedule, either as expenditures or receivables, until the period during which all eligibility criteria have been met. Expenditures incurred in 2014, for which the eligibility requirements have been met, are included in this schedule.

Note 6 – Contingencies

The federal and state grants received by the City are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, the grantor agencies could make claim for reimbursement, which would become a liability of the City.

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year
June 30, 2015

	Governmental Activities															
Year Ending	FHA		Taxable GO 2006		GO 2009		GO 2011		GO 2012		GO 2014		GO 2014 self-supporting E911		TMBF 2010	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 45,000	$ 2,250	$ 345,000	$ 148,272	$ 1,238,000	$ 566,290	$ 810,000	$ 419,454	$ 1,195,000	$ 296,400	$ 300,000	$ 243,376	$ 285,000	$ 72,100	$ 398,000	$ 159,757
2017	-	-	360,000	129,280	1,300,000	517,548	830,000	395,154	1,225,000	260,550	310,000	231,376	295,000	60,700	410,000	151,777
2018	-	-	380,000	108,920	1,366,000	467,988	870,000	361,954	1,265,000	223,800	325,000	218,976	305,000	48,900	422,000	143,557
2019	-	-	405,000	86,940	1,434,000	415,913	905,000	327,154	1,290,000	198,500	335,000	209,226	315,000	39,750	435,000	135,095
2020	-	-	425,000	63,700	1,504,000	362,236	935,000	290,954	1,330,000	159,800	345,000	199,176	325,000	30,300	448,000	126,373
2021	-	-	450,000	39,200	1,580,000	303,910	980,000	251,216	295,000	133,200	355,000	188,826	335,000	20,550	461,000	117,392
2022	-	-	475,000	13,300	1,660,000	243,677	1,025,000	207,116	300,000	124,350	365,000	178,176	350,000	10,500	475,000	108,148
2023	-	-	-	-	1,742,000	180,394	470,000	160,992	310,000	118,350	375,000	167,226	-	-	490,000	98,623
2024	-	-	-	-	1,128,000	114,298	490,000	139,258	320,000	109,050	385,000	155,976	-	-	504,000	88,800
2025	-	-	-	-	1,184,000	70,984	515,000	115,978	325,000	99,450	400,000	144,426	-	-	519,000	78,695
2026	-	-	-	-	299,000	25,847	540,000	90,744	335,000	89,700	410,000	132,426	-	-	535,000	68,288
2027	-	-	-	-	379,000	14,448	565,000	63,068	345,000	79,650	425,000	120,126	-	-	551,000	57,562
2028	-	-	-	-	-	-	600,000	32,700	355,000	69,300	435,000	107,376	-	-	567,000	46,515
2029	-	-	-	-	-	-	-	-	370,000	58,650	450,000	94,326	-	-	584,000	35,147
2030	-	-	-	-	-	-	-	-	380,000	47,550	465,000	80,826	-	-	602,000	23,437
2031	-	-	-	-	-	-	-	-	390,000	36,150	475,000	66,294	-	-	620,000	18,600
2032	-	-	-	-	-	-	-	-	400,000	24,450	490,000	50,856	-	-	-	-
2033	-	-	-	-	-	-	-	-	415,000	12,450	510,000	34,932	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	525,000	17,718	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$ 45,000	$ 2,250	$ 2,840,000	$ 589,612	$ 14,814,000	$ 3,283,533	$ 9,535,000	$ 2,855,742	$ 10,845,000	$ 2,141,350	$ 7,680,000	$ 2,641,640	$ 2,210,000	$ 282,800	$ 8,021,000	$ 1,457,766

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year - Continued
June 30, 2015

Year Ending	Governmental Activities																Total Governmental Activities	
	TMBF 2007		TMBF 2008		TMBF 2005		Taxable Note 2008		US Bank Note		Taxable Note 2008		TMBF 2008		TMBF 2005			
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 499,000	$ 260,808	$ 182,000	$ 111,137	$ 208,000	$ 70,700	$ 198,000	$ 4,346	$ 600,000	$ 20,400	$ 776,000	$ 16,296	$ 800,000	$ 463,707	$ 127,000	$ 65,148	$ 8,006,000	$ 2,920,441
2017	520,000	250,793	192,000	107,480	218,000	60,300	-	-	600,000	10,200	-	-	836,000	447,647	133,000	62,598	7,229,000	2,685,403
2018	542,000	240,357	201,000	103,625	229,000	49,400	-	-	-	-	-	-	874,000	430,863	139,000	59,928	6,918,000	2,458,268
2019	565,000	229,478	211,000	99,588	241,000	37,950	-	-	-	-	-	-	913,000	413,318	146,000	57,137	7,195,000	2,250,049
2020	589,000	218,138	222,000	95,350	253,000	25,900	-	-	-	-	-	-	954,000	394,990	154,000	54,203	7,484,000	2,021,120
2021	614,000	206,317	233,000	90,892	265,000	13,250	-	-	-	-	-	-	997,000	375,838	161,000	51,112	6,726,000	1,791,703
2022	640,000	193,993	245,000	86,212	-	-	-	-	-	-	-	-	1,042,000	355,823	170,000	47,877	6,747,000	1,569,172
2023	667,000	181,148	257,000	81,292	-	-	-	-	-	-	-	-	1,089,000	334,905	178,000	44,463	5,578,000	1,367,393
2024	695,000	167,762	270,000	76,130	-	-	-	-	-	-	-	-	1,138,000	313,043	187,000	40,888	5,117,000	1,205,205
2025	725,000	153,812	283,000	70,708	-	-	-	-	-	-	-	-	1,189,000	290,198	196,000	37,133	5,336,000	1,061,384
2026	756,000	139,260	297,000	65,025	-	-	-	-	-	-	-	-	1,242,000	266,330	206,000	33,197	4,620,000	910,817
2027	788,000	124,087	312,000	59,060	-	-	-	-	-	-	-	-	1,298,000	241,397	216,000	29,060	4,879,000	788,458
2028	821,000	108,272	328,000	52,793	-	-	-	-	-	-	-	-	1,357,000	215,338	227,000	24,722	4,690,000	657,016
2029	856,000	91,793	344,000	46,207	-	-	-	-	-	-	-	-	1,418,000	188,097	239,000	20,162	4,261,000	534,382
2030	893,000	74,612	361,000	39,298	-	-	-	-	-	-	-	-	1,481,000	159,632	250,000	15,363	4,432,000	440,718
2031	931,000	56,688	379,000	32,048	-	-	-	-	-	-	-	-	1,548,000	129,900	263,000	10,342	4,606,000	350,022
2032	970,000	36,387	398,000	24,437	-	-	-	-	-	-	-	-	1,618,000	98,823	276,000	5,060	4,152,000	240,013
2033	1,011,000	18,535	418,000	16,443	-	-	-	-	-	-	-	-	1,691,000	66,342	-	-	4,045,000	148,702
2034	-	-	439,000	8,048	-	-	-	-	-	-	-	-	1,767,000	32,395	-	-	2,731,000	58,161
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$ 13,082,000	$ 2,752,240	$ 5,572,000	$ 1,265,773	$ 1,414,000	$ 257,500	$ 198,000	$ 4,346	$ 1,200,000	$ 30,600	$ 776,000	$ 16,296	$ 23,252,000	$ 5,218,586	$ 3,268,000	$ 658,393	$ 104,752,000	$ 23,458,427

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year - Continued
June 30, 2015

	Business-Type Activities													
	CDE		CDE		CDE		CDE		CDE		GWS		GWS	
Year Ending	CEMC Note		Series 2007		Series 2010A		Series 2014		Series 2015		Series 2002		Series 2007	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 146,098	$ -	$ 1,680,000	$ 183,075	$ 255,000	$ 1,312,375	$ 290,000	$ 73,975	$ 235,000	$ 1,603,500	$ 1,735,000	$ 287,100	$ 3,220,000	$ 2,185,550
2017	115,103	-	1,750,000	110,188	265,000	1,305,213	300,000	68,075	240,000	1,598,750	1,830,000	196,900	4,295,000	2,024,550
2018	115,103	-	1,825,000	36,500	270,000	1,296,850	300,000	59,075	245,000	1,593,900	1,920,000	100,800	4,505,000	1,809,800
2019	30,995	-	-	-	275,000	1,287,650	325,000	49,825	2,140,000	1,559,350	-	-	4,935,000	1,584,550
2020	30,998	-	-	-	285,000	1,277,494	325,000	43,325	2,210,000	1,493,900	-	-	5,145,000	1,374,813
2021	-	-	-	-	300,000	1,266,150	325,000	36,013	2,285,000	1,421,600	-	-	5,370,000	1,149,718
2022	-	-	-	-	310,000	1,253,950	345,000	26,775	2,345,000	1,356,700	-	-	4,780,000	908,069
2023	-	-	-	-	325,000	1,241,250	355,000	16,275	2,395,000	1,306,800	-	-	1,270,000	692,969
2024	-	-	-	-	340,000	1,227,950	365,000	5,475	2,465,000	1,236,050	-	-	1,325,000	637,406
2025	-	-	-	-	775,000	1,205,650	-	-	2,570,000	1,130,000	-	-	1,385,000	579,436
2026	-	-	-	-	810,000	1,173,950	-	-	2,700,000	1,003,250	-	-	1,445,000	518,844
2027	-	-	-	-	845,000	1,136,625	-	-	2,840,000	864,750	-	-	1,505,000	455,625
2028	-	-	-	-	890,000	1,093,250	-	-	2,980,000	719,250	-	-	1,575,000	387,900
2029	-	-	-	-	935,000	1,047,625	-	-	3,135,000	566,375	-	-	1,645,000	317,025
2030	-	-	-	-	980,000	999,750	-	-	3,295,000	405,625	-	-	1,720,000	243,000
2031	-	-	-	-	1,035,000	949,375	-	-	3,465,000	236,625	-	-	1,800,000	165,600
2032	-	-	-	-	1,085,000	896,375	-	-	3,000,000	75,000	-	-	1,880,000	84,600
2033	-	-	-	-	1,145,000	840,625	-	-	-	-	-	-	-	-
2034	-	-	-	-	5,145,000	683,375	-	-	-	-	-	-	-	-
2035	-	-	-	-	5,410,000	419,500	-	-	-	-	-	-	-	-
2036	-	-	-	-	5,685,000	142,125	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	$ 438,297	$ -	$ 5,255,000	$ 329,763	$ 27,365,000	$ 22,057,107	$ 2,930,000	$ 378,813	$ 38,545,000	$ 18,171,425	$ 5,485,000	$ 584,800	$ 47,800,000	$ 15,119,455

