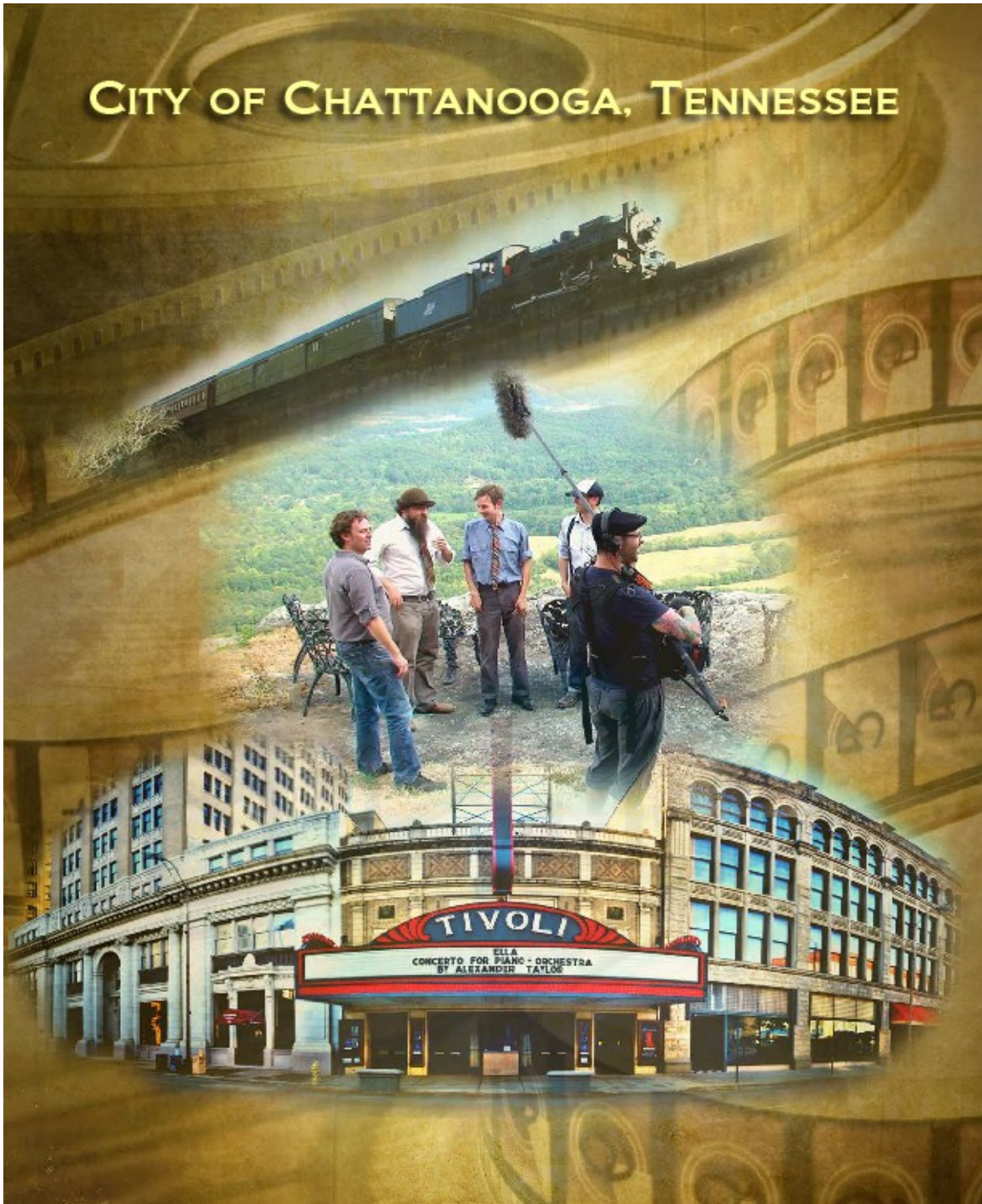


CITY OF CHATTANOOGA, TENNESSEE



POPULAR ANNUAL FINANCIAL REPORT



For the year ended June 30, 2012

MESSAGE FROM THE CITY MAYOR

Dear Fellow Citizens,

As part of our continuous effort to keep you informed of the City's operations, services and programs, as well as the financial condition, I am pleased to present the City of Chattanooga's second "Popular Annual Financial Report" (PAFR). This report provides an overview of the current financial condition of the city as well as significant current and future activities affecting our city.

The City remains in excellent fiscal condition. Together we have met the challenges of a global economic recession and have emerged a better community. Through the formation of strong public-private partnerships, and community spirit, Chattanooga has transformed itself into a national model in areas ranging from job creation to environmental stewardship. Trailblazing initiatives such as the largest freshwater aquarium in the world, a free electric shuttle service that carries one million riders a year, transformation of the Tennessee Riverfront with green spaces, public art and an 11-mile riverwalk have been joined by the implementation of the first Gig Internet in the U.S. over a 100% fiber network that links every home and business in a 600-square-mile area..

While Chattanoogaans enjoy an abundance of outdoor attractions, our City is much more. Over the last few decades, we have won national and global recognition including being named one of the world's seven smartest cities by the Intelligent Community Forum (ICF), an economic and social development think tank that studies 21st Century growth within the global community. The ICF cited Chattanooga's tremendous strides in air quality control, its transformative downtown revitalization, its improved standards for secondary education with integrated career training and its fully-accessible internet service as the primary reasons it was selected as a Top Seven city. This along with numerous other accolades reinforces the tremendous advancements our community has made as well as the bright future ahead of us.

