

# TOWN OF COLLIERVILLE

T E N N E S S E E



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2016

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

For the Fiscal Year Ended June 30, 2016

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 22, 2016

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, 2016.

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, 2016, 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, 2016 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 36.04 square miles and serves an estimated population of 48,863. 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 2016.

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 124.

## **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 2016. 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 6 new commercial permits valued at \$3,768,696 and another 72 permits for additions to existing buildings valued at \$13,318,063. Collierville's strong residential base continues to drive a variety of projects in the community. The new \$93,485,000 Collierville High School is under construction with an opening date slated for the fall of 2018. This 450,000 square foot facility will be Tennessee's largest high school. Orgill, Inc., an industry leader in hardware distribution, is constructing their new 120,000 square foot corporate headquarters in Collierville. Bringing over 400 employees to the community, Orgill is expected to open in the fall of 2017. Helena Chemical, a long-time Collierville business partner and agricultural chemicals distributor, has moved their Southern Business Unit into the newly constructed, Boyle developed 52,000 square foot office building in Schilling Farms. CCL Label, a Canadian based digital label printer is building a new 85,000 square foot label plant, in partnership with Turkish printer, Korsini. This \$25,000,000 capital investment will eventually employ 130, opening in the spring of 2017. On the commercial – retail side, Carriage Crossing, the 750,000 square foot lifestyle center, has recently welcomed Hickory Tavern and Frida's Mexican Cantina. The Historic Collierville Town Square is buzzing with three new restaurants opening in the fall and winter of 2016, namely, 148 North, Brooks Pharm to Fork, and The Highlander.

The 2010 federal census put the Town's population at 43,965. In December 2011, the Town annexed a portion of its reserve area, which increased the population by 1,585 to 45,550. The Town's population is currently estimated to be approximately 48,744. The growth in population is reflected in the increase of building permits for single family homes. Permits averaged 103 per fiscal year from 2007 through 2011. There were 158 permits in fiscal year 2012 valued at \$50,085,160; 159 in 2013 valued at \$50,100,200; 131 in 2014 valued at \$46,095,170; 150 in 2015 valued at \$53,253,800 and 173 in 2016 valued at \$61,356,693. Additions to existing homes averaged 209 per fiscal year from 2007 through 2011 and continues to show improvement with 219 in fiscal year 2012; 227 in 2013; 226 in 2014 and 233 in 2015. In 2016 there were 228 additions valued at \$3,631,209.

## 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 the fund balance increased \$5,823,934 and in fiscal 2015, fund balance decreased \$946,586 due to transfers to the Town's municipal school system for start-up costs. In fiscal 2016 the fund balance increased \$11,570,253 due to a debt issuance and also the Town's revenue increases in property tax and sales tax revenue while expenditures remained relatively stable. 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 12.68% 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 10, 11, 12, 18, and 19 in the notes to the financial statements.

Planning and review of the FY 2017 budget began in December 2015. The budget was reflective of the recovery the Town has been experiencing since the end of recession. Decisions Town leaders made during the recession, which included the elimination of positions, a moratorium on salary increases, and a property tax hike, were difficult. But, the decisions proved to be prudent in aiding the Town in replenishing fund balance reserves and returning to pre-recession staffing levels. The FY 2016 budget included a property tax rate increase of \$.25 per \$100 of assessed valuation to help fund the debt service for the general obligation bond issuance associated with the construction of the Town's new high school. Personnel changes in FY 2016 included the addition of seven full-time positions, one part-time position, and one part-time position that was made full-time. There was no property tax increase in the FY 2017 budget. Personnel changes in FY 2017 included the addition of ten full-time positions in various Town Departments and a part-time Prosecutor position in the Town's Municipal Court.

## **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 \$10.7 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 2017.

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. In August of 2016 the Town approved a \$6.8 million contract for infrastructure (roads, water, and sewer) for the new high school. It is estimated that construction will be completed in the summer 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, 2015. This was the twenty-fourth 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, 2015. This was the nineteenth 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 black ink, appearing to read 'Mark Krock', with a long, sweeping horizontal stroke at the end.

Mark Krock  
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

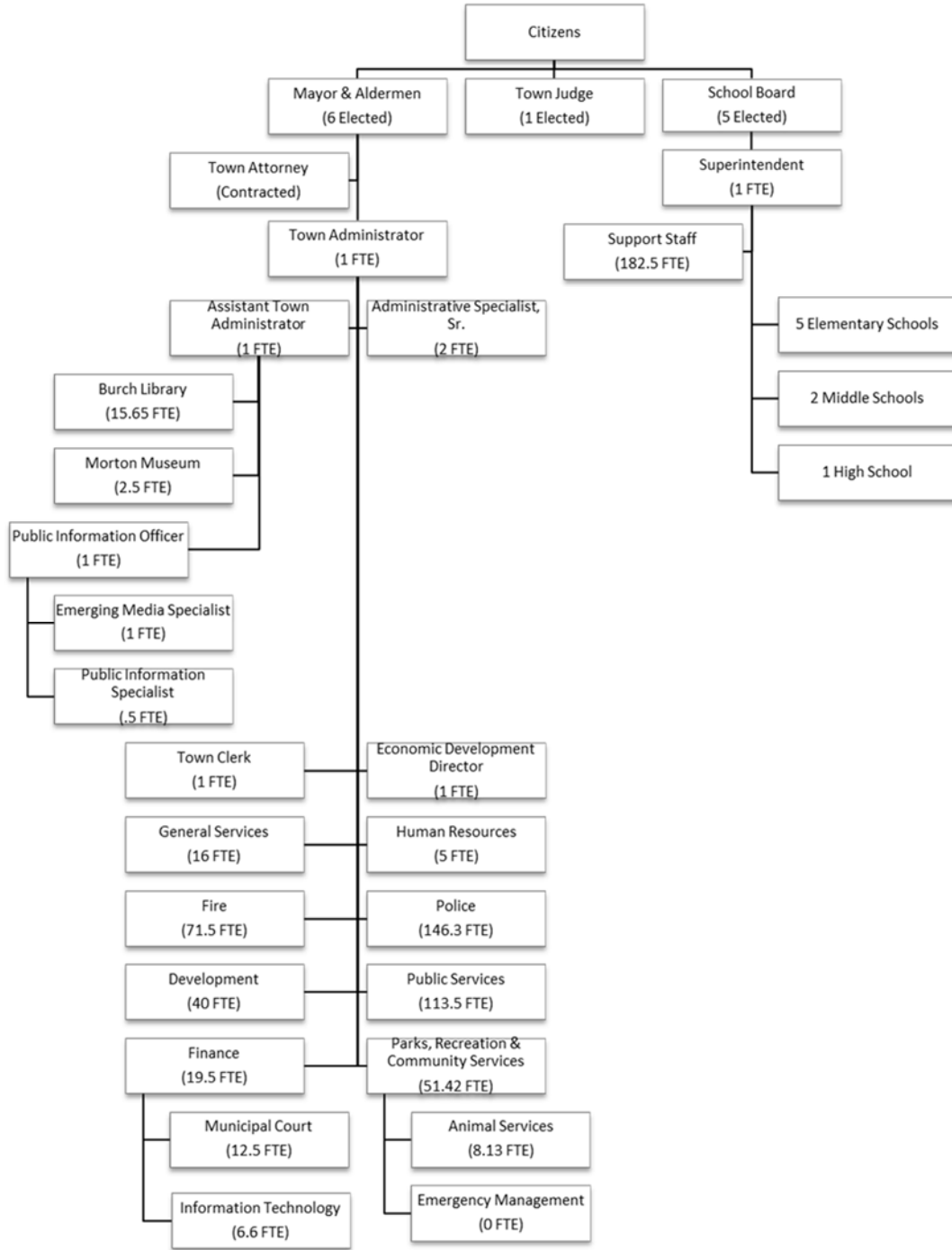
**June 30, 2015**

Executive Director/CEO

# TOWN OF COLLIERVILLE

## ORGANIZATION CHART

June 30, 2016



# TOWN OF COLLIERVILLE

## TOWN OFFICIALS

June 30, 2016

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### Mayor

Stan Joyner

(2016 - 2020\*)

### Aldermen

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

Tom Allen (2014 – 2018\*)

John E. Stamps (2016 – 2020\*)

Billy Patton (2014 – 2018\*)

John Worley (2012 – 2016\*)

Town Attorney  
Town Judge  
Town Administrator

Nathan Bicks  
William Craig Hall  
James Lewellen

### Department Heads

Finance Director  
Interim Director of Development  
Public Services Director  
Chief of Police  
Fire Chief  
Director of General Services  
Interim Parks, Recreation and Community Services Director  
Town Clerk

Mark Krock (CMFO)  
Dale Perryman  
William Kilp  
Larry Goodwin  
Buddy Billings  
Derek Honeycutt  
Greg Clark  
Lynn Carmack

\*Elected Term Expires



**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, 2016, 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, 2016, 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.

### ***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 107-121), 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 and related notes are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 22, 2016, 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 22, 2016

## 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, 2016. 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 \$390,989 (reported as *net position*). Of this amount, \$68,562 (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 \$28,196. 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 \$163,025, an increase of \$113,034 in comparison with the prior year. This increase reflects the debt issuance to construct a new high school. Approximately 15 percent of this total amount, \$24,652 is *unassigned fund balance*, 71 percent is *restricted fund balance*, 10 percent is assigned fund balance, 2 percent is *committed fund balance* and 2 percent is *non-spendable fund balance*.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$24,652 or 57 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal increased by \$92,535 (172 percent) during the current fiscal year. This includes a debt issuance of \$93,485 for the construction of the new high school.

### 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 fifteen 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 funds 321 and 337. 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.** *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.

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 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 48-106 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 108-122 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 123-137 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 \$390,989 (*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 (75 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 (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$68,562 represents *unrestricted net position* and may be used to meet the government's ongoing obligations to citizens and creditors.

### Town of Collierville's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Current and other assets	\$ 200,999	\$ 90,066	\$ 33,902	\$ 31,092	\$ 234,901	\$ 121,158
Capital assets	261,043	247,739	91,988	92,067	353,031	339,806
Total assets	<u>462,042</u>	<u>337,805</u>	<u>125,890</u>	<u>123,159</u>	<u>587,932</u>	<u>460,964</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>24,869</u>	<u>5,948</u>	<u>1,920</u>	<u>1,604</u>	<u>26,789</u>	<u>7,552</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	140,571	37,723	20,933	23,070	161,504	60,793
Other liabilities	15,368	14,533	3,876	2,994	19,244	17,527
Total liabilities	<u>155,939</u>	<u>52,256</u>	<u>24,809</u>	<u>26,064</u>	<u>180,748</u>	<u>78,320</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>42,852</u>	<u>27,390</u>	<u>132</u>	<u>14</u>	<u>42,984</u>	<u>27,404</u>
<b>NET POSITION</b>						
Net investment in capital assets	223,883	219,842	70,589	68,511	294,472	288,353
Restricted	20,903	15,721	7,052	4,968	27,955	20,689
Unrestricted	43,333	28,544	25,229	25,206	68,562	53,750
Total net position	<u>\$ 288,119</u>	<u>\$ 264,107</u>	<u>\$ 102,870</u>	<u>\$ 98,685</u>	<u>\$ 390,989</u>	<u>\$ 362,792</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 \$28,196 during the current fiscal year. The increase is attributed to revenues exceeding expenditures with revenue increases in most categories including property tax, sales tax and capital grants/contributions.



