

**CITY OF CLARKSVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND REPORTS OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
JUNE 30, 2008**



**CITY OF CLARKSVILLE, TENNESSEE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 JUNE 30, 2008**

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	1
Schedule of Officials	5
Organizational Chart	6

FINANCIAL SECTION

Independent Auditor's Report	7
Management Discussion and Analysis	9
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Assets	23
Statement of Activities	25
Fund Financial Statements	
Balance Sheet-Governmental Funds	27
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Assets	28
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Net Assets-Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in Fund Net Assets-Proprietary Funds	34
Combining Statement of Cash Flows-Proprietary Funds	36
Statement of Fiduciary Net Assets-Fiduciary Fund	39
Statement of Changes in Fiduciary Net Assets-Fiduciary Fund	39
Budgetary Comparison Schedule- General Fund	40
Notes to Financial Statements	45
Required Supplementary Information:	
Schedule of Funding Progress for Pension Plan	77
Schedule of Funding Progress and Summary of Actuarial Assumptions for OPEB	77
Modified Approach for Street Network Infrastructure Capital Assets	78
Budgetary Information	79
Supplementary Information:	
Budgetary Comparison Schedule- Non-Major Governmental Funds	81
Combining Balance Sheet Non-Major Governmental Funds	85
Combining Statement of Revenue, Expenditures and Changes in Fund Balances Non-Major Governmental Funds	86
Combining Balance Sheet-Special Revenue Funds	87
Combining Statement of Revenue, Expenditures and Changes in Fund Balances-Special Revenue Funds	88
Combining Statement of Net Assets-Non Major Proprietary Funds	89
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets-Non Major Proprietary Funds	91
Combining Statement of Cash Flows-Non Major Proprietary Funds	92
Combining Statement of Net Assets-Internal Service Funds	94
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets-Internal Service Funds	95
Combining Statement of Cash Flows-Internal Service Funds	96

INTERNAL CONTROL AND COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	97
Schedule of Expenditures of State Awards	100
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	101
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	103
Schedule of Findings and Questioned Costs	105

STATISTICAL SECTION

107



COMPREHENSIVE ANNUAL FINANCIAL REPORT
LETTER OF TRANSMITTAL

January 29, 2009

The Citizens of the City of Clarksville

Mayor and Clarksville City Council

The Department of Finance and Revenue is issuing the Comprehensive Annual Financial Report (CAFR) of the City of Clarksville, Tennessee, for the fiscal year ended June 30, 2008. This report is published to provide the City Council, city staff, citizens, bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. 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.

To the best of our knowledge, the enclosed data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Report

The Report is presented in three sections: (1) Introductory, (2) Financial, and (3) Statistical. The introductory section includes this transmittal letter, a listing of City Officials, and an organizational chart of the City. The financial section includes a Management's Discussion and Analysis (MD&A), government-wide financial statements and combining and individual fund statements and schedules, as well as the independent auditors' report on the basic financial statements. The Financial Section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional and rule setting associations as applicable.

City Profile

The City of Clarksville is the fifth largest city (103,455 population based on 2000 census) in the State of Tennessee. The City of Clarksville was organized under Chapter 292 of the 1957 Private Acts of the General Assembly of the State of Tennessee. The City operates under a Mayor and City Council form of government. The terms of office of the Mayor and City Council are for four years, not to exceed three consecutive terms of office. The City Council consists of twelve members. The City Council's four year terms are staggered with one half of the City Council being elected every two years. The Mayor and the City Council enact local laws, established policies, and adopt an annual budget. The Mayor is the administrative head of the government and is responsible for the day-to-day administration operations of the city government.

Services Provided

The City provides to its citizens services that are necessary and meaningful and which the City can more effectively and efficiently provide. Major services provided under the governmental activities and business-type are:

Governmental activities:

1. Fire and Police protection (Public Safety);
2. Parks and Recreation facilities and programs (Cultural/Recreational);

3. Two municipal golf courses (18 holes at Swan Lake Golf Course and 9 holes at Mason Rudolph Golf Course);
4. Streets and infrastructure improvements and maintenance (Highways and Streets); and
5. General administrative services (General Government).

Business-type activities

1. Public transportation (Clarksville Transit System);
2. Parking facilities (Clarksville Parking Authority);
3. Electric service (Clarksville Department of Electricity);
4. Gas service (Clarksville Gas and Water Department);
5. Water and sewer services (Clarksville Gas and Water Department); and
6. Natural Gas Acquisition Corporation

Many of the insurable risks (health and dental care, general liability, on-the-job injury, and auto liability) of the City are provided for by one or more internal service funds. Internal service funds are operated on a cost recovery basis.

Accounting System and Budgetary Control

The City's accounting records for the general government's operations are maintained under generally accepted accounting principles. Internal accounting controls are to provide reasonable, but not absolute assurance regarding:

1. maintaining the accountability for and the safeguarding of the city's assets against loss from unauthorized use or disposition;
2. maintaining the accuracy and reliability of the financial records; and
3. demonstrating compliance with applicable federal, state, and local rules and regulations.

The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits of the internal controls. The evaluation of internal control requires estimates of costs and the benefits to be derived from the controls. The evaluation of internal controls requires making subjective and quantitative judgments.

All internal control evaluation occurs within the above framework. The City's internal controls for accounting provide for the adequate safeguard of the city's assets and provides for the reasonable assurance that the proper recording of the city's financial transactions has occurred.

The Official Code of the City of Clarksville requires that the City Council shall adopt an annual budget prepared by the Commissioner of Finance and Revenue under the direction of the Mayor. Once the budget is approved, the Mayor is authorized to approve the transfer of appropriations from a Department's salaries and capital outlay items to non-operating/non-capital expenditures within that same department. Any revisions increasing the total expenditures of a department must be approved by the City Council. The annual budget may be amended by ordinance at anytime during the fiscal year.

Budgetary control is established at the fund level. Monthly financial reports listing budgeted and actual expenditures by program or department are issued to the City Council. The departments have access to pertinent financial information relating to their operations at all times. The actual expenditures of the departments are reviewed and analyzed by the Finance and Revenue Department for budgetary compliance and for unusual deviations from their expected expenditure pattern. Within each department, emphasis is placed on total expenditures for the department. Each department has a goal of remaining within their respective budgetary appropriation while providing effective and efficient services to the city's citizens.

Revenues are reviewed monthly and compared to expected collection rates, any unusual revenue patterns that are observed are analyzed for possible changes in trends or possible unfavorable variances from budgeted amounts.

Cash Management

The City of Clarksville's general government's depository was Legends Bank; however since the close of the 2007 fiscal year the city has changed depositories and transitioned to U. S. Bank. The City invests idle funds within the provisions of T. C. A. 6-56-106. Each of the chief financial officers of their respective funds makes investment decisions within the framework of these T.C. A. provisions. The general government does not deposit money in out-of-state banks nor does it deposit funds in banks that are not members of the State of Tennessee's collateral

banking pool. The policy of the general government, of limiting investments to banks that are members of the banking pool, enables the collateralization requirements of the State of Tennessee found within T.C.A. 6-56-106 to be easily met. Factors considered when managing cash and making investments are: (1) liquidity, (2) safety of the investment, and (3) the investment's return. The city's general government cash balances and reserves are maintained at three levels with varying degrees of liquidity:

1. Demand accounts are maintained at levels required for checks to clear.
2. Sweep accounts, provide for the temporary investment of cash not immediately required.
3. State of Tennessee Local Government Investment Pool provides for a slightly greater return on invested funds than the sweep accounts while maintaining many characteristics of demand accounts.
4. Fixed rate investments with specified rates of return and fixed maturity dates. These investments are placed based upon competitive interest quotes. These are funds not currently required to fund operations except in the event of an unforeseen emergency.

The Chief Financial Officers of the utilities and the transit system invest the idle cash under their control in those investments provided for within the provisions of T.C.A. 6-56-106, basing their investment decisions on their respective funds operating requirements and the factors of investment liquidity, safety, and return.

Statement No. 40 of the Governmental Accounting Standards Board, "Deposit and Investment Risk Disclosures", states "If a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact." The City does not have an official investment policy. We believe the provisions of the Tennessee Code Annotated 6-56-106, "Authorized Investments", provides sufficient guidance in the investment of the City's funds. The City is a passive investor. Investments are made in those investments authorized under Tennessee Code Annotated, Section 6-56-106 and are held to maturity. The city does not invest in the anticipation of making a gain due to the movement up or down in interest rates. The City realizes that one or more types of risk may be found in any investment. The types of risks are: (1) concentrations of credit risk, (2) interest rate risk, and/or (3) foreign currency risk. We believe the passive investment strategy and limiting those investments found within the provisions of the 6-56-106 minimizes the city's exposure investments risks.

During the period June 1 through mid-December, year to date expenditures can exceed year to date revenues by \$10 million. As the City's budget increases, this cash imbalance of revenues exceeding expenditures can be expected to increase. The negative cash flow generally decreases as the end of December approaches. The negative cash flows reappear in January and will continue through mid-May. This imbalance between revenues and expenditures is expected. Significant expenditures are planned around this established trend for revenues and expenditures. Discounts on purchases are taken when available. In the absence of discounts or contractual agreement, payments are normally held 30 days after processing for cash flow purposes. Large purchases are deferred until later in the fiscal year when the deficit of expenditures over revenues decreases. All cash received must be deposited within three days of receipt, however normally deposits are made daily. The city's goal is to expedite the receipt of funds and to slow the disbursement of funds.

Risk Management

The City of Clarksville administers Internal Service Funds and a Self-Insured Retention (SIR) program in order to manage potential liabilities.

Liability claims in excess of the self-insured amounts (SIR) are covered through third-party excess liability insurance policies. The City is self-insured with excess coverage in these areas: (1) general liability, (2) law enforcement liability, (3) public entity management liability, and (4) employment practices liability with a \$1,000,000 (SIR) retention and \$5,000,000 excess limit coverage (umbrella).

On-the-job injury and automobile liability are completely self-insured through the city's Internal Service Fund.

Automobile physical damage is provided through a fully insured third party policy with a \$500 collision/\$250 comprehensive deductible in place for the Clarksville Fire Department, Clarksville Transit System and the Parks and Recreation Department. Liability coverage is also provided with a \$650,000 per occurrence deductible for the covered departments.

Property coverage is provided through a fully insured third party policy with a \$50,000 per occurrence deductible. Valuation is provided on an agreed amount, blanket basis for buildings and contents with a total limit of \$135 million.

The City offers a fully-insured medical plan for regular full-time employees and dependents on a cost-sharing basis. Employees enrolled in medical are automatically enrolled in the self-insured pharmacy program; cost is shared with employees. Dental is also self insured; the City pays the cost for employees, but employees pay the additional cost for dependents.

Financial Reports and Independent Audit of Financial Reports

Section 6-56-105 to the Tennessee Code Annotated and Article 5, Section 4 of the Official Code of the City of Clarksville requires an annual financial report of all financial books and records of the city. Article IV, Section 5 of the Official Code of the City of Clarksville requires that the Commissioner of Finance and Revenue shall make a yearly report showing in full detail the financial condition of the city and the report shall be published in pamphlet form in the manner required by the city council for distribution. The attached audited financial reports are prepared based upon generally accepted accounting principles and the audit was performed in accordance with generally accepted governmental auditing standards and meet minimum audit standards as prescribed by the comptroller of the treasury.

Sincerely,

A handwritten signature in blue ink that reads "Wilbur M. Berry Jr." with a stylized flourish at the end.

Wilbur M. Berry Jr., CPA, CGFM

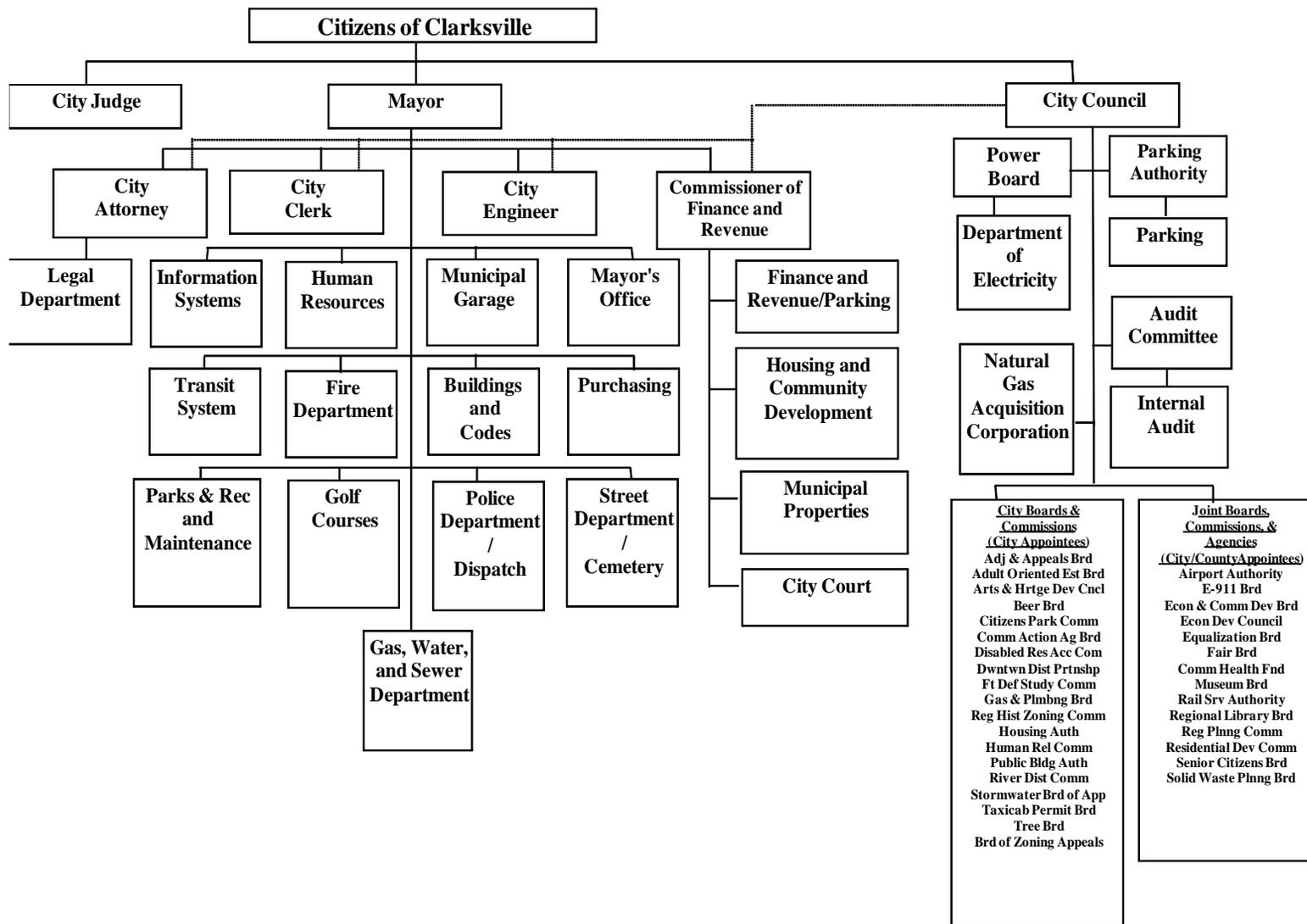
Commissioner of Finance and Revenue
City of Clarksville

**CITY OF CLARKSVILLE
SCHEDULE OF OFFICIALS
JUNE 30, 2008**

Mayor, Honorable John E. Piper	Term expires: December 31, 2010
City Attorney, Lance Baker	Appointed by the City Council
City Clerk, Sylvia Skinner	Appointed by the City Council
Commissioner of Finance and Revenue, Wilbur M. Berry, Jr.	Appointed by the City Council
City Engineer, Chris Hammer	Appointed by the City Council

<u>Ward</u>	<u>Council Member</u>	<u>Term Expires</u>
1	Barbara Johnson	December 31, 2010
2	Deana M. McLaughlin	December 31, 2010
3	James R. Lewis	December 31, 2008
4	Wallace Redd	December 31, 2008
5	Diana Ward	December 31, 2008
6	Marc Harris	December 31, 2010
7	Geno Grubbs	December 31, 2010
8	James Doyle	December 31, 2008
9	Richard Swift	December 31, 2008
10	Bill Summers	December 31, 2010
11	William Forrester	December 31, 2010
12	Wayne Harrison	December 31, 2008

ORGANIZATIONAL CHART





January 29, 2009

To the Honorable Mayor
and City Council
City of Clarksville, Tennessee

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Clarksville, Tennessee (the "City") as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Department of Electricity, which represents 20 percent and 43 percent, respectively, of the assets and revenues of the aggregate business-type activities. Also, we did not audit the financial statements of the Clarksville-Montgomery County Museum, which comprises the City's discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Department of Electricity and Clarksville-Montgomery County Museum, is based on the reports 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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 unit, each major fund, and the aggregate remaining fund information of the City of Clarksville, Tennessee, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis on pages 9 through 22 and the additional required supplementary information on pages 77 through 80 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements on pages 81 through 96 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards on pages 97 through 100 are presented for 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 is not a required part of the basic financial statements. The combining and individual non-major fund financial statements and the schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

WEATHERSPOON // LOWE // WALLACE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City of Clarksville's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

1. The net assets of the City increased from \$549.8 million in 2007 to \$576.0 million in 2008.
 - The net assets of the governmental activities increased from \$309.6 million in 2007 to \$315.1 million in 2008.
 - The net assets of the business-type activities increased from \$240.3 million in 2007 to \$260.9 million in 2008.
 - The net assets of the electric department's electric division increased from \$66.6 million in 2007 to \$69.7 million in 2008.
 - The net assets' deficit of the telecommunications division of the electric department increased from a \$0.4 million deficit in 2007 to a \$2.5 million deficit in 2008.
 - The net assets of the gas department increased from \$42.0 million in 2007 to \$44.4 million in 2008.
 - The net assets of the water and sewer department increased from \$121.0 million in 2007 to \$138.2 million in 2008.
 - The net assets of the natural gas and acquisition corporation increased from \$2.1 in 2007 to \$3.1 million in 2008.
 - Non-major enterprise funds' total net assets decreased from \$8.9 million in FY 2007 to \$8.1 million in FY 2008.
 - The net assets of the transit system decreased from \$7.0 million in 2007 to \$6.1 million in 2008.
 - The net assets of the parking authority increased from \$1.9 million in 2007 to \$2.0 million in 2008.
2. The total fund balance of the governmental funds decreased from \$27.7 million in FY 2007 to \$22.9 million in FY 2008.
 - The general fund's fund balance increased slightly from \$21.343 million in FY 2007 to \$21.341 million in FY 2008.
 - The other governmental funds' fund balances decreased from \$6.4 million in FY 2007 to \$1.5 million in FY 2008.
 - The special revenue funds' total fund balance increased from \$1.2 million in FY 2007 to \$1.6 million in FY 2008.
 - The capital projects fund's fund balance decreased from \$3.4 million FY 2007 to a \$1.7 million deficit in FY 2008.
 - The debt service fund's fund balance decreased from \$1.8 million in FY 2007 to \$1.6 million in FY 2008.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. The financial statements may be found immediately following the "Management Discussion and Analysis". Fund financial statements follow the Statement of Activities. For the governmental activities, the fund financial statements tell how the governmental activities (governmental services) were financed in the short term as well as what remains for future spending. The fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. The "Notes to Financial Statement" are extremely important component to the complete understanding of the financial statements of the City.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the question is the city financially better or worse off. The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. In the Statement of Activities, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the City's net assets and changes in them. You can think of the City's net assets—the difference between assets and liabilities—as one way to measure the City's financial health, or the City's financial position. Over time, increases or decreases in the City's net assets are indicators of whether the City's financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

1. **Governmental activities**—Most of the City's basic services are reported here, including the police, fire, highways and streets, and recreation departments (includes golf courses), and general government. Property taxes, business taxes, local sales taxes, state shared revenues, local beer and liquor taxes, franchise fees, and state and federal grants finance most of these activities.
2. **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's electric, gas, water and sewer system, transit system and parking facilities are reported here.
3. **Component unit**—The City includes two separate legal entities in its report, the Customs House Museum and the Natural Gas Acquisition Corporation (NGAC). The Customs House Museum is presented as a discretely presented component unit. NGAC is presented as a blended component unit of the city and it is reported in the business-type activities. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable and/or the nature and the significance of the relationship with a primary government (the City of Clarksville) is such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
 - The discretely presented component unit (Customs House Museum) reports the financial data of the component unit in a column separate from the financial data of the primary government.
 - The blended component unit (NGAC) reports the financial data and transactions of the primary government in a manner similar to the presentation of the balances and transactions of the primary government. Because of the closeness of NGAC's relationship with the City, this component unit is blended as though they are part of the City of Clarksville (primary government).

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State or local law and others by bond covenants. The City Council, the State of Tennessee, or the Commissioner of Finance and Revenue may establish other funds to help it control and manage money for particular purposes and/or to demonstrate legal compliance.

The City's two kinds of funds—governmental and proprietary—use different accounting approaches. (See the Notes to Financial Statements, Note A (6).)

1. **Governmental funds**—Most of the City's basic services are reported in governmental funds, focusing on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial

resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities and the Governmental funds) by reconciliations. Reconciliations of the governmental funds to the entity-wide statements immediately follow the balance sheet and the statement of revenues, expenditures, and changes of fund balance for the governmental funds.

2. Proprietary funds—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities. The city's business-type activities that are proprietary/enterprise funds are the: (1) Clarksville Department of Electricity, (2) Clarksville Gas Department, (3) Clarksville Water and Sewer Department, (4) Clarksville Transit System, (5) Clarksville Parking Authority, and (6) Natural Gas Acquisition Corporation. Proprietary funds also include the internal funds which provided services internally to the city. The internal service funds are the: (1) the dental fund, (2) health insurance fund, and (3) the self-insurance fund.

The City as Trustee

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or fiduciary, for its employees' pension plans. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. (See notes F and J in Notes to Financial Statements)

THE CITY AS A WHOLE

The City's combined net assets increased from \$549.9 million in FY 2007 to \$576.0 million in FY 2008. Looking at the net assets and net expenses of governmental and business-type activities highlights the differences between the governmental and business-type activities and their respective sources of funding. Whereas the activities of the governmental funds are generally non-revenue producing and service oriented, the activities of the business type activities are revenue producing and sell a product or service, recovering all or a portion of the cost of the product and/or service. The exception to this rule is the Transit System which receives significant federal, state and local government subsidies. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the city's governmental and business-type activities.

Table 1
Net Assets
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 58.5	\$ 63.0	\$ 344.0	\$ 390.9	\$ 402.5	\$ 453.9
Capital assets	343.5	332.7	456.5	389.6	800.0	722.3
Total assets	402.0	395.7	800.5	780.5	1,202.5	1,176.2
Current and other liabilities	42.0	41.6	68.6	49.1	110.6	90.7
Noncurrent liabilities	44.9	44.4	471.0	491.1	515.9	535.5
Total liabilities	86.9	86.0	539.6	540.2	626.5	626.2
Net assets	\$ 315.1	\$ 309.7	\$ 260.9	\$ 240.3	\$ 576.0	\$ 550.0
Invested in capital assets, net of related debt	\$ 296.7	\$ 284.5	\$ 226.1	\$ 189.6	\$ 522.8	\$ 474.1
Restricted net assets	1.6	4.6	17.1	24.5	18.7	29.1
Unrestricted net assets	16.8	20.6	17.7	26.2	34.5	46.8
Total net assets	\$ 315.1	\$ 309.7	\$ 260.9	\$ 240.3	\$ 576.0	\$ 550.0

Source: City of Clarksville's Department of Finance and Revenue

The governmental activities net assets increased from \$309.6 million in FY 2007 to \$315.1 million in FY 2008. The reasons for the increase were:

- (1) greater than anticipated revenues in the general fund primarily on the strength of tax collections and intergovernmental revenues;
- (2) less than anticipated expenditures for the departments, programs and miscellaneous agencies; and
- (3) contributed capital;

The business type activities (electric, gas, water and sewer, transit (non-major activity) and parking (non-major activity)) net assets increased from \$240.3 million in FY 2007 to \$260.9 million in FY 2008. The reasons for the increase were:

- (1) completion of projects;
- (2) rate increases occurred in both the electric and gas departments to recover the cost of energy from TVA and from the gas suppliers;
- (3) contributed capital from contractors
- (4) the increase in the number of customers serviced by the utilities; and
- (5) significant contributed capital to the gas, water, and sewer departments.

All utilities continue to be impacted by the rapid growth in the Clarksville-Montgomery County area, the customer base of all utilities increased in 2008. The growth obviously expands the customer base and total sales, but also places demands on transmission lines, plant, and other equipment.

The electric and gas utilities are affected by the weather (how warm or how cold the weather during the year). The number of "degree days" in FY 2008 totaled 3,641, compared to 3,599 in FY 2007. The "degree days" measures how much the average daily temperature varies from 65 degrees, an increase in the degree days should be reflected in the increase in the units of electricity or gas sold.

Table 2
Changes In Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues						
Charges for services	\$ 5.4	\$ 6.3	\$ 242.4	\$ 207.4	\$ 247.8	\$ 213.6
Operating grants, capital grants, and contributions	15.5	21.7	18.0	15.5	33.6	37.2
General revenues						
Property taxes	23.8	22.3	-	-	23.8	22.3
Other taxes	17.8	18.0	-	-	17.8	18.0
State shared taxes	10.1	10.0	-	-	10.1	10.0
Interest	0.8	1.1	-	-	0.8	1.1
Other general revenues	(0.7)	(0.8)	16.9	17.3	16.2	16.5
Transfers (net)	3.2	2.4	(3.2)	(2.4)	-	-
Total revenues	76.0	81.0	274.1	237.7	350.1	318.8
Expenses						
General government	15.9	13.5	-	-	15.9	13.5
Public safety	34.8	31.1	-	-	34.8	31.1
Highways and streets	7.5	9.2	-	-	7.5	9.2
Recreation	6.0	5.3	-	-	6.0	5.3
Community development	1.9	2.0	-	-	1.9	2.0
Miscellaneous agencies	1.7	1.4	-	-	1.7	1.4
Interest on long-term debt	2.0	2.1	-	-	2.0	2.1
Department of electricity-electric division	-	-	109.7	98.2	109.7	98.2
Department of electricity-telecommunications division	-	-	2.3	0.4	-	-
Gas department	-	-	46.5	43.4	46.5	43.4
Parking authority	-	-	0.1	0.1	0.1	0.1
Clarksville transit system	-	-	5.0	4.5	5.0	4.5
Water and sewer department	-	-	35.7	33.2	35.7	33.2
Natural Gas Acquisition Corp.	-	-	54.3	34.8	54.3	34.8
Other	0.8	0.7	-	-	0.8	0.7
Total expenses	70.4	65.3	253.5	214.6	321.6	279.5
Changes in net assets						
Beginning net assets (adjusted)	309.7	293.9	240.3	217.1	550.0	511.1
Prior period adjustment	(0.1)	-	-	-	(0.1)	-
Ending net assets	\$ 315.1	\$ 309.7	\$ 260.9	\$ 240.3	\$ 576.0	\$ 550.0

The City's total charges for services (governmental and business-type activities) increased from \$213.6 million in FY 2007 to \$247.8 million in FY 2008, an increase of \$34.2 million or a 16.0% increase. As Table 2 indicates the total revenues of the governmental activities decreased from \$81.0 million to \$76.0 million and the business type activities' revenues increased from \$237.7 million to \$274.1 million. The governmental activities' program revenues decreased from \$6.3 million in FY 2007 to \$5.4 million in FY 2008, this decrease of \$0.9 million was primarily due to a decrease in the issue of licenses and permits, a decrease in total fees collected for recreational services (both general and special revenue funds), a decrease in the total fines received and a decreases in the total miscellaneous revenue received by special revenue activities. Business-type activities' revenues increased from \$207.4 million in FY 2007 to \$242.4 million in FY 2008, this increase of \$35.0 million was due primarily to rate increases by the utilities and an increase in the number of product units sold by all utilities.

The total cost of all programs and services increased from \$279.9 million in FY 2007 to \$323.9 million to FY 2008. The governmental activities' expenses increased from \$65.3 million to \$70.4 million. The programs with the greatest increases were the general government programs (from \$13.5 million to \$15.9 million) and public safety (from \$31.1 million to \$34.6 million, this includes drug enforcement). The business-type activities' expenses increased from \$214.6 million in 2007 to \$253.5 million in 2008. The \$38.9 million increase in the business-type activities' cost of all programs and services is due to the pass through cost increases (1) increase in the cost of electricity (from \$82.4 million to \$90.0 million), (2) increases in cost of gas (from \$35.9 million to \$39.7 million) and (3) increase in the cost of NGAC operations due primarily to increases in the cost of gas purchased (from \$23.0 million to \$41.7 million).

Governmental Activities

In FY 2008 the governmental activities net assets increased \$5.5 million, increasing from an adjusted \$309.6 million in 2007 to \$315.1 million in 2008. Revenues of the governmental activities decreased from \$6.3 in FY 2007 to \$5.4 million in FY 2008. Operating grants and contributions increased from \$3.4 million in FY 2007 to \$3.8 million in FY 2008. Capital grants and contributions decreased from \$18.3 million in FY 2007 to \$11.7 million in FY 2008. The total of all charges for services, operating grants and contributions and capital grants and contributions

decreased from \$28.0 in FY 2007 to \$20.9 million in FY 2008, this significant decrease was due to the decrease in charges for services (from \$6.2 million to \$5.4 million due) and capital grants and contributions (from \$18.3 million to \$11.7 million due). General revenues, which consists primarily of tax revenues (state and local taxes to include the property tax), increased from \$53.1 million in FY 2007 to \$55.0 million in FY 2008. Contributed capital in FY 2007 was \$16.6 million compared to \$9.9 million in FY 2008. Property tax revenues increased from \$22.3 million in FY 2007 to \$23.8 million in FY 2008, an increase of \$1.5 million, an increase of 6.7%. The city property tax rate for the tax year 2007 (collected in FY 2008) was \$1.31 which is about the same as the 2006's tax year rate of \$1.3091 (collected in FY 2007). The cost of all governmental activities increased in FY 2008. In FY 2008 the cost of governmental activities was \$70.4 million, compared to \$65.3 million, in FY 2007, an increase of \$5.1 million (an increase of 7.8%). Table 3 identifies the programs where the changes from FY 2007 to FY 2008 occurred:

Program	FY 2008	FY 2007	\$ Change	% Change
General government	\$ 15.9	\$ 13.5	\$ 2.4	17.8%
Public safety	34.6	30.9	\$ 3.7	12.0%
Highways and streets	7.5	9.2	\$ (1.7)	-18.5%
Recreation	6.0	5.3	\$ 0.7	13.2%
Community development	1.9	2.0	\$ (0.1)	-5.0%
Drug enforcement	0.2	0.2	\$ -	0.0%
Other appropriations	0.8	0.7	\$ 0.1	14.3%
Miscellaneous community agencies	1.7	1.3	\$ 0.4	30.8%
Interest on long-term debt	1.9	2.1	\$ (0.2)	-9.5%
Totals	\$ 70.5	\$ 65.2	\$ 5.3	8.1%

Table 4 presents the cost of each of the City's five largest programs—public safety, general government, highways and streets, recreation, and community development—as well as each program's net cost (total cost less revenues generated by the activities).

	Total Cost of Services		Less Charges for Services, Grants, and Contributed Capital		Net Cost of Services	
	2008	2007	2008	2007	2008	2007
	General government	\$ 15.9	\$ 13.5	\$ 3.7	\$ 4.3	\$ 12.2
Public safety	34.8	31.1	1.1	1.1	33.7	30.0
Highways and streets	7.5	9.2	13.0	19.7	(5.6)	(10.5)
Recreation	6.0	5.3	1.4	1.2	4.6	4.1
Community development	1.9	2.0	1.8	1.8	0.1	0.2
All others	4.4	4.2	-	-	4.4	4.2
Totals	\$ 70.4	\$ 65.3	\$ 21.0	\$ 28.0	\$ 49.5	\$ 37.3

Source: City of Clarksville's Department of Finance and Revenue

The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The net cost of services for these activities increased from \$37.3 million in FY 2007 to \$49.5 million in FY 2008, an increase of \$ 12.2 million. In 2007 and again in 2008, contributed capital as reflected in the "Charges for Services, Grants, and Contributed Capital" Column were \$16.6 million and \$9.9 million respectively, the net cost to the city was reduced by the amount of these contributions.

Business-type Activities

The net assets of the business-type activities increased from FY 2007's \$240.3 million to FY 2008's \$260.9 million, an increase of \$20.6 million. Revenues of the City's business-type activities (see Table 2) increased by from \$207.4 million in FY 2007 to \$242.4 million in FY 2008, an increase of \$35.0 million. The expenses of the business type activities increased from \$214.6 million in FY 2007 to \$253.5 million in FY 2008, an increase of \$38.9 million. In FY 2008 operating and capital grants and contributions increased, totaling \$18 million compared to FY 2007's \$15.5 million. Interest earnings in FY 2008 were \$16.9 million down slightly from FY 2007's 17.3 million.

Among those factors influencing the business-type activities' results include:

- The net assets of the electric department increased from \$66.2 million in FY 2007 to \$69.7 million in FY 2008, an increase of \$3.5 million. The operating revenues increased from \$103.4 million in FY 2007 to \$112.6 million in FY 2008, an increase of 8.9%. Among the reasons for the increase in revenues:
 - (1) The City's electric department passed through of four fuel adjustment rate increases for power purchased from TVA.
 - (2) The number of kilowatt hours sold increased from 2007's 1.36 billion kilowatt hours to 2007's 1.41 billion kilowatt hours, an increase of 58,490,437 million kilowatt hours (a 4.3% increase).
 - (3) An increase in the number of customers
 - Residential customers increased from FY 2007's 48,629 to FY 2008's 49,219.
 - Commercial customers increased from in FY 2007's 5,779 to FY 2008's 5,827.
 - Industrial customers remained constant at 734.
 - (4) The number of heating degree days increased.
 - (5) Operating expenses in FY 2007 increased \$9.4 million, increasing from \$97.6 million in FY 2007 to \$107.0 million in FY 2008. A significant reason for the increase in operating expenses was due to the increase in the cost of power. In FY 2008 the cost of power was 84.1% of the total operating expenses down slightly from FY 2007's 84.4%. The cost of power increased from \$82.4 million in 2007 to \$90.0 million in 2008, an increase of \$7.6 million, a 9.2% increase.
 - (6) In FY 2008 the electric department began their second year of the operations of their telecommunications division. The net assets of the telecommunications had a deficit balance of \$2.5 million. The deficit is primarily due to the small sales revenues of \$109,000 when compared to the \$2,164,900 operating expenditures.
- The net assets of the gas department increased from \$42.0 million in FY 2007 to \$44.4 million in FY 2008, an increase of \$2.4 million in FY 2008. Operating income in FY 2007 was \$44.4 million compared to FY 2008's \$48.8 million. Operating expenses in 2007 were \$42.4 million compared to 2008's \$45.8 million. Reasons for the increase in net assets are:
 - The City's gas department rate increases passed through to offset the cost of gas purchased.
 - The number of residential customers increased from 18,643 in FY 2007 to FY 2008's 18,978
 - Commercial customers increased slightly from in FY 2007's 2,823 to FY 2008's 2,893.
 - Consumption was up. In spite of the increased cost, there was an increase in cubic feet of gas sold, selling 4,536,251 cubic feet (in expressed thousands) in FY 2007 compared to 4,657,894 (in expressed thousands) in FY 2008. The total cost of gas purchased from \$35.9 million in 2007 to \$39.7 million in 2008, an increase of \$3.8 million (an increase of 10.6%). The average cost per cubic foot in FY 2007 was \$0.00768 per cubic foot and \$0.00851 per cubic foot in FY 2008.
 - In FY 2008 the cost of gas was approximately 86.6% of the total operating expenses compared to 84.7% in FY 2007.
- The net assets of the water and sewer department increased from \$121.0 million in FY 2007 to \$138.2 million in FY 2008. Some of the more significant reasons for the increase in the net assets are:
 - The operating revenues increased from \$35.9 million in FY 2007 to \$38.2 million in FY 2008, an increase of \$2.3 million (an increase of 6.4%).
 - The City's water and sewer rates for residential and commercial were increased 20% in FY 2008.
 - The number of customers for water increased from FY 2007's 50,826 to FY 2008's 51,033 and the number of sewer customers increased from FY 2007's 42,722 to FY 2008's 43,135.
 - The number gallons sold by the water department increased 5.25%, while the sewer system saw an increase of 3.06% gallons processed through the sewer system..
 - A 32.2% increase in developer contributions in FY 2008. The water and sewer department had \$15.2 million in developer contributions in FY 2008 compared to \$11.5 million in developer contributions in FY 2007.
 - Total operating expenses were 7.2% more in FY 2008. FY 2008's expenses were \$28.2 million, compared to FY 2007's \$26.3 million.
- The Natural Gas Acquisition Corporation's (NGAC) operations in FY 2007 had revenues of \$23.0 million and operating expenses of \$23.3 million, resulting in an operating loss of \$343,180. The Natural Gas Acquisition Corporation's (NGAC) operations in FY 2008 NGAC's operations had revenues of \$41.7 million and operating

expenses of \$43.0 million, resulting in an operating loss of \$1.4. The City of Clarksville and Humphrey's County are the two customers of NGAC.

- o The City's non-major business-type funds decreased from \$8.9 million to \$8.1 million, a decrease of \$0.8 million.

THE CITY'S FUNDS

As the City completed the FY 2008 fiscal year, its governmental funds reported a combined fund balance of \$22.9 million, \$4.9 less than FY 2007's \$27.8 million. The FY 2008 unreserved fund balance of the general fund is \$21.3 million of the \$22.9 million fund balance of the governmental funds or 93.0% of the total fund balance. In FY 2007 the fund balance of the general fund was \$21.3 million of the \$27.8 million fund balance of the governmental funds or unreserved fund balance was 76.6% of the total fund balance. The governmental funds can be divided into "Major" (General Fund) and "Non-Major" (Special Revenue Fund, Capital Projects Fund, and the Debt Service Fund).

Table 5
Comparison of Fund Balance for Fiscal Years 2007 and 2008

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Governmental Fund			
General Fund	\$ 21,343,463	\$ 21,341,758	\$ 1,705
Special Revenue Fund (All Special Revenue Funds)	1,634,639	1,229,414	405,225
Capital Projects Fund	(1,705,942)	3,419,351	(5,125,293)
Debt Service Fund	<u>1,583,949</u>	<u>1,778,235</u>	<u>(194,286)</u>
Total Governmental Funds	<u>\$ 22,856,109</u>	<u>\$ 27,768,758</u>	<u>\$ (4,912,649)</u>

Source: City of Clarksville's Department of Finance and Revenue

- o **General Fund:** The fund balance of the general fund did not change, remaining constant at \$21.3 million in FY 2008. The stability of the general fund was due to:
 - (a) Revenues were as anticipated during the FY 2008 budgeting process. The actual total revenues were \$262,245 greater than the amended budgeted revenues (a favorable variance of .45%) and the actual revenues exceeded the original budget estimates for revenues by \$485,367 (a favorable variance of .83%).
 - (b) Expenditures were less than originally budgeted and were less than the amended budgeted. The actual total expenditures were \$1,431,869 less than the original budget and were \$409,804 less than the amended budgeted.
 - (c) Financing sources, or transfers to the general fund totaling \$5.1 million from other governmental funds to the general funds contributed to the stabilization of the General Fund's fund balance. The transfers to the general fund were \$149,918 less than anticipated.
 - (d) Financing uses or transfers from the general fund were \$5,233 less than the amended budget and were \$ 853,976 greater than the original budget.
- o **Non-major governmental funds'** (special revenue funds, capital projects fund, and debt service fund) combined fund balance decreased from FY 2007's \$6.4 million to FY 2008's \$1.5 million.

Table 6

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Non-Major Governmental Fund			
Special Revenue Fund (All Special Revenue Funds)	\$ 1,634,639	\$ 1,229,414	\$ 405,225
Capital Projects Fund	(1,705,942)	3,419,351	(5,125,293)
Debt Service Fund	<u>1,583,949</u>	<u>1,778,235</u>	<u>(194,286)</u>
Total Non-Major Governmental Funds	<u>\$ 1,512,646</u>	<u>\$ 6,427,000</u>	<u>\$ (4,914,354)</u>

Source: City of Clarksville Department of Finance and Revenue

The non-major governmental funds' fund balances decreased in FY 2008 due primarily to (1) the decreases in the capital projects fund and (2) the decrease in the debt service fund.

The decrease in the capital projects fund was due to expending taxable bonds for the industrial park and the timing difference between when expenditures occurred within the capital projects fund and the subsequent request for debt proceeds and draw on the Tennessee Municipal Bond Fund loans.

The debt service fund decrease was due to a planned reduction in the fund balance to levels consistent with the city's fund balance policy for the debt service fund. The fund balance decreased \$233,000. The original planned reduction during the budget process was \$0.8 million. The amended FY 2008 budget planned a reduction to \$1,667,287 or a reduction of \$110,948. The actual fund balance was slightly greater than planned.

The special revenue funds' total fund balance increased from \$1.2 million to \$1.6 million in FY 2008. The total fund balance of the special revenue fund increased \$405,225 on the strength of the Capital Projects Revenue District Fund, reflecting an increase of \$909,594, offsetting the close of the Emergency Vehicle Special Fund, a reduction of \$416,223.

A summary of the changes in the special revenue funds follows:

Table 7

	<u>2008</u>	<u>2007</u>	<u>Change</u>
Special Revenue Fund			
Community Development	\$ 48,895	\$ 146,388	\$ (97,493)
Drug Fund	50,462	62,914	(12,452)
Extraordinary Emergency Fund	-	-	-
Police Special Fund	18,630	19,558	(928)
Parks Sepcial Fund	192,673	210,558	(17,885)
Fire Special Fund	35,106	34,714	392
Cemetery and Other Special Fund	363,879	339,059	24,820
Emergency Vehicle Special Fund	-	416,223	(416,223)
Capital Projects Revenue Fund	909,594	-	909,594
Special Events Fund	15,400	-	15,400
Total Special Revenue Fund	<u>\$ 1,634,639</u>	<u>\$ 1,229,414</u>	<u>\$ 405,225</u>

General Fund Budgetary Highlights

Over the course of the year, the City Council amended the City budget. The last revision is reflected in the "Budgetary Comparison Schedule". The reader should compare the original budgeted estimates for revenues and expenditures to the actual revenues and expenditures. This comparison is an indicator of how well or how poorly the city did in planning and preparing its budgeted expenditures and revenue estimates for FY 2008. The amended budget is done at the end of the year and will be very close to the actual amount of the revenues or expenditures.

The original and amended budgets and the actual results of operations for FY 2008 for the general fund's revenues and financing sources were as follows:

- (1) the original budgeted revenues were \$58.8 million; original financing sources were \$5.4 million;
- (2) the amended budgeted revenues were \$59.0 million; amended financing sources were \$5.0 million and
- (3) the actual revenues were \$59.3 million; the actual financing sources were \$4.9 million.