Sincerely,



Ron Littlefield, Mayor



Mayor Ron Littlefield

Photo by Lawson Whitaker

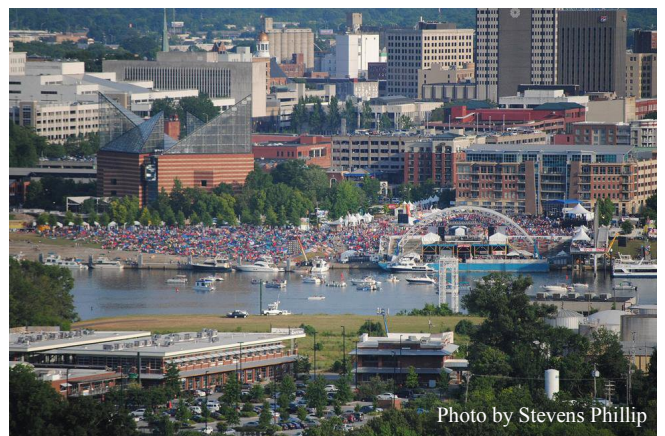


Photo by Stevens Phillip



MESSAGE FROM THE CHIEF FINANCIAL OFFICER



In This Report

- 1 Message from the City Mayor
- 2 Message from the CFO
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- 4 City Council
- 5 What is happening in City
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- 9 Where the money comes from
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- 11 Net assets
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Dear Citizens of Chattanooga,

We are pleased to present to you the City of Chattanooga's Popular Annual Financial Report (PAFR) for the year ended June 30, 2012. This report summarizes the financial activities and position of the primary government of Chattanooga.

The information contained herein was derived mostly from the City's Comprehensive Annual Financial Report (CAFR), which was prepared in conformity with Generally Accepted Accounting Principles (GAAP) and independently audited. For more detailed and complete City financial information, CAFR would be a better source. To view the CAFR, go to www.chattanooga.gov/finance/finance-division/cafr.

The PAFR is intended to increase awareness throughout the community of the financial operations of the City. As such, this report is presented on a non-GAAP basis and communicates complex financial and statistical information in a user friendly manner to the citizens and other interested parties.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial reporting to City of Chattanooga for its PAFR for fiscal year ended June 30, 2011. The Award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a PAFR, whose contents confirm to program standards of creativity, presentation, understandability, and reader appeal. This award is valid for a period of one year only. We believe our current report continues to confirm to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

We are also proud to say that the City's CAFR has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the GFOA for each of the past 20 years.

We welcome any feedback, comments, or concerns regarding the information included in this report.

Respectfully,

Daisy W. Madison, CFO

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**City of Chattanooga
Tennessee**

for the Fiscal Year Ended
June 30, 2011



Christopher P. Morill
President

Jeffrey L. Esser
Executive Director



Department Contacts:

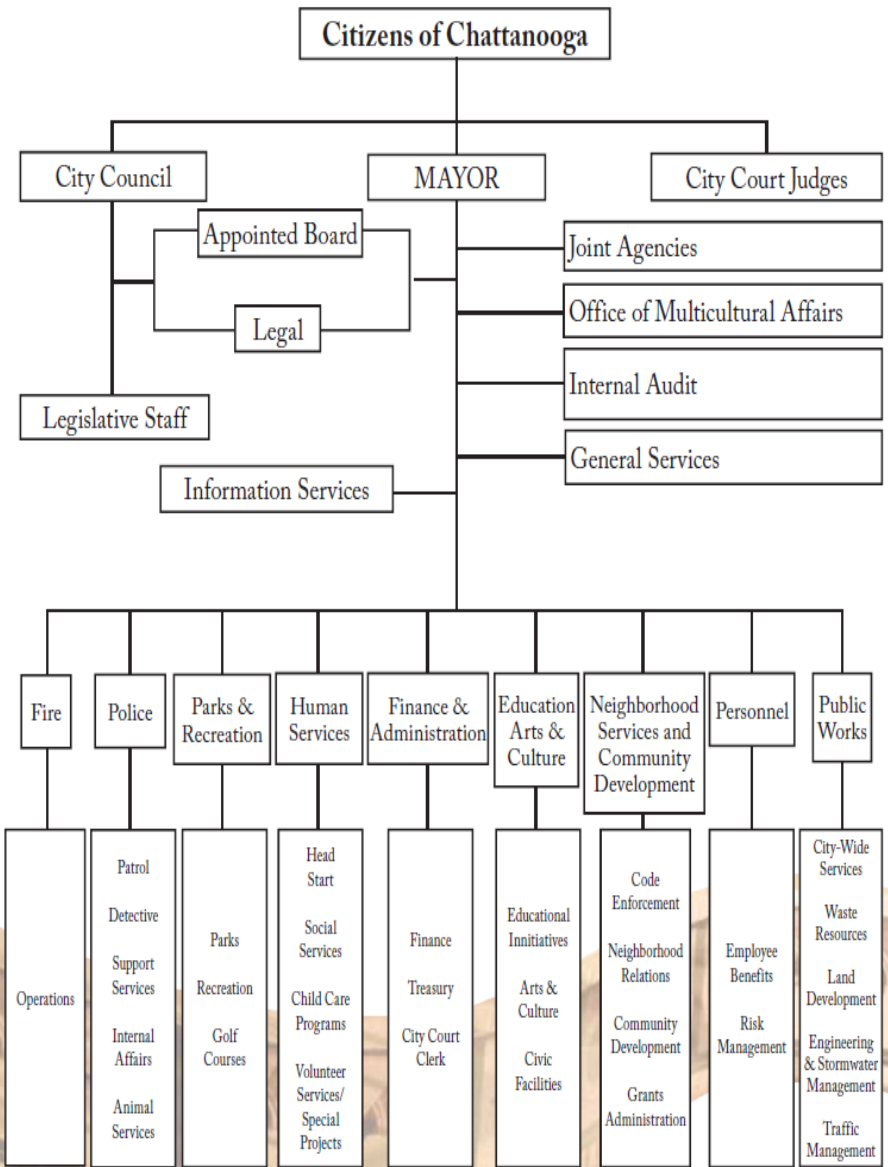
City Council	(423)757-5198
City Court	(423)425-6311
Community Dev.	(423)757-5133
Ed. Arts, & Culture	(423)425-7823
Finance & Admin	(423)757-5230
Fire	(423)643-5600
General Service	(423)425-7814
Human Services	(423)757-5551
Internal Audit	(423)425-6202
Mayor's Office	(423)425-7800
Multicultural Affairs	(423)643-6706
Neighborhood Svc	(423)425-3700
Parts & Recreation	(423)757-7529
Personnel	(423)757-5220
Police	(423)643-5000
Public Library	(423)757-5310
Public Works	(423)643-6000

