

# TOWN OF COLLIERVILLE

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T E N N E S S E E



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

**TOWN OF COLLIERVILLE, TENNESSEE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2015

Prepared by:

Department of Finance

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## **INTRODUCTORY SECTION**

**Stan Joyner**  
*Mayor*

**Maureen Fraser, Alderman**  
**John Worley, Alderman**  
**Tom Allen, Alderman**  
**John E. Stamps, Alderman**  
**Billy Patton, Alderman**



**James H. Lewellen**  
*Town Administrator*

**Lynn Carmack**  
*Town Clerk*

## **Town of Collierville**

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December 18, 2015

To the Board of Mayor and Aldermen  
and Citizens of the Town of Collierville:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Collierville (or the Town) for the fiscal year ended June 30, 2015.

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

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



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

## **PROFILE OF THE GOVERNMENT**

The Town of Collierville was first settled in 1835, incorporated in 1870, and is located in Shelby County, southeast of Memphis, Tennessee in the southwestern part of the state. Collierville is part of the most rapidly developing area of Shelby County. The Town of Collierville currently occupies a land area of 36.12 square miles and serves an estimated population of 48,744. The Town of Collierville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

The Town of Collierville operates under a Private Acts Charter. The present charter was adopted in 2001. Collierville is a mayor-aldermanic/town administrator form of government. Policy-making and legislative authority are vested in a board consisting of the mayor and five aldermen. The board is responsible, among other things, for passing ordinances, adopting the budget, adopting the tax rate and setting fees, appointing boards and commissions, and appointing the town administrator and department heads. The town administrator is responsible for carrying out the policies and ordinances of the board and for overseeing the day-to-day operations of the Town. The board is elected on a non-partisan basis by popular vote and members serve four-year staggered terms. Elections occur every two years in November. The most recent election was in November 2014.

The Town of Collierville provides a full range of services, including police, fire, and paramedic services; the construction and maintenance of highways, streets, and other infrastructure; planning and zoning services; sanitation; recreational activities; library and cultural events. In addition, the Town operates a water and sewer utility system. It is reported as a proprietary fund in the Town's financial statements.

The Town of Collierville began operation of its own municipal school system in August 2014. The municipal school system operates under the City Charter and is considered a part of the Town's financial statements. On December 20, 2010, the Board of Education of the Memphis City Schools voted to dissolve the charter of the Memphis City Schools (MCS). On February 10, 2011, the Memphis City Council voted to approve the surrender by MCS of its charter. Voters of the City of Memphis approved the transfer of the administration of MCS to Shelby County by referendum held on March 8, 2011. In anticipation of funding a separate municipal school system for the Town, the citizens voted to increase the local option sales tax by one-half percent in August 2012.

The Memphis Light, Gas and Water Division of the City of Memphis provides electrical and natural gas distribution to the Collierville service area. These entities do not meet established criteria for inclusion in the reporting entity and are not included in the report.

The annual budget serves as the foundation for the Town of Collierville's financial planning and control. All departments of the Town of Collierville are required to submit requests for appropriations to the town administrator. The town administrator uses these requests as the starting point for developing a proposed budget. The town administrator then presents this proposed budget

to the Board of Mayor and Aldermen at least 45 days before the beginning of the fiscal year. The board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Collierville's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The town administrator may make transfers of appropriations within a department. Transfers of appropriations between departments: however, require the approval of the Board of Mayor and Aldermen. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and general purpose school fund, this comparison is presented on pages 31-41 as part of the basic financial statements. For governmental funds with appropriated budgets, other than the general fund, the comparison is presented in the supplemental information subsection of this report, which starts on page 113.

## **LOCAL ECONOMY**

The Town of Collierville's economy has transcended from a predominantly agricultural base into a diverse economic structure including manufacturing, distribution, service, trade, construction, finance, government and high technology. Following the overall economic slowdown of recent years, the rate of growth began to increase in 2014 and continued this trend in 2015. The Town's economy is expected to continue to expand as new businesses locate in the area. Existing businesses and industries continue to identify and establish properties available for further expansion and development.

Commercial development potential in the Town is rebounding with 9 new commercial permits valued at \$16,913,216 and another 83 permits for additions to existing buildings valued at \$12,938,899. There are several projects in the approval process that are expected to begin construction or be completed during the next fiscal year, including a state of the art assisted living and memory care facility, two new gas stations/convenience stores, an O'Reilly Auto Parts store, the Town's first bed and breakfast, Stratton House, near the Historic Square, and approximately 125 new apartment units in Schilling Farms. Recent retail developments include the August 2015 opening of international retailer H&M with a 20,000 square foot space and the Fall 2015 opening of national retailer Off Broadway Shoes with a 15,000 square foot space. Also scheduled to open in the fall of 2015 is a 12,500 square foot stand-alone retail strip located at the Houston Levee / Poplar corridor that includes Pyro's Pizza and Five Guys Burgers and Fries restaurants. Industrial construction currently in progress includes a 52,000 square foot Class A office building that will provide office space for Helena Chemical and a 50,000 square foot flex warehouse building, both of which are scheduled for occupancy in 2016.

The 2010 federal census put the Town's population at 43,965, a decrease of 339. In December 2011, the Town annexed a portion of its reserve area, which increased the population by 1,585 to 45,550. However, from the 2002 special census to the 2008 special census, the population of the Town grew from 37,044 to 44,304, an increase of 16.4%. Growth during those years was accommodated by the construction of an average of 510 single family homes each fiscal year from 2002 to 2006. Single family permits declined to 212 in 2007, 137 in 2008 and 50 in 2009, but 2010 and 2011 showed modest increases of 55 and 63 permits respectively. There were 158 new permits in 2012 valued at \$50,085,160; 159 in 2013 valued at \$50,100,200; 131 in 2014 valued at \$46,095,170; and 150 in 2015 valued at \$53,253,800. Additions to existing homes remained fairly stable, averaging 239 from 2002 through 2006. In fiscal year 2007 there were 217; 212 in 2008; 198 in 2009; 181 in 2010; 220 in 2011; 219 in 2012; 227 in 2013 and 226 in 2014. In 2015 there were 233 additions valued at \$4,184,577.

## **LONG-TERM FINANCIAL PLANNING**

Previous to fiscal 2009, the Town had seven years of operating surpluses, increasing total General Fund balance to \$26.14 million or 67.3% of annual revenues and unassigned fund balance to \$16.13 million or 41.5% of annual revenues. With the downturn in the national, state and local economy, the Town's financial position remained strong despite decreases in General Fund fund balance in fiscal 2009 and 2010. This was accomplished with prudent financial management, solid reserves, and a formalized fund balance policy which requires reserves equal to 25% of annual operating expenses. This fund balance policy has allowed the Town to maintain adequate levels of reserve funds for emergencies and cash flow management. In fiscal 2014, fund balance increased \$5,823,934 and in 2015 it decreased \$946,586 due to transfers to the Town's municipal school system for start-up costs. The Town of Collierville holds the highest possible bond rating from Moody's, Aaa.

Part of the Town's long-range financial plan is to provide retirement and post-employment benefits to employees. The Town provides three retirement plans to full-time employees. During FY 2007, the Town created a defined benefit pension plan to be administered by the Town. The Town's actuarially determined rate for the current fiscal year was 11.2% of payroll. The other two plans include a defined contribution plan for employees employed prior to June 30, 1994, and a defined benefit plan for employees hired after June 30, 1994. The Town funds the defined contribution plan at 9% of total compensation of the employee. The Town is required to contribute at an actuarially determined rate to the defined benefit plan which is administered by the Tennessee Consolidated Retirement System (TCRS). The municipal school system's employees participate in plans administered by TCRS. There are currently four TCRS plans in which the school system's employees participate based on their original membership date.

The Town of Collierville also provides post-employment health benefits for certain retirees and their dependents. The Town began funding this liability in FY 2008 in a trust. Additional information on the Town of Collierville's pension arrangements and post-employment benefits can be found in Notes 11, 12, 13, 19, and 20 in the notes to the financial statements.

Planning and review of the FY 2016 budget began in January 2015. The growth that the Town had been experiencing began to slow considerably during FY 2009. As a result and with the national economy in turmoil, the Town leaders had to make some very difficult decisions. Several positions had been eliminated in FY 2010 and FY 2011, and no salary increases were approved except the step plan for public safety personnel. For FY 2012, the decision was made to increase the property tax rate by \$.25 per \$100 of assessed valuation in order to replenish fund balance reserves which had been used during the previous three fiscal years to provide for employee raises and to purchase some needed capital equipment. In the FY 2015 budget, there was no tax increase, and there was an increase of six full-time positions and one part-time position was changed to full-time. For the FY 2016 budget the property tax rate was increased by \$.25 per \$100 of assessed valuation to help fund the debt service for the general obligation bond issuance associated with capital projects including a new high school. Personnel changes included the addition of seven full-time position, one part-time position and one part-time position was made full-time. In addition to these personnel additions, the Town of Collierville assumed operation of the Library, which was outsourced in prior years. The Library is staffed with eight full-time and 17 part-time positions.

## **MAJOR INITIATIVES**

To keep pace with the transportation needs of the growing population of residents and businesses, over the past four years the Town allocated over \$6.0 million for design and construction of road projects, along with several other intersection and roadway improvements within the Town's interior. These projects have helped to improve traffic flow and the livability of the entire community.

The Tennessee Department of Transportation (TDOT) has completed work widening Highway 72 to a five lane section from the Town's front door on the east through to our major east west corridor, Poplar Avenue. This project includes landscaped medians installed along the project length. This \$20 million project improved the functionality and appearance of the Highway 72 corridor which begins at the new I-269 corridor. The I-269 interchange is a prime location that was completed in the fall of 2015. Highway 72 connects to the new \$150 million intermodal facility in the neighboring community. Spin off from the intermodal facility will create opportunities for new businesses and residents of the Town of Collierville.

In our Historic Downtown, the Town continues implementation of the Downtown Development Plan that was adopted in 2010. Major milestones included the award of a \$756,000 grant from the State of Tennessee for phase 1 of the Collierville Center Connect project and an additional award for phase 2 of \$880,000, which includes significant road and streetscape improvements to Center Street, one of the Town's more significant gateways to Downtown from Highway 72. Design and construction plans have been completed and reviewed by the Tennessee Department of Transportation (TDOT) for both phases and the Town received authorization to obtain needed right-of-way and utility/railroad certification for Collierville Center Connect. Construction is expected to begin in 2016.

In October 2015 the Town issued \$93,485,000 in general obligation bonds to fund the construction of a new high school. The new high school will be designed to accommodate a 3,000 student population and is scheduled to open in the fall of 2018.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Collierville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the twenty-third year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2014. This was the eighteenth year that the government has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the finance and administration departments, various other departments who provided required information for the report, and the Town's independent public accountants, Dixon Hughes Goodman LLP. We would like to express our appreciation to all who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Mayor and Aldermen for their unfailing support and for maintaining the highest standards of professionalism in the management of the Town of Collierville's finances.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jane Bevill".

Jane Bevill  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Collierville  
Tennessee**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

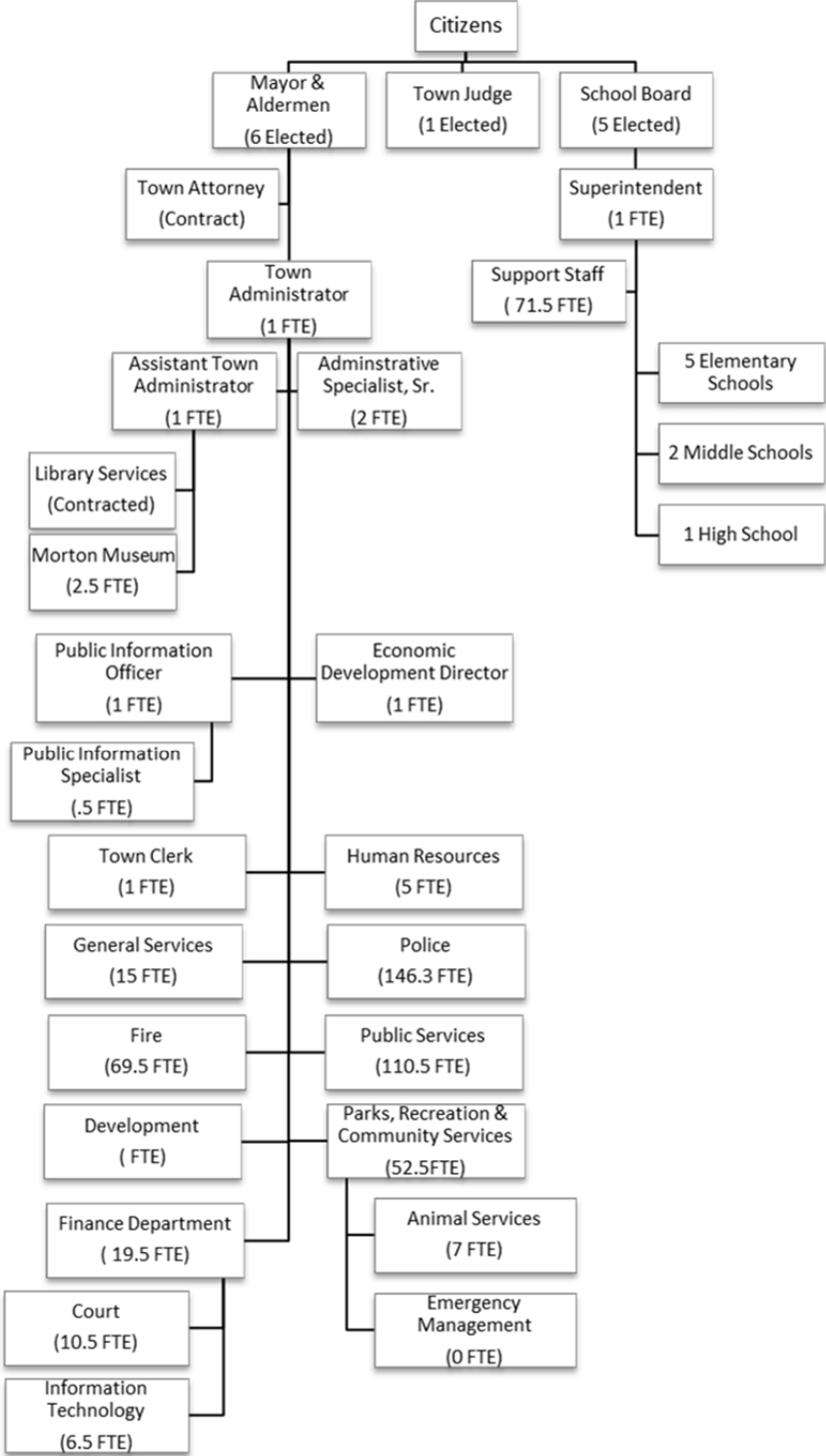
**June 30, 2014**

Executive Director/CEO

**TOWN OF COLLIERVILLE**

**ORGANIZATION CHART**

June 30, 2015



**TOWN OF COLLIERVILLE**

**TOWN OFFICIALS**

June 30, 2015

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Mayor

Stan Joyner  
(2012 - 2016\*)

Aldermen

Maureen Fraser, Vice Mayor (2014 - 2018\*)

Tom Allen (2014- 2018\*)

John E. Stamps (2015\*\* - 2016\*)

Billy Patton (2014- 2018\*)

John Worley (2012 - 2016\*)

Town Attorney

Nathan Bicks

Town Judge

William Craig Hall

Town Administrator

James Lewellen

Department Heads

Finance Director

Jane Bevill

Director of Development

Jason Gambone

Public Services Director

William Kilp

Chief of Police

Larry Goodwin

Fire Chief

Jerry Crawford

Director of General Services

Derek Honeycutt

Parks, Recreation and Community Services Director

Chip Petersen

Town Clerk

Lynn Carmack

\*Elected Term Expires

\*\*Appointed January 2015



**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor  
and the Board of Aldermen  
Town of Collierville, Tennessee

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and each of the fiduciary funds of the Town of Collierville, Tennessee as of June 30, 2015, and the respective changes in financial position and; where applicable, cash flows thereof and the budgetary comparison for the General Fund and General Purpose School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note (2) to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, in 2015. Our opinion is not modified with respect to these changes.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 13-24) and certain pension and post-employment benefit information (pages 101-112), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and related schedules – budget and actual, supporting schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is 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 also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Dixon Hughes Goodman LLP*

Memphis, Tennessee  
December 18, 2015

## Management's Discussion and Analysis

As management of the Town of Collierville, we offer readers of the Town of Collierville's financial statements this narrative overview and analysis of the financial activities of the Town of Collierville for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- The assets and deferred outflows of resources of the Town of Collierville exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$362,792 (reported as *net position*). Of this amount, \$53,750 (reported as *unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$21,452. This increase is attributable to revenue exceeding expenses.
- As of the close of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$49,991, an increase of \$6,922 in comparison with the prior year. Approximately 38 percent of this total amount, \$18,950 is *unassigned fund balance*, 31 percent is *restricted fund balance*, 26 percent is assigned fund balance, 4 percent is *committed fund balance* and less than 1 percent is *non-spendable fund balance*.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$18,950 or 45 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal decreased by \$4,572 (8 percent) during the current fiscal year.

### Overview of the Financial Statements

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Collierville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Collierville's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Collierville is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only

result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Collierville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Collierville include legislative, general government, education, roads and public works, public safety, sanitation, library, culture and recreation, and drug fund. The business-type activity of the Town of Collierville is a water and sewer utility operation.

The government-wide financial statements include only the Town of Collierville itself (known as the *primary government*). The Town operates a water and sewer utility system. It is reported as a proprietary fund in the Town's financial statements.

The government-wide financial statements can be found on pages 25-26 of this report.

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

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

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

The Town of Collierville maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general purpose school fund, and the CIP fund 321. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Collierville adopts an annual appropriated budget for its general fund and the general purpose school fund. Budgetary comparison statements have been provided for these

funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 27-41 of this report.

**Proprietary funds.** The Town of Collierville maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Collierville uses an enterprise fund to account for its water and sewer operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town of Collierville's various functions. The Town of Collierville uses an internal service fund to account for health insurance for current employees. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operation which is considered to be a major fund of the Town of Collierville. The internal service fund is presented in the proprietary fund financial statements, but it is primarily a governmental activity. The basic proprietary fund financial statements can be found on pages 42-45 of this report.

**Fiduciary funds.** The Town of Collierville maintains three fiduciary funds. *Fiduciary funds* account for assets held in a trustee capacity or as an agent for individuals. The Town of Collierville uses a fiduciary fund to account for the activities and accumulation of resources for payments to qualified participants and investments held by external organizations. The pension plan fund accounts for transactions related to the Town-sponsored defined benefit pension plan. The OPEB fund accounts for transactions related solely to retiree group medical benefits for which the Town is self-insured. The student activity fund accounts for all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school. The basic fiduciary fund financial statements can be found on pages 46-47 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-100 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Collierville's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 101-112 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 113-126 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Collierville, assets and deferred outflows of

resources exceeded liabilities and deferred inflows by \$362,792 (*reported as net position*) at the close of the most recent fiscal year.

By far the largest portion of the Town of Collierville’s net position (79 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Collierville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Collierville’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Collierville’s net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$53,750) represents *unrestricted net position* and may be used to meet the government’s ongoing obligations to citizens and creditors.

The following table includes the effects of the implementation of GASB No. 68 in the statement of net position as of June 30, 2014.

### Town of Collierville’s Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	As Restated 2014	2015	As Restated 2014	2015	As Restated 2014
<b>ASSETS</b>						
Current and other assets	\$ 90,066	\$ 75,168	\$ 31,092	\$ 30,174	\$ 121,158	\$ 105,342
Capital assets	247,739	242,284	92,067	93,755	339,806	336,039
Total assets	<u>337,805</u>	<u>317,452</u>	<u>123,159</u>	<u>123,929</u>	<u>460,964</u>	<u>441,381</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>5,948</u>	<u>776</u>	<u>1,604</u>	<u>1,653</u>	<u>7,552</u>	<u>2,429</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	37,723	39,349	23,070	25,316	60,793	64,665
Other liabilities	14,533	11,216	2,994	3,699	17,527	14,915
Total liabilities	<u>52,256</u>	<u>50,565</u>	<u>26,064</u>	<u>29,015</u>	<u>78,320</u>	<u>79,580</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>27,390</u>	<u>22,876</u>	<u>14</u>	<u>14</u>	<u>27,404</u>	<u>22,890</u>
<b>NET POSITION</b>						
Net investment in capital assets	219,842	214,192	68,511	66,444	288,353	280,636
Restricted	15,721	8,205	4,968	4,018	20,689	12,223
Unrestricted	28,544	22,390	25,206	26,091	53,750	48,481
Total net position	<u>\$ 264,107</u>	<u>\$ 244,787</u>	<u>\$ 98,685</u>	<u>\$ 96,553</u>	<u>\$ 362,792</u>	<u>\$ 341,340</u>

At the end of the current fiscal year, the Town of Collierville is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The government’s net position increased by \$21,452 during the current fiscal year. This increase is attributable to revenue exceeding



expenses and includes the Town of Collierville's transfer of \$5,000 to the municipal school system for start-up costs.

The following table includes the effects of the implementation of GASB No. 68 in the changes in net position as of June 30, 2014.

### Town of Collierville's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	As Restated 2014	2015	As Restated 2014	2015	As Restated 2014
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 9,210	\$ 7,912	\$ 12,534	\$ 13,373	\$ 21,744	\$ 21,285
Operating grants and contributions	37,097	1,634	-	-	37,097	1,634
Capital grants and contributions	2,438	2,455	346	351	2,784	2,806
General Revenues:						
Property taxes	43,311	22,422	-	-	43,311	22,422
Other local taxes	27,053	18,289	-	-	27,053	18,289
State sales tax	3,645	3,438	-	-	3,645	3,438
State income and other taxes	1,783	1,462	-	-	1,783	1,462
Other state revenues	201	104	-	-	201	104
Other	625	400	413	407	1,038	807
Total revenues	<u>125,363</u>	<u>58,116</u>	<u>13,293</u>	<u>14,131</u>	<u>138,656</u>	<u>72,247</u>
<b>EXPENSES</b>						
Legislative	155	283	-	-	155	283
General government	8,334	8,331	-	-	8,334	8,331
Education	59,010	1,493	-	-	59,010	1,493
Roads and public works	9,165	8,310	-	-	9,165	8,310
Public safety	20,665	21,767	-	-	20,665	21,767
Sanitation	3,001	3,721	-	-	3,001	3,721
Drug fund	24	29	-	-	24	29
Culture and recreation	5,256	5,121	-	-	5,256	5,121
Interest on long-term debt	1,223	1,207	-	-	1,223	1,207
Water and sewer	-	-	10,371	10,488	10,371	10,488
Total expenses:	<u>106,833</u>	<u>50,262</u>	<u>10,371</u>	<u>10,488</u>	<u>117,204</u>	<u>60,750</u>
Increase in net position before special items and transfers	18,530	7,854	2,922	3,643	21,452	11,497
Special item - litigation settlement	-	(5,324)	-	-	-	(5,324)
Special item - transfer of operations	-	52,215	-	-	-	52,215
Transfers	790	790	(790)	(790)	-	-
Increase/(Decrease) in net position	19,320	55,535	2,132	2,853	21,452	58,388
Net position-beginning of the year as adjusted	244,787	189,252	96,553	93,700	341,340	282,952
Net position-ending	<u>\$ 264,107</u>	<u>\$ 244,787</u>	<u>\$ 98,685</u>	<u>\$ 96,553</u>	<u>\$ 362,792</u>	<u>\$ 341,340</u>

**Governmental activities.** Governmental activities increased the Town of Collierville's net position by \$19,320. This increase is attributable to revenue exceeding expenses. The main increase in revenue was property taxes related to the new municipal school system receiving its share of property taxes from Shelby County. This line item increased \$20,889 or 93% percent over the prior year. Other state revenue increased \$97. Other local taxes increased \$8,764. These taxes include local option sales tax, wholesale beer and liquor taxes, automobile registration and business, cable TV and hotel/motel taxes. Charges for services increased by \$1,298. Operating grants and contributions increased \$35,463 related to the new municipal

school system. The line item education expense experienced an increase of \$57,517 also due to the first full year of operation of the new municipal school system.

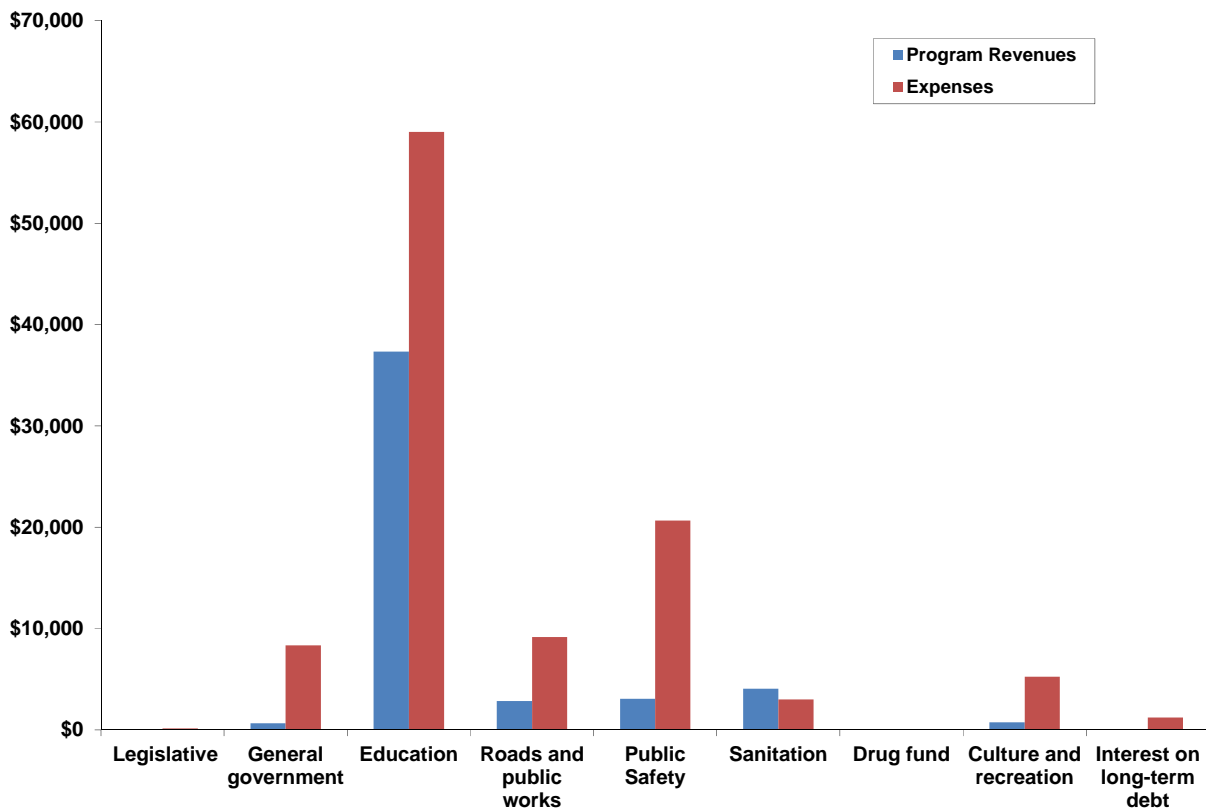
**Business-type activities.** Business-type activities increased the Town of Collierville’s net position by \$2,132. This increase is due to revenues exceeding expenses by \$2,922 and transfers of \$790 resulting in an overall increase to net position. This amount of increase is consistent with prior years with an increase in fiscal year 2014 and 2013 of \$2,853 and \$1,748, respectively, and also consistent with the water usage projections from our 2012 rate study.

**Financial Analysis of the Government’s Funds**

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

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**Expenses and Program Revenues – Governmental Activities**

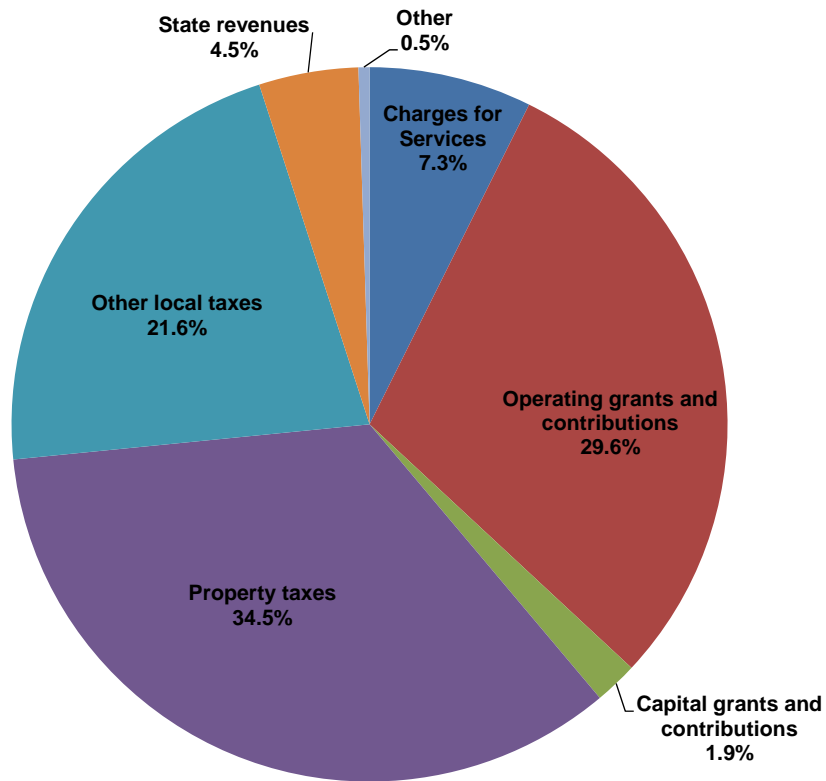


**Governmental funds.** The focus of the Town of Collierville’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville’s financing requirements. In particular, *unassigned fund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

As of the end of the current fiscal year, the Town of Collierville’s governmental funds reported combined ending fund balances of \$49,991 an increase of \$6,922 in comparison with the prior year. This increase is attributed to revenues exceeding expenses and includes the Town of Collierville’s transfer of \$5,000 to the school system for start-up costs. The *unassigned fund balance* of \$18,950 is 38 percent of the total. The remainder of fund balance is not available for new spending because it is either non-spendable or has been restricted, committed, or assigned for certain purposes. The assigned amount of \$13,199 represents funds which the Board of Mayor and Aldermen has assigned for specific purposes. The unassigned portion includes an amount equal to 25 percent of budgeted expenses in general fund to comply with a policy of the board to maintain as an operating reserve. More details of the fund balances can be found in Note (10) of this report.

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**Revenues by Source – Governmental Activities**




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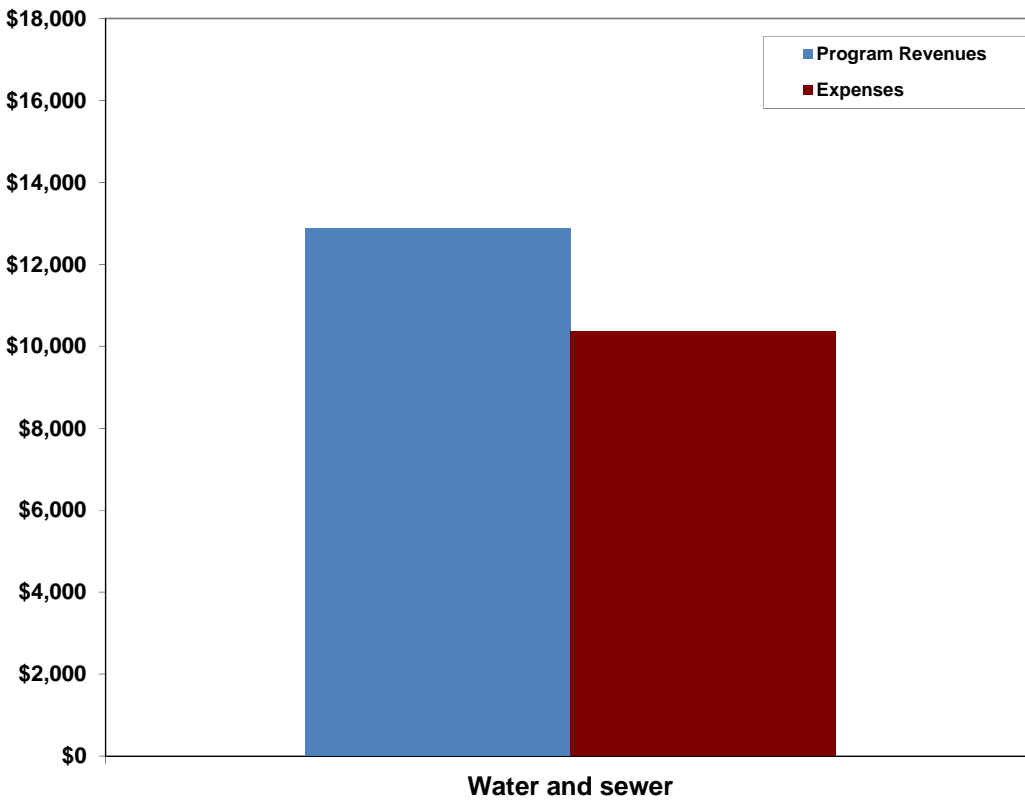
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$18,950 while total fund balance was \$35,839. As a measure of the general fund’s liquidity, it may be useful to compare

both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 45 percent of total general fund expenditures, while total fund balance represents 84 percent of that same amount.

The fund balance of the Town of Collierville's general fund decreased by \$947 during the current fiscal year. The decrease is due to transfers to the Town of Collierville's municipal school system for start-up costs. Other governmental funds fund balances increased by \$7,869. This increase is due to the Town of Collierville's transfer of funds to cover start-up expenditures for the new municipal school system, which had larger than anticipated revenue from property taxes and state revenue and lower than anticipated expenditures related to personnel.