The favorable variance of the actual revenues and financing sources from budget amounts was due to the following:

- 1) Local Taxes: the original budgeted revenue estimate was \$40.5 million. The budget was amended to \$40.3 million. The actual revenues were \$40.7 million. The local taxes had a favorable variance of \$0.3 million. Examination of the "Local Tax" category reveals that factors in the favorable variance was due to favorable beer and liquor taxes exceeding amended budget estimates by \$281,014 and a favorable variance for the business tax collections of \$97,212.
- 2) State Shared Revenues: The original budgeted revenue estimate for state shared revenues was \$12.9 million and the budget estimate was amended up to \$13.0 million. The actual total state shared revenues were \$13.2 million. The primary reason for this favorable variance was the Hall's Income Tax was \$290,533 greater than anticipated.
- 3) Licenses and permits: the original budget for this revenue category was \$1.5 million which was amended down to \$1.4 million. The actual revenues were \$1.3 million. The "Licenses and Permits" category had an unfavorable variance of \$0.9 million. This category is dominated by building related permits which

totaled \$1.0 million. Building permits were \$78,526 less than the amended budget. All revenues in this category were less than the amended budget estimate.

- 4) Charges for services: Revenues from recreational activities dominate this revenue category. This category consists of fees received from the parks department for its programs, from the golf courses, and from other departments that recover a portion of the cost of providing their services for which the fee was charged. The original budgeted revenue estimate was \$1.6 million. The budget was amended to \$1.9 million. The actual revenues were \$1.8 million.
- 5) Fines and forfeitures: The original budgeted revenue estimate was \$644,798. The budget was amended to \$701,413. The actual revenues were \$670,810. This category is dominated by fines related to moving violations.
- 6) Miscellaneous revenues: These revenues are difficult to predict. There are four major revenues within this category: (a) interest revenues which were \$42,126 less than budgeted; (b) grant revenues that were \$13,808 less than budgeted; (c) sale of surplus property which was \$24,413 greater than budgeted; and (d) other revenues which is a general category or non recurring revenues that was \$113,978 less than budgeted.

The general fund's total expenditures and financing uses were less than budgeted. The original budgeted expenditures were \$56.3 million and \$8.9 million for financing uses. The amended budgeted expenditures were \$55.2 million and the financing uses expenditures were amended to \$9.3 million. The actual expenditures were \$54.8 million and financing uses was \$9.3 million. The expenditures had a favorable variance of \$409,804 and the financing uses had a favorable variance of \$5,233. The variance of the actual expenditures and financing uses from budget amounts was due to the following:

- 1) General Government Departments/Programs: the original and amended budgeted revenues and the actual expenditures were \$6.6 million.
- 2) Highway and Streets: the original and amended budgeted expenditure estimates was \$9.1 million. The actual expenditures were \$9.0 million.
- 3) Recreation (General) and Golf Courses: the original and amended budgeted expenditure estimates were \$4.7 million. The actual total expenditures were \$4.9 million.
- 4) Other Appropriations: the original budgeted expenditure estimate was \$963,181. The budget was amended down to \$795,667. The actual expenditures were \$769,440.
- 5) Miscellaneous Agencies: the total original budgeted expenditures estimate was \$2.1 million. The budget was amended down to \$1.7 million. The total actual expenditures were \$1.7 million.
- 6) Financing Uses: the original budgeted expenditure estimate was \$8.9 million. The budget was amended down to \$9.3 million. The actual total financing uses were \$9.3 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the City had \$800 million (net of depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Note D "Capital Assets" in Notes to Financials⁴ below.) This amount compares to FY 2007's \$722 million.

The general government had increases because several projects were completed in FY 2008. Some of the factors contributing to the increase are:

- o The city uses the modified approach discussed below; the city's street network is not depreciated, as are the other assets of the city.
- o Completion of capital projects by the general government.

The business-type activities' capital assets increased as follows:

- o Gas, Water and Sewer Department: At the end of FY 2008, the Gas Department had \$41.1 million in net capital assets, an increase from FY 2007's \$39.5 million; Water and Sewer Department had \$295.3 million in net capital assets in FY 2008, an increase from FY 2007's \$276.2 million. Capital assets include construction in progress, transmission lines, distribution lines, collection lines, manholes, fire hydrants, land, land rights, structures, office furniture, vehicles, and equipment. The Gas Department installed two new regulator stations and upgraded three existing stations. Nine new industrial meters were installed and thirteen were upgraded. Approximately 3,273 electronic reading transmitters (ERTs) were installed on residential, commercial and industrial meters. As part of the ten-year change-out program, 978 gas meters were changed.
- o Electric Department: At the end of FY 2008 the electric division had net capital assets of \$111.8 million. This is an increase from FY 2007's \$84.9 million. Plant assets include land, poles, substation equipment, conductor, hardware, buildings, communications equipment, and office and computer equipment. A \$22.0 million increase in construction in progress was due to the construction of a fiber optic network. The telecommunications division has \$3.0 million in capital plant and equipment.

A comparison of the capital assets of the governmental activities and business type activities for the fiscal years 2007 and 2008 are summarized in Table 8.

Source: City of Clarksville's Department of Finance and Revenue

Table 3
Significant Changes in Governmental Activities' Programs (in millions)

<u>Program</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>\$ Change</u>	<u>% Change</u>
General government	\$ 15.88	\$ 13.52	\$ 2.36	17.5%
Public safety	34.57	30.87	3.70	12.0%
Highways and streets	7.46	9.24	(1.78)	-19.3%
Recreation	5.98	5.28	0.70	13.3%
Community development	1.93	1.98	(0.05)	-2.5%

Modified Approach for Street Network Infrastructure Capital Assets

In accordance with generally accepted accounting standards, the City is eligible for and has adopted an alternative approach to depreciating its roadways. Under the *modified approach*, governments are permitted to expense the cost of preserving streets rather than to record a periodic charge for depreciation expense. Under the depreciation method, preservation expenses are capitalized. The City is responsible for approximately 572 miles of streets.

The decision to use the modified approach was essentially made because the City has consistently maintained its infrastructure in what it considers an overall fair condition. The most recent condition assessment, which is discussed in more detail in the Required Supplementary Information section, indicated that at the end of FY 2008, the overall PCI of streets was 58. The goal of the city is for the rating of the streets to be rated "Fair" or better under one or the other of the two indexes being used. The FY 2008 PCI rating is the same as FY 2007's rating of 58, maintaining a rating of fair. FY The City's policy is to maintain a condition level for the overall street network in a "Fair" or better condition based on the index that is being applied to rate the streets. (See Supplementary Information, Section C, "Modified Approach")

The city transitioned from a condition rating index based on the Federal Highway Monitoring System that used a scale of 1 to 5 to the current Pavement Condition Index (PCI) rating that uses a scale of 0 through 100. We believe that the PCI index, which measures 19 different types of pavement stresses, is a more accurate indicator of the streets true condition. The established overall condition or benchmark for the overall condition of the streets will be continue to be "Fair" under either scale, however because of the way the streets are now being graded it is possible for a street that could be graded "Good" under the Federal Highway Monitoring System would be graded as "Fair" using the PCI index.

Federal Highway Monitoring System	Table 9 Condition of the Streets	Pavement Condition <u>Index</u>
	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
	Failed	0-10

Table 10

Maintenance Rating Using The Federal Highway Monitoring System and The PCI Indexes							
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Good to Excellent	75%	79%	69%	62%	65%	60%	60%
Fair	22%	14%	18%	22%	17%	20%	18%
Poor to Failed	3%	7%	13%	16%	18%	20%	22%
Percent of Streets Rated Fair or Better	97%	93%	87%	84%	82%	80%	78%

Source: City of Clarksville's Department of Finance and Revenue

Debt

The City of Clarksville's overall total long-term debt (bonds, notes, deposits, compensated absences, etc. see note E and Statement of Net Assets) increased from \$559.2 million at June 30, 2007 to \$542.7 million at June 30, 2008 as Table 11 indicates. Bonds and notes payable decreased from \$538.3 million at June 30, 2007 to \$521.17 million at June 30, 2008.

Table 11
Long-Term Debt - Primary Government (in millions)

Type of Debt	Governmental Activities		Business-Type Activities		Total Debt	
	2008	2007	2008	2007	2008	2007
Bonds and Notes Payable	\$ 46.8	\$ 48.2	\$ 474.9	\$ 490.1	\$ 521.7	\$ 538.3
Other long-term debt	\$ -	\$ -	\$ 15.9	\$ 16.1	\$ 15.9	\$ 16.1
Compensated absences	\$ 2.2	\$ 2.0	\$ 3.0	\$ 2.8	\$ 5.1	\$ 4.8
Total long-term debt	\$ 49.0	\$ 50.1	\$ 493.8	\$ 509.1	\$ 542.7	\$ 559.2
Component Unit: Museum					\$ 0.23	\$ 0.24

Source: City of Clarksville's Department of Finance and Revenue

The debt of the governmental activities and the business-type activities increased.

- The debt of the general government increased as the city issued additional variable rate debt was issued for building and infrastructure improvements required for ADA compliance issues through the Tennessee Municipal Bond Fund (TMBF). TMBF debt is not due until drawn, and the monthly draws on the loans may span multiple fiscal years.
- The electric department's bonds and notes payable increased from \$59.7 million in 2007 to \$60.0 million in 2008.
- The gas, water and sewer department decreased their bonds and notes payable from \$189.3 million in 2007 to \$182.4 million in 2008.
- The Natural Gas Acquisition Corporation (NGAC) bonded debt decreased from \$240.5 million in FY 2007 to \$232.0 million.
- The debt of the city's component unit, the Customs House Museum, decreased from \$242,000 in 2007 to \$227,657 in FY 2008.

The City of Clarksville general obligation bonds has an "AA-" rating from Fitch and "Aa3" rating from Moodys for general obligation debt. The Gas, Water and Sewer Department's Fitch bond rating is A-. The Electric Department's bond rating is an A1 rating from Moody's.

Neither state nor local statutes limit the amount of general obligation debt a governmental entity may issue. The current general obligation debt (bonds and notes) issued for the City of Clarksville is \$46.8 million (see Note E in

Notes to Financial Statements) this net debt represents is 0.78% of the \$6.0 billion appraised value for the tax year 2007 (see Schedule C-1 of Statistical Section).

The City plans to issue additional debt to finance ADA projects and roads projects in FY 2010 and subsequent fiscal years. The debt issue for ADA compliance in FY 2009 will be the third in a series of debt issues to address ADA issues. The total cost of ADA compliance could reach \$30 million. Additional debt will be issued development of a marina (approximately \$7.2 million taxable issue); improvements to the Fairgrounds Park area (\$25.2 million non-taxable) and to purchase properties that will later be resold and/or the city will enter into public/private partnerships (\$2.5 million taxable capital outlay notes)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- The variable interest rates have generally ranged between 3.6% and 4.0%. FY 2009 because of the economy will probably be well below this amount and continue into FY 2010.
- The deployment of the 101st Airborne Division which deployed in the fall of 2007 (FY 2008), should end in mid FY 2009. This had an adverse impact on the local economy; local sales tax revenue in FY 2008 was less than FY 2007's sales tax revenue.
- The State of Tennessee's sales tax streamlining project has been delayed. If this program is implemented, there will a reduction of the city's local sales tax collections.
- The increase in oil prices and oil-based products will continue to adversely affect the budgets of public safety and highways/streets, prices reaching record levels in the last half of FY 2008 significantly impacted the developing of the FY 2009 budgets as department increased their fuel expenditures to reflect the fuel price increases.
- Health care cost will continue to increase. Increases of 10% or more are probable.
- Payments into the Tennessee Consolidated Retirement System in FY 2007 and in FY 2008 will be at the rate of 13.45%; however the rate will change for the fiscal years 2009 and 2010 to 13.19 % of covered payroll.
- GASB 45 requires disclosures about the level of funding for other post employment benefits "OPEB". The level of benefits and the level of funding of the OPEB liability will be an issue that will need to be addressed at some point in the future. Currently the city is on a pay as you go basis for OPEB and will continue on pay as you go for FY 2009. The next actuary study is scheduled to occur in FY 2009 for the fiscal years 2010 and 2011. Moving from pay as you go to annual funding will result in significant increases in the cost of retirement benefits actually paid. The city limited the other post employment benefits to persons hired on or before June 30, 2006. We believe that the prudent policy is to defer action on funding the OPEB until after 2009 when the next rate study will occur and reevaluate what the city want to do. The current OPEB liability obligation is \$53.7 million. To fully fund the Annual Required Contribution (ARC) will require annual payments into a state approved trust fund at 13.4% of payroll. The trust fund has not been established nor will it be during FY 2009.
- Annual salary increases will continue to be an important factor in the city's total operating cost as the city continues the annual implementation and periodic update of the pay plan adopted in the 1998-99 fiscal year, a compensation study is scheduled to be conducted for the fiscal year 2009.
- The population of the city continues to grow at a rapid rate. The population in the 2000 census was 103,455 by the end 2010 (the next census) the population will probably be 130,000 or more. Growth brings with it greater demands for services and increased demands on the limited financial resources of the city. Unfortunately under current state law, the state shared revenues continue to be distributed based on official census numbers from the 2000 census.

All of these factors were considered in preparing the City of Clarksville's budget for the fiscal year ending June 30 2008. These same factors will also be considered in the 2009 fiscal year and in subsequent fiscal years.

The City of Clarksville has established fund balance policies applicable to the general fund and to the debt service fund. The fund balance policies guards against sudden and unexpected changes in the revenues, provides a hedge

against extraordinary events, provides as a hedge against unanticipated interest rate increases, and allows the city to avoid the need for short term financing during the fiscal year during those periods where the expenditures exceed the revenues.

Statement No. 40 of the Governmental Accounting Standards Board, "Deposit and Investment Risk Disclosures", states "If a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact." The city does not have an official investment policy. We believe the provisions of the Tennessee Code Annotated 6-56-106 "Authorized Investments" are sufficient. The City is a passive investor, in that investments of city funds are made in those investments authorized by T.C.A. 6-56-106 and are held to maturity.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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 about the governmental funds should be addressed to the Department of Finance and Revenue, 1 Public Square, Suite 300, Clarksville, Tennessee, 37040. The City's utilities (electric, gas, and water and sewer) issues separate financial statements to include M D & A's). To obtain a copy of these financial reports contact:

- o Electric Department: Manager of Financial Accounting, Clarksville Department of Electricity, P. O. Box 31509, Clarksville, Tennessee 37040-0026.
- o Gas Department and Water and Sewer Department: Chief Financial Officer, Clarksville Gas, Water, and Sewer, 2215 Madison Street, Clarksville, Tennessee 37040-0387.



Commissioner of Finance and Revenue
January 29, 2009

**CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Primary Government</u>			<u>Component Unit-Museum</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 20,185,249	\$ 29,640,941	\$ 49,826,190	\$ 676,770
Accounts and taxes receivable	26,406,793	18,869,662	45,276,455	39,405
Notes receivable	182,228	-	182,228	-
Grants receivable	96,225	328,259	424,484	6,000
Due from component units	238,901	-	238,901	-
Due from other governments	3,507,865	-	3,507,865	-
Inventory	605,147	14,233,793	14,838,940	46,382
Prepaid expenses	226,353	555,409	781,762	6,761
Prepaid gas supplies	-	26,027,778	26,027,778	-
Total current assets	51,448,761	89,655,842	141,104,603	775,318
Noncurrent assets/restricted assets:				
Cash and cash equivalents	1,190,218	43,211,759	44,401,977	20,745
Certificates of deposit	-	799,606	799,606	-
Investments	-	115,806	115,806	1,479,473
Total restricted assets	1,190,218	44,127,171	45,317,389	1,500,218
Capital assets:				
Assets not depreciated	247,202,622	3,506,409	250,709,031	-
Construction in progress	5,235,263	49,421,365	54,656,628	-
Assets net of accumulated depreciation	91,044,909	402,164,356	493,209,265	2,396,989
Total capital assets	343,482,794	455,092,130	798,574,924	2,396,989
Unamortized plant acquisition adjustments and plant held for sale	-	1,399,200	1,399,200	-
Net capital assets	343,482,794	456,491,330	799,974,124	2,396,989
Other assets:				
Notes receivable	5,871,202	-	5,871,202	-
Receivables-TVA residential energy services program	-	2,843,800	2,843,800	-
Prepaid gas supplies	-	198,271,554	198,271,554	-
Unamortized debt expense	-	7,149,892	7,149,892	-
Cash value of life insurance	-	901,500	901,500	-
Deferred in lieu of transfer	-	831,500	831,500	-
Other	-	196,200	196,200	-
Total other assets	5,871,202	210,194,446	216,065,648	-
Total noncurrent assets	350,544,214	710,812,947	1,061,357,161	3,897,207
Total assets	\$ 401,992,975	\$ 800,468,789	\$ 1,202,461,764	\$ 4,672,525

See notes to financial statements and auditor's report.

CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Primary Government</u>			<u>Component Unit-Museum</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 4,132,980	\$ 30,490,861	\$ 34,623,841	\$ 42,077
Contracts and retainage payable	-	102,080	102,080	-
Accrued liabilities	771,981	18,684	790,665	17,430
Interest payable	-	3,443,764	3,443,764	-
Interest payable - City of Clarksville	-	-	-	4,278
Deferred revenue	30,841,613	5,716,012	36,557,625	-
Internal balances	(862,565)	862,565	-	-
Current portion of long term debt	6,030,100	22,916,072	28,946,172	14,794
Current portion of deferred connection fee revenue	-	3,856,493	3,856,493	-
Current portion of accrued sick pay and annual leave	823,670	921,305	1,744,975	14,706
Payable to other governments	222,805	-	222,805	-
Other	-	239,954	239,954	-
Total current liabilities	<u>41,960,584</u>	<u>68,567,790</u>	<u>110,528,374</u>	<u>93,285</u>
Noncurrent liabilities:				
Accrued sick pay and annual leave	1,343,881	2,055,801	3,399,682	-
OPEB liability	2,822,228	1,123,410	3,945,638	-
Customer deposits	-	4,992,246	4,992,246	-
Advances - TVA residential energy services program	-	2,896,400	2,896,400	-
Note payable - City of Clarksville	-	-	-	212,863
Notes payable	26,859,558	32,971,622	59,831,180	-
Bonds payable	13,900,000	426,911,999	440,811,999	-
Other payable	-	30,100	30,100	-
Total noncurrent liabilities	<u>44,925,667</u>	<u>470,981,578</u>	<u>515,907,245</u>	<u>212,863</u>
Total liabilities	<u>86,886,251</u>	<u>539,549,368</u>	<u>626,435,619</u>	<u>306,148</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	296,693,136	226,120,091	522,813,227	2,169,332
Reserved for:				
Special revenue	1,634,639	-	1,634,639	-
Capital projects	-	17,098,245	17,098,245	1,500,218
Unrestricted	16,778,949	17,701,085	34,480,034	696,827
Total net assets	<u>\$ 315,106,724</u>	<u>\$ 260,919,421</u>	<u>\$ 576,026,145</u>	<u>\$ 4,366,377</u>

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Primary Government			
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit-Museum</u>
Primary government:								
Governmental activities:								
General government	\$ 15,875,133	\$ 2,856,461	\$ 600,801	\$ 194,261	\$ (12,223,610)	\$ -	\$ (12,223,610)	\$ -
Public safety	34,569,785	694,271	9,360	175,339	(33,690,815)	-	(33,690,815)	-
Highways and streets	7,461,170	-	3,126,421	9,897,193	5,562,444	-	5,562,444	-
Recreation	5,983,397	1,259,454	60,324	86,158	(4,577,461)	-	(4,577,461)	-
Community development	1,925,943	426,510	600	1,387,442	(111,391)	-	(111,391)	-
Drug enforcement	206,907	183,117	-	-	(23,790)	-	(23,790)	-
Other appropriations	769,440	-	-	-	(769,440)	-	(769,440)	-
Miscellaneous community agencies	1,672,747	-	-	-	(1,672,747)	-	(1,672,747)	-
Interest on long term debt	1,946,699	-	-	-	(1,946,699)	-	(1,946,699)	-
Total governmental activities	70,411,221	5,419,813	3,797,506	11,740,393	(49,453,509)	-	(49,453,509)	-
Business-type activities:								
Electric Division	109,663,800	112,617,775	-	-	-	2,953,975	2,953,975	-
Telecommunications Division	2,283,900	109,000	-	-	-	(2,174,900)	(2,174,900)	-
Gas Department	46,530,275	48,879,233	-	46,355	-	2,395,313	2,395,313	-
Parking Authority	97,761	375,631	-	-	-	277,870	277,870	-
Clarksville Transit System	4,962,419	475,255	2,719,555	-	-	(1,767,609)	(1,767,609)	-
Water and Sewer Department	35,679,989	38,243,180	-	15,244,418	-	17,807,609	17,807,609	-
Natural Gas Acquisition Corporation	54,245,779	41,666,101	-	-	-	(12,579,678)	(12,579,678)	-
Total business-type activities	253,463,923	242,366,175	2,719,555	15,290,773	-	6,912,580	6,912,580	-
Total primary government	\$ 323,875,144	\$ 247,785,988	\$ 6,517,061	\$ 27,031,166	\$ (49,453,509)	\$ 6,912,580	\$ (42,540,929)	\$ -

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>			<u>Component Unit-Museum</u>
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Component unit:								
Clarksville-Montgomery County Museum	\$ 1,459,068	\$ 95,005	\$ 1,422,051	\$ -	\$ -	\$ -	\$ -	\$ 57,988
General revenues:								
Taxes:								
Property taxes, levied for general purpose					23,812,464	-	23,812,464	-
State taxes					10,097,875	-	10,097,875	-
Franchise/business taxes					3,340,745	-	3,340,745	-
Wholesale beer and liquor taxes					3,131,034	-	3,131,034	-
Sales tax					10,921,205	-	10,921,205	-
In lieu of taxes					14,591	-	14,591	-
Other taxes					377,448	-	377,448	-
Interest and investment income					835,447	16,918,637	17,754,084	69,796
Net carrying value of capital asset disposals					(734,077)	-	(734,077)	-
Net change in fair value of investments					-	-	-	(157,481)
Transfers (net)					3,184,946	(3,184,946)	-	-
Total general revenues and transfers					54,981,678	13,733,691	68,715,369	(87,685)
Change in net assets					5,528,169	20,646,271	26,174,440	(29,697)
Net assets, June 30, 2007, as previously reported					309,688,473	240,273,150	549,961,623	4,396,074
Prior period adjustment, as discussed in Note P					(109,918)	-	(109,918)	-
Net assets, June 30, 2007, as restated					309,578,555	240,273,150	549,851,705	4,396,074
Net assets - end of year					\$ 315,106,724	\$ 260,919,421	\$ 576,026,145	\$ 4,366,377

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 14,616,268	\$ 3,009,866	\$ 17,626,134
Receivables	25,822,387	584,406	26,406,793
Notes receivable	-	6,053,430	6,053,430
Grant receivable	-	96,225	96,225
Due from other governments	3,145,204	362,661	3,507,865
Due from component units	238,901	-	238,901
Due from other funds of the primary government	5,038,517	3,202,877	8,241,394
Prepaid expenses	170,327	6,026	176,353
Inventory	273,897	331,250	605,147
Restricted assets:			
Cash and cash equivalents	-	1,190,218	1,190,218
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 49,305,501</u>	<u>\$ 14,836,959</u>	<u>\$ 64,142,460</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,551,288	\$ 2,419,218	\$ 3,970,506
Due to other funds of the primary government	3,424,479	2,626,528	6,051,007
Payable to other governments	222,805	-	222,805
Accrued expenses	200,420	-	200,420
Deferred revenue	22,563,046	8,278,567	30,841,613
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>27,962,038</u>	<u>13,324,313</u>	<u>41,286,351</u>
<u>FUND BALANCES:</u>			
Reserved for:			
Special revenue	-	1,634,639	1,634,639
Unreserved, reported in:			
Capital projects	-	(1,705,942)	(1,705,942)
General fund	21,343,463	-	21,343,463
Debt service funds	-	1,583,949	1,583,949
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>21,343,463</u>	<u>1,512,646</u>	<u>22,856,109</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 49,305,501</u>	<u>\$ 14,836,959</u>	<u>\$ 64,142,460</u>

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Total fund balances of governmental funds	\$ 22,856,109
 Amounts reported for governmental activities in the statement of net assets are different because:	
 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	 343,482,794
 Internal service funds are used by management to charge the costs of certain activities to other funds. The assets and liabilities of the internal service funds are included as governmental activities in the statement of net assets.	 547,258
 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.	 <u>(51,779,437)</u>
 Net assets of governmental activities	 <u><u>\$ 315,106,724</u></u>

See notes to financial statements and auditor's report.

CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Local taxes	\$ 40,683,203	\$ 914,284	\$ 41,597,487
State taxes	13,224,296	-	13,224,296
Licenses and permits	1,309,561	-	1,309,561
Fines and forfeitures	670,810	206,578	877,388
Contributions	15,549	88,236	103,785
Federal and state grants	567,770	1,790,110	2,357,880
Program income	-	634,158	634,158
Fees for services	1,819,642	-	1,819,642
Interest	575,193	170,276	745,469
E-911 Transfer	-	319,838	319,838
Miscellaneous	443,208	16,018	459,226
	<u>59,309,232</u>	<u>4,139,498</u>	<u>63,448,730</u>
<u>EXPENDITURES</u>			
Current:			
General government	6,414,046	-	6,414,046
Public safety	30,994,087	155,633	31,149,720
Highways and streets	8,938,226	-	8,938,226
Recreation	4,533,877	328,157	4,862,034
Community development	-	1,925,943	1,925,943
Drug enforcement	-	186,678	186,678
Other appropriations	769,440	-	769,440
Miscellaneous community agencies	1,672,747	-	1,672,747
Other	744,861	3,541,903	4,286,764
Debt Service:			
Principal	-	5,268,000	5,268,000
Interest and other charges	-	1,946,699	1,946,699
Capital outlay	1,498,183	6,401,231	7,899,414
	<u>55,565,467</u>	<u>19,754,244</u>	<u>75,319,711</u>
Excess (deficiency) of revenues over expenditures	<u>3,743,765</u>	<u>(15,614,746)</u>	<u>(11,870,981)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Bond proceeds	-	3,883,304	3,883,304
Transfers in	4,920,724	7,238,001	12,158,725
Transfers out	(8,552,866)	(420,913)	(8,973,779)
Total other financing sources and (uses)	<u>(3,632,142)</u>	<u>10,700,392</u>	<u>7,068,250</u>
Net change in fund balances	<u>111,623</u>	<u>(4,914,354)</u>	<u>(4,802,731)</u>
<u>FUND BALANCES, June 30, 2007, as previously reported</u>	<u>21,341,758</u>	<u>6,427,000</u>	<u>27,768,758</u>
<u>PRIOR PERIOD ADJUSTMENT, as discussed in Note P</u>	<u>(109,918)</u>	<u>-</u>	<u>(109,918)</u>
<u>FUND BALANCES, June 30, 2007, as restated</u>	<u>21,231,840</u>	<u>6,427,000</u>	<u>27,658,840</u>
<u>FUND BALANCES, June 30, 2008</u>	<u>\$ 21,343,463</u>	<u>\$ 1,512,646</u>	<u>\$ 22,856,109</u>

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Net change in fund balances - total governmental funds \$ (4,802,731)

Amounts reported for 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 as depreciation expense:

Capital assets purchased	6,494,746
Depreciation expense	(4,888,092)
Net carrying value of governmental capital assets disposed of	(734,077)

Contributions of infrastructure assets	9,949,813
--	-----------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Bond proceeds	(3,883,304)
Bond principal repayments	5,268,000

Increase in accrued sick pay and annual leave	(190,101)
---	-----------

Increase in OPEB liability	(2,822,228)
----------------------------	-------------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	1,136,143
--	-----------

Change in net assets of governmental activities	\$ 5,528,169
---	--------------

**CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008**

	Business-Type Activities/Enterprise Funds						Total	Governmental Activities Internal Service Funds
	Department of Electricity		Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds		
	Electric Division	Telecommunications Division						
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 5,126,200	\$ 43,000	\$ 14,809,773	\$ 8,768,439	\$ 376,306	\$ 517,223	\$ 29,640,941	\$ 2,559,115
Certificates of deposit	-	-	-	-	-	-	-	-
Accounts receivable	7,775,500	61,300	6,367,254	1,812,870	2,826,793	18,273	18,861,990	-
Interest receivable	-	-	-	-	7,672	-	7,672	-
Due from other funds of the primary government	-	-	-	-	-	83,845	83,845	137,757
Inventory	13,098,000	57,200	333,552	651,543	-	93,498	14,233,793	-
Prepaid gas supplies	-	-	-	-	26,027,778	-	26,027,778	-
Grants receivable	-	-	-	-	-	328,259	328,259	-
Current portion of note receivable from Water and Sewer Dept.	-	-	688,380	-	-	-	688,380	-
Prepaid expenses and other	450,000	-	13,068	69,807	2,600	19,934	555,409	50,000
Total current assets	26,449,700	161,500	22,212,027	11,302,659	29,241,149	1,061,032	90,428,067	2,746,872
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	13,686,600	-	4,498,715	5,722,197	19,139,375	164,872	43,211,759	-
Investments	-	-	-	115,806	-	-	115,806	-
Certificates of deposit	-	-	136,976	662,630	-	-	799,606	-
Total restricted assets	13,686,600	-	4,635,691	6,500,633	19,139,375	164,872	44,127,171	-
Capital assets- at cost:								
Assets not depreciated	1,196,400	-	214,902	2,009,225	-	85,882	3,506,409	-
Construction in progress	28,243,700	59,800	398,226	20,719,639	-	-	49,421,365	-
Assets net of accumulated depreciation	77,900,600	3,039,300	40,535,794	272,565,825	20,377	8,102,460	402,164,356	-
Total capital assets	107,340,700	3,099,100	41,148,922	295,294,689	20,377	8,188,342	455,092,130	-
Unamortized plant acquisition adjustments	1,399,200	-	-	-	-	-	1,399,200	-
Net capital assets	108,739,900	3,099,100	41,148,922	295,294,689	20,377	8,188,342	456,491,330	-

See notes to financial statements and auditor's report.

**CITY OF CLARKSYLLE, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - CONTINUED
JUNE 30, 2008**

	Business-Type Activities/Enterprise Funds						Total	Governmental Activities Internal Service Funds
	Department of Electricity		Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds		
	Electric Division	Telecommunications Division						
Other assets:								
Receivables - TVA residential energy services program	2,843,800	-	-	-	-	-	2,843,800	-
Interfund receivable from the Telecommunications Division	5,964,700	-	-	-	-	-	5,964,700	-
Notes receivable from the Water and Sewer Department	-	-	-	-	-	-	-	-
Prepaid gas supplies	-	-	-	-	198,271,554	-	198,271,554	-
Unamortized expense	962,800	352,300	262,900	2,676,396	2,891,551	3,945	7,149,892	-
Cash value of life insurance	901,500	-	-	-	-	-	901,500	-
Deferred in lieu of transfer	831,500	-	-	-	-	-	831,500	-
Other	196,200	-	-	-	-	-	196,200	-
Total other assets	11,700,500	352,300	262,900	2,676,396	201,163,105	3,945	216,159,146	-
Total noncurrent assets	134,127,000	3,451,400	46,047,513	304,471,718	220,322,857	8,357,159	716,777,647	-
Total assets	160,576,700	3,612,900	68,259,540	315,774,377	249,564,006	9,418,191	807,205,714	2,746,872
LIABILITIES								
Current liabilities:								
Accounts payable	18,137,100	178,800	8,994,917	846,837	2,182,865	150,342	30,490,861	162,474
Contracts and retainage payable	-	-	5,778	96,302	-	-	102,080	-
Accrued liabilities	-	-	-	-	-	18,684	18,684	571,561
Interest payable	1,020,300	-	378,204	1,560,418	483,354	1,488	3,443,764	-
Due to other funds of the primary government	10,000	-	175,802	630,034	-	130,574	946,410	1,465,579
Deferred revenue	-	13,700	-	-	5,702,312	-	5,716,012	-
Current portion of long-term debt	659,100	-	609,513	6,600,066	14,925,000	122,393	22,916,072	-
Current portion of note payable to Gas Department	-	-	-	688,380	-	-	688,380	-
Current portion of deferred connection fee revenue	-	-	-	3,856,493	-	-	3,856,493	-
Current portion of accrued sick pay and annual leave	575,600	-	65,884	169,818	-	110,003	921,305	-
Other	82,000	-	-	-	-	157,954	239,954	-
Total current liabilities	20,484,100	192,500	10,230,098	14,448,348	23,293,531	691,438	69,340,015	2,199,614

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - CONTINUED
JUNE 30, 2008**

	Business-Type Activities/Enterprise Funds						Total	Governmental Activities Internal Service Funds
	Department of Electricity		Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds		
	Electric Division	Telecommunications Division						
Noncurrent liabilities:								
Accrued sick pay and annual leave	1,683,900	-	119,957	251,944	-	-	2,055,801	-
OPEB liability	242,600	-	152,371	525,532	-	202,907	1,123,410	-
Customer deposits	3,433,300	500	466,643	1,091,803	-	-	4,992,246	-
Advances - TV A residential energy services program	2,896,400	-	-	-	-	-	2,896,400	-
Notes payable	757,000	-	-	31,820,907	-	393,715	32,971,622	-
Bonds payable	61,341,800	-	12,905,209	129,484,850	223,180,140	-	426,911,999	-
Note payable to gas department	-	-	-	-	-	-	-	-
Interfund payable to the Electric Division	-	5,964,700	-	-	-	-	5,964,700	-
Other	30,100	-	-	-	-	-	30,100	-
Total noncurrent liabilities	70,385,100	5,965,200	13,644,180	163,175,036	223,180,140	596,622	476,946,278	-
Total liabilities	90,869,200	6,157,700	23,874,278	177,623,384	246,473,671	1,288,060	546,286,293	2,199,614
NET ASSETS								
Invested in capital assets, net of related debt	57,437,700	3,099,100	27,897,100	130,065,262	20,377	7,600,552	226,120,091	-
Restricted	2,230,900	-	4,635,691	6,500,633	3,731,021	-	17,098,245	-
Unrestricted	10,038,900	(5,643,900)	11,852,471	1,585,098	(661,063)	529,579	17,701,085	547,258
Total net assets	\$ 69,707,500	\$ (2,544,800)	\$ 44,385,262	\$ 138,150,993	\$ 3,090,335	\$ 8,130,131	\$ 260,919,421	\$ 547,258

See notes to financial statements and auditor's report.

CITY OF CLARKSYLLE, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities/Enterprise Funds</u>						<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
	<u>Department of Electricity</u>		<u>Gas Department</u>	<u>Water and Sewer Department</u>	<u>Natural Gas Acquisition Corporation</u>	<u>Non-Major Enterprise Funds</u>		
	<u>Electric Division</u>	<u>Telecommunications Division</u>						
<u>OPERATING REVENUES</u>								
Sales	\$ 112,591,500	\$ 109,000	\$ 47,177,712	\$ 33,828,988	\$ 41,666,101	\$ -	\$ 235,373,301	\$ -
Insurance premiums	-	-	-	-	-	-	-	10,184,862
Forfeited Discounts	-	-	297,931	659,340	-	-	957,271	-
Fees and Fines	-	-	-	-	-	759,233	759,233	-
Other Income - Water	-	-	-	1,756,567	-	-	1,756,567	-
Rental Income	-	-	-	-	-	104,017	104,017	-
Advertising	-	-	-	-	-	51,302	51,302	-
Other Income - Sewer	-	-	-	1,947,117	-	-	1,947,117	-
Miscellaneous	-	-	1,368,907	-	-	9,141	1,378,048	12,645
Total operating revenues	<u>112,591,500</u>	<u>109,000</u>	<u>48,844,550</u>	<u>38,192,012</u>	<u>41,666,101</u>	<u>923,693</u>	<u>242,326,856</u>	<u>10,197,507</u>
<u>OPERATING EXPENSES</u>								
Purchased power and gas	90,024,700	-	39,650,606	-	41,722,179	-	171,397,485	-
Plant operations	-	-	-	2,540,090	-	-	2,540,090	-
Distribution	2,965,100	-	1,643,753	1,333,886	-	-	5,942,739	-
Discharge collection lines	-	-	-	1,329,711	-	-	1,329,711	-
Sewer pumping	-	-	-	2,327,118	-	-	2,327,118	-
Treatment plant expense	-	-	-	4,287,350	-	-	4,287,350	-
Customer accounts	2,534,000	-	-	-	-	-	2,534,000	-
Sales and customer services	646,300	102,500	717,229	2,022,622	-	-	3,488,651	-
Administrative and general	3,017,100	907,200	1,571,678	2,781,037	1,086,102	3,308,255	12,671,372	48,323
Operation and maintenance	3,587,000	929,600	-	-	-	840,947	5,357,547	-
Engineering	-	-	203,814	1,235,366	-	-	1,439,180	-
Taxes and tax equivalents	899,900	-	-	-	-	-	899,900	-
Fort Campbell	-	-	503,777	-	-	-	503,777	-
Claims	-	-	-	-	-	-	-	9,103,019
Depreciation	3,358,200	225,600	1,445,350	10,279,659	4,738	877,718	16,191,265	-
Amortization of bond discount and debt expense	-	-	-	-	214,189	928	215,117	-
Other	-	-	49,933	101,774	-	-	151,707	-
Total operating expenses	<u>107,032,300</u>	<u>2,164,900</u>	<u>45,786,140</u>	<u>28,238,613</u>	<u>43,027,208</u>	<u>5,027,848</u>	<u>231,277,009</u>	<u>9,151,342</u>
Operating income (loss)	<u>5,559,200</u>	<u>(2,055,900)</u>	<u>3,058,410</u>	<u>9,953,399</u>	<u>(1,361,107)</u>	<u>(4,104,155)</u>	<u>11,049,847</u>	<u>1,046,165</u>

See notes to financial statements and auditor's report.

CITY OF CLARKSYLLE, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities/Enterprise Funds</u>						<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
	<u>Department of Electricity</u>		<u>Gas Department</u>	<u>Water and Sewer Department</u>	<u>Natural Gas Acquisition Corporation</u>	<u>Non-Major Enterprise Funds</u>		
	<u>Electric Division</u>	<u>Telecommunications Division</u>						
<u>NONOPERATING REVENUES</u>								
<u>(EXPENSES)</u>								
Interest income	1,876,200	-	635,966	786,171	13,597,239	23,061	16,918,637	89,978
Interest expense	(2,631,500)	(119,000)	(744,135)	(7,441,376)	(11,218,571)	(32,332)	(22,186,914)	-
Operating grants	-	-	-	-	-	2,719,555	2,719,555	-
Gain on sale of property	-	-	-	-	-	(72,807)	(72,807)	-
Other income (expense)	26,275	-	34,683	51,168	-	-	112,126	-
Total nonoperating revenues (expenses)	(729,025)	(119,000)	(73,486)	(6,604,037)	2,378,668	2,637,477	(2,509,403)	89,978
Income (loss) before contributions and transfers	4,830,175	(2,174,900)	2,984,924	3,349,362	1,017,561	(1,466,678)	8,540,444	1,136,143
<u>CAPITAL CONTRIBUTIONS</u>	-	-	46,355	15,244,418	-	-	15,290,773	-
<u>TRANSFERS OUT</u>	(1,891,575)	-	(678,057)	(1,731,603)	-	(203,266)	(4,504,501)	-
<u>TRANSFERS IN</u>	150,000	-	-	285,831	-	883,724	1,319,555	-
Change in net assets	3,088,600	(2,174,900)	2,353,222	17,148,008	1,017,561	(786,220)	20,646,271	1,136,143
<u>NET ASSETS (DEFICIT)- BEGINNING OF YEAR</u>	66,618,900	(369,900)	42,032,040	121,002,985	2,072,774	8,916,351	240,273,150	(588,885)
<u>NET ASSETS (DEFICIT)- END OF YEAR</u>	\$ 69,707,500	\$ (2,544,800)	\$ 44,385,262	\$ 138,150,993	\$ 3,090,335	\$ 8,130,131	\$ 260,919,421	\$ 547,258

See notes to financial statements and auditor's report.

**CITY OF CLARKSYLLE, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Business-Type Activities/Enterprise Funds</u>						<u>Total</u>	<u>Governmental Internal Service Funds</u>
	<u>Department of Electricity</u>		<u>Gas Department</u>	<u>Water and Sewer Department</u>	<u>Natural Gas Acquisition Corporation</u>	<u>Non-Major Enterprise Funds</u>		
	<u>Electric Division</u>	<u>Telecommunications Division</u>						
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>								
Receipts from customers	\$ 112,510,800	\$ 100,900	\$ 51,519,792	\$ 40,444,151	\$ 39,931,536	\$ 3,449,928	\$ 247,957,107	\$ 10,197,507
Payments to suppliers	(102,854,500)	(2,377,100)	(40,557,905)	(7,861,771)	(13,519,285)	(1,268,435)	(168,438,996)	-
Payments to employees	(5,947,200)	-	(3,114,522)	(9,456,824)	(39,526)	(5,204,264)	(23,762,336)	-
Receipts of customer deposits	-	-	270,251	524,324	-	-	794,575	-
Refunds of customer deposits	-	-	(224,110)	(455,198)	-	-	(679,308)	-
Internal activity from (to) other funds	-	-	(49,933)	(101,775)	-	(5,530)	(157,238)	2,889,213
Claims paid	-	-	-	-	-	-	-	(12,790,423)
Other receipts (payments)	2,191,900	-	34,683	35,696	741,195	-	3,003,474	(48,323)
Net cash provided (used) by operating activities	<u>5,901,000</u>	<u>(2,276,200)</u>	<u>7,878,256</u>	<u>23,128,603</u>	<u>27,113,920</u>	<u>(3,028,301)</u>	<u>58,717,278</u>	<u>247,974</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>								
Operating grant	-	-	-	-	-	2,830,175	2,830,175	-
Operating transfers in	-	-	-	-	-	883,724	883,724	-
Transfers to other funds	(1,974,300)	-	(678,057)	(1,731,603)	-	(203,266)	(4,587,226)	-
Advances to Telecommunications Division	(5,363,600)	-	-	-	-	-	(5,363,600)	-
Other	(43,800)	-	-	(675,171)	-	-	(718,971)	-
Net cash provided (used) by noncapital financing activities	<u>(7,381,700)</u>	<u>-</u>	<u>(678,057)</u>	<u>(2,406,774)</u>	<u>-</u>	<u>3,510,633</u>	<u>(6,955,898)</u>	<u>-</u>

See notes to financial statements and auditor's report.