## Town of Collierville's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 9,730	\$ 9,210	\$ 14,132	\$ 12,534	\$ 23,862	\$ 21,744
Operating grants and contributions	39,934	37,097	-	-	39,934	37,097
Capital grants and contributions	7,118	2,438	1,322	346	8,440	2,784
General Revenues:						
Property taxes	48,516	43,311	-	-	48,516	43,311
Other local taxes	28,341	27,053	-	-	28,341	27,053
State sales tax	3,903	3,645	-	-	3,903	3,645
State income and other taxes	2,147	1,783	-	-	2,147	1,783
Other state revenues	144	201	-	-	144	201
Other	1,015	625	421	413	1,436	1,038
Total revenues	<u>140,848</u>	<u>125,363</u>	<u>15,875</u>	<u>13,293</u>	<u>156,723</u>	<u>138,656</u>
<b>EXPENSES</b>						
Legislative	150	155	-	-	150	155
General government	9,469	8,334	-	-	9,469	8,334
Education	65,689	59,010	-	-	65,689	59,010
Roads and public works	9,052	9,165	-	-	9,052	9,165
Public safety	21,309	20,665	-	-	21,309	20,665
Sanitation	3,063	3,001	-	-	3,063	3,001
Drug fund	36	24	-	-	36	24
Culture and recreation	5,380	5,256	-	-	5,380	5,256
Interest on long-term debt	3,590	1,223	-	-	3,590	1,223
Water and sewer	-	-	10,788	10,371	10,788	10,371
Total expenses:	<u>117,738</u>	<u>106,833</u>	<u>10,788</u>	<u>10,371</u>	<u>128,526</u>	<u>117,204</u>
Increase in net position before special items and transfers	23,110	18,530	5,087	2,922	28,197	21,452
Transfers	902	790	(902)	(790)	-	-
Increase/(Decrease) in net position	24,012	19,320	4,185	2,132	28,197	21,452
Net position-beginning of the year as adjusted	264,107	244,787	98,685	96,553	362,792	341,340
Net position-ending	<u>\$ 288,119</u>	<u>\$ 264,107</u>	<u>\$ 102,870</u>	<u>\$ 98,685</u>	<u>\$ 390,989</u>	<u>\$ 362,792</u>

**Governmental activities.** Governmental activities increased the Town of Collierville's net position by \$24,012. This increase is attributable to revenue exceeding expenses. Property tax revenue increased in conjunction with a tax increase that took effect this fiscal year. This line item increased \$5,205 or 12% percent over the prior year. Other local taxes increased \$1,288. 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 \$520. Operating grants and contributions increased \$2,837 related to the new municipal school system. Capital grants and contributions increased \$4,680. The line item education expense experienced an increase of \$6,679 in the school system's second full year of operation. Interest on long-term debt increased \$2,367 as a result of a debt issuance.

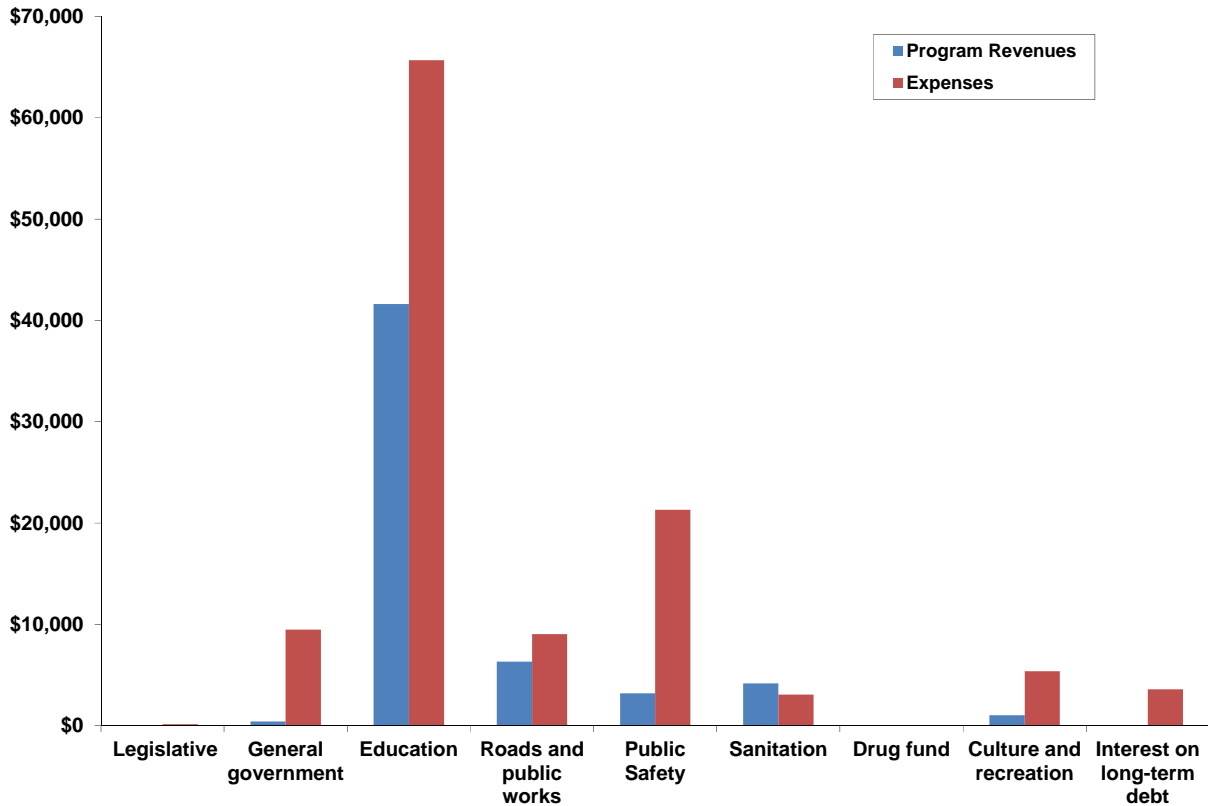
**Business-type activities.** Business-type activities increased the Town of Collierville's net position by \$4,185. This increase is due to revenues exceeding expenses by \$5,087 and transfers of \$902 resulting in an overall increase to net position. This amount of increase is consistent with prior years with an increase in fiscal year 2015 and 2014 of \$2,132 and \$2,853, 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



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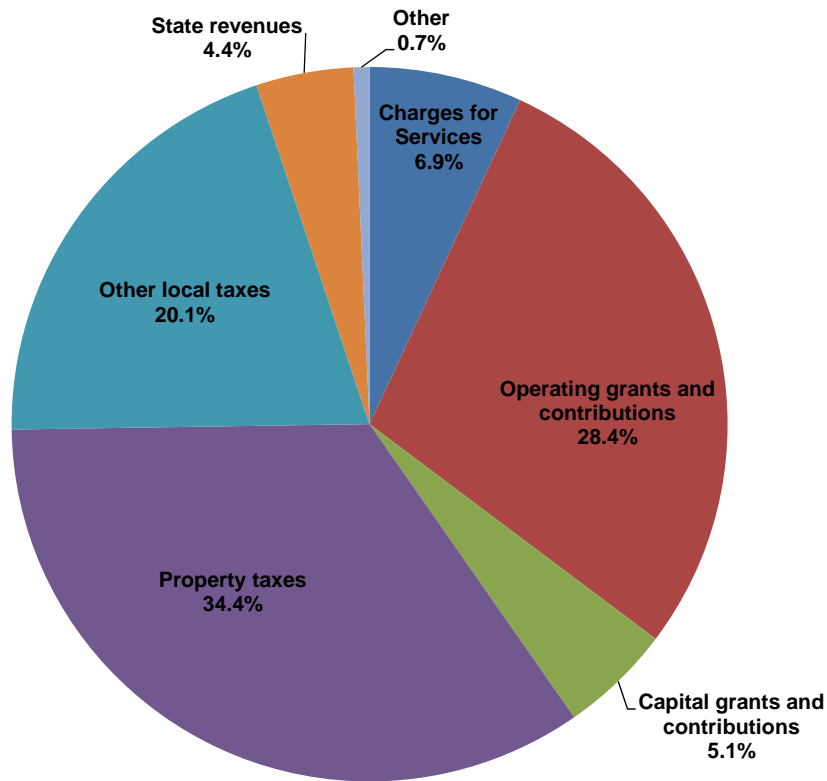
**Governmental funds.** The focus of the Town of Collierville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville's financing requirements. In particular, *unassigned fund 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 \$163,025 an increase of \$113,034 in comparison with the prior year. This increase is attributed to a debt issuance related to the construction of the new high school. The *unassigned fund balance* of \$24,652 is 15 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 \$16,135 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 (9) of this report.

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### Revenues by Source – Governmental Activities



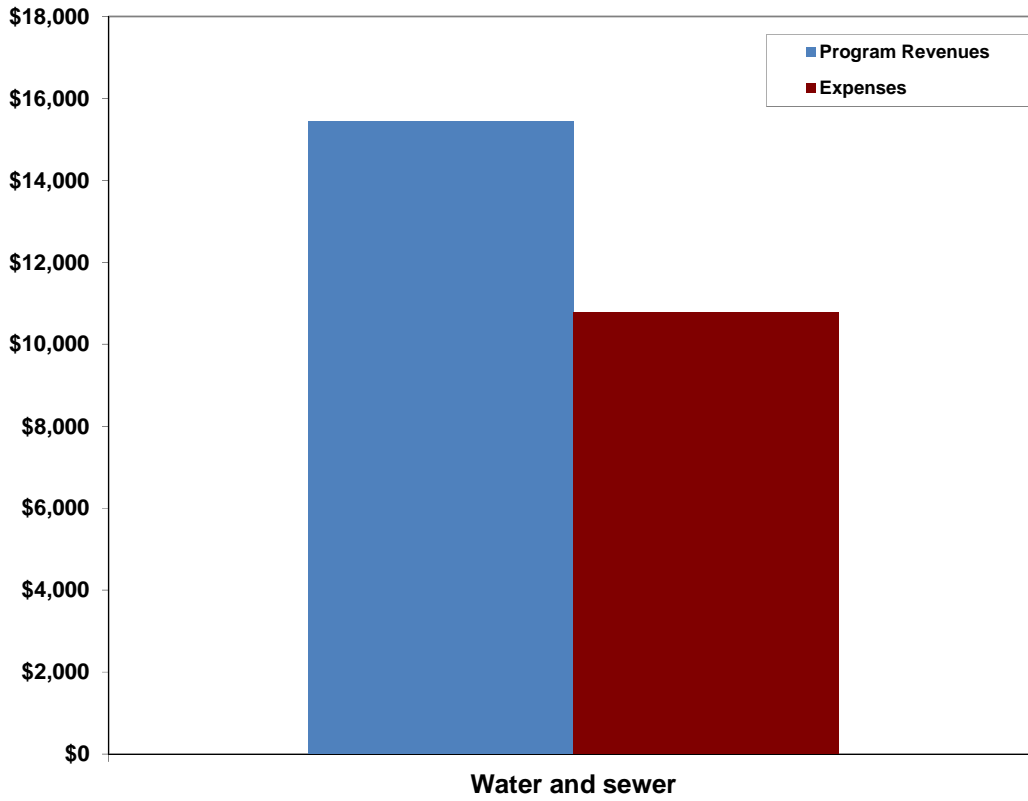
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The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$24,652 while total fund balance was \$47,409. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 57 percent of total general fund expenditures, while total fund balance represents 109 percent of that same amount.