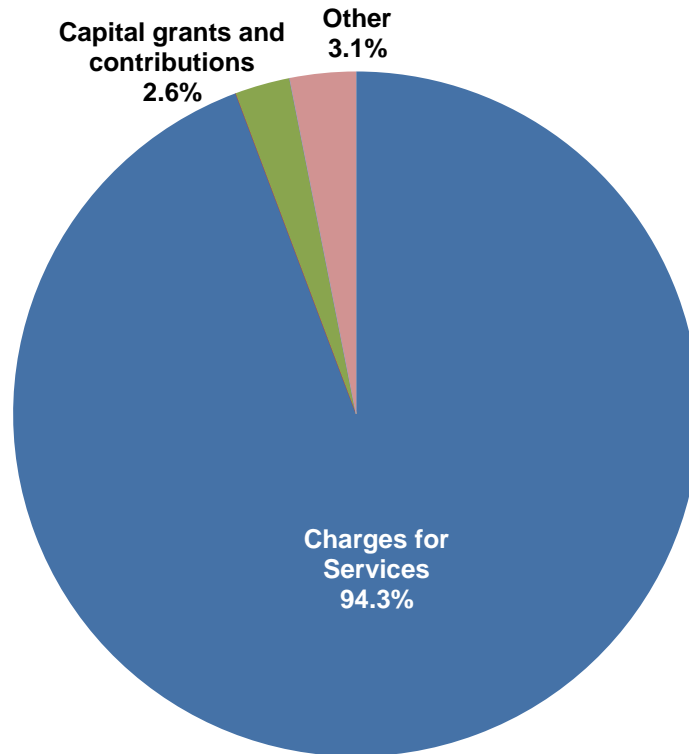
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### Expenses and Program Revenues – Business-type Activities



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## Revenues by Source – Business-type Activities



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**Proprietary funds.** The Town of Collierville’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer operation at the end of the year amounted to \$26,896. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Collierville’s business-type activities.

### General Fund Budgetary Highlights

The original appropriations were amended by \$1,821. The main components of the increase were:

- \$232 personnel/organizational restructuring within the court and finance divisions
- \$860 appropriation for the annual street overlay project.

The total positive variance of \$2,376 between final budget and actual revenues includes negative variances of \$21 in charges for services and \$5 in property tax and positive variances of \$17 in interest on investments \$29 in federal grants, \$35 in licenses and permits, \$121 in fines and costs, and \$72 in other revenue. The \$707 increase in contributions is due to an increase in commercial and residential development. The increases in other local taxes of \$824 and state revenues of \$597 are due to an improved economy at the state and local level.

Of the total positive variance of \$4,207 between final budget and actual expenditures, \$1,025 was in general government and legislative, \$906 in roads and public works, \$1,650 in public safety, \$543 in culture and recreation, \$75 was in capital expenditures, and \$8 in debt service. These variances are attributed to conservative spending.

### Capital Asset and Debt Administration

**Capital assets.** The Town of Collierville’s investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$339,806 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the Town of Collierville’s investment in capital assets for the current fiscal year was \$3,767 or 1 percent. The increase for governmental activities was \$5,455 or 2 percent and the decrease for business-type activities was \$1,688 or 2 percent.

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

- Governmental activities assets acquired during the year amounted to \$12,842. This amount includes \$2,148 related to the Hinton Park project; \$984 related to the Police Department’s projects for communications, computer aided dispatch and records management; and \$988 for improvements to the Historic High School, all of which are still in progress. Also included in the acquisition amount above is \$2,354 related to the University of Memphis project that was completed.
- Additions to water and sewer infrastructure included \$2,073 of new water and sewer lines and \$1,047 of equipment. Completed streets and drainage projects totaled \$1,410.
- Transfers from construction-in-progress included the completion of the University of Memphis project totaling \$4,718.
- For governmental activities new equipment purchases totaled \$1,763.

### Town of Collierville’s Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 25,100	\$ 24,512	\$ 1,047	\$ 939	\$ 26,147	25,451
Buildings and improvements	77,092	75,433	11,439	11,807	88,531	87,240
Other improvements	9,658	9,909	1,071	1,139	10,729	11,048
Library materials	1,176	1,176	-	-	1,176	1,176
Equipment	9,920	9,477	2,336	1,497	12,256	10,974
Infrastructure	113,033	113,415	-	-	113,033	113,415
Distribution and collection systems	-	-	75,112	75,609	75,112	75,609
Construction in progress	11,760	8,362	1,062	2,764	12,822	11,126
<b>Total</b>	<b>\$ 247,739</b>	<b>\$ 242,284</b>	<b>\$ 92,067</b>	<b>\$ 93,755</b>	<b>\$ 339,806</b>	<b>\$ 336,039</b>

Additional information on the Town of Collierville’s capital assets can be found in Note (7) of this report.

**Town of Collierville's Outstanding Debt**  
General Obligation and Revenue Bonds

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 29,620	\$ 32,283	\$ 5	\$ 7	\$ 29,625	\$ 32,290
Notes payable and capital lease	755	572	-	-	755	572
Revenue bonds	-	-	23,430	25,520	23,430	25,520
Total	<u>\$ 30,375</u>	<u>\$ 32,855</u>	<u>\$ 23,435</u>	<u>\$ 25,527</u>	<u>\$ 53,810</u>	<u>\$ 58,382</u>

**Long-term debt.** At the end of the current fiscal year, the Town of Collierville had total debt outstanding of \$53,810. Of this amount, \$30,380 comprises debt backed by the full faith and credit of the government.

The Town of Collierville's total debt principal decreased by \$4,572 (8 percent) during the current fiscal year. The Town of Collierville has no legal debt limit. The Town maintains a rating of Aaa on all its outstanding debt as designated by Moody's Investor's Service. Additional information on the Town of Collierville's long-term debt can be found in Note (8) of this report.

**Economic Factors and New Year's Budget and Rates**

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in September 2015 was 6.4 percent compared to the national rate of 5.1 percent. The Town of Collierville's unemployment rate of 4.9 percent was considerably lower than that of the larger MSA and lower than the national rate as well.
- The number of permits for commercial development in fiscal year 2015 remained the same as the prior year, and permits for residential development increased 14.5 percent in fiscal year 2015. The value of commercial permits decreased by 58.4 percent while the value of residential permits increased by 15.5 percent.
- The creation of the Collierville Schools municipal school system is expected to have a positive impact on development within the Town of Collierville in the coming years. In fiscal year 2016, the Town of Collierville issued bonds to construct a new high school and is scheduled to open in the fall of 2018. The property tax rate was increased by \$0.25 per \$100 assessed valuation for the debt service associated with the bond issuance.
- The value of real property increased by 1.5 percent.
- Local option sales tax revenue is monitored on a monthly basis. Revenue increased by 3.9% year-to-date for the first four months of fiscal year 2016.
- The municipal tax provided to the new school system was funded from the .5% increase in the local option sales tax.
- The property tax rate increased to \$1.78 per \$100 assessed valuation for fiscal year 2016 budget.
- The total Town of Collierville budget increased approximately \$3,729 representing a 2.7% increase with revenue budget projected to increase \$6,683 or 4.5% based on the estimated fiscal year 2015 ending budget.

- The Town of Collierville has considered the current economic trends while working with fiscal year 2016 budget. The Town projects an increase in revenue and expenditures due to the property tax rate increase and the school construction expenditures associated with the tax increase. Revenue is expected to exceed expenditures by approximately \$12,918.

The Town of Collierville staff is closely monitoring the annual budget, as well as the local and national economies, to ensure that the Town takes appropriate corrective action to maintain service levels, meet Board goals, which include ensuring long-term financial stability and compliance with all laws and regulation.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Collierville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 500 Poplar View Parkway, Collierville, Tennessee, 38017.



## **BASIC FINANCIAL STATEMENTS**

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF NET POSITION

June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,837,649	\$ 1,710,046	\$ 21,547,695
Investments	31,030,868	23,015,610	54,046,478
Restricted investments	-	4,967,688	4,967,688
Receivables, net of allowance for uncollectible accounts			
Property taxes	27,141,558	-	27,141,558
Sales, income, and other taxes	5,764,000	-	5,764,000
Federal and state grants	164,492	-	164,492
Accounts	357,237	765,647	1,122,884
Unbilled accounts	-	862,612	862,612
Due from other governments	3,179,819	-	3,179,819
Internal balances	334,646	(334,646)	-
Inventories	207,309	89,518	296,827
Prepays	25,022	15,344	40,366
Capital assets not being depreciated	36,859,868	2,109,056	38,968,924
Capital assets being depreciated, net	210,879,401	89,958,171	300,837,572
Net pension asset	2,023,032	-	2,023,032
Total assets	<u>337,804,901</u>	<u>123,159,046</u>	<u>460,963,947</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refundings	621,622	1,491,323	2,112,945
Pension contributions and actuarial losses	5,326,961	112,932	5,439,893
Total deferred outflows of resources	<u>5,948,583</u>	<u>1,604,255</u>	<u>7,552,838</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	8,875,132	323,772	9,198,904
Accrued interest	174,895	112,279	287,174
Due to other governmental entities	23,484	22,941	46,425
Due to fiduciary trusts	43,112	-	43,112
Deposits	329,969	129,595	459,564
Net pension liability			
Due in more than one year	4,325,640	311,280	4,636,920
Other postemployment benefits			
Due in more than one year	822,520	-	822,520
Other liabilities			
Expected to be paid within one year	1,741,997	86,713	1,828,710
Expected to be paid after one year	5,148,833	30,236	5,179,069
Bonds, note payable, and capital lease			
Due within one year	3,344,836	2,318,467	5,663,303
Due in more than one year	27,425,638	22,728,852	50,154,490
Total liabilities	<u>52,256,056</u>	<u>26,064,135</u>	<u>78,320,191</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax	26,857,064	-	26,857,064
Other	66,474	-	66,474
Pension actuarial gains	466,617	-	466,617
Development fees	-	14,200	14,200
Total deferred inflows of resources	<u>27,390,155</u>	<u>14,200</u>	<u>27,404,355</u>
<b>NET POSITION</b>			
Net investment in capital assets	219,842,050	68,511,231	288,353,281
Restricted			
General government	3,295,181	-	3,295,181
Education	10,161,796	-	10,161,796
Roads and public works	421,272	-	421,272
State street aid	521,964	-	521,964
Public safety	1,321,335	-	1,321,335
Water and sewer development	-	4,967,688	4,967,688
Unrestricted	28,543,675	25,206,047	53,749,722
Total net position	<u>\$ 264,107,273</u>	<u>\$ 98,684,966</u>	<u>\$ 362,792,239</u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
Legislative	\$ 154,751	\$ -	\$ -	\$ -	\$ (154,751)	\$ -	\$ (154,751)
General government	8,334,051	332,750	31,915	300,200	(7,669,186)	-	(7,669,186)
Education	59,010,427	1,082,403	35,565,530	694,129	(21,668,365)	-	(21,668,365)
Roads and public works	9,164,356	633,779	1,389,407	818,155	(6,323,015)	-	(6,323,015)
Public safety	20,665,223	2,573,001	84,562	409,678	(17,597,982)	-	(17,597,982)
Sanitation	3,000,678	4,081,413	-	-	1,080,735	-	1,080,735
Drug fund	24,230	-	-	-	(24,230)	-	(24,230)
Culture and recreation	5,256,151	506,855	25,718	215,578	(4,508,000)	-	(4,508,000)
Interest and fiscal charges	1,222,523	-	-	-	(1,222,523)	-	(1,222,523)
Total governmental activities	106,832,390	9,210,201	37,097,132	2,437,740	(58,087,317)	-	(58,087,317)
<b>Business-type activities:</b>							
Water and sewer	10,370,911	12,534,100	-	345,748	-	2,508,937	2,508,937
Total primary government	117,203,301	\$ 21,744,301	\$ 37,097,132	\$ 2,783,488	(58,087,317)	2,508,937	(55,578,380)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					43,311,468	-	43,311,468
Local option sales tax					22,406,669	-	22,406,669
Business, cable tv, and hotel/motel taxes					1,851,721	-	1,851,721
Automobile registration fees					1,126,878	-	1,126,878
Wholesale beer and liquor tax					842,076	-	842,076
Other local taxes and fees					825,279	-	825,279
<b>Intergovernmental revenues:</b>							
State sales tax					3,644,536	-	3,644,536
State income and other taxes					1,783,374	-	1,783,374
Other state revenues					201,434	-	201,434
Interest income					50,376	256,773	307,149
Other					573,303	156,242	729,545
Transfers					789,805	(789,805)	-
Total general revenues and transfers					77,406,919	(376,790)	77,030,129
Change in net position					19,319,602	2,132,147	21,451,749
Net position - beginning, as restated					244,787,671	96,552,819	341,340,490
Net position - ending					\$ 264,107,273	\$ 98,684,966	\$ 362,792,239

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

TOWN OF COLLIERVILLE, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,458,722	\$ 12,185,048	\$ -	\$ 1,193,879	\$ 19,837,649
Investments	28,568,595	-	-	2,462,273	31,030,868
Receivables, net					
Property taxes	27,141,558	-	-	-	27,141,558
Sales, income, and other taxes	5,764,000	-	-	-	5,764,000
Federal and state grants	14,960	-	16,814	132,718	164,492
Accounts	41,400	100,531	241,588	-	383,519
Due from other governments	-	2,357,655	-	822,164	3,179,819
Due from other funds	803,335	268,792	1,209,970	1,399,378	3,681,475
Advances to other funds	960,000	-	-	-	960,000
Inventories	164,000	-	-	43,309	207,309
Prepays	16,804	-	7,624	594	25,022
<b>Total assets</b>	<b>\$ 69,933,374</b>	<b>\$ 14,912,026</b>	<b>\$ 1,475,996</b>	<b>\$ 6,054,315</b>	<b>\$ 92,375,711</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	3,053,434	3,612,955	1,146,137	1,062,606	8,875,132
Due to other governmental entities	23,484	-	-	-	23,484
Due to other funds	2,618,711	498,784	-	229,334	3,346,829
Advances from other funds	-	-	-	960,000	960,000
Due to fiduciary trusts	43,112	-	-	-	43,112
Deposits	329,969	-	-	-	329,969
<b>Total liabilities</b>	<b>6,068,710</b>	<b>4,111,739</b>	<b>1,146,137</b>	<b>2,251,940</b>	<b>13,578,526</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property tax	27,383,665	-	-	-	27,383,665
State sales and income tax	615,450	730,831	-	-	1,346,281
Other	26,427	-	-	50,104	76,531
<b>Total deferred inflows of resources</b>	<b>28,025,542</b>	<b>730,831</b>	<b>-</b>	<b>50,104</b>	<b>28,806,477</b>
<b>FUND BALANCES</b>					
Nonspendable	180,804	-	7,624	43,903	232,331
Restricted	1,621,489	10,069,456	322,235	3,708,368	15,721,548
Committed	1,887,716	-	-	-	1,887,716
Assigned	13,198,818	-	-	-	13,198,818
Unassigned	18,950,295	-	-	-	18,950,295
<b>Total fund balances</b>	<b>35,839,122</b>	<b>10,069,456</b>	<b>329,859</b>	<b>3,752,271</b>	<b>49,990,708</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 69,933,374</b>	<b>\$ 14,912,026</b>	<b>\$ 1,475,996</b>	<b>\$ 6,054,315</b>	<b>\$ 92,375,711</b>

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

TOWN OF COLLIERVILLE, TENNESSEE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

June 30, 2015

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Total fund balances, governmental funds	\$ 49,990,708
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	247,739,269
Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.	621,622
Pension assets (liabilities) result from the excess (deficiency) of trust assets over (under) total pension liabilities, the net of which is reported as net pension asset (liability), deferred outflows of resources, and deferred inflows of resources in the statement of net position. These amounts are not available for use in the current period; therefore, are not reported in the funds.	2,557,736
Accrued interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds.	(174,895)
Deferred inflows of resources and related accounts receivable are not available to pay for current period expenditures and therefore are excluded from the governmental funds.	1,856,657
Other postemployment benefits (OPEB) liabilities result from the cumulative excess of required contribution over actual contributions to the Town's OPEB funds. These liabilities are included in governmental activities in the statement of net position.	(822,520)
Liabilities including bonds and notes payable, compensated absences, and a litigation settlement are not due and payable in the current period; therefore, are not reported in the funds.	<u>(37,661,304)</u>
Net position of governmental activities	<u><u>\$ 264,107,273</u></u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 20,735,855	\$ 22,603,183	\$ -	\$ -	\$ 43,339,038
Local option sales tax	14,488,300	7,203,764	-	-	21,692,064
Business, cable tv, and hotel/motel taxes	1,851,721	-	-	-	1,851,721
Automobile registration fees	1,126,878	-	-	-	1,126,878
Wholesale beer and liquor tax	842,076	-	-	-	842,076
Other local taxes and fees	464,238	167,454	-	46,125	677,817
Federal revenues	28,982	-	122,518	2,449,914	2,601,414
State sales tax	3,644,536	-	-	-	3,644,536
State income and other taxes	1,783,374	-	-	-	1,783,374
State gasoline tax revenue	-	-	-	1,202,603	1,202,603
Other state revenue	192,438	-	-	8,996	201,434
State grant revenue	-	-	8,938	-	8,938
State educational revenue	-	33,002,443	-	113,172	33,115,615
Licenses and permits	1,105,769	-	-	-	1,105,769
Charges for services	1,332,118	139,674	-	5,024,141	6,495,933
Court fees	1,199,196	-	-	-	1,199,196
Fines and forfeits	391,334	-	-	215,317	606,651
Interest income	46,521	-	-	3,855	50,376
Contributions	783,805	-	309,586	694,129	1,787,520
Other	368,608	295,737	7,493	2,322	674,160
<b>Total revenues</b>	<u>50,385,749</u>	<u>63,412,255</u>	<u>448,535</u>	<u>9,760,574</u>	<u>124,007,113</u>
<b>Expenditures</b>					
<b>Current:</b>					
Legislative	145,555	-	-	-	145,555
General government	7,424,197	-	-	-	7,424,197
Roads and public works	5,592,412	-	-	1,315,144	6,907,556
Public safety	19,877,605	-	-	-	19,877,605
Sanitation	-	-	-	2,841,297	2,841,297
Culture and recreation	4,385,292	-	-	-	4,385,292
Drug fund	-	-	-	24,230	24,230
Education	-	55,860,635	-	3,966,080	59,826,715
Other	167,378	-	-	-	167,378
Capital expenditures	741,637	2,132,032	6,042,824	3,802,602	12,719,095
<b>Debt service:</b>					
Principal retirement	3,084,431	-	-	95,138	3,179,569
Interest and fiscal charges	1,047,066	-	-	29,219	1,076,285
Bond issue costs	-	-	-	-	-
<b>Total expenditures</b>	<u>42,465,573</u>	<u>57,992,667</u>	<u>6,042,824</u>	<u>12,073,710</u>	<u>118,574,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,920,176</u>	<u>5,419,588</u>	<u>(5,594,289)</u>	<u>(2,313,136)</u>	<u>5,432,339</u>
<b>Other financing sources (uses)</b>					
Capital lease	700,000	-	-	-	700,000
Transfers in	1,148,958	5,295,276	5,890,992	669,029	13,004,255
Transfers out	(10,715,720)	(645,408)	(57,714)	(795,608)	(12,214,450)
	<u>(8,866,762)</u>	<u>4,649,868</u>	<u>5,833,278</u>	<u>(126,579)</u>	<u>1,489,805</u>
Net change in fund balances	(946,586)	10,069,456	238,989	(2,439,715)	6,922,144
Fund balances - beginning	<u>36,785,708</u>	<u>-</u>	<u>90,870</u>	<u>6,191,986</u>	<u>43,068,564</u>
Fund balances - ending	<u>\$ 35,839,122</u>	<u>\$ 10,069,456</u>	<u>\$ 329,859</u>	<u>\$ 3,752,271</u>	<u>\$ 49,990,708</u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

Net change in fund balance, total governmental funds	\$ 6,922,144
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital outlays capitalized	12,023,513
Depreciation expense	(7,073,114)
<p>Loss from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.</p>	
	(313,447)
<p>Capital contributions in the statement of activities are not recorded in governmental funds.</p>	
	818,781
<p>Certain property tax revenues do not provide current financial resources and are reported as deferred inflows of resources annually in the funds. This is the net difference between the amounts deferred in the current and prior years.</p>	
	(27,569)
<p>Certain other local tax revenues do not provide current financial resources and are reported as deferred inflows of resources annually in the funds. This is the net difference between the amounts deferred in the current and prior years.</p>	
	862,067
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. This is the amount of bond repayments.</p>	
	3,179,569
<p>Some expenses and net financing sources (uses) reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures or revenues in governmental funds.</p>	
	(675,564)
<p>Payments of contributions to the Town's pension plans are recorded as expenditures in the governmental funds. Pension expense is recorded on an actuarially determined basis in the statement of activities. This amount represents the difference between actual contributions and the actuarially determined pension expense.</p>	
	4,173,890
<p>Payments of contributions to the Town's other post-employment benefit plans are recorded as expenditures in the governmental funds. Actuarially Required Contributions are recorded on an actuarially determined basis in the statement of activities. This amount represents the difference between actual contributions and the Actuarially Required Contributions.</p>	
	<u>(570,668)</u>
Change in net position of governmental activities	<u>\$ 19,319,602</u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes				
Real	\$ 22,038,890	\$ 22,038,890	\$ 22,074,067	\$ 35,177
Personal	830,307	830,307	773,438	(56,869)
Penalty and interest	80,000	80,000	71,985	(8,015)
Payment in lieu of	30,000	30,000	54,990	24,990
Municipal tax allocation for schools	-	(2,238,625)	(2,238,625)	-
	<u>22,979,197</u>	<u>20,740,572</u>	<u>20,735,855</u>	<u>(4,717)</u>
Other local taxes				
Sales tax	13,882,729	13,882,729	14,488,300	605,571
Beer and liquor tax	890,000	890,000	842,076	(47,924)
Business tax	721,000	721,000	856,387	135,387
Cable and telecommunications tax	565,000	565,000	633,593	68,593
Occupancy tax	330,000	330,000	361,741	31,741
Automobile tax	1,100,000	1,100,000	1,126,878	26,878
Police privilege tax	-	-	73,843	73,843
MLGW in lieu of tax	460,000	460,000	390,395	(69,605)
	<u>17,948,729</u>	<u>17,948,729</u>	<u>18,773,213</u>	<u>824,484</u>
Federal grants	-	-	28,982	28,982
State revenues				
Beer and liquor tax	192,000	192,000	190,272	(1,728)
Sales tax	3,251,282	3,251,282	3,454,265	202,983
Income tax	800,000	800,000	1,205,577	405,577
TVA payments in lieu of taxes	515,000	515,000	527,932	12,932
City streets and transportation funding	95,000	95,000	92,922	(2,078)
Other state revenue	120,539	170,518	149,380	(21,138)
	<u>4,973,821</u>	<u>5,023,800</u>	<u>5,620,348</u>	<u>596,548</u>
Licenses and permits				
Beer permit and liquor licenses	37,500	37,500	31,340	(6,160)
Building and related permits	926,720	926,720	934,797	8,077
Development related reviews and fees	106,770	106,770	139,632	32,862
	<u>1,070,990</u>	<u>1,070,990</u>	<u>1,105,769</u>	<u>34,779</u>
Charges for services				
Software fees	-	-	27,388	27,388
Clerk's fees	65,900	65,900	78,504	12,604
Fire inspection fees	12,421	12,421	18,692	6,271
Fingerprinting fees	4,000	4,000	5,120	1,120
Animal adoption fees	63,000	63,000	43,065	(19,935)
Animal tag fees	61,000	61,000	58,805	(2,195)
Facility rental fees	108,125	108,125	60,157	(47,968)
Instructional fees	139,455	139,455	143,074	3,619
Athletic registration fees	310,375	310,375	289,155	(21,220)
Special event fees	13,185	13,185	14,470	1,285
Sale of reports	3,000	3,000	2,445	(555)

(Continued)



TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Material and rental fees	\$ 71,975	\$ 71,975	\$ 72,235	\$ 260
Non-resident card fees	20,500	20,500	18,610	(1,890)
Storm water fees	480,000	480,000	500,398	20,398
	<u>1,352,936</u>	<u>1,352,936</u>	<u>1,332,118</u>	<u>(20,818)</u>
Fines, fees, and costs				
Court costs	872,700	872,700	923,775	51,075
Court and other fees	272,500	272,500	318,846	46,346
Fines	324,000	324,000	347,909	23,909
	<u>1,469,200</u>	<u>1,469,200</u>	<u>1,590,530</u>	<u>121,330</u>
Interest on investments	<u>30,000</u>	<u>30,000</u>	<u>46,521</u>	<u>16,521</u>
Contributions	<u>51,261</u>	<u>76,673</u>	<u>783,805</u>	<u>707,132</u>
Other revenue	<u>296,500</u>	<u>296,500</u>	<u>368,608</u>	<u>72,108</u>
Total revenues	<u>50,172,634</u>	<u>48,009,400</u>	<u>50,385,749</u>	<u>2,376,349</u>
<b>Expenditures</b>				
Current				
Legislative				
Personnel	96,867	96,867	80,655	16,212
Contractual	64,490	68,788	55,927	12,861
Supplies	8,500	9,952	8,973	979
Total legislative	<u>169,857</u>	<u>175,607</u>	<u>145,555</u>	<u>30,052</u>
General government				
Finance				
Personnel	1,378,194	1,481,655	1,327,291	154,364
Contractual	367,311	374,158	212,833	161,325
Supplies	14,166	18,589	18,129	460
Grants, contributions, and indemnities	600	637	637	-
Expenditure reimbursement	(616,095)	(616,095)	(545,593)	(70,502)
	<u>1,144,176</u>	<u>1,258,944</u>	<u>1,013,297</u>	<u>245,647</u>
Executive				
Personnel	750,780	765,091	703,355	61,736
Contractual	109,925	130,491	115,956	14,535
Supplies	12,650	14,650	9,037	5,613
Expenditure reimbursement	(131,003)	(131,003)	(124,252)	(6,751)
	<u>742,352</u>	<u>779,229</u>	<u>704,096</u>	<u>75,133</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
<b>Health, welfare and insurance</b>				
Personnel	\$ 102,000	\$ 68,007	\$ 68,007	\$ -
Contractual	623,000	664,106	649,506	14,600
Fixed charges	562,709	554,260	551,855	2,405
Bank charges	20,000	18,634	16,169	2,465
Expenditure reimbursement	(51,140)	(51,140)	(36,166)	(14,974)
	<u>1,256,569</u>	<u>1,253,867</u>	<u>1,249,371</u>	<u>4,496</u>
<b>Human resources</b>				
Personnel	452,983	452,983	389,253	63,730
Contractual	112,323	112,129	55,857	56,272
Supplies	17,790	17,790	5,655	12,135
Grants, contributions, and indemnities	5,000	5,194	5,194	-
Expenditure reimbursement	(89,339)	(89,339)	(69,245)	(20,094)
	<u>498,757</u>	<u>498,757</u>	<u>386,714</u>	<u>112,043</u>
<b>Development administration</b>				
Personnel	270,729	270,729	255,969	14,760
Contractual	98,531	98,552	79,009	19,543
Supplies	4,700	4,679	3,690	989
Grants, contributions, and indemnities	1,250	1,250	601	649
Expenditure reimbursement	(56,282)	(56,282)	(50,890)	(5,392)
	<u>318,928</u>	<u>318,928</u>	<u>288,379</u>	<u>30,549</u>
<b>Planning and zoning</b>				
Personnel	766,186	766,186	691,691	74,495
Contractual	55,468	56,334	44,879	11,455
Supplies	44,100	43,234	41,566	1,668
Expenditure reimbursement	(129,863)	(129,863)	(116,720)	(13,143)
	<u>735,891</u>	<u>735,891</u>	<u>661,416</u>	<u>74,475</u>
<b>Information technology</b>				
Personnel	443,339	443,339	370,535	72,804
Contractual	162,373	155,556	117,639	37,917
Supplies	96,290	107,402	100,092	7,310
Fixed charges	4,000	4,000	3,155	845
Expenditure reimbursement	(66,501)	(66,501)	(55,580)	(10,921)
	<u>639,501</u>	<u>643,796</u>	<u>535,841</u>	<u>107,955</u>
<b>General services</b>				
Personnel	945,157	953,027	860,273	92,754
Contractual	755,589	751,745	638,460	113,285
Supplies	100,523	105,181	100,493	4,688
Building materials	2,000	2,000	644	1,356
Grants, contributions, and indemnities	400	700	613	87
Expenditure reimbursement	(141,774)	(141,774)	(129,041)	(12,733)
	<u>1,661,895</u>	<u>1,670,879</u>	<u>1,471,442</u>	<u>199,437</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Morton museum				
Personnel	\$ 125,722	\$ 125,722	\$ 114,549	\$ 11,173
Contractual	52,200	48,900	41,688	7,212
Supplies	20,000	27,822	23,776	4,046
	<u>197,922</u>	<u>202,444</u>	<u>180,013</u>	<u>22,431</u>
Library				
Personnel	-	3,035	1,941	1,094
Contractual	931,109	1,026,496	914,052	112,444
Supplies	19,300	27,200	17,530	9,670
Grants, contributions, and indemnities	-	400	105	295
	<u>950,409</u>	<u>1,057,131</u>	<u>933,628</u>	<u>123,503</u>
Total general government	<u>8,146,400</u>	<u>8,419,866</u>	<u>7,424,197</u>	<u>995,669</u>
Roads and public works				
Public works administration				
Personnel	591,715	590,124	563,232	26,892
Contractual	53,837	55,329	49,094	6,235
Supplies	13,750	13,849	10,568	3,281
Grants, contributions, and indemnities	1,000	1,000	913	87
Expenditure reimbursement	(295,857)	(295,857)	(281,616)	(14,241)
	<u>364,445</u>	<u>364,445</u>	<u>342,191</u>	<u>22,254</u>
Vehicle maintenance				
Personnel	573,658	567,668	521,588	46,080
Contractual	38,140	42,429	18,723	23,706
Supplies	50,240	51,941	37,941	14,000
Fixed charges	665	665	250	415
	<u>662,703</u>	<u>662,703</u>	<u>578,502</u>	<u>84,201</u>
Highways and streets				
Personnel	1,656,900	1,618,582	1,501,405	117,177
Contractual	1,843,870	2,544,175	2,028,240	515,935
Supplies	251,196	252,824	212,807	40,017
Building materials	7,600	204,056	165,935	38,121
Fixed charges	1,500	1,500	995	505
	<u>3,761,066</u>	<u>4,621,137</u>	<u>3,909,382</u>	<u>711,755</u>
Engineering				
Personnel	890,674	890,674	834,534	56,140
Contractual	200,765	200,955	165,463	35,492
Supplies	42,625	41,635	16,699	24,936
Grants, contributions, and indemnities	300	300	20	280
Expenditure reimbursement	(283,591)	(283,591)	(254,379)	(29,212)
	<u>850,773</u>	<u>849,973</u>	<u>762,337</u>	<u>87,636</u>
Total roads and public works	<u>5,638,987</u>	<u>6,498,258</u>	<u>5,592,412</u>	<u>905,846</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Public safety				
Police				
Personnel	\$ 10,710,337	\$ 10,727,211	\$ 9,925,207	\$ 802,004
Contractual	421,412	421,882	326,865	95,017
Supplies	494,051	501,942	432,562	69,380
Fixed charges	3,442	3,582	3,511	71
Grants, contributions, and indemnities	1,760	1,764	1,253	511
	<u>11,631,002</u>	<u>11,656,381</u>	<u>10,689,398</u>	<u>966,983</u>
Fire				
Personnel	6,884,671	6,875,899	6,547,823	328,076
Contractual	233,379	268,113	227,346	40,767
Supplies	242,588	216,832	203,242	13,590
Grants, contributions, and indemnities	1,290	1,290	1,230	60
	<u>7,361,928</u>	<u>7,362,134</u>	<u>6,979,641</u>	<u>382,493</u>
Code enforcement				
Personnel	961,672	961,672	901,950	59,722
Contractual	72,781	72,781	25,097	47,684
Supplies	37,340	37,340	23,336	14,004
	<u>1,071,793</u>	<u>1,071,793</u>	<u>950,383</u>	<u>121,410</u>
City court				
Personnel	661,500	790,144	678,550	111,594
Contractual	71,345	74,810	56,141	18,669
Supplies	15,305	14,640	9,091	5,549
Grants, contributions, and indmenities	300	350	100	250
	<u>748,450</u>	<u>879,944</u>	<u>743,882</u>	<u>136,062</u>
Animal control				
Personnel	391,689	302,588	281,540	21,048
Contractual	85,241	125,006	114,874	10,132
Supplies	64,278	78,287	66,561	11,726
Grants, contributions, and indmenities	1,525	51,326	51,326	-
	<u>542,733</u>	<u>557,207</u>	<u>514,301</u>	<u>42,906</u>
Total public safety	<u>21,355,906</u>	<u>21,527,459</u>	<u>19,877,605</u>	<u>1,649,854</u>
Culture and recreation				
Parks and recreation				
Personnel	2,924,910	2,924,910	2,590,151	334,759
Contractual	1,399,999	1,494,963	1,378,368	116,595
Supplies	412,286	420,119	351,846	68,273
Building materials	86,550	86,535	73,869	12,666
Grants, contributions, and indemnities	33,200	32,700	22,278	10,422
Expenditure reimbursement	(31,220)	(31,220)	(31,220)	-
Total culture and recreation	<u>4,825,725</u>	<u>4,928,007</u>	<u>4,385,292</u>	<u>542,715</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Special appropriations	\$ 119,800	\$ 167,950	\$ 167,378	\$ 572
Capital				
Capital expenditures	691,717	816,380	741,637	74,743
Debt service				
Principal retirement	2,849,136	3,084,431	3,084,431	-
Interest and fiscal charges	1,054,714	1,054,714	1,047,066	7,648
Total debt service	3,903,850	4,139,145	4,131,497	7,648
Total expenditures	44,852,242	46,672,672	42,465,573	4,207,099
Excess revenue over expenditures before transfers	5,320,392	1,336,728	7,920,176	6,583,448
Other financing sources (uses)				
Capital lease	-	700,000	700,000	-
Transfers in	4,699,530	4,699,530	1,148,958	(3,550,572)
Transfers out	(9,792,084)	(10,694,974)	(10,715,720)	(20,746)
Total other financing sources (uses)	(5,092,554)	(5,295,444)	(8,866,762)	(3,571,318)
Net change in fund balance	\$ 227,838	\$ (3,958,716)	(946,586)	\$ 3,012,130
Fund balance - beginning			36,785,708	
Fund balance - ending			\$ 35,839,122	