**CITY OF CLARKSYLLE, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities/Enterprise Funds						Total	Governmental Activities Internal Service Funds
	Department of Electricity		Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds		
	Electric Division	Telecommunications Division						
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>								
Acquisition and construction of capital assets	(46,405,300)	(3,103,900)	(3,004,021)	(13,887,697)	2,091	(208,391)	(66,607,218)	-
Principal repayments on bond and loan maturities	(682,100)	-	(2,521,067)	(7,191,614)	(8,515,000)	(118,219)	(19,028,000)	-
Interest paid	(2,492,700)	-	(606,384)	(6,907,803)	(11,813,375)	(32,435)	(21,852,697)	-
Bond and note proceeds	-	-	-	-	-	-	-	-
Advances from Electric Division	-	5,363,600	-	-	-	-	5,363,600	-
Proceeds from sale of fixed assets	-	-	-	-	-	2,735	2,735	-
Prepaid supplies	-	-	-	-	-	-	-	-
Bond issuance cost (net)	-	-	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	(49,580,100)	2,259,700	(6,131,472)	(27,987,114)	(20,326,284)	(356,310)	(102,121,580)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>								
Interest received on investments	1,757,300	-	635,966	801,643	149,367	23,061	3,367,337	89,978
Proceeds from sale and maturities of investments	6,354,100	-	650,832	3,642,390	-	-	10,647,322	-
Purchase of investments	(5,388,600)	-	(248,726)	(1,507,442)	-	-	(7,144,768)	-
Repayment of note receivable from water and sewer department	-	-	675,171	-	-	-	675,171	-
Net cash provided by investing activities	2,722,800	-	1,713,243	2,936,591	149,367	23,061	7,545,062	89,978
Net increase (decrease) in cash and cash equivalents	(48,338,000)	(16,500)	2,781,970	(4,328,694)	6,937,003	149,083	(42,815,138)	337,952
<u>CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR</u>	67,150,800	59,500	16,526,518	18,819,330	12,578,678	533,012	115,667,838	2,221,163
<u>CASH AND CASH EQUIVALENTS- END OF YEAR</u>	\$ 18,812,800	\$ 43,000	\$ 19,308,488	\$ 14,490,636	\$ 19,515,681	\$ 682,095	\$ 72,852,700	\$ 2,559,115

See notes to financial statements and auditor's report.

**CITY OF CLARKSYLLE, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	Business-Type Activities/Enterprise Funds						Total	Governmental Internal Service Funds
	Department of Electricity		Gas Department	Water and Sewer Department	Natural Gas Acquisition Corporation	Non-Major Enterprise Funds		
	Electric Division	Telecommunications Division						
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 5,559,200	\$ (2,055,900)	\$ 3,058,410	\$ 9,953,399	\$ (1,361,107)	\$ (4,104,155)	\$ 11,049,847	\$ 1,046,165
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Miscellaneous	142,500	-	-	-	-	-	142,500	-
Depreciation and amortization	3,358,200	225,600	1,445,350	10,279,659	218,927	878,646	16,406,382	-
Depletion of prepaid gas supplies	-	-	-	-	27,895,874	-	27,895,874	-
Blue coupons redeemed by developers	-	-	-	2,172,343	-	-	2,172,343	-
(Increase) decrease in:								
Accounts receivable	(778,200)	(61,300)	2,675,241	79,795	(993,368)	(2,943)	919,225	-
Due from other funds of the primary government	-	-	-	-	-	(21,850)	(21,850)	1,423,634
Inventory	(7,749,600)	(57,200)	30,552	42,381	-	(21,530)	(7,755,397)	-
Prepaid expenses	(450,000)	-	(3,042)	7,200	1,795	3,632	(440,415)	-
Rec-TVA Residential Services	(498,000)	-	-	-	-	-	(498,000)	-
Other assets	-	(515,900)	-	-	-	-	(515,900)	-
Increase (decrease) in:								
Accounts payable	5,305,100	174,300	601,115	484,869	1,351,799	(26,334)	7,890,849	(823,965)
Accrued liabilities	193,800	-	-	-	-	35,572	229,372	(2,863,439)
Customer deposits	145,600	500	46,141	69,126	-	-	261,367	-
Accrued compensated absences	-	-	(10,194)	4,135	-	11,434	5,375	-
OPEB liability	242,600	-	-	-	-	202,907	445,507	-
Due to other funds of the primary government	-	-	-	-	-	16,320	16,320	1,465,579
Deferred revenue	-	13,700	-	-	-	-	13,700	-
Advances-TVA Residential Services	499,600	-	-	-	-	-	499,600	-
Other	(69,800)	-	34,683	35,696	-	-	579	-
Total adjustments	341,800	(220,300)	4,819,846	13,175,204	28,475,027	1,075,854	47,667,431	(798,191)
Net cash provided (used) by operating activities	\$ 5,901,000	\$ (2,276,200)	\$ 7,878,256	\$ 23,128,603	\$ 27,113,920	\$ (3,028,301)	\$ 58,717,278	\$ 247,974

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2008**

ASSETS

Cash and cash equivalents	\$ 60
Investments	<u>5,353,054</u>
Total assets	<u><u>\$ 5,353,114</u></u>

NET ASSETS

Reserved	<u><u>\$ 5,353,114</u></u>
----------	----------------------------

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

ADDITIONS

Contributions	\$ 461,346
Interest and dividends	<u>38</u>
Total additions	461,384

DEDUCTIONS

Benefit payments	248,657
Loss on investments	<u>366,153</u>
Total deductions	<u>614,810</u>

Change in net assets	(153,426)
----------------------	-----------

<u>NET ASSETS-BEGINNING OF YEAR</u>	<u>5,506,540</u>
--	------------------

<u>NET ASSETS-END OF YEAR</u>	<u><u>\$ 5,353,114</u></u>
--------------------------------------	-----------------------------------

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable/ (Unfavorable)</u>
<u>REVENUES</u>				
Local Taxes:				
Property taxes	\$ 22,961,278	\$ 22,908,742	\$ 22,898,180	\$ (10,562)
Local sales tax	11,771,248	11,002,716	10,921,205	(81,511)
Beer and liquor taxes	2,695,685	2,850,020	3,131,034	281,014
Business taxes	1,825,685	2,162,763	2,259,975	97,212
Cable TV franchise fee	971,135	1,059,409	1,080,770	21,361
Hotel and motel taxes	225,442	257,443	246,710	(10,733)
In lieu of tax payments:				
Clarksville Housing Authority	15,608	19,573	-	(19,573)
South Central Village	7,370	7,370	7,370	-
IDB	3,822	7,221	7,221	-
Weed bills/ demolition	48,378	49,694	120,575	70,881
Litigation Tax	9,026	10,383	10,163	(220)
Total local taxes	40,534,677	40,335,334	40,683,203	347,869
State shared revenues:				
Sales tax	7,556,353	7,499,530	7,412,477	(87,053)
Income tax	471,764	471,764	762,297	290,533
Beer tax	55,866	56,588	56,588	-
Liquor tax	573,152	501,058	499,243	(1,815)
TVA replacement taxes	724,185	960,473	960,473	-
Excise tax	174,816	146,686	146,686	-
Telecommunication tax	20,121	8,366	13,511	5,145
Training supplement-police officers	144,000	132,000	132,000	-
Training supplement-firefighters	85,885	112,200	112,200	-
Training supplement- parkrang	3,000	2,400	2,400	-
State street aid	2,942,260	2,891,293	2,900,993	9,700
Streets and transportation system	225,532	225,548	225,428	(120)
Total state shared revenues	12,976,934	13,007,906	13,224,296	216,390
Licenses and permits:				
Building and codes enforcement permits	1,115,515	1,103,483	1,024,957	(78,526)
Plumbing permits	231,311	173,480	170,061	(3,419)
Fireworks permits	20,800	20,650	18,000	(2,650)
Other permits	107,826	99,820	96,543	(3,277)
Total licenses and permits	1,475,452	1,397,433	1,309,561	(87,872)
Fines and forfeitures	644,798	701,413	670,810	(30,603)
Charges for services	1,621,012	1,857,682	1,819,642	(38,040)
Contributions	12,000	15,549	15,549	-
Miscellaneous revenues:				
Interest	605,961	617,319	575,193	(42,126)
Grants	670,206	581,578	567,770	(13,808)
Sale of general capital assets	45,000	51,719	76,132	24,413
Other	237,825	481,054	367,076	(113,978)
Total other revenues	1,558,992	1,731,670	1,586,171	(145,499)
Total revenues	58,823,865	59,046,987	59,309,232	262,245

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

<u>EXPENDITURES</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable/ (Unfavorable)</u>
<u>General government:</u>				
<u>Mayor's office:</u>				
Salaries	301,526	299,522	298,325	1,197
Fringe benefits	94,458	93,804	93,464	340
Other	91,620	166,123	162,509	3,614
Capital outlay	10,000	18,446	18,307	139
Total Mayor's office	497,604	577,895	572,605	5,290
<u>City court</u>				
Salaries	123,734	124,838	124,736	102
Fringe benefits	48,603	48,762	48,894	(132)
Other	65,219	63,918	58,249	5,669
Capital outlay	2,500	2,538	2,436	102
Total city court	240,056	240,056	234,315	5,741
<u>Building codes:</u>				
Salaries	874,733	874,761	874,444	317
Fringe benefits	326,568	326,540	326,399	141
Other	156,764	156,811	157,673	(862)
Capital outlay	23,110	26,793	26,792	1
Total building codes	1,381,175	1,384,905	1,385,308	(403)
<u>Building Maintenance:</u>				
Salaries	-	-	247	(247)
Fringe benefits	-	-	91	(91)
Other	-	-	(8,371)	8,371
Capital outlay	-	-	-	-
Total building maintenance	-	-	(8,033)	8,033
<u>Cemetery:</u>				
Salaries	-	-	24,183	(24,183)
Fringe benefits	-	-	1,850	(1,850)
Other	-	-	-	-
Capital outlay	-	-	-	-
Total cemetery	-	-	26,033	(26,033)
<u>Finance and revenue:</u>				
Salaries	617,711	543,750	544,028	(278)
Fringe benefits	217,794	174,161	173,851	310
Other	109,495	127,389	113,191	14,198
Capital outlay	1,500	2,961	2,961	-
Total finance and revenue	946,500	848,261	834,031	14,230
<u>Parking:</u>				
Salaries	95,048	94,631	94,531	100
Fringe benefits	47,143	40,557	40,512	45
Other	73,383	76,383	68,224	8,159
Capital outlay	-	-	-	-
Total parking	215,574	211,571	203,267	8,304
<u>Legal:</u>				
Salaries	122,798	71,627	71,628	(1)
Fringe benefits	35,119	23,299	23,298	1
Other	56,439	119,430	132,631	(13,201)
Capital outlay	-	-	-	-
Total legal	214,356	214,356	227,557	(13,201)

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable/ (Unfavorable)</u>
<u>Garage:</u>				
Salaries	463,719	450,509	450,507	2
Fringe benefits	178,099	173,380	174,127	(747)
Other	118,643	118,632	93,294	25,338
Capital outlay	40,000	39,753	39,752	1
Total garage	800,461	782,274	757,680	24,594
<u>Human resources:</u>				
Salaries	247,603	231,697	234,403	(2,706)
Fringe benefits	101,382	88,648	92,319	(3,671)
Other	31,089	50,944	41,772	9,172
Capital outlay	-	-	-	-
Total human resources	380,074	371,289	368,494	2,795
<u>Information Systems:</u>				
Salaries	294,472	264,189	262,305	1,884
Fringe benefits	105,206	90,184	90,039	145
Other	173,015	191,108	180,224	10,884
Capital outlay	42,698	69,910	65,323	4,587
Total information systems	615,391	615,391	597,891	17,500
<u>Internal Audit:</u>				
Salaries	68,887	68,306	68,306	-
Fringe benefits	16,634	16,566	13,353	3,213
Other	133,508	89,037	84,449	4,588
Capital outlay	1,200	1,300	1,206	94
Total internal audit	220,229	175,209	167,314	7,895
<u>Municipal properties:</u>				
Salaries	59,417	59,417	59,417	-
Fringe benefits	20,162	19,868	19,867	1
Other	302,742	427,626	420,853	6,773
Capital outlay	-	8,959	4,959	4,000
Total municipal properties	382,321	515,870	505,096	10,774
<u>Legislative</u>				
Salaries	130,872	130,872	130,878	(6)
Fringe benefits	28,983	28,946	28,937	9
Other	405,273	380,310	401,198	(20,888)
Capital outlay	-	-	-	-
Total legislative	565,128	540,128	561,013	(20,885)
<u>Purchasing:</u>				
Salaries	90,506	90,551	90,551	-
Fringe benefits	34,641	34,120	34,118	2
Other	24,222	24,698	18,542	6,156
Capital outlay	-	-	-	-
Total purchasing	149,369	149,369	143,211	6,158
Total general government	6,608,238	6,626,574	6,575,782	50,792

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable/ (Unfavorable)</u>
<u>Public Safety:</u>				
<u>Fire Department:</u>				
Salaries	8,360,705	8,246,623	8,239,048	7,575
Fringe benefits	3,083,887	3,010,469	3,009,522	947
Other	636,079	662,717	624,607	38,110
Capital outlay	137,652	154,802	122,453	32,349
Total fire department	12,218,323	12,074,611	11,995,630	78,981
<u>Police Department:</u>				
Salaries	11,221,052	11,064,330	10,885,966	178,364
Fringe benefits	4,238,202	4,044,447	4,015,233	29,214
Other	3,034,335	3,109,881	3,025,945	83,936
Capital outlay	781,374	769,538	768,270	1,268
Total police department	19,274,963	18,988,196	18,695,414	292,782
<u>Dispatch</u>				
Salaries	897,888	858,278	842,994	15,284
Fringe benefits	349,004	320,330	317,066	3,264
Other	26,858	31,047	33,706	(2,659)
Capital outlay	3,000	2,811	2,811	-
Total dispatch	1,276,750	1,212,466	1,196,577	15,889
Total public safety	32,770,036	32,275,273	31,887,621	387,652
<u>Highways and Streets:</u>				
Salaries	2,977,095	2,908,595	2,899,640	8,955
Fringe benefits	1,244,354	1,186,559	1,181,403	5,156
Other	4,777,196	4,907,662	4,857,183	50,479
Capital outlay	124,500	108,666	108,665	1
Total highways and streets	9,123,145	9,111,482	9,046,891	64,591
<u>Recreation:</u>				
<u>Recreation-general:</u>				
Salaries	2,146,531	2,007,654	2,088,943	(81,289)
Fringe benefits	669,583	609,730	619,794	(10,064)
Other	863,612	965,143	954,833	10,310
Capital outlay	169,855	298,490	286,319	12,171
Total recreation-general	3,849,581	3,881,017	3,949,889	(68,872)
<u>Golf courses-Mason Rudolph:</u>				
Salaries	97,921	90,448	94,293	(3,845)
Fringe benefits	33,192	26,685	26,938	(253)
Other	75,355	83,675	86,937	(3,262)
Capital outlay	9,900	9,900	9,900	-
Total Mason Rudolph	216,368	210,708	218,068	(7,360)
<u>Golf courses-Swan Lake:</u>				
Salaries	268,575	265,717	272,824	(7,107)
Fringe benefits	101,709	96,781	97,148	(367)
Other	216,836	253,961	292,167	(38,206)
Capital outlay	40,360	38,360	38,029	331
Total Swan Lake	627,480	654,819	700,168	(45,349)
Total recreation	4,693,429	4,746,544	4,868,125	(121,581)

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable/ (Unfavorable)</u>
<u>Other Appropriations:</u>				
Other Retirement Benefits	782,806	652,971	652,029	942
State Unemployment Insurance	34,600	60,110	59,624	486
Pension payments	39,768	33,420	33,419	1
River District	96,307	40,066	16,296	23,770
HRC/BOZA general supplies	6,200	6,200	5,523	677
Tree Board	3,500	2,900	2,549	351
Total other appropriations	<u>963,181</u>	<u>795,667</u>	<u>769,440</u>	<u>26,227</u>
<u>Miscellaneous Community Agencies:</u>				
State of Tennessee's share of taxes	268,009	314,576	314,576	-
Regional Planning Commission	310,660	310,660	310,659	1
County's share of taxes	774,953	250,529	255,457	(4,928)
Senior Citizens Center	252,500	252,500	252,500	-
Regional airport	197,963	256,244	252,194	4,050
GIS (APSU, Montgomery County and City of Clarksville)	67,593	67,593	67,593	-
Property reappraisal	44,915	44,915	44,915	-
E911	38,853	38,853	38,853	-
Arts & Culture Commission	36,000	36,000	36,000	-
Salvation army shelter	34,000	34,000	34,000	-
Roxy Theater	20,000	20,000	20,000	-
Humane Society	19,000	19,000	19,000	-
Korean American Association	11,500	11,500	11,500	-
Crime Stoppers	8,500	8,500	8,500	-
Mid-Cumberland Human Resource Agency	5,000	5,000	5,000	-
Habitat for humanities	5,000	5,000	2,000	3,000
Total community agencies	<u>2,094,446</u>	<u>1,674,870</u>	<u>1,672,747</u>	<u>2,123</u>
Total expenditures	<u>56,252,475</u>	<u>55,230,410</u>	<u>54,820,606</u>	<u>409,804</u>
<u>FINANCING SOURCES</u>				
Transfer from other funds:				
In lieu of tax payment-CDE	2,320,565	2,033,416	1,891,575	(141,841)
In lieu of tax payment-gas, water and sewer departments	2,409,660	2,409,660	2,409,660	-
Transfer from other city funds	416,223	416,223	416,223	-
Transfer from parking authority	215,574	211,343	203,266	(8,077)
Total financing sources	<u>5,362,022</u>	<u>5,070,642</u>	<u>4,920,724</u>	<u>(149,918)</u>
<u>FINANCING USES</u>				
Transfer to Debt Service	6,691,538	6,664,460	6,664,460	-
Transfer to Transit System	883,724	883,724	883,724	-
Transfer to Museum	431,061	744,861	744,861	-
Transfer to Gas & Water (Revenue)	183,792	287,903	285,831	2,072
Transfer to CDE (deferred)	150,000	150,000	150,000	-
Other transfers out of general fund	463,934	491,012	487,851	3,161
Transfers to capital projects	81,000	81,000	81,000	-
Total financing uses	<u>8,885,049</u>	<u>9,302,960</u>	<u>9,297,727</u>	<u>5,233</u>
Net financing sources (uses)	<u>(3,523,027)</u>	<u>(4,232,318)</u>	<u>(4,377,003)</u>	<u>(144,685)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>\$ (951,637)</u>	<u>\$ (415,741)</u>	<u>111,623</u>	<u>\$ 527,364</u>
<u>FUND BALANCE-BEGINNING OF YEAR, AS RESTATED, AS DISCUSSED IN NOTE P</u>			<u>21,231,840</u>	
<u>FUND BALANCE-END OF YEAR</u>			<u>\$ 21,343,463</u>	

See notes to financial statements and auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clarksville, located in Montgomery County, Tennessee, was organized under Chapter 292 of the 1957 Private Acts of the General Assembly of the State of Tennessee. The City operates under a Mayor and City Council form of government.

The accounts of the City of Clarksville, Tennessee (the 'City') are maintained, and the financial statements have been prepared, in conformity with accounting standards generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies of the City:

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 is 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, 2008, the City had one blended component unit. The Natural Gas Acquisition Corporation (the "Corporation"), a non-profit corporation was established May 7, 1991, for the purpose of purchasing and selling natural gas on behalf of the City. The Corporation is governed by a Board of Directors appointed by the City Council and is reported as an enterprise fund.

As of June 30, 2008 the City had one discretely presented component unit. The Clarksville-Montgomery County Museum (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.

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

**Natural Gas Acquisition Corporation
102 Country Lane, Suite B
Clarksville, Tennessee 37043**

**Clarksville-Montgomery County Museum
200 2nd Street
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 37040**

Clarksville Gas Department and 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 provides services to municipalities throughout the State of Tennessee. 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. 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 only to the extent of representation by the board members appointed. The Airport Authority's board is appointed jointly by both entities. Complete financial statements for these joint ventures can be obtained from their respective administrative offices. See note K for additional information about fiscal stress of the Airport Authority.

4. Government - Wide Financial Statements

The government-wide financial statements include a statement of net assets and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. Fiduciary activities of the City are not included in these statements.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying statement of net assets.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that have been obtained to meet the operational or capital requirements of a particular program. Revenues that are not

classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each function of the City is self-financed or draws from general revenues.

5. Fund Financial Statements and Measurement Focus

Fund financial statements report detailed information about the City. The focus of the fund financial statements is on major funds rather than fund type. Each major fund is presented in a separate column and all non-major funds are aggregated and presented in a single column.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on sources and uses of current financial resources.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. This reporting focuses on the determination of operating income, and changes in net assets, financial position and cash flows. The financial statement requirements are a statement of net assets, statement of revenue, expenses and changes in net assets and a statement of cash flows.

Fiduciary funds are reported using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the funds are included in the statement of assets. The statement of changes in fund net assets presents increases and decreases in total net assets.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

The City allocates indirect expenses primarily comprised of central governmental services to operating functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies.

6. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The emphasis of fund financial statements is on major governmental and enterprise funds each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non major funds.

Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Funds

Proprietary fund reporting focuses on the degeneration of operating income, changes in net assets, financial position and cash flows. An Enterprise Fund is a type of proprietary fund that is used to account for fund operations that are financed and operated in a manner similar to private business enterprises whereby the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges. The following are the City's major enterprise funds:

Gas Department

The Gas Department accounts for the fiscal activity of all natural gas used throughout the City and certain surrounding portions of Montgomery County and Ft. Campbell, KY.

Water and Sewer Department

The Water and Sewer Department accounts for the fiscal activity of all water and sewer used throughout the City and certain surrounding portions of Montgomery County.

Department of Electricity

The Department of Electricity accounts for the fiscal activity of electric power used throughout the City and certain surrounding areas.

Natural Gas Acquisition Corporation

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

Additionally, the City utilizes the following other fund types:

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources that will be necessary for paying the general long-term obligations.

Internal Service Funds

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.

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The City's only fiduciary fund is a pension trust fund which is used to account for assets and liabilities held by the City in a fiduciary capacity for participating employees.

7. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Operating Revenues and Expenses of Proprietary Funds

Operating revenues and expenses of proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing or investing activities.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

In the governmental fund financial statements, property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance year 2008 operations, have been recorded as deferred revenue of \$22,420,995. Grants received before the eligibility requirements are met are also recorded as deferred revenue.

In the governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

Election in Accordance with GASB 20 - The Natural Gas Acquisition Corporation has elected to apply all FASB Statement and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements. The Gas, Water and Sewer Departments, Department of Electricity, Parking Authority and Transit Authority have elected to apply all FASB Statements and Interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

8. Budget and Budgetary Accounting

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 shall not exceed the total amount appropriated in the budget ordinance. The accompanying budgetary data, included as required supplementary information, has been revised for amendments authorized during the year. Departmental appropriations comprise a legal spending limit for governmental funds. All annual appropriations lapse at year-end.

9. Self-insurance

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 withdrew from the Worker's Compensation 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 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. This expense is charged to other funds when claims are actually paid. At June 30, 2008, the amount of these estimated insurance liabilities was \$571,561. Changes in the reported liability are as follows:

	Balance Beginning of <u>Fiscal Year</u>	Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at at End of <u>Fiscal Year</u>
1999-2000	\$605,125	\$566,501	\$393,740	\$777,866
2000-2001	777,886	509,254	534,140	753,000
2001-2002	753,000	724,204	522,006	955,198
2002-2003	955,198	576,618	629,407	902,409
2003-2004	902,409	358,474	416,213	844,670
2004-2005	844,670	2,251,075	738,245	2,357,500
2005-2006	2,357,500	1,010,989	1,062,389	2,306,100
2006-2007	2,306,100	2,494,262	1,365,362	3,435,000
2007-2008	3,435,000	333,897	3,197,336	571,561

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.

10. Cash Equivalents

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

11. Investments

Investments of the governmental and proprietary fund types consist primarily of certificates of deposit and U.S. Treasury securities and are stated at market value. Pension Trust Fund investments, which also include common stocks, bonds and U.S. Government and other securities, are stated at market value.

12. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheets of the individual funds.

13. Receivables

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

14. Restricted Assets

Restricted assets represent cash and investments required to be set aside for the retirement of bonds and interest payable.

15. Inventories

Supplies inventories of proprietary fund types are valued utilizing moving average cost. Inventory consists of expendable supplies held for consumption and materials held for plant expansion. Inventory items in the General Fund are considered expenditures at the time inventory items are purchased.

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 fair market value when received. City policy has set the capitalization policy 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 department	2,500
Other capital assets	5,000

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

<u>Other Capital Assets</u>	
Land Improvements	20 years
Machinery and Equipment	10-20 years
Buildings	50 years
Motor Vehicles	8 years

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street system, sidewalks, drainage systems, traffic signals 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.

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, 2008. 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. Compensated Absences

Accumulated unpaid vacation is accrued when earned. Employees earn 12 or more days of vacation each year except for the Department of Electricity employees who earn 5 or more days of vacation each year depending on length of service. Unused vacation time may accumulate to a maximum of 30 days with any excess being transferred to sick leave.

Sick leave is not accrued, except by the Department of Electricity, as there is no provision for vesting.

All full-time employees of the Department of Electricity accrue sick leave at the rate of one day (eight hours) for each full month worked. Sick leave time may be accrued up to a maximum of 132 days; however, an employee is not permitted to carry more than 120 days past November 30 of each year. The number of sick days over 120 days is purchased from the employee at a rate of 50% of wages on December 15 of the same year. Sick leave is paid on the basis of straight time and is not used as a basis for overtime pay. Except for retirement or death, there is no compensation for accrued sick leave when an employee's service is terminated. In the case of retirement, the Department of Electricity purchases total accrued sick leave at the rate of 100% of wages.

18. 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 May 31. Current tax collections of \$22,036,319 for the fiscal year ended June 30, 2008, were approximately 96.5 percent of the tax levy. This amount includes \$214,362 received within 60 days of year-end.

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 Commissioner of Finance and Revenue. The property tax rate for the year ended June 30, 2008, was \$1.31 per \$100 of assessed value.

19. 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.

20. 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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

21. Intangible Assets

Unamortized Bond Costs are amortized over the life of the applicable bond issue on the straight-line basis.

22. Insurance and Advertising

Insurance and advertising costs are expensed as incurred in the governmental funds.

23. Election in Accordance with GASB 20

The City has elected for its proprietary funds to apply all FASB Statement and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

24. Other Significant Accounting Policies

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

B. CASH AND INVESTMENTS

Statement No. 40, "Deposit and Investment Risk Disclosures", of the Governmental Accounting Standards Board, states "If a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact." The city does not have an official investment policy. Although there is no official investment policy for the City of Clarksville, in order to provide a safe temporary medium for investment of the City's idle funds, the City invests those idle funds under the provisions of Tennessee Code Annotated 6-56-106. The city is a passive investor, in that investments are held to until maturity. The investments made by the City are authorized by Section 6-56-106 of the Tennessee Code Annotated. The City recognizes its investments may have one or more risks: (1) custodial credit risk, (2) concentrations of credit risk, (3) interest rate risk, and (4) foreign currency risk; however because of the relative safety of the investments authorized in T.C.A. 6-56-106 (a) 1-6 and 8, the exposure to risk is generally limited to interest rate risk.

State statutes authorize the City to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government; (2) deposit accounts at state and federally chartered banks and savings and loan associations; and (3) the Local Government Investment Pool of the State of Tennessee. During the current fiscal year, the City invested funds that were immediately needed in savings accounts, certificates of deposit and investments in the State of Tennessee Local Government Investment Pool. Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance.

The Natural Gas Acquisition Corporation is authorized by state statutes to invest in repurchase agreements with any bank provided the bank's obligations are secured by a perfected pledge of full faith and credit obligations of the United States or its agencies.

At June 30, 2008, the carrying amount of the City's deposits (restricted and unrestricted) is \$49,528,269. Bank balances for such accounts total \$49,135,259. Bank balances of \$47,818,954 are insured by depository insurance (FDIC), or are deposited with financial institutions who are members of the Tennessee Bank Collateral Pool (the "pool"), or are collateralized with securities held by the City's agent in the City's name. The pool is a multiple financial institution collateral pool where member financial institutions holding public funds pledge collateral to a common pool. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro-rata basis to the members of the pool if the value of the pool's collateral is inadequate to cover a loss. As a result, the pool is similar to depository insurance. Deposits totaling \$1,316,305 of the Natural Gas Acquisition Corporation are uncollateralized. Cash on hand at June 30, 2008 totaled \$56,629.

At June 30, 2008, the City's investments consist of the following:

Investment Type	Fair Value	Maturities	
		Less Than One Year	More Than One Year
Tennessee Local Government Investment Pool	\$ 27,619,806	\$ 27,619,806	
U.S. Treasuries	15,188,845	15,188,845	
Bank repurchase agreements	2,750,030	2,750,030	
	<u>\$ 45,558,681</u>	<u>\$ 45,558,681</u>	<u>\$ -</u>

The Tennessee Local Government Investment Pool is an unrated external investment pool that operates in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940. The weighted average maturity of the pool's investments is less than ninety days.

The City's investments in bank repurchase agreements are secured by a perfected pledge of full faith and credit obligations of the United States or its agencies.

Investments of the Component Unit-Museum consist of the following at June 30, 2008:

Investment Type	Fair Value	Cost	Average Credit Quality Rating	Average Maturity In Years
Common stocks	\$ 547,215	\$ 536,071	n/a	n/a
Preferred stocks	857	1,301	n/a	n/a
Corporate bonds	37,876	36,216	AA	2.6
Money market fund	26,065	26,065	n/a	n/a
Real estate	3,686	2,991	n/a	n/a
U.S. agency/governmental bonds	30,160	28,697	AAA	1.0
Mutual funds				
Equity	619,751	594,864	n/a	n/a
Fixed	213,863	223,292	n/a	n/a
	<u>\$1,479,473</u>	<u>\$1,449,497</u>		

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

C. NOTES RECEIVABLE

Notes receivable at June 30, 2008, consists of the following:

<u>Special Revenue Funds - Community Development Fund:</u>	<u>Balance June 30, 2008</u>
3% interest loans under the Community Development Block Grant, due in 96 to 300 monthly installments; secured by deed of trust	\$ 986,339
Interest-free loans under the Community Development Block Grant program for housing rehabilitation, due upon sale or transfer of property, secured by deed of trust as second mortgage	964,666
3% interest loans made under U.S. Department of Housing and Urban Development Home Investment Partnership; due in 96 to 300 monthly installments, secured by deed of trust	772,506
Interest-free loans under the U.S. Department of Housing and Urban Development Home Investment Partnership, due upon sale or transfer of property, secured by deed of trust as second mortgage	686,455
Interest free loans made with CDBG Grant funds with 5% annual amortization and no payment due as long as occupancy and ownership is retained; secured by deed of trust	333,039
Interest free loans made with HOME Grant funds with 5% annual amortization and no payment due as long as occupancy and ownership is retained; secured by deed of trust	320,669
Interest-free loans under the US Department of Housing and Urban Development first time homebuyers program for closing cost assistance. Grants are amortized 100% at the end of five years no payment due as long as ownership is retained for five years; secured by deed of trust	309,898
3% interest loans under Tennessee Housing Development Assistance; due in 96 to 300 monthly installments; secured by deed of trust	307,301
Interest free loans made with CDBG Grant funds with 10% annual amortization and no payment due as long as occupancy and ownership is retained; secured by deed of trust	218,274
Interest-free loans under the U.S. Department of Housing and Urban Development first time homebuyers on program, due sale or transfer, secured by deed of trust	190,332
1% or 3% interest loans made under the Community Development Block Grant, repayment deferred 2 years, secured by deed of trust	163,359
Interest free loans made with HOME Grant funds with 10% annual amortization and no payment due as long as occupancy and ownership is retained; secured by deed of trust	157,715
1% interest loan made under Tennessee Housing Development Assistance, secured by deed of trust as second mortgage, due upon sale or after first mortgage is paid off	147,264
Interest-free loans under the Community Development Block Grant program for first time homebuyers, due upon sale or transfer of property; secured by deed of trust	132,136
3% interest loans from HOUSE program income revolving funds, due in 180 to 360 monthly installments; secured by deed of trust and second mortgage.	121,265
Interest free loans under Tennessee Housing Development Assistance; secured by deed of trust as second mortgage with payments beginning after first mortgage is paid off	70,000
Interest-free loans under the Community Development Block Grant with a 20% annual amortization and no payment due as long as ownership is retained for five years; secured by deed of trust	41,570
1% or 3% interest loans made under the U.S. Department of Housing and Urban Development first time homebuyers program, repayment after 2 years deferral	28,590

Interest free loans made with HOUSE program income with 5% annual amortization and no payment due as long as occupancy and ownership is retained; secured by deed of trust	28,500
Interest free loans made with HOUSE program income with 20% annual amortization and no payment due as long as ownership is retained for five years; secured by deed of trust	26,467
Rehabilitation Grant given to low-income applicants. Grants are amortized 20% per year for five years. Grants are forgiven after five years.	23,159
Interest-free loans under Community Development Block Grant, secured by deed of trust as second mortgage with payments beginning after first mortgage is paid off	20,500
1% interest loan made under the Emergency Repair Fund, for five years; secured by deed of trust	3,220
Interest-free loans under the Rental Rehabilitation Program, due in five annual installments with the first installment due seven years from the date of the loan, secured by deed of trust	152
Interest-free loans under the Community Development Block Grant, due in 60 monthly installments with the first installment due ten years from the date of the loan; secured by deed of trust	54
	<u>6,053,430</u>
Less current portion	<u>(182,228)</u>
Total Special Revenue Funds Notes Receivables, net of current portion	<u>\$ 5,871,202</u>

D. CAPITAL ASSETS

Infrastructure activity for governmental activities for the year ended June 30, 2008 is as follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Governmental Activities:</u>				
Modified Approach Street Network	\$ 209,456,985	\$ 5,148,000	\$ -	\$ 214,604,985
Basic Approach				
Bridges	1,161,766	-	-	1,161,766
Drainage system	34,048,041	1,341,325	-	35,389,366
Sidewalks	3,285,348	1,419,840	-	4,705,188
Boat docks	398,744	-	-	398,744
Traffic signals/ lighting	1,644,696	661,249	-	2,305,945
Total infrastructure	<u>249,995,580</u>	<u>8,570,414</u>	<u>-</u>	<u>258,565,994</u>
<u>Less accumulated depreciation:</u>				
Bridges	(113,001)	(23,223)	-	(136,224)
Drainage system	(6,430,617)	(923,336)	-	(7,353,953)
Sidewalks	(68,999)	(170,186)	-	(239,185)
Boat docks	(36,589)	(39,892)	-	(76,481)
Traffic signals/ lighting	(243,849)	(137,054)	-	(380,903)
Total accumulated depreciation	<u>(6,893,055)</u>	<u>(1,293,691)</u>	<u>-</u>	<u>(8,186,746)</u>
Net infrastructure	<u>\$ 243,102,525</u>	<u>\$ 7,276,723</u>	<u>\$ -</u>	<u>\$ 250,379,248</u>

Other capital asset activity for governmental activities for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
<u>Governmental Activities:</u>				
Capital assets not depreciated:				
Land	\$ 10,516,095	\$ -	\$ 22,504	\$ 10,493,591
Easements	20,777,267	1,326,779	-	22,104,046
Construction in progress	780,160	4,455,103	-	5,235,263
Total capital assets not depreciated	32,073,522	5,781,882	22,504	37,832,900
Capital assets being depreciated:				
Land improvements	4,710,461	10,750	-	4,721,211
Machinery and equipment	15,913,562	1,321,747	295,527	16,939,782
Buildings	58,226,437	25,469	718,507	57,533,399
Motor vehicles	13,905,338	734,297	856,883	13,782,752
Total capital assets depreciated	92,755,798	2,092,263	1,870,917	92,977,144
Less: accumulated depreciation:				
Land improvements	(3,636,147)	(201,907)	-	(3,838,054)
Machinery and equipment	(9,334,890)	(1,350,740)	288,185	(10,397,445)
Buildings	(12,644,896)	(1,137,676)	99,372	(13,683,200)
Motor vehicles	(9,661,497)	(904,078)	777,776	(9,787,799)
Total accumulated depreciation	(35,277,430)	(3,594,401)	1,165,333	(37,706,498)
Net capital assets depreciated	57,478,368	(1,502,138)	705,584	55,270,646
Net governmental activities capital assets	89,551,890	4,279,744	728,088	93,103,546
Net governmental activities capital assets and infrastructure	\$ 332,654,415	\$ 11,556,467	\$ 728,088	\$ 343,482,794

Capital asset activity for business activities for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
<u>Business-Type Activities:</u>				
<u>Parking Authority</u>				
Plant and equipment	\$ 3,409,952	\$ -	\$ -	\$ 3,409,952
Less accumulated depreciation	(1,114,069)	(69,535)	-	(1,183,604)
Net parking authority	2,295,883	(69,535)	-	2,226,348
<u>Transit System</u>				
Capital assets not depreciated:				
Land	85,882	-	-	85,882
Construction in progress	262,581	19,413	281,994	-
Total capital assets not depreciated	348,463	19,413	281,994	85,882
Capital assets depreciated:				
Building	2,723,607	297,309	130,685	2,890,231
Revenue vehicles	5,729,993	71,508	249,527	5,551,974
Other vehicles	227,796	24,489	6,800	245,485
Furniture and equipment	916,743	149,173	158,047	907,869
Total capital assets depreciated	9,598,139	542,479	545,059	9,595,559
Less accumulated depreciation	(3,309,274)	(808,183)	398,010	(3,719,447)
Net capital assets depreciated	6,288,865	(265,704)	147,049	5,876,112
Net capital assets	\$ 6,637,328	\$ (246,291)	\$ 429,043	\$ 5,961,994

Clarksville Electric**Capital assets not depreciated:**

Land and land rights	\$ 1,058,300	\$ 138,100	\$ -	\$ 1,196,400
Construction in progress	6,345,900	22,199,700	242,100	28,303,500
Plant held for sale	226,500	-	226,500	-
Total capital assets not depreciated	7,630,700	22,337,800	468,600	29,499,900

Capital assets depreciated:

Station equipment	15,232,900	4,075,900	82,500	19,226,300
Electric transmission system	58,171,600	7,107,200	1,065,200	64,213,600
Transportation equipment	2,170,900	204,200	124,800	2,250,300
Furniture and equipment	4,147,400	16,209,200	145,800	20,210,800
Structures and improvements	4,266,600	236,200	-	4,502,800
Plant acquisition adjustments	868,600	878,600	348,000	1,399,200
Total capital assets depreciated	\$ 84,858,000	\$ 28,711,300	\$ 1,766,300	\$ 111,803,000

Less: accumulated depreciation:

Station equipment	(5,761,400)	(507,500)	82,500	(6,186,400)
Electric transmission system	(17,949,500)	(2,103,100)	1,237,500	(18,815,100)
Transportation equipment	(1,373,500)	(197,400)	124,800	(1,446,100)
Furniture and equipment	(928,500)	(534,900)	146,000	(1,317,400)
Structures and improvements	(1,566,800)	(132,100)	-	(1,698,900)
Total accumulated depreciation	(27,579,700)	(3,475,000)	1,590,800	(29,463,900)
Net capital assets depreciated	57,278,300	25,236,300	175,500	82,339,100
Net capital assets	\$ 64,909,000	\$ 47,574,100	\$ 644,100	\$ 111,839,000

Water and Sewer**Capital Assets Not Depreciated:**

Land and Land Rights	\$ 1,644,236	\$ 364,989	\$ -	\$ 2,009,225
Construction in Progress	48,467,334	11,069,213	38,816,908	20,719,639
Total capital assets not depreciated	50,111,570	11,434,202	38,816,908	22,728,864

Capital Assets Depreciated:

Plant and Equipment	295,399,790	56,467,590	835,113	351,032,267
Less accumulated depreciation	(69,354,959)	(12,045,862)	2,934,379	(78,466,442)
Net capital assets depreciated	226,044,831	44,421,728	(2,099,266)	272,565,825
Net capital assets	\$ 276,156,401	\$ 55,855,930	\$ 36,717,642	\$ 295,294,689

Gas**Capital Assets Not Depreciated:**

Land and Land Rights	\$ 204,784	\$ 10,118	\$ -	\$ 214,902
Construction in Progress	1,278,228	2,714,646	3,594,648	398,226
Total capital assets not depreciated	1,483,012	2,724,764	3,594,648	613,128

Capital Assets Depreciated:

Plant and Equipment	49,899,522	4,638,330	259,039	54,278,813
Less accumulated depreciation	(11,838,639)	(2,118,214)	213,834	(13,743,019)
Net capital assets depreciated	38,060,883	2,520,116	45,205	40,535,794
Net capital assets	\$ 39,543,895	\$ 5,244,880	\$ 3,639,853	\$ 41,148,922

Natural Gas Acquisition Corporation**Capital Assets Depreciated:**

Plant and equipment	\$ 29,325	\$ -	\$ 2,852	\$ 26,473
Less accumulated depreciation	(2,119)	(4,738)	761	(6,096)
Net capital assets	\$ 27,206	\$ (4,738)	\$ 2,091	\$ 20,377
Net business activities capital assets	\$ 389,569,713	\$ 108,354,346	\$ 41,432,729	\$ 456,491,330

Museum (Component Unit)

Capital assets depreciated:

Leasehold improvements	\$ 2,956,933	\$ 340,669	\$ -	\$ 3,297,602
Furniture and equipment	120,867	8,231	-	129,098
Vehicles	-	14,565	-	14,565
Total capital assets depreciated	3,077,800	363,465	-	3,441,265

Less accumulated depreciation	(952,866)	(91,410)	-	(1,044,276)
Net capital assets	\$ 2,124,934	\$ 272,055	\$ -	\$ 2,396,989

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.

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

General government	\$ 1,312,485
Public Safety	1,003,352
Highways and Streets	1,737,742
Recreation	834,513
Total	\$ 4,888,092

E. LONG-TERM OBLIGATIONS

Governmental long-term debt activity for the year ended June 30, 2008 consists of the following:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amounts Due</u>
	<u>June 30, 2007</u>			<u>June 30, 2008</u>	<u>In Year</u>
					<u>Ending</u>
					<u>July 1, 2009</u>
Bonds payable	\$ 16,215,000	\$ -	\$ 1,115,000	\$ 15,100,000	\$ 1,200,000
Notes payable	31,953,365	3,889,293	4,153,000	31,689,658	4,830,100
Subtotal	48,168,365	3,889,293	5,268,000	46,789,658	6,030,100
Accrued compensated absences	1,977,451	190,100	-	2,167,551	823,670
Total governmental	\$ 50,145,816	\$ 4,079,393	\$ 5,268,000	\$ 48,957,209	\$ 6,853,770

The general fund has been used in prior years to liquidate accrued compensated absences.

