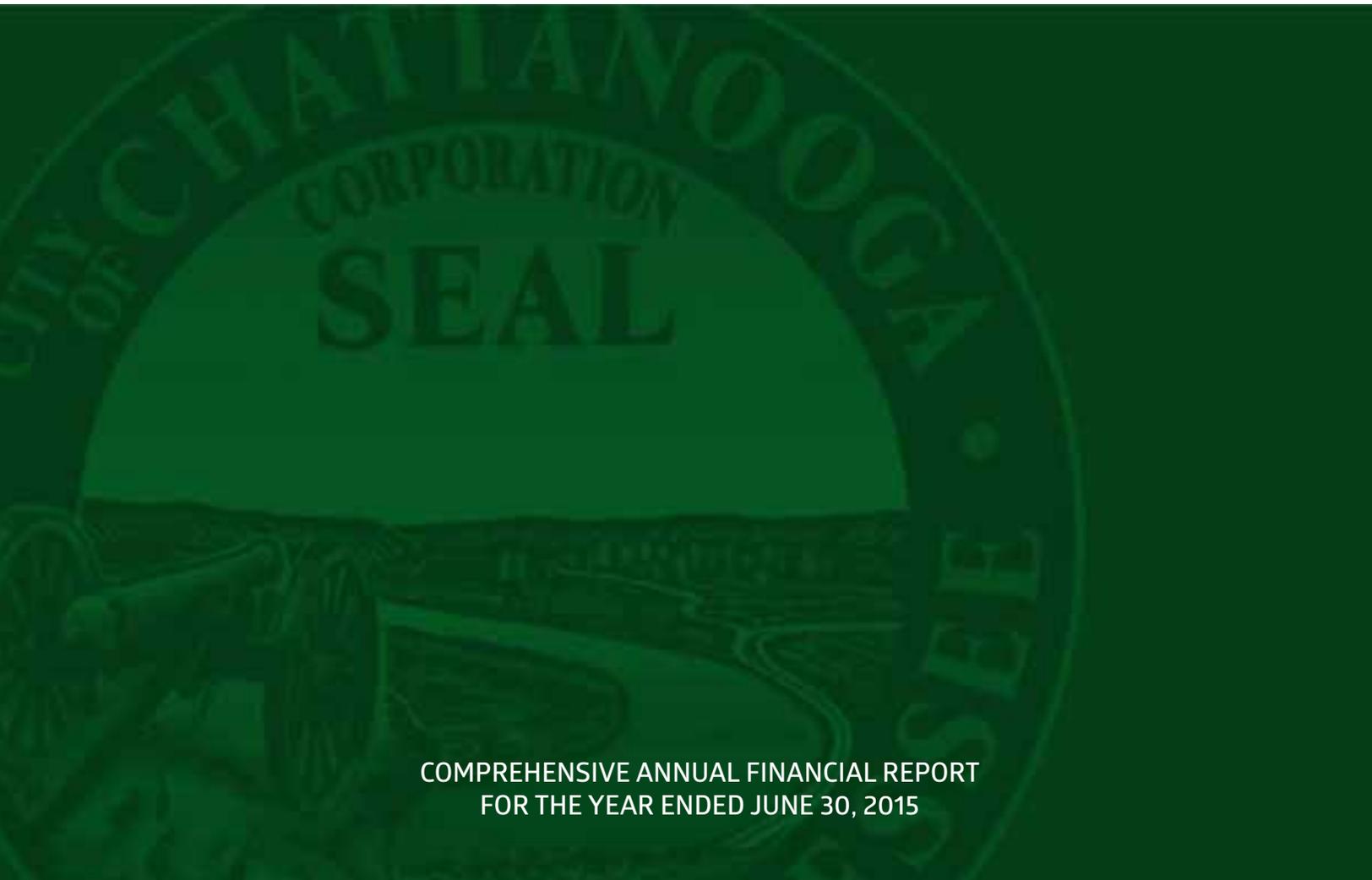


City of Chattanooga, Tennessee

CAFR 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

About the Cover

Through Budgeting for Outcomes, Chattanooga Mayor Andy Berke has ensured the priorities of City Government are aligned with those established by the community – safer streets, smarter students and stronger families, a growing economy, stronger neighborhoods, and high performing government. Whether it's working alongside neighborhood volunteers to clean up graffiti, investing in technology training to prepare workers for the innovation economy, or providing great essential services like street-sweeping and collecting recyclables, the City of Chattanooga is committed to providing the very best services as we build the best mid-size city in America.