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year - Continued
June 30, 2015

	Business-Type Activities											
	GWS		GWS		GWS		GWS		GWS		GWS	
Year Ending	Series 2011		Series 2013A		Series 2013B		TMBF 2005		TMBF 2013		TMBF 2014	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 2,545,000	$ 2,615,750	$ -	$ 2,259,700	$ 2,845,000	$ 528,950	$ 1,530,721	$ 327,434	$ -	$ 428,523	$ -	$ 253,360
2017	1,745,000	2,488,500	-	2,259,700	2,960,000	415,150	1,607,257	314,301	46,586,913	-	12,652,715	4,758
2018	1,830,000	2,401,250	-	2,259,700	3,080,000	296,750	1,687,620	300,512	-	-	-	-
2019	3,740,000	2,309,750	375,000	2,259,700	2,855,000	142,750	1,772,001	286,034	-	-	-	-
2020	3,915,000	2,122,750	3,390,000	2,240,950	-	-	1,860,601	270,834	-	-	-	-
2021	4,090,000	1,927,000	3,565,000	2,071,450	-	-	1,953,631	254,869	-	-	-	-
2022	5,210,000	1,722,500	3,740,000	1,893,200	-	-	2,051,313	238,108	-	-	-	-
2023	11,815,000	1,462,000	1,625,000	1,706,200	-	-	2,153,879	220,510	-	-	-	-
2024	12,185,000	989,400	1,605,000	1,624,950	-	-	2,261,573	202,031	-	-	-	-
2025	12,550,000	502,000	1,670,000	1,557,800	-	-	2,374,651	182,629	-	-	-	-
2026	-	-	1,755,000	1,474,300	-	-	2,493,384	162,256	-	-	-	-
2027	-	-	1,840,000	1,389,100	-	-	2,618,053	140,865	-	-	-	-
2028	-	-	1,930,000	1,297,100	-	-	2,748,956	118,404	-	-	-	-
2029	-	-	2,025,000	1,200,600	-	-	2,886,403	94,820	-	-	-	-
2030	-	-	2,130,000	1,099,350	-	-	3,030,724	70,057	-	-	-	-
2031	-	-	2,210,000	1,014,150	-	-	3,182,260	44,056	-	-	-	-
2032	-	-	2,300,000	925,750	-	-	3,341,373	16,755	-	-	-	-
2033	-	-	2,410,000	818,750	-	-	-	-	-	-	-	-
2034	-	-	2,530,000	698,250	-	-	-	-	-	-	-	-
2035	-	-	2,655,000	571,750	-	-	-	-	-	-	-	-
2036	-	-	2,785,000	439,000	-	-	-	-	-	-	-	-
2037	-	-	2,925,000	299,750	-	-	-	-	-	-	-	-
2038	-	-	3,070,000	153,500	-	-	-	-	-	-	-	-
	$ 59,625,000	$ 18,540,900	$ 46,535,000	$ 31,514,700	$ 11,740,000	$ 1,383,600	$ 39,554,400	$ 3,244,475	$ 46,586,913	$ 428,523	$ 12,652,715	$ 258,118

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year - Continued
June 30, 2015

	Business-Type Activities						Component Unit			
	Natural Gas Acquisition Corporation		Parking Authority				Clarksville-Montgomery County Museum			
Year Ending	Series 2006		Transit Garage Note		Total Business-Type Activities		Promissory Note		Grand Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	$ 15,525,000	$ 6,544,375	$ 8,270	$ 1,730	$ 30,015,089	$ 18,605,397	$ 17,955	$ 3,836	$ 38,039,044	$ 21,529,674
2017	16,865,000	5,734,625	8,758	1,242	91,220,746	16,521,952	18,544	3,247	98,468,290	19,210,602
2018	18,035,000	4,862,125	12,275	725	33,824,998	15,017,987	19,152	2,639	40,762,150	17,478,894
2019	19,400,000	3,926,250	-	-	35,847,996	13,405,859	19,781	2,011	43,062,777	15,657,919
2020	20,835,000	2,920,375	-	-	37,996,599	11,744,441	20,429	1,382	45,501,028	13,766,943
2021	22,490,000	1,837,250	-	-	40,378,631	9,964,050	21,101	692	47,125,732	11,756,445
2022	25,500,000	637,500	-	-	44,281,313	8,036,802	-	-	51,028,313	9,605,974
2023	-	-	-	-	19,938,879	6,646,004	-	-	25,516,879	8,013,397
2024	-	-	-	-	20,546,573	5,923,262	-	-	25,663,573	7,128,467
2025	-	-	-	-	21,324,651	5,157,515	-	-	26,660,651	6,218,899
2026	-	-	-	-	9,203,384	4,332,600	-	-	13,823,384	5,243,417
2027	-	-	-	-	9,648,053	3,986,965	-	-	14,527,053	4,775,423
2028	-	-	-	-	10,123,956	3,615,904	-	-	14,813,956	4,272,920
2029	-	-	-	-	10,626,403	3,226,445	-	-	14,887,403	3,760,827
2030	-	-	-	-	11,155,724	2,817,782	-	-	15,587,724	3,258,500
2031	-	-	-	-	11,692,260	2,409,806	-	-	16,298,260	2,759,828
2032	-	-	-	-	11,606,373	1,998,480	-	-	15,758,373	2,238,493
2033	-	-	-	-	3,555,000	1,659,375	-	-	7,600,000	1,808,077
2034	-	-	-	-	7,675,000	1,381,625	-	-	10,406,000	1,439,786
2035	-	-	-	-	8,065,000	991,250	-	-	8,065,000	991,250
2036	-	-	-	-	8,470,000	581,125	-	-	8,470,000	581,125
2037	-	-	-	-	2,925,000	299,750	-	-	2,925,000	299,750
2038	-	-	-	-	3,070,000	153,500	-	-	3,070,000	153,500
	$ 138,650,000	$ 26,462,500	$ 29,303	$ 3,697	$ 483,191,628	$ 138,477,876	$ 116,962	$ 13,807	$ 588,060,590	$ 161,950,110

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Clarksville Gas Rates & Customers
June 30, 2015
(Unaudited)

Listed below are the gas rates per 100 cubic feet effective June 1, 2014:

Residential

	Within the City of Clarksville	Outside the City of Clarksville
First 300 Cubic Feet (Flat Rate)	$ 7.8200	$ 8.4200
Next 3,700 Cubic Feet	0.7618	0.9273
All Over 4,000 Cubic Feet	0.6941	0.8497
Minimum Bill	7.8200	8.4200

General Commercial and Industrial

	Within the City of Clarksville	Outside the City of Clarksville
First 500 Cubic Feet (Flat Rate)	$ 11.5500	$ 12.8500
Next 19,500 Cubic Feet	0.9243	1.0844
Next 180,000 Cubic Feet	0.7606	0.9004
All Over 200,000 Cubic Feet	0.6161	0.8529
Minimum Bill	11.5500	12.8500

Large Commercial and Industrial

	Within the City of Clarksville	Outside the City of Clarksville
First 10,400 Cubic Feet (Flat Rate)	$ 110.5300	$ 127.4100
Next 49,600 Cubic Feet	0.6547	0.7250
All Over 60,000 Cubic Feet	0.6047	0.7168
Minimum Bill	110.5300	127.4100

Number and Classification of Customers

Residential	22,260
Commercial	3,309
Industrial	19
	25,588

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Clarksville Gas Rates & Customers - Continued
June 30, 2015
(Unaudited)

Listed below are the gas rates per 100 cubic feet effective July 1, 2015:

Residential

	Within the City of Clarksville	Outside the City of Clarksville
First 300 Cubic Feet (Flat Rate)	$ 7.3600	$ 7.9600
Next 3,700 Cubic Feet	0.6063	0.7718
All Over 4,000 Cubic Feet	0.5386	0.6941
Minimum Bill	7.3600	7.9600

General Commercial and Industrial

	Within the City of Clarksville	Outside the City of Clarksville
First 500 Cubic Feet (Flat Rate)	$ 10.7800	$ 12.0800
Next 19,500 Cubic Feet	0.7688	0.9289
Next 180,000 Cubic Feet	0.6050	0.7449
All Over 200,000 Cubic Feet	0.5627	0.6974
Minimum Bill	10.7800	12.0800

Large Commercial and Industrial

	Within the City of Clarksville	Outside the City of Clarksville
First 10,400 Cubic Feet (Flat Rate)	$ 94.3500	$ 111.2300
Next 49,600 Cubic Feet	0.4991	0.6170
All Over 60,000 Cubic Feet	0.4492	0.5613
Minimum Bill	94.3500	111.2300

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Clarksville Water Rates & Customers
June 30, 2015
(Unaudited)

Residential and Commercial

Listed below are the water rates per 1,000 gallons which became effective August 9, 2008:

	Within the City of Clarksville	Outside the City of Clarksville
Per 1,000 gallons	$ 3.54	$ 7.08

	Meter Size	Within the City of Clarksville	Outside the City of Clarksville
Meter Charg	Up to 3/4"	$ 3.00	$ 3.00
	1"	5.00	5.00
	1 1/2"	10.00	10.00
	2"	16.00	16.00
	3"	44.00	44.00
	4"	84.00	84.00
	6"	175.00	175.00
	8"	175.00	175.00
	10"	175.00	175.00
	12" or Larger	Negotiated	Negotiated

Industrial

Listed below are the water rates per 1,000 gallons:

	Within the City of Clarksville	Outside the City of Clarksville
Per 1,000 gallons, effective January 1, 2014	$ 4.3786	$ 5.6921
Per 1,000 gallons, effective January 1, 2015	$ 4.8766	$ 6.6340

Number and Classification of Customers

Residential	57,696
Commercial	4,323
Industrial	7
	62,026

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Clarksville Sewer Rates & Customers
June 30, 2015
(Unaudited)

Residential and Commercial

Listed below are the sewer rates per 1,000 gallons which became effective July 1, 2013

	Within the City of Clarksville	Outside the City of Clarksville
First 2,000 gallons	$ 6.14	$ 11.44
All over 2,000 gallons	6.14	10.23

Minimum bill per month based on 2,000 gallons

Industrial

Listed below are the sewer rates per 1,000 gallons which became effective January 1, 2014