Governmental long-term debt at June 30, 2008 consists of the following obligations:

Bonds Payable

\$800,000 1976 Farmers Administration Loan due in increasing annual installments through January 1, 2016, at an interest rate of 5%.	\$ 300,000
\$6,750,000 2002 Taxable General Obligation Industrial Park Bonds due in increasing annual installments through June 1, 2022, at varying rates of interest from 6.25% to 6.875%.	5,560,000
\$5,100,000 2002 E-911 General Improvement Bonds due in increasing annual installments through June 1, 2022, at varying rates of interest from 3.5% to 4.875%.	3,975,000
\$2,180,000 2003 General Obligation Refunding Bonds due in increasing annual installments through August 1, 2008, at varying rates of interest from 1.4 % to 3%.	460,000
\$4,990,000 2006 Taxable General Obligation Industrial Park Bonds due in increasing annual installments through July 1, 2022, at varying rates of from 1.4 % to 3%.	<u>4,805,000</u>
Total bonds payable	<u>15,100,000</u>

Notes Payable

\$4,000,000 1994 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2009, with interest payable monthly at an adjustable rate.	393,800
\$1,500,000 1996 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2011, with interest payable monthly at an adjustable rate.	403,300
\$16,457,000 1998 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2013, with interest payable monthly at an adjustable rate.	7,197,000
\$18,025,000 2000 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2015, with interest payable monthly at an adjustable rate.	10,536,000
\$13,795,000 Public Building Authority of the City of Clarksville, Tennessee; loan agreement provides for repayment of loan in annual installments through May 25, 2016, with interest payable monthly at an adjustable rate.	5,290,000
\$4,976,000 2002 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2022, with interest payable monthly at an adjustable rate.	3,955,000
\$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.	1,694,009
\$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.	885,020
\$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.	<u>1,335,529</u>
Total notes payable	<u>31,689,658</u>
Total bonds and notes payable	46,789,658
Add: Accrued compensated absences	2,167,551
Less: Current portion of long-term debt and accrued compensated absences	<u>(6,853,770)</u>
Total governmental activities long-term debt	<u><u>\$ 42,103,439</u></u>

Business long-term debt activity for the year ended June 30, 2008 consists of the following:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amount Due</u> <u>In Year</u> <u>Ending</u> <u>June 30, 2009</u>
<u>Gas Department and Water and Sewer Department</u>					
Bonds and notes payable	\$ 189,271,198	\$ 581,170	\$ 7,497,993	\$ 182,354,375	\$ 7,209,579
Accrued compensated absences	613,661	14,811	20,869	607,603	235,702
Customer deposits	1,437,210	738,681	617,445	1,558,446	-
Premiums on bonds	2,102,112	-	100,174	2,001,938	-
Unamortized discount and deferred loss on defeasance	(2,893,359)	(257,846)	(215,437)	(2,935,768)	-
Total Gas, Water and Sewer Department	190,530,822	1,076,816	8,021,044	183,586,594	7,445,281
<u>Natural Gas Acquisition Corporation</u>					
Bonds payable	240,525,000	-	8,515,000	232,010,000	14,925,000
Premium on bonds	6,887,945	-	792,805	6,095,140	-
Total Natural Gas Acquisition Corporation	247,412,945	-	9,307,805	238,105,140	14,925,000
<u>Clarksville Transit</u>					
Accrued compensated absences	98,569	11,434	-	110,003	110,003
<u>Parking Authority</u>					
Note payable	634,327	-	118,219	516,108	122,393
<u>Department of Electricity</u>					
Bonds and notes payable	59,700,000	841,100	565,000	59,976,100	659,100
Premium on bonds	2,898,900	-	117,100	2,781,800	-
Customer deposits	3,287,700	1,668,900	1,522,800	3,433,800	-
TVA advances	2,396,800	1,862,400	1,362,800	2,896,400	-
Accrued compensated absences	2,065,700	306,300	112,500	2,259,500	575,600
Other	30,500	-	400	30,100	-
Total Department of Electricity	70,379,600	4,678,700	3,680,600	71,377,700	1,234,700
Total Enterprise	\$ 509,056,263	\$ 5,766,950	\$ 21,127,668	\$ 493,695,545	\$ 23,837,377
<u>Museum (Component Unit)</u>					
Note payable	\$ 241,528	\$ -	\$ 13,871	\$ 227,657	\$ 14,794

Business activity long-term debt at June 30, 2008 consists of the following obligations:

Bonds Payable

\$8,560,000 Series 2004 Electric System Revenue and Improvement Bonds due in annual installments of \$270,000 to \$615,000 to September 1, 2024, at 2.25% to 4.25% interest. Substantially all operating revenues of the Department of Electricity are security for these bonds.	\$ 6,345,000
Series 2007 Water, Sewer, and Gas Revenue Bonds due in annual installments of \$740,000 to \$1,880,000 through February 2032 at 4.35% interest.	59,245,000
Series 2002 Water, Sewer, and Gas Revenue Refunding Bonds due in annual installments of \$1,250,000 through February 1, 2018, at varying rates of interest from 4.89% to 5.25%.	15,535,000
Series 2001 Water, Sewer, and Gas Revenue Refunding and Improvement Bonds due in increasing annual installments of \$1,235,000 through February 2022 at 3.0% to 5.0% interest.	21,675,000
Series 2004 Water and Sewer Revenue Bonds due in increasing annual installments of \$500,000 to \$12,100,000 through 2025 at variable interest rates.	44,375,000
Series 2006 Tennessee Gas Revenue bonds to Natural Gas Acquisition Corporation due in increasing installments of \$8,515,000 to \$25,500,000 through 2021 at 5.00% semiannual interest	232,010,000
\$52,790,000 Series 2007 Electric System Revenue and Improvement Bonds due in annual installments of \$750,000 to \$3,750,000 starting September 1, 2010 to September 1, 2033 at 4.0% - 5.0% interest. Substantially all revenues of the Electric Division are security for these bonds.	<u>52,790,000</u>
Total bonds payable	<u>431,975,000</u>

Notes Payable

Loan from Tennessee State Revolving Loan Fund due in increasing annual installments from \$221,124 to \$306,162 through 2024 at a variable rate of interest.	4,357,746
Loans from the State EPA for construction of a sewage disposal plant, due in increasing monthly installments of \$3,225 to \$4,878 through February 1, 2010, at varying rates of interest from 6.6% to 7.5%.	99,827
Loan from the Tennessee State Revolving Loan Fund for waste water treatment plant expansion due in monthly installments of \$135,734 to \$209,655 to July, 2022, at 3.2% interest.	28,542,927
Loan from the Tennessee State Revolving Loan Fund for waste water treatment plant expansion due in monthly installments of \$57,704 to \$69,184 through March 1, 2012, at an interest rate of 3.7%.	3,277,980
Loan from Cumberland Electric Membership Corporation for purchase of electric plant due in annual installments of \$84,100 through June 2018, at 0.0% interest.	841,100
Series 2005 TML Bond Pool Loan due in annual installments through May 2032 of \$1,087,855 to \$3,341,373 at an interest rate of 5.0%.	157,895
Series 1994 TML Bond Pool Loan due in annual installments through 2015 of \$500,000 to \$882,000 at an adjustable interest rate.	5,088,000
Series 2007 TML Bond Pool Loan for Parking Authority, due in increasing annual installments through May 2012, at an adjustable rate of interest.	<u>516,108</u>
Total notes payable	<u>42,881,583</u>
Total bonds and notes payable	474,856,583
Add: Accrued Compensated Absences	2,977,106
Customer Deposits	4,992,246
TVA Advances	2,896,400
Bond premiums	10,878,878
Other	30,100
Less: Current portion of long-term debt and accrued compensated absences	(23,837,377)
Unamortized bond discounts and deferred loss on defeasance	<u>(2,935,768)</u>
Total business activity long-term debt	<u><u>\$ 469,858,168</u></u>

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.	<u><u>\$ 227,657</u></u>
---	--------------------------

The annual debt service requirements to amortize bonds and notes payable outstanding as of June 30, 2008 are as follows:

For the Year Ended June 30,	Governmental	Business	Component	Total	
	Activity Debt <u>Principal</u>	Activity Debt <u>Principal</u>	Unit Debt <u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 6,030,100	\$ 22,916,072	\$ 14,794	\$ 28,960,966	\$ 22,607,580
2010	5,435,300	22,656,848	15,280	28,107,428	21,446,823
2011	5,704,700	22,002,685	15,781	27,723,166	20,349,734
2012	5,589,529	21,271,113	16,296	26,876,938	19,275,462
2013	5,695,000	22,409,116	16,833	28,120,949	18,195,588
2014	3,493,000	23,760,460	16,915	27,270,375	17,028,896
2015	3,328,000	25,326,976	17,469	28,672,445	15,804,210
2016	1,689,000	26,986,736	18,042	28,693,778	14,499,516
2017	1,617,020	28,830,800	18,634	30,466,454	13,115,997
2018	1,517,009	30,532,340	21,758	32,071,107	11,646,509
2019	1,539,000	32,387,028	19,959	33,945,987	10,089,109
2020	1,620,000	34,358,484	20,614	35,999,098	8,467,204
2021	1,717,000	36,587,532	15,282	38,319,814	6,723,571
2022	1,815,000	40,299,292	-	42,114,292	4,841,353
2023	-	15,569,939	-	15,569,939	3,506,749
2024	-	16,031,162	-	16,031,162	2,923,826
2025	-	16,000,000	-	16,000,000	2,328,996
2026	-	4,090,000	-	4,090,000	1,720,741
2027	-	4,285,000	-	4,285,000	1,521,925
2028	-	4,495,000	-	4,495,000	1,311,700
2029	-	4,715,000	-	4,715,000	1,091,025
2030	-	4,950,000	-	4,950,000	859,500
2031	-	5,195,000	-	5,195,000	616,500
2032	-	5,450,000	-	5,450,000	361,400
2033	-	3,750,000	-	3,750,000	93,800
	<u>\$ 46,789,658</u>	<u>\$ 474,856,583</u>	<u>\$ 227,657</u>	<u>\$ 521,873,898</u>	<u>\$ 220,427,714</u>

The City is not subject to 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.

Various bond indentures 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 sinking funds. The City is in compliance with all such significant limitations and restrictions. Substantially all revenue bonds of the proprietary funds are payable from restricted assets.

On June 28, 2001, the Gas Department and Water and Sewer Department issued Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2001, to, among other things, 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 balance sheet. At June 30, 2008, bonds outstanding of \$13,141,124 were considered defeased.

The Water and Sewer departments are parties in a derivative contract, an interest rate swap agreement, related to the \$44,885,000 2004 bond issue. The purpose of the interest rate swap agreement is to reduce the net cost of borrowing with respect to related obligations. At the time of the bond issue, the true interest cost (TIC) for issuing fixed rate bonds was 4.48%. The Water and Sewer departments projected by issuing variable rate debt and then entering into a variable-to-fixed interest rate swap agreement a TIC of 3.64%. The Water and Sewer departments entered into this agreement in accordance with TCA section 7-34-109 which authorizes interest rate agreements for municipal utilities. The counter party of the derivative is Merrill Lynch Capital Services, Inc., who has a credit rating of A. The departments have not currently established an independent process for monitoring its 2004 swap agreement, however by 2010, the departments will be prepared to accurately disclose this information as described in GASB Technical Bulletin 2003-1.

On June 6, 2008, Standard & Poor's Rating Services lowered its financial strength ratings on XL Capital Assurance Inc. from A- to BBB-. Subsequently, on June 9, 2008, Standard & Poor's Ratings Services lowered its rating on NGAC's \$40.1 million series 2006 revenue bonds from A- to BBB-. XL Capital Assurance Inc. provides a debt service reserve surety bond to the Corporation's series 2006 revenue bonds. As of June 30, 2008 the Corporation's Board is working with counsel to identify the best approach to resolve the XL Capital Assurance Inc. downgrade situation and the consequent downgrading of the Corporation's bonds to BBB-.

Museum Component Unit – Line of Credit

The Museum has a \$30,000 unsecured line of credit with an outstanding balance of \$0 at June 30, 2008. Interest is due monthly at the bank's prime rate of interest less one percent.

F. RETIREMENT COMMITMENTS

Plan Description

Employees of the City are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statutes found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City of Clarksville participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at <http://treasury.state.tn.us/tcrs/PS>.

Funding Policy

The City has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

The City is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2008 was 13.45% of annual covered payroll. The contribution requirements of plan members are set by state statute. The contribution requirements for the City are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2008, the City's annual pension cost of \$5,125,234 to TCRS was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2005 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 3.0 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short- term volatility in the market value of total investments over a five-year period. The City's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005 was 18 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
June 30, 2008	\$5,125,234	100%	0.00
June 30, 2007	5,035,889	100%	0.00
June 30, 2006	4,456,253	100%	0.00

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 83.29% funded. The actuarial accrued liability for benefits was \$93.09 million, and the actuarial value of assets was \$77.54 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$15.56 million. The covered payroll (annual payroll of active employees covered by the plan) was \$36.94 million, and the ratio of the UAAL to the covered payroll was 42.11%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to AAL's for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as surrogate for the funded status and funding progress of the plan.

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

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Plan Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u> <u>Entry Age</u> <u>(b)</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u> <u>(b) - (a)</u>	<u>Funded</u> <u>Ration</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>UAAL as a</u> <u>% of</u> <u>Covered</u> <u>Payroll</u> <u>((b-a)/c)</u>
July 1, 2007	\$ 77,538,000	\$ 93,094,000	\$ 15,556,000	83.29%	\$ 36,938,000	42.11%

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. Additionally, during the year ended June 30, 2008, \$34,487 of expense was recognized and paid for 10 employees covered by an agreement with the City prior to the adoption of the City's PERS.

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.

Department of Electricity - Pension Plan

Plan Description

The Department of Electricity (the "Department"), under authority of the Electric Power Board, funds a defined contribution retirement plan through Reliastar known as the Clarksville Department of Electricity Employees' Pension Plan. In order to be covered under the plan, employees must be at least 20.5 years old, have been credited with at least one thousand hours of employment for the plan year, have twelve months service with the Department, and be an employee on July 1, the first day of the plan year. Normal retirement age is 65 with optional retirement from age 55 with reduced benefits. Employees are 100 percent vested after 7 years of service.

Funding Status and Progress

The Department is providing all funding contributions to this money purchase pension plan. On July 1 of each year, the Department's contribution is computed to provide an estimated target retirement benefit. The estimated monthly benefit is computed as 100% of monthly compensation reduced by each year of service less than 80 years as of the participant's normal retirement date. The calculation also assumes normal payment will be a life annuity with 120 payments guaranteed. The total pension contribution required and made by the Department for the year ended June 30, 2008 was \$489,000. The assumed rate of return used in determining contributions is 6.5 percent.

Summary of Significant Accounting Policies and Plan Asset Matters

The basis of accounting and method of valuing assets are the same as those used for the City general pension plan. The market value of plan assets at June 30, 2008 was \$5,369,300. Securities traded on national exchanges are valued at the last reported sales price. Short-term investments are reported at cost, which approximates fair value.

G. OTHER POST EMPLOYMENT BENEFITS

Plan Description - The City of Clarksville's Retired Employees' Benefit Plan (the "Plan") is a single-employer defined benefit healthcare, dental, and life insurance plan administered by the City of Clarksville which was prospectively implemented in accordance with GASB Statement 45. The plan is 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. Retirees of the general government, the Gas, Water and Sewer Department and the Transit system are able to obtain medical and dental insurance at the city group rates for their spouses. The plan is closed, employees hired on or after July 1, 2007 are not eligible for the retirement benefits provided by the Plan, eligible employees must have been hired on or before June 30, 2007. The Plan has a total of 1,169 participants of which 203 are retired participants and 966 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 Department, and the Transit System are determined by the actuary study performed as of January 1, 2007. 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 a pay-as-you-go basis. Funds approved in fiscal year 2008 were sufficient to pay the current cost of premiums for other post employment benefits for eligible retirees in fiscal year 2008. For fiscal year 2008, the general government, the Gas, Water, and Sewer Department, and the Clarksville Transit System paid a total of \$926,962 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 to Plan:

Annual required contribution (ARC)	\$ 4,630,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>4,630,000</u>
Contributions made	<u>926,962</u>
Increase in net OPEB obligation	3,703,038
NET OPEB obligation - beginning of year	-
NET OPEB obligation -end of year	<u><u>\$ 3,703,038</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual Employer Contribution	% of Annual OPEB Cost Contributed	Net Ending OPEB Obligation / (Asset)
2008	\$ 4,630,000	\$ 926,962	20.02%	\$ 3,703,038

Funded Status and Funding Progress - As of January 1, 2007, the most recent actuarial valuation date, the plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$53.7 million, and the actuarial value of assets was \$0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$53.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$34.7 million, and the ratio of the UAAL to the covered payroll was 155 percent (\$53.7 million/\$34.7 million).

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence 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 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.

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 of 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 January 1, 2007 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.5 percent investment rate of return (net of administrative expenses), which is the rate of the expected long-term investment returns on plan's assets, and an annual healthcare cost trend rate of 12.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent after six years. The rate of inflation (assumed rate of increase in payroll) was assumed at 4.0 percent. The actuarial value of assets was not applicable to the actuarial valuation. The UAAL is being amortized as a level percentage of projected payroll. The plan is closed to any employees hired on or after July 1, 2007. The remaining amortization period as of the January 1, 2007 study date, was thirty years.

The Department of Electricity – The Department of Electricity under authority of the Electric Power Board provides medical and life insurance coverage for substantially all retiring employees with thirty years of service until they reach age 65. Retirement can begin at age 55. These plans are single-employer defined benefit plans. The provisions of the plan can be amended by the Electric Power Board at any time. Prior to the year ended June 30, 2008, the plans were funded and expensed on a pay-as-you-go basis. The provisions of Governmental Accounting Standards Board (GASB) Statement 45 were prospectively implemented in the year ended June 30, 2008. For 2008, the plan continued to be funded on a pay-as-you-go basis with expense calculated under the provisions of GASB 45 as described below. The plans do not issue stand-alone financial reports.

In July 2004, the GASB issued GASB No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”. GASB No. 45 requires that employers who participate in single-employer or agent multiple-employer defined other postemployment benefit (OPEB) plans to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

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 and annual life insurance OPEB cost for the year, the amount actually contributed to the plan, and changes in the Electric Department’s net OPEB obligation:

	Medical Insurance	Life Insurance
Annual required contribution (ARC)	\$ 125,600	\$ 110,000
Interest on net OPEB obligation	3,800	3,200
Adjustment to annual required contribution	-	-
Annual OPEB cost (expense)	129,400	113,200
Contributions made	-	-
Increase in net OPEB obligation	129,400	113,200
NET OPEB obligation - beginning of year	-	-
NET OPEB obligation -end of year	<u>\$ 129,400</u>	<u>\$ 113,200</u>

The Electric Department’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 for the medical insurance and life insurance plans are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual Employer Contribution	% of Annual OPEB Cost Contributed	Net Ending OPEB Obligation / (Asset)
<u>Medical Insurance:</u>				
2008	\$ 129,400	\$ -	12.50%	\$ 129,400
<u>Life Insurance:</u>				
2008	\$ 113,200	\$ -	0.00%	\$ 113,200

As of July 1, 2008, for the medical insurance plan, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,377,100 and the actuarial value of the assets was zero, resulting in an unfunded actuarial liability (UAAL) of \$1,377,100. The covered payroll (annual payroll of active employees covered by the plan) was \$5,841,000, and the ratio of the UAAL to the covered payroll was 23.58%.

As of July 1, 2008, for the life insurance plan, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,190,300 and the actuarial value of the assets was zero, resulting in an UAAL of \$1,190,300. The covered payroll (annual payroll of active employees covered by the plan) was \$5,841,000, and the ratio of the UAAL to the covered payroll was 20.38%.

Actuarial valuations of ongoing plans involve estimates of the value 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 June 30, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an annual healthcare cost trend rate of seven percent initially, reduced by decrements to an ultimate rate of the three percent after sixteen years. Both rates include a 3.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short term volatility in the market value on investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008, is twenty-nine years.

Contributions expected to be paid to the medical insurance plan in fiscal year 2009 are \$16,200. No contributions are expected to the life insurance plan in fiscal year 2009.

H. INDIVIDUAL FUND TRANSACTIONS

Interfund receivable and payable balances at June 30, 2008, are as follows:

	<u>Major Fund</u> <u>General</u>	<u>Non-Major</u> <u>Governmental</u>	<u>Non-Major</u> <u>Proprietary</u>	<u>Internal</u> <u>Service</u>
Interfund Receivable	<u>\$ 5,038,517</u>	<u>\$ 3,202,877</u>	<u>\$ 83,845</u>	<u>\$ 137,757</u>
Interfund Payable:				
Major Funds:				
General	-	3,202,877	83,845	137,757
Gas	175,802			
Water and Sewer	630,034	-	-	-
Electric	10,000	-	-	-
Non-Major Funds:				
Governmental	2,626,528	-	-	-
Proprietary	130,574	-	-	-
Internal Service	1,465,579	-	-	-
	<u>\$ 5,038,517</u>	<u>\$ 3,202,877</u>	<u>\$ 83,845</u>	<u>\$ 137,757</u>

At June 30, 2008, the Water and Sewer Department was obligated to repay \$688,380 to the Gas Department in monthly installments of \$57,143 to May 2009, at 4.75% interest.

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

I. OPERATING TRANSFERS

Operating transfers were used to account for payments-in-lieu-of-taxes, payments of principal and interest, funding of operating deficiencies and various reimbursements. Operating transfers among individual funds of the City for the fiscal year ended June 30, 2008, were as follows:

<u>Transfer to:</u>	<u>Amount</u>	<u>General Fund</u>	<u>Electricity Dept.</u>	<u>Water and Sewer Dept.</u>	<u>Transit Svsystem</u>	<u>Debt Service</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<u>Transfer from:</u>								
General Fund	\$ 8,552,866	\$ -	\$ 150,000	\$ 285,831	\$ 883,724	\$ 6,664,460	\$ 487,851	\$ 81,000
Electricity Dept.	1,891,575	1,891,575	-	-	-	-	-	-
Gas Department	678,057	678,057	-	-	-	-	-	-
Water and Sewer	1,731,603	1,731,603	-	-	-	-	-	-
Parking Authority	203,266	203,266	-	-	-	-	-	-
Special Revenue	420,913	416,223	-	-	-	4,690	-	-
Total	\$ 13,478,280	\$ 4,920,724	\$ 150,000	\$ 285,831	\$ 883,724	\$ 6,669,150	\$ 487,851	\$ 81,000

J. 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 Department of Electricity maintains a deferred compensation, 401(k) plan for all eligible employees. Eligibility requirements are substantially the same as those for the Department's pension plan. Employees are fully vested in contributions to the plan. Employer and employee contributions to the plan are discretionary and, for the plan year-ended December 31, 2008, were \$95,700 and \$263,100 for employer and employee, respectively. Plan assets at December 31, 2008 were \$4,156,500 (market value). These assets are the property of the employees and are not included in these statements. The expense to the Department for the year ended June 30, 2008 was \$96,300.

K. 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 \$408,042 for the year ended June 30, 2008.

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 except the class-action lawsuit discussed below.

Americans with Disabilities Act (Consent Order)

The city is a party in a class-action lawsuit against the City alleging various violations of the Americans with Disabilities Act (ADA), particularly in the area of public rights-of-way. The parties have submitted a proposed consent order, which is pending, that shows the City consented to obtain ADA compliance

citywide in the next ten years at a multi-million dollar cost with annual compliance reports provided the Court of jurisdiction.

Commitments

The Clarksville general government has contractual commitments for various construction projects totaling \$3.45 million and the Gas Department and the Water and Sewer Department has \$4.64 million as of June 30, 2008.

The Clarksville Gas Department has 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 and 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 September 7, 2004 the Sewer Department received a Tennessee Department of Environment and Conservation (TDEC) Commissioner issued enforcement order. From the period March 2001 through March 2003 the Sewer Department's wastewater discharges exceeded TDEC National Pollutant Discharge Elimination System Permit limit and provisions. In order to comply with the TDEC Commissioner's order, the Sewer Department must develop several response and corrective action plans, complete assessments and maintenance, 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 with the Commissioner's order include possible civil penalties up to \$250,000. In addition, noncompliance with the order could be a factor in future enforcement actions. For the fiscal year ended June 30, 2008, the Sewer Department spent approximately \$265,100 to meet the requirements of the Commissioner's order. The Sewer Department estimates spending approximately \$11,050,000 for fiscal year ended June 30, 2009 and \$14,750,000 for fiscal year ended June 30, 2010. Future year expenses past June 30, 2010 related to complying with the order cannot be reasonable estimated at this time. 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 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, has 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 will be liable for its applicable share of the excess. Such costs will not be known until the landfill is ultimately closed.

Montgomery County Regional Airport Authority

The Authority is experiencing fiscal stress that could cause an additional financial burden of an unknown amount on the City at some time in the future.

L. 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. 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 or a security deposit or third-party guaranty where appropriate.

M. 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, 2008.

N. JOINT VENTURE

The Electric Department and Pennyryle Rural Electric Cooperative Corporation (the Cooperative) have 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 \$924,700 at June 30, 2008. 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.

O. DEFICIT FUND BALANCE

At June 30, 2008, the Capital Projects Fund has a deficit fund balance in the amount of \$1,705,942.

P. PRIOR PERIOD ADJUSTMENTS

The government wide financial statement net assets of the City and the fund balance of the general fund for the year ended June 30, 2007 have been restated to correct the inventory balance of the city golf course and city garage. The effect of the restatement decreased net assets on the government wide financial statements and the fund balance of the general fund by \$109,918. The restatement also decreased the change in net assets for the government wide financial statements and change in fund balance for the general fund by \$109,918 for the year ended June 30, 2007. The decrease was due to an increase in expenditures for the year of the same amount.

O. SEGEMENT INFORMATION FOR NON-MAJOR PROPRIETARY FUNDS

	<u>Parking Authority</u>	<u>Clarksville Transit System</u>
<u>Statement of net assets</u>		
Current assets	\$ 230,808	\$ 830,224
Capital assets	2,226,348	5,961,994
Other assets	168,817	-
Total assets	<u>2,625,973</u>	<u>6,792,218</u>
Due to other funds	75,627	54,947
Other current liabilities	123,881	436,983
Non-current liabilities	393,715	202,907
Total liabilities	<u>593,223</u>	<u>694,837</u>
Net assets invested in capital assets net of related debt	1,638,558	5,961,994
Unrestricted net assets	394,192	135,387
Total net assets	<u>\$ 2,032,750</u>	<u>\$ 6,097,381</u>
<u>Statement of revenues, expenses and changes in net assets</u>		
Operating revenues:		
Fees and fines	\$ 270,546	\$ 488,687
Rental	104,017	-
Advertising	-	51,302
Other	1,068	8,073
	<u>375,631</u>	<u>548,062</u>
Operating expenses:		
Operating and maintenance	-	840,947
Depreciation and amortization	70,463	808,183
Other	-	3,308,255
	<u>70,463</u>	<u>4,957,385</u>
Operating income (loss)	305,168	(4,409,323)
Non-operating revenues (expense)		
Operating grants	-	2,719,555
Interest expense	(27,298)	(5,034)
Interest income	10,245	12,816
Other	-	(72,807)
Transfers in (out)	(203,266)	883,724
	<u>(220,319)</u>	<u>3,538,254</u>
Change in net assets	84,849	(871,069)
Beginning net assets	1,947,901	6,968,450
Ending net assets	<u>\$ 2,032,750</u>	<u>\$ 6,097,381</u>

	<u>Parking Authority</u>	<u>Clarksville Transit System</u>
<u>Statement of cash flows</u>		
Cash provided (used) by:		
Operating activities	\$ 348,886	(3,377,187)
Non-capital financing activities	(203,266)	3,713,899
Capital and related financing activities	(145,620)	(210,690)
Investing activities	<u>10,245</u>	<u>12,816</u>
Net increase in cash	10,245	138,838
Beginning cash	<u>298,672</u>	<u>234,340</u>
Ending cash	<u><u>\$ 308,917</u></u>	<u><u>\$ 373,178</u></u>

The Parking Authority is responsible for providing parking for the City and enforcement of parking regulations/laws. Major revenues are from fines and fees and rental of parking spaces.

The Clarksville Transit System is responsible for providing public transportation for the City. Major revenues are from fares, advertising sold, and transportation grants.

**CITY OF CLARKSVILLE, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008**

A. SCHEDULE OF FUNDING PROGRESS FOR PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ration (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2007	\$ 77,538,000	\$ 93,094,000	\$ 15,556,000	83.29%	\$ 36,938,000	42.11%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the schedule of funding progress using the entry age actuarial cost method. The requirement to present the schedule of funding progress using the entry age actuarial cost method was a change made during the year and, therefore, only the most current year is presented.

B. SCHEDULE OF FUNDING PROGRESS AND SUMMARY OF ACTUARIAL ASSUMPTIONS FOR OPEB

City of Clarksville:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ration (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
June 30, 2008	\$ -	\$ 53,667,000	\$ 53,667,000	0.00%	\$ 34,694,000	154.69%

Electric Department:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (UAAL) (b) - (a)	Funded Ration (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
<u>Medical Insurance:</u>						
June 30, 2008	\$ -	\$ 1,377,000	\$ 1,377,000	0.00%	\$ 5,841,000	23.58%
<u>Life Insurance:</u>						
June 30, 2008	\$ -	\$ 1,190,000	\$ 1,190,000	0.00%	\$ 5,841,000	20.38%

	<u>City of Clarksville</u>	<u>Electric Department</u>
Valuation date:	January 1, 2007	July 1, 2008
Actuarial cost method:	Entry age normal actuarial cost method	Projected unit credit method
Amortization method:	Level percentage	Level percentage
Asset valuation method:	not applicable	not applicable
<u>Actuarial assumptions:</u>		
Investment rate of return:	5.50%	3.00%
Salary increase rate:	4.00%	4.00%
Health insurance cost trend rate:	12.00% to 6.00% graded over 6 years	7.00% to 3.00% graded over 16 years
Dental insurance cost trend rate:	4.00%	not applicable
Life care cost trend rate:	3.00%	3.00%

See auditor's report.

CITY OF CLARKSVILLE, TENNESSEE
 REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
 JUNE 30, 2008

C. 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, 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 rating index (PCI) 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.

<u>Old System</u>	<u>Condition Level</u>	<u>New System</u>
-	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.

CITY OF CLARKSVILLE, TENNESSEE
 REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
 JUNE 30, 2008

Assessed Conditions

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

<u>For the Period Ended</u>	<u>Maintenance Rating</u>	<u>Total Miles</u>
June 30, 2008	Good (PCI 58)	572
June 30, 2007	Good (PCI 58)	560
June 30, 2006	Good (PCI 60)	550
June 30, 2005	Good (PCI 63)	543
June 30, 2004	Good (PCI 65 (old scale 4))	521
June 30, 2003	Good (PCI 68 (old scale 4))	516

The following table illustrates the condition of the entire network.

<u>Maintenance Rating</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Good to Excellent	79%	69%	62%	65%	60%	60%
Fair	14%	18%	22%	17%	20%	18%
Poor to Failed	7%	13%	16%	18%	20%	22%

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

<u>Fiscal Year</u>	<u>Budgeted Estimate</u>	<u>Actual Expenditure</u>
2003	\$ 1,100,500	\$1,268,188
2004	1,588,300	1,331,610
2005	2,502,555	2,641,349
2006	3,300,000	2,358,345
2007	2,280,000	2,672,459
2008	2,970,000	2,780,995
2009	2,970,000	Not Applicable

D. BUDGETARY INFORMATION

The Mayor and City Council approve the operating budget for the fiscal year commencing on July 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.

**CITY OF CLARKSVILLE, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
JUNE 30, 2008**

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 anytime 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 Departments except salaries or capitalized items, which must be approved by the Mayor. 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.

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
<u>Capital Projects</u>				
<u>Revenue</u>				
Interest	\$ 59,098	\$ 59,098	\$ 115,396	\$ 56,298
Federal and state grants	-	1,877,648	141,171	(1,736,477)
Contributions	32,381	32,381	470	(31,911)
Transfers in	15,617,022	16,127,896	81,000	(16,046,896)
Bond proceeds	4,990,000	11,647,812	3,883,304	(7,764,508)
Other	395	395	-	(395)
Total revenue	<u>\$ 20,698,896</u>	<u>\$ 29,745,230</u>	<u>4,221,341</u>	<u>\$ (25,523,889)</u>
<u>Expenditures</u>				
Capital investments	\$ 3,085,939	\$ 27,764,280	5,835,694	\$ 21,928,586
Other expenditures	1,319,920	14,412,299	3,510,940	10,901,359
Total expenditures	<u>\$ 4,405,859</u>	<u>\$ 42,176,579</u>	<u>9,346,634</u>	<u>\$ 32,829,945</u>
<u>Excess revenues (expenditures)</u>			<u>\$ (5,125,293)</u>	
<u>Debt Service</u>				
<u>Revenue</u>				
Interest	\$ 46,000	\$ 32,421	\$ 32,578	\$ 157
Transfers in	7,271,538	6,679,522	6,669,150	(10,372)
Transfers from non-component unit	392,855	392,855	319,838	(73,017)
Total revenue	<u>\$ 7,710,393</u>	<u>\$ 7,104,798</u>	<u>7,021,566</u>	<u>\$ (83,232)</u>
<u>Expenditures</u>				
Principal retirement	\$ 5,268,000	\$ 5,268,000	5,268,000	\$ -
Interest and other charges	3,269,913	1,946,746	1,946,699	47
Other	-	1,000	1,153	(153)
Total expenditures	<u>\$ 8,537,913</u>	<u>\$ 7,215,746</u>	<u>7,215,852</u>	<u>\$ (106)</u>
<u>Excess revenues (expenditures)</u>			<u>\$ (194,286)</u>	
<u>Community Development</u>				
<u>Revenue</u>				
Program income	\$ 631,400	\$ 631,400	\$ 426,510	\$ (204,890)
Interest	32,208	32,208	11,090	(21,118)
Federal and state grants	1,420,724	1,420,724	1,387,442	(33,282)
Contributions	14,708	14,708	600	(14,108)
Other	2,000	2,000	4,680	2,680
Total revenue	<u>\$ 2,101,040</u>	<u>\$ 2,101,040</u>	<u>1,830,322</u>	<u>\$ (270,718)</u>
<u>Expenditures</u>				
Community Development	\$ 2,720,702	\$ 3,501,635	1,925,943	\$ 1,575,692
Capital investments	-	2,000	1,872	128
Total expenditures	<u>\$ 2,720,702</u>	<u>\$ 3,503,635</u>	<u>1,927,815</u>	<u>\$ 1,575,820</u>
<u>Excess revenues (expenditures)</u>			<u>\$ (97,493)</u>	

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
<u>Drug Fund</u>				
<u>Revenue</u>				
Fines and forfeitures	\$ 226,364	\$ 181,314	\$ 183,117	\$ 1,803
Miscellaneous	-	11,336	11,338	2
Total revenue	\$ 226,364	\$ 192,650	194,455	\$ 1,805
<u>Expenditures</u>				
Drug enforcement	\$ 169,364	\$ 182,421	186,678	\$ (4,257)
Capital investments	57,000	20,229	20,229	-
Total expenditures	\$ 226,364	\$ 202,650	206,907	\$ (4,257)
<u>Excess revenues (expenditures)</u>			\$ (12,452)	
<u>Extraordinary Emergency Fund</u>				
<u>Revenue</u>				
Transfers in	\$ -	\$ 27,078	\$ 27,077	\$ (1)
Total revenue	\$ -	\$ 27,078	27,077	\$ (1)
<u>Expenditures</u>				
Other	\$ -	\$ 27,078	27,077	\$ 1
Total expenditures	\$ -	\$ 27,078	27,077	\$ 1
<u>Excess revenues (expenditures)</u>			\$ -	
<u>Police Special Fund</u>				
<u>Revenue</u>				
Transfers in	\$ 463,934	\$ 460,774	\$ 460,774	\$ -
Interest	4,361	4,093	1,741	(2,352)
Federal and state grants	1,091,081	160,115	175,252	15,137
Fines and forfeitures	-	60,572	23,461	(37,111)
Contributions	-	7,780	7,944	164
Total revenue	\$ 1,559,376	\$ 693,334	669,172	\$ (24,162)
<u>Expenditures</u>				
Public safety	\$ 243,298	\$ 159,925	154,522	\$ 5,403
Capital investments	1,329,678	534,460	515,578	18,882
Total expenditures	\$ 1,572,976	\$ 694,385	670,100	\$ 24,285
<u>Excess revenues (expenditures)</u>			\$ (928)	

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
<u>Parks Special Fund</u>				
<u>Revenue</u>				
Program income	\$ 223,400	\$ 188,818	\$ 191,648	\$ 2,830
Federal and state grants	65,000	92,858	86,158	(6,700)
Contributions	100,000	60,324	60,324	-
Total revenue	<u>\$ 388,400</u>	<u>\$ 342,000</u>	<u>338,130</u>	<u>\$ (3,870)</u>
<u>Expenditures</u>				
Recreation	\$ 424,600	\$ 337,917	328,157	\$ 9,760
Capital investments	26,500	30,000	27,858	2,142
Total expenditures	<u>\$ 451,100</u>	<u>\$ 367,917</u>	<u>356,015</u>	<u>\$ 11,902</u>
<u>Excess revenues (expenditures)</u>			<u>\$ (17,885)</u>	
<u>Fire Special Fund</u>				
<u>Revenue</u>				
Federal and state grants	\$ -	\$ 87	\$ 87	\$ -
Contributions	2,000	1,416	1,416	-
Total revenue	<u>\$ 2,000</u>	<u>\$ 1,503</u>	<u>1,503</u>	<u>\$ -</u>
<u>Expenditures</u>				
Public safety	\$ 2,000	\$ 1,111	1,111	\$ -
Total expenditures	<u>\$ 2,000</u>	<u>\$ 1,111</u>	<u>1,111</u>	<u>\$ -</u>
<u>Excess revenues (expenditures)</u>			<u>\$ 392</u>	
<u>Cemetery and other special fund</u>				
<u>Revenue</u>				
Program income	\$ 16,750	\$ 16,750	\$ 15,000	\$ (1,750)
Interest	10,000	10,000	9,471	(529)
Contributions	3,415	3,095	3,082	(13)
Total revenue	<u>\$ 30,165</u>	<u>\$ 29,845</u>	<u>27,553</u>	<u>\$ (2,292)</u>
<u>Expenditures</u>				
Miscellaneous	\$ 40,675	\$ 277	2,733	\$ (2,456)
Total expenditures	<u>\$ 40,675</u>	<u>\$ 277</u>	<u>2,733</u>	<u>\$ (2,456)</u>
<u>Excess revenues (expenditures)</u>			<u>\$ 24,820</u>	

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 BUDGETARY COMPARISON SCHEDULE
 NON-MAJOR GOVERNMENTAL FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
<u>Emergency Vehicle Special Fund</u>				
<u>Expenditures</u>				
Transfers out	\$ 416,223	\$ 416,223	\$ 416,223	\$ -
Total expenditures	<u>\$ 416,223</u>	<u>\$ 416,223</u>	<u>416,223</u>	<u>\$ -</u>
<u>Excess revenues (expenditures)</u>			<u>\$ (416,223)</u>	
 <u>Capital Projects Revenue District Fund</u>				
<u>Revenue</u>				
Local taxes	\$ 1,750,000	\$ 206,782	\$ 914,284	\$ 707,502
Total revenue	<u>\$ 1,750,000</u>	<u>\$ 206,782</u>	<u>914,284</u>	<u>\$ 707,502</u>
 <u>Expenditures</u>				
Transfers out	\$ 580,000	\$ 15,062	4,690	\$ 10,372
Total expenditures	<u>\$ 580,000</u>	<u>\$ 15,062</u>	<u>4,690</u>	<u>\$ 10,372</u>
<u>Excess revenues (expenditures)</u>			<u>\$ 909,594</u>	
 <u>Special Events Fund</u>				
<u>Revenue</u>				
Program income	\$ -	\$ -	\$ 1,000	\$ 1,000
Contributions	-	-	14,400	14,400
Total revenue	<u>\$ -</u>	<u>\$ -</u>	<u>15,400</u>	<u>\$ 15,400</u>
<u>Excess revenues (expenditures)</u>			<u>\$ 15,400</u>	

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 824,416	1,593,302	\$ 592,148	\$ 3,009,866
Notes receivable	6,053,430	-	-	6,053,430
Accounts receivable	584,406	-	-	584,406
Grant receivable	96,225	-	-	96,225
Due from other governments	238,537	124,124	-	362,661
Due from other funds of the primary government	2,211,076	-	991,801	3,202,877
Inventory	331,250	-	-	331,250
Other	6,026	-	-	6,026
Restricted assets:				
Cash and cash equivalents	-	1,190,218	-	1,190,218
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 10,345,366	\$ 2,907,644	\$ 1,583,949	\$ 14,836,959
<u>LIABILITIES</u>				
Accounts payable	\$ 293,353	\$ 2,125,865	\$ -	\$ 2,419,218
Due to other funds of the primary government	138,807	2,487,721	-	2,626,528
Deferred revenue	8,278,567	-	-	8,278,567
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	8,710,727	4,613,586	-	13,324,313
<u>FUND BALANCES</u>				
Fund Balance				
Reserved	1,634,639	-	-	1,634,639
Unreserved	-	(1,705,942)	1,583,949	(121,993)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	1,634,639	(1,705,942)	1,583,949	1,512,646
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 10,345,366	\$ 2,907,644	\$ 1,583,949	\$ 14,836,959

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Non-Major Governmental Funds</u>
<u>REVENUE</u>				
Local taxes	\$ 914,284	\$ -	\$ -	\$ 914,284
Program Income	634,158	-	-	634,158
Interest	22,302	115,396	32,578	170,276
Federal and state grants	1,648,939	141,171	-	1,790,110
Contributions	87,766	470	-	88,236
Fines and forfeitures	206,578	-	-	206,578
E-911 Transfer	-	-	319,838	319,838
Miscellaneous	16,018	-	-	16,018
	3,530,045	257,037	352,416	4,139,498
<u>EXPENDITURES</u>				
Recreation	328,157	-	-	328,157
Drug enforcement	186,678	-	-	186,678
Community development	1,925,943	-	-	1,925,943
Public safety	155,633	-	-	155,633
Principal retirement	-	-	5,268,000	5,268,000
Capital outlay	565,537	5,835,694	-	6,401,231
Interest and other charges	-	-	1,946,699	1,946,699
Other expenditures	29,810	3,510,940	1,153	3,541,903
	3,191,758	9,346,634	7,215,852	19,754,244
Excess (deficiency) of revenues over expenditures	338,287	(9,089,597)	(6,863,436)	(15,614,746)
<u>OTHER FINANCING SOURCES AND USES</u>				
Bond proceeds	-	3,883,304	-	3,883,304
Transfers in	487,851	81,000	6,669,150	7,238,001
Transfers out	(420,913)	-	-	(420,913)
Total other financing sources and uses	66,938	3,964,304	6,669,150	10,700,392
Excess of revenue and other financing sources over expenditures and other financing uses	405,225	(5,125,293)	(194,286)	(4,914,354)
<u>FUND BALANCES-BEGINNING OF YEAR</u>				
	1,229,414	3,419,351	1,778,235	6,427,000
<u>FUND BALANCES-END OF YEAR</u>				
	\$ 1,634,639	\$ (1,705,942)	\$ 1,583,949	\$ 1,512,646