The fund balance of the Town of Collierville's general fund increased by \$11,570 during the current fiscal year. The increase is attributed to a debt issuance and also revenue increases in property tax and sales tax revenue while expenditures remained relatively stable. Other governmental funds fund balances increased by \$101,464. This increase is due to the Town of Collierville's issuance of debt this fiscal year.

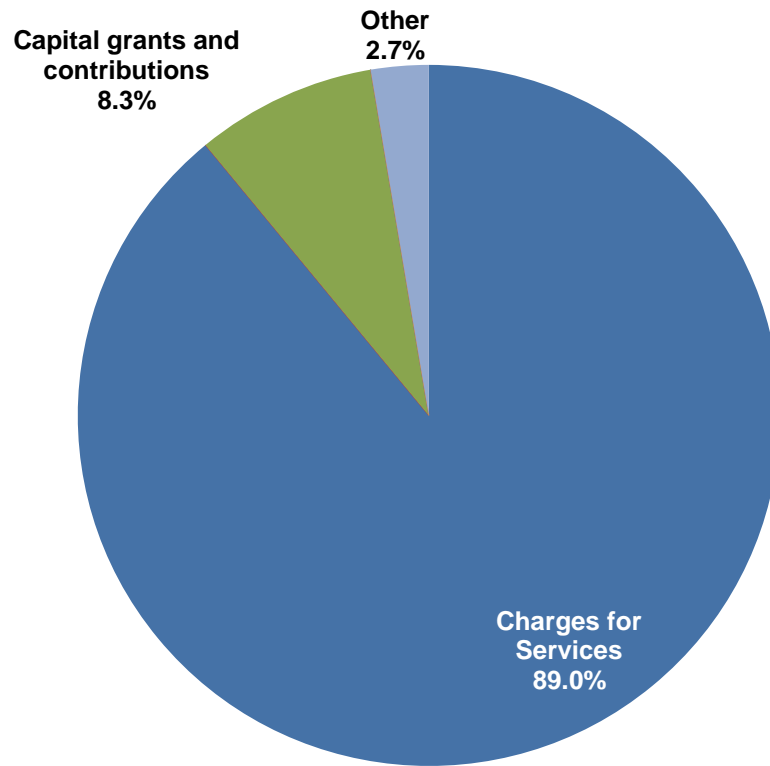
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## Expenses and Program Revenues – Business-type Activities



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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 \$25,229. 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 \$1,053. The main components of the increase were:

- \$333 bond issue costs associated with the debt issuance
- \$689 appropriation for the annual street overlay project.

The total positive variance of \$2,875 between final budget and actual revenues includes negative variances of \$124 in charges for services, \$38 in fines and costs, \$189 in other revenue, and \$47 in property tax and positive variances of \$50 in interest on investments, \$55 in federal grants, and \$262 in licenses and permits. The \$1,454 increase in contributions is due to an increase in residential development. The increases in other local taxes of \$650 and state revenues of \$800 are due to an improved economy at the state and local level.

Of the total positive variance of \$3,885 between final budget and actual expenditures, \$852 was in general government and legislative, \$875 in roads and public works, \$1,428 in public safety, \$480 in culture and recreation, and \$248 was in capital expenditures. 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, 2016, amounts to \$353,031 (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 \$13,225 or 4 percent. The increase for governmental activities was \$13,304 or 5 percent and the decrease for business-type activities was \$79 or less than 1 percent.

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

- Governmental activities assets acquired during the year amounted to \$13,443. This amount includes \$891 related to the Hinton Park project; \$1,274 to purchase a ladder truck; \$561 related to the Finance Department’s software; and \$632 related to a disaster recovery project; all of which are still in progress.
- School system projects included \$4,038 for the purchase of the land for the new high school; and \$3,740 related to the construction of the new high school. This project is in progress.
- Additions to water and sewer capital assets included distribution and collection systems of \$1,237 and \$98 of equipment. Completed streets and drainage projects totaled \$2,432.
- Transfers from construction-in-progress included the completion of the Wolf River Boulevard Improvement project totaling \$1,447.
- For governmental activities new equipment purchases totaled \$1,235.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 30,470	\$ 25,100	\$ 1,272	\$ 1,047	\$ 31,742	\$ 26,147
Buildings and improvements	76,095	77,092	11,060	11,439	87,155	88,531
Other improvements	9,521	9,658	1,003	1,071	10,524	10,729
Library materials	1,224	1,176	-	-	1,224	1,176
Equipment	9,885	9,920	2,171	2,336	12,056	12,256
Infrastructure	115,524	113,033	-	-	115,524	113,033
Distribution and collection systems	-	-	75,118	75,112	75,118	75,112
Construction in progress	18,324	11,760	1,364	1,062	19,688	12,822
Total	<u>\$ 261,043</u>	<u>\$ 247,739</u>	<u>\$ 91,988</u>	<u>\$ 92,067</u>	<u>\$ 353,031</u>	<u>\$ 339,806</u>

Additional information on the Town of Collierville’s capital assets can be found in Note (6) of this report.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 125,578	\$ 29,620	\$ 2	\$ 5	\$ 125,580	\$ 29,625
Notes payable and capital lease	235	755	-	-	235	755
Revenue bonds	-	-	20,530	23,430	20,530	23,430
<b>Total</b>	<b>\$ 125,813</b>	<b>\$ 30,375</b>	<b>\$ 20,532</b>	<b>\$ 23,435</b>	<b>\$ 146,345</b>	<b>\$ 53,810</b>

**Long-term debt.** At the end of the current fiscal year, the Town of Collierville had total debt outstanding of \$146,345. Of this amount, \$125,815 comprises debt backed by the full faith and credit of the government.

The Town of Collierville's total debt principal increased by \$92,535 (172 percent) during the current fiscal year with the issuance of debt related to the construction of the new high school. 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 (7) of this report.

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

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in September 2016 was 5.6 percent compared to the national rate of 5.0 percent. The Town of Collierville's unemployment rate of 4.1 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 2016 decreased by 33.3 percent and permits for residential development increased 15.3 percent in fiscal year 2016. The value of commercial permits decreased by 77.7 percent while the value of residential permits increased by 15.2 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 1.6 percent.
- Local option sales tax revenue is monitored on a monthly basis. Revenue increased by 2.7% year-to-date for the first four months of fiscal year 2017.
- 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 remained \$1.78 per \$100 assessed valuation for fiscal year 2017 budget.
- The total Town of Collierville budget increased approximately \$12,726 representing a 9.2% increase with revenue budget projected to increase \$4,202 or 2.8% based on the estimated fiscal year 2016 ending budget.

- The Town of Collierville has considered the current economic trends while working with fiscal year 2017 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 \$4,639.

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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 29,030,702	\$ 3,523,188	\$ 32,553,890
Investments	130,318,439	22,512,026	152,830,465
Restricted investments	-	7,050,578	7,050,578
Receivables, net of allowance for uncollectible accounts			
Property taxes	27,908,877	-	27,908,877
Sales, income, and other taxes	6,119,445	-	6,119,445
Federal and state grants	359,114	-	359,114
Accounts	147,789	807,786	955,575
Unbilled accounts	-	885,836	885,836
Due from other governments	3,778,737	-	3,778,737
Internal balances	998,345	(998,345)	-
Inventories	201,770	107,149	308,919
Prepays	57,665	14,150	71,815
Capital assets not being depreciated	48,794,515	2,635,946	51,430,461
Capital assets being depreciated, net	212,247,995	89,351,862	301,599,857
Net pension asset	2,078,312	-	2,078,312
Total assets	<u>462,041,705</u>	<u>125,890,176</u>	<u>587,931,881</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refundings	1,393,257	1,590,894	2,984,151
Pension contributions and actuarial losses	23,475,357	328,734	23,804,091
Total deferred outflows of resources	<u>24,868,614</u>	<u>1,919,628</u>	<u>26,788,242</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	8,893,675	1,012,043	9,905,718
Accrued interest	140,238	101,088	241,326
Due to other governmental entities	29,475	25,984	55,459
Due to fiduciary trusts	52,426	-	52,426
Deposits	210,319	131,245	341,564
Net pension liability			
Due in more than one year	6,219,759	427,265	6,647,024
Other postemployment benefits			
Due in more than one year	874,184	-	874,184
Other liabilities			
Expected to be paid within one year	1,667,314	90,833	1,758,147
Expected to be paid after one year	4,713,564	30,853	4,744,417
Bonds, note payable, and capital lease			
Due within one year	4,374,202	2,514,621	6,888,823
Due in more than one year	128,763,459	20,474,609	149,238,068
Total liabilities	<u>155,938,615</u>	<u>24,808,541</u>	<u>180,747,156</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax	27,527,050	-	27,527,050
Other	55,330	-	55,330
Pension actuarial gains	15,270,054	117,704	15,387,758
Development fees	-	14,200	14,200
Total deferred inflows of resources	<u>42,852,434</u>	<u>131,904</u>	<u>42,984,338</u>
<b>NET POSITION</b>			
Net investment in capital assets	223,882,653	70,589,472	294,472,125
Restricted			
General government	972,015	-	972,015
Education	18,413,741	-	18,413,741
Roads and public works	323,059	-	323,059
State street aid	528,640	-	528,640
Public safety	666,105	-	666,105
Water and sewer development	-	7,050,578	7,050,578
Unrestricted	43,333,057	25,229,309	68,562,366
Total net position	<u>\$ 288,119,270</u>	<u>\$ 102,869,359</u>	<u>\$ 390,988,629</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, 2016

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	\$ 149,781	\$ -	\$ -	\$ -	\$ (149,781)	\$ -	\$ (149,781)
General government	9,468,928	392,418	34,282	-	(9,042,228)	-	(9,042,228)
Education	65,689,122	1,213,396	37,961,195	2,458,425	(24,056,106)	-	(24,056,106)
Roads and public works	9,050,543	970,723	1,719,372	3,639,324	(2,721,124)	-	(2,721,124)
Public safety	21,309,356	2,586,339	182,951	420,958	(18,119,108)	-	(18,119,108)
Sanitation	3,062,821	4,174,199	-	-	1,111,378	-	1,111,378
Drug fund	36,467	-	-	-	(36,467)	-	(36,467)
Culture and recreation	5,380,376	393,000	35,860	599,422	(4,352,094)	-	(4,352,094)
Interest and fiscal charges	3,590,322	-	-	-	(3,590,322)	-	(3,590,322)
Total governmental activities	117,737,716	9,730,075	39,933,660	7,118,129	(60,955,852)	-	(60,955,852)
<b>Business-type activities:</b>							
Water and sewer	10,787,768	14,131,835	-	1,321,865	-	4,665,932	4,665,932
Total primary government	\$ 128,525,484	\$ 23,861,910	\$ 39,933,660	\$ 8,439,994	(60,955,852)	4,665,932	(56,289,920)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					48,515,768	-	48,515,768
Local option sales tax					23,594,787	-	23,594,787
Business, cable tv, and hotel/motel taxes					1,955,220	-	1,955,220
Automobile registration fees					1,124,698	-	1,124,698
Wholesale beer and liquor tax					858,631	-	858,631
Other local taxes and fees					807,891	-	807,891
<b>Intergovernmental revenues:</b>							
State sales tax					3,902,538	-	3,902,538
State income and other taxes					2,146,546	-	2,146,546
Other state revenues					144,288	-	144,288
Interest income					294,145	290,345	584,490
Other					721,122	130,331	851,453
Transfers					902,215	(902,215)	-
Total general revenues and transfers					84,967,849	(481,539)	84,486,310
Change in net position					24,011,997	4,184,393	28,196,390
Net position - beginning					264,107,273	98,684,966	362,792,239
Net position - ending					\$ 288,119,270	\$ 102,869,359	\$ 390,988,629