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes				
Real and personal	\$ 18,706,172	\$ 18,167,362	\$ 18,167,362	\$ -
Circuit court	-	265,730	265,730	-
TPSC tax	-	1,444,059	1,444,059	-
MLGW in lieu of tax	-	155,540	155,489	(51)
Other payments in lieu of tax	-	234,176	233,928	(248)
Wheel tax	-	95,249	95,249	-
Business tax	2,596	2,442	2,741	299
Municipal tax	2,170,335	2,238,625	2,238,625	-
	<u>20,879,103</u>	<u>22,603,183</u>	<u>22,603,183</u>	<u>-</u>
Other local taxes				
Local option sales tax	7,014,851	7,887,156	7,203,764	(683,392)
Mixed drink tax	165,558	167,454	167,454	-
	<u>7,180,409</u>	<u>8,054,610</u>	<u>7,371,218</u>	<u>(683,392)</u>
Federal revenues				
Other federal thru state	33,442	-	-	-
	<u>33,442</u>	<u>-</u>	<u>-</u>	<u>-</u>
State educational revenues				
Basic education program	31,570,000	32,405,000	32,405,000	-
Other state educational funds	-	383,551	383,551	-
Career ladder program	248,924	154,897	154,897	-
Extended contracts	111,172	58,995	58,995	-
	<u>31,930,096</u>	<u>33,002,443</u>	<u>33,002,443</u>	<u>-</u>
Charges for services				
Tuition	323,894	139,674	139,674	-
	<u>323,894</u>	<u>139,674</u>	<u>139,674</u>	<u>-</u>
Other				
Other local revenue	25,271	11,535	11,535	-
E-Rate funding	-	18,873	1,612	(17,261)
Sale of materials and supplies	-	14,865	18,873	4,008
Lease/rental	49,460	1,612	14,865	13,253
Miscellaneous refunds	376,884	242,254	242,254	-
Damages recovered from individuals	-	6,598	6,598	-
	<u>451,615</u>	<u>295,737</u>	<u>295,737</u>	<u>-</u>
Total revenues	<u>60,798,559</u>	<u>64,095,647</u>	<u>63,412,255</u>	<u>(683,392)</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction - regular				
Personnel	\$ 31,176,484	\$ 30,925,416	29,774,131	\$ 1,151,285
Contractual	428,864	532,368	512,758	19,610
Supplies	601,970	601,970	487,573	114,397
Other	34,538	34,538	-	34,538
Expenditure reimbursement	-	(421,340)	(421,340)	-
Total instruction - regular	<u>32,241,856</u>	<u>31,672,952</u>	<u>30,353,122</u>	<u>1,319,830</u>
Instruction - alternative				
Personnel	39,261	39,261	16,409	22,852
Contractual	252,000	252,000	252,000	-
Supplies	200	200	180	20
Other	500	500	-	500
Total instruction - alternative	<u>291,961</u>	<u>291,961</u>	<u>268,589</u>	<u>23,372</u>
Instruction - special education				
Personnel	4,227,148	4,226,445	4,000,179	226,266
Contractual	183,955	176,455	171,013	5,442
Supplies	59,800	25,003	25,003	-
Total instruction - special education	<u>4,470,903</u>	<u>4,427,903</u>	<u>4,196,195</u>	<u>231,708</u>
Instruction - vocational				
Personnel	874,183	874,183	862,848	11,335
Contractual	15,796	15,796	702	15,094
Supplies	18,773	18,773	9,895	8,878
Total instruction - vocational	<u>908,752</u>	<u>908,752</u>	<u>873,445</u>	<u>35,307</u>
Attendance				
Personnel	661,787	681,493	680,539	954
Contractual	36,160	94,556	94,014	542
Supplies	861	861	738	123
In-service/staff development	2,412	3,512	3,329	183
Total attendance	<u>701,220</u>	<u>780,422</u>	<u>778,620</u>	<u>1,802</u>
Health services				
Personnel	778,994	805,094	765,760	39,334
Contractual	1,979	1,979	162	1,817
Supplies	13,436	13,436	1,764	11,672
In-service/staff development	7,894	7,894	65	7,829
Total health services	<u>802,303</u>	<u>828,403</u>	<u>767,751</u>	<u>60,652</u>
Support - student services				
Personnel	1,423,991	1,432,891	1,449,118	(16,227)
Contractual	109,279	109,279	28,977	80,302
Supplies	750	750	-	750
In-service/staff development	66,769	57,869	1,500	56,369
Total support - student services	<u>1,600,789</u>	<u>1,600,789</u>	<u>1,479,595</u>	<u>121,194</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support - regular instruction				
Personnel	\$ 1,448,274	\$ 1,659,241	\$ 1,585,637	\$ 73,604
Contractual	2,550	3,050	303	2,747
Supplies	35,600	36,178	35,533	645
In-service/staff development	30,300	27,222	24,547	2,675
Expenditure reimbursement	-	(329,510)	(329,510)	-
Total support - regular instruction	<u>1,516,724</u>	<u>1,396,181</u>	<u>1,316,510</u>	<u>79,671</u>
Support - special education				
Personnel	861,530	896,764	853,598	43,166
Contractual	319,291	309,291	293,080	16,211
Supplies	15,413	20,413	20,413	-
In-service/staff development	5,345	13,345	12,915	430
Total support - special education	<u>1,201,579</u>	<u>1,239,813</u>	<u>1,180,006</u>	<u>59,807</u>
Support - vocational education				
Contractual	30,751	30,751	29,614	1,137
Total support - vocational education	<u>30,751</u>	<u>30,751</u>	<u>29,614</u>	<u>1,137</u>
Board of education				
Personnel	84,991	194,991	162,918	32,073
Contractual	136,686	214,586	205,028	9,558
Supplies	172	172	-	172
Insurance	242,282	298,927	257,584	41,343
In-service/staff development	3,204	7,372	5,141	2,231
Other charges	573,906	558,354	518,084	40,270
Total board of education	<u>1,041,241</u>	<u>1,274,402</u>	<u>1,148,755</u>	<u>125,647</u>
Office of the superintendent				
Personnel	324,220	355,817	354,532	1,285
Contractual	32,995	19,395	17,190	2,205
Supplies	517	1,517	1,144	373
In-service/staff development	4,307	8,307	7,116	1,191
Other charges	5,000	4,000	2,627	1,373
Total office of the superintendent	<u>367,039</u>	<u>389,036</u>	<u>382,609</u>	<u>6,427</u>
Office of the principal				
Personnel	4,246,430	4,277,636	4,233,444	44,192
Contractual	10,709	10,709	-	10,709
In-service/staff development	3,000	3,000	1,920	1,080
Total office of the principal	<u>4,260,139</u>	<u>4,291,345</u>	<u>4,235,364</u>	<u>55,981</u>
Fiscal services				
Personnel	394,572	411,838	407,108	4,730
Contractual	198,392	173,447	159,187	14,260
Supplies	3,013	4,813	4,811	2
In-service/staff development	6,332	11,335	9,778	1,557
Total fiscal services	<u>602,309</u>	<u>601,433</u>	<u>580,884</u>	<u>20,549</u>

(Continued)



TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Human resources				
Personnel	\$ 288,733	\$ 288,733	\$ 236,347	\$ 52,386
Contractual	10,749	4,449	2,845	1,604
Supplies	3,378	3,378	3,163	215
In-service/staff development	7,215	15,015	14,988	27
Total human resources	<u>310,075</u>	<u>311,575</u>	<u>257,343</u>	<u>54,232</u>
Operation of plant				
Personnel	546,608	546,608	531,059	15,549
Contractual	1,040,973	1,134,198	1,126,210	7,988
Supplies	1,575,957	1,542,057	1,118,393	423,664
Insurance	145,641	155,603	155,603	-
In-service/staff development	258	258	127	131
Other charges	12,920	12,920	6,822	6,098
Total operation of plant	<u>3,322,357</u>	<u>3,391,644</u>	<u>2,938,214</u>	<u>453,430</u>
Maintenance of plant				
Personnel	168,484	192,702	176,469	16,233
Contractual	1,117,514	1,128,553	1,062,507	66,046
Supplies	1,000	1,026	1,026	-
In-service/staff development	1,157	1,377	555	822
Other charges	5,000	3,503	2,050	1,453
Total maintenance of plant	<u>1,293,155</u>	<u>1,327,161</u>	<u>1,242,607</u>	<u>84,554</u>
Transportation/planning				
Personnel	333,301	333,301	301,060	32,241
Contractual	2,679,861	2,215,155	1,724,712	490,443
Supplies	465,764	398,452	282,996	115,456
In-service/staff development	1,600	1,600	953	647
Other charges	400	400	170	230
Expenditure reimbursement	-	(368,962)	(368,962)	-
Total transportation/planning	<u>3,480,926</u>	<u>2,579,946</u>	<u>1,940,929</u>	<u>639,017</u>
Central and other				
Personnel	1,225,166	925,825	906,159	19,666
Contractual	669,725	614,034	494,091	119,943
Supplies	58,523	62,123	56,246	5,877
In-service/staff development	31,979	33,979	16,090	17,889
Other charges	333,881	382,737	378,108	4,629
Total central and other	<u>2,319,274</u>	<u>2,018,698</u>	<u>1,850,694</u>	<u>168,004</u>
Regular capital outlay				
Contractual	95,000	76,100	39,789	36,311
Total regular capital outlay	<u>95,000</u>	<u>76,100</u>	<u>39,789</u>	<u>36,311</u>
Total education	<u>60,858,353</u>	<u>59,439,267</u>	<u>55,860,635</u>	<u>3,578,632</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Capital outlay	\$ 980,473	\$ 2,564,723	\$ 2,132,032	\$ 432,691
Total expenditures	<u>61,838,826</u>	<u>62,003,990</u>	<u>57,992,667</u>	<u>4,011,323</u>
Excess (deficit) of revenues over (under) expenditures before transfers	<u>(1,040,267)</u>	<u>2,091,657</u>	<u>5,419,588</u>	<u>3,327,931</u>
Other financing sources (uses)				
Transfers in	46,149	5,295,276	5,295,276	-
Transfers out	-	-	(645,408)	(645,408)
Total other financing sources (uses)	<u>46,149</u>	<u>5,295,276</u>	<u>4,649,868</u>	<u>(645,408)</u>
Net change in fund balance	<u>\$ (994,118)</u>	<u>\$ 7,386,933</u>	\$ 10,069,456	<u>\$ 2,682,523</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 10,069,456</u>	

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2015

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,710,046	\$ -
Investments	23,015,610	-
Receivables, net	765,647	-
Unbilled receivables	862,612	-
Prepays	15,344	-
Due from other funds	-	-
Inventories	89,518	-
Total current unrestricted assets	<u>26,458,777</u>	-
Restricted investments	4,967,688	-
Total current assets	<u>31,426,465</u>	-
Noncurrent assets:		
Capital assets:		
Land	1,047,164	-
Distribution and collection systems	113,545,775	-
Buildings and improvements	19,532,261	-
Equipment	4,566,818	-
Other improvements	1,560,389	-
Construction in progress	1,061,892	-
Less accumulated depreciation	<u>(49,247,072)</u>	-
Net capital assets	<u>92,067,227</u>	-
Total noncurrent assets	<u>92,067,227</u>	-
Total assets	<u>123,493,692</u>	-
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refundings	1,491,323	-
Pension actuarial losses	<u>112,932</u>	-
Total deferred outflows of resources	<u>1,604,255</u>	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	323,772	-
Due to governmental entities	22,941	-
Accrued interest	112,279	-
Due to other funds	334,646	-
Compensated absences	86,713	-
Current installment of bonds payable	2,318,467	-
Total current liabilities	<u>3,198,818</u>	-
Noncurrent liabilities:		
Customer deposits	129,595	-
Compensated absences	30,236	-
Bonds payable	22,728,852	-
Net pension liability	311,280	-
Total noncurrent liabilities	<u>23,199,963</u>	-
Total liabilities	<u>26,398,781</u>	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Development fees	14,200	-
Total deferred inflows of resources	<u>14,200</u>	-
<b>NET POSITION</b>		
Net investment in capital assets	68,511,231	-
Restricted		
Water and sewer development	4,967,688	-
Unrestricted	<u>25,206,047</u>	-
Total net position	<u>\$ 98,684,966</u>	<u>\$ -</u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services - water	\$ 4,244,972	\$ -
Charges for services - sewer	7,185,829	-
Employee premiums	-	4,012,345
Employer contributions	-	930,786
Miscellaneous	142,677	-
Total operating revenues	<u>11,573,478</u>	<u>4,943,131</u>
Operating expenses:		
Personal services	2,366,967	-
Materials, supplies, services and other	3,901,155	148,227
Insurance claims and expenses	-	4,846,774
Depreciation	3,228,009	-
Total operating expenses	<u>9,496,131</u>	<u>4,995,001</u>
Operating income (loss)	<u>2,077,347</u>	<u>(51,870)</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	256,773	-
Impact fees	949,869	-
Tap fees	153,430	-
Gain on sale of assets	13,565	-
Interest expense	(874,780)	-
Total nonoperating revenues	<u>498,857</u>	<u>-</u>
Income before contributions and transfers	<u>2,576,204</u>	<u>(51,870)</u>
Capital grants and contributions	345,748	-
Transfers out	(789,805)	-
Change in net position	<u>2,132,147</u>	<u>(51,870)</u>
Total net position - beginning, as restated	<u>96,552,819</u>	<u>51,870</u>
Total net position - ending	<u>\$ 98,684,966</u>	<u>\$ -</u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 11,514,655	\$ -
Payments to suppliers	(5,386,487)	(148,227)
Payments to employees	(1,828,782)	-
Contributions	-	4,943,131
Claims and fees paid	-	(4,846,774)
Other payments	(483)	-
Net cash provided by (used in) operating activities	<u>4,298,903</u>	<u>(51,870)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating subsidies and transfers to other funds	(789,805)	-
Tap and impact fee receipts	1,103,299	-
Net cash provided by noncapital financing activities	<u>313,494</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(1,180,866)	-
Principal paid on capital debt	(2,092,726)	-
Interest paid on capital debt	(891,007)	-
Net cash used in capital and related financing activities	<u>(4,164,599)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments, net	(901,936)	-
Interest and dividends	256,773	-
Net cash used in investing activities	<u>(645,163)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(197,365)	(51,870)
Balances - beginning of the year	1,907,411	-
Balances - end of the year	<u>\$ 1,710,046</u>	<u>\$ (51,870)</u>

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS

For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 2,077,347	\$ (51,870)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	3,228,009	-
Provision for bad debts	11,568	-
Change in assets and liabilities		
(Increase) decrease in assets and deferred outflows of resources:		
Receivables, net	(9,650)	-
Unbilled receivables	(63,991)	-
Prepaid expenses	(494)	-
Inventories	12,171	-
Pension actuarial loss	(112,931)	-
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued expense	(761,018)	(415,908)
Compensated absences	10,659	-
Due to governmental entities	(483)	-
Due to other funds	(163,174)	467,778
Customer deposits	3,250	-
Net pension liability	67,640	-
Net cash provided by operating activities	\$ 4,298,903	\$ -
 <b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Receipt of capital assets contributions from developers	\$ 345,748	\$ -

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

June 30, 2015

	Retiree Pension Plan	Retiree Medical Insurance	School Activities Agency Fund
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ 1,020,027
Inventories	-	-	16,668
Savings, certificates of deposit and time deposits	1,547,604	-	-
Investments, at fair value:			
Money market funds	896,377	381,359	-
U.S. government agency bonds	937,191	-	-
Corporate and foreign bonds	4,388,501	-	-
Municipal obligations	1,649,263	-	-
Common stocks	6,148,609	1,148,598	-
Equity mutual funds	25,608,629	5,491,519	-
Fixed income mutual funds	12,482,575	3,336,241	-
Accrued investment income	110,209	8,158	-
Due from other funds	-	43,112	-
	<u>53,768,958</u>	<u>10,408,987</u>	<u>\$ 1,036,695</u>
<b>LIABILITIES</b>			
Due to schools general fund	-	-	\$ 644,656
Due to student groups	-	-	392,039
Accounts payable and accrued liabilities	48,411	6,474	-
	<u>48,411</u>	<u>6,474</u>	<u>\$ 1,036,695</u>
<b>NET POSITION</b>			
Restricted for other post employment benefits	-	10,402,513	
Restricted for pension benefits	53,720,550	-	
Total net position held in trust	<u>\$ 53,720,550</u>	<u>\$ 10,402,513</u>	

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended June 30, 2015

	<u>Retiree Pension Plan</u>	<u>Retiree Medical Insurance</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,894,722	\$ 516,256
Plan member	440,445	94,378
Total contributions	<u>3,335,167</u>	<u>610,634</u>
Net investment income:		
Interest and dividends	1,144,024	208,631
Net increase in the fair value of investments	730,825	145,626
Less: investment expenses	<u>(173,699)</u>	<u>(24,869)</u>
Net investment income	<u>1,701,150</u>	<u>329,388</u>
Total additions	<u>5,036,317</u>	<u>940,022</u>
<b>DEDUCTIONS</b>		
Benefits and claims paid	836,358	127,608
Administrative expenses	<u>17,419</u>	<u>88,443</u>
Total deductions	<u>853,777</u>	<u>216,051</u>
Change in net position	4,182,540	723,971
Net position - beginning	<u>49,538,010</u>	<u>9,678,542</u>
Net position - ending	<u>\$ 53,720,550</u>	<u>\$ 10,402,513</u>

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



**TOWN OF COLLIERVILLE, TENNESSEE**

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2015

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**Note (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Collierville, Tennessee (the “Town”) complies with accounting principles generally accepted in the United States of America (“GAAP”) as codified by Governmental Accounting Standards Board (“GASB”) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The accounting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

**(A) - Financial Reporting Entity**

The Town is a municipal corporation governed by an elected mayor and five-member board of aldermen. In determining the financial reporting entity, the Town complies with the provisions of GASB No. 14, *The Financial Reporting Entity*. Based on this standard, there are no component units, legally separate entities for which the Town is considered to be financially accountable, to be included in the Town’s financial statements. During 2014, the Town established the general purpose schools fund and the schools nutrition fund to account for the activities of the new Collierville Schools municipal school system. During 2015, the Town established the federal projects fund, discretionary grants fund, and education capital projects fund to account for additional school related activities. These funds are reported as special revenue funds, and as a capital project fund, within the primary government.

The Town’s officials are responsible for appointing the members of the boards of other organizations; however, the Town’s accountability for these organizations does not extend beyond making appointments. There were no material transactions with these organizations during the year ended June 30, 2015.

**(B) - Basis of Presentation**

**Government-Wide Financial Statements**

The government-wide financial statements include a statement of net position and a statement of activities showing the changes in net position. They include all funds of the financial reporting entity with the exception of any fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

## **Governmental Fund Financial Statements**

Governmental fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances individually for all major governmental funds and in the aggregate for the remaining non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met the quantitative or qualitative qualifications to be reported as a major fund.

The funds of the financial reporting entity are described below:

### **Governmental Funds**

#### **General Fund**

The General Fund is the primary operating fund of the Town and is always classified as a major fund. Transactions relating to resources obtained and used for delivery of those services traditionally provided by a municipal government, which are not accounted for in other funds, are accounted for in the General Fund. These services include, among other things, general government, public safety, public works, solid waste management, library, culture and recreation, and municipal courts.

#### **Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The following comprise the special revenue funds:

The **State Street Aid Fund** accounts for the receipts and expenditures of the Town's share of the State of Tennessee's gasoline tax.

The **Solid Waste and Sanitation Fund** accounts for the receipts and expenditures of the Town's solid waste removal services.

The **Historic Preservation Fund** accounts for the receipts and expenditures of fees charged to developers for the preservation of the Town's historic town square. All assets of the fund have been expended as of June 30, 2015; however, the fund remains open pending future development.

The **E-Citation Fund** accounts for the receipt of and expenditures related to the Town's electronic traffic citation system.

The **Special Drug Fund** accounts for the receipt of and expenditures related to court drug fines and drug seizures.

The **General Purpose Schools Fund** accounts for the receipts and expenditures of the Town's municipal school system that are not required to be maintained in a separate fund. This fund is classified as a major fund due to the significant operations during the fiscal year.

The **School Nutrition Fund** accounts for the receipts and expenditures of the Town's municipal school system related to the system's cafeteria operations. These funds are required to be maintained in a separate fund.

The **School Federal Fund** accounts for the receipts and expenditures of the Town's municipal school system related to the system's federally funded programs.

The **School Discretionary Grants Fund** accounts for the receipts and expenditures of the Town's municipal school system related to state funded programs.

### **Capital Projects Funds**

The Town has three capital project funds that account for all the Town's capital improvement projects and one capital project fund that accounts for all the capital improvement projects for the Town's municipal school system. Capital Projects Fund #321 currently accounts for the majority of this activity; therefore the Town's management has elected to classify this fund as a major fund.

### **Proprietary Fund Financial Statements**

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

### **Proprietary Types**

#### **Enterprise Funds**

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to private sector businesses. The reporting entity includes the following enterprise fund:

The **Water and Sewer Fund** accounts for the operations of the water and sewer department. Operating revenues are derived from service charges. Revenues derived from physical connection to the system do not substantially exceed the cost incurred to provide such services.

## **Internal Service Funds**

Internal Service Funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursed basis. The reporting entity includes the following internal service fund:

The **Health Insurance Fund** accounts for transactions related to group medical benefits (including claims incurred but not reported) for which the Town is self-insured. As discussed in Note (18), the Town entered into an inter-local agreement with several other municipalities to create a healthcare insurance trust. Effective July 1, 2015, the Town no longer expects to use the Health Insurance Fund to account for these benefits.

## **Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. Fiduciary fund balances and activities are excluded from the government-wide financial statements as they do not represent amounts available to the primary government.

## **Fiduciary Types**

### **Pension (and Other Employee Benefit) Trust Funds**

Pension Trust Funds account for the activities and accumulation of resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. The Pension Trust Funds used by the Town are as follows:

The **Pension Plan Fund** accounts for transactions related to the Town sponsored defined benefit pension plan.

The **Retiree Medical Plan Fund** accounts for transactions related solely to retiree group medical benefits (including claims incurred but not reported) for which the Town is self-insured through the Health Insurance Fund discussed above.

### **Agency Fund**

Agency Funds report resources held by the reporting government in a purely custodial capacity (the receipt, temporary investment, and remittance of fiduciary resources). Assets are offset by liabilities in the statement of fiduciary net position for agency funds. The Agency Fund used by the Town is as follows:

The **Student Activity Fund** accounts for all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school. Each school maintains its own bank account and records related to their student activities.

## Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<b>Fund</b>	<b>Description</b>
Major:	
General	See above for description
Capital Project Fund #321	Accounts for capital improvements for various projects
Gen. Purpose Schools Fund	See above for description
Water and Sewer Fund	See above for description
Non-Major:	
Special Revenues	See above for individual funds and descriptions
Capital Projects	
#334	Accounts for capital improvements for various Town projects
#335	Accounts for capital improvements for various Town projects
Education Capital Projects	Accounts for capital improvements for Collierville Schools

### (C) – GASB Accounting Pronouncements

The Town implemented GASB Statement No. 68, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 27* (“GASB No. 68”), and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB No. 71”), for fiscal year 2015. GASB No. 68 revises existing guidance for the financial reports of most pension plans for state and local governments and replaces the requirements of Statement No. 27 and Statement No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. GASB No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. GASB No. 71 amended GASB 68’s requirement that all deferred inflows and outflows must be reported for years being restated or no such items should be reported to allow for an exception for contributions made after the measurement date, allowing these contributions to be reported as deferred outflows of resources. See Note (2) to the financial statements for additional information related to the adoption of this accounting pronouncement.

### (D) - Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

## **Measurement Focus**

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the “economic resources” measurement focus. Accordingly, all of the Town’s assets and liabilities, including capital assets as well as current year infrastructure assets and long-term liabilities, along with deferred inflows and outflows of resources, are included in the accompanying statement of net position. The statement of activities presents changes in net position.

Proprietary and fiduciary funds are accounted for using the “economic resources” measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

In the fund financial statements, the “current financial resources” measurement focus or “economic resources” measurement focus is used as appropriate. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflow of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. These funds use fund balance as their measure of available resources at the end of the period.

## **Basis of Accounting**

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred or economic asset used. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property taxes, other local taxes, and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Proprietary and fiduciary funds utilize the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that

are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses. Revenues in the fiduciary funds are those additions to the plan that are generated from contributions from the Town and participants and investment related income. Expenses are those deductions to the assets of the plan that arise from the payment of benefits and administrative expenses.

**(E) - Budgetary Data**

The revenues and expenditures accounted for in all governmental fund types are controlled by a formal integrated budgetary accounting system. The Board of Mayor and Aldermen approve annually the budgets for these funds. Budgetary control is maintained at the departmental level by line item, and expenditures may not exceed funds budgeted which constitute the legal spending limit. Unexpended appropriations lapse at year-end. Management may amend the budget within departments without approval of the governing body; however, any amendments made between departments must meet with the governing body's approval as prescribed by the Town Charter. The budgets have been amended in accordance with the Town Charter resulting in budgeted expenditures and other financing uses, including transfers, increasing \$20,213,597. The same basis of accounting is used to reflect actual revenue and expenditures recognized using accounting principles generally accepted in the United States of America.

**(F) - Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, cash in checking accounts with depository institutions, and all highly liquid debt instruments purchased with a maturity of three months or less.

**(G) - Restricted Assets**

The Health Insurance Fund occasionally has restricted cash which must be used for insurance claims and expenses. There was no restricted cash at June 30, 2015. Certain development fees collected by the Water and Sewer Fund represent restricted amounts which must be used for projects to increase capacity and other items for future community developments. There was \$4,967,688 in restricted investments for development fees at June 30, 2015.

**(H) - Deposits and Investments**

Investments are limited to those authorized by Tennessee State Law. State statutes authorize the Town to invest in Treasury bonds, notes or bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the Federal Home Loan Mortgage Corporation; other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies; certificates of deposit and other evidences of deposit at State and Federal chartered banks; obligations of the United States or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local Finance and made in accordance with procedures established by the State Funding Board; the Local Government Investment Pool ("LGIP"); obligations of the Public Housing Authority; and bonds of the Tennessee Valley Authority. State statutes limit maturities of the above investments to

four years from the date of investment unless a greater maturity is approved by the State Director of Local Finance. Investments are recorded at fair value. The Town has not adopted a formal investment policy that limits its interest rate or credit risks.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Although the Town has not adopted a formal deposit policy, its policy is to fully collateralize bank deposits in excess of federally insured amounts. Note (3) summarizes the Town's exposure to custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. The Town's investments in the LGIP (summarized at Note (4)) are held by the State Treasury, not in the name of the Town. The Town's fiduciary fund investments are held by a third party bank in the name of the Town. The third party bank is also a participant in the State collateral pool.

### **(I) - Property Taxes**

Property taxes are recorded as revenues in the fiscal year of the levy if collected within two months (by August 31) following the end of the fiscal year, in accordance with accounting principles generally accepted in the United States of America. Property tax receivables are recorded in the period when an enforceable legal claim has arisen or when resources are received, whichever is first. Deferred inflows of resources are recorded if the related revenue is not available. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and deferred inflows of resources to reflect amounts that were not available as revenues at June 30, 2015.

### **(J) - Inventories**

Inventories are stated at cost and are charged to operations under the consumption method using average cost.

### **(K) - Interfund Transactions**

#### **Interfund Receivables and Payables**

During the course of operations, numerous transactions occur that may result in amounts owed between individual funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables are eliminated in the statement of net position.

#### **Interfund Transfers**

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all transfers between individual governmental funds have been eliminated.



**(L) - Capital Assets**

Capital assets, which include property, plant, equipment, certain infrastructure assets (roads, bridges, sidewalks and similar items), and certain intangible assets (easements, right-of-ways and similar intangible assets) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial individual cost of at least \$5,000 and an estimated useful life in excess of three years. The Town’s assets are capitalized at historical cost or estimated historical cost. Gifts or contributions of capital assets, including intangible assets, are recorded at fair value when received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest income on unspent bond funds, is included as part of the capitalized value of the assets constructed.

Land, easements, right-of-ways and construction in progress are not depreciated. Buildings, improvements, equipment, and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements.....	40 years
Other improvements.....	15-75 years
Library materials .....	10 years
Equipment .....	3-15 years
Infrastructure .....	25-75 years

**(M) – Deferred Outflows/Inflows of Resources**

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

**(N) - Compensated Absences**

Town employees are granted sick and annual leave in varying amounts in accordance with administrative policies. Upon termination or retirement, employees are paid full value for any accrued annual leave earned not to exceed the maximum annual leave as set forth by the personnel policy. Generally, employees may accumulate sick leave up to nine hundred and sixty (960) hours, but upon termination or retirement, no payment shall be made for unused sick leave.

Vested or accumulated annual leave for terminated or retired employees that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and government-wide presentation.

Vested or accumulated annual leave of governmental funds is recorded only if the leave has matured (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement). Vested or accumulated annual leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

The Town's contingent liability for the unused, accumulated portions of sick leave as of June 30, 2015 approximates \$5,236,000.

**(O) - Original Issue Discount/Premium**

Original issue discounts and premiums are netted against the bond payable account and amortized over the lives of respective bond issues using the interest method.

**(P) - Grants and Contributions**

Grants and contributions from Federal, State and local governments and private individuals and enterprises are received for payment of costs related to various property acquisitions, construction projects, and operating costs. Grants are recorded when all applicable eligibility requirements are met. Contributions are recorded when received.

**(Q) - Retirement Plans**

The Town maintains seven retirement plans. One is a defined contribution plan and the other six are defined benefit plans, five sponsored by the Tennessee Consolidated Retirement System and the other sponsored by the Town. See Notes (11) through (13) for more information on each plan.

**(R) – Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position, and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the actuaries. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Investments are reported at fair value.

**(S) - Prepaid Expenses**

Certain contractual or otherwise required payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses or prepaid items.

**(T) - Unbilled Utility Receivable**

Utility revenue is recorded when earned. Customers are billed at various times throughout the month. The estimated value of services provided but unbilled at year end has been included in the accompanying financial statements.

**(U) – Application of Restricted Resources**

The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**(V) – Net Position**

The Town recognizes the difference between its assets plus deferred outflows of resources less liabilities and deferred inflows of resources as net position in government-wide and proprietary fund financial statements. Net position categories include:

**NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets is comprised of the Town’s capital assets, net of depreciation, reduced by the outstanding balances of bonds and notes that are attributable to the acquisition, construction or improvement of those assets. Applicable deferred outflows of resources and deferred inflows of resources, if any, should also be included in this component of net position. Net investment in capital assets is further discussed in Note (16).

**RESTRICTED**

Restricted net position is comprised of the Town’s assets, mainly cash and investments, bound by constraints on resources that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments.

**UNRESTRICTED**

The remaining balance of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital or the restricted components of net position.

## **(W) – Fund Balances**

The Board of Mayor and Aldermen has approved a Fund Balance Policy, which is within the framework of GASB Statement No. 54, *Fund Balance Report and Governmental Fund Type Definitions*. The governmental fund type classifies fund balances as follows:

### **NONSPENDABLE**

Non-spendable fund balance consists of funds that cannot be spent due to their form (e.g. inventories and prepaid expenses) or funds that legally or contractually must be maintained intact (e.g. corpus of endowment funds).

### **RESTRICTED**

Restricted fund balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

### **COMMITTED**

Committed fund balance consists of funds that are set aside for a specific purpose by the Town's highest level of decision making authority (Board of Mayor and Aldermen). Formal action, in the form of an ordinance by the Board of Mayor and Aldermen, to establish, modify or rescind a commitment must be taken by the end of the fiscal year.

### **ASSIGNED**

Assigned fund balance consists of funds that are set aside with the intent to be used for a specific purpose by the Town's highest level of decision making authority or a body or official that has been given the authority to assign funds. At this time, the Town of Collierville Board of Mayor and Aldermen has maintained the authorization to assign fund balance which is accomplished through a resolution by the Board of Mayor and Aldermen.

### **UNASSIGNED**

Unassigned fund balance consists of excess funds that have not been classified in the previous four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

When expenditures involve funds in more than one fund balance classification, the Town's policy is to spend amounts from the expenditure's most restricted source first. Amounts classified as noted above are further discussed in Note (10).

## **Stabilization Policy**

Within the Fund Balance Policy, established by a resolution of the Board of Mayor and Aldermen, the Town also established a Stabilization Policy. The provisions of the Stabilization Policy do not qualify for reservation as committed or assigned fund balance and have been included as a portion of the unassigned fund balance.

The Stabilization Policy has the following four main accounts: contingency, emergency, cash flow stabilization, and debt service. The contingency account, estimated to be one (1) percent of the General Fund budgeted expenditures, is established in the event that during the year there are unanticipated expenses or revenue shortfalls impacting programs already approved in conjunction with the current year budget. The emergency account, estimated to be four (4) percent of the General Fund budgeted expenditures, is established to fund a finding by the Mayor, with confirmation by the Board, of “true urgent economic necessity,” which is based on a significant economic downturn after the budget is complete or a natural disaster. The cash flow stabilization account, estimated to be eighteen (18) percent of the General Fund budgeted expenditures, is established to serve cash flow needs for the first few months of the fiscal year based on the tax calendar. The debt service account, estimated to be two (2) percent of the General Fund budgeted expenditures, is established to fund general obligation debt service payments for the first few months of the year based on the tax calendar. Any changes to the Stabilization Policy, or addition of amounts, require a resolution to be passed by the Board of Mayor and Aldermen.

## **Deficit Fund Balance**

The Solid Waste and Sanitation fund incurred a deficit balance in 2014 as a result of incurring capital expenditures for recycling equipment. The expenditures were funded by an advance from the General Fund of \$1,080,000 that is due on demand within 3 years, unless extended. As of June 30, 2015, the Solid Waste and Sanitation fund reported a surplus fund balance.

**Note (2) – RETROSPECTIVE APPLICATION OF A CHANGE IN ACCOUNTING PRINCIPLE**

The following table summarizes the effects of the implementation of GASB No. 68 in the statement of net position for the governmental funds as of June 30, 2014.