	Within the City of Clarksville	Outside the City of Clarksville
Fist 300,000 gallons	$ 8.9510	$ 11.6363
Next 700,000 gallons	8.9510	10.7412
Next 2,000,000 gallons	8.9510	9.8461
All over 3,000,000 gallons	8.9510	8.9510

Minimum bill per month based on 300,000 gallons

Number and Classification of Customers

Residential	50,441
Commercial	3,358
Industrial	7
	53,806

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Clarksville Sewer Rates & Customers - Continued
June 30, 2015
(Unaudited)

Residential and Commercial

Listed below are the sewer rates per 1,000 gallons which became effective July 1, 2015:

	Within the City of Clarksville	Outside the City of Clarksville
First 2,000 gallons	$ 7.37	$ 13.72
All over 2,000 gallons	7.37	12.26

Minimum bill per month based on 2,000 gallons

Industrial

Listed below are the sewer rates per 1,000 gallons which became effective January 1, 2015:

	Within the City of Clarksville	Outside the City of Clarksville
Fist 300,000 gallons	$ 8.1868	$ 10.6428
Next 700,000 gallons	8.1868	9.8241
Next 2,000,000 gallons	8.1868	9.0054
All over 3,000,000 gallons	8.1868	8.1868

Minimum bill per month based on 300,000 gallons

CITY OF CLARKSVILLE, TENNESSEE

Schedule of CDE Electric Rates
June 30, 2015
(Unaudited)

Residential Rates (RS)
Customer Charge: $16.16
Energy Charge: 9.748 cents/Kilowatthour (kWh)

General Power Rate (GSA1) (Not to exceed 50 kW or 15,000 kWh)
Customer Charge $22.34
Energy Charge: 11.095 cents/kWh

General Power Rate (GSA2) (Greater than 50 kW up to 1,000 kW or greater than 15,000 kWh)
Customer Charge: $121.11
Energy Charge: 0-15,000 kWh 11.095 cents/kWh
All additional kWh 6.630 cents/kWh
Demand Charge: 0-50 kW No charge
51-1,000 kW $13.54 per kW

General Power Rate (GSA3) (1,001-5,000 kW)
Customer Charge: $242.23
Energy Charge: All kWh 6.971 cents/kWh
Demand Charge: 0-1,000 kW $12.69 per kW
1,001-5,000 kW $12.38 per kW

General Power Rate (SGSB) (5,001-15,000 kW)
Customer Charge: $1,500.00
Energy Charge: All kWh 4.855 cents/kWh
Demand Charge: All kW $22.70

Manufacturing Service Rate (SMSB) (5,001-15,000 kW)
Customer Charge: $1,500.00
Energy Charge: All kWh 4.047 cents/kWh
Demand Charge: All kW $19.65

Time Differentiated Hours Use of Demand Manufacturing Service Rate (TDMSA) (1,000-15,000 kW)
Customer Charge: $1,500.00
Administrative Charge: $350.00
Energy Charge:
Summer Period:
Onpeak: 8.218 cents/kWh
Offpeak: 4.606 cents/kWh

Schedule of CDE Electric Rates - Continued
June 30, 2015
(Unaudited)

Winter Period:
Onpeak: 4.882 cents/kWh
Offpeak: 4.606 cents/kWh
Transition Period: 4.606 cents/kWh

Energy Charge - Offpeak Hours Use of Demand Adjustment:
Summer Period and Winter Period:
First 425 hours: 4.606 cents/kWh
Next 195 hours: 2.641 cents/kWh
Additional kWh: .973 cents/kWh

Transition Period:

First 425 hours: 4.606 cents/kWh
Next 195 hours: 2.641 cents/kWh
Additional kWh: .973 cents/kWh
Demand Charge:
Summer Period:
Onpeak: All kW $17.24
Excess Offpeak: All kW $4.14
Winter Period:
Onpeak: All kW $9.77
Excess Offpeak: All kW $4.14
Transition Period: All kW $4.14

Outdoor Lighting (LS)
Customer Charge: $3.15
Energy Charge: 6.911 cents/kWh

Security Lights (LS) (No Customer Charge)
Energy Charge: 6.911 cents/kW

CITY OF CLARKSVILLE, TENNESSEE

Schedule of CDE Broadband Rates
June 30, 2015
(Unaudited)

SERVICE RATES	
Lightband Basic	$ 14.95
Lightband Plus	$ 59.10
Lightband Extra	$ 69.10
HBO	$ 15.95
Cinemax	$ 14.95
HBO/Cinemax Channels (all 10 screens)	$ 24.95
Starz/Encore Channels (all 10 screens)	$ 14.95
Showtime/TMC (all 8 screens)	$ 14.95
Lightband High Speed Internet	$ 38.95 - 249.95
Video On Demand (VOD) Movies	$ 1.99 to $12.99 per purchase
PACKAGES	
Bronze (1 premium)	$ 74.70
Silver (2 premiums)	$ 84.70
Gold (4 premiums)	$ 94.70
Power Pack I - (Lightband Extra & Internet)	$ 106.10
Power Pack II - (Lightband Extra, Internet, & Phone)	$ 126.10
Sports Pack	$ 7.99
EQUIPMENT RENTAL RATES (MONTHLY)	
Standard Digital Converter – All Others	$ 6.95
Digital HD Converter	$ 9.95
Digital HD/DVR Converter	$ 12.95
Multi-room DVR Service	$ 22.95
Remote	Included w/each digital converter
EQUIPMENT NOT RETURNED CHARGES (ONE TIME CHARGE)	
Remote	$ 25.00
Standard Digital Converter	$ 200.00
Digital HD Converter	$ 400.00
Digital HD/DVR Converter	$ 500.00
Converter Cord Set	$ 20.00
In-House Expansion Device	$ 300.00

The above rates are based on ala carte charges. These rates may be bundled to offer customer discounts and may change in relation to market dynamics and competitive response. All above rates and any promotional rates are subject to state, local, and federal taxation and fees as required by law.

CITY OF CLARKSVILLE, TENNESSEE

Schedule of CDE Electric and Broadband Customers and Other Data
June 30, 2015
(Unaudited)

Number of electric customers:	
Residential	59,023
Commercial	6,754
Industrial	750
Public lighting	425
Total number of electric customers	66,952
Security lights	5,018
Number of kilowatt-hours purchased:	
Sales	1,541,523,635
Loss	60,836,926
Purchased for own use	1,418,781
Total number of kilowatt-hours purchased	1,603,779,342
Percent loss	3.79%
Number of broadband customers	
Residential	16,931
Commercial	1,272
Total number of broadband customers	18,203

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0

American Water Works Association.
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? Click to access definition
+ Click to add a comment

Water Audit Report for: Clarksville Gas & Water
Reporting Year: 2015 | 7/2014 - 7/2015

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

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

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

Master Meter and Supply Error Adjustments

WATER SUPPLIED

					Pcnt:	Value:	
Volume from own sources:	9	5,846.072	MG/Yr	7	-1.00%		MG/Yr
Water imported:	n/a		MG/Yr				MG/Yr
Water exported:	n/a		MG/Yr				MG/Yr
WATER SUPPLIED:		**5,905.123**	MG/Yr				

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

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

				Pcnt:	Value:	
Billed metered:	8	4,395.497	MG/Yr			
Billed unmetered:	n/a		MG/Yr			
Unbilled metered:	10	53.655	MG/Yr			
Unbilled unmetered:		73.814	MG/Yr	1.25%		MG/Yr

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

AUTHORIZED CONSUMPTION:	?	**4,522.966**	MG/Yr

Use buttons to select percentage of water supplied **OR** value

WATER LOSSES (Water Supplied - Authorized Consumption)

1,382.157 MG/Yr

Apparent Losses

				Pcnt:	Value:	
Unauthorized consumption:		14.763	MG/Yr	0.25%		MG/Yr
Customer metering inaccuracies:	9	234.166	MG/Yr	5.00%		MG/Yr
Systematic data handling errors:		10.989	MG/Yr	0.25%		MG/Yr

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

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

Apparent Losses: ? **259.917** MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? Use Customer Retail Unit **1,122.240** MG/Yr

WATER LOSSES: **1,382.157** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? **1,509.626** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	10	1,043.0	miles
Number of active AND inactive service connections:	7	66,308	
Service connection density:		64	conn./mile main

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

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

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

Average operating pressure:	10	79.0	psi

COST DATA

Total annual cost of operating water system:	10	$7,297,547	$/Year
Customer retail unit cost (applied to Apparent Losses):	10	$4.82	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	10	$389.33	$/Million gallons

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 88 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

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: Clarksville Gas & Water
Reporting Year: 2015 | 7/2014 - 7/2015

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 88 out of 100 ***

System Attributes:

	Apparent Losses:	259.917	MG/Yr
+	Real Losses:	1,122.240	MG/Yr
=	Water Losses:	1,382.157	MG/Yr
?	Unavoidable Annual Real Losses (UARL):	449.50	MG/Yr
	Annual cost of Apparent Losses:	$1,252,802	
	Annual cost of Real Losses:	$436,922	Valued at Variable Production Cost

Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	25.6%	
	Non-revenue water as percent by cost of operating system:	23.8%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	10.74	gallons/connection/day
	Real Losses per service connection per day:	46.37	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.59	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	1,122.24	million gallons/year
?	Infrastructure Leakage Index (ILI) [CARL/UARL]:	2.50	

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

Statistical Section

CITY OF CLARKSVILLE, TENNESSEE
STATISTICAL SECTION
(Unaudited)

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

Contents

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time. These schedules include:

- Net Position by Component
- Change in Net Position
- Fund Balance for Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's revenue sources, including its most significant local tax source, property tax.

- Assessed Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding and Legal Debt Margin
- Direct and Overlapping Governmental Activities Debt
- Pledged Revenue Coverage
- Entity Debt - Schedule of Principal and Interest Due

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- Full-time Equivalent City Government Employees by Function
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

Sources:

Unless otherwise noted, the information in these schedules is derived from the City of Clarksville, Tennessee's comprehensive annual financial reports for the relevant years.

The City implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments in 2002. Schedules presenting government-wide data include information beginning in that year.