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

TOWN OF COLLIERVILLE, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Capital Projects Fund #337	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 7,820,444	\$ 18,250,354	\$ -	\$ -	\$ 2,959,904	\$ 29,030,702
Investments	34,499,436	-	-	85,902,612	9,916,391	130,318,439
Receivables, net						
Property taxes	27,908,877	-	-	-	-	27,908,877
Sales, income, and other taxes	6,119,445	-	-	-	-	6,119,445
Federal and state grants	30,607	-	54,422	-	274,085	359,114
Accounts	73,062	81,552	26,676	-	-	181,290
Due from other governments	-	3,054,659	-	-	724,078	3,778,737
Due from other funds	1,844,963	218,793	420,577	-	2,139,647	4,623,980
Advances to other funds	840,000	-	-	-	-	840,000
Inventories	170,759	-	-	-	31,011	201,770
Prepays	2,864,650	-	-	-	-	2,864,650
<b>Total assets</b>	<b>\$ 82,172,243</b>	<b>\$ 21,605,358</b>	<b>\$ 501,675</b>	<b>\$ 85,902,612</b>	<b>\$ 16,045,116</b>	<b>\$ 206,227,004</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	3,125,783	4,075,009	426,784	412,516	853,583	8,893,675
Due to other governmental entities	29,475	-	-	-	-	29,475
Due to other funds	2,593,651	234,867	-	-	797,117	3,625,635
Advances from other funds	-	-	-	-	840,000	840,000
Due to fiduciary trusts	52,426	-	-	-	-	52,426
Deposits	210,319	-	-	-	-	210,319
<b>Total liabilities</b>	<b>6,011,654</b>	<b>4,309,876</b>	<b>426,784</b>	<b>412,516</b>	<b>2,490,700</b>	<b>13,651,530</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property tax	28,107,323	-	-	-	-	28,107,323
State sales and income tax	609,783	744,509	-	-	-	1,354,292
Other	34,108	-	-	-	54,723	88,831
<b>Total deferred inflows of resources</b>	<b>28,751,214</b>	<b>744,509</b>	<b>-</b>	<b>-</b>	<b>54,723</b>	<b>29,550,446</b>
<b>FUND BALANCES</b>						
Nonspendable	3,035,409	-	-	-	31,011	3,066,420
Restricted	1,323,733	16,550,973	-	85,490,096	12,312,229	115,677,031
Committed	2,337,876	-	-	-	1,156,386	3,494,262
Assigned	16,060,399	-	74,891	-	67	16,135,357
Unassigned	24,651,958	-	-	-	-	24,651,958
<b>Total fund balances</b>	<b>47,409,375</b>	<b>16,550,973</b>	<b>74,891</b>	<b>85,490,096</b>	<b>13,499,693</b>	<b>163,025,028</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 82,172,243</b>	<b>\$ 21,605,358</b>	<b>\$ 501,675</b>	<b>\$ 85,902,612</b>	<b>\$ 16,045,116</b>	<b>\$ 206,227,004</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, 2016

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Total fund balances, governmental funds	\$ 163,025,028
<p>Amounts reported for governmental activities  in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	261,042,510
Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.	1,393,257
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.	4,063,856
Accrued interest net of prepaid interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds.	(2,947,223)
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.	1,934,565
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.	(874,184)
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>(139,518,539)</u>
Net position of governmental activities	<u><u>\$ 288,119,270</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, 2016

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Capital Projects Fund #337	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property taxes	\$ 24,635,319	\$ 23,826,777	\$ -	\$ -	\$ -	\$ 48,462,096
Local option sales tax	15,129,725	8,435,158	-	-	-	23,564,883
Business, cable tv, and hotel/motel taxes	1,955,220	-	-	-	-	1,955,220
Automobile registration fees	1,124,698	-	-	-	-	1,124,698
Wholesale beer and liquor tax	858,631	-	-	-	-	858,631
Other local taxes and fees	561,059	207,405	-	-	45,094	813,558
Federal revenues	55,518	-	680,404	-	3,446,100	4,182,022
State sales tax	3,902,538	-	-	-	-	3,902,538
State income and other taxes	2,146,546	-	-	-	-	2,146,546
State gasoline tax revenue	-	-	-	-	1,252,346	1,252,346
Other state revenue	106,138	-	-	-	38,150	144,288
State grant revenue	-	-	18,562	-	-	18,562
State educational revenue	-	34,708,956	-	-	121,659	34,830,615
Licenses and permits	1,214,114	-	-	-	-	1,214,114
Charges for services	1,480,212	143,708	-	-	5,243,887	6,867,807
Court fees	1,115,573	-	-	-	-	1,115,573
Fines and forfeits	391,402	-	-	-	141,179	532,581
Interest income	99,263	-	-	169,181	25,701	294,145
Contributions	1,590,251	-	212,419	-	2,142,905	3,945,575
Other	489,648	305,893	-	-	5,257	800,798
Total revenues	<u>56,855,855</u>	<u>67,627,897</u>	<u>911,385</u>	<u>169,181</u>	<u>12,462,278</u>	<u>138,026,596</u>
<b>Expenditures</b>						
<b>Current:</b>						
Legislative	140,545	-	-	-	-	140,545
General government	7,712,477	-	-	-	-	7,712,477
Roads and public works	5,508,645	-	-	-	1,246,019	6,754,664
Public safety	20,096,618	-	-	-	-	20,096,618
Sanitation	-	-	-	-	2,848,570	2,848,570
Culture and recreation	4,449,423	-	-	-	-	4,449,423
Drug fund	-	-	-	-	36,467	36,467
Education	-	59,427,097	-	-	4,316,638	63,743,735
Other	140,528	-	-	-	-	140,528
Capital expenditures	944,651	2,145,828	7,360,589	-	9,712,710	20,163,778
<b>Debt service:</b>						
Principal retirement	3,272,361	-	-	-	44,693	3,317,054
Interest and fiscal charges	797,316	-	-	-	21,455	818,771
Bond issue costs	333,439	-	-	-	354,104	687,543
Total expenditures	<u>43,396,003</u>	<u>61,572,925</u>	<u>7,360,589</u>	<u>-</u>	<u>18,580,656</u>	<u>130,910,173</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,459,852</u>	<u>6,054,972</u>	<u>(6,449,204)</u>	<u>169,181</u>	<u>(6,118,378)</u>	<u>7,116,423</u>
<b>Other financing sources (uses)</b>						
Payments to refunded bond escrow agent	(8,690,181)	-	-	-	-	(8,690,181)
Bond Proceeds	9,109,200	-	-	93,485,000	11,111,663	113,705,863
Transfers in	1,456,569	434,821	6,748,035	-	8,348,595	16,988,020
Transfers out	(3,765,187)	(8,276)	(553,799)	(8,164,085)	(3,594,458)	(16,085,805)
	<u>(1,889,599)</u>	<u>426,545</u>	<u>6,194,236</u>	<u>85,320,915</u>	<u>15,865,800</u>	<u>105,917,897</u>
Net change in fund balances	11,570,253	6,481,517	(254,968)	85,490,096	9,747,422	113,034,320
Fund balances - beginning	35,839,122	10,069,456	329,859	-	3,752,271	49,990,708
Fund balances - ending	<u>\$ 47,409,375</u>	<u>\$ 16,550,973</u>	<u>\$ 74,891</u>	<u>\$ 85,490,096</u>	<u>\$ 13,499,693</u>	<u>\$ 163,025,028</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, 2016

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Net change in fund balance, total governmental funds	\$ 113,034,320
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Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlays capitalized	17,941,363
Depreciation expense	(7,321,056)

Loss from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.	(139,736)
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Capital contributions in the statement of activities are not recorded in governmental funds.	2,822,670
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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.	53,672
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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.	24,237
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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.	3,317,054
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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.	(107,174,983)
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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.	1,506,120
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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.	(51,664)
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Change in net position of governmental activities	\$ 24,011,997
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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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes				
Real	\$ 26,035,888	\$ 26,035,888	\$ 25,775,778	(260,110)
Personal	783,308	783,308	976,374	193,066
Penalty and interest	100,000	100,000	86,866	(13,134)
Payment in lieu of tax	820,000	30,000	63,110	33,110
Municipal tax allocation for schools	(2,266,809)	(2,266,809)	(2,266,809)	-
	<u>25,472,387</u>	<u>24,682,387</u>	<u>24,635,319</u>	<u>(47,068)</u>
Other local taxes				
Sales tax	14,884,034	14,884,034	15,129,725	245,691
Beer and liquor tax	870,000	870,000	858,631	(11,369)
Business tax	735,000	735,000	896,749	161,749
Cable and telecommunications tax	625,000	625,000	672,502	47,502
Occupancy tax	355,000	355,000	385,969	30,969
Automobile tax	1,110,000	1,110,000	1,124,698	14,698
Police privilege tax	-	-	112,354	112,354
MLGW in lieu of tax	400,000	400,000	448,705	48,705
	<u>18,979,034</u>	<u>18,979,034</u>	<u>19,629,333</u>	<u>650,299</u>
Federal grants	-	-	55,518	55,518
State revenues				
Beer and liquor tax	192,000	192,000	214,416	22,416
Sales tax	3,490,575	3,490,575	3,688,122	197,547
Income tax	900,000	900,000	1,565,878	665,878
TVA payments in lieu of tax	515,000	515,000	534,530	19,530
City streets and transportation funding	95,000	95,000	92,670	(2,330)
Other state revenue	22,000	70,276	59,606	(10,670)
	<u>5,214,575</u>	<u>5,262,851</u>	<u>6,155,222</u>	<u>892,371</u>
Licenses and permits				
Beer permit and liquor licenses	37,500	37,500	41,823	4,323
Building and related permits	762,344	762,344	937,994	175,650
Development related reviews and fees	152,090	152,090	234,297	82,207
	<u>951,934</u>	<u>951,934</u>	<u>1,214,114</u>	<u>262,180</u>
Charges for services				
Software fees	-	-	32,557	32,557
Clerk's fees	65,450	65,450	83,476	18,026
Fire inspection fees	10,798	10,798	21,468	10,670
Fingerprinting fees	4,000	4,000	5,982	1,982
Animal adoption fees	47,000	47,000	44,230	(2,770)
Animal tag fees	55,000	55,000	58,766	3,766
Facility rental fees	81,125	81,125	64,798	(16,327)
Instructional fees	130,710	130,710	122,077	(8,633)
Athletic registration fees	302,200	302,200	199,945	(102,255)
Special event fees	12,755	12,755	6,180	(6,575)
Sale of reports	3,000	3,000	2,005	(995)