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2008**

	<u>Community Development</u>	<u>Drug Fund</u>	<u>Extraordinary Emergency Fund</u>	<u>Police Special Fund</u>	<u>Parks Special Fund</u>	<u>Fire Special Fund</u>	<u>Cemetery and Other Special Fund</u>	<u>Emergency Vehicle Special Fund</u>	<u>Capital Projects Revenue District Fund</u>	<u>Special Events Fund</u>	<u>Total</u>
ASSETS											
Cash and cash equivalents	\$ 430,699	\$ 131,968	\$ -	\$ -	\$ -	\$ -	\$ 261,749	\$ -	\$ -	\$ -	\$ 824,416
Notes receivable	6,053,430	-	-	-	-	-	-	-	-	-	6,053,430
Accounts receivable	-	-	-	-	-	-	1,660	-	582,746	-	584,406
Grant receivable	-	-	-	49,739	46,486	-	-	-	-	-	96,225
Due from other governments	238,537	-	-	-	-	-	-	-	-	-	238,537
Due from other funds of the primary government	-	43,366	-	49,758	225,997	35,106	100,470	-	1,745,310	11,069	2,211,076
Inventory	331,250	-	-	-	-	-	-	-	-	-	331,250
Other	895	-	-	-	-	-	-	-	-	5,131	6,026
Total assets	\$ 7,054,811	\$ 175,334	\$ -	\$ 99,497	\$ 272,483	\$ 35,106	\$ 363,879	\$ -	\$ 2,328,056	\$ 16,200	\$ 10,345,366
LIABILITIES											
Accounts payable	\$ 159,244	\$ 10,658	\$ -	\$ 42,841	\$ 79,810	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ 293,353
Due to other funds of the primary government	138,807	-	-	-	-	-	-	-	-	-	138,807
Deferred revenue	6,707,865	114,214	-	38,026	-	-	-	-	1,418,462	-	8,278,567
Total liabilities	7,005,916	124,872	-	80,867	79,810	-	-	-	1,418,462	800	8,710,727
FUND BALANCES											
Fund balances											
Reserved	48,895	50,462	-	18,630	192,673	35,106	363,879	-	909,594	15,400	1,634,639
Total fund balances	48,895	50,462	-	18,630	192,673	35,106	363,879	-	909,594	15,400	1,634,639
Total liabilities and fund balances	\$ 7,054,811	\$ 175,334	\$ -	\$ 99,497	\$ 272,483	\$ 35,106	\$ 363,879	\$ -	\$ 2,328,056	\$ 16,200	\$ 10,345,366

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 JUNE 30, 2008**

	<u>Community Development</u>	<u>Drug Fund</u>	<u>Extraordinary Emergency Fund</u>	<u>Police Special Fund</u>	<u>Parks Special Fund</u>	<u>Fire Special Fund</u>	<u>Cemetery and Other Special Fund</u>	<u>Emergency Vehicle Special Fund</u>	<u>Capital Projects Revenue District Fund</u>	<u>Special Events Fund</u>	<u>Total</u>
<u>REVENUE</u>											
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 914,284	\$ -	\$ 914,284
Program income	426,510	-	-	-	191,648	-	15,000	-	-	1,000	634,158
Interest	11,090	-	-	1,741	-	-	9,471	-	-	-	22,302
Federal and state grants	1,387,442	-	-	175,252	86,158	87	-	-	-	-	1,648,939
Fines and forfeitures	-	183,117	-	23,461	-	-	-	-	-	-	206,578
Contributions	600	-	-	7,944	60,324	1,416	3,082	-	-	14,400	87,766
Miscellaneous	4,680	11,338	-	-	-	-	-	-	-	-	16,018
Total revenue	<u>1,830,322</u>	<u>194,455</u>	<u>-</u>	<u>208,398</u>	<u>338,130</u>	<u>1,503</u>	<u>27,553</u>	<u>-</u>	<u>914,284</u>	<u>15,400</u>	<u>3,530,045</u>
<u>EXPENDITURES</u>											
Recreation	-	-	-	-	328,157	-	-	-	-	-	328,157
Drug enforcement	-	186,678	-	-	-	-	-	-	-	-	186,678
Community development	1,925,943	-	-	-	-	-	-	-	-	-	1,925,943
Public safety	-	-	-	154,522	-	1,111	-	-	-	-	155,633
Capital outlay	1,872	20,229	-	515,578	27,858	-	-	-	-	-	565,537
Other expenditures	-	-	27,077	-	-	-	2,733	-	-	-	29,810
Total expenditures	<u>1,927,815</u>	<u>206,907</u>	<u>27,077</u>	<u>670,100</u>	<u>356,015</u>	<u>1,111</u>	<u>2,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,191,758</u>
Excess of revenue over (under) expenditures	(97,493)	(12,452)	(27,077)	(461,702)	(17,885)	392	24,820	-	914,284	15,400	338,287
<u>OTHER FINANCING SOURCES/(USES)</u>											
Transfers in	-	-	27,077	460,774	-	-	-	-	-	-	487,851
Transfers out	-	-	-	-	-	-	-	(416,223)	(4,690)	-	(420,913)
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>27,077</u>	<u>460,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(416,223)</u>	<u>(4,690)</u>	<u>-</u>	<u>66,938</u>
Excess of revenue over (under) expenditures and other financing uses	(97,493)	(12,452)	-	(928)	(17,885)	392	24,820	(416,223)	909,594	15,400	405,225
<u>FUND BALANCE, BEGINNING</u>	<u>146,388</u>	<u>62,914</u>	<u>-</u>	<u>19,558</u>	<u>210,558</u>	<u>34,714</u>	<u>339,059</u>	<u>416,223</u>	<u>-</u>	<u>-</u>	<u>1,229,414</u>
<u>FUND BALANCE, ENDING</u>	<u>\$ 48,895</u>	<u>\$ 50,462</u>	<u>\$ -</u>	<u>\$ 18,630</u>	<u>\$ 192,673</u>	<u>\$ 35,106</u>	<u>\$ 363,879</u>	<u>\$ -</u>	<u>\$ 909,594</u>	<u>\$ 15,400</u>	<u>\$ 1,634,639</u>

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Business- Type Activities - Enterprise Funds</u>		
	<u>Parking Authority</u>	<u>Clarksville Transit System</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 144,045	\$ 373,178	\$ 517,223
Accounts receivable	2,918	15,355	18,273
Due from other funds of the primary government	83,845	-	83,845
Inventory	-	93,498	93,498
Grants receivable	-	328,259	328,259
Prepaid expenses	-	19,934	19,934
Total current assets	230,808	830,224	1,061,032
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	164,872	-	164,872
Total restricted assets	164,872	-	164,872
Capital assets - at cost:			
Assets not depreciated	-	85,882	85,882
Property, plant and equipment	3,409,952	9,595,559	13,005,511
Less accumulated depreciation	(1,183,604)	(3,719,447)	(4,903,051)
Net capital assets	2,226,348	5,961,994	8,188,342
Other assets:			
Unamortized debt costs	3,945	-	3,945
Total other assets	3,945	-	3,945
Total noncurrent assets	2,395,165	5,961,994	8,357,159
Total assets	\$ 2,625,973	\$ 6,792,218	\$ 9,418,191

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR PROPRIETARY FUNDS - CONTINUED
 JUNE 30, 2008**

<u>LIABILITIES</u>	<u>Business- Type Activities - Enterprise Funds</u>		
	Clarksville		
	<u>Parking Authority</u>	<u>Transit System</u>	<u>Total</u>
Current liabilities:			
Accounts payable	\$ -	\$ 150,342	\$ 150,342
Accrued liabilities	-	18,684	18,684
Interest payable	1,488	-	1,488
Due to other funds of the primary government	75,627	54,947	130,574
Accrued annual leave	-	110,003	110,003
Current portion of long-term debt	122,393	-	122,393
Other	-	157,954	157,954
Total current liabilities	199,508	491,930	691,438
Noncurrent liabilities:			
Notes payable	393,715	-	393,715
OPEB liability	-	202,907	202,907
Total noncurrent liabilities	393,715	202,907	596,622
Total liabilities	593,223	694,837	1,288,060
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,638,558	5,961,994	7,600,552
Unrestricted	394,192	135,387	529,579
Total net assets	2,032,750	6,097,381	8,130,131
Total liabilities and net assets	\$ 2,625,973	\$ 6,792,218	\$ 9,418,191

**CITY OF CLARKSVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND NET ASSETS
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Parking</u>	<u>Clarksville</u>	
	<u>Authority</u>	<u>Transit</u>	<u>Total</u>
		<u>System</u>	
<u>OPERATING REVENUES</u>			
Fees and fines	\$ 270,546	\$ 488,687	\$ 759,233
Advertising	-	51,302	51,302
Rental income	104,017	-	104,017
Miscellaneous	1,068	8,073	9,141
	<hr/>	<hr/>	<hr/>
Total operating revenue	375,631	548,062	923,693
<u>OPERATING EXPENSES</u>			
Administrative and general	-	3,308,255	3,308,255
Operation and maintenance	-	840,947	840,947
Depreciation	69,535	808,183	877,718
Amortization of bond discount and debt expense	928	-	928
	<hr/>	<hr/>	<hr/>
Total operating expenses	70,463	4,957,385	5,027,848
Operating income (loss)	305,168	(4,409,323)	(4,104,155)
<u>NONOPERATING REVENUES</u>			
<u>(EXPENSES)</u>			
Interest income	10,245	12,816	23,061
Gain (loss) on sale of property	-	(72,807)	(72,807)
Operating grants	-	2,719,555	2,719,555
Interest expense	(27,298)	(5,034)	(32,332)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(17,053)	2,654,530	2,637,477
<u>INCOME (LOSS) BEFORE TRANSFERS</u>			
	288,115	(1,754,793)	(1,466,678)
Transfers out	(203,266)	-	(203,266)
Transfers in	-	883,724	883,724
	<hr/>	<hr/>	<hr/>
<u>CHANGES IN NET ASSETS</u>			
	84,849	(871,069)	(786,220)
<u>NET ASSETS-BEGINNING OF YEAR</u>			
	1,947,901	6,968,450	8,916,351
	<hr/>	<hr/>	<hr/>
<u>NET ASSETS-END OF YEAR</u>			
	\$ 2,032,750	\$ 6,097,381	\$ 8,130,131
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Parking Authority</u>	<u>Clarksville Transit System</u>	<u>Total</u>
<u>CASH FLOWS FROM</u>			
<u>OPERATING ACTIVITIES</u>			
Receipts from customers	\$ 375,963	\$ 3,073,965	\$ 3,449,928
Internal activity	(27,077)	21,547	(5,530)
Payments to suppliers	-	(1,268,435)	(1,268,435)
Payments to or on behalf of employees	-	(5,204,264)	(5,204,264)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	348,886	(3,377,187)	(3,028,301)
<u>CASH FLOWS FROM NONCAPITAL</u>			
<u>FINANCING ACTIVITIES</u>			
Operating grant collections	-	2,830,175	2,830,175
Operating transfers in	-	883,724	883,724
Transfers to other funds	(203,266)	-	(203,266)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by noncapital financing activities	(203,266)	3,713,899	3,510,633
<u>CASH FLOWS FROM CAPITAL</u>			
<u>AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and construction of capital assets	-	(208,391)	(208,391)
Interest paid	(27,401)	(5,034)	(32,435)
Repayment of notes payable	(118,219)	-	(118,219)
Proceeds from disposal of equipment	-	2,735	2,735
	<hr/>	<hr/>	<hr/>
Net cash used by capital and related financing activities	(145,620)	(210,690)	(356,310)

See auditor's report.

CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS - CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Parking Authority</u>	<u>Clarksville Transit System</u>	<u>Total</u>
<u>CASH FLOWS FROM</u>			
<u>INVESTING ACTIVITIES</u>			
Interest received	\$ 10,245	\$ 12,816	\$ 23,061
Net cash provided by investing activities	<u>10,245</u>	<u>12,816</u>	<u>23,061</u>
Net increase in cash and cash equivalents	10,245	138,838	149,083
<u>CASH-BEGINNING OF YEAR</u>	<u>298,672</u>	<u>234,340</u>	<u>533,012</u>
<u>CASH-END OF YEAR</u>	<u>\$ 308,917</u>	<u>\$ 373,178</u>	<u>\$ 682,095</u>
<u>RECONCILIATION OF OPERATING INCOME</u>			
<u>(LOSS) TO NET CASH PROVIDED (USED)</u>			
<u>BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ 305,168	\$ (4,409,323)	\$ (4,104,155)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	70,463	808,183	878,646
(Increase) decrease in:			
Accounts receivable	(595)	(2,348)	(2,943)
Due from other funds of the primary government	(21,850)	-	(21,850)
Inventory	-	(21,530)	(21,530)
Prepaid expenses	-	3,632	3,632
Increase (decrease) in:			
Accounts payable	-	(26,334)	(26,334)
Accrued compensated absences	-	11,434	11,434
Accrued liabilities	927	34,645	35,572
OPEB liability	-	202,907	202,907
Due to other funds of the primary government	<u>(5,227)</u>	<u>21,547</u>	<u>16,320</u>
Total adjustments	<u>43,718</u>	<u>1,032,136</u>	<u>1,075,854</u>
Net cash provided (used) by operating activities	<u>\$ 348,886</u>	<u>\$ (3,377,187)</u>	<u>\$ (3,028,301)</u>

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008**

	<u>Dental Fund</u>	<u>Health Insurance Fund</u>	<u>Self-Insurance Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets:				
Cash and cash equivalents	\$ 184,971	\$ 573,504	\$ 1,800,640	\$ 2,559,115
Due from other funds of the primary government	38,142	99,615	-	137,757
Other assets	-	-	50,000	50,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 223,113</u>	<u>\$ 673,119</u>	<u>\$ 1,850,640</u>	<u>\$ 2,746,872</u>
 <u>LIABILITIES</u>				
Accounts payable	\$ 23,986	\$ 66,938	\$ 71,550	\$ 162,474
Due to other funds of the primary government	-	132,726	1,332,853	1,465,579
Accrued liabilities	-	-	571,561	571,561
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	23,986	199,664	1,975,964	2,199,614
 <u>NET ASSETS</u>				
Unrestricted	<hr/> 199,127	<hr/> 473,455	<hr/> (125,324)	<hr/> 547,258
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 223,113</u>	<u>\$ 673,119</u>	<u>\$ 1,850,640</u>	<u>\$ 2,746,872</u>

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
 COMBINING STATEMENT OF REVENUE, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Dental Fund</u>	<u>Health Insurance Fund</u>	<u>Self-Insurance Fund</u>	<u>Total</u>
<u>OPERATING REVENUE</u>				
Insurance premiums	\$ 632,702	\$ 8,015,475	\$ 1,536,685	\$ 10,184,862
Miscellaneous	-	-	12,645	12,645
	<u>632,702</u>	<u>8,015,475</u>	<u>1,549,330</u>	<u>10,197,507</u>
Total operating revenue				
<u>OPERATING EXPENSES</u>				
Administrative and general	46,255	2,068	-	48,323
Claims	607,377	8,161,745	333,897	9,103,019
	<u>653,632</u>	<u>8,163,813</u>	<u>333,897</u>	<u>9,151,342</u>
Total operating expenses				
Operating income (loss)	(20,930)	(148,338)	1,215,433	1,046,165
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest and dividend income	7,723	10,188	72,067	89,978
	<u>7,723</u>	<u>10,188</u>	<u>72,067</u>	<u>89,978</u>
Total non-operating revenues				
<u>CHANGE IN NET ASSETS</u>	(13,207)	(138,150)	1,287,500	1,136,143
<u>NET ASSETS (DEFICIT)-BEGINNING OF YEAR</u>	212,334	611,605	(1,412,824)	(588,885)
<u>NET ASSETS (DEFICIT)-END OF YEAR</u>	<u>\$ 199,127</u>	<u>\$ 473,455</u>	<u>\$ (125,324)</u>	<u>\$ 547,258</u>

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Dental Fund</u>	<u>Health Insurance Fund</u>	<u>Self-Insurance Fund</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES</u>				
Receipts from customers	\$ 632,702	\$ 8,015,475	\$ 1,549,330	\$ 10,197,507
Internal activity	29,058	1,025,010	1,835,145	2,889,213
Claims paid	(607,375)	(8,798,573)	(3,384,475)	(12,790,423)
Other payments	(46,255)	(2,068)	-	(48,323)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	8,130	239,844	-	247,974
<u>CASH FLOWS FROM INVESTING</u>				
<u>ACTIVITIES</u>				
Interest received on investments	7,723	10,188	72,067	89,978
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by investing activities	7,723	10,188	72,067	89,978
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase in cash and cash equivalents	15,853	250,032	72,067	337,952
<u>CASH-BEGINNING OF YEAR</u>	<hr/> 169,118	<hr/> 323,472	<hr/> 1,728,573	<hr/> 2,221,163
<u>CASH-END OF YEAR</u>	<hr/> \$ 184,971	<hr/> \$ 573,504	<hr/> \$ 1,800,640	<hr/> \$ 2,559,115
<u>RECONCILIATION OF OPERATING</u>				
<u>INCOME (LOSS) TO NET CASH</u>				
<u>PROVIDED (USED) BY OPERATING</u>				
<u>ACTIVITIES:</u>				
Operating income (loss)	\$ (20,930)	\$ (148,338)	\$ 1,215,433	\$ 1,046,165
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
(Increase) decrease in:				
Due from other funds of the primary government	29,058	892,284	502,292	1,423,634
Increase (decrease) in:				
Accounts payable	2	(636,828)	(187,139)	(823,965)
Accrued liabilities	-	-	(2,863,439)	(2,863,439)
Due to other funds of the primary government	-	132,726	1,332,853	1,465,579
	<hr/>	<hr/>	<hr/>	<hr/>
Total adjustments	29,060	388,182	(1,215,433)	(798,191)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	\$ 8,130	\$ 239,844	\$ -	\$ 247,974

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Grant Receivables (Deferred) July 1, 2007</u>	<u>Federal Receipts</u>	<u>Program Income</u>	<u>Expenditures</u>	<u>Grant Receivables (Deferred) June 30, 2008</u>
<u>US DEPARTMENT OF HOMELAND SECURITY - FEMA</u>							
Direct Program:							
SAFER Grant	97.083*	EMW-2006-FF-03284	\$ -	\$ 373,196	\$ -	\$ 503,013	\$ 129,817
Fire Prevention Grant	97.044	EMVV-2005-FP-00842	13,201	13,288	-	87	-
Total Federal Emergency Management Agency			<u>13,201</u>	<u>386,484</u>	<u>-</u>	<u>503,100</u>	<u>129,817</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
Passed through the Tennessee Department of Human Services:							
Food Distribution - Summer 2007	10.550	30-006	44,399	73,271	-	28,872	-
Food Distribution - Summer 2008	10.550	30-006	-	-	-	46,486	46,486
Passed through the Tennessee Dept. of Agriculture, Forestry Division:							
Urban Forestry Grant	10.664	Z-07-033314-00	3,181	7,507	-	4,326	-
Total U.S. Department of Agriculture			<u>47,580</u>	<u>80,778</u>	<u>-</u>	<u>79,684</u>	<u>46,486</u>
<u>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Direct Program:							
Community Development Block Grant	14.218*	B-04-MC-47-0002	(3,092,907)	793,852	-	801,783	(3,084,976)
Community Development Block Grant	14.218*	B-04-MC-47-0002	-	-	173,009	173,009	-
Passed through TN Department of Human Services:							
Emergency Shelter	14.231	Z-08-022523	-	35,249	1,500	80,367	43,618
Emergency Shelter	14.231	Z-07-031496	19,806	19,806	-	-	-
Passed through TN Department of Housing Development Agency:							
Shelter Plus Care	14.235	TN 37C405001	8,527	67,245	-	60,222	1,504
Home Investment Partnership Act	14.239*	Various	(2,450,401)	490,914	105,486	564,133	(2,482,668)
Total U.S. Department of Housing and Urban Development			<u>(5,514,975)</u>	<u>1,407,066</u>	<u>279,995</u>	<u>1,679,514</u>	<u>(5,522,522)</u>

* Considered a major program under OMB Circular A-133

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Grant Receivables (Deferred) July 1, 2007</u>	<u>Federal Receipts</u>	<u>Program Income</u>	<u>Expenditures</u>	<u>Grant Receivables (Deferred) June 30, 2008</u>
<u>US DEPARTMENT OF JUSTICE</u>							
Direct Program:							
Bulletproof Vest Partnership Grant- 2004	16.607	02010236	137	-	-	-	137
Bulletproof Vest Partnership Grant- 2006	16.607	02010236	-	-	-	3,164	3,164
Byrne Justice Assistance Grant	16.738	2006DJBX0736	(2,869)	-	58	1,814	(1,113)
Byrne Justice Assistance Grant	16.738	2007DJBX0638	-	93,618	1,133	57,837	(36,914)
Great Grant 2007	16.737	2007JVFX0273	-	29,817	-	44,021	14,204
Passed through the Tennessee Office of Criminal Justice Programs:			-				-
Byrne Grant (RAD)	16.58	Z99088441 00	6,122	6,122	-	-	-
Total U.S. Department of Justice			<u>3,390</u>	<u>129,557</u>	<u>1,191</u>	<u>106,836</u>	<u>(20,522)</u>
<u>US DEPARTMENT OF TRANSPORTATION</u>							
Federal Transit Administration:							
Jobs Access	20.507*	TN-37-X062	-	218,204	-	250,531	32,327
Capital Grant	20.507*	TN-90-X230	9,618	9,618	-	-	-
Capital Grant	20.507*	TN-90-X249	2,746	23,291	-	21,983	1,438
Capital Grant	20.507*	TN-03-0100	21,792	35,478	-	13,686	-
Capital Grant	20.507*	TN-90-X308	-	122,663	-	126,068	3,405
Operating Assistance	20.507*	TN-90-X249	233,752	233,752	-	-	-
Operating Assistance	20.507*	TN-90-X308	-	1,292,521	-	1,437,392	144,871
Operating Assistance-Planning	20.507*	TN-80-X015	-	6,314	-	6,314	-
Operating Assistance-Planning	20.507*	TN-80-0001	28,161	37,547	-	9,386	-
Operating Assistance-Planning	20.507*	TN-80-0002	-	-	-	28,152	28,152
Subtotal Federal Transit Administration			<u>296,069</u>	<u>1,979,388</u>	<u>-</u>	<u>1,893,512</u>	<u>210,193</u>

* Considered a major program under OMB Circular A-133

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Grant Receivables (Deferred) July 1, 2007</u>	<u>Federal Receipts</u>	<u>Program Income</u>	<u>Expenditures</u>	<u>Grant Receivables (Deferred) June 30, 2008</u>
<u>US DEPARTMENT OF TRANSPORTATION (CONTINUED)</u>							
Passed through the Tennessee Dept. of Transportation							
Governor's Highway Safety Office:							
Impaired Driver Abatement Grant	20.607	Z-08-024032	-	33,148	-	79,585	46,437
Multiple Violation Enforcement	20.600	Z-07-035727-00	17,632	48,511	-	30,879	-
High Visibility Law Enforcement Campaign	20.600	Z-07-035741-00	4,874	4,914	-	40	-
Ft. Defiance Trail Grant	20.600	60114	-	-	-	21,150	21,150
Ft. Defiance Interpretive Center Grant	20.600	60115	-	-	-	102,974	102,974
			<u>22,506</u>	<u>86,573</u>	<u>-</u>	<u>234,628</u>	<u>170,561</u>
Total U.S. Department of Transportation			<u>318,575</u>	<u>2,065,961</u>	<u>-</u>	<u>2,128,140</u>	<u>380,754</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>							
Direct Program:							
Brownfields Assessment	66.818	BF96432905	<u>50,692</u>	<u>67,739</u>	<u>-</u>	<u>17,047</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>50,692</u>	<u>67,739</u>	<u>-</u>	<u>17,047</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT FEDERAL AWARDS			<u>\$ (5,081,537)</u>	<u>\$ 4,137,585</u>	<u>\$ 281,186</u>	<u>\$ 4,514,321</u>	<u>\$ (4,985,987)</u>
<u>MUSEUM (COMPONENT UNIT)</u>							
Tennessee Arts Commission - Arts Project Support	45.024	Z-08-2171-00	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 6,000</u>

* Considered a major program under OMB Circular A-133

Note 1: The accompanying schedule of federal awards and state financial assistancesummarizes the expenditures of City of Clarksville, Tennessee under programs of the federal and state governments for the year ended June 30, 2008. The schedule is presented using the modified accrual basis of accounting.

See auditor's report.

**CITY OF CLARKSVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

<u>Grantor</u>	<u>Grant Number</u>	<u>Grant Receivables (Deferred) July 1, 2007</u>	<u>State Receipts</u>	<u>Program Income</u>	<u>Expenditures</u>	<u>Grant Receivables (Deferred) June 30, 2008</u>
<u>TENNESSEE ARTS COMMISSION</u>						
Riverfront Festival 2007	Z-08-21714-00	\$ -	\$ 4,800	\$ -	\$ 4,800	\$ -
Total Tennessee Arts Commission		-	5,750	-	5,750	-
<u>TENNESSEE DEPARTMENT OF TRANSPORTATION</u>						
Operating Assistance-Planning	TN-80-X015	-	789	-	789	-
Operating Assistance-Planning	TN-80-0001	3,519	4,693	-	1,174	-
Operating Assistance-Planning	TN-80-0002	-	-	-	3,528	3,528
Jobs Access	TN-37-X039	-	69,065	-	69,065	-
Jobs Access	TN-37-X062	-	40,038	-	56,202	16,164
Capital Grant	TN-03-0100	2,724	4,434	-	1,710	-
Capital Grant	TN-90-X230	7,438	7,438	-	-	-
Capital Grant	TN-90-X249	916	9,615	-	9,529	830
Capital Grant	TN-90-X308	-	11,089	-	15,759	4,670
Operating Assistance	TN-90-X249	128,213	128,213	-	-	-
Operating Assistance	TN-90-X308	-	575,401	-	668,286	92,885
Total Tennessee Department of Transportation		142,810	850,775	-	826,042	118,077
<u>TENNESSEE HOUSING DEVELOPMENT AGENCY</u>						
House Grant		(1,023,429)	-	162,884	162,884	(1,023,429)
Total Tennessee Housing Development Agency		(1,023,429)	-	162,884	162,884	(1,023,429)
<u>MUNICIPAL BOND FUND</u>						
Series 2005 TMBF Loan	N/A	-	581,170	-	581,170	-
Total Municipal Bond Fund		-	581,170	-	581,170	-
TOTAL STATE AWARDS		\$ (880,619)	\$ 1,437,695	\$ 162,884	\$ 1,575,846	\$ (905,352)

Note 1: The outstanding balance on loans obtained in the current year and previous years through the State Revolving Loan Fund totaled \$35,315,968 at June 30, 2008. The loans were 80% federally funded. Principal payments during the current fiscal year totaled \$2,752,645.

Note 2: The accompanying schedule of federal awards and state financial assistance summarizes the expenditures of City of Clarksville, Tennessee under programs of the federal and state governments for the year ended June 30, 2008. The schedule is presented using the modified accrual basis of accounting.

See auditor's report.



January 29, 2009

Honorable Mayor and City Council
City of Clarksville, Tennessee

**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**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Clarksville (the City), Tennessee, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2009. 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. Other auditors audited the financial statements of the Department of Electricity and the Clarksville-Montgomery County Museum, as described by our report on the City of Clarksville, Tennessee's financial statements. This report does not include the results of the other auditors' 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, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However we consider item B-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 Standard*.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, audit committee, City Council, State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

WEATHERSPOON // LOWE // WALLACE



January 29, 2009

Honorable Mayor and City Council
City of Clarksville, Tennessee

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the City of Clarksville, Tennessee, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We did not test compliance with requirements identified above for the year ended June 30, 2008, for the Clarksville Department of Electricity and the Clarksville-Montgomery County Museum, whose financial statements were audited by other auditors. Separate reports on compliance have been issued by such other auditors for the Clarksville Department of Electricity and are not included in this report. The Natural Gas Acquisition Corporation did not receive any federal assistance for the year ended June 30, 2008.

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 procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

We did not consider internal control for the year ended June 30, 2008, for the Clarksville Department of Electricity and the Clarksville-Montgomery County Museum whose financial statements were audited by other auditors. Separate reports on internal control over compliance have been issued by such other auditors for the Clarksville Department of Electricity and are not included in this report. The Natural Gas Acquisition Corporation did not receive any federal assistance for the year ended June 30, 2008.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the city's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of the internal control over compliance was for the limited purpose of described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses as defined below. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the City, State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

WEATHERSPOON // LOWE // WALLACE

**CITY OF CLARKSVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Clarksville, Tennessee.
2. There was one matter involving internal control over financial reporting and its operations that we consider to be a significant deficiency. However, we consider item B-1 (below) to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the financial statements.
5. The auditor's report on compliance for major programs for the City expresses an unqualified opinion on all major programs.
6. The audit of the financial statements disclosed no audit findings which are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included: Department of Housing and Urban Development, CFDA 14.218, Community Development Block Grant; Department of Housing and Urban Development, CFDA 14.239, House Investment Partnership Act; and Department of Transportation, CFDA 20.507, Federal Transit Administration grants; Federal Emergency Management Agency, CFDA 97.083, SAFER Grant.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
9. The City did not qualify as a low-risk auditee.

B. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

1. ACCOUNTING FOR COMMUNITY DEVELOPMENT (REPEAT)

The Department of Community Development has a separate, self-balancing ledger intended for its accounting purposes but the ledger is not maintained on a timely basis. This causes significant problems in producing a working trial balance and in determining account transactions for the year.

RECOMMENDATION

Maintain the general ledger in a timely manner to facilitate current decisions requiring accurate accounting records, to allow for accurate filing of interim reports, and to assist in the overall auditing process of the City.

RESPONSE

We concur. Currently, new multi-year funds have been created in MUNIS and project accounting is being utilized to track all HUD funds budgeted and spent. We are updating MUNIS (general ledger & cash disbursements) with daily, weekly, and monthly journal entries and account reconciliations as needed.

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

D. PRIOR YEAR FINDINGS

The City resolved prior year finding B-1 as detailed in the June 30, 2007 audit report.



STATISTICAL SECTION

Table of Contents
Statistical Section

	Table No.	Statistical Section Page No.
Overview and Objectives of Statistical Section		
Overview of Statistical Section	A-1	3
Financial Trends	A-1	3
Revenue Capacity	A-1	3
Debt Capacity	A-1	3
Demographic and Economic Schedules	A-1	3
Operating Schedules	A-1	3
Financial Trends		
Net Assets by Component	B-1	4
Changes in Net Assets	B-2	5
Fund Balances - Governmental Funds	B-3	7
Changes in Fund Balance - Governmental Funds	B-4	9
Revenue Capacity		
Assessed Value and Actual Value of Taxable Property	C-1	11
Direct and Overlapping Tax Rates	C-2	13
Principal Property Tax Payers	C-3	14
Property Tax Levies and Collections	C-4	16
Debt Capacity		
Ratios of Outstanding Debt by Type	D-1	18
Ratios of General Bonded Debt Outstanding	D-2	20
Direct and Overlapping Governmental Debt	D-3	22
Legal Debt Margin Information	D-4	24
Pledged Revenue Coverage	D-5	25
Ratio of Outstanding Debt by Type	D-6	29
Demographic and Economic Schedules		
Demographic and Economic Statistics	E-1	40
Principal Employers	E-2	41
Operating Schedules		
Full-time Equivalent Employees by Function	F-1	45
Operating Indicators by Function/Program	F-2	46
Capital Asset Statistics by Function Program	F-3	47
Other Statistical Information		
Department of Electricity Comparative Information	G-1	48
Gas Department Comparative Information	G-2	52
Sewer Department Comparative Information	G-3	56
Water Department Comparative Information	G-4	59
Property Taxes Turned Over For Collection	G-5	61

Schedule A-1
Overview and Objectives of Statistical Section

Overview of Statistical Section

The information provided in the statistical section focuses on the primary government, rather than on the financial reporting entity. The term primary government includes the primary government and its blended component units. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

Financial Trends: The financial trends information is intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity: Revenue capacity information is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenues.

Debt Capacity: Debt capacity information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Demographic and Economic Schedules: Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating Schedules: Operating information is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

Schedule B-1
City of Clarksville
Net Assets by Component
Last Seven Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	\$ 231,218,506	\$ 238,267,799	\$ 245,091,943	\$ 253,666,569	\$ 269,645,809	\$ 284,486,050	\$ 296,693,136
Restricted	2,435,545	2,554,976	2,055,670	4,009,189	3,711,619	4,648,765	1,634,639
Unrestricted	41,185,219	40,385,785	43,261,550	20,047,145	20,582,387	20,553,658	16,778,949
Total governmental activities net assets	274,839,270	281,208,560	290,409,163	277,722,903	293,939,815	309,688,473	315,106,724
Business-type activities							
Invested in capital assets, net of related debt	124,318,400	133,574,891	109,815,806	137,086,834	170,242,541	189,558,554	226,120,091
Restricted	24,180,924	16,168,141	47,976,780	34,905,677	18,129,792	24,476,182	17,098,245
Unrestricted	19,058,754	26,318,835	29,239,482	26,824,929	28,766,297	26,238,414	17,701,085
Total business-type activities net assets	\$ 167,558,078	\$ 176,061,867	\$ 187,032,068	\$ 198,817,440	\$ 217,138,630	\$ 240,273,150	\$ 260,919,421
Primary government							
Invested in capital assets, net of related debt	355,536,906	371,842,690	354,907,749	390,753,403	439,888,350	474,044,604	522,813,227
Restricted	26,616,469	18,723,117	50,032,450	38,914,866	21,841,411	29,124,947	18,732,884
Unrestricted	60,243,973	66,704,620	72,501,032	46,872,074	49,348,684	46,792,072	34,480,034
Total governmental activities net assets	\$ 442,397,348	\$ 457,270,427	\$ 477,441,231	\$ 476,540,343	\$ 511,078,445	\$ 549,961,623	\$ 576,026,145

Source: City of Clarksville's Department of Finance and Revenue.

Schedule B-2
City of Clarksville
Changes in Net Assets
Last Seven Years

	<u>Fiscal Year</u>						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities							
Charges for services							
General government	\$ 1,779,238	\$ 1,120,814	\$ 1,384,691	\$ 1,404,126	\$ 1,808,867	\$ 3,814,207	\$ 2,856,461
Public safety	738,289	707,884	676,891	843,059	697,876	893,492	877,388
Highways and streets	-	-	-	-	-	-	-
Recreation	1,359,581	1,726,030	1,960,317	942,120	1,047,934	1,090,136	1,259,454
Community development	-	-	-	-	475,323	477,547	426,510
Other	-	-	-	364,079	-	-	-
Operating and capital grants and contributions	3,073,647	7,206,944	11,407,672	13,409,753	18,248,628	21,699,405	15,537,899
Total governmental activities program revenues	<u>6,950,755</u>	<u>10,761,672</u>	<u>15,429,571</u>	<u>16,963,137</u>	<u>22,278,628</u>	<u>27,974,787</u>	<u>20,957,712</u>
Governmental activities							
Taxes							
Property taxes	\$ 39,603,046	\$ 19,924,962	\$ 21,227,055	\$ 19,953,714	\$ 20,506,163	\$ 22,316,810	\$ 23,812,464
State taxes	11,095,493	11,072,805	10,792,473	7,989,782	8,887,131	9,990,794	10,097,875
Franchise/business taxes	1,356,368	1,407,533	1,394,125	2,657,850	2,881,320	3,087,000	3,340,745
Wholesale beer and liquor taxes	2,181,804	2,262,177	2,493,503	2,726,287	2,629,540	3,241,285	3,131,034
Sales taxes	7,847,259	8,093,239	8,866,446	9,787,689	10,116,195	11,308,195	10,921,205
In lieu of taxes	7,370	7,370	23,692	15,193	22,978	20,990	14,591
Other taxes	205,431	238,556	267,781	243,105	264,752	367,788	377,448
Investment earnings	446,444	356,145	265,216	326,553	826,342	1,134,602	835,447
Miscellaneous	553,357	416,862	891,487	398,587	(795,254)	(814,718)	(734,077)
Transfers (net)	2,439,331	2,656,782	2,823,764	2,997,279	3,003,932	2,404,092	3,184,946
General revenues-total governmental activities	<u>65,735,903</u>	<u>46,436,431</u>	<u>49,045,542</u>	<u>47,096,039</u>	<u>48,343,099</u>	<u>53,056,838</u>	<u>54,981,678</u>
Total program revenues and general revenues - governmental activities	<u>72,686,658</u>	<u>57,198,103</u>	<u>64,475,113</u>	<u>64,059,176</u>	<u>70,621,727</u>	<u>81,031,625</u>	<u>75,939,390</u>
Expenses							
Governmental activities							
General government	\$ 5,758,409	\$ 4,635,214	\$ 5,766,247	\$ 8,729,212	\$ 8,078,442	\$ 13,515,867	\$ 15,875,133
Public safety	23,408,539	23,699,762	25,000,044	26,996,393	28,257,510	31,047,113	34,776,692
Highways and streets	9,362,495	11,192,892	7,387,636	8,368,619	7,946,470	9,241,841	7,461,170
Recreation	3,521,005	3,967,171	4,676,377	5,074,092	4,525,751	5,277,100	5,983,397
Community development	1,363,917	1,486,741	7,286,468	2,025,723	1,862,547	1,975,448	1,925,943
Other appropriations	716,021	873,356	604,892	588,886	697,919	740,261	769,440
Miscellaneous agencies	3,182,305	3,137,602	3,162,915	1,514,668	1,087,375	1,347,620	1,672,747
Interest on long-term debt	1,081,234	1,701,695	1,389,931	1,608,661	1,948,801	2,137,717	1,946,699
Total governmental activities expenses	<u>48,393,925</u>	<u>50,694,433</u>	<u>55,274,510</u>	<u>54,906,254</u>	<u>54,404,815</u>	<u>65,282,967</u>	<u>70,411,221</u>

Schedule B-2
City of Clarksville
Changes in Net Assets
Last Seven Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities - changes in net assets	24,292,733	6,503,670	9,200,603	9,152,922	16,216,912	15,748,658	5,528,169
Adjustment to Beginning Fund Balance		(134,380)		\$ (21,839,182)			\$ (109,918)
Beginning net assets-governmental activities	250,546,537	274,839,270	281,208,560	290,409,163	277,722,903	293,939,815	309,688,473
Ending net assets-governmental activities	<u>274,839,270</u>	<u>281,208,560</u>	<u>290,409,163</u>	<u>277,722,903</u>	<u>293,939,815</u>	<u>309,688,473</u>	<u>315,106,724</u>
Business-type activities							
Charges for services							
Department of electricity-electric division	71,637,000	76,255,300	79,463,900	82,410,500	93,701,000	103,341,200	112,617,775
Department of electricity-telecommunications	-	-	-	-	-	-	109,000
Gas department	23,899,108	29,479,666	33,675,030	40,490,639	55,862,600	44,477,724	48,879,233
Parking authority	305,369	353,755	339,200	334,710	332,790	417,289	375,631
Clarksville transit system	347,768	363,564	396,401	451,638	519,354	479,223	475,255
Water and sewer department	23,428,321	25,041,528	27,511,737	29,859,668	32,222,692	35,666,394	38,243,180
Natural Gas Acquisition Corporation (NGAC)	-	-	-	-	-	22,974,746	41,666,101
Other	3,294,612	3,359,126	4,563,167	1,329,228	-	-	-
Operating and capital grants and contributions	4,241,357	4,364,736	7,699,395	7,266,356	11,089,828	15,496,205	18,010,328
Total business-type activities program revenues	<u>127,153,535</u>	<u>139,217,675</u>	<u>153,648,830</u>	<u>162,142,739</u>	<u>193,728,264</u>	<u>222,852,781</u>	<u>260,376,503</u>
General Revenues							
Business-type activities							
Taxes							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State taxes	-	-	-	-	-	-	-
Franchise/business taxes	-	-	-	-	-	-	-
Wholesale beer and liquor taxes	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-
In lieu of taxes	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-
Contributed capital	-	-	-	-	-	-	-
Investment earnings	2,232,513	1,024,582	626,363	1,452,788	2,345,707	17,261,397	16,918,637
Miscellaneous	40,577	-	-	-	-	-	-
Transfers (net)	<u>(2,439,331)</u>	<u>(2,412,588)</u>	<u>(2,434,134)</u>	<u>(2,705,303)</u>	<u>(3,003,932)</u>	<u>(2,404,092)</u>	<u>(3,184,946)</u>
General revenues-total business-type activities	<u>(166,241)</u>	<u>(1,388,006)</u>	<u>(1,807,771)</u>	<u>(1,252,515)</u>	<u>(658,225)</u>	<u>14,857,305</u>	<u>13,733,691</u>
Total program revenues and general revenues - business-type activities	<u>126,987,294</u>	<u>137,829,669</u>	<u>151,841,059</u>	<u>160,890,224</u>	<u>193,070,039</u>	<u>237,710,086</u>	<u>274,110,194</u>
Expenses							
Business-type activities							
Department of electricity-electric division	65,891,417	71,627,100	75,280,700	77,463,000	87,431,800	98,586,100	109,663,800
Department of electricity-telecommunications	-	-	-	-	-	-	2,283,900
Gas department	23,292,949	27,328,161	31,989,670	39,313,876	54,314,229	43,348,794	46,530,275
Parking authority	84,038	264,600	294,957	100,552	107,007	106,931	97,761
Clarksville transit system	2,760,234	3,039,487	3,184,410	3,671,185	4,181,844	4,529,532	4,962,419
Water and sewer department	22,190,576	23,801,255	25,549,377	27,214,435	28,694,587	33,225,363	35,679,989
Natural Gas Acquisition Corporation (NGAC)	-	-	-	-	242	34,778,846	54,245,779
Other	3,462,124	3,373,897	4,571,744	1,341,804	-	-	-
Total business-type activities expenses	<u>117,681,338</u>	<u>129,434,500</u>	<u>140,870,858</u>	<u>149,104,852</u>	<u>174,729,709</u>	<u>214,575,566</u>	<u>253,463,923</u>
Business-type activities - changes in net assets	9,305,956	8,395,169	10,970,201	11,785,372	18,340,330	23,134,520	20,646,271
Adjustment to Beginning Fund Balance		\$ 108,620		\$ (19,140)			\$ -
Beginning net assets-business-type activities	158,252,122	167,558,078	176,061,867	187,032,068	198,817,440	217,138,630	240,273,150
Ending net assets-business-type activities	<u>167,558,078</u>	<u>176,061,867</u>	<u>187,032,068</u>	<u>198,817,440</u>	<u>217,138,630</u>	<u>240,273,150</u>	<u>260,919,421</u>
City-wide							
Changes in net assets	33,598,689	14,898,839	20,170,804	20,938,294	34,557,242	38,883,178	26,174,440
Adjustment to Beginning Fund Balance	-	(25,760)	-	(21,839,182)	(19,140)	-	(109,918)
Beginning net assets	408,798,659	442,397,348	457,270,427	477,441,231	476,540,343	511,078,445	549,961,623
Ending net assets	<u>\$ 442,397,348</u>	<u>\$ 457,270,427</u>	<u>\$ 477,441,231</u>	<u>\$ 476,540,343</u>	<u>\$ 511,078,445</u>	<u>\$ 549,961,623</u>	<u>\$ 576,026,145</u>

Source: City of Clarksville's Department of Finance and Revenue.