CITY OF CHATTANOOGA, TENNESSEE

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

DEPARTMENT OF FINANCE AND ADMINISTRATION
DAISY W. MADISON, ADMINISTRATOR

CITY OF CHATTANOOGA, TENNESSEE

CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter from Mayor Andy Berke	Intro 1
City Council	Intro 2
Finance Administrator’s Letter of Transmittal	Intro 3
Certificate of Achievement for Excellence in Financial Reporting	Intro 9
City Officials	Intro 10
Organization Chart	Intro 11
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	i
Management’s Discussion and Analysis	iv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	A-1
Statement of Activities	A-2
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	A-4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	A-5
Statement of Revenues, Expenditures, and Changes in Fund Balances	A-6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	A-8
Proprietary Fund Financial Statements	
Statement of Net Position	A-9
Statement of Revenues, Expenses, and Changes in Net Position	A-11
Statement of Cash Flows	A-12
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	A-14
Statement of Changes in Fiduciary Net Position	A-15
Component Units Financial Statements	
Combining Statement of Net Position	A-16
Combining Statement of Activities	A-17
Notes to Basic Financial Statements	A-18

CITY OF CHATTANOOGA, TENNESSEE

CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Schedules of Required Supplementary Information:

Pension Trust Fund –	
Schedule of Changes in the City's Net Position Liability and Related Ratios – Pension Trust Fund – General	B-1
Schedule of Changes in the City's Net Position Liability and Related Ratios – Pension Trust Fund – Fire and Police	B-2
Schedule of City Contributions – Pension Trust Fund – General	B-3
Schedule of City Contributions – Pension Trust Fund – Fire and Police	B-4
Schedule of Investment Returns	B-5
City Pension and OPEB Plans –	
Schedule of Changes in the City's Net Pension Liability and Related Ratios – General Pension Plan	B-6
Schedule of Changes in the City's Net Pension Liability and Related Ratios – Fire and Police Pension Fund	B-7
Schedule of Changes in the City's Net Pension Liability and Related Ratios – Electric Power Board of Chattanooga Retirement Plan	B-9
Schedule of City Contributions – General Pension Plan	B-10
Schedule of City Contributions – Fire and Police Pension Fund	B-11
Schedule of City Contributions – Electric Power Board of Chattanooga Retirement Plan	B-12
Public Employee Retirement Systems – Schedule of Fundings Progress	B-13
Public Employee Retirement Systems – Schedule of Employer Contributions	B-14

OTHER SUPPLEMENTARY INFORMATION

Combining Financial Statements

Combining Balance Sheet – Nonmajor Governmental Funds	C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	C-3
Combining Statement of Revenues, Expenses and Changes in Net Position – Component Units	C-5
Combining Statement of Cash Flows – Component Units	C-6

Budgetary Comparison Schedules

General Fund	D-1
Special Revenue Funds	
Downtown Development Fund	D-13
Social Services Program Fund	D-14
Narcotics Program Fund	D-15
State Street Aid Fund	D-16
Community Development Fund	D-17
Hotel/Motel Tax Fund	D-18
River Pier Garage Fund	D-19
Regional Planning Agency Fund	D-20
Air Pollution Control Fund	D-21
Scenic Cities Beautiful Commission Fund	D-22
Tennessee Valley Regional Communications Fund	D-23
Debt Service Fund	D-24

CITY OF CHATTANOOGA, TENNESSEE

CONTENTS

Financial Schedules	
Schedule of Investments by Funds	E-1
Combined Schedule of Changes in Taxes Receivable	E-2
Summary Schedule of Debt Service Requirements to Maturity	E-3
Analysis of General Obligation Debt	E-5
Schedule of Bonds, Notes, and Capital Leases Payable – by Fiscal Year	E-9
STATISTICAL SECTION (Unaudited)	
Changes in Net Position	F-1
Net Position by Component	F-3
Governmental Activities Tax Revenue by Source	F-5
Fund Balances of Governmental Funds	F-6
Changes in Fund Balances of Governmental Funds	F-7
Assessed and Estimated Actual Value of Taxable Property	F-9
Property Tax Rates – Direct and Overlapping Governments	F-10
Principal Property Taxpayers	F-11
Property Tax Levies and Collections	F-12
Property Value and Construction Permits	F-13
General Fund Intergovernmental Revenue	F-14
EPB Utility Rate Structure and Number of Customers	F-15
Ratios of Outstanding Debt by Type	F-16
Ratios of General Bonded Debt Outstanding	F-17
Direct and Overlapping Governmental Activities Debt	F-19
Legal Debt Margin Information	F-20
Historical Debt Ratios	F-22
Revenue Bond Coverage	F-24
Demographic and Economic Statistics	F-25
Principal Employers	F-26
Full-Time Equivalent City Government Positions by Function	F-27
Operating Indicators by Functions	F-28
Capital Asset Statistics by Functions	F-29
Employment and Unemployment	F-30
Other Receipts	F-31
Capital Improvement Plan	F-32
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal and State Awards	G-1
Notes to Schedule of Expenditures of Federal and State Awards	G-7
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 <i>Government Auditing Standards</i>	G-8
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	G-10
Schedule of Findings and Questioned Costs	G-12
Schedule of Prior Audit Findings	G-14