CITY OF CLARKSVILLE, TENNESSEE
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	$ 269,645,809	$ 284,486,050	$ 296,693,136	$ 300,297,372	$ 317,377,117	$ 332,839,322	$ 343,686,085	$ 357,729,552	$ 364,084,323	$ 370,062,640
Restricted	3,711,619	4,648,765	1,634,639	2,868,025	3,599,666	3,277,831	1,101,055	1,034,143	1,108,458	1,430,660
Unrestricted	20,582,387	20,553,658	16,778,949	20,846,794	16,227,159	9,061,179	10,559,695	5,593,310	(19,485,580)	(16,992,959)
Total governmental activities net position	$ 293,939,815	$ 309,688,473	$ 315,106,724	$ 324,012,191	$ 337,203,942	$ 345,178,332	$ 355,346,835	$ 364,357,005	$ 345,707,201	$ 354,500,341
Business-type activities										
Net investment in capital assets	$ 170,242,541	$ 189,558,554	$ 226,120,091	$ 236,803,367	$ 247,377,919	$ 252,456,757	$ 290,098,769	$ 297,196,086	$ 314,182,968	$ 330,216,796
Restricted	18,129,792	24,476,182	17,098,245	15,377,345	22,321,872	34,172,671	29,590,189	26,989,219	33,142,087	35,246,977
Unrestricted	28,766,297	26,238,414	17,701,085	23,081,116	20,789,524	33,813,473	37,395,625	62,079,605	71,823,630	79,880,047
Total business-type activities net position	$ 217,138,630	$ 240,273,150	$ 260,919,421	$ 275,261,828	$ 290,489,315	$ 320,442,901	$ 357,084,583	$ 386,264,910	$ 419,148,685	$ 445,343,820
Primary government										
Net investment in capital assets	$ 439,888,350	$ 474,044,604	$ 522,813,227	$ 537,100,739	$ 564,755,036	$ 585,296,079	$ 633,784,854	$ 654,925,638	$ 678,267,291	$ 700,279,436
Restricted	21,841,411	29,124,947	18,732,884	18,245,370	25,921,538	37,450,502	30,691,244	28,023,362	34,250,545	36,677,637
Unrestricted	49,348,684	46,792,072	34,480,034	43,927,910	37,016,683	42,874,652	47,955,320	67,672,915	52,338,050	62,887,088
Total primary activities net position	$ 511,078,445	$ 549,961,623	$ 576,026,145	$ 599,274,019	$ 627,693,257	$ 665,621,233	$ 712,431,418	$ 750,621,915	$ 764,855,886	$ 799,844,161

CITY OF CLARKSVILLE, TENNESSEE
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Expenses											
Governmental activities											
General government	$ 8,078,442	$ 13,515,867	$ 15,875,133	$ 18,342,129	$ 11,811,412	$ 15,562,204	$ 15,528,920	$ 14,765,546	$ 13,291,718	$ 12,404,741	
Public safety	28,257,510	31,047,113	34,776,692	36,380,996	38,553,625	39,333,118	43,552,996	41,739,117	43,624,851	41,558,885	
Highways and streets	7,946,470	9,241,841	7,461,170	12,028,971	9,050,234	10,523,045	13,025,771	13,878,954	13,255,323	15,196,835	
Recreation	4,525,751	5,277,100	5,983,397	4,710,611	6,193,574	6,787,986	5,919,326	7,772,196	9,075,851	8,862,843	
Community development	1,862,547	1,975,448	1,925,943	1,946,176	1,473,740	1,659,480	1,693,443	1,877,301	1,760,718	1,549,154	
Community support	1,785,294	2,087,881	2,442,187	2,528,041	2,852,958	3,032,424	2,784,054	2,462,680	2,607,309	2,793,293	
Interest on long-term debt	1,948,801	2,137,717	1,946,699	1,614,428	2,491,624	2,350,821	2,519,582	2,436,591	2,529,268	2,395,758	
Total governmental activities expenses	54,404,815	65,282,967	70,411,221	77,551,352	72,427,167	79,249,078	85,024,091	84,932,385	86,145,038	84,761,509	
Business-type activities											
Department of Electricity											
Electric Division	$ 87,431,800	$ 98,586,100	$ 109,663,800	$ 128,435,297	$ 119,630,224	$ 140,063,165	$ 134,691,552	$ 137,616,171	$ 147,499,409	$ 150,510,218	
Broadband Division	-	-	2,283,900	6,415,601	9,159,839	11,456,880	13,295,702	15,192,680	16,383,312	16,323,814	
Gas Department	54,314,229	43,348,794	46,530,275	40,592,919	35,487,759	32,072,641	23,770,113	23,113,316	26,743,768	25,590,118	
Parking Authority	107,007	106,931	97,761	137,722	125,761	97,340	96,827	81,097	65,517	87,856	
Clarksville Transit System	4,181,844	4,529,532	4,962,419	5,156,951	5,600,133	6,298,123	6,530,118	6,750,412	6,888,053	6,628,100	
Water and Sewer Department	28,694,587	33,225,363	35,679,989	39,125,196	41,120,880	48,837,284	44,999,672	45,202,349	47,524,614	45,625,980	
Natural Gas Acquisition Corporation (NGAC)	242	34,778,846	54,245,779	49,032,836	44,494,960	39,813,273	38,972,919	46,738,755	31,836,802	22,534,971	(1)
Total business-type activities expenses	174,729,709	214,575,566	253,463,923	268,896,522	255,619,556	278,638,706	262,356,903	274,694,780	276,941,475	267,301,057	
Total primary government expenses	$ 229,134,524	$ 279,858,533	$ 323,875,144	$ 346,447,874	$ 328,046,723	$ 357,887,784	$ 347,380,994	$ 359,627,165	$ 363,086,513	$ 352,062,566	

CITY OF CLARKSVILLE, TENNESSEE
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental activities										
Charges for services										
General government	$ 1,808,867	$ 3,814,207	$ 2,856,461	$ 3,199,776	$ 2,989,138	$ 1,541,697	$ 2,268,575	$ 2,156,278	$ 2,214,389	$ 1,951,033
Public safety	697,876	893,492	877,388	617,667	1,158,580	1,749,304	2,810,250	2,511,019	2,661,610	2,832,034
Highways and streets	-	-	-	-	58,105	56,090	42,670	27,274	20,587	34,182
Recreation	1,047,934	1,090,136	1,259,454	1,267,605	1,537,177	1,415,018	1,514,957	1,523,965	1,564,631	1,438,352
Community development	475,323	477,547	426,510	256,061	623,830	228,356	194,931	174,569	182,005	204,936
Other	-	-	-	227,508	249,592	207,041	-	-	-	147,128
Operating and capital grants and contributions	5,204,045	21,699,405	15,537,899	14,787,401	16,187,429	19,029,886	18,853,099	17,913,847	10,172,689	12,798,995
Total governmental activities program revenues	9,234,045	27,974,787	20,957,712	20,356,018	22,803,851	24,227,392	25,684,481	24,306,952	16,815,911	19,406,660
Business-type activities										
Charges for services										
Department of Electricity										
Electric Division	$ 93,701,000	$ 103,341,200	$ 112,617,775	$ 133,401,540	$ 134,916,061	$ 158,303,593	$ 153,241,229	$ 152,469,096	$ 162,856,648	$ 163,046,997
Broadband Division	-	-	109,000	2,079,485	6,452,512	9,410,270	12,006,623	13,943,243	15,081,851	18,316,799
Gas department	55,862,600	44,477,724	48,879,233	47,287,531	33,767,293	32,758,825	23,785,243	24,999,377	30,363,630	28,746,283
Parking authority	332,790	417,289	375,631	365,034	396,179	418,632	463,606	453,957	419,830	378,577
Clarksville transit system	519,354	479,223	475,255	671,111	649,089	681,854	733,476	798,708	823,629	817,209
Water and sewer department	32,222,692	35,666,394	38,243,180	42,106,034	44,699,913	47,774,322	50,384,795	48,094,455	50,992,809	53,803,023
Natural Gas Acquisition Corporation	-	22,974,746	41,666,101	36,944,069	32,885,757	28,041,133	26,169,264	36,843,830	22,451,921	22,627,434
Operating/capital grants/contributions	11,089,828	15,496,205	18,010,328	11,139,645	20,361,952	23,989,012	37,489,775	21,102,143	30,530,523	11,925,689
Total business-type activities program revenues	193,728,264	222,852,781	260,376,503	273,994,449	274,128,756	301,377,641	304,274,011	298,704,810	313,520,841	299,662,011
Total Primary Government Program Revenues	$ 202,962,309	$ 250,827,568	$ 281,334,215	$ 294,350,467	$ 296,932,607	$ 325,605,033	$ 329,958,492	$ 323,011,761	$ 330,336,752	$ 319,068,671
Net (Expenses)/Revenue										
Governmental activities	$ (45,170,770)	$ (37,308,180)	$ (49,453,509)	$ (57,195,334)	$ (49,623,317)	$ (55,021,686)	$ (59,339,610)	$ (60,625,434)	$ (69,329,127)	$ (65,354,849)
Business-type activities	18,998,555	8,277,215	6,912,580	5,097,927	18,509,200	22,738,935	41,917,108	24,010,030	36,579,366	32,360,954
Total primary government net expenses	$ (26,172,215)	$ (29,030,965)	$ (42,540,929)	$ (52,097,407)	$ (31,114,117)	$ (32,282,751)	$ (17,422,502)	$ (36,615,404)	$ (32,749,761)	$ (32,993,895)