(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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Material and rental fees	\$ 71,175	\$ 71,175	\$ 63,122	(8,053)
Non-resident card fees	20,500	20,500	18,180	(2,320)
Storm water fees	800,000	800,000	757,426	(42,574)
	<u>1,603,713</u>	<u>1,603,713</u>	<u>1,480,212</u>	<u>(123,501)</u>
Fines, fees, and costs				
Court costs	930,000	930,000	780,301	(149,699)
Court and other fees	279,500	279,500	411,280	131,780
Fines	335,500	335,500	315,394	(20,106)
	<u>1,545,000</u>	<u>1,545,000</u>	<u>1,506,975</u>	<u>(38,025)</u>
Interest on investments	<u>49,200</u>	<u>49,200</u>	<u>99,263</u>	<u>50,063</u>
Contributions	<u>112,661</u>	<u>135,953</u>	<u>1,590,251</u>	<u>1,454,298</u>
Other revenue	<u>453,250</u>	<u>678,313</u>	<u>489,648</u>	<u>(188,665)</u>
Total revenues	<u>54,381,754</u>	<u>53,888,385</u>	<u>56,855,855</u>	<u>2,967,470</u>
<b>Expenditures</b>				
Current				
Legislative				
Personnel	98,791	98,791	89,654	9,137
Contractual	76,090	73,090	47,347	25,743
Supplies	10,245	10,245	3,544	6,701
Total legislative	<u>185,126</u>	<u>182,126</u>	<u>140,545</u>	<u>41,581</u>
General government				
Finance				
Personnel	1,506,752	1,508,752	1,478,939	29,813
Contractual	383,142	383,176	205,325	177,851
Supplies	13,416	15,666	14,330	1,336
Grants, contributions, and indemnities	600	868	790	78
Expenditure reimbursement	(666,369)	(673,369)	(594,767)	(78,602)
	<u>1,237,541</u>	<u>1,235,093</u>	<u>1,104,617</u>	<u>130,476</u>
Executive				
Personnel	775,422	771,722	761,524	10,198
Contractual	123,445	128,852	103,273	25,579
Supplies	15,573	13,866	12,509	1,357
Expenditure reimbursement	(141,216)	(141,216)	(135,527)	(5,689)
	<u>773,224</u>	<u>773,224</u>	<u>741,779</u>	<u>31,445</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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<b>Health, welfare and insurance</b>				
Personnel	\$ 70,000	\$ 54,586	\$ 54,586	-
Contractual	655,848	611,994	611,994	-
Fixed charges	569,210	629,756	629,756	-
Bank charges	20,000	17,376	17,376	-
Expenditure reimbursement	(50,500)	(50,500)	(30,164)	(20,336)
	<u>1,264,558</u>	<u>1,263,212</u>	<u>1,283,548</u>	<u>(20,336)</u>
<b>Human resources</b>				
Personnel	445,660	445,660	434,749	10,911
Contractual	190,207	190,207	75,946	114,261
Supplies	17,930	17,930	6,849	11,081
Grants, contributions, and indemnities	5,250	5,250	4,887	363
Expenditure reimbursement	(98,857)	(98,857)	(78,365)	(20,492)
	<u>560,190</u>	<u>560,190</u>	<u>444,066</u>	<u>116,124</u>
<b>Development administration</b>				
Personnel	265,754	263,554	228,900	34,654
Contractual	100,431	105,131	76,652	28,479
Supplies	4,732	4,732	3,434	1,298
Grants, contributions, and indemnities	1,250	1,250	450	800
Expenditure reimbursement	(55,825)	(55,825)	(46,415)	(9,410)
	<u>316,342</u>	<u>318,842</u>	<u>263,021</u>	<u>55,821</u>
<b>Planning and zoning</b>				
Personnel	800,264	800,264	763,731	36,533
Contractual	50,428	47,918	39,339	8,579
Supplies	42,802	45,312	44,495	817
Expenditure reimbursement	(134,024)	(134,024)	(127,135)	(6,889)
	<u>759,470</u>	<u>759,470</u>	<u>720,430</u>	<u>39,040</u>
<b>Information technology</b>				
Personnel	431,013	431,013	399,795	31,218
Contractual	144,368	144,604	117,529	27,075
Supplies	106,341	122,341	117,531	4,810
Fixed charges	4,000	4,000	3,915	85
Expenditure reimbursement	(64,652)	(64,652)	(59,969)	(4,683)
	<u>621,070</u>	<u>637,306</u>	<u>578,801</u>	<u>58,505</u>
<b>General services</b>				
Personnel	954,607	956,107	923,965	32,142
Contractual	915,292	885,419	604,222	281,197
Supplies	157,630	148,317	125,800	22,517
Building materials	2,000	1,903	759	1,144
Grants, contributions, and indemnities	400	400	322	78
Expenditure reimbursement	(143,191)	(143,191)	(138,595)	(4,596)
	<u>1,886,738</u>	<u>1,848,955</u>	<u>1,516,473</u>	<u>332,482</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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
	Morton museum			
Personnel	\$ 127,227	\$ 127,227	\$ 125,417	\$ 1,810
Contractual	47,700	51,202	46,433	4,769
Supplies	18,250	14,748	13,476	1,272
	193,177	193,177	185,326	7,851
Library				
Personnel	683,116	681,955	638,175	43,780
Contractual	199,442	219,697	207,110	12,587
Supplies	26,650	31,253	28,856	2,397
Grants, contributions, and indemnities	400	400	275	125
	909,608	933,305	874,416	58,889
Total general government	8,521,918	8,522,774	7,712,477	810,297
Roads and public works				
Public works administration				
Personnel	589,893	590,164	576,146	14,018
Contractual	55,078	54,730	44,879	9,851
Supplies	14,379	14,456	11,121	3,335
Grants, contributions, and indemnities	1,000	1,000	1,000	-
Expenditure reimbursement	(294,946)	(294,946)	(288,073)	(6,873)
	365,404	365,404	345,073	20,331
Vehicle maintenance				
Personnel	617,248	617,361	591,662	25,699
Contractual	73,427	91,402	78,474	12,928
Supplies	41,511	45,731	33,070	12,661
Fixed charges	665	665	250	415
	732,851	755,159	703,456	51,703
Highways and streets				
Personnel	1,604,665	1,606,665	1,527,197	79,468
Contractual	1,842,370	2,531,119	1,944,221	586,898
Supplies	241,220	204,665	199,070	5,595
Building materials	7,450	3,803	3,803	-
Fixed charges	1,500	1,500	32	1,468
	3,697,205	4,347,752	3,674,323	673,429
Engineering				
Personnel	962,693	962,693	911,954	50,739
Contractual	221,740	221,246	119,950	101,296
Supplies	42,745	44,174	23,248	20,926
Grants, contributions, and indemnities	300	300	-	300
Expenditure reimbursement	(312,870)	(312,870)	(269,359)	(43,511)
	914,608	915,543	785,793	129,750
Total roads and public works	5,710,068	6,383,858	5,508,645	875,213

(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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Public safety				
Police				
Personnel	\$ 10,486,717	\$ 10,497,537	\$ 9,851,239	646,298
Contractual	541,340	564,212	412,297	151,915
Supplies	434,581	432,008	391,459	40,549
Fixed charges	3,442	3,442	3,391	51
Grants, contributions, and indemnities	1,934	1,934	1,481	453
	<u>11,468,014</u>	<u>11,499,133</u>	<u>10,659,867</u>	<u>839,266</u>
Fire				
Personnel	6,860,603	6,881,190	6,551,229	329,961
Contractual	238,213	255,228	246,925	8,303
Supplies	359,827	336,609	277,639	58,970
Grants, contributions, and indemnities	1,290	1,290	760	530
	<u>7,459,933</u>	<u>7,474,317</u>	<u>7,076,553</u>	<u>397,764</u>
Code enforcement				
Personnel	938,689	938,689	894,373	44,316
Contractual	73,701	69,351	24,467	44,884
Supplies	33,958	35,386	25,246	10,140
	<u>1,046,348</u>	<u>1,043,426</u>	<u>944,086</u>	<u>99,340</u>
City court				
Personnel	822,336	824,592	810,759	13,833
Contractual	77,697	74,441	51,853	22,588
Supplies	17,905	18,905	12,538	6,367
Grants, contributions, and indmenities	350	350	300	50
	<u>918,288</u>	<u>918,288</u>	<u>875,450</u>	<u>42,838</u>
Animal control				
Personnel	403,808	396,808	367,086	29,722
Contractual	93,351	100,565	93,018	7,547
Supplies	70,358	89,727	78,345	11,382
Grants, contributions, and indmenities	1,525	2,213	2,213	-
	<u>569,042</u>	<u>589,313</u>	<u>540,662</u>	<u>48,651</u>
Total public safety	<u>21,461,625</u>	<u>21,524,477</u>	<u>20,096,618</u>	<u>1,427,859</u>
Culture and recreation				
Parks and recreation				
Personnel	2,884,469	2,884,469	2,724,241	160,228
Contractual	1,505,919	1,536,549	1,315,321	221,227
Supplies	415,510	418,446	347,870	70,575
Building materials	89,500	90,700	70,681	20,019
Grants, contributions, and indemnities	33,200	30,500	22,530	7,970
Expenditure reimbursement	(31,220)	(31,220)	(31,220)	-
Total culture and recreation	<u>4,897,378</u>	<u>4,929,444</u>	<u>4,449,423</u>	<u>480,021</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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Special appropriations	\$ 141,625	\$ 141,853	\$ 140,528	1,325
Capital				
Capital expenditures	1,027,938	1,193,022	944,651	248,371
Debt service				
Principal retirement	3,172,522	3,272,361	3,272,361	-
Interest and fiscal charges	1,109,687	797,316	797,316	-
Bond issue costs	-	333,439	333,439	-
Total debt service	4,282,209	4,403,116	4,403,116	-
Total expenditures	46,227,887	47,280,670	43,396,003	3,884,668
Excess revenue over expenditures before transfers	8,153,867	6,607,715	13,459,852	6,852,137
Other financing sources (uses)				
Bond Proceeds	-	9,086,120	9,109,200	(23,080)
Payments to refunded bond escrow agent	-	(8,690,181)	(8,690,181)	-
Transfers in	120,000	910,000	1,456,569	546,569
Transfers out	(795,500)	(3,765,187)	(3,765,187)	-
Total other financing sources (uses)	(675,500)	(2,459,248)	(1,889,599)	569,649
Net change in fund balance	\$ 7,478,367	\$ 4,148,467	\$ 11,570,253	7,421,786
Fund balance - beginning			35,839,122	
Fund balance - ending			\$ 47,409,375	