City-funded Agencies

Contacts:

Air Pollution Control	(423)643-5970
Regional Planning	(423)757-5216

Organizational Chart



All city administrators participate in a process called "Chattanooga RESULTS" whereby the Mayor or designee, City Finance Officer, and other key officials periodically review the departmental performance. This structured, systematic way of managing and monitoring performance based on a variety of indicators selected by the City enables Administrators to assess trends, identify issues and problem-solve. As a result, departments are continually changing and improving the way they do business.

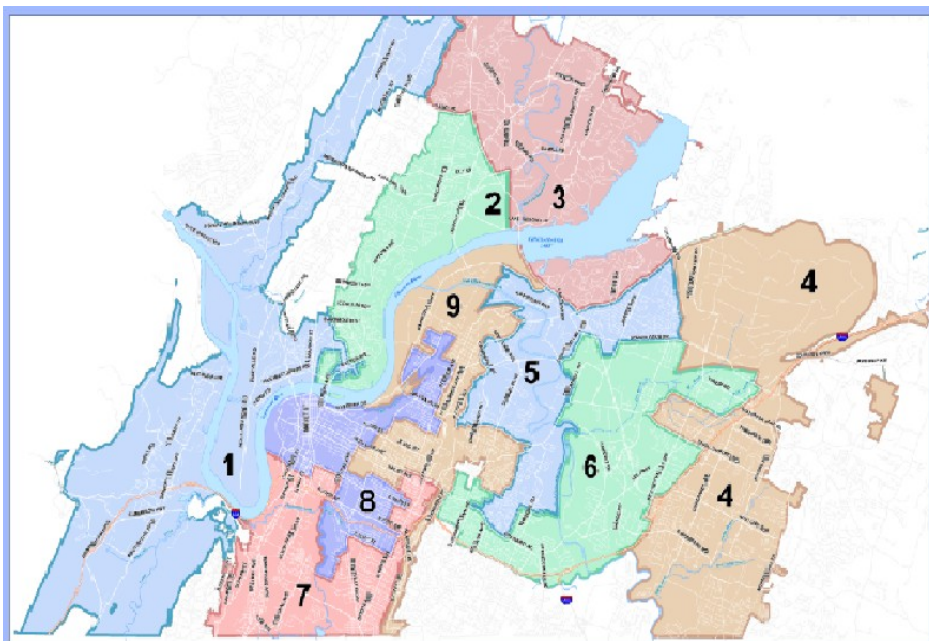


Founded as a ferry landing and warehouse site in 1815, the City of Chattanooga was incorporated under State of Tennessee Private Acts of 1839. The City is the county seat of Hamilton County and is located near the southeastern corner of the state on the Tennessee-Georgia border. Chattanooga is centrally located in relation to other major population centers of the southeast, being within a 150-mile radius of Knoxville and Nashville, Tennessee; Birmingham, Alabama; and Atlanta, Georgia. Over 11 million people live within a 2 to 2½ hour drive of Chattanooga. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It also has the power to extend its corporate limits by annexation in accordance with procedures under an “Urban Growth Plan”, adopted in 2001.

City Council

Meets each Tuesday at 6:00 p.m.

Chairman:	Pam Ladd,, District 3	(423)757-5344
District 1	Deborah S. Scott	(423)425-7858
District 2	Sally L. Robinson	(423)757-5334
District 4	W. Jack Benson	(423)757-5196
District 5	Russell J. Gilbert	(423)757-5332
District 6	Carol B. Berz	(423)425-7852
District 7	Manuel Rico	(423)425-7856
District 8	Andrae McGary	(423)757-5364
District 9	Peter B. Murphy	(423)757-5367



The City Mayor is elected at-large and is not a member of the City Council. The Council is composed of nine members, with each member being elected from one of nine districts within the geographic boundaries of the City. The Mayor and Council are elected on a non-partisan basis for four-year terms. The Mayor is the City’s chief executive officer and oversees the operation of all City departments.

Photo by University of TN Chatt.



COLLEGES AND UNIVERSITIES

Source: Chattanooga Chamber of Commerce

- University of Tennessee at Chattanooga
- Chattanooga State Technical Community College
- Southern Adventist University
- Covenant College
- Tennessee Temple

Chattanooga's tourism brings in excess of \$750 million to the area annually. *Where to Retire Magazine* recognized Chattanooga as a top retirement destination in its April/May 2011 edition. In an on-line vote taken by *Outside Magazine* for its October 2011 issue, one third voted Chattanooga as the "Best Town Ever". *Livability.com* ranked Chattanooga as having the 8th top livable downtown.