CITY OF CLARKSVILLE, TENNESSEE
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues & Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	$ 20,506,163	$ 22,316,810	$ 23,812,464	$ 24,758,862	$ 26,361,548	$ 27,845,639	$ 28,193,428	$ 29,788,414	$ 29,962,877	$ 30,537,995
State taxes	8,887,131	9,990,794	10,097,875	9,464,445	9,207,652	9,600,456	12,048,651	12,287,775	12,651,488	13,554,513
Franchise/business taxes	2,881,320	3,087,000	3,340,745	3,117,953	2,802,646	3,697,867	3,776,474	3,684,984	3,448,594	4,230,378
Wholesale beer and liquor taxes	2,629,540	3,241,285	3,131,034	3,511,386	3,555,602	3,104,822	3,832,050	3,672,043	3,751,455	3,833,917
Sales taxes	10,116,195	11,308,195	10,921,205	11,251,021	11,697,999	12,138,747	14,594,379	13,362,798	13,792,357	14,569,147
In-lieu-of taxes	22,978	20,990	14,591	38,155	52,315	34,042	61,613	95,293	100,421	47,453
Other taxes	264,752	367,788	377,448	471,880	579,133	416,235	478,282	552,704	555,831	523,597
Investment earnings	826,342	1,134,602	835,447	278,982	81,348	32,803	25,937	40,357	-	-
Miscellaneous	12,249,329	(814,718)	(734,077)	(54,599)	(254,015)	1,255,265	1,566,512	452,612	405,227	496,760
Transfers	3,003,932	2,404,092	3,184,946	4,087,924	4,644,820	4,870,200	4,666,634	5,698,623	6,450,036	6,354,229
Prior period adjustment	(19,140)	-	(109,918)	9,174,792	4,086,020	-	264,154	-	(20,438,963)	-
Total governmental activities	61,368,542	53,056,838	54,871,760	66,100,801	62,815,068	62,996,076	69,508,114	69,635,602	50,679,323	74,147,989
Business-type activities										
Investment earnings	$ 2,345,707	$ 17,261,397	$ 16,918,637	$ 13,698,948	$ 12,594,192	$ 12,084,851	$ 12,930,177	$ 10,868,921	$ 9,651,264	$ 188,410 (1)
Miscellaneous	-	-	-	100	(13,669,012)	-	-	-	-	-
Transfers	(3,003,932)	(2,404,092)	(3,184,946)	(4,087,924)	(4,644,820)	(4,870,200)	(4,666,634)	(5,698,623)	(6,450,036)	(6,354,229)
Prior period adjustment	-	-	-	(366,644)	2,437,927	-	(13,538,969)	-	(6,896,819)	-
Total business-type activities	(658,225)	14,857,305	13,733,691	9,244,480	(3,281,713)	7,214,651	(5,275,426)	5,170,298	(3,695,591)	(6,165,819)
Total primary government	$ 60,710,317	$ 67,914,143	$ 68,605,451	$ 75,345,281	$ 59,533,355	$ 70,210,727	$ 64,232,688	$ 74,805,900	$ 46,983,732	$ 67,982,170
Change in Net Position										
Governmental Activities	$ 16,197,772	$ 15,748,658	$ 5,418,251	$ 8,905,467	$ 13,191,752	$ 7,974,390	$ 9,519,028	$ 9,010,170	$ 1,789,159	$ 8,793,140
Restatement	-	-	-	-	-	-	(12,889,494)	-	(27,335,782)	-
Business-type activities	18,340,330	23,134,520	20,646,271	14,342,407	15,227,487	29,953,586	50,180,651	29,180,327	39,780,594	26,195,135
Total primary government	$ 34,538,102	$ 38,883,178	$ 26,064,522	$ 23,247,874	$ 28,419,238	$ 37,927,976	$ 46,810,185	$ 38,190,497	$ 14,233,971	$ 34,988,275

(1) During fiscal year 2015, the City reclassified amortization income for business-type activities.

CITY OF CLARKSVILLE, TENNESSEE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Non-Spendable	$ 373,305	$ 456,567	$ 444,224	$ 490,924	$ 437,536	$ 489,987	$ 527,631	$ 489,637	$ 601,786	$ 669,281
Restricted	85,962	3,181	144,020	219,783	163,818	290,490	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	19,483,846	20,882,010	20,755,219	21,110,552	18,867,947	16,747,856	25,260,258	25,040,635	25,210,919	24,768,015
Total general fund	$ 19,943,113	$ 21,341,758	$ 21,343,463	$ 21,821,259	$ 19,469,301	$ 17,528,333	$ 25,787,889	$ 25,530,272	$ 25,812,705	$ 25,437,296
All Other Governmental Funds										
Special Revenue Funds										
Non-Spendable	$ 88,466	$ 146,388	$ 48,895	$ (201,168)	$ 314,558	$ 358,618	$ 1,605	$ 19,706	$ 4,374	$ 272
Restricted	486,740	500,644	514,563	516,952	324,019	368,594	1,028,243	1,034,143	1,108,458	1,430,660
Committed	1,041,344	582,382	1,071,181	2,552,241	2,961,089	2,550,619	618,187	1,073,919	885,569	844,719
Assigned	1,427,029	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Special Revenue Funds	3,043,579	1,229,414	1,634,639	2,868,025	3,599,666	3,277,831	1,648,035	2,127,768	1,998,401	2,275,651
Debt Service Fund										
Non-Spendable	-	-	-	-	-	298,195	-	-	-	1,125
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,011,884	1,778,235	1,583,949	1,062,338	967,039	1,632,928	1,627,928	1,628,066	764,910	408,924
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	2,011,884	1,778,235	1,583,949	1,062,338	967,039	1,931,123	1,627,928	1,628,066	764,910	410,049
Capital Projects Fund										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	435,219	50,692	124,124	324,132	460,739	1,979,352	63,751	8,098,164	6,206,723	789,450
Committed	232,821	3,368,659	-	5,117,544	4,590,087	2,513,517	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(1,830,066)	-	-	-	-	-	-	-
Total Capital Projects Fund	668,040	3,419,351	(1,705,942)	5,441,676	5,050,826	4,492,869	63,751	8,098,164	6,206,723	789,450
Total all other governmental funds	$ 5,723,503	$ 6,427,000	$ 1,512,646	$ 9,372,039	$ 9,617,531	$ 9,701,823	$ 3,339,714	$ 11,853,998	$ 8,970,034	$ 3,475,150
Total governmental funds	$ 25,666,616	$ 27,768,758	$ 22,856,109	$ 31,193,298	$ 29,086,832	$ 27,230,156	$ 29,127,603	$ 37,384,270	$ 34,782,739	$ 28,912,446

CITY OF CLARKSVILLE, TENNESSEE
Changes in Fund Balance for Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	$ 36,420,948	$ 40,342,068	$ 41,597,487	$ 43,145,156	$ 45,021,445	$ 46,203,310	$ 50,874,613	$ 50,626,307	$ 51,377,678	$ 53,571,214
State Taxes	12,029,467	13,144,258	13,224,296	12,414,195	12,177,601	12,702,729	15,767,613	15,981,505	16,362,669	17,335,075
Licenses and permits	1,438,095	1,781,346	1,309,561	910,453	1,170,820	1,110,767	1,845,028	1,739,842	1,848,143	1,576,198
Charges for services	1,418,706	1,795,102	1,819,642	1,796,123	1,763,899	2,219,586	2,769,204	2,669,819	2,817,885	2,936,985
Fines and forfeits	697,876	889,329	877,388	845,175	1,622,284	1,478,261	1,827,158	1,593,050	1,646,851	1,741,272
Investment earnings	739,113	1,021,449	745,469	242,179	73,210	32,803	-	-	-	-
Grants	2,061,709	1,950,032	2,357,880	3,122,431	3,837,328	7,496,274	5,201,557	5,732,552	3,183,390	3,046,133
Miscellaneous / other	1,771,947	1,842,119	1,517,007	2,187,651	2,128,736	3,791,771	2,145,273	1,090,403	902,171	1,203,807
Total revenues	56,577,861	62,765,703	63,448,730	64,663,363	67,795,323	75,035,501	80,430,446	79,433,478	78,138,787	81,410,684
Expenditures										
General government	5,795,592	6,387,117	6,414,046	7,378,804	7,843,598	8,413,784	8,534,270	8,760,422	9,011,095	9,375,940
Public safety	27,355,708	29,837,009	31,149,720	32,441,949	34,074,608	35,764,426	37,011,534	38,036,705	39,638,338	40,674,406
Highways and streets	7,480,262	7,863,996	8,938,226	9,202,326	9,663,703	9,971,486	10,544,416	10,703,334	10,977,095	11,549,824
Recreation	4,102,190	4,413,347	4,862,034	4,620,495	5,193,818	5,803,807	6,478,112	7,502,940	7,853,016	7,773,018
Community development	1,862,547	1,975,448	1,925,443	1,946,176	1,473,740	1,659,480	1,816,743	1,877,301	1,760,718	1,549,154
Other	2,571,313	3,435,754	5,243,382	8,384,620	1,621,696	2,035,695	3,097,826	1,972,451	1,738,969	2,439,049
Miscellaneous agencies	1,087,375	1,347,620	1,672,747	1,549,929	1,874,409	1,751,836	1,723,071	1,838,367	2,067,520	1,697,150
Debt service:										
Principal	4,505,900	4,784,700	5,268,000	3,886,100	3,723,300	3,255,986	4,741,000	5,837,353	6,799,950	7,041,999
Interest	1,948,801	2,137,717	1,946,699	1,614,428	2,198,657	2,473,875	2,473,712	2,224,251	2,554,243	2,468,382
Capital outlay	2,650,345	7,011,851	7,899,414	14,698,033	23,441,845	28,996,386	16,421,392	13,195,329	13,643,971	9,207,343
Total expenditures	59,360,033	69,194,559	75,319,711	85,722,860	91,109,374	100,126,761	92,842,077	91,948,453	96,044,915	93,776,265
Excess (deficiency) of revenues over expenditures	(2,782,172)	(6,428,856)	(11,870,981)	(21,059,497)	(23,314,051)	(25,091,260)	(12,411,631)	(12,514,975)	(17,906,128)	(12,365,581)
Other financing sources (uses)										
Transfers in	12,211,663	15,527,352	12,158,725	12,138,589	13,962,760	15,271,369	15,590,258	15,726,772	16,424,633	17,067,084
Transfers out	(9,207,731)	(13,123,260)	(8,973,779)	(8,050,665)	(9,406,393)	(10,401,169)	(10,923,624)	(10,028,150)	(9,974,597)	(10,712,855)
Other Prior Period Adjustments	-	-	(109,918)	(335,032)	-	-	-	-	-	-
Proceeds of general obligation bonds and notes	294,891	6,126,906	3,883,304	25,643,794	16,651,218	18,364,384	9,642,443	15,073,020	8,934,561	141,059
Proceeds of refunding bonds	-	-	-	-	-	12,271,714	-	-	2,475,000	-
Payments to refunding bond escrow agent	-	-	-	-	-	(12,271,714)	-	-	(2,555,000)	-
Total other financing sources (uses)	3,298,823	8,530,998	6,958,332	29,396,686	21,207,585	23,234,584	14,309,077	20,771,643	15,304,597	6,495,288
Net Change in fund balance	$ 516,651	$ 2,102,142	$ (4,912,649)	$ 8,337,189	$ (2,106,466)	$ (1,856,676)	$ 1,897,447	$ 8,256,667	$ (2,601,531)	$ (5,870,293)
Debt service as a percentage of noncapital expenditures	11.4%	11.1%	10.7%	7.7%	8.8%	8.1%	9.4%	10.2%	11.4%	11.0%
Debt service as a percentage of total expenditures	10.9%	10.0%	9.6%	6.4%	6.5%	5.7%	7.8%	8.8%	9.7%	10.1%