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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes				
Real and personal	\$ 20,743,783	\$ 18,819,783	\$ 18,749,591	\$ (70,192)
Circuit court	-	270,000	237,685	(32,315)
TPSC tax	-	1,444,000	1,404,182	(39,818)
MLGW in lieu of tax	-	196,000	195,994	(6)
Other payments in lieu of tax	-	200,000	203,404	3,404
Wheel tax	-	95,000	766,182	671,182
Business tax	2,754	3,054	2,930	(124)
Municipal tax	2,170,335	2,266,809	2,266,809	-
	<u>22,916,872</u>	<u>23,294,646</u>	<u>23,826,777</u>	<u>532,131</u>
Other local taxes				
Local option sales tax	7,442,402	7,734,526	8,435,158	700,632
Mixed drink tax	175,648	190,648	207,405	16,757
	<u>7,618,050</u>	<u>7,925,174</u>	<u>8,642,563</u>	<u>717,389</u>
Federal revenues				
Special education - grants to states	30,000	-	-	-
Other federal thru state	80,534	-	-	-
	<u>110,534</u>	<u>-</u>	<u>-</u>	<u>-</u>
State educational revenues				
Basic education program	34,202,000	34,478,250	34,478,250	-
Other state educational funds	-	36,534	35,537	(997)
Career ladder program	163,000	195,000	195,169	169
	<u>34,365,000</u>	<u>34,709,784</u>	<u>34,708,956</u>	<u>(828)</u>
Charges for services				
Tuition	169,000	147,900	143,708	(4,192)
	<u>169,000</u>	<u>147,900</u>	<u>143,708</u>	<u>(4,192)</u>
Other				
Other local revenue	28,250	28,250	23,672	(4,578)
E-Rate funding	-	12,470	1,697	(10,773)
Laptop insurance	14,000	2,050	1,954	(96)
Lease/rental	10,000	500	451	(49)
Miscellaneous refunds	297,671	290,000	273,362	(16,638)
Damages recovered from individuals	-	6,000	4,757	(1,243)
	<u>349,921</u>	<u>339,270</u>	<u>305,893</u>	<u>(33,377)</u>
<b>Total revenues</b>	<u>65,529,377</u>	<u>66,416,774</u>	<u>67,627,897</u>	<u>1,211,123</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction - regular				
Personnel	\$ 32,608,480	\$ 32,348,251	\$ 30,925,907	\$ 1,422,344
Contractual	624,837	773,122	721,914	51,208
Supplies	721,000	964,504	963,407	1,097
Other	48,800	113,598	84,194	29,404
Expenditure reimbursement	-	(440,000)	(374,911)	(65,089)
Total instruction - regular	<u>34,003,117</u>	<u>33,759,475</u>	<u>32,320,511</u>	<u>1,438,964</u>
Instruction - alternative				
Personnel	262,086	35,007	24,811	10,196
Contractual	20,000	170,000	161,674	8,326
Supplies	1,500	1,500	1,027	473
Other	500	500	-	500
Total instruction - alternative	<u>284,086</u>	<u>207,007</u>	<u>187,512</u>	<u>19,495</u>
Instruction - special education				
Personnel	4,401,262	4,813,536	4,751,108	62,428
Contractual	145,000	125,000	118,413	6,587
Supplies	60,000	60,000	54,533	5,467
Total instruction - special education	<u>4,606,262</u>	<u>4,998,536</u>	<u>4,924,054</u>	<u>74,482</u>
Instruction - vocational				
Personnel	883,085	897,085	884,107	12,978
Contractual	4,307	4,307	-	4,307
Supplies	17,475	17,475	17,475	-
Total instruction - vocational	<u>904,867</u>	<u>918,867</u>	<u>901,582</u>	<u>17,285</u>
Attendance				
Personnel	581,324	594,524	583,496	11,028
Contractual	108,510	110,821	79,128	31,693
Supplies	1,000	1,000	963	37
In-service/staff development	6,500	6,500	5,950	550
Total attendance	<u>697,334</u>	<u>712,845</u>	<u>669,537</u>	<u>43,308</u>
Health services				
Personnel	847,473	883,425	842,015	41,410
Contractual	1,300	7,900	7,613	287
Supplies	13,000	13,000	2,457	10,543
In-service/staff development	7,500	7,500	864	6,636
Total health services	<u>869,273</u>	<u>911,825</u>	<u>852,949</u>	<u>58,876</u>
Support - student services				
Personnel	1,515,323	1,514,323	1,458,151	56,172
Contractual	109,279	15,638	14,835	803
Supplies	750	-	-	-
In-service/staff development	500	-	-	-
Total support - student services	<u>1,625,852</u>	<u>1,529,961</u>	<u>1,472,986</u>	<u>56,975</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support - regular instruction				
Personnel	\$ 1,304,987	\$ 1,755,827	\$ 1,677,166	\$ 78,661
Contractual	33,050	24,854	22,819	2,035
Supplies	50,600	49,462	47,004	2,458
In-service/staff development	32,000	52,119	51,849	270
Expenditure reimbursement	-	(618,346)	(516,715)	(101,631)
Total support - regular instruction	<u>1,420,637</u>	<u>1,263,916</u>	<u>1,282,123</u>	<u>(18,207)</u>
Support - special education				
Personnel	876,559	885,337	874,281	11,056
Contractual	359,691	389,141	382,999	6,142
Supplies	20,000	16,000	15,996	4
In-service/staff development	25,345	29,895	29,521	374
Total support - special education	<u>1,281,595</u>	<u>1,320,373</u>	<u>1,302,797</u>	<u>17,576</u>
Support - vocational education				
Contractual	33,754	33,754	33,754	-
Total support - vocational education	<u>33,754</u>	<u>33,754</u>	<u>33,754</u>	<u>-</u>
Board of education				
Personnel	439,988	553,413	541,481	11,932
Contractual	231,800	241,300	157,772	83,528
Supplies	200	200	-	200
Insurance	358,964	338,453	290,301	48,152
In-service/staff development	15,000	15,000	4,500	10,500
Other charges	521,319	521,319	516,473	4,846
Total board of education	<u>1,567,271</u>	<u>1,669,685</u>	<u>1,510,527</u>	<u>159,158</u>
Office of the superintendent				
Personnel	341,871	359,845	336,728	23,117
Contractual	32,809	32,461	20,208	12,253
Supplies	1,500	1,500	1,252	248
In-service/staff development	10,000	9,600	8,186	1,414
Other charges	4,000	4,000	1,983	2,017
Total office of the superintendent	<u>390,180</u>	<u>407,406</u>	<u>368,357</u>	<u>39,049</u>
Office of the principal				
Personnel	4,421,423	4,484,982	4,475,522	9,460
Contractual	10,709	15,390	14,115	1,275
In-service/staff development	25,000	25,400	21,872	3,528
Total office of the principal	<u>4,457,132</u>	<u>4,525,772</u>	<u>4,511,509</u>	<u>14,263</u>
Fiscal services				
Personnel	410,264	418,043	413,953	4,090
Contractual	185,005	185,130	162,730	22,400
Supplies	3,200	3,200	3,101	99
In-service/staff development	14,029	13,129	11,015	2,114
Total fiscal services	<u>612,498</u>	<u>619,502</u>	<u>590,799</u>	<u>28,703</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Human resources				
Personnel	\$ 279,675	\$ 341,244	\$ 242,248	\$ 98,996
Contractual	6,240	15,613	14,217	1,396
Supplies	3,380	3,380	2,562	818
In-service/staff development	14,300	14,300	14,228	72
Total human resources	<u>303,595</u>	<u>374,537</u>	<u>273,255</u>	<u>101,282</u>
Operation of plant				
Personnel	524,103	542,503	544,621	(2,118)
Contractual	1,075,269	1,075,804	1,033,608	42,196
Supplies	1,575,957	1,527,671	1,050,254	477,417
Insurance	163,384	163,384	156,576	6,808
In-service/staff development	258	258	32	226
Other charges	13,920	13,920	5,305	8,615
Total operation of plant	<u>3,352,891</u>	<u>3,323,540</u>	<u>2,790,396</u>	<u>533,144</u>
Maintenance of plant				
Personnel	249,175	255,185	259,231	(4,046)
Contractual	1,063,232	1,065,231	942,034	123,197
Supplies	1,000	1,000	990	10
In-service/staff development	1,500	1,500	1,498	2
Other charges	5,000	4,040	1,453	2,587
Total maintenance of plant	<u>1,319,907</u>	<u>1,326,956</u>	<u>1,205,206</u>	<u>121,750</u>
Transportation/planning				
Personnel	319,232	328,381	327,602	779
Contractual	2,639,298	2,639,298	1,842,895	796,403
Supplies	372,000	372,000	232,267	139,733
In-service/staff development	2,000	2,000	786	1,214
Other charges	300	300	170	130
Expenditure reimbursement	-	(270,749)	(270,749)	-
Total transportation/planning	<u>3,332,830</u>	<u>3,071,230</u>	<u>2,132,971</u>	<u>938,259</u>
Central and other				
Personnel	1,382,371	1,223,722	1,107,242	116,480
Contractual	736,939	699,793	441,550	258,243
Supplies	65,500	65,500	54,547	10,953
In-service/staff development	63,300	63,100	50,025	13,075
Other charges	366,019	423,316	411,675	11,641
Total central and other	<u>2,614,129</u>	<u>2,475,431</u>	<u>2,065,039</u>	<u>410,392</u>
Regular capital outlay				
Contractual	105,000	105,000	31,233	73,767
Total regular capital outlay	<u>105,000</u>	<u>105,000</u>	<u>31,233</u>	<u>73,767</u>
Total education	<u>63,782,210</u>	<u>63,555,618</u>	<u>59,427,097</u>	<u>4,128,521</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Capital outlay	\$ 2,715,595	\$ 2,908,689	\$ 2,145,828	\$ 762,861
Total expenditures	<u>66,497,805</u>	<u>66,464,307</u>	<u>61,572,925</u>	<u>4,891,382</u>
Excess (deficit) of revenues over (under) expenditures before transfers	<u>(968,428)</u>	<u>(47,533)</u>	<u>6,054,972</u>	<u>6,102,505</u>
Other financing sources (uses)				
Transfers in	47,533	47,533	434,821	387,288
Transfers out	-	-	(8,276)	(8,276)
Total other financing sources (uses)	<u>47,533</u>	<u>47,533</u>	<u>426,545</u>	<u>379,012</u>
Net change in fund balance	<u>\$ (920,895)</u>	<u>\$ -</u>	\$ 6,481,517	<u>\$ 6,481,517</u>
Fund balance - beginning			<u>10,069,456</u>	
Fund balance - ending			<u>\$ 16,550,973</u>	

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUND

June 30, 2016

	Business-type Activities - Enterprise Fund Water and Sewer
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,523,188
Investments	22,512,026
Receivables, net	807,786
Unbilled receivables	885,836
Prepays	14,150
Inventories	107,149
Total current unrestricted assets	27,850,135
Restricted investments	7,050,578
Total current assets	34,900,713
Noncurrent assets:	
Capital assets:	
Land	1,271,574
Distribution and collection systems	116,177,668
Buildings and improvements	19,532,261
Equipment	4,498,655
Other improvements	1,560,389
Construction in progress	1,364,372
Less accumulated depreciation	(52,417,111)
Net capital assets	91,987,808
Total noncurrent assets	91,987,808
Total assets	126,888,521
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on refundings	1,590,894
Pension actuarial losses	328,734
Total deferred outflows of resources	1,919,628
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	1,012,043
Due to governmental entities	25,984
Accrued interest	101,088
Due to other funds	998,345
Compensated absences	90,833
Current installment of bonds payable	2,514,621
Total current liabilities	4,742,914
Noncurrent liabilities:	
Customer deposits	131,245
Compensated absences	30,853
Bonds payable	20,474,609
Net pension liability	427,265
Total noncurrent liabilities	21,063,972
Total liabilities	25,806,886
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Development fees	14,200
Pension actuarial gains	117,704
Total deferred inflows of resources	131,904
<b>NET POSITION</b>	
Net investment in capital assets	70,589,472
Restricted	
Water and sewer development	7,050,578
Unrestricted	
Total net position	\$ 102,869,359

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 FUND

For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund Water and Sewer
Operating revenues:	
Charges for services - water	\$ 4,531,870
Charges for services - sewer	7,361,259
Miscellaneous	130,331
Total operating revenues	12,023,460
Operating expenses:	
Personal services	2,520,067
Materials, supplies, services and other	4,211,084
Depreciation	3,336,069
Total operating expenses	10,067,220
Operating income	1,956,240
Nonoperating revenues (expenses):	
Interest and investment revenue	290,345
Impact fees	2,082,890
Tap fees	155,816
Loss on sale of assets	(120)
Interest expense	(641,518)
Bond issue costs	(78,910)
Total nonoperating revenues	1,808,503
Income before contributions and transfers	3,764,743
Capital grants and contributions	1,321,865
Transfers out	(902,215)
Change in net position	4,184,393
Total net position - beginning	98,684,966
Total net position - ending	\$ 102,869,359