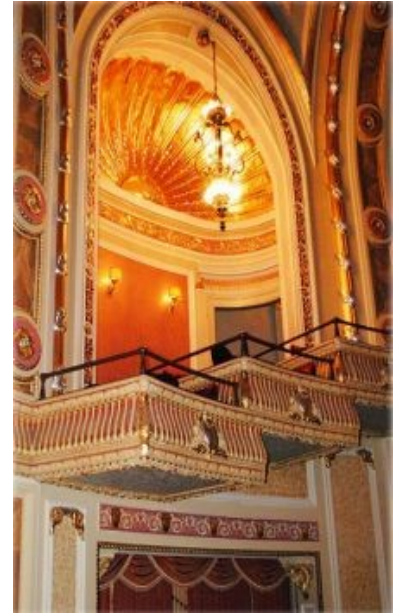
Photo by J. P. Liu



MUSEUMS

Source: Chattanooga Chamber of Commerce

- Tennessee Aquarium
- Creative Discovery Museum
- Hunter Museum of American Art
- Tennessee Valley Railroad Museum Yards
- International Towing & Recovery Museum
- Innovative Miniatures
- Chattanooga Museum of Regional History
- African-American Museum
- Houston Museum of Decorative Arts
- Battles For Chattanooga Museum



PERFORMING ARTS

Source: Chattanooga Chamber of Commerce

- Chattanooga Ballet
- Chattanooga Boys / Girls Choirs
- Chattanooga Symphony and Opera Association
- Chattanooga Theatre Center
- Choral Arts of Chattanooga
- Contemporary Performing Arts of Chattanooga
- Shaking Ray Levi Society
- Soldiers and Sailors Memorial Auditorium
- Tivoli Theater



RECREATION FACILITIES

Source: Chattanooga Chamber of Commerce

- | | |
|-------------------|---------------------------|
| Parks | 75+ (approx. 4,000 acres) |
| Bike Lanes | 75 miles |
| Golf courses | 17 (9 public, 8 private) |
| Country Clubs | 8 |
| Community Centers | 16 |
| Hotels & Motels | 67 (9,000+ total rooms) |





For more information on one of the world's top Seven Intelligent Communities in 2011 go to www.chattanooga-chamber.com/news-media/videos

As part of the five year capital spending plan, the City deployed an ultra high-speed broadband mesh network and it has been voted among the world's Top Seven intelligent Communities by the Intelligent Community Forum. At their annual awards ceremony, the city was cited for having the "Coolest Broadband App".



Since 2008, the Chattanooga area has attracted \$4 billion in foreign direct investment including a Volkswagen auto assembly plant and major investments in alternative energy. The Enterprise South Industrial Park (ESIP), home to Volkswagen AG's U.S. manufacturing headquarters, plant, and supplier park hosting numerous companies, as well as an Amazon distribution center, has essentially been filled or committed for potential expansion of the VW plant. Chattanooga, as Tennessee's most recent entry into the auto manufacturing world, hosted the Southern Automotive Conference in October 2012.

These successes and many more are the result of strong leadership among all the various civic leaders and elected officials. This includes the "Chattanooga Can Do" campaign, conducted from July 2007 – June 2011. The Chamber goals through 2011 include the following benchmarks (with progress as of June 2011 in parentheses):

- Increase regional employment by 15,573 (15,874 jobs have been created)
- Increase private investment by \$500 million (\$1.703 billion has been announced)
- Create \$427 million in new payroll income (\$230.2 million has been achieved)

Nationally Recognized Companies Headquartered in Chattanooga



- BlueCross BlueShield of Tennessee
- CBL and Associates Properties, Inc.
- Covenant Transport, Inc.
- Gold Bond, Inc.
- Krystal Company
- McKee Foods Corporation
- Miller Industries Towing Equipment, Inc.
- Olan Mills, Inc.
- Propex, Inc.
- U.S. Xpress Enterprises, Inc.
- Unum

Source: Chattanooga Chamber of Commerce



New Goal:

Chattanooga Can Do: Building Tomorrow Today
Creating 15,000 jobs from 2011—2015!



CHATTANOOGA LARGEST EMPLOYERS

Source: Chattanooga Chamber of Commerce

Hamilton Co. Dept. of Education	4,489
BlueCross BlueShield of Tennessee	4,337
Tennessee Valley Authority	4,217
Erlanger Health System	3,447
Memorial Health Care System	3,171
McKee Foods Corporation	2,950
Unum	2,800
Volkswagen Chattanooga	2,487
City of Chattanooga	2,274
Hamilton County Government	1,763

Major Employment Sectors

Trade, transportation, Utilities	20.1%
Government	16.1%
Manufacturing	13.9%
Professionals & business services	16.3%
Education & health	13.2%
Leisure & hospitality	10.7%

Chattanooga enjoys strategic advantage related to its location, strong transportation system, natural resources and competitive cost of doing business. Information released by the Tennessee Department of Labor and Workforce Development shows the Chattanooga metropolitan area has fared better than the other major Tennessee metropolitan areas, having added 2,280 jobs in the past year.