CITY OF CLARKSVILLE, TENNESSEE
Assessed Value of Property Taxes and Estimated Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

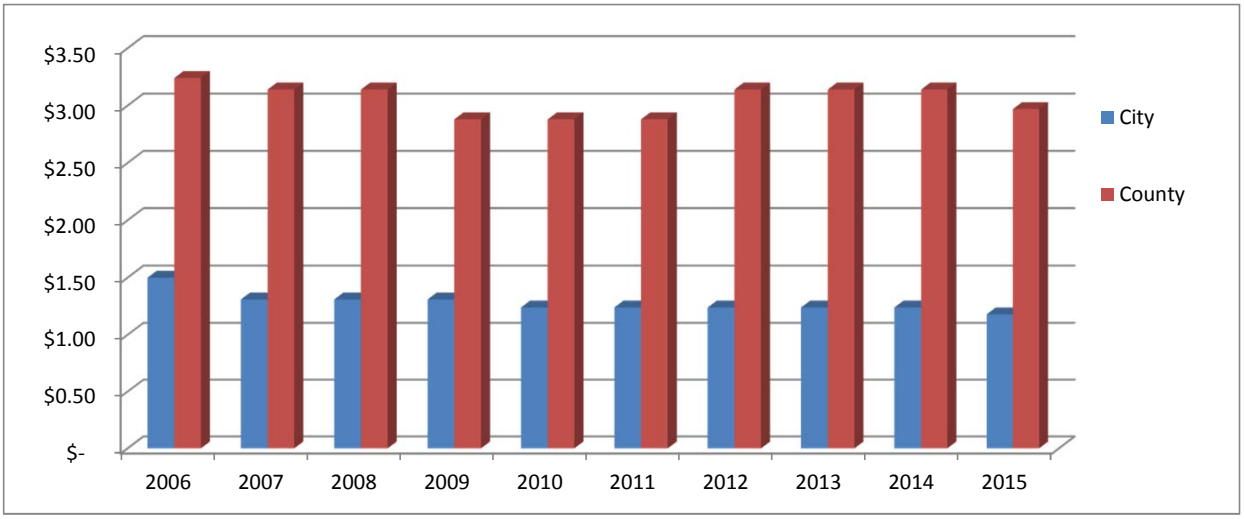
	Real Property				Personal Property				
Fiscal Year Ended June 30	Public Utility 55%	Commercial 40%	Industrial 40%	Residential 25%	Public Utility 55%	Commercial 30%	Industrial* 30%	Leasing* 30%	Total Estimated Actual Taxable Value
2006	470,030	495,272,120	22,371,880	757,835,950	90,389	79,143,693			4,606,349,042
2007	534,050	601,682,400	27,288,920	924,264,500	86,965	89,642,175			5,569,422,298
2008	534,050	631,312,440	27,513,680	973,330,225	91,195	95,283,963			5,907,403,643
2009	534,050	703,233,600	26,872,640	1,034,087,125	100,495	92,237,524			6,301,834,842
2010	569,910	847,710,280	33,115,880	1,182,885,700	150,058	120,163,939			7,335,462,780
2011	569,910	836,202,320	29,885,800	1,221,530,800	246,402	120,745,478			7,458,437,964
2012	528,550	836,214,360	30,396,360	1,256,653,100	219,184	115,770,576			7,588,962,575
2013	528,550	868,158,240	30,349,040	1,300,445,150	123,061	112,399,890			7,833,102,795
2014	528,550	881,122,730	29,728,283	1,341,997,982	160,281	89,564,429	30,727,683	747,683	8,223,074,216
2015	550,110	950,477,939	27,907,840	1,423,553,398	137,473	88,094,315	28,121,630	880,834	8,908,555,815

NOTE: Property is appraised by the Montgomery County Assessor's Office. The assessed value is determined by multiplying a statutorily established assessment ratio by the appraised value. To calculate the taxes, the assessed value is divided by $100 and multiplied by the tax rate.

*Prior to Fiscal Year 2014, Industrial and Leasing were not categories in the report provided by the Montgomery County Assessor's Office.

CITY OF CLARKSVILLE, TENNESSEE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

	Direct Rate	Overlapping Rate *
Fiscal Year **	City of Clarksville	Montgomery County
2006	$1.50 / 100	$3.24 / 100
2007	$1.31 / 100	$3.14 / 100
2008	$1.31 / 100	$3.14 / 100
2009	$1.31 / 100	$2.88 / 100
2010	$1.24 / 100	$2.88 / 100
2011	$1.24 / 100	$2.88 / 100
2012	$1.24 / 100	$3.14 / 100
2013	$1.24 / 100	$3.14 / 100
2014	$1.24 / 100	$3.14 / 100
2015	$1.18 / 100	$2.97 / 100



* Overlapping rates are those of local and county governments that apply to property owners within the City of Clarksville.

** The fiscal year listed corresponds to the preceding tax year levy (2015 fiscal year would represent the 2014 tax levy). This represents the period for which the taxes were levied.

CITY OF CLARKSVILLE, TENNESSEE
Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

		Fiscal Year 2015			Fiscal Year 2006		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Clarksville Health System	Health	$ 123,845,400	1	4.87%			0.00%
Governor's Square Mall	Retail	46,793,100	2	1.84%	11,642,400	2	0.84%
Clarksville Nine LP	Residential	41,144,800	3	1.62%			0.00%
SC Waterford Landings	Residential	27,678,300	4	1.09%			0.00%
Autumn Winds	Residential	22,541,500	5	1.63%			0.00%
Campus Crest At Clarksville LLC	Residential	22,462,734	6	0.88%			0.00%
Independence Place Ft Campbell	Residential	20,270,900	7	0.80%			0.00%
Trane Company	Manufacturer	11,169,070	8	0.44%	7,993,664	3	0.58%
Bellsouth Telecommunications	Utility	10,271,090	9	0.40%	26,503,452	1	1.92%
Cumberland Electric Membership Corp.	Utility	9,460,339	10	0.37%	4,667,408	8	0.34%
Trane Co #1	Manufacturer				5,599,920	4	0.41%
Letica Corp	Manufacturer				5,340,076	5	0.39%
Bristol Park at Clarksville Group	Residential				5,131,800	6	0.37%
Wilkinson Ronald G	Individual				4,735,960	7	0.34%
Walmart Stores Inc	Retail				3,920,920	9	0.28%
Walmart Real Estate	Retail				3,800,400	10	0.27%
Total		$ 335,637,233		13.95%	$ 79,336,000		5.74%

Total Assessed Value for 2015:	$ 2,540,968,220
Total Assessed Value for 2006:	$ 1,382,638,967
Total Estimated Actual Value of Taxable Property	$ 8,908,555,815

CITY OF CLARKSVILLE, TENNESSEE
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	20,959,084	19,669,202	93.8%	1,121,163	20,790,365	99.2%
2007	21,919,483	21,029,776	95.9%	679,745	21,709,521	99.0%
2008	23,251,711	22,036,319	94.8%	914,443	22,950,762	98.7%
2009	24,711,181	23,676,341	95.8%	890,114	24,566,455	99.4%
2010	27,533,757	26,128,415	94.9%	906,113	27,034,528	98.2%
2011	27,887,819	26,023,916	95.4%	960,123	26,984,039	96.8%
2012	28,207,244	27,072,762	96.0%	1,031,639	28,039,819	99.4%
2013	29,074,992	28,019,762	96.4%	879,535	28,729,715	98.8%
2014	29,811,492	28,457,092	95.5%	877,975	29,335,067	98.4%
2015	30,428,955	29,004,679	95.3%			

Taxes are assessed as of January 1 and are due October 1 of each year. Taxes become delinquent after February 28 of the following year.

The fiscal year listed corresponds to the preceding tax year levy (2015 fiscal year would represent the 2014 tax levy). This represents the period for which the taxes were levied.

CITY OF CLARKSVILLE, TENNESSEE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	GOVERNMENTAL ACTIVITIES				
Fiscal Year	General Obligation Bonds**	Tennessee Municipal Bond Fund Loans	Capital Outlay Notes	Other Debt	Subtotal
2006	$ 12,115,000	$ 34,711,159	$ -	$ -	$ 46,826,159
2007	16,215,000	31,953,366	-	-	48,168,366
2008	15,100,000	31,689,658	-	-	46,789,658
2009	39,410,950	19,397,402	2,590,000	7,149,000	68,547,352
2010	36,762,950	35,203,817	2,361,000	7,149,000	81,476,767
2011	41,727,950	54,766,999	-	-	96,494,949
2012	38,478,950	58,077,442	4,840,000	-	101,396,392
2013	48,685,137	58,047,355	3,963,000	-	110,695,492
2014	53,043,331	57,864,941	1,800,000	-	112,708,272
2015	48,953,429	55,583,000	1,200,000	-	105,736,429

	BUSINESS-TYPE ACTIVITIES							
Fiscal Year	Revenue Bonds**	Tennessee State Revolving /TML Loans	Tennessee EPA/ Energy Efficiency Loans	Cumberland Electric Membership/Other	Subtotal	Total Primary Government	Percentage of Personal Income*	Per Capita*
2006	$ 366,300,000	$ 49,205,329	$ 353,571	$ -	$ 415,858,900	$ 462,685,059	8.74%	$ 4,063
2007	444,860,000	45,042,520	155,404	72,601	490,130,525	538,298,891	9.55%	4,513
2008	431,975,000	41,940,656	99,827	841,100	474,856,583	521,646,241	8.77%	4,273
2009	412,750,002	43,323,471	45,557	756,973	456,876,003	525,423,355	8.33%	4,252
2010	422,395,000	65,489,956	-	756,973	488,641,929	570,118,696	8.53%	4,632
2011	434,645,294	60,967,917	-	588,756	496,201,967	592,696,916	9.26%	4,458
2012	392,190,000	99,641,535	-	752,612	492,584,147	593,980,539	8.75%	4,686
2013	453,367,081	44,107,639	-	681,994	498,156,714	608,852,206	7.92%	4,363
2014	426,595,036	62,527,323	-	559,517	489,681,876	602,390,148	7.85%	4,103
2015	402,143,399	98,823,331	-	438,297	501,405,027	607,141,456	8.00%	4,136

*See Demographic and Economic Statistics, page 148 for personal income and population data.
**Includes premium.