	As Previously Reported June 30, 2014	Record Effects of GASB 68	As Restated June 30, 2014
Total assets	\$ 317,568,463	\$ (116,096)	\$ 317,452,367
Deferred outflows of resources	740,483	35,932	776,415
Total liabilities	47,217,422	3,347,724	50,565,146
Deferred inflows of resources	22,875,965	-	22,875,965
Net position			
Net investment in capital assets	214,192,052	-	214,192,052
Restricted	8,205,085	-	8,205,085
Unrestricted	25,818,422	(3,427,888)	22,390,534
Total net position	<u>\$ 248,215,559</u>	<u>\$ (3,427,888)</u>	<u>\$ 244,787,671</u>

The following table summarizes the effects of the implementation of GASB No. 68 in the statement of net position for the proprietary fund as of June 30, 2014.

	As Previously Reported June 30, 2014	Record Effects of GASB 68	As Restated June 30, 2014
Total assets	\$ 123,928,735	\$ -	\$ 123,928,735
Deferred outflows of resources	1,653,663	-	1,653,663
Total liabilities	28,771,739	243,640	29,015,379
Deferred inflows of resources	14,200	-	14,200
Net position			
Net investment in capital assets	66,444,330	-	66,444,330
Restricted	4,017,819	-	4,017,819
Unrestricted	26,334,310	(243,640)	26,090,670
Total net position	<u>\$ 96,796,459</u>	<u>\$ (243,640)</u>	<u>\$ 96,552,819</u>

**Note (3) - DEPOSITS**

***Primary Government Deposits***

Deposits of the primary government at June 30, 2015, consist of the following:

	<u><b>Bank Balance</b></u>	<u><b>Book Balance</b></u>
Accounts at banks.....	\$ <u>21,697,337</u>	\$ <u>21,544,754</u>

A summary of the primary government’s bank deposits as of June 30, 2015, is as follows:

Insured .....	\$ 846,390	
Collateralized by securities held by the Town or their agent in the Town’s name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee .....	<u>20,850,947</u>	
	<u>\$ 21,697,337</u>	\$ 21,544,754
Petty cash.....		<u>2,941</u>
Total cash and cash equivalents .....		<u>\$ 21,547,695</u>

***Fiduciary Pension Trust Deposits***

Deposits of the Town’s fiduciary pension trust funds at June 30, 2015, consist of the following:

	<u><b>Bank Balance</b></u>	<u><b>Book Balance</b></u>
Accounts at banks.....	\$ <u>1,547,604</u>	\$ <u>1,547,604</u>

A summary of the Town’s fiduciary pension trust funds bank deposits as of June 30, 2015, is as follows:

Insured .....	\$ <u>1,547,604</u>	\$ <u>1,547,604</u>
---------------	---------------------	---------------------

***Fiduciary Agency Deposits***

Deposits of the Town’s fiduciary agency fund at June 30, 2015, consist of the following:

	<u><b>Bank Balance</b></u>	<u><b>Book Balance</b></u>
Accounts at banks.....	\$ <u>1,067,782</u>	\$ <u>1,020,027</u>

A summary of the Town’s fiduciary agency fund bank deposits as of June 30, 2015, is as follows:

Insured .....	\$ 250,000	
Collateralized by securities held by the Town or their agent in the Town’s name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee .....	<u>817,782</u>	
	<u>\$ 1,067,782</u>	
Total cash and cash equivalents .....		<u>\$ 1,020,027</u>

**Note (4) – INVESTMENTS**

The Tennessee Local Government Investment Pool (the “Pool”) represents 100% of the primary government’s investments at June 30, 2015. The responsibility for conducting the State of Tennessee investment program resides with the State Treasurer and is exercised in accordance with the investment policy and resolutions of the State Funding Board.

The Pool is a non-rated investment pool that operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. The Pool uses amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in the Pool is the same as the value of Pool shares.

	<u>Fair Value</u>
Investments in Local Government Investment Pool (“LGIP”):	
Governmental funds.....	\$ 31,030,868
Proprietary funds.....	<u>\$ 27,983,298</u>
	<u>\$ 59,014,166</u>

**Fiduciary Investments**

The Town administers two fiduciary funds whose investments are held by a third party trustee bank. Additionally, the Town utilizes an advisor to select appropriate investment choices. Following is a table illustrating the investments held by the trust:

	<u>Cost</u>	<u>Fair Value</u>
Investments held by trustee:		
Money market funds .....	\$ 1,277,736	\$ 1,277,736
U.S. government agency bonds .....	926,758	937,191
Corporate and foreign bonds.....	4,293,270	4,388,501
Municipal obligations .....	1,668,581	1,649,263
Common stocks.....	4,855,830	7,297,207
Equity mutual funds.....	25,152,503	31,100,148
Fixed income mutual funds.....	<u>16,087,511</u>	<u>15,818,816</u>
	<u>\$ 54,262,189</u>	<u>\$ 62,468,862</u>

The Town has developed a flexible investment policy statement based on modern portfolio theory, as recognized by the 1990 Nobel Prize. Under this theory, the Town has assessed its short-term liquidity needs and developed an investment strategy to maximize long-term growth of the investments factoring in risk tolerance (including credit risk, interest rate risk, and market volatility) and diversification. The Town’s investment policy does not specifically limit the amount of investment in individual or aggregate investments based on the credit rating of the investment. The investment policy seeks to earn an average annual return of 7.5 percent over a minimum of a 10 year period.



The Town's investment policy seeks the following target allocation of investments:

<u>Category</u>	<u>Holdings</u>	<u>Percent</u>	<u>Total</u>
<b>Cash</b>			<b>2%</b>
	Taxable Money Market Funds	2%	
<b>Bonds</b>			<b>38%</b>
	Short-term bonds	5%	
	Intermediate bonds	33%	
<b>Stocks</b>			<b>55%</b>
	Large cap stocks	30%	
	Mid cap stock	10%	
	Small cap stocks	5%	
	International stocks	10%	
<b>Real Estate</b>			<b>5%</b>
	Real estate investment trusts	5%	
<b>Total</b>		<b>100%</b>	<b>100%</b>

Individual investments representing 5 percent or more of total assets held by the trustee as of June 30, 2015 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
MFS International Value	Equity Mutual Fund	\$ 3,733,424
Oppenheimer International Growth	Equity Mutual Fund	\$ 3,691,506
Lord Abbett Investment Trust	Fixed Income Mutual Fund	\$ 3,406,702
Lord Abbett Investment Trust (Short)	Fixed Income Mutual Fund	\$ 3,310,268
Western Asset Core Plus Bond	Fixed Income Mutual Fund	\$ 3,313,106

Approximately 89 percent of all investments are in money market accounts, common stocks, or mutual funds that are not rated by a national credit rating agency. The remaining 11 percent of investments are in United States government agency, municipal, and corporate bonds (1, 3, and 7 percent, respectively); however, no rating information was available on these investments.

**Note (5) - PROPERTY TAXES**

The Town's lien date for property taxes is January 1 of each year, and the levy date is April 20 of each year. The collection period for the levy is the following December 1st through February 28th. The various types of property are assessed at a percentage of fair value as follows:

Farm and residential real property .....	25%
Commercial and industrial real property .....	40%
Greenbelt real property .....	25%
Commercial and industrial personal property .....	30%
Public utilities real and personal property .....	55%

Current tax collections for the year, after adjustments, were approximately 99% of the tax levy.

Property taxes receivable as of June 30, 2015 include:

Real and personal property taxes	\$ 26,813,168
Ad valorem taxes	605,000
Pilot taxes	<u>61,738</u>
	27,479,906
Less allowance for uncollectible amounts	<u>(338,348)</u>
	<u>\$ 27,141,558</u>

The property tax levy has no legal limit. The rate, as permitted by Tennessee State law and Town charter, is set by the Mayor and Board of Aldermen and collected by the Finance Department.

**Note (6) - INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2015 is as follows:

	<b><u>INTERFUND RECEIVABLE</u></b>	<b><u>INTERFUND PAYABLE</u></b>
<b>MAJOR FUNDS</b>		
General Fund		
Special Drug Fund.....	\$ 3,984	\$ -
Capital Project Fund #321 .....	-	1,209,970
Sanitation Fund .....	-	1,361,886
Water and Sewer Fund .....	334,646	-
Retirement Medical Fund.....	-	43,112
E-Citation Fund .....	-	3,413
General Purpose School Fund .....	<u>464,705</u>	<u>43,442</u>
	<u>803,335</u>	<u>2,661,823</u>
Capital Project Fund #321		
General Fund.....	<u>1,209,970</u>	<u>-</u>
General Purpose School Fund		
General Fund .....	43,442	464,705
School Federal Projects .....	19,355	-
School Discretionary Grants .....	23,546	-
Education Capital Projects .....	182,449	-
School Nutrition Fund.....	<u>-</u>	<u>34,079</u>
	<u>268,792</u>	<u>498,784</u>
Water and Sewer Fund		
General Fund .....	<u>-</u>	<u>334,646</u>

**NON-MAJOR FUNDS**

Special Drug Fund		
General Fund .....	-	3,984
Retirement Medical Fund		
General Fund .....	43,112	-
Sanitation Fund		
General Fund .....	1,361,886	-
E- Citation Fund		
General Fund .....	3,413	-
School Federal Projects		
General Purpose School Fund .....	-	19,355
School Discretionary Grants		
General Purpose School Fund .....	-	23,546
Education Capital Projects		
General Purpose School Fund .....	-	182,449
School Nutrition Fund		
General Purpose School Fund .....	34,079	-
<b>TOTALS .....</b>	<b><u>\$ 3,724,587</u></b>	<b><u>\$ 3,724,587</u></b>

The foregoing interfund balances are classified as follows in the financial statements:

	<u>INTERFUND BALANCES - ASSETS</u>	<u>INTERFUND BALANCES - LIABILITIES</u>
Governmental Funds		
Due from other funds .....	\$ 3,681,475	\$ -
Due to other funds .....	-	3,346,829
Due to fiduciary trusts .....	-	43,112
Proprietary Funds		
Due to other funds .....	-	334,646
Fiduciary Funds		
Due from other funds .....	43,112	-
	<u>\$ 3,724,587</u>	<u>\$ 3,724,587</u>

Interfund transfers for the year ended June 30, 2015 were as follows:

	<u>TRANSFERS FROM OTHER FUNDS</u>	<u>TRANSFERS TO OTHER FUNDS</u>
<b>MAJOR FUNDS</b>		
General Fund		
Historic Preservation Fund.....	\$ -	\$ 9,015
Special Drug Fund .....	-	14,606
General Purpose School Fund.....	-	5,259,800
Capital Project Fund #321.....	57,714	5,432,299
Capital Project Fund #334.....	301,439	-
Water and Sewer Fund.....	<u>789,805</u> (1)	<u>-</u>
	<u>1,148,958</u>	<u>10,715,720</u>
General Purpose School Fund		
General Fund.....	5,259,800	-
School Nutrition.....	-	259,050
Education Capital Projects.....	-	386,358
School Federal Projects.....	<u>35,476</u>	<u>-</u>
	<u>5,295,276</u>	<u>645,408</u>
Capital Project Fund #321		
General Fund.....	5,432,299	57,714
Capital Project Fund #335.....	<u>458,693</u>	<u>-</u>
	<u>5,890,992</u>	<u>57,714</u>
Water and Sewer Fund		
General Fund.....	<u>-</u>	<u>789,805</u> (1)
<b>NON-MAJOR FUNDS</b>		
Historic Preservation Fund		
General Fund.....	<u>9,015</u>	<u>-</u>
Special Drug Fund		
General Fund.....	<u>14,606</u>	<u>-</u>
Capital Project Fund #334		
General Fund.....	<u>-</u>	<u>301,439</u>
Capital Project Fund #335		
Capital Project Fund #321.....	<u>-</u>	<u>458,693</u>
School Nutrition		
General Purpose School Fund.....	<u>259,050</u>	<u>-</u>
Education Capital Projects		
General Purpose School Fund.....	<u>386,358</u>	<u>-</u>
School Federal Projects		
General Purpose School Fund.....	<u>-</u>	<u>35,476</u>
<b>TOTALS.....</b>	<u>\$ 13,004,255</u>	<u>\$ 13,004,255</u>

(1) This represents payments in lieu of taxes that are not payments for, and are not reasonably equivalent in value to, services provided.

Transfers other than those identified in (1) above are related to goods and service transactions arising in the normal course of operations.

## Advances To and From Other Funds

In 2014, the General Fund advanced \$1,080,000 to the Solid Waste and Sanitation Fund for the purpose of purchasing recycling equipment. The advance is payable on demand within three years, unless extended, and accrues interest at a rate of 2.00 percent per annum. The amount outstanding as of June 30, 2015 was \$960,000.

### Note (7) - CAPITAL ASSETS

A summary of changes in Governmental Activities' capital assets is as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2015</u>
Governmental activities:					
Capital assets not being depreciated					
Land, easements, right-of-ways	\$ 24,511,521	\$ 588,162	\$ -	\$ -	\$ 25,099,683
Construction in progress	<u>8,362,270</u>	<u>9,990,958</u>	<u>-</u>	<u>(6,593,043)</u>	<u>11,760,185</u>
Total capital assets not being depreciated	<u>32,873,791</u>	<u>10,579,120</u>	<u>-</u>	<u>(6,593,043)</u>	<u>36,859,868</u>
Other capital assets:					
Buildings and improvements	106,908,990	38,548	(3,547)	4,024,006	110,967,997
Other improvements	18,485,077	-	(67,322)	486,303	18,904,058
Library materials	2,787,060	230,929	(379,804)	-	2,638,185
Equipment	25,288,578	1,763,079	(715,016)	362,517	26,699,158
Infrastructure	<u>148,154,103</u>	<u>230,618</u>	<u>(363,565)</u>	<u>1,720,217</u>	<u>149,741,373</u>
Total other capital assets at historical cost	<u>301,623,808</u>	<u>2,263,174</u>	<u>(1,529,254)</u>	<u>6,593,043</u>	<u>308,950,771</u>
Less accumulated depreciation for:					
Buildings and improvements	(31,475,876)	(2,403,226)	3,547	-	(33,875,555)
Other improvements	(8,576,110)	(737,564)	67,322	-	(9,246,352)
Library materials	(1,611,204)	(230,396)	379,804	-	(1,461,796)
Equipment	(15,811,461)	(1,619,671)	652,265	-	(16,778,867)
Infrastructure	<u>(34,739,412)</u>	<u>(2,082,257)</u>	<u>112,869</u>	<u>-</u>	<u>(36,708,800)</u>
Total accumulated depreciation	<u>(92,214,063)</u>	<u>(7,073,114)</u>	<u>1,215,807</u>	<u>-</u>	<u>(98,071,370)</u>
Other capital assets, net	<u>209,409,745</u>	<u>(4,809,940)</u>	<u>(313,447)</u>	<u>6,593,043</u>	<u>210,879,401</u>
Governmental activities capital assets, net	<u>\$ 242,283,536</u>	<u>\$ 5,769,180</u>	<u>\$ (313,447)</u>	<u>\$ -</u>	<u>\$ 247,739,269</u>

Depreciation expense was charged to functions as follows:

Legislative .....	<u>\$ 9,196</u>
General Government:	
Finance .....	11,243
General services .....	37,028
Information technology .....	125,065
Executive .....	183,731
Town administration.....	74,917
Library .....	382,681
Development administration .....	1,332
Development engineering.....	17,616
General government .....	9,174
Human resources .....	694
Development planning .....	<u>6,080</u>
	<u>849,561</u>
Public Safety:	
Animal control.....	46,146
Police .....	564,307
Fire.....	390,327
Code enforcement.....	13,711
City court.....	<u>23,801</u>
	<u>1,038,292</u>
Roads and Public Works:	
Public services administration.....	82,165
Fleet services .....	13,612
Highways and streets.....	<u>2,251,613</u>
	<u>2,347,390</u>
Education .....	<u>1,727,282</u>
Sanitation .....	<u>186,685</u>
Culture and Recreation:	
Parks and recreation .....	<u>889,433</u>
Development of historic	
town square .....	<u>25,275</u>
Total governmental activities	
depreciation expense.....	<u>\$ 7,073,114</u>

A summary of the Business-type Activities' capital assets is as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2015</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 939,148	\$ 108,016	\$ -	\$ -	\$ 1,047,164
Construction in progress	<u>2,763,723</u>	<u>987,883</u>	<u>-</u>	<u>(2,689,714)</u>	<u>1,061,892</u>
Total capital assets-not being depreciated	<u>3,702,871</u>	<u>1,095,899</u>	<u>-</u>	<u>(2,689,714)</u>	<u>2,109,056</u>
Other capital assets:					
Buildings and improvements	19,522,118	-	10,143	-	19,532,261
Other improvements	1,560,389	-	-	-	1,560,389
Equipment	4,091,749	192,983	(572,199)	854,285	4,566,818
Distribution and collection systems	<u>111,503,297</u>	<u>237,732</u>	<u>(30,683)</u>	<u>1,835,429</u>	<u>113,545,775</u>
Total other capital assets at historical cost	<u>136,677,553</u>	<u>430,715</u>	<u>(592,739)</u>	<u>2,689,714</u>	<u>139,205,243</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,715,316)	(378,949)	600	-	(8,093,665)
Other improvements	(421,154)	(68,169)	-	-	(489,323)
Equipment	(2,594,419)	(212,309)	576,145	-	(2,230,583)
Distribution and collection systems	<u>(35,894,478)</u>	<u>(2,568,582)</u>	<u>29,559</u>	<u>-</u>	<u>(38,433,501)</u>
Total accumulated depreciation	<u>(46,625,367)</u>	<u>(3,228,009)</u>	<u>606,304</u>	<u>-</u>	<u>(49,247,072)</u>
Other capital assets, net	<u>90,052,186</u>	<u>(2,797,294)</u>	<u>13,565</u>	<u>2,689,714</u>	<u>89,958,171</u>
Business-type activities capital assets, net	<u>\$ 93,755,057</u>	<u>\$ (1,701,395)</u>	<u>\$ 13,565</u>	<u>\$ -</u>	<u>\$ 92,067,227</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

  Water and sewer..... \$ 3,228,009

Total business-type activities depreciation expense..... \$ 3,228,009

The estimated useful lives of the different classes of the Business-type Activities' capital assets are as follows:

Buildings and improvements.....	25 years
Water and sewer lines, plant & treatment facilities.....	50 years
Equipment and vehicles.....	4 - 25 years

**Note (8) - DEBT**

A summary of debt activity for the year ended June 30, 2015, is as follows. Additional detailed information is available on the following pages.

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Defeasance</u>	<u>Reductions and Amortizations</u>	<u>Balance June 30, 2015</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>						
General Obligation						
Bonds	\$ 32,282,587	\$ -	\$ -	\$ (2,662,274)	\$ 29,620,313	\$ 2,757,215
Notes payable	572,000	-	-	(282,000)	290,000	290,000
Capital lease	-	700,000	-	(235,295)	464,705	229,839
Compensated						
absences	1,620,256	1,311,873	-	(1,026,594)	1,905,535	1,270,904
Settlement obligation	5,381,619	-	-	(396,324)	4,985,295	471,093
Unamortized premiums						
(discounts), net	<u>463,238</u>	<u>-</u>	<u>-</u>	<u>(67,782)</u>	<u>395,456</u>	<u>67,782</u>
	<u>40,319,700</u>	<u>2,011,873</u>	<u>-</u>	<u>(4,670,269)</u>	<u>37,661,304</u>	<u>5,086,833</u>
<b>Business-type Activities:</b>						
General Obligation						
Bonds	7,413	-	-	(2,726)	4,687	2,785
Revenue Bonds	25,520,000	-	-	(2,090,000)	23,430,000	2,145,000
Compensated						
absences	106,290	86,713	-	(76,054)	116,949	86,713
Unamortized premiums						
(discounts), net	<u>1,783,314</u>	<u>-</u>	<u>-</u>	<u>(170,682)</u>	<u>1,612,632</u>	<u>170,682</u>
	<u>27,417,017</u>	<u>86,713</u>	<u>-</u>	<u>(2,339,462)</u>	<u>25,164,268</u>	<u>2,405,180</u>
	<u>\$ 67,736,717</u>	<u>\$ 2,098,586</u>	<u>\$ -</u>	<u>\$ (7,009,731)</u>	<u>\$ 62,825,572</u>	<u>\$ 7,492,013</u>

Debt outstanding as of June 30, 2015 consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Issued</u>	<u>Debts Outstanding</u>
<b>Governmental Activities</b>				
General Obligation Bonds:				
Serial Bonds.....	3.50% - 5.00%	2029	\$ 13,000,000	\$ 10,190,000
Serial Bonds.....	2.00% - 2.50%	2022	4,985,000	3,585,000
Serial Bonds.....	2.00% - 3.00%	2017	5,154,702	1,190,313
Serial Bonds.....	3.50% - 4.38%	2016	8,000,000	375,000
Serial Bonds.....	1.50% - 2.00%	2026	5,215,000	5,215,000
Serial Bonds.....	3.50% - 4.13%	2020	5,290,000	1,965,000
Serial Bonds.....	2.00% - 4.00%	2033	<u>7,700,000</u>	<u>7,100,000</u>
			<u>\$ 49,344,702</u>	<u>\$ 29,620,313</u>
Amount due within one year.....				<u>\$ 2,757,215</u>
Notes payable:				
Term note.....	2.80%	2016	<u>\$ 3,000,000</u>	<u>\$ 290,000</u>
			<u>\$ 3,000,000</u>	<u>\$ 290,000</u>
Amount due within one year.....				<u>\$ 290,000</u>



**Business-Type Activities**

General Obligation Bonds:

Serial Bonds.....	2.00% - 3.00%	2017	\$ 20,298	\$ 4,687
Amount due within one year.....				<u>\$ 2,785</u>

Revenue Bonds:

Revenue Bonds .....	3.50% - 4.13%	2020	\$ 3,755,000	\$ 1,520,000
Revenue Bonds .....	1.50% - 4.00%	2026	15,655,000	14,350,000
Revenue Bonds .....	4.00% - 4.38%	2026	<u>26,000,000</u>	<u>7,560,000</u>
			<u>\$ 45,410,000</u>	<u>\$ 23,430,000</u>
Amount due within one year .....				<u>\$ 2,145,000</u>

The Town has no legal debt limit. Each debt issuance above was made for the purpose of funding the acquisition of various capital assets.

Governmental activities’ debt, compensated absences, and settlement obligation are to be repaid from revenue sources of the General Fund. Long-term debt and compensated absences of the Business-type activities are to be repaid from the operating revenues of the Water and Sewer Fund. Revenue bonds issued in the amount of \$45,410,000 are secured by net revenues to be derived from the operations of the Water and Sewer Fund.

The Town has a \$3,000,000 variable-rate loan from the Tennessee Municipal Bond Fund Pooled Loan Program for use in funding the Wolf River Boulevard Project. At June 30, 2015, \$290,000 was due under this loan.

In prior years, the Town issued certain bonds to advance refund outstanding indebtedness. The net proceeds from advance refunding bonds have been placed in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and the liability on the defeased bonds are not included in the Town’s financial statements. At June 30, 2015, \$14,160,000 of defeased bonds remained outstanding.

Presented below is a summary of government-wide debt service requirements to maturity by years:

<u>Year Ending</u> <u>June 30</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,760,000	\$ 957,844	\$ 2,145,000	\$ 821,369	\$ 290,000	\$ 8,120
2017	2,800,000	870,369	2,240,000	751,831	-	-
2018	2,240,000	795,769	2,290,000	679,544	-	-
2019	2,310,000	728,069	2,445,000	577,906	-	-
2020	2,385,000	656,597	2,555,000	488,263	-	-
2021 - 2025	9,270,000	2,323,822	9,815,000	1,270,794	-	-
2026 - 2030	6,385,000	836,872	1,940,000	84,880	-	-
2031 - 2033	1,475,000	84,281	-	-	-	-
	<u>\$ 29,625,000</u>	<u>\$ 7,253,623</u>	<u>\$ 23,430,000</u>	<u>\$ 4,674,587</u>	<u>\$ 290,000</u>	<u>\$ 8,120</u>

Subsequent to June 30, 2015, the Town issued General Obligation bonds, Series 2015A, in the amount of \$93,485,000 principally for the construction of a new high school and related road and drainage work; General Obligation bonds, Series 2015B, in the amount of \$5,000,000 to be used for various public works projects and equipment; General Obligation Refunding bonds, Series

2015C, of \$8,015,000 to refinance certain general obligation debt of the Town; and Water and Sewer System Revenue and Tax Refunding bonds, Series 2015D, of \$5,305,000 to refinance certain water and sewer system debt of the Town.

*Litigation Settlement Obligation*

In July 2013, Collierville citizens approved a referendum authorizing the creation of Collierville Schools. The County Commission of Shelby County, Tennessee sued the Town, and other municipalities, alleging that the Town’s effort to create its own municipal school district was illegal; whereas, the Town denied the allegation. In January 2014, the parties entered a settlement agreement to resolve all claims and contentions between the parties. As a condition of the settlement, the Town agreed to pay the Shelby County Board of Education twelve annual payments of \$507,819 for total of \$6,093,828. The Town recorded this settlement obligation based on the present value of the obligation using an imputed interest rate of 2.2%. Future payments under the litigation settlement are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 507,819
2017	507,819
2018	507,819
2019	507,819
2020	507,819
2021 – 2025	2,539,095
2026	<u>507,820</u>
Total payments	5,586,010
Less amount representing interest	<u>(600,715)</u>
Net litigation settlement obligation	<u>\$ 4,985,295</u>

The total interest expense incurred for the year was \$2,097,303. There was no interest capitalized during the year ended June 30, 2015.

*Capital lease obligation*

Effective July 1, 2014, the Town entered into a capital lease on behalf of Collierville Schools for computer equipment to be used in the classrooms. The equipment has a book value, calculated at the net present value of the lease payments, of \$700,000 and accumulated depreciation of \$233,333 as of June 30, 2015. Future payments under the lease are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 240,062
2017	<u>240,062</u>
Total payments	480,124
Less amount representing interest	<u>(15,419)</u>
Net capital lease obligation	<u>\$ 464,705</u>

**Note (9) - DEFERRED LOSS ON REFUNDINGS**

The unamortized deferred loss on refundings relates to Water and Sewer Revenue Refunding Bonds for business-type activities and General Obligation Refunding Bonds for governmental activities. Deferred loss on refundings reported in the statement of net position consist of the following:

	Governmental Activities	Business- Type Activities	Total
Series 2005 .....	\$ 67,142	\$ -	\$ 67,142
Series 2006 .....	-	45,814	45,814
Series 2010 .....	70,556	-	70,556
Series 2011 .....	28,611	-	28,611
Series 2012 .....	455,313	1,445,509	1,900,822
	<u>\$ 621,622</u>	<u>\$ 1,491,323</u>	<u>\$ 2,112,945</u>

**Note (10) - FUND BALANCES**

Following is more information on the Town's governmental fund balances:

	General Fund	General Purpose School Fund	Capital Project Fund #321	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Total
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepays	\$ 16,804	\$ -	\$ 7,624	\$ 594	\$ -	\$ 25,022
Inventory	164,000	-	-	43,309	-	207,309
Total Nonspendable:	<u>180,804</u>	<u>-</u>	<u>7,624</u>	<u>43,903</u>	<u>-</u>	<u>232,331</u>
<b>Restricted for:</b>						
Sidewalks	144,198	-	-	-	-	144,198
Buildings	-	-	-	-	2,260,368	2,260,368
Community development	16,068	-	-	-	-	16,068
Fees in lieu of construction	914,794	-	-	-	-	914,794
Road and drainage	-	-	80,250	-	-	80,250
Road maintenance and improvements	-	-	-	521,961	-	521,961
Sanitation	-	-	-	277,074	-	277,074
Law enforcement	29,717	-	241,985	17,832	-	289,534
Drug enforcement	-	-	-	538,792	-	538,792
Animal shelter	493,009	-	-	-	-	493,009
Parks programs	4,286	-	-	-	-	4,286
Museum	19,417	-	-	-	-	19,417
Education	-	10,069,456	-	-	92,341	10,161,797
Total Restricted for:	<u>1,621,489</u>	<u>10,069,456</u>	<u>322,235</u>	<u>1,355,659</u>	<u>2,352,709</u>	<u>15,721,548</u>
<b>Committed to:</b>						
Fire facilities	566,342	-	-	-	-	566,342
Police privilege tax	541,293	-	-	-	-	541,293
Alternate transportation	41,474	-	-	-	-	41,474
Parkland dedication	738,607	-	-	-	-	738,607
Total Committed to:	<u>1,887,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,887,716</u>
<b>Assigned to:</b>						
Crime prevention	44,476	-	-	-	-	44,476
Codes software	34,375	-	-	-	-	34,375
Street resurfacing	487,014	-	-	-	-	487,014
Drainage and other improvements	515,010	-	-	-	-	515,010
Median lights	110,576	-	-	-	-	110,576
Street lights	1,784,073	-	-	-	-	1,784,073
Contractual services	109,032	-	-	-	-	109,032
Health Insurance Trust	200,000	-	-	-	-	200,000
Education	2,469,205	-	-	-	-	2,469,205
Planning - electronic equipment	17,250	-	-	-	-	17,250
Athletic field maintenance	20,382	-	-	-	-	20,382
Parks improvement	1,677,896	-	-	-	-	1,677,896
Tree replacement	48,589	-	-	-	-	48,589
Capital improvements	4,630,940	-	-	-	-	4,630,940
Equipment replacement	1,050,000	-	-	-	-	1,050,000
Capital projects for schools	-	-	-	-	-	-
Total Assigned to:	<u>13,198,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,198,818</u>
<b>Unassigned:</b>						
Total Unassigned:	<u>18,950,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,950,295</u>
Total Fund Balance:	<u>\$ 35,839,122</u>	<u>\$ 10,069,456</u>	<u>\$ 329,859</u>	<u>\$ 1,399,562</u>	<u>\$ 2,352,709</u>	<u>\$ 49,990,708</u>

## **Note (11) – DEFINED CONTRIBUTION PENSION PLAN**

The Town provides pension benefits to full-time employees employed prior to June 30, 1994, through the Town of Collierville, Tennessee Money Purchase Pension Plan, a defined contribution plan administered by Securian Financial Group. The Town contributes 9% of total compensation and employees may contribute up to 10% of compensation. For the year ended June 30, 2015, contributions from the Town and employees were \$29,428 and \$600, respectively. The plan consists of two separate agreements, one for the police and fire departments for retirement at age 55 and another for the remainder of employees with retirement at age 65. At June 30, 2015, there were 6 plan members. Plan provisions and contribution requirements are established, and may be amended by, the Town's Board of Mayor and Aldermen. These assets are required to be placed in trust, thus eliminating the requirement that assets be reflected in the statement of net position of the Town.

## **Note (12) – DEFINED BENEFIT PENSION PLANS – ADMINISTERED BY TCRS**

The Town of Collierville participates in the following five pension plans administered by the Tennessee Consolidated Retirement System (TCRS):

**Public Employee Retirement Plan – Town** – Employees of the Town originally were eligible to participate in this plan. Effective June 30, 2007, the plan was closed to new employees. Employees hired on July 1, 2007 and after are eligible for the defined benefit pension plan administered by the Town (see Note (13) for more information). At July 1, 2007, exiting employees were given the option to stay in the plan or move their pension benefits to the plan administered by the Town. The plan is an agent multiple-employer pension plan. Neither this plan nor the Town's plan are available to employees of Collierville Schools.

Collierville Schools employees participate in one of the following plans administered by TCRS:

**Teacher Legacy Pension Plan** – Teachers with membership in TCRS prior to June 30, 2014 are included in the plan. The plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. The plan is a cost sharing multiple-employer pension plan.

**Teacher Retirement Plan** – Teachers with membership in TCRS beginning July 1, 2014 are included in this plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension plan.

**Public Employee Retirement Plan – Legacy** – Certain school administrative employees with membership in TCRS prior to June 30, 2014 are included in the plan, which is maintained separately from the Town of Collierville's plan (as discussed above). The plan was closed to new membership on June 30, 2014, but continues to provide benefits to existing members. The plan is an agent multiple-employer pension plan.

**Public Employee Retirement Plan – Hybrid** – Certain school administrative employees with membership in TCRS beginning July 1, 2014 are included in the plan, which is maintained separately from the Town of Collierville's plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is an agent multiple-employer pension plan.

TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans within TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of TCRS. TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

At June 30, 2015, Town reported a payable of \$270,025, related to Collierville Schools' plans, for the amount of contributions to the pension plans related to accrued payroll at June 30, 2015.

**(A) Public Employee Retirement Plan – Town**

General Information about the Pension Plan

*Plan Description.* Employees of the Town, exclusive of Collierville Schools, are provided with pensions through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS.

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

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

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	102
Active employees	11
	<u>126</u>

The Town closed the plan to new employees hired after July 31, 2015.

*Contributions.* Contributions are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of their salary. The Town makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the Town were zero based on a rate of 0% of covered payroll. By law, employer contributions for the Plan are required to be paid. The TCRS may intercept the state shared taxes if the required employer contributions are not remitted. The employer's actuarially determined contribution's (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included some adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Long-Term Expected Asset Class</b>	<b>Target Real Rate of Return</b>	<b>Allocation</b>
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Town will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Changes in the Net Pension Asset*

	<b>(a) Total Pension Liability</b>	<b>(b) Plan Fiduciary Net Position</b>	<b>(a) – (b) Net Pension Asset</b>
<b>Balance at 6/30/13</b>	<u>\$ 2,858,994</u>	<u>\$ 4,554,628</u>	<u>\$ (1,695,634)</u>
<b>Changes for the year:</b>			
Service cost	36,724	-	36,724
Interest	215,031	-	215,031
Difference between expected and actual experience	171,923	-	171,923
Net investment income	-	750,110	(750,110)
Benefit payments, including refunds of employee contributions	(57,281)	(57,281)	-
Administrative expense	-	(709)	709
<b>Net changes</b>	<u>366,397</u>	<u>692,120</u>	<u>(325,723)</u>
<b>Balance at 6/30/14</b>	<u>\$ 3,225,391</u>	<u>\$ 5,246,748</u>	<u>\$ (2,021,357)</u>

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate.* The following presents the net pension asset of the plan using the discount rate of 7.5 percent, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net pension asset	\$ (1,520,318)	\$ (2,021,357)	\$(2,428,192)

*Pension Income.* For the year ended June 30, 2015, the Town recognized pension income of \$111,788 related to this plan.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Collierville reported deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Pension Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ 114,615	\$ -
Net difference between projected and actual earnings on pension plan investments	-	328,550
Total for the Town's defined benefit plan	<u>\$ 114,615</u>	<u>\$ 328,550</u>

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

**Year Ended June 30:**

2016	\$ (24,830)
2017	(24,830)
2018	(82,128)
2019	(82,138)
2020	-
Thereafter	-

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



## **(B) Teacher Legacy Pension Plan**

### General Information about the Pension Plan

*Plan Description.* Teachers, with membership in the Tennessee Consolidated Retirement System (“TCRS”) before July 1, 2014, of Collierville Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (“LEAs”) after June 30, 2014 who did not have prior membership in TCRS. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (“COLAs”) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (“CPI”) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (“LEAs”) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by Collierville Schools for the year ended June 30, 2015 to the Teacher Legacy Pension Plan were \$2,733,558, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

*Pension Asset.* At June 30, 2014, Collierville Schools reported an asset of \$1,676 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Collierville Schools' proportion of the net pension liability was based on Collierville Schools' employer contributions to the pension plan during the year ended June 30, 2014 relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014 measurement date, Collierville Schools' proportion was 0.010312 percent. The proportion measured as of June 30, 2013 was 0.059180 percent.