Schedule B-3
City of Clarksville
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund					
Reserved	\$ 257,340	\$ 258,137	\$ 261,372	\$ 403,080	\$ 445,311
Unreserved	<u>12,340,446</u>	<u>13,910,658</u>	<u>12,731,942</u>	<u>15,263,799</u>	<u>14,603,529</u>
Total general fund	<u>\$ 12,597,786</u>	<u>\$ 14,168,795</u>	<u>\$ 12,993,314</u>	<u>\$ 15,666,879</u>	<u>\$ 15,048,840</u>
All Other Governmental Funds					
Special revenue funds					
Reserved	\$ 4,176,083	\$ 1,640,897	\$ 1,731,070	\$ 2,032,465	\$ 1,610,871
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total special funds	<u>\$ 4,176,083</u>	<u>\$ 1,640,897</u>	<u>\$ 1,731,070</u>	<u>\$ 2,032,465</u>	<u>\$ 1,610,871</u>
Debt service fund					
Reserved	\$ 901,830	\$ 941,315	\$ 1,658,681	\$ -	\$ -
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,698,111</u>	<u>2,950,097</u>
Total debt service fund	<u>\$ 901,830</u>	<u>\$ 941,315</u>	<u>\$ 1,658,681</u>	<u>\$ 1,698,111</u>	<u>\$ 2,950,097</u>
Capital projects fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>1,664,643</u>	<u>(435,263)</u>	<u>4,514,802</u>	<u>3,304,907</u>	<u>2,413,331</u>
Total capital projects fund	<u>\$ 1,664,643</u>	<u>\$ (435,263)</u>	<u>\$ 4,514,802</u>	<u>\$ 3,304,907</u>	<u>\$ 2,413,331</u>
All other governmental funds					
Reserved	\$ 5,077,913	\$ 2,582,212	\$ 3,389,751	\$ 2,032,465	\$ 1,610,871
Unreserved	<u>1,664,643</u>	<u>(435,263)</u>	<u>4,514,802</u>	<u>5,003,018</u>	<u>5,363,428</u>
Total all other governmental funds	<u>\$ 6,742,556</u>	<u>\$ 2,146,949</u>	<u>\$ 7,904,553</u>	<u>\$ 7,035,483</u>	<u>\$ 6,974,299</u>
All Governmental Funds					
Reserved	\$ 5,335,253	\$ 2,840,349	\$ 3,651,123	\$ 2,435,545	\$ 2,056,182
Unreserved	<u>14,005,089</u>	<u>13,475,395</u>	<u>17,246,744</u>	<u>20,266,817</u>	<u>19,966,957</u>
Total all governmental funds	<u>\$ 19,340,342</u>	<u>\$ 16,315,744</u>	<u>\$ 20,897,867</u>	<u>\$ 22,702,362</u>	<u>\$ 22,023,139</u>

Source: City of Clarksville's Department of Finance and Revenue.

Schedule B-3
City of Clarksville
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved	\$ 465,934	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>17,675,645</u>	<u>19,170,386</u>	<u>19,943,113</u>	<u>21,341,758</u>	<u>21,343,463</u>
Total general fund	<u>\$ 18,141,579</u>	<u>\$ 19,170,386</u>	<u>\$ 19,943,113</u>	<u>\$ 21,341,758</u>	<u>\$ 21,343,463</u>
All Other Governmental Funds					
Special revenue funds					
Reserved	\$ 1,589,736	\$ 3,531,951	\$ 3,043,579	\$ 1,229,414	\$ 1,634,639
Unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total special funds	<u>\$ 1,589,736</u>	<u>\$ 3,531,951</u>	<u>\$ 3,043,579</u>	<u>\$ 1,229,414</u>	<u>\$ 1,634,639</u>
Debt service fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>3,645,236</u>	<u>1,970,390</u>	<u>2,011,884</u>	<u>1,778,235</u>	<u>1,583,949</u>
Total debt service fund	<u>\$ 3,645,236</u>	<u>\$ 1,970,390</u>	<u>\$ 2,011,884</u>	<u>\$ 1,778,235</u>	<u>\$ 1,583,949</u>
Capital projects fund					
Reserved	\$ -	\$ 477,238	\$ 668,040	\$ 3,419,351	\$ -
Unreserved	<u>755,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,705,942)</u>
Total capital projects fund	<u>\$ 755,158</u>	<u>\$ 477,238</u>	<u>\$ 668,040</u>	<u>\$ 3,419,351</u>	<u>\$ (1,705,942)</u>
All other governmental funds					
Reserved	\$ 1,589,736	\$ 4,009,189	\$ 3,711,619	\$ 4,648,765	\$ 1,634,639
Unreserved	<u>4,400,394</u>	<u>1,970,390</u>	<u>2,011,884</u>	<u>1,778,235</u>	<u>(121,993)</u>
Total all other governmental funds	<u>\$ 5,990,130</u>	<u>\$ 5,979,579</u>	<u>\$ 5,723,503</u>	<u>\$ 6,427,000</u>	<u>\$ 1,512,646</u>
All Governmental Funds					
Reserved	\$ 2,055,670	\$ 4,009,189	\$ 3,711,619	\$ 4,648,765	\$ 1,634,639
Unreserved	<u>22,076,039</u>	<u>21,140,776</u>	<u>21,954,997</u>	<u>23,119,993</u>	<u>21,221,470</u>
Total all governmental funds	<u>\$ 24,131,709</u>	<u>\$ 25,149,965</u>	<u>\$ 25,666,616</u>	<u>\$ 27,768,758</u>	<u>\$ 22,856,109</u>

Source: City of Clarksville's Department of Finance

Schedule B-4
City of Clarksville
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Revenues					
Taxes	\$ 23,208,602	\$ 33,028,558	\$ 34,575,221	\$ 30,903,639	\$ 31,503,276
State taxes	10,074,415	10,193,853	10,444,749	11,095,493	11,072,805
Licenses and permits	1,355,165	1,629,427	1,822,348	1,760,830	1,726,030
Charges for services	1,279,337	1,380,904	1,437,720	1,359,581	1,120,814
Fines and forfeits	1,012,257	1,167,215	1,070,592	738,289	707,884
Investment earnings	85,820	895,740	938,828	400,669	326,778
Grants	3,602,902	3,329,733	3,658,925	3,065,027	2,414,812
Miscellaneous/other	6,138,722	1,481,823	2,009,588	741,191	733,040
Total revenues	46,757,220	53,107,253	55,957,971	50,064,719	49,605,439
Expenditures					
General government	3,312,065	3,703,723	4,488,408	4,056,346	4,136,766
Public safety	22,138,889	19,489,937	21,926,869	22,389,721	22,788,744
Highways and streets	6,468,183	6,604,397	7,409,131	8,576,883	8,250,081
Recreation	3,616,110	4,014,832	4,621,501	2,842,848	3,170,682
Community development	2,046,480	1,625,137	1,696,958	1,363,917	1,785,127
Other	2,579,201	5,931,655	631,658	628,709	787,654
Miscellaneous agencies	3,246,128	3,027,024	2,866,694	3,162,829	3,123,294
Debt service					
Principal	1,925,731	2,516,091	2,652,030	4,155,119	5,343,016
Interest	927,625	1,843,138	1,423,970	1,081,234	1,701,695
Capital outlay	5,095,882	8,447,945	18,419,569	22,256,629	13,266,229
Total expenditures	51,356,294	57,203,879	66,136,788	70,514,235	64,353,288
Financing Sources (Uses)					
Proceeds from borrowing	10,917,963	2,003,469	14,448,502	19,693,610	11,677,558
Transfers in	4,024,242	10,215,038	12,496,039	8,989,293	11,683,766
Transfers out	(4,833,044)	(10,951,479)	(13,343,609)	(7,184,213)	(9,208,115)
Other	63,440	(195,000)	(486,627)	-	336,131
Total financing sources (uses)	10,172,601	1,072,028	13,114,305	21,498,690	14,489,340
Net change in fund balance	\$ 5,573,527	\$ (3,024,598)	\$ 2,935,488	\$ 1,049,174	\$ (258,509)
Debt service as percent of expenditures	<u>13.67%</u>	<u>19.17%</u>	<u>31.86%</u>	<u>37.46%</u>	<u>28.92%</u>
Debt service as percent of non-capital expenditures	<u>15.19%</u>	<u>19.78%</u>	<u>33.81%</u>	<u>38.00%</u>	<u>29.31%</u>

Source: City of Clarksville Department of Finance and Revenue

Schedule B-4
City of Clarksville
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Taxes	\$ 33,846,572	\$ 34,427,517	\$ 36,420,948	\$ 40,342,068	\$ 40,342,068
State taxes	10,792,473	11,156,025	12,029,467	13,144,258	13,144,258
Licenses and permits	2,027,042	2,296,034	1,438,095	1,781,346	1,781,346
Charges for services	1,384,691	1,006,533	1,418,706	1,795,102	1,795,102
Fines and forfeits	610,166	843,059	697,876	889,329	889,329
Investment earnings	248,600	283,663	739,113	1,021,449	1,021,449
Grants	2,946,901	2,763,523	2,061,709	1,950,032	1,950,032
Miscellaneous/other	906,567	1,376,740	1,771,947	1,842,119	1,842,119
Total revenues	52,763,012	54,153,094	56,577,861	62,765,703	62,765,703
Expenditures					
General government	5,277,913	5,508,809	5,795,592	6,387,117	6,387,117
Public safety	23,812,337	25,923,202	27,355,708	29,837,009	29,837,009
Highways and streets	6,588,081	7,502,880	7,480,262	7,863,996	7,863,996
Recreation	3,934,892	4,371,776	4,102,190	4,413,347	4,413,347
Community development	1,791,767	2,025,723	1,862,547	1,975,448	1,975,448
Other	548,560	728,259	2,802,358	3,435,755	3,435,755
Miscellaneous agencies	2,839,857	1,438,187	1,087,375	1,347,620	1,347,620
Debt service					
Principal	6,866,757	4,277,500	4,505,900	4,784,700	4,784,700
Interest	1,389,931	1,608,661	1,948,801	2,137,717	2,137,717
Capital outlay	4,916,806	3,493,488	2,650,345	7,011,851	7,011,851
Total expenditures	57,966,901	56,878,485	59,591,078	69,194,560	69,194,560
Financing Sources (Uses)					
Proceeds from borrowing	4,392,755	1,139,998	294,891	6,126,906	6,126,906
Transfers in	10,171,924	11,677,370	12,211,663	15,527,352	15,527,352
Transfers out	(7,693,780)	(9,073,721)	(9,207,731)	(13,123,260)	(13,123,260)
Other	441,560	-	-	-	-
Total financing sources (uses)	7,312,459	3,743,647	3,298,823	8,530,998	8,530,998
Net change in fund balance	\$ 2,108,570	\$ 1,018,256	\$ 285,606	\$ 2,102,141	\$ 2,102,141
Debt service as percent of expenditures	<u>20.33%</u>	<u>13.66%</u>	<u>12.01%</u>	<u>17.05%</u>	<u>17.05%</u>
Debt service as percent of non-capital expenditures	<u>20.44%</u>	<u>13.97%</u>	<u>12.36%</u>	<u>17.84%</u>	<u>17.84%</u>

Source: City of Clarksville De

Schedule C-1
City of Clarksville
Assessed Values of Taxable Property
Last Ten Fiscal/Tax Years

Fiscal Year Ended Jun 30,	Tax Year Ended Dec 31	Real Property									
		Public Utility 55%	Commercial 40%	Industrial 40%	Residential 25%	Homebelt 25%	Farm 25%	Agriculture 25%	Open Space 25%	Forest 25%	Mineral 40%
1999	1998	\$ -	\$ 332,235,440	\$ 17,626,680	\$ 489,251,650	\$ 33,850	\$ 5,705,500	\$ 4,062,650	\$ -	\$ 72,350	\$ -
2000	1999	-	342,327,720	18,164,560	512,962,725	34,575	5,521,300	4,066,650	-	80,175	-
2001	2000	-	353,028,040	17,023,880	545,417,275	34,575	4,921,875	4,591,686	-	103,750	-
2002	2001	-	365,451,600	14,969,320	565,271,175	34,575	4,727,225	4,561,200	-	105,025	-
2003	2002	-	383,572,560	14,982,360	583,152,275	34,575	4,708,850	4,486,525	-	180,850	-
2004	2003	-	471,310,600	21,022,560	668,580,950	36,800	6,100,050	5,440,525	-	218,975	-
2005	2004	470,030	471,411,840	21,993,440	697,669,625	36,800	6,240,625	5,291,825	-	381,825	-
2006	2005	470,030	495,272,120	22,371,880	746,091,650	36,800	6,066,775	5,226,525	-	414,200	-
2007	2006	534,050	601,682,400	27,288,920	911,503,675	42,650	6,232,000	5,999,475	-	486,700	-
2008	2007	534,050	631,312,440	27,513,680	973,330,225	42,650	5,707,775	5,800,000	-	516,625	-

Source: State of Tennessee Comptroller

NOTE: Property is appraised. The assessed value is determined by multiplying a statutorily established assessment ratio by the appraised value. To calculate the taxes the assessed valued is divided by \$100 and multiplied by the tax rate.

Schedule C-1
City of Clarksville
Assessed Values of Taxable Property
Last Ten Fiscal/Tax Years

Fiscal Year Ended Jun 30,	Tax Year Ended Dec 31	Personal Property					Total Locally Assessed Value	State Assessed Properties 55%	Assessed Value as Percent of Appraised	Total Direct Tax Rate
		Public Utility 55%	Commercial 30%	Industrial 30%	Resid- ential 25%	Farm 25%				
1999	1998	\$ -	\$ 42,383,981	\$ 25,325,700	\$ -	\$ -	\$ 916,697,801	\$ 26,307,930	29.99%	\$ 1.1900
2000	1999	98,756	40,968,154	31,679,046	-	-	955,903,661	27,784,147	29.95%	\$ 2.0100
2001	2000	47,175	45,813,066	31,070,107	-	-	1,002,051,429	29,871,192	29.86%	\$ 2.0100
2002	2001	189,228	47,931,753	32,675,961	-	-	1,035,917,062	30,970,822	29.84%	\$ 1.8100
2003	2002	214,593	47,848,409	31,227,103	-	-	1,070,408,100	32,497,613	29.89%	\$ 1.8100
2004	2003	289,785	51,801,317	34,569,128	-	-	1,259,370,690	31,226,488	30.03%	\$ 1.5800
2005	2004	81,018	53,687,533	29,994,464	-	-	1,287,259,025	32,320,510	29.92%	\$ 1.5000
2006	2005	90,389	51,884,635	27,259,058	-	-	1,355,184,062	31,533,335	29.84%	\$ 1.5000
2007	2006	86,965	58,002,872	31,639,303	-	-	1,643,499,010	34,790,741	29.80%	\$ 1.3091
2008	2007	91,195	65,915,963	29,368,000	-	-	1,740,132,603	36,715,315	29.74%	\$ 1.3100

Source: State of Tennessee Comptroller

NOTE: Property is appraised. The assessed value is determined by multiplying a statutorily established assessment ratio by the appraised value. To calculate the taxes the assessed valued is divided by \$100 and multiplied by the tax rate.

Schedule C-2
City of Clarksville
Direct and Overlapping Tax Rates
Last Ten Fiscal Years

	Fiscal Year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	Tax Year	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Tax Rate Per \$100 of Assessed Value											
Tax rate - City		\$ 1.1900	\$ 2.0100	\$ 2.0100	\$ 1.8100	\$ 1.8100	\$ 1.5800	\$ 1.5000	\$ 1.5000	\$ 1.3091	\$ 1.3100
Tax rate - County		\$ 3.3000	\$ 3.3000	\$ 3.3000	\$ 3.3000	\$ 3.3000	\$ 2.9100	\$ 3.1000	\$ 3.2400	\$ 3.1400	\$ 3.1400
Tax rate - City and County		\$ 4.4900	\$ 5.3100	\$ 5.3100	\$ 5.1100	\$ 5.1100	\$ 4.4900	\$ 4.6000	\$ 4.7400	\$ 4.4491	\$ 4.4491

Source: State of Tennessee, Comptroller (unadjusted for adjustments that have occurred after date of issue).

Schedule C-3
City of Clarksville
Principal Property Tax Payers
Fiscal/Tax Years 1999/1998 and 2008/2007

<u>Rank</u>	<u>Taxpayer</u>	<u>Fiscal Year/Tax Year</u>		<u>Percentage of Total Taxable Assessed Value</u>
		<u>1999 1998</u> Taxable Assessed <u>Value</u>	<u>Taxes Due</u>	
1	Bell South Telecommunications	\$ 14,763,469	175,685	1.57%
2	Governors Square Co.	10,325,680	122,876	1.09%
3	Trane Company	9,779,438	\$ 116,375	1.04%
4	Trane Company	6,567,720	78,156	0.70%
5	Precision Printing	6,284,048	74,780	0.67%
6	Letica Corp	3,389,697	40,337	0.36%
7	New Plan of Tennessee	3,144,160	37,416	0.33%
8	Cumberland Electric	2,706,520	32,208	0.29%
9	Dillard TN Operating	2,702,302	32,157	0.29%
10	New Plan of Tennessee	2,674,320	31,824	0.28%
	Total	<u>\$ 62,337,354</u>	<u>741,815</u>	<u>6.61%</u>
	Total assessed value of all taxable property as originally assessed	<u>\$ 943,005,731</u>	<u>11,221,768</u>	<u>100.00%</u>
	Applicable Tax Rate Per \$100 of Assessed Value		<u>\$ 1.1900</u>	

Source: City of Clarksville's Department of Finance and Revenue.

Note: Tax lien for year attach January 1 of each year prior to the June 30 . The properties listed are individual]
the possibility of differences in ownership. It should also be noted that not included because of its tax ex
Kentucky and partially within the City of Clarksville) spanning 164 square miles with an estimated plant

Schedule C-3
City of Clarksville
Principal Property Tax Payers
Fiscal/Tax Years 1999/1998 and 2008/2007

<u>Taxpayer</u>	<u>Fiscal Year/Tax Year</u>		<u>Percentage of Total Taxable Assessed Value</u>
	<u>2008</u>	<u>2007</u>	
	<u>Taxable Assessed Value</u>	<u>Taxes Due</u>	
Governor's Square Co.	\$ 13,947,080	\$ 182,707	0.79%
Bellsouth Telecommunication Inc.	\$ 13,270,764	\$ 173,847	0.75%
Clarksville Health System	\$ 11,981,000	\$ 156,951	0.68%
Trane Company	\$ 8,066,606	\$ 105,673	0.46%
Wal-Mart Real Estate Bs. Tr.	\$ 7,835,360	\$ 102,644	0.44%
Trane Company No. 1	\$ 6,494,680	\$ 85,080	0.37%
Wilkinson Ronald G.	\$ 6,443,000	\$ 84,403	0.36%
Bristol Park at Clarksville Group	\$ 6,027,440	\$ 78,959	0.34%
Cumberland Electric Membership Corp.	\$ 5,923,790	\$ 77,602	0.33%
Letica Corp.	\$ 5,109,177	\$ 66,930	0.29%
<u>Total</u>	<u>\$ 85,098,897</u>	<u>\$ 1,114,030</u>	<u>4.80%</u>
 Total assessed value of all taxable property as originally assessed	 <u>\$ 1,771,253,828</u>	 <u>23,203,425</u>	 <u>100.00%</u>
		 <u>\$ 1.3100</u>	

properties. Due to the possible complexities of property ownership we did not group like or similar names because of .empt status, but having significant value, is the Fort Campbell Military Base located in two states (Tennessee and replacement of \$4.6 billion.

Schedule C-4
City of Clarksville
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Tax Year	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Taxes levied for fiscal year	\$ 11,203,857	\$ 19,537,121	\$ 20,541,754	\$ 19,165,028	\$ 19,740,607
Collected within the fiscal year of the levy	10,617,571	18,624,749	19,429,439	18,142,041	18,434,087
Percent collected within the fiscal year of the levy	94.77%	95.33%	94.59%	94.66%	93.38%
Collections in subsequent fiscal years	583,719	900,090	1,066,616	942,795	1,233,289
Total collections to date	11,201,290	19,524,838	20,496,055	19,084,836	19,667,375
Total collections to date as percent of total levy	99.98%	99.94%	99.78%	99.58%	99.63%
Balance of tax levy not paid	\$ 2,567	\$ 12,283	\$ 45,699	\$ 80,191	\$ 73,232
Turned over to tax attorney for collection:					
Real	\$ 26,983	\$ 34,325	\$ 110,055	\$ 73,734	\$ 126,554
Personal Property	<u>105,375</u>	<u>307,231</u>	<u>334,215</u>	<u>448,054</u>	<u>312,178</u>
Total Turned Over For Collection Since Date of Tax Levy	<u>\$ 132,357</u>	<u>\$ 341,556</u>	<u>\$ 444,270</u>	<u>\$ 521,788</u>	<u>\$ 438,732</u>

Source: City of Clarksville's Department of Finance and Revenue

NOTES:

Note 1: Taxes due reflect adjustments since original levy.

Note 2: For tax years prior to 2007 all delinquent taxes have been turned over to the trustee that can be turned over. Properties in bankruptcy are not turned over for collection. The 2007 personal property taxes have have been turned over but the real property will not be turned over until April 1, 2009. The 2008 tax year's taxes are not due until October 1, 2008 and will not be come delinquent until March 1, 2009.

Schedule C-4
City of Clarksville
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tax Year	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Taxes levied for fiscal year	\$ 20,122,199	\$ 19,719,457	\$ 20,869,481	\$ 21,772,831	\$ 23,102,846
Collected within the fiscal year of the levy	19,332,939	18,945,395	19,669,202	21,029,776	22,036,319
Percent collected within the fiscal year of the levy	96.08%	96.07%	94.25%	96.59%	95.38%
Collections in subsequent fiscal years	738,446	713,016	1,045,693	521,272	-
Total collections to date	20,071,385	19,658,411	20,714,896	21,551,048	22,036,319
Total collections to date as percent of total levy	99.75%	99.69%	99.26%	98.98%	95.38%
Balance of tax levy not paid	\$ 50,814	\$ 61,045	\$ 154,585	\$ 221,783	\$ 1,066,526
Turned over to tax attorney for collection:					
Real	\$ 50,332	\$ 44,246	\$ 61,318	\$ 66,744	\$ -
Personal Property	<u>239,449</u>	<u>390,960</u>	<u>433,852</u>	<u>364,983</u>	<u>95,589</u>
Total Turned Over For Collection Since Date of Tax Levy	<u>\$ 289,781</u>	<u>\$ 435,205</u>	<u>\$ 495,169</u>	<u>\$ 431,727</u>	<u>\$ 95,589</u>

Source: City of Clarksville's Department of Finance and Revenue

NOTES:

Note 1: Taxes due reflect adjustments since original levy.

Note 2: For tax years prior to 2007 all delinquent taxes have been turned over to the trustee that can be turned over. Properties in bankruptcy are not turned over for collection. The 2007 personal property taxes have been turned over but the real property will not be turned over until April 1, 2009. The 2008 tax year's taxes are not due until October 1, 2008 and will not become delinquent until March 1, 2009.

Schedule D-1
City of Clarksville
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Governmental Activities⁽¹⁾					
General obligation bonds	\$ 7,340,000	\$ 6,280,000	\$ 5,165,000	\$ 11,095,000	\$ 15,065,000
Tennessee Municipal Bond Fund					
Loans	16,043,774	16,656,152	28,785,222	38,617,822	41,582,173
Capital outlay notes	135,000	70,000	-	-	-
Other debt	<u>686,548</u>	<u>-</u>	<u>852,402</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>24,205,322</u>	<u>23,006,152</u>	<u>34,802,624</u>	<u>49,712,822</u>	<u>56,647,173</u>
Business-Type Activities⁽¹⁾					
Revenue Bonds	77,360,189	72,830,538	100,910,000	95,985,000	90,565,000
General Obligation Bonds	-	-	-	-	-
Tennessee EPA Loans	533,313	492,151	450,813	407,424	361,851
Energy Efficiency Loan	-	-	465,893	405,090	342,465
Tennessee State Revolving Loan Fund	10,633,907	19,186,674	35,213,203	38,878,545	42,945,171
Tennessee Municipal Bond Fund					
Loans	10,362,943	9,953,373	10,005,643	12,191,539	11,484,046
Cumberland Electric Membership	2,372,500	2,091,700	1,795,200	1,507,300	1,558,100
Other	<u>1,832,100</u>	<u>570,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>103,094,952</u>	<u>105,125,136</u>	<u>148,840,752</u>	<u>149,374,898</u>	<u>147,256,633</u>
Total primary government	<u>\$ 127,300,274</u>	<u>\$ 128,131,288</u>	<u>\$ 183,643,376</u>	<u>\$ 199,087,720</u>	<u>\$ 203,903,806</u>
Personal income ⁽²⁾	\$ 2,969,519,000	\$ 3,244,755,000	\$ 3,377,368,000	\$ 3,567,211,000	\$ 3,820,082,000
Per Capital Personal Income	\$ 22,413	\$ 23,995	\$ 24,890	\$ 26,081	\$ 27,512
Total Primary Government Debt as Percent of Personal Income	4.29%	3.95%	5.44%	5.58%	5.34%
Estimated population ⁽³⁾	99,049	103,455	104,050	104,836	106,359
Per capita debt (based on total debt of primary government)	\$ 23,260	\$ 24,233	\$ 25,248	\$ 26,304	\$ 27,405
Assessed values ⁽⁴⁾	\$ 943,005,731	\$ 983,690,808	\$ 1,023,809,117	\$ 1,058,554,469	\$ 1,093,627,996
Total Primary Government Debt as Percent of Assessed Value	13.5%	13.0%	17.9%	18.8%	18.6%

Sources: ⁽¹⁾ Debt, City of Clarksville's Department of Finance and Revenue; ⁽²⁾ Bureau of Economic Analysis and estimates based on average annual growth by the City of Clarksville Department of Finance and Revenue ⁽³⁾ Estimated population obtained from the Center for Business and Economic Research, University of Tennessee and Tennessee Advisory Commission on Intergovernmental Relations for the years 2000 through 2025 and the City's calculated average annual growth rate of 2.042% to achieve these estimates and the years 2007 and 2008 estimates are based on this average rate of growth. ⁽⁴⁾ State of Tennessee Comptroller, unadjusted.

Schedule D-1
City of Clarksville
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities⁽¹⁾					
General obligation bonds	\$ 13,805,000	\$ 12,985,000	\$ 12,115,000	\$ 16,215,000	\$ 15,100,000
Tennessee Municipal Bond Fund Loans	40,364,291	38,052,169	34,711,159	31,953,366	31,689,658
Capital outlay notes	-	-	-	-	-
Other debt	-	-	-	-	-
Total governmental activities	54,169,291	51,037,169	46,826,159	48,168,366	46,789,658
Business-Type Activities⁽¹⁾					
Revenue Bonds	133,645,000	128,540,000	366,300,000	444,860,000	431,975,000
General Obligation Bonds	-	-	-	-	-
Tennessee EPA Loans	314,304	264,084	210,484	155,404	99,827
Energy Efficiency Loan	277,960	-	143,087	-	-
Tennessee State Revolving Loan Fund	46,051,557	43,704,909	41,279,013	38,771,193	36,178,653
Tennessee Municipal Bond Fund Loans	10,362,146	9,177,611	7,926,316	6,271,327	5,837,630
Cumberland Electric Membership	1,255,100	-	-	-	841,100
Other	-	211,520	-	72,601	-
Total business-type activities	191,906,067	181,898,124	415,858,900	490,130,525	474,932,210
Total primary government	\$ 246,075,358	\$ 232,935,293	\$ 462,685,059	\$ 538,298,891	\$ 521,721,868
Personal income ⁽²⁾	\$ 4,060,097,000	\$ 4,729,332,000	\$ 5,214,917,000	\$ 5,642,656,056	\$ 6,105,479,217
Per Capital Personal Income	\$ 28,719	\$ 32,029	\$ 35,232	\$ 37,503	\$ 39,921
Total Primary Government Debt as Percent of Personal Income	6.06%	4.93%	8.87%	9.54%	8.55%
Estimated population ⁽³⁾	108,395	113,284	113,873	119,284	122,069
Per capita debt (based on total debt of primary government)	\$ 28,552	\$ 29,747	\$ 30,992	\$ 32,289	\$ 35,232
Assessed values ⁽⁴⁾	\$ 1,285,580,587	\$ 1,315,187,584	\$ 1,382,638,967	\$ 1,673,133,068	\$ 1,771,253,858
Total Primary Government Debt as Percent of Assessed Value	19.1%	17.7%	33.5%	32.2%	29.5%

Sources: ⁽¹⁾ Debt, City of Clarksville's Department of Finance and Revenue; ⁽²⁾ Bureau of Economic Analysis and estimates based on average annual growth by the City of Clarksville Department of Finance and Revenue ⁽³⁾ Estimated population obtained from the Center for Business and Economic Research, University of Tennessee and Tennessee Advisory Commission on Intergovernmental Relations for the years 2000 through 2025 and the City's calculated average annual growth rate of 2.042% to achieve these estimates and the years 2007 and 2008 estimates are based on this average rate of growth. ⁽⁴⁾ State of Tennessee Comptroller, unadjusted.

Schedule D-2
City of Clarksville
Ratios of General Bonded Debt Outstanding
Last Ten Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General obligation bonds ⁽¹⁾	\$ 7,340,000	\$ 6,280,000	\$ 5,165,000	\$ 11,095,000	\$ 15,065,000
Other long-term debt (TMBF loans, capital outlay notes, interfund loans) ⁽¹⁾	<u>16,043,774</u>	<u>16,656,152</u>	<u>28,785,222</u>	<u>38,617,822</u>	<u>41,582,173</u>
Total long-term debt	<u>\$ 23,383,774</u>	<u>\$ 22,936,152</u>	<u>\$ 33,950,222</u>	<u>\$ 49,712,822</u>	<u>\$ 56,647,173</u>
Assessed values of property	<u>\$ 943,005,731</u>	<u>\$ 983,687,808</u>	<u>\$ 1,031,922,621</u>	<u>\$ 1,066,887,884</u>	<u>\$ 1,102,905,713</u>
Estimated/actual population	<u>99,049</u>	<u>103,455</u>	<u>104,050</u>	<u>104,836</u>	<u>106,359</u>
Percentage of actual assessed value of property	<u>2.5%</u>	<u>2.3%</u>	<u>3.3%</u>	<u>4.7%</u>	<u>5.1%</u>
Per capita	<u>\$ 22,413</u>	<u>\$ 23,995</u>	<u>\$ 24,890</u>	<u>\$ 26,081</u>	<u>\$ 27,512</u>

Source: City of Clarksville Department of Finance and Revenue, University of Tennessee Center for Business and Economic Research, and U. S. Bureau of Economic Analysis.

Notes:

⁽¹⁾ The debt listed in this schedule includes the principal of self-supporting debt for which there is an underlying pledge of the city's ad valorem taxes. The principal of the underlying debt included in the above schedule is as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
2002 Series, \$5,100,000	3.500% to 4.875% Fixed Rate	\$ 3,975,000.00	\$ 1,496,414.00
TMBF Loan - 2008, \$634,328	Variable Rate	<u>\$ 516,108.00</u>	<u>\$ 19,552.35</u>
Total Principal Due		<u>\$ 4,491,108.00</u>	<u>\$ 1,515,966.35</u>

Schedule D-2
City of Clarksville
Ratios of General Bonded Debt Outstanding
Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General obligation bonds ⁽¹⁾	\$ 13,805,000	\$ 12,985,000	\$ 12,115,000	\$ 16,215,000	\$ 15,100,000
Other long-term debt (TMBF loans, capital outlay notes, interfund loans) ⁽¹⁾	<u>40,364,291</u>	<u>38,052,169</u>	<u>34,711,159</u>	<u>31,953,366</u>	<u>31,689,658</u>
Total long-term debt	<u>\$ 54,169,291</u>	<u>\$ 51,037,169</u>	<u>\$ 46,826,159</u>	<u>\$ 48,168,366</u>	<u>\$ 46,789,658</u>
Assessed values of property	<u>\$ 1,290,597,178</u>	<u>\$ 1,319,579,535</u>	<u>\$ 1,386,717,397</u>	<u>\$ 1,678,289,751</u>	<u>\$ 1,776,847,918</u>
Estimated/actual population	<u>108,395</u>	<u>113,284</u>	<u>113,873</u>	<u>119,284</u>	<u>122,069</u>
Percentage of actual assessed value of property	<u>4.2%</u>	<u>3.9%</u>	<u>3.4%</u>	<u>2.9%</u>	<u>2.6%</u>
Per capita	<u>\$ 28,719</u>	<u>\$ 32,029</u>	<u>\$ 35,232</u>	<u>\$ 37,503</u>	<u>\$ 39,921</u>

Source: City of Clarksville Department of Finance and Revenue, University of Tennessee Center for Business and Economic Research, and U. S. Bureau of Economic Analysis.

Notes:

⁽¹⁾ The debt listed in this schedule includes the principal of self-supporting debt for which there is an underlying pledge of the city's ad valorem taxes. The principal of the underlying debt included in the above schedule is as follows:

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
2002 Series, \$5,100,000	3.500% to 4.875% Fixed Rate	\$ 3,975,000.00	\$ 1,496,414.00
TMBF Loan - 2008, \$634,328	Variable Rate	<u>\$ 516,108.00</u>	<u>\$ 19,552.35</u>
Total Principal Due		\$ 4,491,108.00	\$ 1,515,966.35

Schedule D-3
City of Clarksville
Direct and Overlapping Debt
As of June 30, 2008

Direct and Overlapping⁽¹⁾ Debt-Including Self-Supporting Debt

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental Unit			
City of Clarksville			
Debt repaid with property taxes (direct debt) ⁽²⁾	\$ 46,789,658	100.000%	\$ 46,789,658
Montgomery County			
Debt repaid with property taxes, (overlapping debt) ⁽³⁾	\$ 301,630,987	73.098%	<u>\$ 220,485,588</u>
Total direct and overlapping debt			<u>\$ 267,275,246</u>
Tax Year 2007 Assessed Values For Assessed Properties ⁽³⁾			
City of Clarksville			
			\$ 1,771,253,828
Montgomery County			
			<u>\$ 2,423,129,085</u>
Percent of Locally Assessed Property Within City			<u>73.10%</u>

Source: City of Clarksville's Department of Finance and Revenue and Montgomery County Accounts and Budget.

Notes:

⁽¹⁾Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Clarksville. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽²⁾ Amount shown includes self-supporting debt for which there is an underlying promise to pay by the general government from ad valorem taxes (Series 2002 "General Improvement Revenue and Tax Debt" to be repaid by the E911 District and Parking Authority to be repaid by the Authority from Parking Revenues).

⁽³⁾ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total assessed values.

⁽⁴⁾ Outstanding debt at June 30, 2008 for Montgomery County obtained from Montgomery County's Accounts and Budgets Department.

⁽⁵⁾ Local assessed property is all taxable property within the City of Clarksville and Montgomery County that is locally assessed by the Montgomery County Tax Assessor, there are other properties assessed by the State of Tennessee, generally utilities, truck lines and other common carriers. Adjustments are made throughout the year, however we have chosen to use as the basis for allocation the information contained in the 2007 Tax Aggregate Report of Tennessee found on the Comptroller's website at <http://www.comptroller.state.tn.us/pa/2007TaxAggregate.pdf>

Schedule D-3
City of Clarksville
Direct and Overlapping Debt
As of June 30, 2008

Direct and Overlapping⁽¹⁾ Debt-Including Self-Supporting Debt

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Governmental Unit			
City of Clarksville			
Debt repaid with property taxes (direct debt) ⁽²⁾	\$ 42,814,658	100.000%	\$ 42,814,658
Montgomery County			
Debt repaid with property taxes, (overlapping debt) ⁽³⁾⁽⁴⁾	\$ 301,630,987	73.098%	\$ 220,485,588
Total direct and overlapping debt			<u>\$ 263,300,246</u>
Tax Year 2007 Assessed Values For Assessed Properties ⁽⁵⁾			
City of Clarksville			\$ 1,771,253,828
Montgomery County			<u>\$ 2,423,129,085</u>
Percent of Locally Assessed Property Within City			73.10%

Source: City of Clarksville's Department of Finance and Revenue and Montgomery County Accounts and Budget.

Notes:

⁽¹⁾Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Clarksville. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽²⁾ Amount shown **DOES NOT** include self-supporting debt for which there is an underlying promise to pay by the general government from ad valorem taxes (Series 2002 "General Improvement Revenue and Tax Debt" to be repaid by the E911 District and Parking Authority to be repaid by the Authority from Parking Revenues).

⁽³⁾ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is when the city's boundaries and dividing it by each unit's total assessed values.

⁽⁴⁾ Outstanding debt at June 30, 2008 for Montgomery County obtained from Montgomery County's Accounts and Budgets Department.

⁽⁵⁾ Local assessed property is all taxable property within the City of Clarksville and Montgomery County that is locally assessed by the Montgomery County Tax Assessor, there are other properties assessed by the State of Tennessee, generally utilities, truck lines and other common carriers. Adjustments are made throughout the year, however we have chosen to use as the basis for allocation the information contained in the 2007 Tax Aggregate Report of Tennessee found on the Comptroller's website at <http://www.comptroller.state.tn.us/pa/2007TaxAggregate.pdf>

Schedule D-4
City of Clarksville
Legal Debt Margin

The City of Clarksville does not have a legal debt margin. Neither the Official Code of the City of Clarksville nor the Tennessee Code Annotated have established legal debt margins or debt limits.

Source: City of Clarksville's Department of Finance and Revenue

Schedule D-5
City of Clarksville
Pledged Revenue Coverage
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Electric Department-Electric Division					
Utility service charges	\$ 65,596,400	\$ 66,438,400	\$ 71,016,300	\$ 71,637,000	\$ 76,255,300
Less: operating expenses	<u>62,464,900</u>	<u>63,611,900</u>	<u>68,133,200</u>	<u>65,404,217</u>	<u>71,180,200</u>
Net available revenues	<u>3,131,500</u>	<u>2,826,500</u>	<u>2,883,100</u>	<u>6,232,783</u>	<u>5,075,100</u>
Debt service					
Principal	1,930,900	2,162,200	1,515,900	1,510,600	1,295,900
Interest	<u>678,600</u>	<u>554,100</u>	<u>482,900</u>	<u>487,200</u>	<u>444,900</u>
Total debt service	<u>2,609,500</u>	<u>2,716,300</u>	<u>1,998,800</u>	<u>1,997,800</u>	<u>1,740,800</u>
Coverage ⁽¹⁾	<u>1.20</u>	<u>1.04</u>	<u>1.44</u>	<u>3.12</u>	<u>2.92</u>
Electric Department - Telecommunications Division					
Utility service charges	\$ -	\$ -	\$ -	\$ -	\$ -
Less: operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net available revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Coverage ⁽¹⁾	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Gas Department					
Utility service charges	\$ 16,860,382	\$ 16,002,362	\$ 30,515,813	\$ 23,899,108	\$ 29,479,666
Less: operating expenses	<u>15,211,975</u>	<u>15,740,027</u>	<u>30,357,488</u>	<u>22,319,584</u>	<u>26,422,107</u>
Net available revenues	<u>1,648,407</u>	<u>262,335</u>	<u>158,325</u>	<u>1,579,524</u>	<u>3,057,559</u>
Debt service					
Principal	51,232	54,981	8,267,406	3,176,067	246,425
Interest	<u>699,028</u>	<u>724,030</u>	<u>650,158</u>	<u>923,853</u>	<u>896,586</u>
Total debt service	<u>750,260</u>	<u>779,011</u>	<u>8,917,564</u>	<u>4,099,920</u>	<u>1,143,011</u>
Coverage ⁽¹⁾	<u>2.20</u>	<u>0.34</u>	<u>0.02</u>	<u>0.39</u>	<u>2.68</u>
Water and Sewer					
Utility service charges	\$ 19,601,534	\$ 21,474,744	\$ 22,437,647	\$ 23,428,321	\$ 25,010,232
Less: operating expenses	<u>13,766,869</u>	<u>15,655,716</u>	<u>16,795,689</u>	<u>17,212,232</u>	<u>19,042,364</u>
Net available revenues	<u>5,834,665</u>	<u>5,819,028</u>	<u>5,641,958</u>	<u>6,216,089</u>	<u>5,967,868</u>
Debt service					
Principal	2,827,364	2,776,549	12,958,122	19,594,888	3,953,622
Interest	<u>3,528,186</u>	<u>3,390,476</u>	<u>3,227,537</u>	<u>4,928,832</u>	<u>4,758,891</u>
Total debt service	<u>6,355,550</u>	<u>6,167,025</u>	<u>16,185,659</u>	<u>24,523,720</u>	<u>8,712,513</u>
Coverage ⁽¹⁾	<u>0.92</u>	<u>0.94</u>	<u>0.35</u>	<u>0.25</u>	<u>0.68</u>
Parking Authority					
Fee and fines	\$ 259,811	\$ 228,763	\$ 233,979	\$ 305,369	\$ 345,494
Less: operating expenses	<u>259,729</u>	<u>248,195</u>	<u>238,667</u>	<u>243,219</u>	<u>237,408</u>
Net available revenues	<u>82</u>	<u>(19,432)</u>	<u>(4,688)</u>	<u>62,150</u>	<u>108,086</u>
Debt service					
Principal	86,515	89,570	92,730	100,074	99,393
Interest	<u>50,104</u>	<u>52,938</u>	<u>47,933</u>	<u>20,246</u>	<u>27,192</u>
Total debt service	<u>136,619</u>	<u>142,508</u>	<u>140,663</u>	<u>120,320</u>	<u>126,585</u>
Coverage ⁽¹⁾	<u>0.00</u>	<u>-0.14</u>	<u>-0.03</u>	<u>0.52</u>	<u>0.85</u>
Natural Gas Acquisition Corporation					
Utility service charges	\$ 3,044,661	\$ 3,437,649	\$ 3,103,907	\$ 3,294,612	\$ 3,359,126
Less: operating expenses	<u>1,133,117</u>	<u>2,445,975</u>	<u>2,255,964</u>	<u>2,577,537</u>	<u>3,012,152</u>
Net available revenues	<u>1,911,544</u>	<u>991,674</u>	<u>847,943</u>	<u>717,075</u>	<u>346,974</u>
Debt service					
Principal	2,200,000	2,485,000	2,670,000	4,600,000	3,015,000
Interest	<u>1,408,979</u>	<u>1,257,367</u>	<u>1,089,016</u>	<u>884,587</u>	<u>361,745</u>
Total debt service	<u>3,608,979</u>	<u>3,742,367</u>	<u>3,759,016</u>	<u>5,484,587</u>	<u>3,376,745</u>
Coverage ⁽¹⁾	<u>0.53</u>	<u>0.26</u>	<u>0.23</u>	<u>0.13</u>	<u>0.10</u>
All Enterprise Funds					
Fee and fines	\$ 105,362,788	\$ 107,581,918	\$ 127,307,646	\$ 122,564,410	\$ 134,449,818
Less: operating expenses	<u>92,836,590</u>	<u>97,701,813</u>	<u>117,781,008</u>	<u>107,756,789</u>	<u>119,894,231</u>
Net available revenues	<u>12,526,198</u>	<u>9,880,105</u>	<u>9,526,638</u>	<u>14,807,621</u>	<u>14,555,587</u>
Debt service					

Schedule D-5
City of Clarksville
Pledged Revenue Coverage
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Principal	7,096,011	7,568,300	25,504,158	28,981,629	8,610,340
Interest	6,364,897	5,978,911	5,497,544	7,244,718	6,489,314
Total debt service	<u>\$ 13,460,908</u>	<u>\$ 13,547,211</u>	<u>\$ 31,001,702</u>	<u>\$ 36,226,347</u>	<u>\$ 15,099,654</u>
Coverage ⁽¹⁾	<u>0.93</u>	<u>0.73</u>	<u>0.31</u>	<u>0.41</u>	<u>0.96</u>

Source: City of Clarksville's Department of Finance and Revenue.