CITY OF CLARKSVILLE, TENNESSEE

Ratios of General Bonded Debt Outstanding and Legal Debt Margin*

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds****	All Other Long Term Debt	Total Long Term Debt	Per Capita**	Percentage of Actual Assessed Property Value***
2006	12,115,000	34,711,159	46,826,159	411.21	3.7%
2007	16,215,000	31,953,366	48,168,366	403.81	3.1%
2008	15,100,000	31,689,658	46,789,658	383.30	2.9%
2009	39,410,950	29,136,402	68,547,352	550.29	3.9%
2010	36,762,950	44,713,817	81,476,767	661.90	3.9%
2011	41,727,950	54,766,999	96,494,949	725.91	4.6%
2012	38,478,950	62,917,442	101,396,392	762.79	4.8%
2013	48,685,137	62,010,355	110,695,492	793.33	5.0%
2014	53,043,331	59,664,941	112,708,272	767.76	5.0%
2015	48,953,429	56,783,000	105,736,429	720.25	4.4%

* The City has no legal debt margin.

**See Demographic and Economic Statistics, page 148, for population data.

***Property value obtained from page 138.

****Includes premium.

CITY OF CLARKSVILLE, TENNESSEE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(Unaudited)

Jurisdiction	Bonded Debt Outstanding	Percentage Applicable to City*	Estimated Share of Overlapping Debt
City of Clarksville	$ 105,736,429	100%	$ 105,736,429
Montgomery County	$ 306,802,232	73.18%	$ 224,510,552
Total	$ 412,538,661		$ 330,246,981

*Percentage calculated using portion of most recent Assessed Value of Property in City compared to County:

City of Clarksville	$ 2,540,938,220
Montgomery County	$ 3,472,288,989
	73.18%

CITY OF CLARKSVILLE, TENNESSEE
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Electric Department - Electric Division

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage*
2006	$ 93,600,900	$ 87,065,800	$ 6,535,100	$ 1,211,000	$ 366,000	$ 1,577,000	4.14
2007	103,391,300	97,229,400	6,161,900	2,290,100	1,019,600	3,309,700	1.86
2008	112,591,500	107,032,300	5,559,200	565,000	2,492,700	3,057,700	1.82
2009	134,792,681	125,744,219	9,048,462	659,100	2,691,078	3,350,178	2.70
2010	134,832,982	115,972,397	18,860,585	1,409,108	3,374,886	4,783,994	3.94
2011	157,699,214	140,063,165	17,636,049	2,166,465	3,779,688	5,946,153	2.96
2012	152,858,073	131,042,138	21,815,935	1,980,000	3,847,839	5,827,839	3.74
2013	152,108,989	133,951,633	18,157,356	2,170,103	3,774,263	5,944,366	3.05
2014	162,603,188	143,877,916	18,725,272	2,255,103	3,647,978	5,903,081	3.17
2015	163,046,997	146,998,392	16,048,605	2,606,098	3,172,925	5,779,023	2.78

Electric Department - Broadband Division**

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage*
2006	$ -	$ -	$ -	$ -	$ -	$ -	-
2007	-	342,300	(342,300)	-	-	-	-
2008	109,000	2,164,900	(2,055,900)	-	-	-	-
2009	2,149,396	6,145,695	(3,996,299)	-	269,906	269,906	-14.81
2010	6,452,512	8,878,178	(2,425,666)	-	216,397	216,397	-11.21
2011	9,410,270	14,456,880	(5,046,610)	-	244,264	244,264	-20.66
2012	12,060,459	13,051,172	(990,713)	-	217,353	217,353	-4.56
2013	13,943,243	14,988,891	(1,045,648)	-	203,789	203,789	-5.13
2014	15,081,851	16,273,380	(1,191,529)	250,000	96,805	346,805	-3.44
2015	18,316,799	16,230,215	2,086,584	552,889	95,430	648,319	3.22

Gas, Water and Sewer Department

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage*
2006	$ 89,860,998	$ 68,350,391	$ 21,510,607	$ 5,242,930	$ 7,064,900	$ 12,307,830	1.75
2007	82,235,510	68,350,391	13,885,119	5,451,855	7,169,000	12,620,855	1.10
2008	88,544,550	62,299,745	26,244,805	7,076,828	7,425,165	14,501,993	1.81
2009	89,916,910	57,653,703	32,263,207	8,137,263	9,097,355	17,234,618	1.87
2010	78,640,588	55,625,374	23,015,214	9,619,913	7,388,097	17,008,010	1.35
2011	80,533,155	57,048,997	23,484,158	8,791,760	7,557,135	16,348,895	1.44
2012	74,170,038	46,615,197	27,554,841	9,272,772	7,439,165	16,711,937	1.65
2013	72,366,334	45,953,410	26,412,924	9,957,330	7,482,417	17,439,747	1.51
2014	80,440,594	48,373,548	32,067,046	11,349,830	8,972,297	20,322,127	1.58
2015	82,549,306	46,862,543	35,686,763	11,875,721	8,886,367	20,762,088	1.72

(Continued)

CITY OF CLARKSVILLE, TENNESSEE
Pledged Revenue Coverage
Last Ten Fiscal Years

Parking Authority

Fiscal Year	Fines and Fees	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage*
2006	$ 322,433	$ 71,653	$ 250,780	$ 110,295	$ 35,354	$ 145,649	1.72
2007	416,032	70,842	345,190	114,188	36,089	150,277	2.30
2008	375,631	70,463	305,168	118,218	27,298	145,516	2.10
2009	365,034	125,070	239,964	122,393	12,652	135,045	1.78
2010	396,179	118,719	277,460	132,575	7,042	139,617	1.99
2011	418,283	97,340	320,943	132,575	5,972	138,547	2.32
2012	366,623	92,158	274,465	3,426	6,574	10,000	27.45
2013	357,204	78,196	279,008	3,039	6,962	10,001	27.90
2014	316,307	63,036	253,271	7,809	2,191	10,000	25.33
2015	378,577	85,819	292,758	8,270	1,730	10,000	29.28

All Enterprise Funds

Fiscal Year	Utility Service Charges/Fines and Fees	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Debt Service Total	Coverage*
2006	$ 183,784,331	$ 155,487,844	$ 28,296,487	$ 6,564,225	$ 7,466,254	$ 14,030,479	2.02
2007	186,042,842	165,992,933	20,049,909	7,856,143	8,224,689	16,080,832	1.25
2008	201,620,681	171,567,408	30,053,273	7,760,046	9,945,163	17,705,209	1.70
2009	227,224,021	189,668,687	37,555,334	8,918,756	12,070,991	20,989,747	1.79
2010	220,322,261	180,594,668	39,727,593	11,161,596	10,986,422	22,148,018	1.79
2011	248,060,922	211,666,382	36,394,540	11,090,800	11,587,059	22,677,859	1.60
2012	239,455,193	190,800,665	48,654,528	11,256,198	11,510,931	22,767,129	2.14
2013	238,775,770	194,972,130	43,803,640	12,130,472	11,467,431	23,597,903	1.86
2014	258,441,940	208,587,880	49,854,060	13,862,742	12,719,271	26,582,013	1.88
2015	264,291,679	210,176,969	54,114,710	15,042,978	12,156,452	27,199,430	1.99

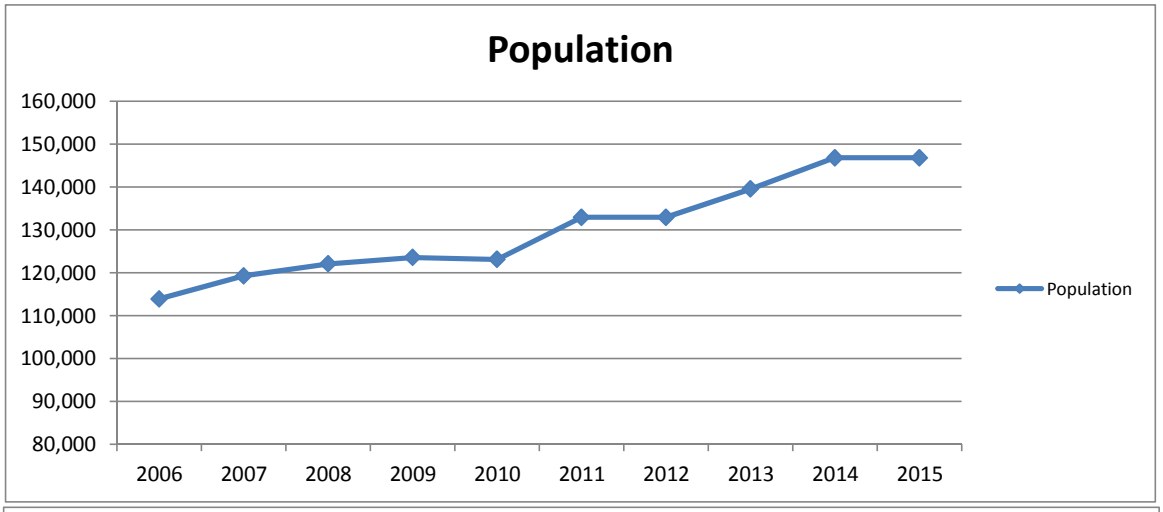
*Coverage ratio: A measure of the magnitude of resources available to pay the interest on and repay the principal of debt backed by pledged revenues. For each type of debt backed by pledged revenues, a coverage ratio is generally calculated by dividing gross pledged revenues or pledged revenues net of specific operating expenses by the sum of interest expenses and principal repayments.