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund Water and Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 11,959,747
Payments to suppliers	(3,539,250)
Payments to employees	(1,833,744)
Other receipts	3,043
Net cash provided by operating activities	6,589,796
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating subsidies and transfers to other funds	(902,215)
Tap and impact fee receipts	2,238,706
Net cash provided by noncapital financing activities	1,336,491
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(1,934,905)
Principal paid on capital debt	(2,147,785)
Interest paid on capital debt	(741,494)
Net cash used in capital and related financing activities	(4,824,184)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments, net	(1,579,306)
Interest and dividends	290,345
Net cash used in investing activities	(1,288,961)
Net increase in cash and cash equivalents	1,813,142
Balances - beginning of the year	1,710,046
Balances - end of the year	\$ 3,523,188

(Continued)

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

For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Fund Water and Sewer
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ 1,956,240
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	3,336,069
Provision for bad debts	10,685
Change in assets and liabilities	
(Increase) decrease in assets and deferred outflows of resources:	
Receivables, net	(52,824)
Unbilled receivables	(23,224)
Prepaid expenses	1,194
Inventories	(17,631)
Pension actuarial loss	(215,802)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable and accrued expense	688,271
Compensated absences	4,737
Due to governmental entities	3,043
Due to other funds	663,699
Customer deposits	1,650
Net pension liability and actuarial gain	233,689
Net cash provided by operating activities	\$ 6,589,796
 <b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>	
Receipt of capital assets contributions from developers	\$ 1,321,865
Refunded bond proceeds deposited directly with excrow agent	\$ 6,398,008

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

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

June 30, 2016

	Retiree Pension Plan	Retiree Medical Insurance	School Activities Agency Fund
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ 1,169,622
Inventories	-	-	12,443
Savings, certificates of deposit and time deposits	1,062,703	-	-
Investments, at fair value:			
Money market funds	2,448,794	208,479	-
U.S. government agency bonds	529,401	-	-
Corporate and foreign bonds	4,342,274	-	-
Municipal obligations	1,660,030	-	-
Common stocks	5,934,248	1,045,087	-
Equity mutual funds	27,524,659	5,811,223	-
Fixed income mutual funds	12,809,988	3,593,641	-
Accrued investment income	99,939	8,230	-
Due from other funds	-	52,426	-
	<u>56,412,036</u>	<u>10,719,086</u>	<u>\$ 1,182,065</u>
<b>LIABILITIES</b>			
Due to schools general fund	-	-	\$ 642,892
Due to student groups	-	-	539,173
Accounts payable and accrued liabilities	5,505	6,662	-
	<u>5,505</u>	<u>6,662</u>	<u>\$ 1,182,065</u>
<b>NET POSITION</b>			
Restricted for other post employment benefits	-	10,712,424	
Restricted for pension benefits	56,406,531	-	
Total net position held in trust	<u>\$ 56,406,531</u>	<u>\$ 10,712,424</u>	

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

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

For the Year Ended June 30, 2016

	<u>Retiree Pension Plan</u>	<u>Retiree Medical Insurance</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,768,540	\$ 559,931
Plan member	412,024	83,728
Total contributions	<u>3,180,564</u>	<u>643,659</u>
Net investment income:		
Interest and dividends	1,235,829	219,260
Net increase in the fair value of investments	(525,962)	(120,058)
Less: investment expenses	(145,960)	(25,526)
Net investment income	<u>563,907</u>	<u>73,676</u>
Total additions	<u>3,744,471</u>	<u>717,335</u>
<b>DEDUCTIONS</b>		
Benefits and claims paid	1,037,039	321,755
Administrative expenses	21,451	85,669
Total deductions	<u>1,058,490</u>	<u>407,424</u>
Change in net position	2,685,981	309,911
Net position - beginning	<u>53,720,550</u>	<u>10,402,513</u>
Net position - ending	<u>\$ 56,406,531</u>	<u>\$ 10,712,424</u>

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



**TOWN OF COLLIERVILLE, TENNESSEE**

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2016

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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 2016, the Town established capital projects funds #336 and #337 to account for road construction and construction activities related to the new high school respectively. These funds are reported as capital project funds, 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, 2016.

**(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.

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 four 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 the Town's 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

### **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 Town no longer uses an internal service fund.

## **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.

#### **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
Capital Project Fund #337	Accounts for capital improvements for the high school
Non-Major:	
Special Revenues	See above for individual funds and descriptions

Capital Projects

#335

Accounts for capital improvements for various Town projects

#336

Accounts for capital improvements for various Town projects

Education Capital Projects

Accounts for capital improvements for Collierville Schools

**(C) – GASB Accounting Pronouncement**

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement is effective for periods beginning after June 15, 2015. The Town implemented this standard in the current year.

**(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 \$30,266,605. 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**

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 \$7,050,578 in restricted investments for development fees at June 30, 2016.

**(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 (2) 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 (3)) 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) – Fair Value Measurements**

Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Town's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

#### **(J) - 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, 2016.

#### **(K) - Inventories**

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

#### **(L) - 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.



**(M) - 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 acquisition 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

**(N) – 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.

**(O) - 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, 2016 approximates \$5,328,000.

**(P) - 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.

**(Q) - 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.

**(R) - 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 (10) through (12) for more information on each plan.

**(S) – 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.

**(T) - 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. Prepaid expenses in the governmental funds also include interest payments made on debt prior to the due date.

## **(U) - 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.

## **(V) – 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.

## **(W) – 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 (15).

### **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.

## **(X) – 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 (9).

## **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.

**Note (2) - DEPOSITS**

***Primary Government Deposits***

Deposits of the primary government at June 30, 2016, consist of the following:

	<u><b>Bank Balance</b></u>	<u><b>Book Balance</b></u>
Accounts at banks.....	\$ 33,706,748	\$ 32,550,848

A summary of the primary government’s bank deposits as of June 30, 2016, is as follows:

Insured.....	\$ 1,000,000	
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 .....	32,706,748	
	<u>\$ 33,706,748</u>	\$ 32,550,848
Petty cash.....		<u>3,042</u>
Total cash and cash equivalents .....		<u>\$ 32,553,890</u>

***Fiduciary Pension Trust Deposits***

Deposits of the Town’s fiduciary pension trust funds at June 30, 2016, consist of the following:

	<u><b>Bank Balance</b></u>	<u><b>Book Balance</b></u>
Accounts at banks.....	\$ 1,062,703	\$ 1,062,703

A summary of the Town’s fiduciary pension trust funds bank deposits as of June 30, 2016, is as follows:

Insured.....	\$ 1,062,703	\$ 1,062,703
--------------	--------------	--------------

**Fiduciary Agency Deposits**

Deposits of the Town’s fiduciary agency fund at June 30, 2016, consist of the following:

	<u><b>Bank Balance</b></u>	<u><b>Book Balance</b></u>
Accounts at banks.....	\$ 1,215,395	\$ 1,169,662

A summary of the Town’s fiduciary agency fund bank deposits as of June 30, 2016, 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 .....	965,395	
	<u>\$ 1,215,395</u>	
Total cash and cash equivalents .....		<u>\$ 1,169,662</u>

**Note (3) – INVESTMENTS**

The Tennessee Local Government Investment Pool (the “Pool”) represents 100% of the primary government’s investments at June 30, 2016. 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 uses amortized cost rather than fair value to report net position to compute share prices. The Pool had a weighted average maturity of 92 days at June 30, 2016.

	<u><b>Amortized Cost</b></u>
Investments in Local Government Investment Pool (“LGIP”):	
Governmental funds.....	\$130,318,439
Proprietary funds.....	<u>\$ 29,562,604</u>
	<u>\$159,881,043</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.

Disclosures concerning the investments held by the trust that are reported at fair value are presented below. Fair value has been determined based on the Town’s assessment of available market information and appropriate valuation methodologies. The following table summarizes fair value disclosures and measurements at June 30, 2016:

	Fair Value	Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Money market mutual funds	\$ 2,657,273	\$ 2,657,273	\$ -	\$ -
U.S. government agency bonds	529,401	-	529,401	-
Corporate and foreign bonds	4,342,274	-	4,342,274	-
Municipal obligations	1,660,030	-	1,660,030	-
Common stocks	6,979,335	6,979,335	-	-
Equity mutual funds	33,335,882	33,335,882	-	-
Fixed income mutual funds	16,403,629	16,403,629	-	-
	<u>\$ 65,907,824</u>	<u>\$ 59,376,119</u>	<u>\$ 6,531,705</u>	<u>\$ -</u>

Prices for investment securities such as common stocks and mutual funds are readily available in the active markets in which those securities are traded, and the resulting fair values are categorized as Level 1.

Prices for U.S. government agency bonds, corporate and foreign bonds, and municipal obligations are determined on a recurring basis based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets and are categorized as Level 2.

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>			<u><b>100%</b></u>

Individual investments representing 5 percent or more of total assets held by the trustee as of June 30, 2016 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
MFS International Value	Equity Mutual Fund	\$ 4,725,299
Oppenheimer International Growth	Equity Mutual Fund	\$ 4,485,637
Victory Sycamore	Equity Mutual Fund	\$ 3,479,058

Approximately 90 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 10 percent of investments are in United States government agency, municipal, and corporate bonds (1, 2.5 and 6.5 percent, respectively); however, no rating information was available on these investments.

**Note (4) - 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, 2016 include:

Real and personal property taxes	\$ 27,437,059
Ad valorem taxes	669,000
Pilot taxes	<u>60,570</u>
	28,166,629
Less allowance for uncollectible amounts	<u>(257,752)</u>
	<u>\$ 27,908,877</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 (5) - INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2016 is as follows:

	<u><b>INTERFUND RECEIVABLE</b></u>	<u><b>INTERFUND PAYABLE</b></u>
<b>MAJOR FUNDS</b>		
General Fund		
Special Drug Fund.....	\$ 627	\$ -
Historic preservation fund.....	-	10,882
Capital Project Fund #321.....	-	420,577
Capital Project Fund #336.....	611,105	-
State Street Fund .....	19	-
Sanitation Fund .....	-	2,126,701
Water and Sewer Fund .....	998,345	-
Retirement Medical Fund.....	-	52,426
E-Citation Fund .....	-	2,064
General Purpose School Fund.....	<u>234,867 (1)</u>	<u>33,427</u>
	<u>1,844,963</u>	<u>2,646,077</u>
Capital Project Fund #321		
General Fund.....	<u>420,577</u>	<u>-</u>
General Purpose School Fund		
General Fund .....	33,427	234,867 (1)
School Federal Projects Fund.....	179,951	-
School Discretionary Grants .....	<u>5,415</u>	<u>-</u>
	<u>218,793</u>	<u>234,867</u>
Water and Sewer Fund		
General Fund.....	<u>-</u>	<u>998,345</u>
<b>NON-MAJOR FUNDS</b>		
Special Drug Fund		
General Fund.....	<u>-</u>	<u>627</u>
Retirement Medical Fund		
General Fund.....	<u>52,426</u>	<u>-</u>
Sanitation Fund		
General Fund.....	<u>2,126,701</u>	<u>-</u>
Historic Preservation Fund		
General Fund.....	<u>10,882</u>	<u>-</u>
State Street Aid Fund		
General Fund.....	<u>-</u>	<u>19</u>
Capital Projects #336 Fund		
General Fund.....	<u>-</u>	<u>611,105</u>

E- Citation Fund		
General Fund .....	<u>2,064</u>	<u>-</u>
School Federal Projects Fund		
General Purpose School Fund .....	<u>-</u>	<u>179,951</u>
School Discretionary Grants		
General Purpose School Fund .....	<u>-</u>	<u>5,415</u>
<b>TOTALS .....</b>	<b><u>\$ 4,676,406</u></b>	<b><u>\$ 4,676,406</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 .....	\$ 4,623,980	\$ -
Due to other funds .....	-	3,625,635
Due to fiduciary trusts .....	-	52,426
Proprietary Funds		
Due to other funds .....	-	998,345
Fiduciary Funds		
Due from other funds .....	<u>52,426</u>	<u>-</u>
	<u>\$ 4,676,406</u>	<u>\$ 4,676,406</u>

(1) This represents a capital lease of the Town for the General Purpose School Fund. Interfund balances other than those identified in (1) above are related to goods and service transactions arising in the normal course of operations. All interfund balances are expected to be repaid within one year.