Unemployment Rates

Source: U.S. Department of Labor, Bureau of Labor Statistics

Year	U.S	TN	Chattanooga MSA
2007	4.6	4.9	4.2
2008	5.8	6.6	5.9
2009	9.3	10.4	9.4
2010	9.6	9.7	8.7
2011	8.9	9.2	8.2

The Electric Power Board, Chattanooga's municipal power provider, offers a one-gigabit per second internet service. Few other cities in the world offer such lightning-fast service. This puts Chattanooga at 10 times faster and 10 years ahead of the FCC National Broadband Plan, according to EPB officials. The Fiber-to-the-Home (FITH) network has grown to become available to all 170,000 homes, schools, and businesses in the service area, a total of 600 square miles that covers urban, suburban, and rural places and a diverse population of 300,000 people. The system is integrated with Smart Grid, a technology which allows remote monitoring of meters for every customer. A \$111 million federal stimulus grant from the Department of Energy dramatically accelerated the installation of the Smart Grid, shortening the planned five year implementation schedule to two years. The wireless mesh network is piggybacked onto the entire system, enhancing public safety as well. In August, Chattanooga hosted a GigTank competition, bringing competitors seeking a \$100,000 prize for innovation. In September, computer pros from around the nation gathered for "Hackanooga", a 48-hour weekend challenge to develop applications that take advantage of the 1-gig speed.

Photo by EPB



2012 Annual Financial “Physical” Comparison

Vital Signs	Government Measurement	Chattanooga	Memphis	Nashville	Knoxville
Weight	Bond Rating (Standard & Poor's)	AA+	AA	AA	AA+
Blood Pressure	Property Tax Rate - City	2.31	3.20	*	2.46
Blood Pressure	Property Tax Rate - City & County	5.07	7.21	4.13	4.82
Cholesterol	Tax Levy Per Capita - City only	\$653	\$578	\$1,189	\$577
Height	Income Per Capita**	\$34,632	\$37,569	\$45,913	\$35,506
Temperature	Population **	170,136	652,050	635,475	180,761
Stress Test	Unemployment Rate	8.2%	9.6%	7.3%	7.0%
Pulse	Gross Debt Per Capita	\$2,398	\$3,631	\$4,245	\$987
Blood Sugar	Gross Debt as % of Personal Income	6.92%	4.78%	9.70% ***	5.09%

* Metro Nashville rates are 0.57 for urban services district and 3.56 for general services district.

** Personal income and population information are provided by each municipality and based on data in the most recently published CAFR.

*** 2011 rate; 2012 rate not available.

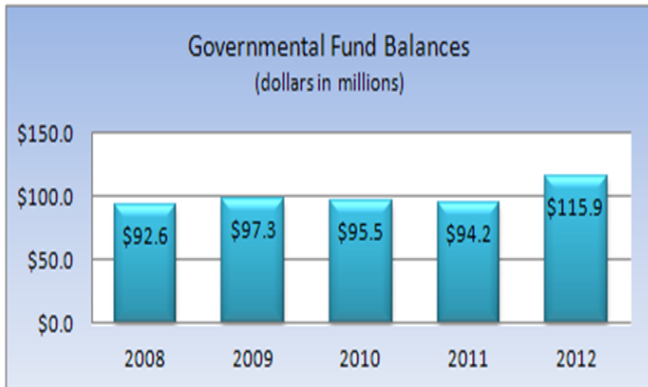


Photo by Dorothy Brewer



Chattanooga’s Annual Financial “Physical” is an annual report card indicating the financial health of our city. Government measurements (i.e., bond rating, etc.) used are analogous to medical vital signs. Vital signs will be reviewed annually (similar to annual physical) to determine if we improved, remained status-quo or underperformed in the areas identified by our City Finance Department as key indicators of the City’s financial health. The per capita measurements are signs of the City fiscal health condition at individual citizen’s level.

Maintaining an adequate fund balance is important for any municipality because it provides a financial "safety net" in the event of emergencies, economic downturns, or other unforeseen circumstances. This year, the City’s governmental fund balances increased \$21.7 million, 23.0% compared to last year. Over 39.2 % of this amount, or \$45.5 million, is available for spending at the City’s discretion.



One of the major initiatives City implemented is a series of annexations which sets the stage for a stronger base for the municipal government. The annexation largely follows the Master Inter-local Agreement and Growth Boundaries adopted a decade ago as provided for under state law. There have been 5.8 square miles annexed since the adoption of the plan in May, 2001. Steps are being taken to annex 1 additional square mile in 2013, leaving an additional 21.5 square miles which can potentially be annexed in the future. Chattanooga is a major participant in a 40-year regional growth plan, known as the Greater Chattanooga Regional Growth Initiative. The participants include sixteen counties and their major cities from southeast Tennessee, northwest Georgia, and northeast Alabama, including the three metropolitan statistical areas. This is a pioneering effort for a new kind of long-term regional plan.

Where the money comes from

Adequate resources are essential in order to provide the municipal services that the citizens of the city have come to expect. The categories of revenue City receives for operation are as follow:

Taxes by far are the biggest portion of the total revenue City receives each year. Here is a more detailed description of the major types of taxes

Licenses and fees are various kinds of charges for services provided by city such as business license, building permits, zoning fees, facilities rents, court fines, court clerk's fees.