Note 1: 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.

Schedule D-5
City of Clarksville
Pledged Revenue Coverage
Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Electric Department-Electric Division					
Utility service charges	\$ 79,389,200	\$ 82,317,600	\$ 93,600,900	\$ 103,391,300	\$ 112,591,500
Less: operating expenses	<u>74,848,400</u>	<u>76,957,600</u>	<u>87,065,800</u>	<u>97,229,400</u>	<u>107,032,300</u>
Net available revenues	<u>4,540,800</u>	<u>5,360,000</u>	<u>6,535,100</u>	<u>6,161,900</u>	<u>5,559,200</u>
Debt service					
Principal	5,843,700	2,435,100	1,211,000	2,290,100	682,100
Interest	<u>432,300</u>	<u>528,300</u>	<u>366,000</u>	<u>1,019,600</u>	<u>2,492,700</u>
Total debt service	<u>6,276,000</u>	<u>2,963,400</u>	<u>1,577,000</u>	<u>3,309,700</u>	<u>3,174,800</u>
Coverage ⁽¹⁾	<u>0.72</u>	<u>1.81</u>	<u>4.14</u>	<u>1.86</u>	<u>1.75</u>
Electric Department - Telecommunications Division					
Utility service charges	\$ -	\$ -	\$ -	\$ -	\$ 109,000
Less: operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,300</u>	<u>2,164,900</u>
Net available revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>(342,300)</u>	<u>(2,055,900)</u>
Debt service					
Principal	-	-	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Coverage ⁽¹⁾	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Gas Department					
Utility service charges	\$ 33,649,524	\$ 40,455,372	\$ 55,122,264	\$ 44,446,398	\$ 48,844,550
Less: operating expenses	<u>31,102,059</u>	<u>38,435,897</u>	<u>53,220,210</u>	<u>42,408,207</u>	<u>45,786,140</u>
Net available revenues	<u>2,547,465</u>	<u>2,019,475</u>	<u>1,902,054</u>	<u>2,038,191</u>	<u>3,058,410</u>
Debt service					
Principal	262,152	265,647	269,161	7,434,745	2,521,067
Interest	<u>887,611</u>	<u>877,979</u>	<u>1,094,019</u>	<u>940,587</u>	<u>606,384</u>
Total debt service	<u>1,149,763</u>	<u>1,143,626</u>	<u>1,363,180</u>	<u>8,375,332</u>	<u>3,127,451</u>
Coverage ⁽¹⁾	<u>2.22</u>	<u>1.77</u>	<u>1.40</u>	<u>0.24</u>	<u>0.98</u>
Water and Sewer					
Utility service charges	\$ 27,493,170	\$ 29,811,808	\$ 27,249,005	\$ 35,905,975	\$ 38,192,012
Less: operating expenses	<u>20,793,741</u>	<u>22,405,951</u>	<u>24,003,804</u>	<u>26,337,997</u>	<u>28,238,613</u>
Net available revenues	<u>6,699,429</u>	<u>7,405,857</u>	<u>3,245,201</u>	<u>9,567,978</u>	<u>9,953,399</u>
Debt service					
Principal	1,340,313	4,792,525	4,973,769	29,010,931	7,191,614
Interest	<u>4,755,636</u>	<u>4,808,484</u>	<u>4,690,783</u>	<u>6,887,366</u>	<u>6,907,803</u>
Total debt service	<u>6,095,949</u>	<u>9,601,009</u>	<u>9,664,552</u>	<u>35,898,297</u>	<u>14,099,417</u>
Coverage ⁽¹⁾	<u>1.10</u>	<u>0.77</u>	<u>0.34</u>	<u>0.27</u>	<u>0.71</u>
Parking Authority					
Fee and fines	\$ 339,073	\$ 331,270	\$ 212,877	\$ 429,774	\$ 375,631
Less: operating expenses	<u>273,279</u>	<u>253,964</u>	<u>71,653</u>	<u>70,842</u>	<u>70,463</u>
Net available revenues	<u>65,794</u>	<u>77,306</u>	<u>141,224</u>	<u>358,932</u>	<u>305,168</u>
Debt service					
Principal	102,900	106,535	114,955	128,381	122,393
Interest	<u>21,678</u>	<u>22,613</u>	<u>35,354</u>	<u>36,089</u>	<u>36,089</u>
Total debt service	<u>124,578</u>	<u>129,148</u>	<u>150,309</u>	<u>164,470</u>	<u>158,482</u>
Coverage ⁽¹⁾	<u>0.53</u>	<u>0.60</u>	<u>0.94</u>	<u>2.18</u>	<u>1.93</u>
Natural Gas Acquisition Corporation					
Utility service charges	\$ 4,563,167	\$ 1,329,228	\$ -	\$ 22,974,746	\$ 41,666,101
Less: operating expenses	<u>4,388,425</u>	<u>1,309,649</u>	<u>242</u>	<u>23,103,737</u>	<u>43,027,208</u>
Net available revenues	<u>174,742</u>	<u>19,579</u>	<u>(242)</u>	<u>(128,991)</u>	<u>(1,361,107)</u>
Debt service					
Principal	3,370,000	2,420,000	-	-	8,515,000
Interest	<u>183,319</u>	<u>32,155</u>	<u>-</u>	<u>12,059,656</u>	<u>11,813,375</u>
Total debt service	<u>3,553,319</u>	<u>2,452,155</u>	<u>-</u>	<u>12,059,656</u>	<u>20,328,375</u>
Coverage ⁽¹⁾	<u>0.05</u>	<u>0.01</u>	<u>0.00</u>	<u>-0.01</u>	<u>-0.07</u>
All Enterprise Funds					
Fee and fines	\$ 145,434,134	\$ 154,245,278	\$ 176,185,046	\$ 207,148,193	\$ 241,778,794
Less: operating expenses	<u>131,405,904</u>	<u>139,363,061</u>	<u>164,361,709</u>	<u>189,492,483</u>	<u>226,319,624</u>
Net available revenues	<u>14,028,230</u>	<u>14,882,217</u>	<u>11,823,337</u>	<u>17,655,710</u>	<u>15,459,170</u>
Debt service					

Schedule D-5
City of Clarksville
Pledged Revenue Coverage
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Principal	10,919,065	10,019,807	6,568,885	38,864,157	19,032,174
Interest	6,280,544	6,269,531	6,186,156	20,943,298	21,856,351
Total debt service	<u>\$ 17,199,609</u>	<u>\$ 16,289,338</u>	<u>\$ 12,755,041</u>	<u>\$ 59,807,455</u>	<u>\$ 40,888,525</u>
Coverage ⁽¹⁾	<u>0.82</u>	<u>0.91</u>	<u>0.93</u>	<u>0.30</u>	<u>0.38</u>

Source: City of Clarksville's Department of Finance and Revenue.

Note 1: 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.

Schedule D-6
City of Clarksville
Entity Debt
Schedule of Principal and Interest Due

Years Ending June 30,	Governmental Activities		Business Type Activities		Total All Debt Issues		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2009	6,030,100	1,230,932	22,709,579	21,361,210	28,739,679	22,592,142	51,331,821
2010	5,435,300	1,123,567	22,446,035	20,310,358	27,881,335	21,433,925	49,315,260
2011	5,704,700	1,022,672	21,787,400	19,316,607	27,492,100	20,339,279	47,831,379
2012	5,589,529	916,389	21,051,196	18,351,145	26,640,725	19,267,534	45,908,259
2013	5,695,000	809,470	22,325,016	17,380,625	28,020,016	18,190,095	46,210,111
2014	3,493,000	701,589	23,676,360	16,322,348	27,169,360	17,023,937	44,193,297
2015	3,328,000	616,155	25,242,876	15,183,648	28,570,876	15,799,803	44,370,679
2016	1,689,000	531,245	26,902,636	13,964,435	28,591,636	14,495,680	43,087,316
2017	1,617,020	462,985	28,746,700	12,649,765	30,363,720	13,112,750	43,476,470
2018	1,517,009	393,390	30,448,140	11,250,480	31,965,149	11,643,870	43,609,019
2019	1,539,000	321,593	32,387,028	9,765,505	33,926,028	10,087,098	44,013,126
2020	1,620,000	244,829	34,358,484	8,221,013	35,978,484	8,465,842	44,444,326
2021	1,717,000	163,781	36,587,532	6,559,098	38,304,532	6,722,879	45,027,411
2022	1,815,000	77,164	40,299,292	4,764,189	42,114,292	4,841,353	46,955,645
2023	-	-	15,569,939	3,506,749	15,569,939	3,506,749	19,076,688
2024	-	-	16,031,162	2,923,826	16,031,162	2,923,826	18,954,988
2025	-	-	16,000,000	2,328,996	16,000,000	2,328,996	18,328,996
2026	-	-	4,090,000	1,720,742	4,090,000	1,720,742	5,810,742
2027	-	-	4,285,000	1,521,925	4,285,000	1,521,925	5,806,925
2028	-	-	4,495,000	1,311,700	4,495,000	1,311,700	5,806,700
2029	-	-	4,715,000	1,091,025	4,715,000	1,091,025	5,806,025
2030	-	-	4,950,000	859,500	4,950,000	859,500	5,809,500
2031	-	-	5,195,000	616,500	5,195,000	616,500	5,811,500
2032	-	-	5,450,000	361,400	5,450,000	361,400	5,811,400
2033	-	-	3,750,000	93,800	3,750,000	93,800	3,843,800
Total	\$ 46,789,658	\$ 8,615,760	\$ 473,499,375	\$ 211,736,588	\$ 520,289,033	\$ 220,352,348	\$ 740,641,381

Source: City of Clarksville's Department of Finance and Revenue.

Schedule D-6 (A)
City of Clarksville
General Government
Schedule of Principal and Interest

Fiscal Year Ending June 30,	TMBF Loan - 1994, \$4,000,000 Loan Closed 09/21/1994 General Government		TMBF Loan - 1996, \$1,500,000 Loan Closed 05/31/1996 General Government		TMBF Loan - 1998, \$16,457,000 Loan Closed 10/09/1998 General Government		TMBF Loan - 2000, \$18,025,000 Loan Closed 07/20/2000 General Government	
	Interest Rate 1.240%		Interest Rate 1.240%		Interest Rate 1.240%		Interest Rate 1.240%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 393,800	\$ 4,476	\$ 127,300	\$ 4,869	\$ 1,302,000	\$ 87,897	\$ 1,294,000	\$ 129,309
2010	-	-	134,300	3,284	1,368,000	71,684	1,359,000	113,197
2011	-	-	141,700	1,611	1,436,000	54,651	1,427,000	96,275
2012	-	-	-	-	1,508,000	36,770	1,498,000	78,506
2013	-	-	-	-	1,583,000	17,993	1,573,000	59,854
2014	-	-	-	-	-	-	1,651,000	40,268
2015	-	-	-	-	-	-	1,734,000	19,710
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
Totals	\$ 393,800	\$ 4,476	\$ 403,300	\$ 9,764	\$ 7,197,000	\$ 268,996	\$ 10,536,000	\$ 537,118

Source: City of Clarksville's Department of Finance and Revenue.

Schedule D-6 (A)
City of Clarksville
General Government
Schedule of Principal and Interest

Fiscal Year Ending June 30,	TMBF Loan - 2001, \$13,795,000 Loan Closed 02/22/2001 General Government		TMBF Loan - 2001, \$4,976,000 Loan Closed 06/28/2002 General Government		TMBF Loan - 2001, \$2,836,000 ⁽¹⁾ Loan Closed 11/29/2006 General Government		TMBF Loan - 2007, \$4,000,000 Loan Closed 10/02/2007 General Government	
	Interest Rate 1.220%		Interest Rate 1.540%		Interest Rate 1.540%		Interest Rate 1.540%	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 900,000	\$ 63,623	\$ 202,000	\$ 60,648	\$ 148,000	\$ 25,898	\$ 90,000	\$ 13,514
2010	945,000	52,597	212,000	57,524	155,000	23,610	94,000	12,123
2011	990,000	41,023	223,000	54,245	163,000	21,212	99,000	10,669
2012	1,040,000	28,894	234,000	50,797	171,000	18,692	104,000	9,138
2013	1,095,000	16,150	245,000	47,179	180,000	16,047	109,000	7,530
2014	320,000	3,579	258,000	43,390	189,000	13,263	115,000	5,843
2015	-	-	270,000	39,401	198,000	10,341	121,000	4,065
2016	-	-	284,000	35,225	208,000	7,279	127,000	2,194
2017	-	-	298,000	30,833	218,000	4,063	26,020	367
2018	-	-	313,000	26,225	64,009	904	-	-
2019	-	-	329,000	21,384	-	-	-	-
2020	-	-	345,000	16,297	-	-	-	-
2021	-	-	362,000	10,962	-	-	-	-
2022	-	-	380,000	5,364	-	-	-	-
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
Totals	\$ 5,290,000	\$ 205,865	\$ 3,955,000	\$ 499,475	\$ 1,694,009	\$ 141,309	\$ 885,020	\$ 65,441

Source: City of

Schedule D-6 (A)
City of Clarksville
General Government
Schedule of Principal and Interest

Fiscal Year Ending June 30,	TMBF Loan - 2007, \$16,047,000 Loan Closed 12/27/2007 General Government		1976 FmHA Industrial Park (\$800,000) Closed 07/1976 General Government		2002 Series, \$6,750,000 Closed 04/02/2002 General Government		2002 Series, \$5,100,000 Closed 07/09/2002 General Government (E911 District)	
	Interest Rate 1.540%		Interest Rate Fixed Rate		Interest Rate Fixed Rate		Interest Rate Fixed Rate	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 373,000	\$ 20,088	\$ 30,000	\$ 14,250	\$ 255,000	\$ 369,118	\$ 215,000	\$ 175,505
2010	388,000	14,325	35,000	12,625	270,000	353,180	225,000	167,443
2011	405,000	8,328	35,000	10,875	290,000	336,305	230,000	158,893
2012	169,529	2,393	35,000	9,125	310,000	318,035	240,000	149,693
2013	-	-	40,000	7,250	325,000	298,195	250,000	140,093
2014	-	-	40,000	5,250	350,000	277,070	260,000	129,780
2015	-	-	40,000	3,250	370,000	254,320	270,000	118,830
2016	-	-	45,000	1,125	395,000	229,900	285,000	107,250
2017	-	-	-	-	420,000	203,731	295,000	94,710
2018	-	-	-	-	450,000	175,906	310,000	81,435
2019	-	-	-	-	480,000	146,094	325,000	67,175
2020	-	-	-	-	510,000	113,094	340,000	51,738
2021	-	-	-	-	550,000	78,031	355,000	35,588
2022	-	-	-	-	585,000	40,219	375,000	18,281
2023	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
Totals	\$ 1,335,529	\$ 45,135	\$ 300,000	\$ 63,750	\$ 5,560,000	\$ 3,193,198	\$ 3,975,000	\$ 1,496,414

Source: City of

Schedule D-6 (A)
City of Clarksville
General Government
Schedule of Principal and Interest

Fiscal Year Ending June 30,	2003 Series, \$2,180,000 Closed 10/01/2003 General Government		2006 Series, \$4,990,000 Closed 08/30/2006 General Government		Total Debt General Government		Self -Supporting Debt Paid by E911 District 2002 Series, \$5,100,000		Net Total Debt General Government	
	Interest Rate	Fixed Rate	Interest Rate	Fixed Rate	Principal	Interest	Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 460,000	\$ 6,900	\$ 240,000	\$ 254,836	\$ 6,030,100	\$ 1,230,932	\$ (215,000)	\$ (175,505)	\$ 5,815,100	\$ 1,055,427
2010	-	-	250,000	241,976	5,435,300	1,123,567	(225,000)	(167,443)	5,210,300	956,124
2011	-	-	265,000	228,586	5,704,700	1,022,672	(230,000)	(158,893)	5,474,700	863,779
2012	-	-	280,000	214,346	5,589,529	916,389	(240,000)	(149,693)	5,349,529	766,696
2013	-	-	295,000	199,179	5,695,000	809,470	(250,000)	(140,093)	5,445,000	669,377
2014	-	-	310,000	183,146	3,493,000	701,589	(260,000)	(129,780)	3,233,000	571,809
2015	-	-	325,000	166,238	3,328,000	616,155	(270,000)	(118,830)	3,058,000	497,325
2016	-	-	345,000	148,272	1,689,000	531,245	(285,000)	(107,250)	1,404,000	423,995
2017	-	-	360,000	129,280	1,617,020	462,985	(295,000)	(94,710)	1,322,020	368,275
2018	-	-	380,000	108,920	1,517,009	393,390	(310,000)	(81,435)	1,207,009	311,955
2019	-	-	405,000	86,940	1,539,000	321,593	(325,000)	(67,175)	1,214,000	254,418
2020	-	-	425,000	63,700	1,620,000	244,829	(340,000)	(51,738)	1,280,000	193,091
2021	-	-	450,000	39,200	1,717,000	163,781	(355,000)	(35,588)	1,362,000	128,193
2022	-	-	475,000	13,300	1,815,000	77,164	(375,000)	(18,281)	1,440,000	58,883
2023	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-
Totals	\$ 460,000	\$ 6,900	\$ 4,805,000	\$ 2,077,919	\$ 46,789,658	\$ 8,615,760	\$ (3,975,000)	\$ (1,496,414)	\$ 42,814,658	\$ 7,119,346

Source: City of

Schedule D-6 (B)
City of Clarksville
Business-Type Activities
Schedule of Principal and Interest

Fiscal Year Ending June 30,	TMBF Loan - 2008 ⁽¹⁾ , \$634,328 Loan Closed 04/02/2008 General Government (Parking Authority) Estimated Interest Rate 1.540%		Gas Water and Sewer Series 2001 Bonds		Gas Water and Sewer Series 2002 Bonds		Gas Water and Sewer Series 2004 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2009	\$ 122,393	\$ 7,791	\$ 1,235,000	\$ 1,046,868	\$ 1,250,000	\$ 771,700	\$ 500,000
2010	126,713	5,901	1,275,000	995,008	1,305,000	717,900	525,000	1,518,075
2011	131,185	3,943	1,325,000	940,208	1,360,000	659,900	550,000	1,499,910
2012	135,817	1,917	635,000	881,908	1,425,000	596,600	575,000	1,480,880
2013	-	-	940,000	852,988	1,495,000	528,200	600,000	1,460,985
2014	-	-	980,000	809,285	1,570,000	453,500	625,000	1,440,225
2015	-	-	1,020,000	762,710	1,645,000	372,600	650,000	1,418,600
2016	-	-	1,440,000	713,300	1,735,000	287,100	700,000	1,396,110
2017	-	-	590,000	641,300	1,830,000	196,900	725,000	1,371,890
2018	-	-	635,000	611,750	1,920,000	100,800	750,000	1,346,805
2019	-	-	2,480,000	580,050	-	-	800,000	1,320,855
2020	-	-	2,605,000	456,050	-	-	825,000	1,293,175
2021	-	-	2,735,000	325,800	-	-	850,000	1,264,630
2022	-	-	3,780,000	189,000	-	-	900,000	1,235,220
2023	-	-	-	-	-	-	11,100,000	1,204,080
2024	-	-	-	-	-	-	11,600,000	820,020
2025	-	-	-	-	-	-	12,100,000	418,660
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
Totals	\$ 516,108	\$ 19,552	\$ 21,675,000	\$ 9,806,225	\$ 15,535,000	\$ 4,685,200	\$ 44,375,000	\$ 22,025,495

Source: City of Clarksville's Department of Finance and Revenue.

Schedule D-6 (B)
City of Clarksville
Business-Type Activities
Schedule of Principal and Interest

Fiscal Year Ending June 30,	Gas Water and Sewer Series 2007 Bonds		Gas Water and Sewer SRF 88-003 1992 Other Debt		Gas Water and Sewer State EPA Loan Other Debt		Gas Water and Sewer 1994 TML Other Debt		Gas Water and Sewer SRF97-1042004 Other Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2009	\$ 740,000	\$ 2,756,000	\$ 830,208	\$ 107,300	\$ 58,544	\$ (5,200)	\$ 588,000	\$ 172,992	\$ 1,628,808
2010	780,000	2,720,800	861,456	76,100	41,283	(4,200)	629,000	153,000	1,681,980	840,900
2011	820,000	2,681,800	893,868	43,600	-	-	673,000	131,614	1,736,868	786,000
2012	1,820,000	2,640,800	692,448	10,700	-	-	720,000	108,732	1,793,556	729,300
2013	2,320,000	2,549,800	-	-	-	-	771,000	84,252	1,852,104	670,800
2014	2,420,000	2,433,800	-	-	-	-	825,000	58,038	1,912,548	610,300
2015	2,545,000	2,312,800	-	-	-	-	882,000	29,988	1,974,972	547,900
2016	3,220,000	2,185,550	-	-	-	-	-	-	2,039,436	483,500
2017	4,295,000	2,024,550	-	-	-	-	-	-	2,106,000	416,900
2018	4,505,000	1,809,800	-	-	-	-	-	-	2,174,736	348,200
2019	4,935,000	1,584,550	-	-	-	-	-	-	2,245,704	277,200
2020	5,145,000	1,374,813	-	-	-	-	-	-	2,319,012	203,900
2021	5,370,000	1,149,718	-	-	-	-	-	-	2,394,696	128,200
2022	4,780,000	908,069	-	-	-	-	-	-	2,472,852	50,000
2023	1,270,000	692,969	-	-	-	-	-	-	209,655	600
2024	1,325,000	637,406	-	-	-	-	-	-	-	-
2025	1,385,000	579,436	-	-	-	-	-	-	-	-
2026	1,445,000	518,842	-	-	-	-	-	-	-	-
2027	1,505,000	455,625	-	-	-	-	-	-	-	-
2028	1,575,000	387,900	-	-	-	-	-	-	-	-
2029	1,645,000	317,025	-	-	-	-	-	-	-	-
2030	1,720,000	243,000	-	-	-	-	-	-	-	-
2031	1,800,000	165,600	-	-	-	-	-	-	-	-
2032	1,880,000	84,600	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-
Totals	\$ 59,245,000	\$ 33,215,252	\$ 3,277,980	\$ 237,700	\$ 99,827	\$ (9,400)	\$ 5,088,000	\$ 738,616	\$ 28,542,927	\$ 6,987,800

Source: City of

Schedule D-6 (B)
City of Clarksville
Business-Type Activities
Schedule of Principal and Interest

Fiscal Year Ending June 30,	Gas Water and Sewer DWF 01-044 Other Debt		Gas Water and Sewer TMBF2005 Other Debt		Gas Water and Sewer Total Gas, Water, and Sewer Bonded and Other Debt			Department of Electricity Series 2007 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Total	Principal	Interest
	2009	\$ 221,124	\$ 117,500	\$ 157,895	\$ 35,000	\$ 7,209,579	\$ 7,431,635	\$ 14,641,214	\$ 575,000
2010	227,316	111,300	-	-	7,326,035	7,128,883	14,454,918	575,000	194,800
2011	233,664	105,000	-	-	7,592,400	6,848,032	14,440,432	600,000	177,900
2012	240,192	98,400	-	-	7,901,196	6,547,320	14,448,516	615,000	158,900
2013	246,912	91,700	-	-	8,225,016	6,238,725	14,463,741	270,000	144,900
2014	253,812	84,800	-	-	8,586,360	5,889,948	14,476,308	280,000	136,400
2015	260,904	77,700	-	-	8,977,876	5,522,298	14,500,174	290,000	127,400
2016	268,200	70,400	-	-	9,402,636	5,135,960	14,538,596	295,000	117,700
2017	275,700	62,900	-	-	9,821,700	4,714,440	14,536,140	310,000	107,200
2018	283,404	55,200	-	-	10,268,140	4,272,555	14,540,695	320,000	96,000
2019	291,324	47,300	-	-	10,752,028	3,809,955	14,561,983	335,000	84,000
2020	299,472	39,200	-	-	11,193,484	3,367,138	14,560,622	345,000	70,800
2021	307,836	30,800	-	-	11,657,532	2,899,148	14,556,680	360,000	56,700
2022	316,440	22,200	-	-	12,249,292	2,404,489	14,653,781	375,000	51,700
2023	325,284	13,300	-	-	12,904,939	1,910,949	14,815,888	390,000	25,700
2024	306,162	4,200	-	-	13,231,162	1,461,626	14,692,788	410,000	8,700
2025	-	-	-	-	13,485,000	998,096	14,483,096	-	-
2026	-	-	-	-	1,445,000	518,842	1,963,842	-	-
2027	-	-	-	-	1,505,000	455,625	1,960,625	-	-
2028	-	-	-	-	1,575,000	387,900	1,962,900	-	-
2029	-	-	-	-	1,645,000	317,025	1,962,025	-	-
2030	-	-	-	-	1,720,000	243,000	1,963,000	-	-
2031	-	-	-	-	1,800,000	165,600	1,965,600	-	-
2032	-	-	-	-	1,880,000	84,600	1,964,600	-	-
2033	-	-	-	-	-	-	-	-	-
Totals	\$ 4,357,746	\$ 1,031,900	\$ 157,895	\$ 35,000	\$ 182,354,375	\$ 78,753,788	\$ 261,108,163	\$ 6,345,000	\$ 1,768,700

Source: City of

Schedule D-6 (B)
City of Clarksville
Business-Type Activities
Schedule of Principal and Interest

Fiscal Year Ending June 30,	Department of Electricity		Department of Electricity			Parking Authority		
	Series 2007 Bonds		Total Debt			TMBF Loan - 2008 ⁽¹⁾ , \$634,328 Loan Closed 04/02/2008 Interest Rate 1.540%		
	Principal	Interest	Principal	Interest	Total	Principal	Interest	Total
2009	\$ -	\$ 2,492,300	\$ 575,000	\$ 2,702,200	\$ 3,277,200	\$ 122,393	\$ 7,791	\$ 130,184
2010	750,000	2,477,300	1,325,000	2,672,100	3,997,100	126,713	5,901	132,614
2011	750,000	2,447,300	1,350,000	2,625,200	3,975,200	131,185	3,943	135,128
2012	750,000	2,417,300	1,365,000	2,576,200	3,941,200	135,817	1,917	137,734
2013	1,470,000	2,373,000	1,740,000	2,517,900	4,257,900	-	-	-
2014	1,530,000	2,313,000	1,810,000	2,449,400	4,259,400	-	-	-
2015	1,605,000	2,242,200	1,895,000	2,369,600	4,264,600	-	-	-
2016	1,680,000	2,166,400	1,975,000	2,284,100	4,259,100	-	-	-
2017	1,750,000	2,093,500	2,060,000	2,200,700	4,260,700	-	-	-
2018	1,825,000	2,019,800	2,145,000	2,115,800	4,260,800	-	-	-
2019	1,900,000	1,945,300	2,235,000	2,029,300	4,264,300	-	-	-
2020	1,985,000	1,862,700	2,330,000	1,933,500	4,263,500	-	-	-
2021	2,080,000	1,766,000	2,440,000	1,822,700	4,262,700	-	-	-
2022	2,175,000	1,670,500	2,550,000	1,722,200	4,272,200	-	-	-
2023	2,275,000	1,570,100	2,665,000	1,595,800	4,260,800	-	-	-
2024	2,390,000	1,453,500	2,800,000	1,462,200	4,262,200	-	-	-
2025	2,515,000	1,330,900	2,515,000	1,330,900	3,845,900	-	-	-
2026	2,645,000	1,201,900	2,645,000	1,201,900	3,846,900	-	-	-
2027	2,780,000	1,066,300	2,780,000	1,066,300	3,846,300	-	-	-
2028	2,920,000	923,800	2,920,000	923,800	3,843,800	-	-	-
2029	3,070,000	774,000	3,070,000	774,000	3,844,000	-	-	-
2030	3,230,000	616,500	3,230,000	616,500	3,846,500	-	-	-
2031	3,395,000	450,900	3,395,000	450,900	3,845,900	-	-	-
2032	3,570,000	276,800	3,570,000	276,800	3,846,800	-	-	-
2033	3,750,000	93,800	3,750,000	93,800	3,843,800	-	-	-
Totals	\$ 52,790,000	\$ 40,045,100	\$ 59,135,000	\$ 41,813,800	\$ 100,948,800	516,108	19,552	\$ 535,660

Source: City of

Schedule D-6 (B)
City of Clarksville
Business-Type Activities
Schedule of Principal and Interest

Fiscal Year Ending June 30,	NGAC			Business Type Activities		
	Series 2004 Gas Revenue Bonds			All Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	14,925,000	11,227,375	\$ 26,152,375	22,709,579	21,361,210	\$ 44,070,789
2010	13,795,000	10,509,375	24,304,375	22,446,035	20,310,358	\$ 42,756,393
2011	12,845,000	9,843,375	22,688,375	21,787,400	19,316,607	\$ 41,104,007
2012	11,785,000	9,227,625	21,012,625	21,051,196	18,351,145	\$ 39,402,341
2013	12,360,000	8,624,000	20,984,000	22,325,016	17,380,625	\$ 39,705,641
2014	13,280,000	7,983,000	21,263,000	23,676,360	16,322,348	\$ 39,998,708
2015	14,370,000	7,291,750	21,661,750	25,242,876	15,183,648	\$ 40,426,524
2016	15,525,000	6,544,375	22,069,375	26,902,636	13,964,435	\$ 40,867,071
2017	16,865,000	5,734,625	22,599,625	28,746,700	12,649,765	\$ 41,396,465
2018	18,035,000	4,862,125	22,897,125	30,448,140	11,250,480	\$ 41,698,620
2019	19,400,000	3,926,250	23,326,250	32,387,028	9,765,505	\$ 42,152,533
2020	20,835,000	2,920,375	23,755,375	34,358,484	8,221,013	\$ 42,579,497
2021	22,490,000	1,837,250	24,327,250	36,587,532	6,559,098	\$ 43,146,630
2022	25,500,000	637,500	26,137,500	40,299,292	4,764,189	\$ 45,063,481
2023	-	-	-	15,569,939	3,506,749	\$ 19,076,688
2024	-	-	-	16,031,162	2,923,826	\$ 18,954,988
2025	-	-	-	16,000,000	2,328,996	\$ 18,328,996
2026	-	-	-	4,090,000	1,720,742	\$ 5,810,742
2027	-	-	-	4,285,000	1,521,925	\$ 5,806,925
2028	-	-	-	4,495,000	1,311,700	\$ 5,806,700
2029	-	-	-	4,715,000	1,091,025	\$ 5,806,025
2030	-	-	-	4,950,000	859,500	\$ 5,809,500
2031	-	-	-	5,195,000	616,500	\$ 5,811,500
2032	-	-	-	5,450,000	361,400	\$ 5,811,400
2033	-	-	-	3,750,000	93,800	\$ 3,843,800
Totals	\$ 232,010,000	\$ 91,169,000	\$ 323,179,000	\$ 473,499,375	\$ 211,736,588	\$ 685,235,963

Source: City of

Schedule D-6 (C)
City of Clarksville
Customs House Museum and Parking Authority
Component Unit Loan and Interfund Loan
Schedule of Debt Service (Principal and Interest)

Years Ending June 30,	Customs House Museum		Parking Authority		Total Component Unit and Interfund Loans		
	Component Unit Loan From Gen. Govt		Interfund Loan From General Government		Principal	Interest	Total
	Principal	Interest	Principal	Interest			
2009	14,794	6,997	5,535	4,465	20,329	11,462	31,791
2010	15,280	6,512	5,862	4,138	21,142	10,650	31,792
2011	15,781	6,011	6,208	3,792	21,989	9,803	31,792
2012	16,298	5,493	6,574	3,426	22,872	8,919	31,791
2013	16,833	4,959	6,963	3,038	23,796	7,997	31,792
2014	17,385	4,407	7,374	2,626	24,759	7,033	31,792
2015	17,955	3,836	7,809	2,191	25,764	6,027	31,791
2016	18,544	3,247	8,270	1,730	26,814	4,977	31,791
2017	19,152	2,639	8,758	1,242	27,910	3,881	31,791
2018	19,781	2,011	12,275	725	32,056	2,736	34,792
2019	20,429	1,362	-	-	20,429	1,362	21,791
2020	21,100	692	-	-	21,100	692	21,792
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-
Total	\$ 213,332	\$ 48,166	\$ 75,627	\$ 27,373	\$ 288,959	\$ 75,539	\$ 364,498

Source: City of Clarksville's Department of Finance and Revenue.

Schedule E-1
City of Clarksville
Demographic and Economic Statistics
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Population ⁽²⁾	99,049	103,455	104,050	104,836	106,359	108,395	113,284	113,873	119,284	122,069
Personal income (in millions) ⁽¹⁾	\$ 2,970	\$ 3,245	\$ 3,377	\$ 3,567	\$ 3,820	\$ 4,060	\$ 4,729	\$ 5,215	\$ 5,643	\$ 6,105
Per capita income ⁽¹⁾	\$ 23,260	\$ 24,233	\$ 25,248	\$ 26,304	\$ 27,405	\$ 28,552	\$ 29,747	\$ 30,992	\$ 32,289	\$ 35,232
Unemployment rate ⁽³⁾	3.10%	3.80%	4.50%	5.20%	5.10%	4.80%	4.90%	4.80%	4.10%	6.90%

Sources: ⁽¹⁾ Reported and estimated personal income and per capita income City of Clarksville's Department of Finance and Revenue, FY 1993 through 2003 obtained from the Center for Business and Economic Research, University of Tennessee and the Bureau of Economic Analysis, an agency of the U.S. Department of Commerce, estimates for 2004 through 2007 based on an estimated average annual growth rate of 6.5497% and 4.1849% respectively. 2008 Per Capita Income: Clarksville-Montgomery County Chamber of Commerce ⁽²⁾ Estimated population obtained from the Center for Business and Economic Research, University of Tennessee and Tennessee Advisory Commission on Intergovernmental Relations for the years 2000 through 2025 and the City's calculated average annual growth rate of 2.042% to achieve these estimates. ⁽³⁾ Unemployment Rates: Tennessee Department of Labor and Workforce July 2008.

Schedule E-2
City of Clarksville
Principal Employers
FY 2005 Through FY 2008

		<u>2005</u>		
<u>Rank</u>	<u>Employer</u>	<u>Range of Employees</u>	<u>Percent of Labor Force</u>	<u>Industry</u>
1	Department of Defense (Fort Campbell)	3,933	6.10%	Department of Defense
2	Clarksville-Montgomery County School System	2,900	4.50%	Education
3	Trane Commercial Systems	1,400	2.17%	AC, Refrigeration, & Forced Air Heating
4	Convergys Corp	1,400	2.17%	Telemarketing Bureaus
5	Gateway Health System	1,200	1.86%	Health Care
6	City Of Clarksville	1,095	1.70%	Local government
7	Quebecor Printing	1,000	1.55%	Periodical Publishers
8	Montgomery County	850	1.32%	Local government
9	Austin Peay State University	732	1.14%	Education
10	Jostens Printing & Publishing	600	0.93%	Printing
11	Robert Bosch Corp	500	0.78%	New Motor Vehicle Part Merchant Whsle
12	Wal-Mart	379	0.59%	Department Stores, ex. Discount
13	Bridgestone Metalpha	355	0.55%	Automotive
14	Premier Medical Group	350	0.54%	Health Care
15	Hendrickson Trailer Suspension Systems	320	0.50%	Automotive
16	Precision Printing	302	0.47%	Printing
17	Florim USA	287	0.45%	Ceramic & Procelin Tile
18	Zinifex Limited	242	0.38%	Zinc, Sulfuric Acid, and Cadmium
19	Progressive Directions	215	0.33%	Non-Profit Organization
20	Cumberland Electric Membership	215	0.33%	Electric Utility
	Total Civilian Work Force	<u>18,275</u>	<u>28.34%</u>	
	Civilian Labor Force	<u>64,480</u>	<u>100.00%</u>	
	U.S. Military	<u>26,500</u>		

Source: Clarksville-Montgomery County Economic Development Council; Tennessee Department of Labor and Workforce Development; Division of Employment Security R & S and the City of Clarksville's Department of Finance and Revenue.

Schedule E-2
City of Clarksville
Principal Employers
FY 2005 Through FY 2008

Rank	Employer	<u>2006</u>		Industry
		Approximate No. of Employees	Percent of Labor Force	
1	Department of Defense (Fort Campbell)	4,388	6.46%	Department of Defense
2	Clarksville-Montgomery County School System	2,167	3.19%	Education
3	Convergys Corp	1,400	2.06%	Telemarketing Bureaus
4	Trane Commercial Systems	1,200	1.77%	AC, Refrigeration, & Forced Air Heating
5	Gateway Health System	1,200	1.77%	Health Care
6	City Of Clarksville	1,069	1.57%	Local government
7	Montgomery County	850	1.25%	Local government
8	Quebecor Printing	800	1.18%	Periodical Publishers
9	Austin Peay State University	732	1.08%	Education
10	Jostens Printing & Publishing	550	0.81%	Printing
11	Robert Bosch Corp	550	0.81%	New Motor Vehicle Part Merchant Whsle
12	Bridgestone Metalpha	400	0.59%	Automotive
13	Wal-Mart	379	0.56%	Department Stores, ex. Discount
14	Premier Medical Group	340	0.50%	Health Care
15	Precision Printing	300	0.44%	Printing
16	Florim USA	287	0.42%	Ceramic & Procelin Tile
17	Hendrickson Trailer Suspension Systems	250	0.37%	Automotive
18	Zinifex Limited	250	0.37%	Zinc, Sulfuric Acid, and Cadmium
19	Progressive Directions	215	0.32%	Non-Profit Organization
20	Cumberland Electric Membership	215	0.32%	Electric Utility
	Total Civilian Work Force	<u>17,542</u>	<u>25.83%</u>	
	Civilian Labor Force	<u>67,920</u>	<u>100.00%</u>	
	U.S. Military	<u>30,334</u>		

Source: Clarksville-Montgomery County Economic Development Council; Tennessee Department of Labor and Workforce Development; Division of Employment Security R & S and the City of Clarksville's Department of Finance and Revenue.

Schedule E-2
City of Clarksville
Principal Employers
FY 2005 Through FY 2008

Rank	Employer	<u>2007</u>		Industry
		Range of Employees	Percent of Labor Force	
1	Department of Defense (Fort Campbell)	4,388	6.43%	Department of Defense
2	Clarksville-Montgomery County School System	3,700	5.42%	Education
3	Trane Commercial Systems	1,700	2.49%	AC, Refrigeration, & Forced Air Heating
4	Convergys Corp	1,400	2.05%	Telemarketing Bureaus
5	Gateway Health System	1,200	1.76%	Health Care
6	Wal-Mart	1,100	1.61%	Department Stores, ex. Discount
7	City Of Clarksville	1,095	1.60%	Local government
8	Quebecor Printing	1,000	1.47%	Periodical Publishers
9	Montgomery County	850	1.25%	Local government
10	Austin Peay State University	732	1.07%	Education
11	Jostens Printing & Publishing	600	0.88%	Printing
12	Robert Bosch Corp	500	0.73%	New Motor Vehicle Part Merchant Whsle
13	Bridgestone Metalpha	400	0.59%	Automotive
14	Premier Medical Group	350	0.51%	Health Care
15	Hendrickson Trailer Suspension Systems	320	0.47%	Automotive
16	Precision Printing	302	0.44%	Printing
17	Florim USA	287	0.42%	Ceramic & Procelin Tile
18	Zinifex Limited	242	0.35%	Zinc, Sulfuric Acid, and Cadmium
19	Progressive Directions	215	0.32%	Non-Profit Organization
20	Cumberland Electric Membership	<u>215</u>	<u>0.32%</u>	Electric Utility
	Total Civilian Work Force	<u>20,596</u>	<u>30.18%</u>	
	Civilian Labor Force	<u>68,240</u>	<u>100.00%</u>	
		<u>30,334</u>		

U.S. Military

NOTE: Principal employers for years prior to 2005 was not available. Military personnel are disclosed because of the significance of the number of personnel assigned to Fort Campbell, KY, a portion of which is within the City of Clarksville.

Source of Information: City of Clarksville's Department of Finance and Revenue; The Clarksville Leaf Chronicle "2006-2007 Fact Book" and Clarksville-Montgomery County Economic Development Council.

Schedule E-2
City of Clarksville
Principal Employers
FY 2005 Through FY 2008

Rank	Employer	<u>2008</u>		Industry
		Range of Employees	Percent of Labor Force	
1	Department of Defense (Fort Campbell)	4,355	6.2%	Department of Defense
2	Clarksville-Montgomery County School System	3,900	5.5%	Education
3	Convergys Corp	1,400	2.0%	Telemarketing Bureaus
4	Trane Commercial Systems	1,200	1.7%	AC, Refrigeration, & Forced Air Heating
5	Gateway Health System	1,200	1.7%	Health Care
6	Wal-Mart	1,100	1.6%	Department Stores, ex. Discount
7	City Of Clarksville	989	1.4%	Local government
8	Montgomery County	850	1.2%	Local government
9	Quebecor Printing	800	1.1%	Periodical Publishers
10	Austin Peay State University	732	1.0%	Education
11	Jostens Printing & Publishing	550	0.8%	Printing
12	Robert Bosch Corp	550	0.8%	New Motor Vehicle Part Merchant Whse
13	Bridgestone Metalpha	400	0.6%	Automotive
14	Premier Medical Group	350	0.5%	Health Care
15	Precision Printing	302	0.4%	Printing
16	Florim USA	287	0.4%	Ceramic & Procelin Tile
17	Hendrickson Trailer Suspension Systems	250	0.4%	Automotive
18	Zinifex Limited	250	0.4%	Zinc, Sulfuric Acid, and Cadmium
19	Progressive Directions	215	0.3%	Non-Profit Organization
20	Cumberland Electric Membership	215	0.3%	Electric Utility
	Total Civilian Work Force	<u>19,895</u>	<u>28.30%</u>	
	Civilian Labor Force	<u>70,290</u>	<u>100.00%</u>	
	U.S. Military	<u>30,865</u>		

NOTE: Principal employers for years prior to 2005 was not available. Military personnel are disclosed because of the significance of the number of personnel assigned to Fort Campbell, KY, a portion of which is within the City of Clarksville.

Source of Information: City of Clarksville's Department of Finance and Revenue; TN Department of Economic and Community Development, and Clarksville Economic Development Council.

Schedule F-1
City of Clarksville
Full-time Employees at June 30
For the Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	82	86	91	72	77	75	75	79	67	75
Public Safety										
Police Department	229	233	234	246	245	275	288	292	292	301
Fire Department	174	175	180	183	182	180	182	183	200	197
Total Public Safety	403	408	414	429	427	455	470	475	492	498
Street Department	91	85	83	116	77	78	75	79	82	83
Recreation	36	36	43	25	46	47	44	44	50	50
Governmental Activities	612	615	631	642	627	655	664	677	691	706
Transit	29	36	34	45	36	48	48	49	52	52
Department of Electricity	0	0	0	0	0	0	0	89	90	0
Gas and Water	206	209	227	237	258	262	258	254	246	245
Other	4	4	4	3	0	0	0	0	0	0
Business-Type Activities	239	249	265	285	294	310	306	392	388	297
Total Employees of Primary Government	851	864	896	927	921	965	970	1069	1079	1003

Source: City of Clarksville's Department of Finance and Revenue.