*Pension Expense.* For the year ended June 30, 2015, Collierville Schools recognized a pension expense of \$22,806 related to the Teacher Legacy Pension Plan.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Collierville Schools reported deferred outflows of resources and deferred inflows of resources related to the Teacher Legacy Pension Plan from the following sources:

	<b>Deferred Outflows of Resource</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 4,068	\$ -
Net difference between projected and actual earnings on pension plan investments	-	138,067
Changes in proportion of Net Pension Asset	145,459	-
LEA's contributions subsequent to the measurement date of June 30, 2014	<u>2,733,558</u>	<u>-</u>
Total for the Teacher Legacy Pension Plan	<u>\$ 2,883,085</u>	<u>\$ 138,067</u>

Collierville Schools' employer contributions of \$2,733,558, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as an increase in net pension asset for the year ended June 30, 2016.

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

**Year Ended June 30:**

2016	\$ (9,595)
2017	(9,595)
2018	(9,595)
2019	(9,595)
2020	24,921
Thereafter	24,921

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

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

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

Mortality rates are customized based on the June 30, 2012 actuarial experience study and included some adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Long-Term Expected Asset Class</b>	<b>Real Rate of Return</b>	<b>Target Allocation</b>
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Asset to Changes in the Discount Rate.* The following presents Collierville Schools' proportionate share of the net pension asset calculated using the discount rate of 7.5 percent, as well as what Collierville Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1- percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Proportionate share of the net Pension liability (asset)	\$ 282,626	\$ (1,676)	\$ (237,047)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## **(C) Teacher Retirement Plan**

### General Information about the Pension Plan

*Plan Description.* Teachers, with membership in the Tennessee Consolidated Retirement System (“TCRS”) before July 1, 2014, of Collierville Schools are provided with pensions through the Teacher Legacy Pension Plan, a cost sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by Local Education Agencies (“LEAs”) after June 30, 2014 who did not have prior membership in TCRS. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member’s age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (“COLAs”) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (“CPI”) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. The Local Education Agencies (“LEAs”) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015 to the Teacher Retirement Plan were \$36,463, which is 4 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

*Pension Liabilities (Assets).* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Teacher Retirement Plan, there is no net pension liability (asset) to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Teacher Retirement Plan, there is no pension expense for the year ended June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Collierville Schools reported deferred outflows of resources related to the Teacher Retirement Plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
LEA's contributions subsequent to the measurement date of June 30, 2014	\$ 36,463	\$ -

Collierville School's employer contributions of \$36,463 reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction in net pension liability for the year ended June 30, 2016.

## **(D) Public Employee Retirement Plan – Legacy**

### General Information about the Pension Plan

*Plan Description.* Support personnel and non-teachers of Collierville Schools are provided with pensions through the legacy Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. Legislation passed in 2013 permits a local board of education to participate in TCRS separately from the local government.

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the legacy Public Employee Retirement Plan are eligible to retire at age 60 with 5 years of service credit or at any age with 30 years of service. A reduced retirement benefit is available to vested members at age 55. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Employees Covered by Benefit Terms.* The plan was effective subsequent to the measurement date; therefore, at the measurement date of June 30, 2014, no employees were included in the actuarial valuation.

*Contributions.* Contributions are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Support personnel and non-teachers contribute 5 percent of their salary. The Local Education Agencies ("LEAs") makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015 to the Public Employee Retirement Plan were \$473,869, which is 9.27 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Collierville Schools Political Subdivision Pension Plan, there is no net pension liability (asset) to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014 inception of the Teacher Retirement Plan, there is no pension expense for the year ended June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Collierville Schools reported deferred outflows of resources related to the Political Subdivision Pension Plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
LEA's contributions subsequent to the measurement date of June 30, 2014	\$ 473,869	\$ -

Collierville School's employer contributions of \$473,869 reported as pension related deferred outflow of resources, subsequent to the measurement date, will be recognized as a reduction in the net pension liability in the year ended June 30, 2016.



## **(E) Public Employee Retirement Plan – Hybrid**

### General Information about the Pension Plan

*Plan Description.* Support personnel and non-teachers of Collierville Schools are provided with pensions through the hybrid Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. Local governments were given the option of selecting the hybrid pension plan. In addition, legislation passed in 2013 permits a local board of education to participate in TCRS separately from the local government. The Town of Collierville has approved the creation of a separate hybrid plan for Collierville Schools.

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Public Employee Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are permitted at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

*Employees Covered by Benefit Terms.* The plan was effective subsequent to the measurement date; therefore, at the measurement date of June 30, 2014, no employees were included in the actuarial valuation.

*Contributions.* Contributions are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Support personnel and non-teachers contribute 5 percent of their salary. The Local Education Agencies (LEAs) makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015 to the hybrid Public Employee Retirement Plan were \$18,944, which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

*Pension Liabilities.* Since the measurement date is June 30, 2014, which is prior to the August 1, 2014 inception of the Collierville Schools hybrid Public Employee Retirement Plan, there is no net pension liability (asset) to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, which is prior to the August 1, 2014 inception of the hybrid Public Employee Retirement Plan, there is no pension expense for the year ended June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, Collierville Schools reported deferred outflows of resources related to the Public Employee Retirement Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
LEA's contributions subsequent to the measurement date of June 30, 2014	\$ 18,944	\$ -

Collierville School's employer contributions of \$18,944 reported as pension related deferred outflow of resources, subsequent to the measurement date, will be recognized as a reduction in the net pension liability in the year ended June 30, 2016.

**Note (13) – DEFINED BENEFIT PENSION PLAN – ADMINISTERED BY TOWN**

General Information about the Pension Plan

During fiscal 2007, the Town passed a resolution to establish the Town of Collierville, Tennessee Defined Benefit Pension Plan (the "Plan"), a single-employer defined benefit plan. Then current employees were given the opportunity to make an irrevocable election whether to participate in the new plan. The Plan allows current employees to carry over years of service from date of hire and has a higher payout percentage than the Town's other defined benefit pension plan (administered by TCRS). The Plan became effective July 1, 2007. As of July 1, 2007, new employees who qualify for retirement will participate in this retirement plan. The Plan offers both contributory and non-contribution participation options. Participants make an irrevocable election to participate in one of these options.

**Significant Accounting Policies**

*Basis of accounting.* The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period that the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan does not issue a separate, audited financial statement.

*Method used to value investments.* Plan investments are valued at fair market value based on quoted market prices as obtained by the trustee of the Plan's assets.

## **Plan Description**

*Plan administration.* The Plan is administered by the Board of Mayor and Aldermen of the Town.

*Plan membership.* At June 30, 2015, the Plan's membership consisted of:

Retirees currently receiving benefits	51
Terminated plan members entitled to but not yet receiving benefits	61
Active plan members	<u>474</u>
Total	<u>586</u>

*Benefits provided.* The Plan provides retirement and death benefits. Retirement benefits are calculated as 2.05% or 2.50% of Final Average Compensation, defined as the average compensation for the 5 consecutive calendar years of highest compensation during the 10 completed calendar years immediately preceding termination of employment, times credited services up to 30 years for participants in Plans A or B, respectively. Early retirement is available at an actuarially reduced benefit when a participant has both attained aged 55 and completed at least 10 years of credited service (5 years if hired prior to July 1, 2007). Death benefits for active employees at the time of death are payable to a Surviving Spouse or child, as defined by the Plan, of 50% of the joint and 50% annuity income credited to the participant at the date of death. Death benefits commence at the participant's Normal or Early Retirement Age. The normal form of retirement income is a life annuity. Participants are zero percent vested until the date 10 years of vesting service are completed (5 year if hired prior to July 1, 2007).

*Contributions.* The contribution requirements of plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted two plan options for the retirement plan for its employees. Plan A is noncontributory; whereas, Plan B requires employee contributions of 5.00 percent of their gross pay. The choice of plan is irrevocable by the participant. The Town's recommended contributions are at an actuarially determined rate; the rate for the fiscal year ending June 30, 2014, was 11.20 percent of annual covered payroll based on the July 1, 2015 valuation.

## **Investments**

*Investment policy.* As described more fully in Note (4), the Town has developed a flexible investment policy statement based on modern portfolio theory. The investment policy does not specifically limit the amount of investment in individual or aggregate investments based on the credit rating of the investment. The investment policy seeks to earn an average annual return of 7.5 percent over a minimum of a 10 year period.

The Town's investment policy seeks the following target allocation of investments:

<u>Category</u>	<u>Pct</u>
Cash	2%
Bonds	38%
Stocks	55%
Real Estate	5%
Total	<u>100%</u>

*Concentrations.* Individual investments representing 5 percent or more of net position as of June 30, 2015 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
MFS International Value	Equity Mutual Fund	\$ 3,733,424
Oppenheimer International Growth	Equity Mutual Fund	\$ 3,691,506
Lord Abbett Investment Trust	Fixed Income Mutual Fund	\$ 3,406,702
Lord Abbett Investment Trust (Short)	Fixed Income Mutual Fund	\$ 3,310,268
Western Asset Core Plus Bond	Fixed Income Mutual Fund	\$ 3,313,106

*Rate of return.* For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.71 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2015, were as follows:

Total pension liability	\$ 58,357,470
Plan fiduciary net position	<u>(53,720,550)</u>
Town's net pension liability	<u>\$ 4,636,290</u>

Plan fiduciary net position as a percentage of the total pension liability	92.05%
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*Actuarial assumptions.* The recommended contribution was determined as part of the July 1, 2015 actuarial valuation using the frozen initial liability, also known as frozen entry age, actuarial cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5 percent
Salary increases	4.0 percent
Investment rate of return	7.5 percent, net of investment expenses
Mortality rates	T-3 of the Actuary's Pension Handbook

The long-term expected rate of return on pension plan investments was determined based on the historical market returns of the targeted asset classes. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the Plan's investment policy) are summarized as follows:

<b>Long-Term Expected Asset Class</b>	<b>Real Rate of Return</b>	<b>Target Allocation</b>
Cash	0.0%	2%
Fixed income	2.9%	38%
Stocks - domestic	6.5%	45%
Stocks - international	6.4%	10%
Real estate	4.8%	5%
		<u>100%</u>

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability.*

	<b>(a)</b>	<b>(b)</b>	<b>(a) – (b)</b>
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at 6/30/14</b>	<u>\$ 53,145,731</u>	<u>\$ 49,538,010</u>	<u>\$ 3,607,721</u>
<b>Changes for the year:</b>			
Service cost	1,951,756	-	1,951,756
Interest	3,985,930	-	3,985,930
Difference between expected and actual experience	168,352	-	168,352
Contributions – employer	-	2,894,722	(2,894,722)
Contributions – employee	-	440,445	(440,445)
Net investment income	-	1,896,609	(1,896,609)
Benefit payments, including refunds of employee contributions	(894,299)	(894,299)	-
Administrative expense	-	(154,937)	154,937
<b>Net changes</b>	<u>5,211,739</u>	<u>4,182,540</u>	<u>1,029,199</u>
<b>Balance at 6/30/15</b>	<u>\$ 58,357,470</u>	<u>\$ 53,720,550</u>	<u>\$ 4,636,920</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the Town, calculated using the discount rate of 7.50 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentagepoint higher (8.50 percent) than the current rate:

	1% Decrease <u>(6.5%)</u>	Current Discount <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Town's net pension liability (asset)	\$ 13,112,407	\$ 4,636,920	\$ (2,554,235)

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

*Pension expense.* For the year ended June 30, 2015, the Town recognized pension expense of \$2,227,165 related to this pension plan.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

	<u>Deferred Outflows of Resource</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ 121,127	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,543,576</u>	<u>-</u>
Total for the Town's defined benefit plan	<u>\$ 1,664,703</u>	<u>\$ -</u>

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

**Year Ended June 30:**

2016	\$ 393,465
2017	393,465
2018	393,465
2019	393,465
2020	7,571
Thereafter	83,272

**Note (14) - DEFERRED COMPENSATION PLAN**

The Town offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is available to all Town employees and 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. These assets are required to be placed in trust, thus eliminating the requirement that assets be reflected in the statement of net position of the Town. The Plan and related contribution requirements are established and may be amended by the Town's Board of Mayor and Aldermen.

**Note (15) - ACCRUED LIABILITIES**

Accrued liabilities reported in the statement of net position consist of the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Accounts payable and accrued expenses:			
Accounts payable .....	\$ 3,377,227	\$ 243,604	\$ 3,620,831
Accrued payroll .....	4,655,522	76,719	4,732,241
Other accrued expenses .....	<u>842,383</u>	<u>3,449</u>	<u>845,832</u>
	<u>\$ 8,875,132</u>	<u>\$ 323,772</u>	<u>\$ 9,198,904</u>

**Note (16) – NET INVESTMENT IN CAPITAL ASSETS**

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 247,739,269
Total outstanding balance of capital debt	(30,770,474)
Deferred loss on refunding	621,622
Portion of debt related to unspent bond proceeds	<u>2,251,633</u>
Total governmental activities	<u>\$ 219,842,050</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 92,067,227
Deferred loss on refunding	1,491,323
Total outstanding balance of capital debt	<u>(25,047,319)</u>
Total business-type activities	<u>\$ 68,511,231</u>

**Note (17) - COMMITMENTS AND CONTINGENCIES**

The Town is a defendant in various lawsuits arising in the ordinary course of operations from those seeking awards for property damage and personal injury, contesting its taxing authority, and questioning certain personnel practices and policies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Town’s administration that the ultimate settlement of these matters should be covered by liability insurance and should not materially affect the financial condition of the Town.

The Town is potentially liable for Environmental Protection Agency (“EPA”) clean up on land sold in a prior year to a corporation operating a manufacturing plant on such property. The corporation has been responsible for all cleanup costs and continues to maintain compliance with the EPA.

At June 30, 2015, the Town was obligated under uncompleted contracts for approximately \$1,505,608, \$136,015, and \$3,259,958 in the General Fund, Water and Sewer Fund, and Capital Project Funds, respectively. Included in the above uncompleted contracts for the General Fund is approximately \$1,313,119 related to a residential road construction project; included in the uncompleted contracts for the Capital Projects Funds is approximately \$189,938 related to educational facilities, \$959,106 related to park construction, \$155,220 for equipment and installation, and approximately \$1,955,695 related to contracts for road improvements; and included in the uncompleted contracts for the Water and Sewer Fund is approximately \$119,000 for treatment plant equipment, design, and installation.

The Town has an agreement with the City of Memphis (“Memphis”) whereby as a means of resolving various annexation issues regarding the Town’s Reserve Areas, the parties agreed to various conditions on future annexations. As a condition of the agreement, the Town agreed that it will share with Memphis for a period of twenty years beginning June 26, 2000, fifty percent of wholesale beer and local sales tax revenue derived from businesses and transactions located on and within the area described as Gallina. For the year ended June 30, 2015, such amount totaled \$489,159.



**Note (18) - RISK MANAGEMENT**

The Town 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 Town considers it to be more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, worker’s compensation and property and casualty insurance. As such, the Town participates in the Tennessee Municipal League Risk Management Pool (“TML”), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee. The Town pays an annual premium to the TML pool for its certain general liability, worker’s compensation and property and casualty insurance. Each political subdivision that has participated in the TML pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the TML pool. The TML pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company. The Town continues to carry commercial insurance for all other risks of loss, including certain general liability, and property and casualty insurance.

Through June 30, 2014, the Town maintained a limited risk management program for group health insurance. Premiums are paid into the health insurance fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the health insurance fund. There have been no reductions in insurance coverage or settlements which exceeded insurance coverage for any previous year.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (“IBNRs”). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other factors.

Changes in the balances of claims liabilities during the past two years are as follows:

	<b><u>Year Ended</u></b> <b><u>June 30, 2015</u></b>	<b><u>Year Ended</u></b> <b><u>June 30, 2014</u></b>
Unpaid claims, beginning of fiscal year .....	\$ 415,908	\$ 354,784
Incurred claims (including IBNRs) .....	-	5,854,815
Claim payments .....	<u>(415,908)</u>	<u>(5,793,691)</u>
Unpaid claims, end of fiscal year .....	<u>\$ -</u>	<u>\$ 415,908</u>

Effective July 1, 2014, the Town entered into an Interlocal Health Benefit Plan Trust Agreement (Interlocal Health Plan) with several of the other local municipalities in order to reduce costs of benefit plan administration and lower premium rates. The Interlocal Health Plan is accounted for under a pooling of risk arrangement. As such, the Town is only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any IBNR claims is borne by the Interlocal Health Plan and not by the individual members. At June 30, 2015, there were no amounts due to the Interlocal Health Plan from the Town. Total premiums paid to the Interlocal Health Plan for the year ended June 30, 2015 were \$4,754,090.

**Note (19) - POSTEMPLOYMENT BENEFITS - TOWN**

In addition to the pension benefits described in Notes (11) through (13), Town resolution allows the Town to make available health care benefits to certain employees and elected officials. In fiscal 2007, the Town amended the plan from a “pay-as-you-go” plan, whereby the Town would establish a trust to deposit funds necessary to cover current and future retiree benefits. Beginning with the year ended June 30, 2009, the Town accounts for these benefits using the provisions of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

*Plan Description.* During fiscal 2007, the Town passed a resolution to establish the Town of Collierville Postemployment Benefit Plan (the “OPEB plan”) to be administered by the Town. The OPEB plan is a single-employer, defined benefit healthcare plan. Certain employees and elected officials who have at least ten years of continuous and creditable service and who have attained the age of sixty; or who have completed thirty years of continuous and creditable service are eligible to participate in the OPEB plan. GASB No. 45 requires a biennial valuation at minimum for the Town’s plan. Actuarial liabilities were rolled forward from the July 1, 2014 actuarial valuation. As of July 1, 2014, the OPEB plan’s membership consisted of:

Retirees receiving benefits	44
Active plan members	<u>465</u>
Total	<u>509</u>

**Significant Accounting Policies**

*Basis of Accounting.* The OPEB plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period that the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB plan. The OPEB plan does not issue a separate, audited financial statement.

*Method Used to Value Investments.* OPEB plan investments are valued at fair market value based on quoted market prices as obtained by the trustee of the OPEB plan’s assets.

**Funding Policy**

The contribution requirements of OPEB plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted a contributory OPEB plan for its employees requiring employee contributions to be made in accordance with the employee’s age and employment status. The Town is required to contribute the remaining amounts to meet the minimum funding requirement, which is calculated at an actuarially determined rate; the rate for the fiscal year ending June 30, 2014, was 2.4 percent of annual covered payroll.

*Annual OPEB Cost and Net OPEB Obligation.* The Town’s annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 516,256
Interest on net OPEB obligation	18,889
Adjustment to ARC	<u>(34,131)</u>
Annual OPEB cost	501,014
Contributions remitted	<u>516,256</u>
Decrease in net pension position	(15,242)
Net OPEB obligation – beginning of year	<u>251,852</u>
Net OPEB obligation – end of year	<u>\$ 236,610</u>

### Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/15	\$ 501,014	103%	\$ 236,610
06/30/14	\$ 895,501	102%	\$ 251,852
06/30/13	\$ 896,809	102%	\$ 270,592

*Funded Status and Funding Progress.* As of July 1, 2015, the plan was 90 percent funded. The actuarial accrued liability for benefits was \$11,576,202, and the actuarial value of assets was \$10,402,512, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$1,173,690. The covered payroll (annual payroll of active employees covered by the plan) was \$21,830,120, and the ratio of the UAAL to the covered payroll was 5.4 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions.* Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of future events far into the future. As such, the actuarial calculations of the OPEB plan reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The required contribution rate was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year (inclusive of 2.50 percent inflation) compounded annually and (b) health care cost trend rates including (1) initial rate of 8.00 percent (9.00 percent in prior valuation), (2) ultimate rate of 4.00 percent (5.00 percent in prior valuation), and (3) a grading period of 9 years. The actuarial value of assets equals the fair market value of the net position held by the OPEB plan. The Town’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2014, was 22 years.

## Note (20) - POSTEMPLOYMENT BENEFITS - SCHOOLS

In fiscal 2015, with the creation of the Collierville Schools municipal school system, Collierville Schools elected to join the TSBA GASB 45 Trust for the payment of retiree health benefits. The Town accounts for these benefits using the provisions of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

*Plan Description.* The OPEB plan is a single-employer, defined benefit healthcare plan. Employees who retire from Collierville Schools and qualify for full retirement benefits under the Tennessee Consolidated Retirement System may be eligible for post-retirement health benefits. Eligible employees must complete 15 years of service with Collierville Schools. Those who are former employees of Shelby County School District or Memphis City Schools must have 15 years of continuous service with Collierville, Shelby County, and/or Memphis City Schools prior to retirement. GASB No. 45 requires a biennial valuation at minimum for the Collierville Schools' plan. Actuarial liabilities were rolled forward from the July 1, 2014 actuarial valuation. As of July 1, 2014, the OPEB plan's membership consisted of:

Retirees receiving benefits	-
Active plan members	<u>394</u>
Total	<u><u>394</u></u>

### Significant Accounting Policies

*Basis of Accounting.* The OPEB plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period that the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB plan. The OPEB plan does not issue a separate, audited financial statement.

*Method Used to Value Investments.* OPEB plan investments are valued at fair market value based on quoted market prices as obtained by the trustee of the OPEB plan's assets.

### Funding Policy

The contribution requirements of OPEB plan members and the Town are established and may be amended by the Collierville Schools Board of Education and approved by the Town's Board of Mayor and Aldermen, or based on premiums as set by the Interlocal Health Benefit Trust, as applicable based on the funding Tier and benefit provided for. The Town has adopted a contributory OPEB plan for its employees requiring employee contributions to be made in accordance with their Tier, which corresponds to length of service. Collierville Schools is required to contribute the remaining amounts to meet the minimum funding requirement, which is calculated at an actuarially determined rate; the rate for the fiscal year ending June 30, 2015, was 2.0 percent of annual covered payroll.

*Annual OPEB Cost and Net OPEB Obligation.* The annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 735,910
Interest on net OPEB obligation	<u>-</u>
Annual OPEB cost	735,910
Contributions remitted	<u>150,000</u>
Increase in net pension position	585,910
Net OPEB obligation – beginning of year	<u>-</u>
Net OPEB obligation – end of year	<u>\$ 585,910</u>

**Three-Year Trend Information**

Annual Pension Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/15	\$ 735,910	20%	\$ 585,910

*Funded Status and Funding Progress.* As of July 1, 2014, the plan was zero percent funded. The actuarially accrued liability for benefits was \$6,093,027, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$6,093,027. The covered payroll (annual payroll of active employees covered by the plan) was \$36,735,720, and the ratio of the UAAL to the covered payroll was 16.6 percent.

The schedule of funding progress, presented as RSI 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 liability for benefits.

*Actuarial Methods and Assumptions.* Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of future events far into the future. As such, the actuarial calculations of the OPEB plan reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The required contribution rate was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit with linear proration to decrement actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 8.00 percent a year (inclusive of 3.00 percent inflation) compounded annually and (b) mortality rates based on the SOA RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014. The actuarial value of assets equals the fair market value of the net position held by the OPEB plan. The Town’s unfunded actuarially accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2014, was 30 years.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2015

(In thousands of dollars)

**Town of Collierville Postemployment Benefit Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2015	\$ 10,402	\$ 11,575	\$ 1,173	89.87%	\$ 21,830	5.37%
7/1/2014	9,679	10,874	1,195	89.01%	20,820	5.74%
7/1/2013	7,708	13,118	5,410	58.76%	19,772	27.36%
7/1/2012	6,491	11,975	5,484	54.20%	18,998	28.87%
7/1/2011	5,184	14,920	9,736	34.75%	18,498	52.63%
7/1/2010	3,331	13,160	9,829	25.31%	18,602	52.84%

**Collierville Schools Postemployment Benefit Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((a-b)/c)
7/1/2015	\$ -	\$ 6,093	\$ 6,093	0.00%	N/A	N/A

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2015

**Town of Collierville Postemployment Benefit Plan**

<u>Annual Pension Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution as a Percentage of ARC</u>
6/30/2015	\$ 516,256	100.00%
6/30/2014	914,241	100.00%
6/30/2013	914,241	100.00%
6/30/2012	1,314,652	102.24%
6/30/2011	1,320,275	101.16%
6/30/2010	1,458,343	93.00%

**Collierville Schools Postemployment Benefit Plan**

<u>Annual Pension Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution as a Percentage of ARC</u>
6/30/2015	\$ 735,910	20.40%



TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS - TOWN  
Last Fiscal Year

	<b>2014</b>
<b>Total pension liability</b>	
Service cost	\$ 36,724
Interest	215,031
Differences between expected and actual experience	171,923
Benefit payments, including refunds of member contributions	(57,281)
<b>Net change in total pension liability</b>	<b>366,397</b>
<b>Total pension liability—beginning</b>	<b>2,858,994</b>
<b>Total pension liability—ending (a)</b>	<b>\$ 3,225,391</b>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ -
Contributions—member	-
Net investment income	750,110
Benefit payments	(57,281)
Administrative expense	(709)
<b>Net change in plan fiduciary net position</b>	<b>692,120</b>
<b>Plan fiduciary net position—beginning</b>	<b>4,554,628</b>
<b>Plan fiduciary net position—ending (b)</b>	<b>\$ 5,246,748</b>
 <b>Town's net pension liability (asset)—ending (a) – (b)</b>	<b>\$ (2,021,357)</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 <b>162.67%</b>
 <b>Covered-employee payroll</b>	 <b>\$ 562,098</b>
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	<b>359.61%</b>

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

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF CONTRIBUTIONS  
 PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS - TOWN  
 Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 495,186	\$ 562,098
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

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

**Notes to Schedule**

Valuation date:

Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	1 year
Asset valuation method	10-year smoothed within a 20.0% corridor to market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation, averaging 4.25%
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipate improvement
Cost of Living Adjustments	2.5%

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION ASSET -  
 TEACHER LEGACY PENSION PLAN OF TCRS  
 Last Fiscal Year

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	<b>2014</b>
Proportion of net pension asset	0.010312%
Proportionate share of the net pension asset	\$ 1,676
Covered-employee payroll	\$ 404,644
Proportionate share of the net pension asset as a percentage of covered-employee payroll	0.41%
Plan fiduciary net position as a percentatage of the total pension liability	100.08%

\* The amounts presented were determined as of June 30 of the prior fiscal year

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

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF CONTRIBUTIONS  
 TEACHER LEGACY PENSION PLAN OF TCRS  
 Last Two Fiscal Years

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	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 2,733,558	\$ 35,942
Contributions in relation to the actuarially determined contribution	2,733,558	35,942
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 30,238,497	\$ 404,644
Contributions as a percentage of covered-employee payroll	9.04%	8.88%

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

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF CONTRIBUTIONS  
 TEACHER RETIREMENT PLAN OF TCRS  
 Last Fiscal Year

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	<b>2015</b>
Actuarially determined contribution	\$ 22,789
Contributions in relation to the actuarially determined contribution	36,463
Contribution deficiency (excess)	\$ (13,674)
Covered-employee payroll	\$ 911,572
Contributions as a percentage of covered-employee payroll	4.00%

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

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF CONTRIBUTIONS  
 PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS - SCHOOLS - LEGACY  
 Last Fiscal Year

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	<b>2015</b>
Actuarially determined contribution	\$ 473,869
Contributions in relation to the actuarially determined contribution	473,869
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 5,112,043
Contributions as a percentage of covered-employee payroll	9.27%

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

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF CONTRIBUTIONS  
 PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS - SCHOOLS - HYBRID  
 Last Fiscal Year

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	<b>2015</b>
Actuarially determined contribution	\$ 9,472
Contributions in relation to the actuarially determined contribution	18,944
Contribution deficiency (excess)	\$ (9,472)
Covered-employee payroll	\$ 473,607
Contributions as a percentage of covered-employee payroll	4.00%

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

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
DEFINED BENEFIT PENSION PLAN  
Last Eight Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008<sup>(1)</sup></u>
<b>Total pension liability</b>								
Service cost	\$ 1,951,756	\$ 1,774,861	\$ 1,744,070	\$ 1,708,412	\$ 1,774,880	\$ 1,797,504	\$ 1,682,158	\$ 1,593,134
Interest	3,985,930	3,681,666	3,309,553	3,008,114	2,866,011	2,492,124	2,239,510	n/a
Differences between expected and actual experience	168,352	(608,973)	586,940	(122,560)	(2,274,160)	1,060,581	(245,327)	n/a
Benefit payments, including refunds of member contributions	(894,299)	(790,697)	(678,800)	(575,037)	(472,023)	(365,053)	(308,152)	(101,694)
<b>Net change in total pension liability</b>	5,211,739	4,056,857	4,961,763	4,018,929	1,894,708	4,985,156	3,368,189	n/a
<b>Total pension liability—beginning</b>	53,145,731	49,088,874	44,127,111	40,108,182	38,213,474	33,228,318	29,860,129	n/a
<b>Total pension liability—ending (a)</b>	<u>\$ 58,357,470</u>	<u>\$ 53,145,731</u>	<u>\$ 49,088,874</u>	<u>\$ 44,127,111</u>	<u>\$ 40,108,182</u>	<u>\$ 38,213,474</u>	<u>\$ 33,228,318</u>	<u>\$ 29,860,129</u>
<b>Plan fiduciary net position</b>								
Contributions—employer	\$ 2,894,722	\$ 2,758,239	\$ 2,808,052	\$ 2,666,453	\$ 2,659,183	\$ 2,688,600	\$ 2,572,766	\$ 2,402,710
Contributions—member	440,445	435,026	424,016	412,031	390,268	379,667	386,463	365,374
Net investment income	1,701,150	6,501,579	3,869,346	703,083	4,699,952	2,928,794	(3,186,713)	(664,692)
Benefit payments	(836,358)	(773,677)	(666,507)	(553,345)	(451,404)	(333,297)	(296,296)	(99,886)
Administrative expense	(17,419)	(29,364)	(26,757)	(117,883)	(99,038)	(76,512)	(90,565)	(41,246)
<b>Net change in plan fiduciary net position</b>	4,182,540	8,891,803	6,408,150	3,110,339	7,198,961	5,587,252	(614,345)	1,962,260
<b>Plan fiduciary net position—beginning</b>	49,538,010	40,646,207	34,238,057	31,127,718	23,928,757	18,341,505	18,955,850	16,993,590
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 53,720,550</u>	<u>\$ 49,538,010</u>	<u>\$ 40,646,207</u>	<u>\$ 34,238,057</u>	<u>\$ 31,127,718</u>	<u>\$ 23,928,757</u>	<u>\$ 18,341,505</u>	<u>\$ 18,955,850</u>
<b>Town's net pension liability—ending (a) – (b)</b>	<u>\$ 4,636,920</u>	<u>\$ 3,607,721</u>	<u>\$ 8,442,667</u>	<u>\$ 9,889,054</u>	<u>\$ 8,980,464</u>	<u>\$ 14,284,717</u>	<u>\$ 14,886,813</u>	<u>\$ 10,904,279</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	92.05%	93.21%	82.80%	77.59%	77.61%	62.62%	55.20%	63.48%
<b>Covered-employee payroll</b>	\$ 20,820,026	\$ 19,771,885	\$ 18,997,573	\$ 18,497,575	\$ 18,602,084	\$ 19,033,125	\$ 17,785,928	\$ 16,759,818
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	22.27%	18.25%	44.44%	53.46%	48.28%	75.05%	83.70%	65.06%

**Notes to Schedule:**

(1) Fiscal 2008 was the first year in which the trust for the Town's defined benefit pension plan was established. Fiscal years will continue to be added until a rolling 10 years are available for presentation.



TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF ACTUARIALLY DETERMINED AND ACTUAL PENSION PLAN EMPLOYER CONTRIBUTIONS  
DEFINED BENEFIT PENSION PLAN  
Last Eight Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined employer contribution	\$ 2,329,533	\$ 2,485,308	\$ 2,358,195	\$ 2,289,002	\$ 2,466,713	\$ 2,421,542	\$ 2,313,324	\$ 2,222,368
Contributions in relation to the actuarially determined contribution	<u>2,894,722</u>	<u>2,758,239</u>	<u>2,824,943</u>	<u>2,866,628</u>	<u>2,664,080</u>	<u>2,683,469</u>	<u>2,599,337</u>	<u>2,222,368</u>
Contribution deficiency (excess)	<u>\$ (565,189)</u>	<u>\$ (272,931)</u>	<u>\$ (466,748)</u>	<u>\$ (577,626)</u>	<u>\$ (197,367)</u>	<u>\$ (261,927)</u>	<u>\$ (286,013)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 20,820,026	\$ 19,771,885	\$ 18,997,573	\$ 18,497,575	\$ 18,602,084	\$ 19,033,125	\$ 17,785,928	\$ 16,759,818
Contributions as a percentage of covered-employee payroll	13.90%	13.95%	14.87%	15.50%	14.32%	14.10%	14.61%	13.26%

**Notes to Schedule**

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, as of the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age with frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market value
Inflation	2.5%
Salary increases	4.0%, average, including inflation
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	Age 62 or the completion of 10 years of service if later
Mortality	T-3 The Actuary's Pension Handbook

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
 DEFINED BENEFIT PENSION PLAN  
 Last Eight Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual money-weighted rate of return, net of investment expense	3.71%	15.86%	11.24%	2.14%	18.76%	15.05%	(15.83%)	(3.63%)

**SUPPLEMENTAL INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

TOWN OF COLLIERVILLE, TENNESSEE  
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2015

	Special Revenue Funds							Capital Project Funds			Total Non-Major Governmental Funds	
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	E-Citation	Special Drug	School Federal Projects	School Nutrition	School Discretionary Grants	Education Capital Projects	#334		#335
<b>ASSETS</b>												
Cash and cash equivalents	\$ 623,302	\$ -	\$ -	\$ 14,419	\$ 556,158	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,193,879
Investments	-	-	-	-	-	-	-	-	-	-	2,462,273	2,462,273
Federal and state grants receivable	-	-	-	-	-	100,220	-	32,498	-	-	-	132,718
Due from other governments	220,375	-	-	-	-	-	-	-	601,789	-	-	822,164
Due from other funds	-	1,361,886	-	3,413	-	-	34,079	-	-	-	-	1,399,378
Inventories	-	14,006	-	-	-	-	29,303	-	-	-	-	43,309
Prepays	-	594	-	-	-	-	-	-	-	-	-	594
Total assets	<u>\$ 843,677</u>	<u>\$ 1,376,486</u>	<u>\$ -</u>	<u>\$ 17,832</u>	<u>\$ 556,158</u>	<u>\$ 100,220</u>	<u>\$ 63,382</u>	<u>\$ 32,498</u>	<u>\$ 601,789</u>	<u>\$ -</u>	<u>\$ 2,462,273</u>	<u>\$ 6,054,315</u>
<b>LIABILITIES</b>												
Accounts payable and accrued liabilities	\$ 321,713	\$ 124,814	\$ -	\$ -	\$ 650	80,865	\$ 205	\$ 5,455	\$ 326,999	\$ -	\$ 201,905	\$ 1,062,606
Due to other funds	-	-	-	-	3,984	19,355	-	23,546	182,449	-	-	229,334
Advances from other funds	-	960,000	-	-	-	-	-	-	-	-	-	960,000
Total liabilities	<u>321,713</u>	<u>1,084,814</u>	<u>-</u>	<u>-</u>	<u>4,634</u>	<u>100,220</u>	<u>205</u>	<u>29,001</u>	<u>509,448</u>	<u>-</u>	<u>201,905</u>	<u>2,251,940</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unearned revenue	-	-	-	-	-	-	33,874	3,497	-	-	-	37,371
Seizures escrow	-	-	-	-	12,733	-	-	-	-	-	-	12,733
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,733</u>	<u>-</u>	<u>33,874</u>	<u>3,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,104</u>
<b>FUND BALANCES</b>												
Nonspendable	-	14,600	-	-	-	-	29,303	-	-	-	-	43,903
Restricted	521,964	277,072	-	17,832	538,791	-	-	-	92,341	-	2,260,368	3,708,368
Total fund balances	<u>521,964</u>	<u>291,672</u>	<u>-</u>	<u>17,832</u>	<u>538,791</u>	<u>-</u>	<u>29,303</u>	<u>-</u>	<u>92,341</u>	<u>-</u>	<u>2,260,368</u>	<u>3,752,271</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 843,677</u>	<u>\$ 1,376,486</u>	<u>\$ -</u>	<u>\$ 17,832</u>	<u>\$ 556,158</u>	<u>\$ 100,220</u>	<u>\$ 63,382</u>	<u>\$ 32,498</u>	<u>\$ 601,789</u>	<u>\$ -</u>	<u>\$ 2,462,273</u>	<u>\$ 6,054,315</u>

TOWN OF COLLIERVILLE, TENNESSEE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	Special Revenue Funds							Capital Project Funds			Non-Major Governmental Funds	
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	E-Citation	Special Drug	School Federal Projects	School Nutrition	School Discretionary Grants	Education Capital Projects	#334		#335
<b>Revenues</b>												
Other local taxes	\$ -	\$ -	\$ 46,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,125
Federal revenues	-	-	-	-	-	1,881,202	568,712	-	-	-	-	2,449,914
State revenues	1,202,603	8,996	-	-	-	-	-	113,172	-	-	-	1,324,771
Public auction sales	-	2,322	-	-	-	-	-	-	-	-	-	2,322
Charges for services	-	4,081,413	-	-	-	-	942,728	-	-	-	-	5,024,141
Interest income	421	-	-	-	44	-	-	-	-	186	3,204	3,855
Contributions	-	-	-	-	-	-	-	-	694,129	-	-	694,129
Seizures and fines	-	-	-	17,969	197,348	-	-	-	-	-	-	215,317
<b>Total revenues</b>	<b>1,203,024</b>	<b>4,092,731</b>	<b>46,125</b>	<b>17,969</b>	<b>197,392</b>	<b>1,881,202</b>	<b>1,511,440</b>	<b>113,172</b>	<b>694,129</b>	<b>186</b>	<b>3,204</b>	<b>9,760,574</b>
<b>Expenditures</b>												
Current:												
Roads and public works	1,315,144	-	-	-	-	-	-	-	-	-	-	1,315,144
Sanitation	-	2,841,297	-	-	-	-	-	-	-	-	-	2,841,297
Police	-	-	-	137	24,093	-	-	-	-	-	-	24,230
Education	-	-	-	-	-	1,773,786	1,700,717	72,802	418,775	-	-	3,966,080
Capital projects	-	466,272	-	-	65,055	71,940	40,470	40,370	569,371	-	2,549,124	3,802,602
Debt service:												
Principal retirement	-	43,344	51,794	-	-	-	-	-	-	-	-	95,138
Interest and fiscal charges	-	25,873	3,346	-	-	-	-	-	-	-	-	29,219
<b>Total expenditures</b>	<b>1,315,144</b>	<b>3,376,786</b>	<b>55,140</b>	<b>137</b>	<b>89,148</b>	<b>1,845,726</b>	<b>1,741,187</b>	<b>113,172</b>	<b>988,146</b>	<b>-</b>	<b>2,549,124</b>	<b>12,073,710</b>
Excess (deficiency) of revenue over (under) expenditures	(112,120)	715,945	(9,015)	17,832	108,244	35,476	(229,747)	-	(294,017)	186	(2,549,920)	(2,313,136)
Other financing sources (uses)												
Transfers in	-	-	9,015	-	14,606	-	259,050	-	386,358	-	-	669,029
Transfers out	-	-	-	-	-	(35,476)	-	-	-	(301,439)	(458,693)	(795,608)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>9,015</b>	<b>-</b>	<b>14,606</b>	<b>(35,476)</b>	<b>259,050</b>	<b>-</b>	<b>386,358</b>	<b>(301,439)</b>	<b>(458,693)</b>	<b>(126,579)</b>
<b>Net change in fund balances</b>	<b>(112,120)</b>	<b>715,945</b>	<b>-</b>	<b>17,832</b>	<b>122,850</b>	<b>-</b>	<b>29,303</b>	<b>-</b>	<b>92,341</b>	<b>(301,253)</b>	<b>(3,004,613)</b>	<b>(2,439,715)</b>
Fund balances - beginning	634,084	(424,273)	-	-	415,941	-	-	-	-	301,253	5,264,981	6,191,986
<b>Fund balances - ending</b>	<b>\$ 521,964</b>	<b>\$ 291,672</b>	<b>\$ -</b>	<b>\$ 17,832</b>	<b>\$ 538,791</b>	<b>\$ -</b>	<b>\$ 29,303</b>	<b>\$ -</b>	<b>\$ 92,341</b>	<b>\$ -</b>	<b>\$ 2,260,368</b>	<b>\$ 3,752,271</b>

**INDIVIDUAL FUNDS – BUDGET AND ACTUAL COMPARISON**

**SPECIAL REVENUE FUNDS**



TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - STATE STREET AID FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State 3 Cent, 1989, and Street Gas Tax	\$ 1,200,000	\$ 1,200,000	\$ 1,202,603	\$ 2,603
Interest income	500	500	421	(79)
Miscellaneous refunds	-	-	-	-
Total revenues	<u>1,200,500</u>	<u>1,200,500</u>	<u>1,203,024</u>	<u>2,524</u>
<b>Expenditures</b>				
Postage	30	30	-	30
Contractual services	400	400	159	241
Traffic signal repair	46,000	70,333	70,333	-
Paving	1,000,000	1,020,095	1,007,938	12,157
Street repair	241,000	264,622	236,714	27,908
Total expenditures	<u>1,287,430</u>	<u>1,355,480</u>	<u>1,315,144</u>	<u>40,336</u>
Net change in fund balance	<u>\$ (86,930)</u>	<u>\$ (154,980)</u>	(112,120)	<u>\$ 42,860</u>
Fund balance - beginning			<u>634,084</u>	
Fund balance - ending			<u>\$ 521,964</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SOLID WASTE AND SANITATION

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 4,069,902	\$ 4,069,902	\$ 4,081,413	\$ 11,511
Contributions	-	-	8,996	8,996
Public auction sales	-	-	2,322	2,322
Total revenue	<u>4,069,902</u>	<u>4,069,902</u>	<u>4,092,731</u>	<u>22,829</u>
<b>Expenditures</b>				
Personnel	1,743,543	1,752,037	1,585,435	166,602
Contractual	818,200	699,735	628,377	71,358
Supplies	569,245	673,043	598,599	74,444
Building materials	11,000	11,000	8,167	2,833
Fixed charges	2,500	2,500	2,386	114
Grants, contributions, and indemnities	16,500	18,333	18,333	-
	<u>3,160,988</u>	<u>3,156,648</u>	<u>2,841,297</u>	<u>315,351</u>
Capital outlay	<u>323,750</u>	<u>466,272</u>	<u>466,272</u>	<u>-</u>
<b>Debt service</b>				
Bond principal	43,344	43,344	43,344	-
Bond interest	4,273	25,873	25,873	-
Total debt service	<u>47,617</u>	<u>69,217</u>	<u>69,217</u>	<u>-</u>
Total expenditures	<u>3,532,355</u>	<u>3,692,137</u>	<u>3,376,786</u>	<u>315,351</u>
Excess of revenues over expenditures before transfers	<u>537,547</u>	<u>377,765</u>	<u>715,945</u>	<u>338,180</u>
<b>Other financing uses</b>				
Transfers out	<u>(141,600)</u>	<u>(141,600)</u>	<u>-</u>	<u>141,600</u>
Total other financing uses	<u>(141,600)</u>	<u>(141,600)</u>	<u>-</u>	<u>141,600</u>
Net change in fund balance	<u>\$ 395,947</u>	<u>\$ 236,165</u>	715,945	<u>\$ 479,780</u>
Fund balance - beginning			<u>(424,273)</u>	
Fund balance - ending			<u>\$ 291,672</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Historic preservation fee	\$ 15,000	\$ 15,000	\$ 46,125	\$ 31,125
Expenditures				
Debt service				
Bond principal	51,794	51,794	51,794	-
Bond interest	3,346	3,346	3,346	-
Total debt service	<u>55,140</u>	<u>55,140</u>	<u>55,140</u>	<u>-</u>
Total expenditures	<u>55,140</u>	<u>55,140</u>	<u>55,140</u>	<u>-</u>
Deficiency of revenues under expenditures before transfers	<u>(40,140)</u>	<u>(40,140)</u>	<u>(9,015)</u>	<u>31,125</u>
Other financing sources				
Transfers in	<u>40,140</u>	<u>40,140</u>	<u>9,015</u>	<u>(31,125)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u><u>\$ -</u></u>	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - E-CITATION FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Fees	\$ 9,000	\$ 9,000	\$ 17,969	\$ 8,969
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>17,969</u>	<u>8,969</u>
Expenditures				
Bank Charges	-	137	137	-
	<u>-</u>	<u>137</u>	<u>137</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>137</u>	<u>137</u>	<u>-</u>
Net change in fund balance	<u>\$ 9,000</u>	<u>\$ 8,863</u>	17,832	<u>\$ 8,969</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 17,832</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL DRUG FUND

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Seizures	\$ 75,000	\$ 75,000	\$ 183,126	\$ 108,126
Fines	5,500	5,500	14,222	8,722
Interest income	-	-	44	44
Total revenues	<u>80,500</u>	<u>80,500</u>	<u>197,392</u>	<u>116,892</u>
Expenditures				
Contractual services	31,390	31,535	10,390	21,145
Supplies and materials	26,100	25,951	13,699	12,252
Bank Charges	-	4	4	-
	<u>57,490</u>	<u>57,490</u>	<u>24,093</u>	<u>33,397</u>
Capital outlay	<u>110,844</u>	<u>110,844</u>	<u>65,055</u>	<u>45,789</u>
Total expenditures	<u>168,334</u>	<u>168,334</u>	<u>89,148</u>	<u>79,186</u>
Excess of revenues over expenditures before transfers	<u>(87,834)</u>	<u>(87,834)</u>	<u>108,244</u>	<u>196,078</u>
Other financing sources				
Transfers in	<u>5,500</u>	<u>5,500</u>	<u>14,606</u>	<u>9,106</u>
Net change in fund balance	<u>\$ (82,334)</u>	<u>\$ (82,334)</u>	122,850	<u>\$ 205,184</u>
Fund balance - beginning			<u>415,941</u>	
Fund balance - ending			<u>\$ 538,791</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SCHOOL NUTRITION FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal revenue	\$ 702,000	\$ 648,000	\$ 568,712	\$ (79,288)
State revenue	6,520	6,520	-	(6,520)
Charges for services	1,477,818	1,011,818	942,728	(69,090)
Total revenue	<u>2,186,338</u>	<u>1,666,338</u>	<u>1,511,440</u>	<u>(154,898)</u>
<b>Expenditures</b>				
<b>Current</b>				
Personnel	1,196,918	1,197,269	1,096,215	101,054
Travel	4,000	4,000	583	3,417
Contractual	60,000	159,157	151,028	8,129
Supplies	978,000	844,688	759,252	85,436
In-service/staff development	4,000	4,000	2,289	1,711
Charges	7,900	7,404	2,310	5,094
Expense Reimbursement	(80,000)	(311,000)	(310,960)	(40)
	<u>2,170,818</u>	<u>1,905,518</u>	<u>1,700,717</u>	<u>204,801</u>
<b>Capital</b>				
Capital expenditures	15,520	49,820	40,470	9,350
Total expenditures	<u>2,186,338</u>	<u>1,955,338</u>	<u>1,741,187</u>	<u>214,151</u>
Deficiency of revenues under expenditures before transfers	<u>-</u>	<u>(289,000)</u>	<u>(229,747)</u>	<u>59,253</u>
Other financing sources				
Transfers in	<u>-</u>	<u>289,000</u>	<u>259,050</u>	<u>(29,950)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	29,303	<u>\$ 29,303</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 29,303</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SCHOOL FEDERAL PROJECTS FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 2,307,470	\$ 2,343,295	\$ 1,881,202	\$ (462,093)
Total revenue	<u>2,307,470</u>	<u>2,343,295</u>	<u>1,881,202</u>	<u>(462,093)</u>
Expenditures				
Current				
Instruction - Title I-A				
Personnel	192,255	207,298	206,571	727
Supplies	110,590	-	-	-
In-service/staff development	12,000	-	300	(300)
Other	16,497	-	-	-
	<u>331,342</u>	<u>207,298</u>	<u>206,871</u>	<u>427</u>
IDEA-B Individuals with Disabilities Ed. Act				
Personnel	1,308,054	1,311,166	1,106,129	205,037
Contractual	36,086	36,084	9,750	26,334
Other	26,883	-	-	-
	<u>1,371,023</u>	<u>1,347,250</u>	<u>1,115,879</u>	<u>231,371</u>
Support and training				
Personnel	393,456	420,353	405,617	14,736
Supplies	45,634	37,071	5,414	31,657
In-service/staff development	40,234	111,784	27,130	84,654
Other	26,090	8,835	8,784	51
	<u>505,414</u>	<u>578,043</u>	<u>446,945</u>	<u>131,098</u>
Preschool inventive				
Supplies	10,808	5,845	2,591	3,254
In-service/staff development	1,500	1,500	1,500	-
Other	246	-	-	-
	<u>12,554</u>	<u>7,345</u>	<u>4,091</u>	<u>3,254</u>
Capital				
Capital expenditures	<u>87,137</u>	<u>114,869</u>	<u>71,940</u>	<u>42,929</u>
Total expenditures	<u>2,307,470</u>	<u>2,254,805</u>	<u>1,845,726</u>	<u>409,079</u>
Excess of revenues over expenditures before transfers	<u>-</u>	<u>88,490</u>	<u>35,476</u>	<u>(53,014)</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(49,534)</u>	<u>(35,476)</u>	<u>14,058</u>
Total other financing uses	<u>-</u>	<u>(49,534)</u>	<u>(35,476)</u>	<u>14,058</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 38,956</u>	<u>-</u>	<u>\$ (38,956)</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SCHOOL DISCRETIONARY GRANTS FUND

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
State revenue	\$ -	\$ 132,940	\$ 113,172	\$ (19,768)
Other local revenue	-	1,500	-	(1,500)
Total revenue	-	134,440	113,172	(21,268)
Expenditures				
Current				
Coordinated school health				
Personnel	-	15,000	7,008	7,992
Contractual	-	6,000	5,114	886
Supplies	-	13,000	12,880	120
In-service/staff development	-	7,000	5,897	1,103
Other	-	4,500	960	3,540
	-	45,500	31,859	13,641
Support - safe schools grant				
Contractual	-	36,940	36,940	-
	-	36,940	36,940	-
Regular Instrucional Support				
Supplies	-	1,500	-	1,500
In-service/staff development	-	6,000	4,003	1,997
	-	7,500	4,003	3,497
Capital				
Capital expenditures	-	44,500	40,370	4,130
Total expenditures	-	134,440	113,172	21,268
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	



**CAPITAL PROJECTS FUNDS**

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - EDUCATION CAPITAL PROJECT

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Contributions	\$ -	\$ -	\$ 694,129	\$ 694,129
Total revenues	-	-	694,129	694,129
Expenditures				
Contractual	-	59,200	418,775	(359,575)
	-	59,200	418,775	(359,575)
Capital expenditures	-	2,070,855	569,371	1,501,484
Total expenditures	-	2,130,055	988,146	1,141,909
Deficiency of revenues under expenditures before transfers	-	(2,130,055)	(294,017)	1,836,038
Other financing sources				
Issuance of debt	-	1,743,697	-	(1,743,697)
Transfers in	-	386,358	386,358	-
Total other financing sources	-	2,130,055	386,358	(1,743,697)
Net change in fund balance	\$ -	\$ -	92,341	\$ 92,341
Fund balance - beginning			-	
Fund balance - ending			\$ 92,341	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECT #321

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 114,338	\$ 122,518	\$ 8,180
State grants	-	-	8,938	8,938
Contributions	-	279,586	309,586	30,000
Other	-	7,493	7,493	-
Total revenues	<u>-</u>	<u>401,417</u>	<u>448,535</u>	<u>47,118</u>
Expenditures				
Capital projects	<u>3,683,500</u>	<u>11,823,405</u>	<u>6,042,824</u>	<u>5,780,581</u>
Deficiency of revenues under expenditures before transfers	<u>(3,683,500)</u>	<u>(11,421,988)</u>	<u>(5,594,289)</u>	<u>5,827,699</u>
Other financing sources (uses)				
Transfers in	-	5,890,992	5,890,992	-
Transfers out	<u>-</u>	<u>(57,714)</u>	<u>(57,714)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>5,833,278</u>	<u>5,833,278</u>	<u>-</u>
Net change in fund balance	<u>\$ (3,683,500)</u>	<u>\$ (5,588,710)</u>	238,989	<u>\$ 5,827,699</u>
Fund balance - beginning			<u>90,870</u>	
Fund balance - ending			<u>\$ 329,859</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECT #334

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 186	\$ 186
Excess of revenues over expenditures before transfers	-	-	186	186
Other financing uses				
Transfers out	-	(301,439)	(301,439)	-
Total other financing uses	-	(301,439)	(301,439)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (301,439)</u>	(301,253)	<u>\$ 186</u>
Fund balance - beginning			<u>301,253</u>	
Fund balance - ending			<u>\$ -</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - CAPITAL PROJECT #335

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 3,204	\$ 3,204
Expenditures				
Capital projects	-	2,549,124	2,549,124	-
Total expenditures	-	2,549,124	2,549,124	-
Deficiency of revenues under expenditures before transfers	-	(2,549,124)	(2,545,920)	3,204
Other financing uses				
Transfers out	-	(458,693)	(458,693)	-
Total other financing uses	-	(458,693)	(458,693)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,007,817)</u>	(3,004,613)	<u>\$ 3,204</u>
Fund balance - beginning			<u>5,264,981</u>	
Fund balance - ending			<u>\$ 2,260,368</u>	

## **SUPPORTING INFORMATION**

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND - SCHOOL ACTIVITIES

June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Cash	\$ 980,295	\$ 2,852,558	\$ (2,812,826)	\$ 1,020,027
Inventories	9,996	6,672	-	16,668
Total assets	<u>\$ 990,291</u>	<u>\$ 2,859,230</u>	<u>\$ (2,812,826)</u>	<u>\$ 1,036,695</u>
<b>LIABILITIES</b>				
Due to schools general fund	\$ 635,983	\$ 962,922	\$ (954,249)	\$ 644,656
Due to student groups	354,308	1,896,308	(1,858,577)	392,039
Total liabilities	<u>\$ 990,291</u>	<u>\$ 2,859,230</u>	<u>\$ (2,812,826)</u>	<u>\$ 1,036,695</u>

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

June 30, 2015

	Land	Construction in Progress	Buildings and Improvements	Other Improvements	Library Materials	Equipment	Infrastructure	Total
Mayor and Board	\$ -	\$ -	\$ -	\$ 3,988	\$ -	\$ 159,647	\$ -	\$ 163,635
General Government:								
Finance	-	1,948	-	-	-	196,055	-	198,003
Information technology	-	180,936	2,657	-	-	971,719	-	1,155,312
Executive	1,782,850	-	5,871,910	407,911	-	469,933	-	8,532,604
Town administrator	2,394,355	646,716	7,327,348	414,739	-	81,310	349,620	11,214,088
Development administration	-	-	-	-	-	24,454	-	24,454
Development engineering	859,269	-	-	-	-	243,764	5,683	1,108,716
Development planning	-	-	-	-	-	109,404	-	109,404
General government	1,755,439	-	213,877	34,396	-	-	-	2,003,712
Library	305,068	-	4,116,562	128,452	2,638,185	658,397	-	7,846,664
Human resources	-	-	-	-	-	17,053	-	17,053
General services	-	376,122	83,720	-	-	479,710	-	939,552
	<u>7,096,981</u>	<u>1,205,722</u>	<u>17,616,074</u>	<u>985,498</u>	<u>2,638,185</u>	<u>3,251,799</u>	<u>355,303</u>	<u>33,149,562</u>
Public Safety:								
Animal control	8,099	-	485,218	37,013	-	105,323	-	635,653
Police	206,588	3,668,593	8,458,127	1,282,447	-	4,867,231	-	18,482,986
Fire	591,284	8,500	4,465,865	139,231	-	5,191,145	-	10,396,025
Code enforcement	-	-	-	-	-	230,564	-	230,564
City court	-	-	203,291	-	-	132,870	-	336,161
	<u>805,971</u>	<u>3,677,093</u>	<u>13,612,501</u>	<u>1,458,691</u>	<u>-</u>	<u>10,527,133</u>	<u>-</u>	<u>30,081,389</u>
Roads and Public Works:								
Public services administration	441,607	-	2,405,064	252,261	-	132,950	-	3,231,882
Fleet services	-	71	-	-	-	561,430	-	561,501
Streets and drainage	4,117,391	2,321,555	-	1,173,196	-	2,502,868	149,367,746	159,482,756
	<u>4,558,998</u>	<u>2,321,626</u>	<u>2,405,064</u>	<u>1,425,457</u>	<u>-</u>	<u>3,197,248</u>	<u>149,367,746</u>	<u>163,276,139</u>
Education	4,375,730	1,277,201	68,309,860	-	-	2,362,174	-	76,324,965
Sanitation	53,650	-	552,756	27,087	-	4,666,348	-	5,299,841
Culture and Recreation	8,144,753	3,278,543	8,317,105	13,502,177	-	2,502,490	18,324	35,763,392
Development of historic town square	63,600	-	154,637	1,501,160	-	32,319	-	1,751,716
Total capital assets	<u>\$ 25,099,683</u>	<u>\$ 11,760,185</u>	<u>\$ 110,967,997</u>	<u>\$ 18,904,058</u>	<u>\$ 2,638,185</u>	<u>\$ 26,699,158</u>	<u>\$ 149,741,373</u>	<u>\$ 345,810,639</u>



TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION  
AND ACTIVITY

For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Mayor and Board	\$ 164,460	\$ -	\$ (825)	\$ -	\$ 163,635
General Government:					
Finance	192,379	10,457	(4,833)	-	198,003
Information technology	984,541	221,143	(50,372)	-	1,155,312
Executive	8,538,272	-	(5,668)	-	8,532,604
Town administrator	5,933,933	563,520	(1,404)	4,718,039	11,214,088
Development administration	25,713	-	(1,259)	-	24,454
Development engineering	1,114,011	800	(6,095)	-	1,108,716
Development planning	123,429	-	(14,025)	-	109,404
General government	2,006,056	-	(2,344)	-	2,003,712
Library	8,006,415	230,929	(390,680)	-	7,846,664
Human resources	11,380	5,673	-	-	17,053
General services	3,031,804	2,632,346	(6,559)	(4,718,039)	939,552
	<u>29,967,933</u>	<u>3,664,868</u>	<u>(483,239)</u>	<u>-</u>	<u>33,149,562</u>
Public Safety:					
Animal control	659,659	-	(24,006)	-	635,653
Police	17,468,767	1,165,893	(179,563)	27,889	18,482,986
Fire	10,432,321	105,942	(94,499)	(47,739)	10,396,025
Code enforcement	218,227	15,200	(2,863)	-	230,564
City court	344,616	-	(8,455)	-	336,161
	<u>29,123,590</u>	<u>1,287,035</u>	<u>(309,386)</u>	<u>(19,850)</u>	<u>30,081,389</u>
Roads and Public Works:					
Public services administration	3,240,111	-	(8,229)	-	3,231,882
Fleet services	528,161	2,410	(7,759)	38,689	561,501
Streets and drainage	157,714,454	2,319,194	(552,842)	1,950	159,482,756
	<u>161,482,726</u>	<u>2,321,604</u>	<u>(568,830)</u>	<u>40,639</u>	<u>163,276,139</u>
Education	74,232,448	2,111,759	(19,242)	-	76,324,965
Sanitation	4,800,251	481,916	17,674	-	5,299,841
Culture and Recreation	32,974,121	2,975,112	(165,052)	(20,789)	35,763,392
Development of historic town square	1,752,070	-	(354)	-	1,751,716
Total capital assets	<u>\$ 334,497,599</u>	<u>\$ 12,842,294</u>	<u>\$ (1,529,254)</u>	<u>\$ -</u>	<u>\$ 345,810,639</u>

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN PROPERTY TAX RECEIVABLES

For the Year Ended June 30, 2015

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2015	1.78	\$ 1,471,459,590
2014	1.53	1,452,527,470
2013	1.53	1,446,885,170
2012	1.43	1,500,598,775
2011	1.43	1,455,713,724
2010	1.18	1,464,640,545
2009	1.18	1,475,696,365
2008	1.28	1,320,421,340
2007	1.28	1,270,975,865
2006	1.28	1,229,378,925

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE July 1, 2014</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE June 30, 2015</u>
2015	\$ -	\$ 26,191,981	\$ -	\$ -	\$ 26,191,981
2014	22,223,670		20,220	21,957,997	245,453
2013	307,986		(14,140)	184,867	137,259
2012	183,647		(4,271)	116,976	70,942
2011	79,568		(907)	34,675	45,800
2010	32,981		-	12,631	20,350
2009	20,020		-	2,284	17,736
2008	18,329		21	978	17,330
2007	13,079		-	-	13,079
2006 & PRIOR	53,464		-	226	53,238
	<u>22,932,744</u>	<u>26,191,981</u>	<u>923</u>	<u>22,310,634</u>	<u>26,813,168</u>
Allowance for uncollectible property taxes	<u>(310,131)</u>				<u>(338,348)</u>
Net receivables	<u>\$ 22,622,613</u>				<u>\$ 26,474,820</u>

Uncollected taxes for years prior to 2001 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to 2014 have been turned over to Chancery Court for collection. Property taxes in 2015 are included in deferred inflow of resources in accordance with GASB No.'s 33 and 36, as amended by GASB No. 63.

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF LONG-TERM DEBT - PROPRIETARY FUND

June 30, 2015

	Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Bonds		General Improvement Refunding Bonds		Water & Sewer Revenue & Tax Refunding Bonds		Total		
Date Issued	11/01/05		06/01/06		9/1/10		11/1/12				
Interest Rate %	3.50% - 4.125%		4.00% - 4.375%		2.00% - 3.00%		1.50% - 4.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2016	\$ 265,000	\$ 55,937	\$ 1,205,000	\$ 316,594	\$ 2,785	\$ 122	\$ 675,000	\$ 448,838	\$ 2,147,785	\$ 821,491	\$ 2,969,276
2017	290,000	44,838	1,260,000	268,394	1,902	38	690,000	438,600	2,241,902	751,870	2,993,772
2018	285,000	33,338	1,310,000	217,994	-	-	695,000	428,213	2,290,000	679,545	2,969,545
2019	330,000	21,038	-	165,594	-	-	2,115,000	391,275	2,445,000	577,907	3,022,907
2020	350,000	7,219	-	165,594	-	-	2,205,000	315,450	2,555,000	488,263	3,043,263
2021	-	-	-	165,594	-	-	2,310,000	225,150	2,310,000	390,744	2,700,744
2022	-	-	-	165,594	-	-	2,480,000	129,350	2,480,000	294,944	2,774,944
2023	-	-	-	165,594	-	-	1,565,000	64,100	1,565,000	229,694	1,794,694
2024	-	-	-	165,594	-	-	1,615,000	24,225	1,615,000	189,819	1,804,819
2025	-	-	1,845,000	165,594	-	-	-	-	1,845,000	165,594	2,010,594
2026	-	-	1,940,000	84,875	-	-	-	-	1,940,000	84,875	2,024,875
	<u>\$ 1,520,000</u>	<u>\$ 162,370</u>	<u>\$ 7,560,000</u>	<u>\$ 2,047,015</u>	<u>\$ 4,687</u>	<u>\$ 160</u>	<u>\$ 14,350,000</u>	<u>\$ 2,465,201</u>	<u>\$ 23,434,687</u>	<u>\$ 4,674,746</u>	<u>\$ 28,109,433</u>

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF LONG-TERM DEBT - GOVERNMENTAL FUNDS

June 30, 2015

	General Improvement Bonds		General Improvement Refunding Bonds		Note Payable		General Improvement Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Bonds		Capital Lease		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
Date Issued	11/1/05		11/1/05		8/11/04		11/25/08		9/1/10		10/25/11		11/1/12		8/22/13		6/24/14				
Interest Rate %	3.50% - 4.375%		3.50% - 4.125%		2.80%		3.50% - 5.00%		2.00% - 3.00%		2.00% - 2.50%		1.50% - 2.00%		2.00% - 4.00%		2.20%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2016	\$ 375,000	\$ 7,500	\$ 335,000	\$ 72,381	\$ 290,000	\$ 8,120	\$ 530,000	\$ 462,750	\$ 707,215	\$ 30,878	\$ 500,000	\$ 78,438	\$ -	\$ 96,800	\$ 310,000	\$ 208,975	\$ 229,839	\$ 10,224	\$ 3,277,054	\$ 976,066	\$ 4,253,120
2017	-	-	535,000	54,981	-	-	550,000	442,475	483,098	9,662	440,000	68,438	475,000	92,050	315,000	202,725	234,866	5,195	3,032,964	875,526	3,908,490
2018	-	-	345,000	37,381	-	-	575,000	419,975	-	-	510,000	59,638	485,000	82,450	325,000	196,325	-	-	2,240,000	795,769	3,035,769
2019	-	-	365,000	23,181	-	-	600,000	393,475	-	-	520,000	49,438	490,000	73,925	335,000	188,050	-	-	2,310,000	728,069	3,038,069
2020	-	-	385,000	7,941	-	-	625,000	365,194	-	-	535,000	39,038	500,000	66,500	340,000	177,925	-	-	2,385,000	656,598	3,041,598
2021	-	-	-	-	-	-	660,000	337,063	-	-	520,000	27,000	510,000	58,925	355,000	165,725	-	-	2,045,000	588,713	2,633,713
2022	-	-	-	-	-	-	690,000	306,256	-	-	560,000	14,000	520,000	49,900	365,000	154,975	-	-	2,135,000	525,131	2,660,131
2023	-	-	-	-	-	-	725,000	273,534	-	-	-	-	535,000	39,350	370,000	146,700	-	-	1,630,000	459,584	2,089,584
2024	-	-	-	-	-	-	765,000	238,600	-	-	-	-	555,000	28,450	380,000	137,325	-	-	1,700,000	404,375	2,104,375
2025	-	-	-	-	-	-	805,000	201,313	-	-	-	-	565,000	17,250	390,000	127,456	-	-	1,760,000	346,019	2,106,019
2026	-	-	-	-	-	-	845,000	161,597	-	-	-	-	580,000	5,800	405,000	116,263	-	-	1,830,000	283,660	2,113,660
2027	-	-	-	-	-	-	890,000	118,750	-	-	-	-	-	-	415,000	103,963	-	-	1,305,000	222,713	1,527,713
2028	-	-	-	-	-	-	940,000	73,000	-	-	-	-	-	-	425,000	91,363	-	-	1,365,000	164,363	1,529,363
2029	-	-	-	-	-	-	990,000	24,750	-	-	-	-	-	-	440,000	78,113	-	-	1,430,000	102,863	1,532,863
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	455,000	63,275	-	-	455,000	63,275	518,275
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	475,000	46,406	-	-	475,000	46,406	521,406
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	490,000	28,313	-	-	490,000	28,313	518,313
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	510,000	9,563	-	-	510,000	9,563	519,563
	<b>\$ 375,000</b>	<b>\$ 7,500</b>	<b>\$ 1,965,000</b>	<b>\$ 195,865</b>	<b>\$ 290,000</b>	<b>\$ 8,120</b>	<b>\$ 10,190,000</b>	<b>\$ 3,818,732</b>	<b>\$ 1,190,313</b>	<b>\$ 40,540</b>	<b>\$ 3,585,000</b>	<b>\$ 335,990</b>	<b>\$ 5,215,000</b>	<b>\$ 611,400</b>	<b>\$ 7,100,000</b>	<b>\$ 2,243,440</b>	<b>\$ 464,705</b>	<b>\$ 15,419</b>	<b>\$ 30,375,018</b>	<b>\$ 7,277,006</b>	<b>\$ 37,652,024</b>