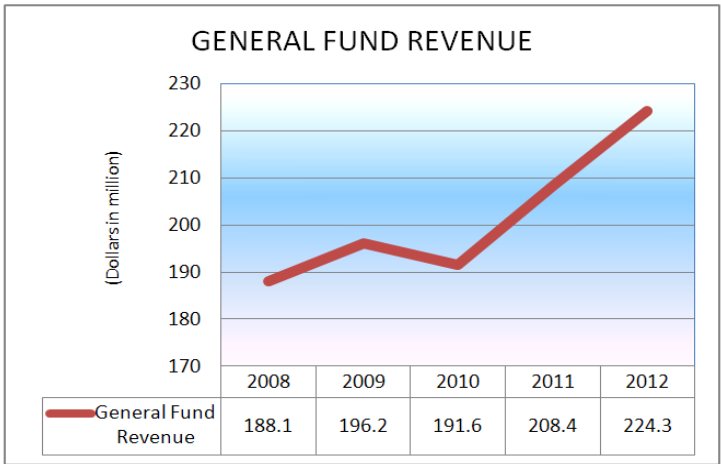
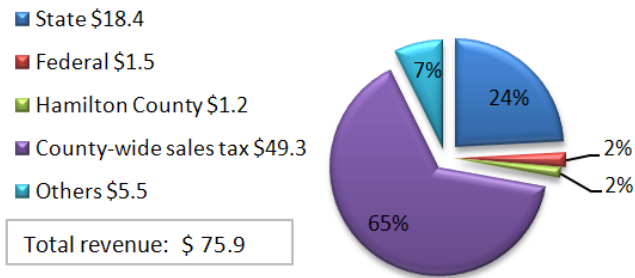
Intergovernmental revenues are revenues received from other municipalities for taxes such as city allocation of state sales tax, allocation of state income tax, gas inspection fees, county-wide sales tax, etc.

The General Fund

Since the regular day-day operation of the City is captured mostly in the General Fund, it will be our primary focus of discussion. This year's general fund revenue increased \$15.9 million or 7.6% from the prior year. The net increase is primarily comprised of a \$12.3 million increase in local sales tax revenue as a result of the expiration of the local sales tax agreement with Hamilton County. In prior years Hamilton County received the City's allocation and dispersed the funds on our behalf. In fiscal year 2012 the City began receiving the full amount and allocating per our discretion.

	<u>FY 2012</u>	<u>FY 2011</u>
Property tax	\$115.4	\$114.9
Franchise taxes	2.9	2.1
Liquor & Beer taxes	7.7	7.3
Gross receipts tax	<u>4.3</u>	<u>4.4</u>
	\$130.3	\$128.7

Intergovernmental Revenue Sources
(dollars in millions)



2012 General Fund Revenue: \$224.3 millions



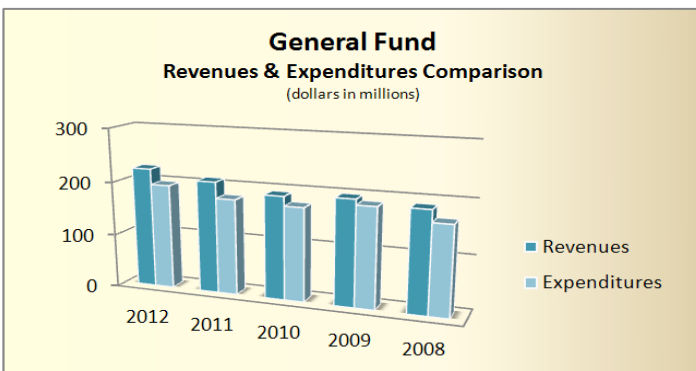
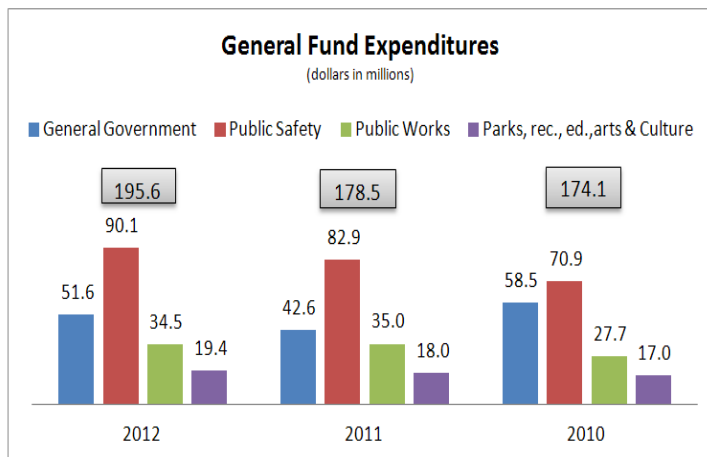
How the Money is Spent

The expenditures of the General Fund are categorized by the type of the service provided. Below is a summary of the function and types of departments within that function reported the spending:

- ◇ General Government expenditures refer to the costs of conducting the legislative, finance administration, general buildings and grounds, and operation activities of the city.
- ◇ Public Safety expenditures include money spent in support of the city law enforcement operations and fire and rescue services.
- ◇ Public Works expenditures are costs of construction, infrastructure, roads, garbage and other environmental concerns throughout the city.
- ◇ Parks & recreation, education, arts & culture expenditures are costs of maintenance and operation of parks and other recreation facilities and culture venues in the city.

Once again, we will be focusing on the chief operating fund of the City, general fund. Comparing to last year, total expenditures in General fund increased \$17.0 million or 9.5%. Major changes include the following:

- ◆ The largest single component, \$6.2 million or 9% , was for employee salaries including a 3% raise for civilian personnel, continued implementation of the career ladder for sworn personnel, and 6 additional full time employees.
- ◆ Employee benefit costs increased by \$6.7 million or 17.8%. This is largely due to \$3.1 million increase in pension costs and \$2.5 million increase in medical costs for active employees.
- ◆ Agencies such as the Nature Park, the Children’s Home, Fortwood Center ,etc. received an additional \$1.3 million or 15.2% in appropriations.
- ◆ Resources dedicated to paving doubled from \$1 million to \$2 million.
- ◆ An additional \$1.1 million in funding was restored for the capital recovery component of the fleet lease cost which had been suspended in the prior year due to the limited resources.