⁽¹⁾ Full-time employees at June 30. This is the actual number of full-time employees on payroll at June 30. This number was used for several reasons: (1) it is readily available, (2) depending upon the department the number of FTE's will vary depending upon the month, for example recreation in June and July will have a large number of part-time employees, whereas the number of full-time employees on payroll remains relative stable, and (3) these are persons for which compensation and employee benefits are actually paid, this is not a budgeted amount.

Schedule F-2
City Clarksville
Operating Indicators by Function
For Last Seven Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>Fiscal Year</u> <u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities							
Actual/estimated population ⁽¹⁾	104,836	106,359	108,395	113,284	113,873	119,284	122,069
Building permits issued ⁽²⁾	968	955	1,585	1,673	1,362	1,733	926
Inspections during the period	9,381	10,080	11,538	16,513	14,526	16,017	12,413
Number of taxable parcels to be serviced ⁽³⁾	39,879	40,343	41,176	42,078	43,362	44,957	46,985
Public Safety							
Fire							
Land area	96	96	96	96	96	98	98
Calls for service ⁽⁴⁾	5,102	4,866	5,312	5,811	6,443	7,002	6,353
Structure fires ⁽⁵⁾	344	100	120	88	75	173	96
ISO rating ⁽⁶⁾	3	3	3	3	3	3	3
Police							
Street miles ⁽⁷⁾	638	638	638	638	638	830	830
TIBRS A & B crimes ⁽⁸⁾	18,609	13,658	13,416	12,408	12,559	15,752	15,940
Dispatched calls ⁽⁹⁾	64,075	147,147	143,769	128,147	74,020	155,656	152,562
Traffic accidents	4,910	3,564	2,526	6,548	2,684	3,149	3,311
Highways and streets							
Percent of streets rated fair or better	97%	93%	87%	84%	82%	80%	78%
Parks and recreation⁽¹⁰⁾							
Summer program (June-July)	44,904	43,271	44,667	32,381	33,775	35,371	35,319
USDS summer lunch program- number served (June-July)	23,770	18,795	21,715	20,930	23,455	25,530	22,625
Pool attendance (May-Aug)	75,524	65,975	66,591	66,215	68,712	65,056	53,410
Business-type activities							
Electric department							
Total customers	44,939	46,794	49,280	51,549	52,383	55,656	56,303
Kilowatt hours sold	1,134,359,653	1,209,471,838	1,207,142,027	1,229,505,650	1,303,604,836	1,359,542,966	1,418,033,403
Gas department							
Total customers	17,157	17,921	18,611	19,758	20,523	21,343	21,871
Cubic feet sold	4,101,326	4,493,795	4,335,374	4,265,189	4,374,062	4,534,150	4,657,894
Water department							
Total customers	41,431	41,812	44,232	46,579	47,167	51,066	51,035
Gallons sold	3,599,743	3,567,655	3,496,700	3,687,935	3,837,213	4,522,239	4,262,070
Transit System							
Number of riders	565,110	598,021	631,474	646,905	671,005	662,917	727,757

Source: City of Clarksville's Department of Finance and Revenue.

Schedule F-3
City of Clarksville
Capital Asset Statistics by Program
Current Years and Years Indicated

	<u>Fiscal Year</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
General government				
Number of buildings	119	119	119	122
Number of vehicles	134	134	149	150
Public Safety				
Fire				
Fire stations	10	10	10	10
Fire apparatus and vehicles	43	43	47	51
Police				
Number of precincts	3	3	3	3
Number of vehicles	303	303	354	315
Highways and streets				
Miles of streets	543	543	560	572
Recreation				
Acres of parks	429.5	429.5	429.5	430
Number of parks	22	22	22	22
Number of community centers	3	3	3	3
Number of pools	7	7	7	7
Number of soccer fields	12	12	12	12
Number of lighted softball fields	10	10	10	10
Number of lighted tennis courts	9	9	9	9
Business-type activities - Were not available for FY 2005, anticipate having one or more measures in FY 2006				
Electric department				
Number of substations	n/a	5	6	10
Number of miles of transmission lines	n/a	20	20	20
Gas department				
Miles of transmission/distribution pipes	n/a	704	758	859
Water department				
Water pumping stations	n/a	8	10	6
Water treatment plants	n/a	1	1	1
Miles of water lines	n/a	841	944	970
Sewer department				
Miles of sewer lines	n/a	731	781	781
No. of Sewer Lift Stations	n/a	208	217	219
Transit system				
Number of buses (fixed route)	n/a	18	18	18
Number of buses (demand)	n/a	9	10	10
Parking authority				
Number of parking garages	n/a	2	2	2

Source: City of Clarksville's Department of Finance and Revenue.

Schedule G-1
City of Clarksville
Statistical Data -Electric Department
FY 1999 Through FY 2008

Description	1999	2000	2001	2002	2003
Number of customers					
Residential	37,081	37,929	38,973	39,943	40,638
Commercial	4,322	4,509	4,685	4,848	4,979
Industrial	614	645	656	650	677
Public lighting	455	464	480	498	500
Total customers	42,472	43,547	44,794	45,939	46,794
Security lights	5,081	5,187	5,296	5,271	5,202
Number of kilowatt-hours					
Sales	1,068,610,782	1,085,286,358	1,153,119,690	1,134,359,653	1,209,471,838
Loss	36,568,367	39,722,857	50,643,613	32,375,431	53,925,733
Purchased for own use	2,815,310	1,392,557	1,392,553	1,420,421	1,231,174
Purchased kilowatt hours	1,107,994,459	1,126,401,772	1,205,155,856	1,168,155,505	1,264,628,745
Percent of loss	3.30%	3.53%	4.20%	2.77%	4.26%
Residential rates					
Customer charge	\$ 4.67	\$ 4.67	\$ 6.50	\$ 6.50	\$ 6.50
Energy charge, cents per kilowatt hour (KWH)	5.7415	5.7415	5.7515	5.7415	5.7415
Commercial Rates - customers not exceeding 50 KW or 15,000 KWH					
Customer charge	\$ 8.20	\$ 8.20	\$ 12.00	\$ 12.00	\$ 12.00
Energy charge, cents per KWH	6.3530	6.3530	6.3530	6.3530	6.3530
Commercial rates - customers exceeding 50KW up to 1,000 KW or 15,000 KWH					
Customer charge	\$ 25.00	\$ 25.00	\$ 75.00	\$ 75.00	\$ 75.00
Demand charge					
0- 50 KW, per KW	\$ -	\$ -	\$ -	\$ -	\$ -
51 - 1,000 KW, per KW	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Energy charge					
0 - 15,000 KW, cents per KWH	6.353	6.353	6.353	6.353	6.353
Additional KWH, cents per KWH	3.221	3.331	3.221	3.221	3.221
Commercial rates - customers exceeding 1,000 KW Up To 5,000 KW					
Customer charge	\$ 25.00	\$ 25.00	\$ 150.00	\$ 150.00	\$ 150.00
Demand charge					
0 - 1,000 KW, per KW	\$ 8.98	\$ 8.98	\$ 8.98	\$ 8.98	\$ 8.98
1,001 - 5,000 KW, per KW	\$ 9.70	\$ 9.70	\$ 9.70	\$ 9.70	\$ 9.70
Energy charge, cents per KWH	3.289	3.289	3.289	3.289	3.289
Commercial rates - customers exceeding 5,001 KW Up To 15,000 KW					
Customer charge	\$ -	\$ -	\$ -	\$ -	\$ -
Demand charge	\$ -	\$ -	\$ -	\$ -	\$ -
Energy charge 0-620 HUD, cents per KWH	0.000	0.000	0.000	0.000	0.000
Additional KWH, cents per KWH	0.000	0.000	0.000	0.000	0.000
Manufacturing service rates-customers not exceeding 5,000 KWH					
Customer charge	\$ -	\$ -	\$ -	\$ -	\$ -
Demand charge, all KWH	\$ -	\$ -	\$ -	\$ -	\$ -
Energy charge 0-621 HUD, cents per KWH	-	-	-	-	-
Additional KWH, cents per KWH	-	-	-	-	-
Manufacturing service rates-customers 5,001 KWH up to 15,000 KWH					
Customer charge	\$ -	\$ -	\$ -	\$ -	\$ -
Demand charge, all KWH	\$ -	\$ -	\$ -	\$ -	\$ -
Energy charge 0-621 HUD, cents per KWH	-	-	-	-	-
Additional KWH, cents per KWH	-	-	-	-	-
Outdoor lighting					
Customer charge	\$ 3.15	\$ 3.15	\$ 3.15	\$ 3.15	\$ 3.15

Schedule G-1
City of Clarksville
Statistical Data -Electric Department
FY 1999 Through FY 2008

Description	1999	2000	2001	2002	2003
Energy charge, cents per KWH	4.378	4.378	4.378	4.378	4.378
Security lights					
Energy charge, cents per KWH	4.378	4.378	4.378	4.378	4.378

Source: City of Clarksville's Department of Finance and Revenue.

Schedule G-1
City of Clarksville
Statistical Data -Electric Department
FY 1999 Through FY 2008

Description	2004	2005	2006	2007	2008
Number of customers					
Residential	42,877	44,900	45,606	48,629	49,219
Commercial	5,243	5,479	5,570	5,779	5,827
Industrial	660	660	699	734	734
Public lighting	500	510	508	547	523
Total customers	49,280	51,549	52,383	55,689	56,303
Security lights	5,151	5,151	5,220	5,215	5,240
Number of kilowatt-hours					
Sales	1,207,142,027	1,229,505,650	1,303,604,836	1,359,542,966	1,418,033,403
Loss	49,007,442	41,496,005	42,836,953	53,362,972	57,750,708
Purchased for own use	1,605,915	1,661,580	1,835,462	1,412,258	2,114,512
Purchased kilowatt hours	1,257,755,384	1,272,663,235	1,348,277,251	1,414,318,196	1,477,898,623
Percent of loss	3.90%	3.26%	3.18%	3.77%	3.91%
Residential rates					
Customer charge	\$ 7.27	\$ 7.27	\$ 8.00	\$ 8.00	\$ 10.00
Energy charge, cents per kilowatt hour (KWH)	6.0360	6.0360	7.0680	6.8770	7.7760
Commercial Rates - customers not exceeding 50 KW or 15,000 KWH					
Customer charge	\$ 12.00	\$ 12.00	\$ 14.00	\$ 14.00	\$ 14.00
Energy charge, cents per KWH	6.7640	6.7640	7.9380	7.7070	8.8560
Commercial rates - customers exceeding 50KW up to 1,000 KW or 15,000 KWH					
Customer charge	\$ 75.00	\$ 75.00	\$ 75.90	\$ 75.90	\$ 75.90
Demand charge					
0- 50 KW, per KW	\$ -	\$ -	\$ -	\$ -	\$ -
51 - 1,000 KW, per KW	\$ 9.97	\$ 9.97	\$ 11.58	\$ 11.15	\$ 11.79
Energy charge					
0 - 15,000 KW, cents per KWH	6.764	6.764	7.938	7.707	8.856
Additional KWH, cents per KWH	3.453	3.453	4.112	4.018	4.957
Commercial rates - customers exceeding 1,000 KW Up To 5,000 KW					
Customer charge	\$ 150.00	\$ 150.00	\$ 151.80	\$ 151.80	\$ 151.80
Demand charge					
0 - 1,000 KW, per KW	\$ 9.65	\$ 9.65	\$ 11.33	\$ 10.87	\$ 11.55
1,001 - 5,000 KW, per KW	\$ 10.74	\$ 10.74	\$ 12.74	\$ 12.20	\$ 13.01
Energy charge, cents per KWH	3.521	3.521	4.180	4.086	5.025
Commercial rates - customers exceeding 5,001 KW Up To 15,000 KW					
Customer charge	\$ -	\$ -	\$ -	\$ 1,500.00	\$ 1,500.00
Demand charge	\$ -	\$ -	\$ -	\$ 12.95	\$ 13.78
Energy charge 0-620 HUD, cents per KWH	0.000	0.000	0.000	3.514	4.234
Additional KWH, cents per KWH	0.000	0.000	0.000	2.883	3.559
Manufacturing service rates-customers not exceeding 5,000 KWH					
Customer charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Demand charge, all KWH	\$ 10.01	\$ 10.01	\$ 11.65	\$ 11.18	\$ 11.89
Energy charge 0-621 HUD, cents per KWH	2.584	2.584	3.055	3.005	3.689
Additional KWH, cents per KWH	2.108	2.108	2.492	2.466	3.113
Manufacturing service rates-customers 5,001 KWH up to 15,000 KWH					
Customer charge	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Demand charge, all KWH	\$ 9.51	\$ 9.51	\$ 11.06	\$ 10.61	\$ 11.28
Energy charge 0-621 HUD, cents per KWH	2.454	2.454	2.901	2.858	3.531
Additional KWH, cents per KWH	2.003	2.003	2.368	2.349	2.988
Outdoor lighting					
Customer charge	\$ 3.15	\$ 3.15	\$ 3.15	\$ 3.15	\$ 3.15

Schedule G-1
City of Clarksville
Statistical Data -Electric Department
FY 1999 Through FY 2008

Description	2004	2005	2006	2007	2008
Energy charge, cents per KWH	4.615	4.615	5.242	5.147	5.904
Security lights					
Energy charge, cents per KWH	4.615	4.615	5.242	5.147	5.904

Source: City of Clarksville's Department of Finance and R

Schedule G-2
City of Clarksville
Statistical Data - Gas Department
FY 1999 Through FY 2008

Description	1999		2000		2001		2002	
Residential customers (inside city)								
First 300 cubic feet	\$	2.500	\$	2.500	\$	3.610	\$	4.500
Next 1,700 cubic feet, per 1,000	\$	5.018	\$	5.018	\$	7.198		
Next 3,000 cubic feet, per 1,000	\$	4.676	\$	4.676	\$	6.708		
Next 3,700 cubic feet, per 1,000							\$	5.697
All over 4,000 cubic feet, per 1,000								
Next 5,000 cubic feet, per 1,000	\$	4.505	\$	4.505	\$	6.462	\$	5.356
All over 10,000 cubic feet, per 1,000	\$	4.448	\$	4.448	\$	6.381		
First 300 cubic feet								
Next 3,700 cubic feet, per 1,000								
Next 4,000 cubic feet, per 1,000								
Minimum bill	\$	2.500	\$	2.500	\$	3.610	\$	4.500
Connection charge	\$	25.000	\$	25.000	\$	25.000	\$	25.000
Residential customers (outside city)								
First 300 cubic feet	\$	2.750	\$	2.750	\$	3.960	\$	4.800
Next 1,700 cubic feet, per 1,000	\$	5.752	\$	2.752	\$	8.251		
Next 3,000 cubic feet, per 1,000	\$	5.410	\$	5.410	\$	7.760		
Next 3,700 cubic feet, per 1,000							\$	6.530
All over 4,000 cubic feet, per 1,000							\$	6.140
Next 5,000 cubic feet, per 1,000	\$	5.239	\$	5.239	\$	7.515		
All over 10,000 cubic feet, per 1,000	\$	5.188	\$	5.188	\$	7.433		
First 300 cubic feet								
Next 3,700 cubic feet, per 1,000								
Next 4,000 cubic feet, per 1,000								
Minimum bill	\$	2.750	\$	2.750	\$	3.960	\$	4.800
Connection charge	\$	25.000	\$	25.000	\$	25.000	\$	25.000
General commercial and industrial (inside city)	<u>June -</u> <u>October</u>	<u>November -</u> <u>May</u>						
First 500 cubic feet	\$ 3.750	\$ 3.750	\$ 3.750	\$ 3.750	\$ 5.390	\$ 5.390		
Next 4,500 cubic feet, per 1,000	\$ 5.934	\$ 6.276	\$ 6.276	\$ 6.276	\$ 8.511	\$ 9.001		
Next 15,000 cubic feet, per 1,000	\$ 5.022	\$ 5.307	\$ 5.307	\$ 5.307	\$ 7.203	\$ 7.612		
Next 80,000 cubic feet, per 1,000	\$ 4.680	\$ 4.965	\$ 4.965	\$ 4.965	\$ 6.712	\$ 7.121		
Next 200,000 cubic feet, per 1,000	\$ 4.566	\$ 4.737	\$ 4.737	\$ 4.737	\$ 6.549	\$ 6.794		
Over 300,000 cubic feet, per 1,000	\$ 4.452	\$ 4.623	\$ 4.623	\$ 4.623	\$ 6.385	\$ 6.630		
First 500 cubic feet							\$	6.750
Next 19,500 cubic feet, per 1,000							\$	6.515
Next 180,000 cubic feet, per 1,000							\$	5.691
Over 200,000 cubic feet, per 1,000							\$	5.478
Minimum bill	\$ 3.750		\$ 3.750		\$ 5.390		\$	6.750
Connection charge	\$ 25.000		\$ 25.000		\$ 25.000		\$	25.000
General commercial and industrial (outside city)	<u>June -</u> <u>October</u>	<u>November -</u> <u>May</u>						
First 500 cubic feet	\$ 4.120	\$ 4.120	\$ 4.120	\$ 4.120	\$ 5.910	\$ 5.910		
Next 4,500 cubic feet, per 1,000	\$ 6.667	\$ 7.009	\$ 7.009	\$ 7.009	\$ 9.563	\$ 10.054		
Next 15,000 cubic feet, per 1,000	\$ 5.755	\$ 6.043	\$ 6.040	\$ 6.040	\$ 8.255	\$ 8.696		
Next 80,000 cubic feet, per 1,000	\$ 4.412	\$ 5.698	\$ 5.698	\$ 5.698	\$ 7.763	\$ 8.174		
Next 200,000 cubic feet, per 1,000	\$ 5.299	\$ 5.470	\$ 5.470	\$ 5.470	\$ 7.601	\$ 7.847		
Over 300,000 cubic feet, per 1,000	\$ 5.185	\$ 5.356	\$ 5.356	\$ 5.356	\$ 7.438	\$ 7.683		
First 500 cubic feet							<u>June - October</u>	<u>November - May</u>
Next 19,500 cubic feet, per 1,000							\$	7.321
Next 180,000 cubic feet, per 1,000							\$	6.395
Over 200,000 cubic feet, per 1,000							\$	6.156
Minimum bill	\$ 4.120	\$ 4.120	\$ 4.120	\$ 4.120	\$ 5.910		\$	7.400
Connection charge	\$ 25.000	\$ 25.000	\$ 25.000	\$ 25.000	\$ 25.000		\$	25.000
Large commercial and industrial (inside city)	<u>June -</u> <u>October</u>	<u>November -</u> <u>May</u>						
First 10,400 cubic feet, per 1,000	\$ 45.000	\$ 45.000	\$ 45.000	\$ 45.000	\$ 64.550	\$ 64.550		
Next 29,600 cubic feet, per 1,000	\$ 4.767	\$ 4.767	\$ 4.767	\$ 4.767	\$ 6.837	\$ 6.837		

Schedule G-2
City of Clarksville
Statistical Data - Gas Department
FY 1999 Through FY 2008

Description	1999		2000		2001		2002	
Next 60,000 cubic feet, per 1,000	\$ 4.137	\$ 4.137	\$ 4.140	\$ 4.140	\$ 5.938	\$ 5.938		
Next 100,000 cubic feet, per 1,000	\$ 4.026	\$ 4.026	\$ 4.026	\$ 4.026	\$ 5.774	\$ 5.774		
All over 200,000 cubic feet, per 1,000	\$ 3.969	\$ 3.969	\$ 3.969	\$ 3.969	\$ 5.692	\$ 5.692		
First 10,400 cubic feet, per 1,000							\$ 75.000	\$ 75.000
Next 49,600 cubic feet, per 1,000							\$ 5.158	\$ 5.158
Next 60,000 cubic feet, per 1,000							\$ 4.906	\$ 4.906
Minimum bill	\$ 45.000	\$ 45.000	\$ 45.000	\$ 45.000	\$ 64.550	\$ 64.550	\$ 75.000	\$ 75.000
Connection charge								
Large commercial and Industrial (outside city)	<u>June -</u> <u>October</u>	<u>November -</u> <u>May</u>						
First 8,800 cubic feet, per 1,000	\$ 49.500	\$ 49.500	\$ 49.500	\$ 49.500	\$ 70.800	\$ 70.800		
Next 31,200 cubic feet, per 1,000	\$ 5.500	\$ 5.500	\$ 5.500	\$ 5.500	\$ 7.890	\$ 7.890		
Next 60,000 cubic feet, per 1,000	\$ 4.873	\$ 4.873	\$ 4.873	\$ 4.873	\$ 6.986	\$ 6.986		
Next 100,000 cubic feet, per 1,000	\$ 4.759	\$ 4.759	\$ 4.759	\$ 4.759	\$ 6.827	\$ 6.827		
All over 200,000 cubic feet, per 1,000	\$ 4.702	\$ 4.702	\$ 4.702	\$ 4.702	\$ 6.745	\$ 6.745		
First 10,400 cubic feet, per 1,000							\$ 83.500	\$ 83.500
Next 49,600 cubic feet, per 1,000							\$ 5.751	\$ 5.751
Next 60,000 cubic feet, per 1,000							\$ 5.471	\$ 5.471
Minimum bill	\$ 49.500	\$ 49.500	\$ 49.500	\$ 49.500	\$ 70.800	\$ 70.800	\$ 83.500	\$ 83.500
Consumers:(interruptible consumers)								
Annual contract - all gas consumed at monthly rate								
Minimum bill								
Number of customers								
Residential		12,442		43,352		14,194		14,639
Commercial		2,277		2,374		2,485		2,518
Total customers		14,719		45,726		16,679		17,157
Volume of gas purchased and sold								
Cubic feet purchased (in thousands)		4,185,883		3,978,758		4,617,133		4,196,143
Cubic feet sold (in thousands)		4,167,483		3,714,220		4,530,615		4,101,326
Cubic feet gained (in thousands)		(18,400)		(264,538)		(86,518)		(94,817)
Percentage gained (lost)		-0.440%		-6.649%		-1.874%		-2.260%

Source: City of Clarksville's Department of Public Works

Schedule G-2
City of Clarksville
Statistical Data - Gas Department
FY 1999 Through FY 2008

Description	2003		2004		2005		2006		2007		2008	
Residential customers (inside city)							July-May	June				
First 300 cubic feet	\$	7.020	\$	6.140	\$	7.520			\$	8.140	\$	8.230
Next 1,700 cubic feet, per 1,000												
Next 3,000 cubic feet, per 1,000												
Next 3,700 cubic feet, per 1,000	\$	8.888	\$	7.777	\$	9.527			\$	11.607	\$	11.904
All over 4,000 cubic feet, per 1,000	\$	8.356	\$	7.312	\$	8.957			\$	11.037	\$	11.334
Next 5,000 cubic feet, per 1,000												
All over 10,000 cubic feet, per 1,000												
First 300 cubic feet							\$	7.520	\$	6.620		
Next 3,700 cubic feet, per 1,000							\$	9.526	\$	5.542		
Next 4,000 cubic feet, per 1,000							\$	8.957	\$	5.972		
Minimum bill	\$	7.020	\$	6.140	\$	7.520	\$	7.520	\$	6.620	\$	8.140
Connection charge	\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	35.000
Residential customers (outside city)							July-May	June				
First 300 cubic feet			\$	6.550	\$	8.020			\$	8.640	\$	8.730
Next 1,700 cubic feet, per 1,000												
Next 3,000 cubic feet, per 1,000												
Next 3,700 cubic feet, per 1,000			\$	8.914	\$	10.919			\$	12.999	\$	13.297
All over 4,000 cubic feet, per 1,000			\$	8.380	\$	10.266			\$	12.346	\$	12.643
Next 5,000 cubic feet, per 1,000												
All over 10,000 cubic feet, per 1,000												
First 300 cubic feet	\$	7.490					\$	8.020	\$	7.120		
Next 3,700 cubic feet, per 1,000	\$	10.187					\$	10.919	\$	7.935		
Next 4,000 cubic feet, per 1,000	\$	9.578					\$	10.266	\$	7.281		
Minimum bill	\$	7.490	\$	6.660	\$	8.020	\$	8.020	\$	7.120	\$	8.640
Connection charge	\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	35.000
General commercial and industrial (inside city)	<u>June - October</u>	<u>November - May</u>										
First 500 cubic feet												
Next 4,500 cubic feet, per 1,000												
Next 15,000 cubic feet, per 1,000												
Next 80,000 cubic feet, per 1,000												
Next 200,000 cubic feet, per 1,000												
Over 300,000 cubic feet, per 1,000												
First 500 cubic feet	\$	11.540	\$	11.540	\$	9.210	\$	9.210	\$	11.280	\$	11.280
Next 19,500 cubic feet, per 1,000	\$	11.421	\$	11.421	\$	8.893	\$	9.338	\$	10.894	\$	11.439
Next 180,000 cubic feet, per 1,000	\$	9.976	\$	9.976	\$	7.777	\$	8.157	\$	9.516	\$	9.992
Over 200,000 cubic feet, per 1,000	\$	9.603	\$	9.603	\$	7.478	\$	7.851	\$	9.160	\$	9.618
Minimum bill	\$	11.540	\$	9.210	\$	9.210	\$	11.280	\$	11.250	\$	11.250
Connection charge	\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	25.000
General commercial and industrial (outside city)	<u>June - October</u>	<u>November - May</u>										
First 500 cubic feet												
Next 4,500 cubic feet, per 1,000												
Next 15,000 cubic feet, per 1,000												
Next 80,000 cubic feet, per 1,000												
Next 200,000 cubic feet, per 1,000												
Over 300,000 cubic feet, per 1,000												
First 500 cubic feet	\$	11.540	\$	11.540	\$	10.100	\$	10.100	\$	12.370	\$	12.370
Next 19,500 cubic feet, per 1,000	\$	11.992	\$	11.992	\$	9.993	\$	10.493	\$	12.242	\$	12.854
Next 180,000 cubic feet, per 1,000	\$	10.475	\$	10.475	\$	8.729	\$	9.165	\$	10.693	\$	11.228
Over 200,000 cubic feet, per 1,000	\$	10.083	\$	10.083	\$	8.403	\$	8.823	\$	10.293	\$	10.808
Minimum bill			\$	10.100	\$	10.100	\$	12.370	\$	12.370	\$	13.410
Connection charge			\$	25.000	\$	25.000	\$	25.000	\$	25.000	\$	35.000
Large commercial and industrial (inside city)	<u>June - October</u>	<u>November - May</u>										
First 10,400 cubic feet, per 1,000												
Next 29,600 cubic feet, per 1,000												

Schedule G-2
City of Clarksville
Statistical Data - Gas Department
FY 1999 Through FY 2008

Description	2003		2004		2005		2006		2007		2008	
Next 60,000 cubic feet, per 1,000												
Next 100,000 cubic feet, per 1,000												
All over 200,000 cubic feet, per 1,000												
First 10,400 cubic feet, per 1,000	\$ 117.000	\$ 117.000	\$ 102.380	\$ 102.380	\$ 125.420	\$ 125.420	\$ 125.420	\$ 147.050	\$ 150.140			
Next 49,600 cubic feet, per 1,000	\$ 8.046	\$ 8.046	\$ 7.040	\$ 7.040	\$ 8.625	\$ 8.625	\$ 8.625	\$ 10.705	\$ 11.002			
Next 60,000 cubic feet, per 1,000	\$ 7.654	\$ 7.654	\$ 6.697	\$ 6.697	\$ 8.204	\$ 8.204	\$ 8.204	\$ 10.284	\$ 10.581			
Minimum bill	\$ 117.000	\$ 117.000	\$ 10.100	\$ 10.100	\$ 125.420	\$ 125.420	\$ 125.420	\$ 147.050	\$ 150.140			
Connection charge			\$ 25.000	\$ 25.000								
Large commercial and Industrial (outside city)	<u>June - October</u>	<u>November - May</u>										
First 8,800 cubic feet, per 1,000												
Next 31,200 cubic feet, per 1,000												
Next 60,000 cubic feet, per 1,000												
Next 100,000 cubic feet, per 1,000												
All over 200,000 cubic feet, per 1,000												
First 10,400 cubic feet, per 1,000	\$ 130.260	\$ 130.260	\$ 113.980	\$ 113.980	\$ 139.630	\$ 139.630	\$ 139.630	\$ 161.260	\$ 164.350			
Next 49,600 cubic feet, per 1,000	\$ 8.973	\$ 8.973	\$ 7.850	\$ 7.850	\$ 9.616	\$ 9.616	\$ 9.616	\$ 11.696	\$ 11.994			
Next 60,000 cubic feet, per 1,000	\$ 8.534	\$ 8.534	\$ 7.467	\$ 7.467	\$ 9.148	\$ 9.148	\$ 9.148	\$ 11.228	\$ 11.525			
Minimum bill	\$ 130.260	\$ 130.260	\$ 113.980	\$ 113.980	\$ 139.630	\$ 139.630	\$ 139.630	\$ 161.260	\$ 164.350			
Consumers:(interruptible consumers)												
Annual contract - all gas consumed at monthly rate												
Minimum bill												
Number of customers												
Residential		15,290		15,963		17,066		17,744		18,643		18,978
Commercial		2,631		2,648		2,692		2,779		2,823		2,893
Total customers		17,921		18,611		19,758		20,523		21,466		21,871
Volume of gas purchased and sold												
Cubic feet purchased (in thousands)		4,489,653		4,263,089		4,200,474		4,409,387		4,677,260		4,779,528
Cubic feet sold (in thousands)		4,493,795		4,335,374		4,265,189		4,360,754		4,536,251		4,657,894
Cubic feet gained (in thousands)		4,142		72,285		64,715		(48,633)		(141,009)		(121,634)
Percentage gained (lost)		0.092%		1.696%		1.541%		-1.103%		-3.015%		-2.545%

Source: City of Clarksville's Department

Schedule G-3
City of Clarksville
Statistical Data - Sewer Department
FY 1999 Through FY 2008

Description	1999		2000		2001		2002	
	Inside City	Outside City						
Customers	30,564		31,783		32,328		27,961	
Consumption in gallons per month								
First 2000	\$ 2.790	\$ 7.920	\$ 2.790	\$ 7.920	\$ 2.790	\$ 7.920	\$ 2.430	\$ 6.890
Next 8000	\$ 2.320	\$ 4.650	\$ 2.790	\$ 5.580	\$ 2.790	\$ 5.580	\$ 2.020	\$ 4.040
Next 40,000	\$ 2.320	\$ 4.650	\$ 2.790	\$ 5.580	\$ 2.790	\$ 5.580	\$ 1.800	\$ 3.600
All over 50,000	\$ 2.320	\$ 4.950	\$ 2.790	\$ 5.580	\$ 2.790	\$ 5.580	\$ 1.450	\$ 2.900
City industrial sewer rates (minimum consumption of 300,000 gallons per month)								
Minimum bill per month	\$ 761.810		\$ 761.810		\$ 761.810		\$ 705.890	
Usage (per 1,000 gallons)	\$ 2.539		\$ 2.817		\$ 2.817		\$ 2.353	
Outside city industrial water rates (minimum consumption of 300,000 gallons per month)								
Minimum bill per month		\$ 1,523.610		\$ 1,523.610		\$ 1,523.610		\$ 1,411.780
Consumption in gallons per month								
First 300,000		\$ 5.079		\$ 5.634		\$ 5.634		\$ 4.706
Next 700,000		\$ 4.571		\$ 5.071		\$ 5.071		\$ 4.235
Next 2,000,000		\$ 3.428		\$ 3.803		\$ 3.803		\$ 3.412
All over 3,000,000		\$ 2.793		\$ 3.099		\$ 3.099		\$ 2.588

Source: City of Clarksville's Department of Finance and Revenue.

Schedule G-3
City of Clarksville
Statistical Data - Sewer Department
FY 1999 Through FY 2008

Description	2003		2004		2005		2006	
Customers	34,423		36,412		38,709		39,286	
	<u>Inside City</u>	<u>Outside City</u>						
Consumption in gallons per month								
First 2000	\$ 3.270	\$ 7.920	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.920
Next 8000	\$ 3.270	\$ 6.540	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.920
Next 40,000	\$ 3.270	\$ 6.540	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.920
All over 50,000	\$ 3.270	\$ 6.540	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.920
City industrial sewer rates (minimum consumption of 300,000 gallons per month)								
Minimum bill per month	\$ 1,236.810		\$ 1,390.400		\$ 1,390.400		\$ 1,585.860	
Usage (per 1,000 gallons)	\$ 4.123		\$ 4.630		\$ 4.630		\$ 5.286	
Outside city industrial water rates (minimum consumption of 300,000 gallons per month)								
Minimum bill per month		\$ 2,473.630		\$ 2,777.790		\$ 2,777.790		\$ 2,061.620
Consumption in gallons per month								
First 300,000		\$ 8.245		\$ 9.259		\$ 9.259		\$ 6.872
Next 700,000		\$ 7.421		\$ 8.333		\$ 8.333		\$ 6.343
Next 2,000,000		\$ 5.566		\$ 6.250		\$ 6.250		\$ 5.815
All over 3,000,000		\$ 4.535		\$ 5.093		\$ 5.093		\$ 5.286

Source: City of Clarksville's Department of Finance

Schedule G-3
City of Clarksville
Statistical Data - Sewer Department
FY 1999 Through FY 2008

Description	2007		2008	
Customers	42,722		43,135	
	<u>Inside City</u>	<u>Outside City</u>	<u>Inside City</u>	<u>Outside City</u>
Consumption in gallons per month				
First 2000	\$ 3.540	\$ 7.920	\$ 4.250	\$ 7.920
Next 8000	\$ 3.540	\$ 7.080	\$ 4.250	\$ 7.080
Next 40,000	\$ 3.540	\$ 7.080	\$ 4.250	\$ 7.080
All over 50,000	\$ 3.540	\$ 7.080	\$ 4.250	\$ 7.080
City industrial sewer rates (minimum consumption of 300,000 gallons per month)				
Minimum bill per month	\$ 1,655.860		\$ 2,022.600	
Usage (per 1,000 gallons)	\$ 5.520		\$ 6.742	
Outside city industrial water rates (minimum consumption of 300,000 gallons per month)				
Minimum bill per month		\$ 2,152.610		\$ 2,629.380
Consumption in gallons per month				
First 300,000		\$ 7.175		\$ 8.765
Next 700,000		\$ 6.623		\$ 8.090
Next 2,000,000		\$ 6.071		\$ 7.416
All over 3,000,000		\$ 5.520		\$ 6.742

Source: City of Clarksville's Department of Finan

Schedule G-4
Statistical Data -Water Department
FY 1999 Through FY 2008

Description	1999		2000		2001		2002		2003	
Volume of water pumped and sold										
Total gallons pumped into system (in thousands)	4,690,589		4,772,695		4,626,257		4,453,815		4,325,425	
Total gallons sold (in thousands)	3,747,440		3,786,867		3,820,118		3,599,743		3,567,655	
Total gain (loss)	(943,149)		(985,828)		(806,139)		(854,072)		(757,770)	
Percent gain (loss)	-20.107%		-20.656%		-17.425%		-19.176%		-17.519%	
Customers										
Metered	37,946		39,239		39,731		41,429		41,810	
Other utilities	2		2		2		2		2	
Total	37,948		39,241		39,733		41,431		41,812	
	<u>Inside City</u>	<u>Outside City</u>								
Residential, commercial and small industrial (minimum charges per month)										
Size of Meter										
5/8" to 3/4" meter	\$ 5.580	\$ 15.840	\$ 5.580	\$ 15.840	\$ 5.580	\$ 15.840	\$ 6.040	\$ 15.840	\$ 7.080	\$ 15.840
1" meter	\$ 9.020	\$ 18.440	\$ 9.020	\$ 18.440	\$ 9.020	\$ 18.440	\$ 9.660	\$ 23.090	\$ 11.330	\$ 24.340
1 1/2" meter	\$ 18.160	\$ 36.320	\$ 18.160	\$ 36.320	\$ 18.160	\$ 36.320	\$ 19.630	\$ 43.020	\$ 23.010	\$ 47.700
2" meter	\$ 36.330	\$ 72.660	\$ 36.330	\$ 72.660	\$ 36.330	\$ 72.660	\$ 39.260	\$ 82.280	\$ 46.020	\$ 93.730
3" meter	\$ 90.830	\$ 181.660	\$ 90.830	\$ 181.660	\$ 90.830	\$ 181.660	\$ 98.150	\$ 200.060	\$ 115.050	\$ 231.780
4" meter	\$ 145.330	\$ 290.660	\$ 145.330	\$ 290.660	\$ 145.330	\$ 290.660	\$ 157.040	\$ 317.840	\$ 184.080	\$ 369.840
6" meter	n/a	n/a	n/a	n/a	n/a	n/a	\$ 294.750	\$ 593.260	\$ 345.500	\$ 692.690
Consumption in gallons per month										
First 2000	\$ 2.790	\$ 7.920	\$ 2.790	\$ 7.920	\$ 2.790	\$ 7.920	\$ 3.020	\$ 7.930	\$ 3.270	\$ 7.920
Next 8000	n/a	n/a								
Next 40,000	n/a	n/a								
All over 50,000	n/a	n/a								
All over 2,000 gallons	\$ 2.320	\$ 4.650	\$ 2.320	\$ 5.580	\$ 2.790	\$ 5.580	\$ 3.020	\$ 6.040	\$ 3.270	\$ 6.540
City industrial water rates (minimum consumption of 300,000 gallons per month)										
Minimum bill per month	\$ 413.820		\$ 413.820		\$ 413.820		\$ 552.830		\$ 620.120	
Consumption (per 1,000 gallons)	\$ 1.379		\$ 1.603		\$ 1.600		\$ 1.843		\$ 2.067	
Outside city industrial water rates (minimum consumption of 300,000 gallons per month)										
Minimum bill per month	\$ 827.650		\$ 827.650		\$ 827.650		\$ 1,105.650		\$ 620.120	
Consumption in gallons per month										
First 300,000	\$ 2.759		\$ 3.001		\$ 3.201		\$ 3.686		\$ 4.134	
Next 700,000	\$ 2.483		\$ 2.881		\$ 2.881		\$ 3.317		\$ 3.721	
Next 2,000,000	\$ 1.862		\$ 2.160		\$ 2.160		\$ 2.488		\$ 2.791	
All over 3,000,000	\$ 1.517		\$ 1.760		\$ 1.760		\$ 2.027		\$ 2.274	

Source: City of Clarksville's Department of Finance and Revenue.

Schedule G-4
Statistical Data -Water Department
FY 1999 Through FY 2008

Description	2004		2005		2006		2007		2008	
Volume of water pumped and sold										
Total gallons pumped into system (in thousands)	4,434,106		4,588,319		4,869,098		5,099,538		5,443,805	
Total gallons sold (in thousands)	3,496,700		3,687,935		3,837,215		4,031,774		4,262,070	
Total gain (loss)	(937,406)		(900,384)		(1,031,883)		(1,067,764)		(1,181,735)	
Percent gain (loss)	-21.141%		-19.623%		-21.192%		-20.938%		-21.708%	
Customers										
Metered	44,230		46,577		47,165		50,826		51,033	
Other utilities	2		2		2		2		2	
Total	44,232		46,579		47,167		50,828		51,035	
	<u>Inside City</u>	<u>Outside City</u>								
Residential, commercial and small industrial (minimum charges per month)										
Size of Meter										
5/8" to 3/4" meter	\$ 7.080	\$ 15.840	\$ 7.080	\$ 15.840	\$ 7.080	\$ 15.840	\$ 7.080	\$ 15.840	\$ 7.080	\$ 15.840
1" meter	\$ 11.330	\$ 24.340	\$ 11.330	\$ 24.340	\$ 11.330	\$ 24.340	\$ 11.330	\$ 24.340	\$ 11.330	\$ 24.340
1 1/2" meter	\$ 23.010	\$ 47.700	\$ 23.010	\$ 47.700	\$ 23.010	\$ 47.700	\$ 23.010	\$ 47.700	\$ 23.010	\$ 47.700
2" meter	\$ 46.020	\$ 93.720	\$ 46.020	\$ 93.720	\$ 46.020	\$ 93.720	\$ 46.020	\$ 93.720	\$ 46.020	\$ 93.720
3" meter	\$ 115.050	\$ 231.780	\$ 115.050	\$ 231.780	\$ 115.050	\$ 231.780	\$ 115.050	\$ 231.780	\$ 115.050	\$ 231.780
4" meter	\$ 184.080	\$ 369.840	\$ 184.080	\$ 369.840	\$ 184.080	\$ 369.840	\$ 184.080	\$ 369.840	\$ 184.080	\$ 369.840
6" meter	\$ 345.500	\$ 692.690	\$ 345.500	\$ 692.690	\$ 345.500	\$ 692.690	\$ 345.500	\$ 692.690	\$ 345.500	\$ 692.690
Consumption in gallons per month										
First 2000	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.920	\$ 3.540	\$ 7.020	\$ 3.540	\$ 7.920
Next 8000	n/a	n/a								
Next 40,000	n/a	n/a								
All over 50,000	n/a	n/a								
All over 2,000 gallons	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.080	\$ 3.540	\$ 7.080
City industrial water rates (minimum consumption of 300,000 gallons per month)										
Minimum bill per month	\$ 683.390		\$ 751.570		\$ 679.240		\$ 751.570		\$ 776.670	
Consumption (per 1,000 gallons)	\$ 2.278		\$ 2.505		\$ 2.264		\$ 2.505		\$ 2.589	
Outside city industrial water rates (minimum consumption of 300,000 gallons per month)										
Minimum bill per month	\$ 1,366.790		\$ 977.040		\$ 883.010		\$ 977.040		\$ 1,009.650	
Consumption in gallons per month										
First 300,000	\$ 4.556		\$ 3.257		\$ 2.943		\$ 3.257		\$ 3.366	
Next 700,000	\$ 4.100		\$ 3.006		\$ 2.717		\$ 3.006		\$ 3.107	
Next 2,000,000	\$ 3.075		\$ 2.756		\$ 2.491		\$ 2.756		\$ 2.848	
All over 3,000,000	\$ 2.506		\$ 2.505		\$ 2.264		\$ 2.505		\$ 2.589	

Source: City of Clarksville's Department of Finance

Schedule G-5
 Property Taxes Turned Over For Collection
 For Tax Years 1998 Through 2007

Tax Year	Turned Over for Collection - Amount	Balance at 30-Jun-08
1998	132,357	2,567
1999	341,556	12,283
2000	444,270	45,699
2001	521,788	80,191
2002	438,732	73,232
2003	289,781	50,814
2004	435,205	61,045
2005	495,169	154,585
2006	431,727	221,783
2007	95,589	1,066,526
Totals	\$ 3,530,587	\$ 702,200

Source: City of Clarksville's Department of Finance and Revenue.

Delinquent property taxes for real property for the tax year 2006 will be turned over to the tax attorney on or about April 1, 2007.