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF INVESTMENTS

June 30, 2015

**Governmental Funds**

General Fund		
Local government investment pool	\$	28,568,595
Capital Projects Fund		
Local government investment pool		<u>2,462,273</u>
	\$	<u><u>31,030,868</u></u>

**Proprietary Fund**

Water and Sewer Fund		
Local government investment pool	\$	<u><u>27,983,298</u></u>

**Fiduciary Funds**

Retirement Pension Fund		
Trustee bank (member of State of Tennessee collateral pool)		
Money market funds	\$	896,377
U.S. government agency bonds		937,191
Corporate and foreign bonds		4,388,501
Municipal obligations		1,649,263
Common stocks		6,148,609
Equity mutual funds		25,608,629
Fixed income mutual funds		<u>12,482,575</u>
	\$	<u><u>52,111,145</u></u>

Retirement Medical Insurance Fund		
Trustee bank (member of State of Tennessee collateral pool)		
Money market funds	\$	381,359
Common stocks		1,148,598
Equity mutual funds		5,491,519
Fixed income mutual funds		<u>3,336,241</u>
	\$	<u><u>10,357,717</u></u>

**STATISTICAL SECTION**

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (Schedules 1, 2, 3, 4, 5)</b> These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	<b>135</b>
<b>Revenue Capacity (Schedules 6, 7, 8, 9, 10, 11)</b> These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales tax.	<b>142</b>
<b>Debt Capacity (Schedules 12, 13, 14, 15)</b> These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. The Town has no legal debt limit.	<b>148</b>
<b>Demographic and Economic Information (Schedules 16, 17)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	<b>152</b>
<b>Operating Information (Schedules 18, 19, 20, 21, 22, 23, 24)</b> These schedules contain information about the Town's operations and resources to help the reader understand how the town's financial information relates to the services the town provides and the activities it performs.	<b>154</b>

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

SCHEDULE 1  
TOWN OF COLLIERVILLE  
NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities										
Net investment in capital assets	\$ 110,245,903	\$ 108,468,398	\$ 124,286,702	\$ 130,489,559	\$ 136,692,649	\$ 140,702,628	\$ 151,470,712	\$ 158,108,082	\$ 214,192,052	\$ 219,842,050
Restricted <sup>a</sup>	336,941	1,043,670	1,843,247	1,597,295	1,674,640	7,616,519	6,021,577	4,954,556	8,205,085	15,721,548
Unrestricted	26,832,831	39,101,813	31,946,261	24,821,960	23,078,426	18,304,577	19,902,580	29,618,473	25,818,422	28,543,675
Total government activities net position	<u>\$ 137,415,675</u>	<u>\$ 148,613,881</u>	<u>\$ 158,076,210</u>	<u>\$ 156,908,814</u>	<u>\$ 161,445,715</u>	<u>\$ 166,623,724</u>	<u>\$ 177,394,869</u>	<u>\$ 192,681,111</u>	<u>\$ 248,215,559</u>	<u>\$ 264,107,273</u>
Business-type activities										
Net investment in capital assets	\$ 29,714,522	\$ 57,961,221	\$ 64,224,620	\$ 64,077,656	\$ 65,792,383	\$ 65,716,041	\$ 66,108,146	\$ 64,339,030	\$ 66,444,330	\$ 68,511,231
Restricted	-	-	-	2,857,366	2,639,558	2,170,938	2,014,175	2,905,168	4,017,819	4,967,688
Unrestricted	38,322,536	19,963,143	20,067,949	20,598,131	21,086,683	22,759,955	24,072,503	26,698,776	26,334,310	25,206,047
Total business-type activities net position	<u>\$ 68,037,058</u>	<u>\$ 77,924,364</u>	<u>\$ 84,292,569</u>	<u>\$ 87,533,153</u>	<u>\$ 89,518,624</u>	<u>\$ 90,646,934</u>	<u>\$ 92,194,824</u>	<u>\$ 93,942,974</u>	<u>\$ 96,796,459</u>	<u>\$ 98,684,966</u>
Primary government										
Net investment in capital assets	\$ 139,960,425	\$ 166,429,619	\$ 188,511,322	\$ 194,567,215	\$ 202,485,032	\$ 206,418,669	\$ 217,578,858	\$ 222,447,112	\$ 280,636,382	\$ 288,353,281
Restricted	336,941	1,043,670	1,843,247	4,454,661	4,314,198	9,787,457	8,035,752	7,859,724	12,222,904	20,689,236
Unrestricted	65,155,367	59,064,956	52,014,210	45,420,091	44,165,109	41,064,532	43,975,083	56,317,249	52,152,732	53,749,722
Total primary government net position	<u>\$ 205,452,733</u>	<u>\$ 226,538,245</u>	<u>\$ 242,368,779</u>	<u>\$ 244,441,967</u>	<u>\$ 250,964,339</u>	<u>\$ 257,270,658</u>	<u>\$ 269,589,693</u>	<u>\$ 286,624,085</u>	<u>\$ 345,012,018</u>	<u>\$ 362,792,239</u>

<sup>a</sup>In 2007 Restricted Net Position in governmental activities increased due to an increase in fund balance in the State Street Aid Fund.

<sup>b</sup>In June 2014, the Town received 8 schools from Schelby County Schools with a net carrying amount of \$52,215,436, through a transfer of operations to the Collierville Municipal School District.



SCHEDULE 2  
TOWN OF COLLIERVILLE  
CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 133,928	\$ 181,343	\$ 179,470	\$ 192,200	\$ 138,580	\$ 149,268	\$ 261,181	\$ 196,902	\$ 282,947	\$ 154,751
General government	5,804,643	6,063,357	6,841,654	7,232,361	6,946,178	6,480,409	6,638,179	8,252,288	8,330,982	8,334,051
Education <sup>c</sup>	-	-	-	-	-	-	-	-	1,492,580	59,010,427
Roads and public works	6,689,264	6,818,489	7,374,540	7,405,925	7,422,320	7,762,474	9,218,450	8,890,342	8,310,099	9,164,356
Public Safety	15,158,699	16,512,210	17,742,544	19,294,804	19,396,949	19,431,374	20,423,963	20,485,058	21,767,310	20,665,223
Sanitation	2,305,789	2,689,552	2,773,509	2,889,911	2,644,151	2,968,315	3,014,845	3,156,642	3,721,153	3,000,678
Drug fund	42,871	44,155	26,845	22,285	20,721	41,757	27,673	17,798	29,003	24,230
Culture and recreation	3,251,372	3,235,008	2,794,702	4,244,899	4,119,768	4,437,125	3,892,595	4,626,281	5,120,963	5,256,151
Interest on long-term debt	1,187,731	1,281,362	1,288,383	1,506,072	1,625,212	1,315,638	1,377,744	1,206,699	1,207,195	1,222,523
Total government activities expenses	<u>34,574,297</u>	<u>36,825,476</u>	<u>39,021,647</u>	<u>42,788,457</u>	<u>42,313,879</u>	<u>42,586,360</u>	<u>44,854,630</u>	<u>46,832,010</u>	<u>50,262,232</u>	<u>106,832,390</u>
Business-type activities:										
Water and sewer	7,241,129	7,700,172	8,922,991	10,252,913	10,149,940	12,254,310	10,679,638	10,905,161	10,488,286	10,370,911
Total business-type activities expenses	<u>7,241,129</u>	<u>7,700,172</u>	<u>8,922,991</u>	<u>10,252,913</u>	<u>10,149,940</u>	<u>12,254,310</u>	<u>10,679,638</u>	<u>10,905,161</u>	<u>10,488,286</u>	<u>10,370,911</u>
Total primary government expenses	<u>\$ 41,815,426</u>	<u>\$ 44,525,648</u>	<u>\$ 47,944,638</u>	<u>\$ 53,041,370</u>	<u>\$ 52,463,819</u>	<u>\$ 54,840,670</u>	<u>\$ 55,534,268</u>	<u>\$ 57,737,171</u>	<u>\$ 60,750,518</u>	<u>\$ 117,203,301</u>
<b>Program Revenues (see Schedule 3)</b>										
Governmental activities:										
Charges for services:										
General government	\$ 558,254	\$ 524,079	\$ 480,888	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958	\$ 312,452	\$ 332,750
Education <sup>c</sup>	-	-	-	-	-	-	-	-	397,168	1,082,403
Roads and public works	561,963	566,298	1,264,991	627,109	491,002	1,101,149	503,235	653,073	695,312	633,779
Public safety	2,607,977	2,341,159	2,126,291	1,836,723	1,838,830	1,728,898	1,964,117	2,666,688	2,526,556	2,573,001
Sanitation	2,421,962	2,485,993	2,534,311	2,539,834	3,173,045	3,254,316	3,261,895	3,407,085	3,497,305	4,081,413
Culture and recreation	325,638	293,648	324,183	507,646	515,021	545,418	533,441	473,788	483,247	506,855
Operating grants and contributions <sup>c</sup>	985,678	1,394,711	1,375,961	1,415,062	1,538,690	2,068,717	2,112,056	2,106,515	1,634,483	37,097,132
Capital grants and contributions	9,526,266	6,196,487	5,351,308	829,254	5,157,989	4,416,497	7,461,900	7,874,778	2,454,826	2,437,740
Total governmental activities program revenues	<u>16,987,738</u>	<u>13,802,375</u>	<u>13,457,933</u>	<u>8,048,972</u>	<u>12,987,130</u>	<u>13,315,515</u>	<u>16,080,586</u>	<u>17,489,885</u>	<u>12,001,349</u>	<u>48,745,073</u>
Business-type activities:										
Charges for services	11,344,352	13,473,709	12,748,464	11,776,773	11,263,853	11,840,445	12,405,557	12,980,102	13,373,538	12,534,100
Operating grants and contributions	-	-	-	-	18,767	-	-	-	-	-
Capital grants and contributions	1,897,795	2,312,450	1,555,946	1,796,272	1,026,656	1,669,411	274,665	3,500	350,862	345,748
Total business-type activities program revenues	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>	<u>12,983,602</u>	<u>13,724,400</u>	<u>12,879,848</u>
Total primary government program revenues	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 27,762,343</u>	<u>\$ 21,622,017</u>	<u>\$ 25,296,406</u>	<u>\$ 26,825,371</u>	<u>\$ 28,760,808</u>	<u>\$ 30,473,487</u>	<u>\$ 25,725,749</u>	<u>\$ 61,624,921</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (17,586,559)	\$ (23,023,101)	\$ (25,563,714)	\$ (34,739,485)	\$ (29,326,749)	\$ (29,270,845)	\$ (28,774,044)	\$ (29,342,125)	\$ (38,260,883)	\$ (58,087,317)
Business-type activities	6,001,018	8,085,987	5,381,419	3,320,132	2,159,336	1,255,546	2,000,584	2,078,441	3,236,114	2,508,937
Total primary government net expense	<u>\$ (11,585,541)</u>	<u>\$ (14,937,114)</u>	<u>\$ (20,182,295)</u>	<u>\$ (31,419,353)</u>	<u>\$ (27,167,413)</u>	<u>\$ (28,015,299)</u>	<u>\$ (26,773,460)</u>	<u>\$ (27,263,684)</u>	<u>\$ (35,024,769)</u>	<u>\$ (55,578,380)</u>

(Continued)

Schedule 2 – Continued

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 14,649,001	\$ 16,047,793	\$ 16,607,351	\$ 17,228,395	\$ 17,623,045	\$ 17,577,135	\$ 20,970,077	\$ 21,971,554	\$ 22,421,859	\$ 43,311,468
Other local taxes	10,540,041	11,291,175	11,801,336	11,404,587	11,047,089	12,003,559	12,818,038	16,628,924	18,289,596	27,052,623
Intergovernmental revenues:										
State sales tax <sup>a</sup>	5,123,426	3,160,775	3,151,594	3,039,360	2,973,859	3,087,223	3,152,888	3,348,868	3,437,591	3,644,536
State income and other taxes <sup>a</sup>	-	1,251,777	1,413,975	1,191,749	1,022,266	1,032,463	1,085,542	1,333,631	1,461,550	1,783,374
Other state revenue	-	-	112,674	115,699	103,113	102,478	99,185	103,508	103,704	201,434
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	821,752	1,305,477	1,190,266	514,218	115,891	53,902	33,280	36,221	35,908	50,376
Miscellaneous	795,462	672,714	181,730	191,278	326,715	34,321	809,480	452,029	363,688	573,303
Payment to fiduciary trust	-	-	-	(875,759)	-	-	-	-	-	-
Transfers	481,092	491,596	567,117	762,562	651,672	557,773	764,569	753,632	790,493	789,805
Special item - litigation settlement	-	-	-	-	-	-	-	-	(5,324,494)	-
Special item - transfer of operations <sup>b</sup>	-	-	-	-	-	-	-	-	52,215,436	-
Total government activities	<u>32,410,774</u>	<u>34,221,307</u>	<u>35,026,043</u>	<u>33,572,089</u>	<u>33,863,650</u>	<u>34,448,854</u>	<u>39,733,059</u>	<u>44,628,367</u>	<u>93,795,331</u>	<u>77,406,919</u>
Business-type activities:										
Investment earnings	626,562	2,243,989	1,490,542	596,892	338,739	304,158	273,796	281,831	249,936	256,773
Miscellaneous	63,915	48,926	63,361	86,122	139,068	126,379	129,035	141,510	157,928	156,242
Transfers	(481,092)	(491,596)	(567,117)	(762,562)	(651,672)	(557,773)	(764,569)	(753,632)	(790,493)	(789,805)
Total business-type activities	<u>209,385</u>	<u>1,801,319</u>	<u>986,786</u>	<u>(79,548)</u>	<u>(173,865)</u>	<u>(127,236)</u>	<u>(361,738)</u>	<u>(330,291)</u>	<u>(382,629)</u>	<u>(376,790)</u>
Total primary government	<u>\$ 32,620,159</u>	<u>\$ 36,022,626</u>	<u>\$ 36,012,829</u>	<u>\$ 33,492,541</u>	<u>\$ 33,689,785</u>	<u>\$ 34,321,618</u>	<u>\$ 39,371,321</u>	<u>\$ 44,298,076</u>	<u>\$ 93,412,702</u>	<u>\$ 77,030,129</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 14,824,215	\$ 11,198,206	\$ 9,462,329	\$ (1,167,396)	\$ 4,536,901	\$ 5,178,009	\$ 10,959,015	\$ 15,286,242	\$ 55,534,448	\$ 19,319,602
Business-type activities	<u>6,210,403</u>	<u>9,887,306</u>	<u>6,368,205</u>	<u>3,240,584</u>	<u>1,985,471</u>	<u>1,128,310</u>	<u>1,638,846</u>	<u>1,748,150</u>	<u>2,853,485</u>	<u>2,132,147</u>
Total primary government	<u>\$ 21,034,618</u>	<u>\$ 21,085,512</u>	<u>\$ 15,830,534</u>	<u>\$ 2,073,188</u>	<u>\$ 6,522,372</u>	<u>\$ 6,306,319</u>	<u>\$ 12,597,861</u>	<u>\$ 17,034,392</u>	<u>\$ 58,387,933</u>	<u>\$ 21,451,749</u>

<sup>a</sup>In 2007 "State Sales Tax" and "State Income and other taxes" were separated.

<sup>b</sup>In June 2014, the Town received 8 schools from Shelby County Schools with a net carrying amount of \$52,215,436, through a transfer of operations to the Collierville Municipal School District.

<sup>c</sup>The Collierville Municipal School District was established in 2014. Fiscal year 2015 was the first full year of operations.

SCHEDULE 3  
TOWN OF COLLIERVILLE  
PROGRAM REVENUES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:										
General government	\$ 855,005	\$ 594,982	\$ 510,481	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866	\$ 495,251	\$ 664,865
Education <sup>b</sup>	-	-	-	-	-	-	-	-	397,168	37,342,062
Roads and public works	9,418,311	6,693,309	6,356,978	1,456,363	6,249,872	7,072,133	8,128,677	3,472,012	3,269,561	2,841,341
Public safety	3,234,808	2,943,481	2,519,290	1,927,702	2,116,691	2,004,015	3,353,826	5,017,081	3,705,252	3,067,241
Sanitation	2,421,962	2,485,993	2,534,311	2,539,834	3,215,108	3,259,069	3,266,172	3,411,338	3,502,010	4,081,413
Culture and recreation <sup>a</sup>	<u>1,057,652</u>	<u>1,084,610</u>	<u>355,437</u>	<u>616,262</u>	<u>1,099,425</u>	<u>698,905</u>	<u>556,884</u>	<u>499,588</u>	<u>632,107</u>	<u>748,151</u>
Subtotal governmental activities	<u>16,987,738</u>	<u>13,802,375</u>	<u>12,276,497</u>	<u>6,880,523</u>	<u>12,987,130</u>	<u>13,315,515</u>	<u>16,080,586</u>	<u>17,489,885</u>	<u>12,001,349</u>	<u>48,745,073</u>
Business-type activities:										
Water and Sewer	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>	<u>12,983,602</u>	<u>13,724,400</u>	<u>12,879,848</u>
Subtotal business-type activities	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>	<u>12,983,602</u>	<u>13,724,400</u>	<u>12,879,848</u>
Total primary government	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 26,580,907</u>	<u>\$ 20,453,568</u>	<u>\$ 25,296,406</u>	<u>\$ 26,825,371</u>	<u>\$ 28,760,808</u>	<u>\$ 30,473,487</u>	<u>\$ 25,725,749</u>	<u>\$ 61,624,921</u>

<sup>a</sup>The increase in revenue in years 2006, 2007, and 2010 resulted from grants and contributions.

<sup>b</sup>The Collierville Municipal School District was established in 2014. Fiscal year 2015 was the first full year of operations.

SCHEDULE 4  
TOWN OF COLLIERVILLE  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011<sup>a</sup></u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 159,784	\$ 228,758	\$ 476,853	\$ 475,191	\$ 572,982	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,563,072	23,547,928	25,662,542	22,753,263	21,547,026	-	-	-	-	-
Nonspendable	-	-	-	-	-	154,091	153,045	161,315	172,028	180,804
Restricted	-	-	-	-	-	1,369,227	1,677,931	1,885,530	1,508,576	1,621,489
Committed	-	-	-	-	-	1,188,831	1,004,206	1,566,727	1,565,296	1,887,716
Assigned	-	-	-	-	-	6,877,687	6,019,516	10,295,248	15,822,524	13,198,818
Unassigned	-	-	-	-	-	12,791,481	15,181,846	17,052,954	17,717,284	18,950,295
Total general fund	<u>\$ 18,722,856</u>	<u>\$ 23,776,686</u>	<u>\$ 26,139,395</u>	<u>\$ 23,228,454</u>	<u>\$ 22,120,008</u>	<u>\$ 22,381,317</u>	<u>\$ 24,036,544</u>	<u>\$ 30,961,774</u>	<u>\$ 36,785,708</u>	<u>\$ 35,839,122</u>
All Other Governmental Funds										
Reserved	\$ 177,157	\$ 814,912	\$ 1,366,394	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	664,708	655,355	325,828	226,536	247,508	-	-	-	-	-
Capital projects funds	7,836,383	7,418,832	9,635,292	17,651,735	11,217,468	-	-	-	-	-
Nonspendable	-	-	-	-	-	15,331	17,983	12,060	89,687	51,527
Restricted	-	-	-	-	-	6,077,870	4,343,644	3,069,023	6,696,509	14,100,059
Committed	-	-	-	-	-	489,119	727,569	660,732	-	-
Assigned	-	-	-	-	-	726,774	593,048	513,210	10,620	-
Unassigned	-	-	-	-	-	-	-	-	(513,960)	-
Total all other governmental funds	<u>\$ 8,678,248</u>	<u>\$ 8,889,099</u>	<u>\$ 11,327,514</u>	<u>\$ 19,000,375</u>	<u>\$ 12,566,634</u>	<u>\$ 7,309,094</u>	<u>\$ 5,682,244</u>	<u>\$ 4,255,025</u>	<u>\$ 6,282,856</u>	<u>\$ 14,151,586</u>

<sup>a</sup>In fiscal year 2011, the Town implemented fund balance classifications in accordance with GASB Statement no. 54. This new fund balance classification will be applied to 2011 and future years.

SCHEDULE 5  
TOWN OF COLLIERVILLE  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>										
Property taxes	\$ 14,517,719	\$ 16,122,511	\$ 16,652,124	\$ 17,138,004	\$ 17,387,901	\$ 17,552,246	\$ 21,343,304	\$ 21,613,088	\$ 22,682,126	\$ 43,339,038
Other local taxes	10,852,627	11,564,823	11,693,472	11,526,504	11,161,690	11,992,194	12,798,591	16,511,457	18,234,550	26,190,556
Federal revenues	676,509	467,144	303,726	129,082	377,170	1,157,242	959,130	507,931	104,916	2,601,414
State revenues	5,183,578	5,960,493	5,888,072	5,526,257	5,366,745	6,083,218	5,483,684	5,959,985	6,185,523	39,956,500
Licenses and permits	2,233,259	2,166,469	1,719,735	783,060	616,926	488,437	673,993	1,343,894	1,142,811	1,105,769
Charges for services	3,364,545	3,256,828	4,032,191	3,922,743	4,528,357	5,252,524	4,603,929	4,699,402	5,199,463	6,495,933
Court fees	821,763	838,253	724,866	812,974	863,247	795,641	934,985	1,117,353	1,158,302	1,199,196
Fines and forfeitures	312,009	320,054	253,872	285,880	281,921	293,699	293,723	489,108	456,230	606,651
Interest income	821,521	1,305,470	1,173,193	514,218	115,891	53,902	33,280	36,221	35,908	50,376
Contributions	309,169	152,034	164,195	289,028	167,668	212,163	1,207,091	1,588,212	1,845,267	1,787,520
Other revenues	757,345	731,006	244,577	247,188	367,057	269,505	353,303	171,627	204,750	674,160
Total revenues	<u>39,850,044</u>	<u>42,885,085</u>	<u>42,850,023</u>	<u>41,174,938</u>	<u>41,234,573</u>	<u>44,150,771</u>	<u>48,685,013</u>	<u>54,038,278</u>	<u>57,249,846</u>	<u>124,007,113</u>
<b>Expenditures</b>										
Legislative	133,757	183,567	195,028	196,908	135,668	143,270	252,047	188,876	273,865	145,555
General government	4,891,873	5,215,476	5,679,846	5,995,253	5,832,232	5,622,841	5,749,669	7,181,603	7,326,616	7,424,197
Roads and public works	4,548,047	4,714,915	4,822,997	5,883,040	5,088,190	5,703,949	6,496,218	6,416,673	6,110,579	6,907,556
Public safety	15,116,998	16,595,601	17,839,584	18,848,929	18,694,163	18,373,562	19,298,206	19,415,850	20,701,177	19,877,605
Sanitation	2,223,822	2,440,786	2,717,880	2,711,465	2,644,151	2,794,347	2,850,986	3,024,158	3,587,473	2,841,297
Culture and recreation	2,819,924	2,996,782	3,335,335	3,773,434	3,831,920	3,789,515	3,810,511	3,953,531	4,215,032	4,385,292
Drug fund	42,871	44,155	26,845	22,285	20,721	41,757	27,673	17,798	29,003	24,230
Education	-	-	-	-	-	-	-	-	1,363,515	59,826,715
Other	439,684	472,953	472,266	392,042	184,994	153,125	138,153	353,738	78,572	167,378
Capital projects <sup>a</sup>	6,365,178	3,632,884	2,759,704	5,983,483	8,676,565	8,942,435	6,675,607	4,885,287	9,950,206	12,719,095
Debt service										
Principal	3,777,120	2,388,743	2,489,832	5,246,854	2,778,279	2,747,910	2,864,489	2,857,900	3,244,725	3,179,569
Interest and fiscal charges	1,150,343	1,281,766	1,271,390	1,414,034	1,541,549	1,401,615	1,320,351	1,036,390	1,070,199	1,076,285
Bond Issue costs	98,781	-	(14,691)	30,538	-	91,333	103,153	56,018	92,448	-
Total expenditures	<u>41,608,398</u>	<u>39,967,628</u>	<u>41,596,016</u>	<u>50,498,265</u>	<u>49,428,432</u>	<u>49,805,659</u>	<u>49,587,063</u>	<u>49,387,822</u>	<u>58,043,410</u>	<u>118,574,774</u>

(Continued)

Schedule 5 - Continued

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,758,354)	\$ 2,917,457	\$ 1,254,007	\$ (9,323,327)	\$ (8,193,859)	\$ (5,654,888)	\$ (902,050)	\$ 4,650,456	\$ (793,564)	\$ 5,432,339
<b>Other Financing Sources</b>										
<b>(Uses)</b>										
Capital lease	8,890,000	1,600,000	2,980,000	13,289,500	-	-	-	-	-	700,000
Refunding bonds issued	5,290,000	-	-	-	-	5,154,702	4,985,000	5,215,000	-	-
Refunding bonds premium <sup>c</sup>	-	-	-	-	-	230,373	80,858	190,265	-	-
Bond discounts	-	-	-	-	-	-	-	-	-	-
Refunded bond payments	(5,264,155)	-	-	-	-	(5,284,191)	(4,900,000)	(5,343,793)	-	-
Issuance proceeds	55,590	255,627	-	33,185	-	-	-	-	7,700,000	-
Premium	-	-	-	-	-	-	-	-	154,836	-
Transfers in	7,875,640	3,371,640	3,078,477	5,460,854	6,244,871	7,622,647	6,003,526	4,218,786	8,892,365	13,004,255
Transfers out	(7,394,548)	(2,880,043)	(2,511,360)	(4,698,292)	(5,593,199)	(7,064,874)	(5,238,957)	(3,465,154)	(8,101,872)	(12,214,450)
Total other financing sources (uses)	<u>9,452,527</u>	<u>2,347,224</u>	<u>3,547,117</u>	<u>14,085,247</u>	<u>651,672</u>	<u>658,657</u>	<u>930,427</u>	<u>815,104</u>	<u>8,645,329</u>	<u>1,489,805</u>
Net change in fund balances	<u>\$ 7,694,173</u>	<u>\$ 5,264,681</u>	<u>\$ 4,801,124</u>	<u>\$ 4,761,920</u>	<u>\$ (7,542,187)</u>	<u>\$ (4,996,231)</u>	<u>\$ 28,377</u>	<u>\$ 5,465,560</u>	<u>\$ 7,851,765</u>	<u>\$ 6,922,144</u>
Debt service as a percentage of noncapital expenditures <sup>b</sup>	14.0%	10.5%	9.9%	15.3%	10.6%	9.9%	9.5%	8.8%	9.0%	4.0%

<sup>a</sup>Capital projects amount consists of major capital projects.

It does not include capital expenditures reported in the various functional categories of "current expenditures".

<sup>b</sup>For fiscal years 2003 through 2011 the calculation ratio of total debt services expenditures to noncapital expenditures was revised to include only the principal and interest components of debt service expenditures as of the 2012 report.

Fiscal years 1998 through 2006 were recalculated from debt service percentages reported as of the 2007 report.

For fiscal years 2007 and after, debt service percentage is calculated using total capital expenditures.

For fiscal year 2009, \$2.89 million in bond anticipation notes were paid off with proceeds from bonds issued in that year.

<sup>c</sup>For fiscal years 2011 and after bond premium costs are reported as a separate line item.

SCHEDULE 6  
TOWN OF COLLIERVILLE  
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property</b>	<b>In Lieu of</b>	<b>Local Option Sales</b>	<b>Beer &amp; Liquor</b>	<b>Business &amp; Privilege</b>	<b>Motor Vehicle</b>	<b>Park Land Dedication</b>	<b>Historic Preservation</b>	<b>Substance</b>	<b>Total</b>
2006	\$ 14,517,719	\$ 286,864	\$ 7,474,750	\$ 594,020	\$ 1,376,257	\$ 700,121	\$ 340,200	\$ 74,336	\$ 6,079	\$ 25,370,346
2007	16,122,511	383,550	8,190,271	645,788	1,302,011	722,460	199,660	108,062	13,021	27,687,334
2008	16,652,124	392,133	8,386,611	658,674	1,394,007	742,574	63,330	53,349	2,794	28,345,596
2009	17,138,004	379,133	8,210,238	694,603	1,442,859	733,046	20,160	34,540	11,925	28,664,508
2010	17,387,901	413,562	8,085,485	717,806	1,330,509	765,022	5,040	66,300	3,454	28,775,079
2011	17,552,246	207,470	8,650,793	743,716	1,431,981	967,211	-	7,724	-	29,561,141
2012	21,343,304	273,984	9,146,314	775,664	1,559,193	1,030,078	-	13,360	-	34,141,897
2013	21,613,088	462,466	12,351,378	861,913	1,691,183	1,104,074	384,470	40,443	-	38,509,015
2014	22,682,126	662,208	13,894,730	841,193	1,718,878	1,101,383	120,960	16,158	-	41,037,636
2015 <sup>a</sup>	22,974,480	390,395	14,488,300	842,076	1,925,564	1,126,878	206,640	46,126	-	42,000,459
Change 2006-2015	58.3%	36.1%	93.8%	41.8%	39.9%	61.0%	-39.3%	-37.9%	-100.0%	65.5%

<sup>a</sup>Beginning in 2015 a portion of the Town's taxes are required to be used to support Collierville municipal schools and are included as revenue for the General Purpose School Fund instead of the General Fund. For comparative purposes total property taxes continue to be reflected on this schedule.

SCHEDULE 7  
TOWN OF COLLIERVILLE  
ASSESSSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years  
(in thousands of dollars)

<u>Fiscal Year</u>	<u>Farm Property</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Multiple Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2006	\$ 12,867	\$ 801,778	\$ 225,886	\$ 26,784	\$ 7,148	\$ 50,083	\$ 1,124,546	\$ 1.28	\$ 4,109,255	27.366%
2007	12,278	854,761	264,897	30,963	6,649	59,831	1,229,379	1.28	4,457,830	27.578
2008	9,986	900,127	268,386	33,094	6,546	52,837	1,270,976	1.28	4,619,977	27.510
2009	10,235	930,251	281,384	34,324	7,321	56,907	1,320,422	1.28	4,792,998	27.549
2010	11,523	1,030,379	320,676	44,203	6,172	62,744	1,475,697	1.18	5,342,040	27.624
2011	9,920	1,026,505	319,265	45,897	5,240	57,814	1,464,641	1.18	5,298,096	27.645
2012	9,094	1,024,955	314,227	46,149	5,407	55,882	1,455,714	1.43	5,273,787	27.603
2013	12,553	1,075,944	305,564	45,164	4,968	56,406	1,500,599	1.43	5,467,621	27.445
2014	11,213	1,009,343	323,547	43,304	4,953	54,525	1,446,885	1.53	5,229,589	27.667
2015	10,392	1,018,956	324,199	41,174	4,432	53,375	1,452,528	1.53	5,255,180	27.640

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**Source:** Shelby County Assessor's Office

**Notes:** Property in Shelby County is reassessed every four years. The county assesses property at 25 percent of actual value for residential and farm property, 40 percent for commercial and industrial property, 0 to 40 percent for multiple property and 30 percent for personal property. Tax rates are per \$100 of assessed value.



SCHEDULE 8  
TOWN OF COLLIERVILLE  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
Last Ten Fiscal Years  
(Rate per \$100 of assessed value)

Fiscal Year	Town Direct Rates		Total Direct Rate	Overlapping Rate <sup>a</sup>
	Basic Rate	Parks Improvement <sup>b</sup>		Shelby County
2006	\$ 1.18	\$ 0.10	\$ 1.28	\$ 4.09
2007	1.18	0.10	1.28	4.09
2008	1.18	0.10	1.28	4.09
2009	1.18	0.10	1.28	4.06
2010	1.08	0.10	1.18	4.06
2011	1.10	0.08	1.18	4.06
2012	1.43	-	1.43	4.06
2013	1.43	-	1.43	4.06
2014	1.53	-	1.53	4.42
2015	1.53	-	1.53	4.37

**Note:** The Town's property tax rate may be increased by a majority vote of the Board of Mayor and Aldermen on three readings, one of which is a public hearing.

<sup>a</sup>The overlapping rate is that of the county government that applies to property owners in the Town of Collierville. Source: Shelby County Assessor's office.

<sup>b</sup>The Parks Improvement portion of the direct rate is an assignment of funds by the Board of Mayor and Aldermen and not a legal restriction on taxes levied.

SCHEDULE 9  
TOWN OF COLLIERVILLE  
PRINCIPAL PROPERTY TAX PAYERS  
Current year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
AT&T Mobility, LLC	\$ 30,564,055	1	2.05%	\$ -		- %
G&I VII (Carriage Crossing)	28,286,160	2	1.90	8,023,385	5	0.70
Carrier Corporation	19,060,460	3	1.28	15,732,330	1	1.38
Legacy Farm LLC	13,243,870	4	0.89	10,030,880	2	0.88
Madison 324 LLC	11,611,430	5	0.78			-
Dogwood Creek Associates	9,624,770	6	0.65	6,853,040	8	0.60
Bailey Creek Associates	8,912,790	7	0.60			-
Cole MT (Gallina Centro)	8,637,640	8	0.58			-
Baptist Memorial Hospital	8,356,960	9	0.56	7,566,080	6	0.66
Westbrook Crossing Group	7,387,160	10	0.50			
Delta Beverage Group				9,072,850	3	0.80
G&I IV Madison				8,498,720	4	0.75
Cingular Wireless				7,042,419	7	0.62
Christian Mission				6,745,680	9	0.59
G&I IV Bailey Creek LP				5,862,840	10	0.51
Total	<u>\$ 145,685,295</u>		9.8%	<u>\$ 85,428,224</u>		7.5%

Sources: Shelby County Assessor's Office and State of Tennessee

SCHEDULE 10  
TOWN OF COLLIERVILLE  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year <sup>a</sup>	Adjustments to Initial Levy <sup>b</sup>	Final Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>c</sup>	Total Collections to Date	
				Amount <sup>c</sup>	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 14,394,186	\$ (95,386)	\$ 14,298,800	\$ 13,888,702	97.13%	\$ 381,495	\$ 14,270,198	99.80%
2007	15,736,050	(30,638)	15,705,412	15,304,741	97.45	373,860	15,678,602	99.83
2008	16,268,491	46,209	16,314,700	15,837,483	97.07	455,137	16,292,620	99.86
2009	16,901,393	(156,844)	16,744,549	16,284,182	97.25	441,017	16,725,198	99.88
2010	17,413,217	(455,751)	16,957,466	16,460,339	97.07	461,185	16,921,523	99.79
2011	17,282,758	(265,731)	17,017,027	16,579,268	97.43	417,027	16,996,295	99.88
2012	20,816,706	(289,394)	20,527,312	20,081,479	97.83	380,721	20,462,200	99.68
2013	21,458,562	(200,281)	21,258,282	20,820,857	97.94	347,020	21,167,877	99.57
2014	22,137,343	(223,883)	21,913,460	21,576,099	98.46	184,867	21,760,966	99.30
2015	22,223,670	(12,322)	22,211,348	21,957,997	98.86	-	21,957,997	98.86

Source: Shelby County Assessor's Office

<sup>a</sup>Initial certified levy before Board of Appeals adjustments and other change orders.