\$96.6 Million Capital Budget Highlights

- \$44.2 million to address compliance requirements of the Environmental Protection Agency relating to Water Quality, Sewers and landfills
- \$23.4 million for various public works projects including paving street improvements and sidewalks
- \$8.0 million for riverfront hard-edge repairs
- \$7.4 million to implement a regional intelligent information system
- \$3.2 million for police firing range and building upgrade
- \$2.6 million for enhancement to parks & recreation facilities
- \$2.0 million to purchase vehicles under the City’s Fleet Management Program

Governmental & Business-type

The City's overall financial condition is generally being reported in in three distinct sections:

- Governmental activities:** primarily supported by taxes and intergovernmental revenues. Activities include General Government; Public Safety; Public Works; Parks; Recreation, Education, Arts & Culture and Social Services.
- Business – type activities:** costs are supported by user fees and charges for service. Activities include electric, sewer and water quality systems, as well as solid waste disposal and housing management operations.
- Component Units:** these entities are not part of the reporting primary government. They are legally separate from the City of Chattanooga but City is still financially accountable for them and or has oversight responsibility. These units include: The Chattanooga Metropolitan Airport Authority, the Chattanooga Area Regional Transportation Authority (CARTA) and the Chattanooga Downtown Redevelopment Corporation (CDRC).

Information in this PAFR is limited to the governmental activities and business-type activities as these are considered the primary government activities. Component Units are not included in this report; information can be obtained from the CAFR at www.chattanooga.gov/finance/finance-division/cafr .

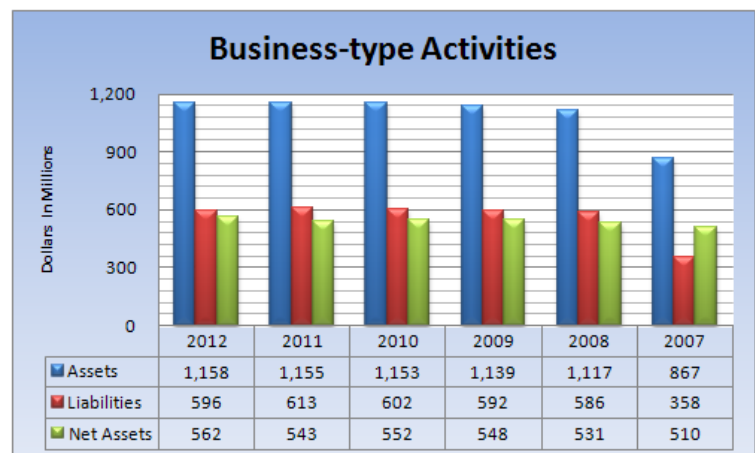
Net Assets

As the difference between all assets and liabilities, net assets, serves as a useful indicator of whether the City's financial position is improving or deteriorating. In order to survey this, we need to enlarge our focus from general fund to the City' financial position as whole using full the accrual basis of accounting which is similar to the accounting used in the private sector.

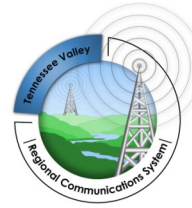
At the end of the fiscal year, total net assets of the primary government exceeded its liability by \$1.9 billion, a \$31.6 million, or 1.7% increase from last year.

By far the largest portion of the City's net assets, 91.3%, reflects its investment in capital assets (land, buildings, equipment, infrastructure, etc), less any related debt. While capital assets are used to provide services to citizens, these assets are not available for future spending.

Among City's net assets, \$72.4 million or 3.8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$92.8 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.



Capital Assets



City of Chattanooga's Capital Assets

(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Non-depreciable:						
Land & Easements	\$ 1,037,882	\$1,035,729	\$ 19,604	\$ 17,147	\$1,057,486	\$1,052,876
Construction in progress	41,384	29,131	53,622	50,449	95,006	79,580
Depreciable:						
Buildings & Improvements	118,773	123,686	84,201	81,805	202,974	205,491
Vehicles & Machinery	33,746	35,344	180,511	147,347	214,257	182,691
Infrastructure	284,141	305,926	572,618	576,163	856,759	882,089
Total	\$ 1,515,926	\$1,529,816	\$ 910,556	\$ 872,911	\$ 2,426,482	\$ 2,402,727

A strong net asset position is necessary to ensure sustained delivery of services to the citizens of the Chattanooga. At the end of this year, the City had \$2.4 billion invested in capital assets (net of accumulated depreciation) an increase of \$23.7 million or 1.0% from last year. This investment includes land, buildings, utility system, machinery and equipment, park facilities, infrastructure, and construction in progress.

Long Term Debt

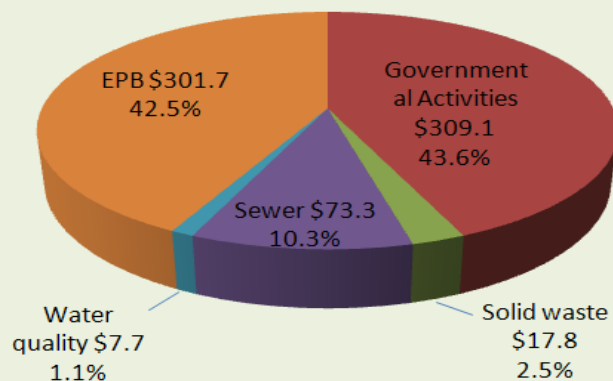
For more transparency and better measurement of the City's finances, the City Council has prudently adopted a Debt Management Policy which is intended to guide current and future decisions related to debt issued by the City. Performance is measured against benchmarks and changes are made as needed to meet the desired goals.