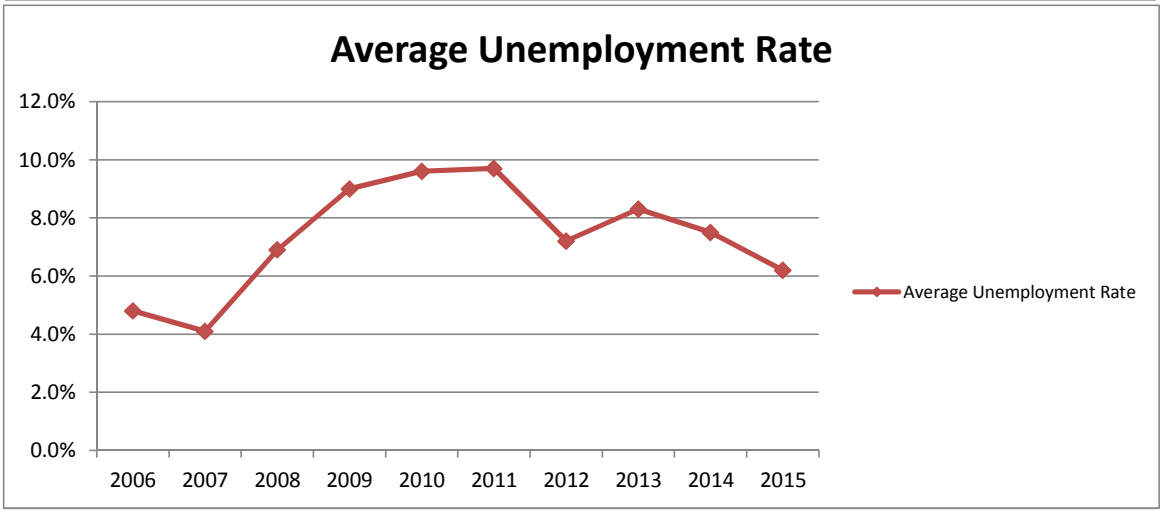
**CDE Broadband Division was created during Fiscal Year 2007. The Broadband Division's debt is in the form of an interdepartmental loan due to the Electric Department - Electric Division.

Note: This schedule presents coverage information for different departments. The basis used for the calculation of coverage for these departments may be different depending on the circumstances (i.e. depreciation expense).

CITY OF CLARKSVILLE, TENNESSEE
Demographic and Economic Statistics*
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income (thousands)	Per Capita Personal Income	Median Age	Public School Enrollment	Average Unemployment Rate
2006	113,873	5,293,913	30,992	32.6	26,438	4.8%
2007	119,284	5,638,774	32,289	32.0	27,201	4.1%
2008	122,069	5,950,842	35,232	28.8	27,754	6.9%
2009	124,565	6,307,893	35,232	NA	29,205	9.0%
2010	123,095	6,686,367	35,232	31.8	29,796	9.6%
2011	132,929	6,398,756	37,893	31.5	30,440	9.7%
2012	132,929	6,785,738	39,155	28.2	30,566	7.2%
2013	139,532	7,680,293	43,485	28.2	31,300	8.3%
2014	146,802	7,676,859	41,695	28.3	32,000	7.5%
2015	146,806	7,543,049	39,708	30.0	32,449	5.7%





*The above information came from the following sources: U.S. Bureau of Economic Analysis, Clarksville-Montgomery County Office of Economic Development, Clarksville-Montgomery County School System and the US Department of Labor: Bureau of Labor Statistics. 2011 - Tennessee Certified Populations, other years are estimated based on 2000 Tennessee Certified Population. Per Capita and Personal Income Information provided by bea.gov, and has a two year lapse to collect data.

CITY OF CLARKSVILLE, TENNESSEE
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	Year 2015			Year 2006		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense (Ft. Campbell)	5,100	1	8.84%	4,388	1	6.46%
Clarksville-Montgomery County School System	3,900	2	6.76%	2,900	2	4.27%
City of Clarksville	1,426	3	2.47%	1,069	6	1.57%
Wal-Mart Supercenter	1,363	4	2.36%			
Gateway Medical Center	1,165	5	2.02%	1,200	5	1.77%
Trane Company	1,100	6	1.91%	1,200	4	1.77%
Montgomery County	921	7	1.60%	850	7	1.25%
Austin Peay State University	900	8	1.56%	732	9	1.08%
Josten's Printing & Publishing	700	9	1.21%	550	10	0.81%
Akebono	650	10	1.13%			
	17,225		29.87%	12,889		18.97%

Civilian Labor Force - 2015	57,660
Civilian Labor Force - 2006	67,920

Sources: Clarksville-Montgomery County Economic Development Council; City of Clarksville Human Resources; Montgomery County Website; Tennessee Department of Labor & Workforce Development

CITY OF CLARKSVILLE, TENNESSEE

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

(Unaudited)

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	79	67	75	83	89	131	135	135	135	135
Public Safety										
Police Department	292	292	301	322	296	307	315	344	345	354
Fire Department	183	200	197	197	197	204	204	204	200	200
Total Public Safety	475	492	498	519	493	511	519	548	545	554
Street Department	79	82	83	86	86	86	86	90	89	92
Recreation	44	50	82	79	81	93	108	115	115	121
Governmental Activities	677	691	738	767	749	821	848	888	884	902
Transit	49	52	52	52	77	76	76	77	77	79
Department of Electricity	89	90	90	90	127	167	167	167	167	184
Gas, Water & Sewer	254	246	245	244	245	244	244	244	262	262
Business-Type Activities	392	388	387	386	449	487	487	488	506	525
Total Employees of Primary Government	1,069	1,079	1,125	1,153	1,198	1,308	1,335	1,376	1,389	1,426

CITY OF CLARKSVILLE, TENNESSEE
Operating Indicators by Function / Program
Last Ten Fiscal Years*
(Unaudited)

Function / Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building Permits Issued				630	1,203	1,128	1,557	1,112	1,184	1,494
Building Inspections Conducted				12,984	5,886	4,514	7,119	5,915	5,475	4,759
Police										
Calls for Service			152,562	143,210	143,210	145,894	150,000	154,445	149,788	151,062
TIBRS Type A Crime			13,509	13,356	13,356	12,060	13,053	12,647	12,987	12,882
TIBRS Type B Crime			2,066	1,879	1,879	2,019	2,243	2,260	2,433	2,512
Fire										
Calls for Service			6,353	6,635	5,710	6,573	8,008	9,139	10,554	11,929
Fire Calls			620	586	478	128	129	487	91	107
Inspections			2,023	2,599	2,547	2,601	1,840	2,189	1,615	1,206
Public Works										
Miles of Street	550	560	572	587	595	603	615	624	634	640
Parks & Recreation										
Acres of Parks	429.5	429.5	430	430	600	650	650	775	750	840
Gas, Water & Sewer										
Miles of Gas Lines	704	758	859	859	986	1,022	1,021	1,031	1,041	1,037
Miles of Water Lines	841	841	944	970	992	1,008	1,030	1,032	1,037	1,043
Miles of Sewer Lines	731	731	781	781	860	871	893	906	915	922
Gas Customers	20,523	21,343	21,871	22,223	23,081	24,110	24,473	24,652	25,136	25,588
Water Customers	47,167	51,066	51,035	53,266	52,558	56,726	58,405	58,694	60,666	62,026
Sewer Customers				45,578	46,780	48,964	50,453	50,628	52,516	53,806
Electric										
# of Residential Customers	45,606	48,629	49,219	49,295	52,413	54,019	55,434	55,837	57,631	59,023
# of Commercial Customers	5,570	5,779	5,827	5,784	6,279	6,336	6,553	6,580	6,700	6,754
# of Industrial Customers	699	734	734	754	727	769	741	725	743	750
Public Lighting Customers	508	547	523	528	561	552	577	419	427	425
Transit										
# of Riders	671,005	662,917	727,757	727,757	733,718	793,923	894,356	873,368	733,752	725,810

*Information included as available.

CITY OF CLARKSVILLE, TENNESSEE
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years
(Unaudited)

Function / Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
# of Buildings	119	119	122	122	123	103	103	119	128	130
# of Vehicles	134	149	150	150	165	173	173	184	186	195
Public Safety										
Police Stations	3	3	3	3	3	5	5	5	5	5
Police Patrol Units	303	354	315	315	326	252	279	303	303	320
Fire Stations	10	10	10	10	10	10	10	10	10	10
Fire Vehicles	43	47	51	51	52	50	50	48	65	57
Public Works										
Streets (miles)	550	560	572	587	595	603	615	624	634	640
Parks & Recreation										
Acreage	429.5	429.5	430	430	600	650	650	775	750	840
# of Parks	22	22	22	22	30	25	25	25	27	34
Community Centers	3	3	3	3	3	3	3	3	3	3
Pools / Field & Courts	38	38	38	38	38	56	64	34	48	58
Gas, Water, Sewer & Electric										
Gas Line Miles	704	758	859	859	986	1,022	1,021	1,031	1,041	1,037
Water Line Miles	841	841	944	970	992	1,008	1,030	1,032	1,037	1,043
Sewer Line Miles	731	731	781	781	860	871	893	906	915	922
Electric Substations	10	10	10	10	10	11	12	12	12	12
Transit										
# of Vehicles	12	15	16	18	20	34	34	34	34	36

Internal Control and Compliance Section

CROSSLIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and City Council
City of Clarksville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Clarksville, Tennessee (the "City"), as of and for the year ended June 30, 2015, 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 21, 2015. Our report includes a reference to other auditors who audited the financial statements of the Clarksville-Montgomery County Museum, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Crosslin & Associates, P.C.

Nashville, Tennessee
December 21, 2015

CROSSLIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Mayor and City Council
City of Clarksville, Tennessee

Report on Compliance for the Major Federal Program

We have audited the City of Clarksville, Tennessee's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2015. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. The City's basic financial statements include the operations of the Gas, Water and Sewer Departments, which had federal expenditures of $685,557, which are not included in the City's schedule of expenditure of federal awards for the year ended June 30, 2015. Our audit, described below, did not include the operations of the Gas, Water and Sewer Departments, because we audited and reported on the Gas, Water and Sewer Departments' compliance in accordance with OMB Circular A-133 separately. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2015.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crosslin & Associates, P.C.

Nashville, Tennessee
December 21, 2015

CITY OF CLARKSVILLE, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes _x_ no
Significant deficiency(ies) identified? ___ yes _x_ none reported

Noncompliance material to financial statements noted? ___ yes _x_ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes _x_ no
Significant deficiency(ies) identified? ___ yes _x_ none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ___ yes _x_ no

Identification of major program for the City of Clarksville for the fiscal year ended June 30, 2015:

CFDA Number	Name of Federal Program
20.500 / 20.507	Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? _x_ yes ___ no

II. Findings related to the audit of the financial statements of the City of Clarksville

None reported.

III. Findings and questioned costs related to the audit of federal awards

None reported.

CITY OF CLARKSVILLE, TENNESSEE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2015

The City had no prior year audit findings.