<sup>b</sup>Adjustments include change orders and new bills.

<sup>c</sup>Beginning with the CAFR for the year ended June 30, 2012, this schedule has been revised to net refunds and returned checks from collections.

SCHEDULE 11  
TOWN OF COLLIERVILLE  
DIRECT AND OVERLAPPING SALES TAX RATES  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Town Direct Rate</u>	<u>State of Tennessee<sup>a</sup></u>
2006	2.25 %	7.00 %
2007	2.25	7.00
2008	2.25	7.00
2009	2.25	7.00
2010	2.25	7.00
2011	2.25	7.00
2012	2.25	7.00
2013	2.75	7.00
2014	2.75	7.00
2015	2.75	7.00

**Note:** The town sales tax rate may be changed only with the approval of the state legislature.

<sup>a</sup>The overlapping rate is that of the state government that applies to sales within the Town. The state rate was increased by 1% in FY 2004. The rate on food items has had several incremental adjustments, and as of July 1, 2013 is 5%.

SCHEDULE 12  
TOWN OF COLLIERVILLE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years  
(dollars in thousands except per capita)

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita <sup>b</sup>
	General Obligation Bonds	Notes Payable	Bond Anticipation Notes	Settlement Obligation	Capital Lease	Water & Sewer Revenue & Tax Bonds	General Obligation Bonds			
2006 <sup>a</sup>	\$ 30,842	\$ 676	\$ -	\$ -	\$ -	\$ 40,790	\$ 33	\$ 72,341	5.46%	\$ 1,651
2007	28,679	2,051	-	-	-	39,015	31	69,776	5.11	1,546
2008	26,421	1,819	2,980	-	-	37,265	29	68,514	4.74	1,546 <sup>c</sup>
2009	37,393	1,869	-	-	-	35,435	27	74,724	5.17	1,687 <sup>c</sup>
2010	34,860	1,624	-	-	-	33,710	25	70,219	4.19	1,585 <sup>c</sup>
2011	32,235	1,372	-	-	-	31,930	20	65,557	3.85	1,491 <sup>d</sup>
2012	29,315	1,113	-	-	-	29,631	16	60,075	3.53	1,366 <sup>d</sup>
2013	27,924	846	-	-	-	29,504	12	58,286	3.33	1,326 <sup>d</sup>
2014	32,746	572	-	5,381	-	27,303	7	66,009	3.77	1,501 <sup>d</sup>
2015	30,015	290	-	5,025	465	25,043	5	60,842	3.46	1,384 <sup>d</sup>

<sup>a</sup>The Town issued \$26 million in water & sewer revenue and tax bonds in FY 2006 for expansion and upgrade of its two waste water treatment plants.

<sup>b</sup>The population is estimated unless otherwise noted.

<sup>c</sup>Population according to the 2008 Special Census.

<sup>d</sup>Population according to the 2010 Census Economic Data.

SCHEDULE 13  
TOWN OF COLLIERVILLE  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years  
(dollars in thousands except per capita)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>e</sup>	Bond Anticipation Notes	Total		
2006	\$ 30,875	\$ -	\$ 30,875	0.75%	\$ 705 <sup>b</sup>
2007	28,710	-	28,710	0.64	636 <sup>b</sup>
2008	26,450	2,980	29,430	0.64	664 <sup>c</sup>
2009	37,420	-	37,420	0.78	845 <sup>c</sup>
2010	34,885	-	34,885	0.65	787 <sup>c</sup>
2011	32,255	-	32,255	0.61	734 <sup>d</sup>
2012	29,331	-	29,331	0.56	667 <sup>d</sup>
2013	27,936	-	27,936	0.51	635 <sup>d</sup>
2014	32,753	-	32,753	0.63	745 <sup>d</sup>
2015	30,020	-	30,020	0.57	683 <sup>d</sup>

<sup>a</sup>The population is estimated unless otherwise noted.

<sup>b</sup>Population according to the 2005 Special Census.

<sup>c</sup>Population according to the 2008 Special Census.

<sup>d</sup>Population according to the 2010 Census Redistricting Data.

<sup>e</sup>Starting in the Comprehensive Annual Financial Report for Year Ending June 30, 2011, General Obligation Bonds (for all years) includes general obligation debt for governmental activities and business-type activities.

SCHEDULE 14  
 TOWN OF COLLIERVILLE  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 As of June 30, 2015  
 (dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Shelby County</b>	\$ 1,153,259	8.71%	\$ 100,449
<b>Town direct debt</b>	30,770	100%	<u>30,770</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 131,219</u></u>

SCHEDULE 15  
TOWN OF COLLIERVILLE  
PLEDGED-REVENUE COVERAGE  
Last Ten Fiscal Years  
(dollars in thousands)

Fiscal Year	Water & Sewer Tax & Revenue Bonds			Debt Service		Coverage
	Total Revenue and Other Sources	Less: Operating Expenses	Net Available Revenue	Principal	Interest	
2006	\$ 10,177	\$ 4,781	\$ 5,396	\$ 882	\$ 814	3.18
2007	13,306	5,047	8,259	1,777	1,049	2.92
2008	13,509	5,601	7,908	1,752	1,596	2.36
2009	12,148	6,385	5,763	1,832	1,520	1.72
2010	11,461	6,190	5,271	1,727	1,455	1.66
2011	12,269	6,369	5,900	1,784	1,389	1.86
2012	12,468	6,886	5,582	1,845	1,319	1.76
2013	11,909	6,810	5,099	1,934	1,083	1.69
2014	12,081	7,050	5,031	2,034	958	1.68
2015	11,830	7,058	4,772	2,093	890	1.60



SCHEDULE 16  
TOWN OF COLLIERVILLE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b> <i>(thousands of dollars)</i>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate<sup>b</sup></b>
2006	41,923 <sup>a</sup>	\$ 1,268,255	\$ 30,252	7,887 <sup>f</sup>	6.2
2007	41,923 <sup>a</sup>	1,268,255	30,252	8,322 <sup>f</sup>	4.1
2008	44,304 <sup>c</sup>	1,445,418	32,625 <sup>d</sup>	8,604 <sup>f</sup>	6.5
2009	44,304 <sup>c</sup>	1,445,418	32,625	8,535 <sup>f</sup>	7.7
2010	44,304 <sup>c</sup>	1,445,418	32,625	8,562 <sup>f</sup>	7.0
2011	43,965 <sup>e</sup>	1,703,424	38,745 <sup>e</sup>	8,516 <sup>f</sup>	7.4
2012	43,965 <sup>e</sup>	1,703,424	38,745 <sup>e</sup>	8,639 <sup>f</sup>	6.5
2013	43,965 <sup>e</sup>	1,749,279	39,788 <sup>e</sup>	9,062 <sup>f</sup>	6.6
2014	43,965 <sup>e</sup>	1,719,119	39,102 <sup>e</sup>	8,572 <sup>f</sup>	6.3
2015	43,965 <sup>e</sup>	1,760,447	40,042 <sup>e</sup>	9,646	5.6

<sup>a</sup>Information is available through the 2000 Federal Census. Mid-decade information is unavailable for the Town.

<sup>b</sup>Information about unemployment is provided by the Tennessee Department of Labor and Workforce Development.

<sup>c</sup>Population according to the special census conducted by the Town of Collierville in 2008.

<sup>d</sup>Per capita income is provided by the Collierville Chamber of Commerce.

<sup>e</sup>Population and per capita income according to the U. S. Census Economic Data.

<sup>f</sup>School enrollment includes statistics for public, private and home schools within the Town's borders. In 2015 Collierville began its own municipal school system and assumed operation of the public schools within the Town formerly operated by Shelby County Schools.

SCHEDULE 17  
TOWN OF COLLIERVILLE  
PRINCIPAL EMPLOYERS  
Current year and Nine Years Ago

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment<sup>1</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment<sup>1</sup></u>
FedEx	2,445	1	0.60%	2,504	2	0.55%
Carrier Corporation	1,800	2	0.44	2,564	1	0.56
Collierville Schools	782	3	0.19			-
Kroger	480	4	0.12			-
Town of Collierville	479	5	0.12	395	3	0.09
Helena Chemical	421	6	0.10	217	8	0.05
Baptist Hospital - Collierville	349	7	0.09	260	5	0.06
Wal-Mart	338	8	0.08			-
Juice Plus (NSA)	237	9	0.06			-
Philipps Bodine	175	10	0.04	220	7	0.05
Pepsi Americas	-	-	-	300	4	0.07
AIMS Logistics	-	-	-	228	6	0.05
Central Woodwork	-	-	-	165	9	0.04
ConStar Plastics	-	-	-	160	10	0.03
Total	<u>7,506</u>		1.84%	<u>7,013</u>		1.55%

**Sources:** Collierville Chamber of Commerce, U. S. Census Bureau, Town of Collierville Economic Development Department

<sup>1</sup>Percentage of total Shelby County employment. (TN Dept of Labor & Workforce)

SCHEDULE 18  
TOWN OF COLLIERVILLE  
FULL-TIME TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Legislative	7	7	7	7	6	6	6	6	6	6
General Government										
Administration	7	7	6	6	6	6	6	7	6	7
Morton Museum <sup>a</sup>	-	-	-	-	-	-	1	1	2	2
Financial Administration	17	18	18	19	19	19	19	19	19	21
Human Resources	4	4	4	4	4	4	4	4	5	6
Information Technology	4	5	5	5	5	5	5	5	5	5
General Services	8	9	11	13	13	13	13	14	15	15
Development										
Administration	1	1	2	2	3	2	2	2	3	3
Office of Planning	11	11	11	11	9	9	9	9	9	9
Code Enforcement	18	19	19	18	12	12	10	11	13	14
Office of Engineer	12	13	14	14	11	12	11	11	11	11
Education <sup>b</sup>										
Professional	-	-	-	-	-	-	-	-	-	585
Clerical	-	-	-	-	-	-	-	-	-	53
Other	-	-	-	-	-	-	-	-	52	118
Part-time	-	-	-	-	-	-	-	-	-	26
Public Safety										
Animal Services	4	6	6	6	6	5	5	4	4	4
Municipal Court	8	9	9	9	9	9	9	9	9	12
Police Department	127	133	140	139	138	137	137	138	141	141
Fire Department	66	67	70	70	68	68	69	69	69	69
Public Services										
Administration	5	5	5	5	5	5	5	7	7	7
Vehicle Maintenance	9	9	9	9	9	8	7	7	9	9
Streets and Drainage	23	25	25	25	24	25	25	29	29	29
Sanitation	33	34	36	36	34	32	27	28	30	30
Parks and Recreation	43	44	44	46	45	44	44	44	46	50
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water Distribution System	11	12	12	13	13	13	13	12	14	17
Wastewater Collection	10	10	10	10	10	10	10	10	8	6
Wastewater Treatment	8	8	8	7	7	7	7	7	7	7
<b>Total</b>	<b>441</b>	<b>461</b>	<b>476</b>	<b>479</b>	<b>461</b>	<b>456</b>	<b>449</b>	<b>458</b>	<b>524</b>	<b>1,267</b>

**Sources:** Town of Collierville Human Resources Department.

**Notes:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

<sup>a</sup>FY 2012 a new department was created for the Morton Museum with a curator position added.

<sup>b</sup>Administrative employees for the schools were hired in FY 2014, school operations began in FY 2015.

SCHEDULE 19  
TOWN OF COLLIERVILLE  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

<i>Function/Program</i>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Development										
Permits issued	5,047	3,648	3,242	2,434	2,438	2,610	3,130	4,050	3,893	3,355
Inspections conducted	20,161	15,932	14,917	13,523	6,470	7,280	9,163	12,652	12,395	11,417
Police <sup>a</sup>										
Physical arrests	1,777	1,573	1,781	2,764	2,704	2,392	2,591	2,424	2,745	N/A
Traffic citations	11,444	9,805	9,166	10,901	9,075	9,978	12,001	11,643	12,731	N/A
DUI arrests	120	135	103	169	150	138	152	125	138	N/A
Fire										
Emergency responses	2,485	2,551	2,624	2,446	2,633	2,785	2,799	3,011	3,066	3,207
Fires extinguished	138	159	116	105	96	105	94	102	93	88
Inspections	1,803	2,948	2,300	1,609	1,740	2,659	2,637	2,615	2,789	2,717
Sanitation										
Refuse collected (tons) <sup>b</sup>	14,893	15,000	15,091	14,838	14,295	14,124	13,993	14,344	14,812	14,332
Recyclables collected (tons)	1,819	1,810	1,776	1,867	1,809	1,900	1,927	1,835	1,872	3,071
Other public works										
Street resurfacing (miles)	17	19	11	13	20	12	33	27	24	20
Sidewalk replacement (linear feet)	250	420	150	100	132	240	401	223	235	175
Pavement repairs	500	500	550	600	450	300	238	220	380	502
Parks and Recreation										
Adult/youth sports participants	5,737	5,844	6,019	6,250	6,452	5,790	5,546	5,879	5,872	5,989
Community center admissions	143,424	143,901	145,340	135,166	136,500	139,450	140,211	140,536	140,548	140,829
Harrell Theatre attendance	39,938	41,023	41,733	39,646	36,500	32,836	30,112	22,857	22,922	31,412
Library										
Volumes in collection	85,209	88,733	93,796	101,694	106,049	113,785	117,057	122,209	129,452	134,452
Total volumes circulated	266,049	324,185	351,133	349,731	344,280	345,914	350,044	362,498	348,300	340,902
Water										
New connections	520	386	312	169	139	182	154	212	264	262
Water main breaks	8	9	33	6	21	32	15	39	25	45
Average daily consumption (thousands of gallons)	6,883	7,342	6,996	6,222	5,950	6,821	6,803	6,006	5,933	5,586
Peak day consumption (thousands of gallons)	14,999	16,142	16,791	13,484	12,710	11,898	15,472	14,543	10,862	10,601
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,910	4,471	4,241	4,290	4,318	3,868	3,937	4,144	4,233	4,174

**Sources:** Various town departments.

**Notes:**

<sup>a</sup>The Police Department measures are by calendar year.

<sup>b</sup>Household garbage only. Junk and yard waste is not included.

SCHEDULE 20  
TOWN OF COLLIERVILLE  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

<i>Function/Program</i>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	0	1	0	0	0	0	0	0	0	0
Patrol units	66	72	76	80	75	75	75	79	79	79
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	22	22	22	22	22	24	24	26	26	26
Recycle Trucks <sup>a</sup>	4	5	5	5	5	0	0	0	2	3
Other public works										
Streets (miles)	248	260	264	261	268	278	311	336	340	340
Streetlights	5,775	5,920	6,200	6,291	6,515	6,576	6,599	6,599	6,599	6,695
Traffic Signals (intersections)	32	33	34	34	35	38	39	39	40	40
Education <sup>e</sup>										
Schools										
High	-	-	-	-	-	-	-	-	1	1
Middle	-	-	-	-	-	-	-	-	2	2
Elementary	-	-	-	-	-	-	-	-	5	5
Parks and Recreation										
Parks	15	15	15	15	18	18	18	18	18	20
Acreage <sup>b</sup>	487	487	487	496	625	750	750	750	775	1025
Playgrounds <sup>c</sup>	12	12	12	13	13	13	13	13	13	15
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	11	12	12	11	11	11	11	11	11	12
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	228	230	232	232	240	240	240	240	242	248
Fire hydrants	2,832	2,860	3,010	3,010	3,010	3,103	3,103	3,103	3,366	3,400
Water treatment plants	5	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons) <sup>d</sup>	3,500	3,500	3,500	3,500	3,500	4,250	4,250	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	216	218	220	220	228	228	228	228	230	235
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	6,500	6,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500

**Sources:** Various town departments.

**Notes:**

<sup>a</sup>Recycled operations were contracted out during 2011. The Town resumed operations in FY 2013.

<sup>b</sup>Includes Department owned wetlands.

<sup>c</sup>Includes new Hinton Park facility.

<sup>d</sup>In 2011 water storage capacity increased due to expansion of Water Treatment Plant 2.

<sup>e</sup>In 2014, the Town received 8 schools from Shelby County Schools in a transfer of operations. The Collierville Schools opened to students in August, 2014.

SCHEDULE 21  
TOWN OF COLLIERVILLE  
INSURANCE COVERAGE  
June 30, 2015

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TML TMP – 7718-15	Property Insurance	\$1172,342,128 Buildings & Personal Property; \$809,284 Electronic Data; \$1,607,936 Mobile Equipment, \$173,950,064 Equipment Breakdown; \$5,000 Deductible Buildings, Personal Property, Equipment Breakdown; \$250 Deductible Mobile Equipment; \$250 Deductible Electronic Data Processing Equipment
TML – 0070-15	General Liability and Personal Injury	\$300,000 / \$700,000 Bodily Injury Tort Liability; \$100,000 Property Damage Tort Liability; \$100,000 Fire Damage; \$100,000 Each Impounded Property; \$100,000 Non-Monetary Defense; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$5,000,000 Each Other Loss; \$1,000,000 Catastrophic Medical
	Automobile Liability	\$300,000 / \$700,000 Bodily Injury Tort Liability; \$100,000 Property Damage Tort Liability; \$5,000,000 Each Other Loss; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$1,000,000 Catastrophic Medical
	Uninsured Motorist	\$300,000 Per Occurrence Bodily Injury; \$100,000 Property Damage
	Comprehensive, Collision	\$250 Deductible Per Occurrence; \$500 Deductible per Occurrence
	Errors or Omissions Liability	\$5,000,000 Per Occurrence; \$100,000 Non-Monetary Defense; \$1,000,000 Employee Benefits Liability; \$5,000 Deductible
TWC – 0032-11	Workman's Compensation	\$300,000 Bodily Injury Each Accident; \$700,000 Bodily Injury by Policy Limit; \$300,000 Each Employee by Disease

(Continued)

Schedule 21 – Continued

TML Insurance Pool TWC 0-0032-05	Special Risk Volunteer Auxiliary Police Medical	Unlimited
AIG Life Insurance Company SRG8051362	Special Risk Volunteer Policemen's Accidental Death, Medical and Disability	\$25,000 / \$25,000 / \$200 Weekly Benefit: \$200 Maximum: \$125,000/Accident
Brown & Associates Acct # COLPO	Sheriff's Deputy Bonds	\$50,000
RLI Insurance Co.	Notary Bonds	\$ 10,000
RLI Insurance Co.	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
TML – 7718-15	Crime Coverage	\$250,000 Employee Dishonesty; \$250,000 Forgery or Alteration; \$250,000 Theft, Disappearance, Destruction; \$250,000 Computer Fraud; \$250,000 Other - Money Order & Counterfeit Paper Currency \$1,000 Deductible
SCVP	Town of Collierville Volunteers	\$2,500 Principal Sum; \$2,500 Capital Sum; \$25,000 Medical Indemnity

SCHEDULE 22  
TOWN OF COLLIERVILLE  
SCHEDULE OF OFFICIAL BONDS AND PRINCIPAL OFFICIALS  
June 30, 2015

Official	Position	Official Bond
Stan Joyner	Mayor	
Maureen Fraser	Vice Mayor	
Tom Allen	Alderman	
Billy Patton	Alderman	
John Stamps	Alderman	
John Worley	Alderman	
Lynn Carmack	Town Clerk	(1)
James Lewellen	Town Administrator	
Jane Bevill	Finance Director	
Larry Goodwin	Police Chief	
William Kilp	Director Public Services	
Jerry Crawford	Fire Chief	
Chip Petersen	Recreation Director	
Derek Honeycutt	Director General Services	
Jason Gambone	Director Development	
Jaime Groce	Town Planner	
Dale Perryman	Town Engineer	
Tim Pendleton	Building Official	
John Aitken	Superintendent of Schools	
(1) Lynn Carmack	Notary Bond	\$10,000
(2) All Commissioned Patrolmen	Sheriff's Deputy Bond	\$50,000

All town officials are covered under the errors and omissions insurance up to \$5,000,000 per occurrence.



SCHEDULE 23  
TOWN OF COLLIERVILLE  
UTILITY RATES IN FORCE

Rates from July 2014 - June 2015

Inside city (volume charge is per 1,000 gal):

Water				Sewer			
Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$2.60	\$3.45	\$1.50	3/4"	\$3.50	\$11.20	\$2.60
1"	2.60	8.63	1.50	1"	3.50	28.00	2.60
2"	2.60	27.60	1.50	2"	3.50	89.60	2.60
3"	2.60	51.75	1.50	3"	3.50	168.00	2.60
4"	2.60	86.25	1.50	4"	3.50	280.00	2.60
6"	2.60	172.50	1.50	6"	3.50	560.00	2.60
8"	2.60	276.00	1.50	8"	3.50	896.00	2.60

Outside city (volume charge is per 1,000 gal):

Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$2.60	\$5.18	\$2.25	3/4"	\$3.50	\$16.80	\$3.90
1"	2.60	12.95	2.25	1"	3.50	42.00	3.90
2"	2.60	41.40	2.25	2"	3.50	134.40	3.90
				3"	3.50	252.00	3.90
				4"	3.50	420.00	3.90
				6"	3.50	840.00	3.90
				8"	3.50	1,344.00	3.90

Piperton (volume charge is per 1,000 gal):

Meter Size	Customer Service Charge	Base Charge	Volume Charge
2"	\$2.60	\$31.74	\$1.73
6"	2.60	198.38	1.73
8"	2.60	317.40	1.73
10"	2.60	456.26	1.73

Cotton Creek (volume charge is per 1,000 gal):

Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$3.50	\$16.80	\$3.90

Unmetered Cotton Creek customers \$55.40

Note: All customers will be charged a volumetric rate provided, however, that a cap of 20,000 gallons of water usage shall apply for residential customers.

**Number of Customers at Year-end:**

Water	16,938
Sewer	15,333
Sanitation	15,116

# SCHEDULE 24 TOWN OF COLLIERVILLE UNACCOUNTED FOR WATER

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

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

Click to access definition

Click to add a comment

**Water Audit Report for:** Town of Collierville (TN0000126)

**Reporting Year:** 2015 7/2014 -6/2015

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

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

---

**WATER SUPPLIED**

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

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

Volume from own sources:	+	?	7	2,038.956	MG/Yr
Water imported:	+	?	7	1.872	MG/Yr
Water exported:	+	?	7	74.240	MG/Yr
<b>WATER SUPPLIED:</b>				<b>1,954.920</b>	MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt:	7	0.50%	<input checked="" type="radio"/>	<input type="radio"/>	
	7	0.50%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr
	7	-2.00%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr

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

---

**AUTHORIZED CONSUMPTION**

Billed metered:	+	?	8	1,727.078	MG/Yr
Billed unmetered:	+	?	n/a	0.000	MG/Yr
Unbilled metered:	+	?	8	30.378	MG/Yr
Unbilled unmetered:	+	?	?	24.436	MG/Yr
<b>AUTHORIZED CONSUMPTION:</b>				<b>1,781.892</b>	MG/Yr

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

Click here:  for help using option buttons below

Use buttons to select percentage of water supplied OR value

Pcnt:	1.25%	<input checked="" type="radio"/>	<input type="radio"/>	
	0.25%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr
	1.00%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr
	0.25%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr

---

**WATER LOSSES (Water Supplied - Authorized Consumption)**

**173.027** MG/Yr

**Apparent Losses**

Unauthorized consumption:    4.887 MG/Yr

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

Customer metering inaccuracies:    17.752 MG/Yr

Systematic data handling errors:    4.318 MG/Yr

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

**Apparent Losses:**  MG/Yr

**Real Losses (Current Annual Real Losses or CARL)**

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

**WATER LOSSES:**  MG/Yr

---

**NON-REVENUE WATER**

**NON-REVENUE WATER:**  MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

---

**SYSTEM DATA**

Length of mains:    248.0 miles

Number of active AND inactive service connections:    16,937

Service connection density:  conn./mile main

Are customer meters typically located at the curbstop or property line?  (length of service line, beyond the property boundary, that is the responsibility of the utility)

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

Average operating pressure:   75.0 psi

---

**COST DATA**

Total annual cost of operating water system:   \$4,104,902 \$/Year

Customer retail unit cost (applied to Apparent Losses):   \$1.50 \$/1000 gallons (US)

Variable production cost (applied to Real Losses):   \$339.88 \$/Million gallons  Use Customer Retail Unit Cost to value real losses

---

\*\*\* YOUR SCORE IS: 76 out of 100 \*\*\*

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

**PRIORITY AREAS FOR ATTENTION:**

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

1: Volume from own sources

2: Customer metering inaccuracies

3: Unauthorized consumption

(Continued)

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## AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.  
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Water Audit Report for: Town of Collierville (TN0000126)  
 Reporting Year: 2015 7/2014 - 6/2015

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 76 out of 100 \*\*\*

**System Attributes:**

Apparent Losses:	<span style="border: 1px solid black; padding: 2px;">26.957</span>	MG/Yr
+ Real Losses:	<span style="border: 1px solid black; padding: 2px;">146.070</span>	MG/Yr
= <b>Water Losses:</b>	<span style="border: 1px solid black; padding: 2px;">173.027</span>	MG/Yr

? Unavoidable Annual Real Losses (UARL): 106.28 MG/Yr

Annual cost of Apparent Losses: \$40,436

Annual cost of Real Losses: \$49,646

Valued at **Variable Production Cost**  
 Return to Reporting Worksheet to change this assumption

**Performance Indicators:**

Financial: { Non-revenue water as percent by volume of Water Supplied: 11.7%  
 Non-revenue water as percent by cost of operating system: 2.6% Real Losses valued at Variable Production Cost

Operational Efficiency: { Apparent Losses per service connection per day: 4.36 gallons/connection/day  
 Real Losses per service connection per day: 23.63 gallons/connection/day  
 Real Losses per length of main per day\*: N/A  
 Real Losses per service connection per day per psi pressure: 0.32 gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 146.07 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 1.37

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

**COMPLIANCE SECTION**

**TOWN OF COLLIERVILLE, TENNESSEE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended June 30, 2015

Federal/State Grantor/ Pass-Through Grantor/ Program	CFDA Number	Pass-Through Contract # / Description	Grants Receivable July 1, 2014	Cash Receipts	Expenditures	Grants Receivable June 30, 2015
<b>Federal Awards</b>						
<b>Town</b>						
U.S. Department of Justice, Bureau of Justice Assistance, Bulletproof Vest Partnership Program						
Pass-Through from the Tennessee Governor's Highway Safety Office						
	16.607	16.607 FY 14	\$ -	\$ -	\$ 2,331	\$ 2,331
	16.607	16.607 FY 13	839	839	-	-
			<u>839</u>	<u>839</u>	<u>2,331</u>	<u>2,331</u>
U.S. Department of Transportation, National Highway Traffic Safety Administration, State and Community Highway Safety Program						
Pass-Through from the Tennessee Governor's Highway Safety Office						
	20.607	Z-14-GHSO71	11,485	21,044	9,559	-
	20.600	Z-15-GHSO73	-	-	6,703	6,703
U.S. Department of Transportation, Federal Highway Administration, Highway Planning and Construction Program						
Pass-Through from the Tennessee Department of Transportation						
		State Agreement No. CRR070003				
	20.205	Fed. Proj. #HSIP-R00S(53)	3,150	9,562	6,572	160
	20.205	TDOT #130312 Federal Proj. # STP-M-9417(10)	-	4,463	10,389	5,926
	20.205	TDOT #140020 Federal Proj. # STP-M-57(66)	-	-	1,608	1,608
			<u>3,150</u>	<u>14,025</u>	<u>18,569</u>	<u>7,694</u>
U.S. Department of Housing and Urban Development, Office of Community Planning and Development, Community Development Block Grant						
Pass-Through from the Tennessee Department of Economic and Community Development						
	14.228	2012D Edison #34918	9,122	114,566	114,337	8,893
<b>Schools</b>						
U.S. Department of Agriculture, Food and Nutrition Service, School Nutrition Cluster						
Pass-Through from the Tennessee Department of Human Services						
	10.553	School Breakfast Program	-	66,454	66,454	-
	10.555	National School Lunch Program - non-cash	-	106,729	106,729	-
	10.555	National School Lunch Program - cash	-	395,529	395,529	-
			<u>-</u>	<u>502,258</u>	<u>502,258</u>	<u>-</u>
			<u>-</u>	<u>568,712</u>	<u>568,712</u>	<u>-</u>
U.S. Department of Education, Office of Elementary and Secondary Education						
Pass-Through from the Tennessee Department of Education						
	84.010	Title I Grants to Local Education Agencies	-	304,939	346,589	41,650
	84.010	Title I Grants to Local Education Agencies	-	158,000	158,024	24
			<u>-</u>	<u>462,939</u>	<u>504,613</u>	<u>41,674</u>
	84.367	Improving Teacher Quality State Grants	-	213,949	226,598	12,649
	84.365	English Language Acquisition State Grants	-	5,116	5,116	-
	84.365	English Language Acquisition State Grants	-	256	256	-
			<u>-</u>	<u>5,372</u>	<u>5,372</u>	<u>-</u>

(Continued)

**TOWN OF COLLIERVILLE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued**

Federal/State Grantor/ Pass-Through Grantor/ Program	CFDA Number	Pass-Through Contract # / Description	Grants Receivable July 1, 2014	Cash Receipts	Expenditures	Grants Receivable June 30, 2015
U.S. Department of Education, Office of Special Education and Rehabilitative Services, Special Education Cluster						
Pass-Through from the Tennessee Department of Education						
	84.027	Special Education Grants to States	\$ -	\$ 1,093,453	\$ 1,138,197	\$ 44,744
	84.173	Special Education Preschool Grants	-	5,270	6,423	1,153
			-	1,098,723	1,144,620	45,897
		<b>Total Federal Awards</b>	<b>\$ 24,596</b>	<b>\$ 2,500,169</b>	<b>\$ 2,601,414</b>	<b>\$ 125,841</b>
<b>State Awards</b>						
<b>Town</b>						
		No grant # issued for marketing program agreements	\$ 3,000	\$ 3,000	-	-
		32701-02241	-	2,784	8,938	6,154
<b>Schools</b>						
		Basic Education Program	-	32,405,000	32,405,000	-
		Online Readiness Funds (Connect TN)	-	372,092	372,092	-
		Teacher Leadership Council Grant	-	6,000	4,003	(1,997)
		Safe and Drug-Free Schools	-	36,940	36,940	-
		Coordinated School Health	-	39,732	72,229	32,497
		Career Ladder	-	154,897	154,897	-
		Extended Contracts	-	58,995	58,995	-
		Explore and Plan Assessment Reimbursement	-	11,459	11,459	-
		<b>Total State Awards</b>	<b>\$ 3,000</b>	<b>\$ 33,090,899</b>	<b>\$ 33,124,553</b>	<b>\$ 36,654</b>
		<b>Total Federal and State Awards</b>	<b>\$ 27,596</b>	<b>\$ 35,591,068</b>	<b>\$ 35,725,967</b>	<b>\$ 162,495</b>

**Note A - Basis of Presentation**

The accompanying schedule of federal awards presents only the grant as administered through the State of Tennessee and has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as required by Tennessee state law.

**Note B - Contingency**

The grant revenue amounts received and expensed (eligible for reimbursement) are subject to audit adjustment. If any expenses are disallowed by the grantor as a result of such audit, and claim for reimbursement to the grantor would become a liability of the Town. In the opinion of management, all grant expenses (eligible for reimbursement) are in compliance with the terms of the grant agreement and applicable federal and state laws and regulations.

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

To the Honorable Mayor  
and the Board of Aldermen  
Town of Collierville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town") as of and the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and the Town's fiduciary funds financial statements, and have issued our report thereon dated December 18, 2015.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Dixon Hughes Goodman LLP*

Memphis, Tennessee  
December 18, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE  
MAJOR PROGRAMS AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor  
and the Board of Aldermen  
Town of Collierville, Tennessee

**Report on Compliance for the Major Federal Programs**

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

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal programs and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Dixon Hughes Goodman LLP*

Memphis, Tennessee  
December 18, 2015

Town of Collierville, Tennessee  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2015

**Part I – Summary of Independent Auditors’ Results**

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:  
 Material weakness(es) identified?       yes   x   no  
 Significant deficiency(ies) identified not considered to  
 be material weaknesses?       yes   x   none reported

Noncompliance material to financial statements noted?       yes   x   no

Federal Awards

Internal control over major programs:  
 Material weakness(es) identified?       yes   x   no  
 Significant deficiency(ies) identified not considered to  
 be material weaknesses?       yes   x   none reported

Type of auditors’ report issued on compliance for  
 major programs Unmodified

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
10.553		
10.555	Child Nutrition Cluster	<u>\$568,712</u>
84.027		
84.173	Special Education Cluster	<u>\$1,144,620</u>
84.010	Title I Grant to Local Education Agencies	<u>\$504,613</u>

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

Auditee qualified as low-risk auditee?       yes   x   no

**Part II – Financial Statement Findings**

A. Significant Deficiencies in Internal Control

None reported

B. Compliance Findings

None reported

**Part III – Findings and Questioned Costs – Federal Award**

None reported

**Part IV – Prior Year Findings**

None reported for fiscal 2013. No single audit was required for fiscal 2014.