The City of Chattanooga maintains an "AA+" rating from Standard & Poor's and a "AA" rating from Fitch Investor's Service for general obligation debt. While "AAA" being the highest possible rating can be given, City's "AA" rating means City has very strong capacity to meet its financial commitments.

City of Chattanooga Long Term Debt

(dollars in millions)

Total: 709.6



Below is a closer look at the five-year comparison of the General Obligation Debt which is supported by tax payers.

General Obligation Debt - Governmental Activities

(dollars in millions)

	2012	2011	2010	2009	2008
Beginning Balance	\$298.2	\$313.9	\$310.1	\$276.0	\$279.2
Debt issued	44.1		51.3	46.2	10.0
Principal repaid	33.2	15.8	47.5	12.1	13.2
Ending Balance	\$309.1	\$298.1	\$313.9	\$310.1	\$276.0
Outstanding Debt per Capita	\$1,817	\$1,778	\$1,832	\$1,815	\$1,625

City Charter limits the amount of net general obligation debt the City can issue to 10% of the assessed value of all taxable property within the City's corporate limits. For the current fiscal year that limit is \$482.1 million. The City's general obligation debt, net of self-supporting debt of \$154.8 million is well within that limit.

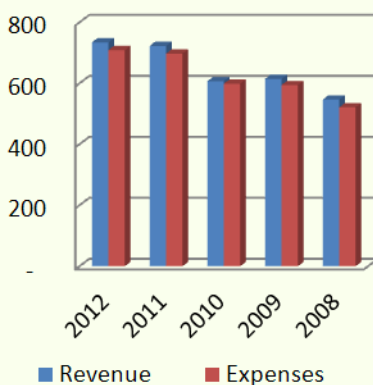
Business-type Activities

Revenue for the City's business-type activities were \$734.2 million for the year just completed; this is a \$11.7 million, or 1.6% increase. Expenses, including an extraordinary item for 2011, are down \$16.5 million, or 2.3% resulting in total expense of \$708.9 million for the year. Here we will focus our discussion on the major business-type activities.

The largest portion of the Business-type activities is Electric Power Board (EPB). EPB is a community owned company that provides electric utility and fiber optics service for the residential and commercial uses in Chattanooga and surrounding areas. It is managed as an enterprise operation by a board appointed by the Mayor and City Council.

Business-type Activities

current year vs prior years
(dollars in million)

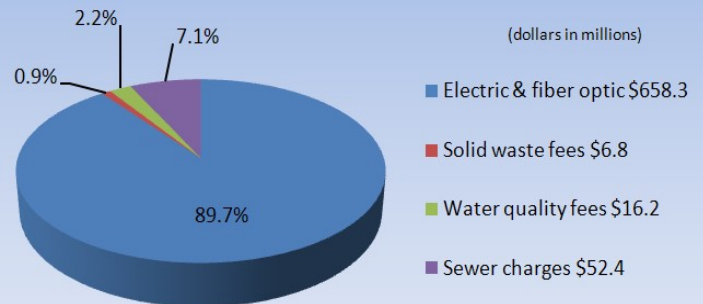


The revenue of Interceptor Sewer System rose by \$3.3 million or 6.8% with an increase in sewer fees while expenses increased \$2.4 million or 5.0%. Personnel, utility and chemical costs increased; interest for long-term debt decreased.

These activities operate like private businesses, with their own self-supporting revenue sources. They are generally not supported by taxes.

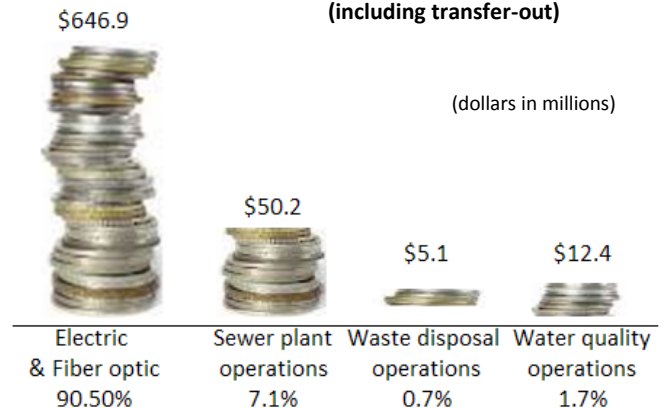
EPB continues with its upward trend in customer base growth in fiber optics sector, more than 10,300 new customers were added this year. The decrease in expense this year is primarily due to nine tornados that stuck the system in one 16 hour period in 2011 and less power purchased from TVA as a result of a mild winter. For fiscal year 2012 annual report, please visit www.epb.net/about/annual-reports/.

2012 Major Business-type Revenues (including transfer-in)



The City operates a municipal solid waste landfill. The primary customer is city government. During the current fiscal year \$5.8 million or 92.1% of tipping fees was collected from the City.

2012 Major Business-type Expenses (including transfer-out)



The water quality management program was established to comply with EPA guidelines. The current year revenue increased \$1.7 million or 11.8% and the expense increased by \$2.4 million or 23.7%. City continues its capital campaign designed to improve drainage and discharge within the City.

This report and the Comprehensive Annual Financial Report, as well as a variety of other information, can be obtained by visiting the City's web-site:

<http://www.chattanooga.gov>



Questions, comments, or suggestions regarding this report can be directed to

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