Interfund transfers for the year ended June 30, 2016 were as follows:

	<u>TRANSFERS FROM OTHER FUNDS</u>	<u>TRANSFERS TO OTHER FUNDS</u>
<b>MAJOR FUNDS</b>		
General Fund		
Special Drug Fund .....	\$ -	\$ 11,014
Capital Project Fund #321 .....	553,799	3,588,953
Capital Project Fund #335 .....	555	7,553
Capital Project Fund #336 .....	-	157,667
Water and Sewer Fund .....	<u>902,215 (1)</u>	<u>-</u>
	<u>1,456,569</u>	<u>3,765,187</u>
General Purpose School Fund		
School Nutrition .....	-	8,276
Education Capital Projects .....	386,358	-
School Federal Projects .....	<u>48,463</u>	<u>-</u>
	<u>434,821</u>	<u>8,276</u>

Capital Project Fund #321		
General Fund.....	3,588,953	553,799
Capital Project Fund #335.....	2,139,314	-
Capital Project Fund #336.....	<u>1,019,768</u>	<u>-</u>
	<u>6,748,035</u>	<u>553,799</u>
Capital Project Fund #337		
Education Capital Projects .....	<u>-</u>	<u>8,164,085</u>
Water and Sewer Fund		
General Fund.....	<u>-</u>	<u>902,215 (1)</u>
<b>NON-MAJOR FUNDS</b>		
Special Drug Fund		
General Fund.....	<u>11,014</u>	<u>-</u>
Capital Project Fund #335		
General Fund.....	7,553	555
Capital Project Fund #321.....	<u>-</u>	<u>2,139,314</u>
	<u>7,553</u>	<u>2,139,869</u>
Capital Project Fund #336		
General Fund.....	157,667	-
Capital Project Fund #321.....	<u>-</u>	<u>1,019,768</u>
	<u>157,667</u>	<u>1,019,768</u>
School Nutrition		
General Purpose School Fund .....	<u>8,276</u>	<u>-</u>
Education Capital Projects		
General Purpose School Fund .....	-	386,358
Capital Project Fund #337.....	<u>8,164,085</u>	<u>-</u>
	<u>8,164,085</u>	<u>386,358</u>
School Federal Projects		
General Purpose School Fund.....	<u>-</u>	<u>48,463</u>
<b>TOTALS.....</b>	<u>\$ 16,988,020</u>	<u>\$ 16,988,020</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, 2016 was \$840,000.

## Note (6) - CAPITAL ASSETS

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

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2016</u>
Governmental activities:					
Capital assets not being depreciated					
Land, easements, right-of-ways	\$ 25,099,683	\$ 839,128	\$ -	\$ 4,531,457	\$ 30,470,268
Construction in progress	<u>11,760,185</u>	<u>16,417,187</u>	<u>-</u>	<u>(9,853,125)</u>	<u>18,324,247</u>
Total capital assets not being depreciated	<u>36,859,868</u>	<u>17,256,315</u>	<u>-</u>	<u>(5,321,668)</u>	<u>48,794,515</u>
Other capital assets:					
Buildings and improvements	110,967,997	34,825	(75,854)	1,541,117	112,468,085
Other improvements	18,904,059	-	-	651,411	19,555,470
Library materials	2,638,185	254,493	(276,718)	-	2,615,960
Equipment	26,699,157	1,234,858	(724,858)	491,102	27,700,259
Infrastructure	<u>149,741,373</u>	<u>1,983,542</u>	<u>-</u>	<u>2,638,038</u>	<u>154,362,953</u>
Total other capital assets at historical cost	<u>308,950,771</u>	<u>3,507,718</u>	<u>(1,077,430)</u>	<u>5,321,668</u>	<u>316,702,727</u>
Less accumulated depreciation for:					
Buildings and improvements	(33,875,555)	(2,522,678)	24,843	-	(36,373,390)
Other improvements	(9,246,352)	(788,088)	-	-	(10,034,440)
Library materials	(1,461,796)	(207,169)	276,718	-	(1,392,247)
Equipment	(16,778,867)	(1,672,371)	636,133	-	(17,815,105)
Infrastructure	<u>(36,708,800)</u>	<u>(2,130,750)</u>	<u>-</u>	<u>-</u>	<u>(38,839,550)</u>
Total accumulated depreciation	<u>(98,071,370)</u>	<u>(7,321,056)</u>	<u>937,694</u>	<u>-</u>	<u>(104,454,732)</u>
Other capital assets, net	<u>210,879,401</u>	<u>(3,813,338)</u>	<u>(139,736)</u>	<u>5,321,668</u>	<u>212,247,995</u>
Governmental activities capital assets, net	<u>\$ 247,739,269</u>	<u>\$ 13,442,977</u>	<u>\$ (139,736)</u>	<u>\$ -</u>	<u>\$ 261,042,510</u>

Depreciation expense was charged to functions as follows:

Legislative .....	<u>\$ 9,236</u>
General Government:	
Finance .....	10,092
General services .....	39,078
Information technology .....	139,267
Executive .....	182,134
Town administration.....	239,734
Library .....	344,652
Development administration .....	1,296
Development engineering.....	16,960
General government .....	8,995
Human resources .....	1,073
Development planning .....	<u>5,692</u>
	<u>988,973</u>
Public Safety:	
Animal control.....	44,051
Police .....	576,479
Fire.....	391,300
Code enforcement.....	38,253
City court.....	<u>23,995</u>
	<u>1,074,078</u>
Roads and Public Works:	
Public services administration.....	81,628
Fleet services .....	12,070
Highways and streets.....	<u>2,294,045</u>
	<u>2,387,743</u>
Education .....	<u>1,735,959</u>
Sanitation .....	<u>199,880</u>
Culture and Recreation:	
Parks and recreation .....	<u>900,127</u>
Development of historic	
town square .....	<u>25,060</u>
Total governmental activities	
depreciation expense.....	<u>\$ 7,321,056</u>

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

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2016</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,047,164	\$ 209,573	\$ -	\$ 14,837	\$ 1,271,574
Construction in progress	<u>1,061,892</u>	<u>1,712,458</u>	<u>-</u>	<u>(1,409,978)</u>	<u>1,364,372</u>
Total capital assets-not being depreciated	<u>2,109,056</u>	<u>1,922,031</u>	<u>-</u>	<u>(1,395,141)</u>	<u>2,635,946</u>
Other capital assets:					
Buildings and improvements	19,532,261	-	-	-	19,532,261
Other improvements	1,560,389	-	-	-	1,560,389
Equipment	4,566,818	97,987	(166,150)	-	4,498,655
Distribution and collection systems	<u>113,545,775</u>	<u>1,236,752</u>	<u>-</u>	<u>1,395,141</u>	<u>116,177,668</u>
Total other capital assets at historical cost	<u>139,205,243</u>	<u>1,334,739</u>	<u>(166,150)</u>	<u>1,395,141</u>	<u>141,768,973</u>
Less accumulated depreciation for:					
Buildings and improvements	(8,093,665)	(378,673)	-	-	(8,472,338)
Other improvements	(489,323)	(68,138)	-	-	(557,461)
Equipment	(2,230,583)	(263,026)	166,030	-	(2,327,579)
Distribution and collection systems	<u>(38,433,501)</u>	<u>(2,626,232)</u>	<u>-</u>	<u>-</u>	<u>(41,059,733)</u>
Total accumulated depreciation	<u>(49,247,072)</u>	<u>(3,336,069)</u>	<u>166,030</u>	<u>-</u>	<u>(52,417,111)</u>
Other capital assets, net	<u>89,958,171</u>	<u>(2,001,330)</u>	<u>(120)</u>	<u>1,395,141</u>	<u>89,351,862</u>
Business-type activities capital assets, net	<u>\$ 92,067,227</u>	<u>\$ (79,299)</u>	<u>\$ (120)</u>	<u>\$ -</u>	<u>\$ 91,987,808</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

  Water and sewer.....\$ 3,336,069

Total business-type activities depreciation expense.....\$ 3,336,069

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 (7) - DEBT**

A summary of debt activity for the year ended June 30, 2016, is as follows. Additional detailed information is available on the following pages.

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Defeasance</u>	<u>Reductions and Amortizations</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
<b>Governmental Activities:</b>						
General Obligation						
Bonds	\$ 29,620,313	\$106,500,000	\$(7,745,000)	\$ (2,797,215)	\$ 125,578,098	\$ 3,793,098
Notes payable	290,000	-	-	(290,000)	-	-
Capital lease	464,705	-	-	(229,839)	234,866	234,866
Compensated						
absences	1,905,535	1,252,873	-	(1,357,306)	1,801,102	1,252,873
Settlement obligation	4,985,295	-	-	(405,519)	4,579,776	414,440
Unamortized premiums						
(discounts), net	395,456	7,205,864	-	(276,623)	7,324,697	346,238
	<u>37,661,304</u>	<u>114,958,737</u>	<u>(7,745,000)</u>	<u>(5,356,502)</u>	<u>139,518,539</u>	<u>6,041,515</u>
<b>Business-type Activities:</b>						
General Obligation						
Bonds	4,687	-	-	(2,785)	1,902	1,902
Revenue Bonds	23,430,000	5,305,000	(6,060,000)	(2,145,000)	20,530,000	2,240,000
Compensated						
absences	116,949	90,833	-	(86,096)	121,686	90,833
Unamortized premiums						
(discounts), net	1,612,632	1,093,008	-	(248,312)	2,457,328	272,719
	<u>25,164,268</u>	<u>6,488,841</u>	<u>(6,060,000)</u>	<u>(2,482,193)</u>	<u>23,110,916</u>	<u>2,605,454</u>
	<u>\$ 62,825,572</u>	<u>\$121,447,578</u>	<u>\$(13,805,000)</u>	<u>\$ (7,838,695)</u>	<u>\$ 162,629,455</u>	<u>\$ 8,646,969</u>

Debt outstanding as of June 30, 2016 consisted of the following:

<b>Governmental Activities</b>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Issued</u>	<u>Debts Outstanding</u>
<b>General Obligation Bonds:</b>				
Serial Bonds.....	3.25% - 5.00%	2046	\$ 93,485,000	\$ 93,485,000
Serial Bonds.....	2.00% - 4.00%	2035	\$ 5,000,000	\$ 4,960,000
Serial Bonds.....	2.00% - 4.00%	2029	\$ 8,015,000	\$ 8,015,000
Serial Bonds.....	3.50% - 5.00%	2021	\$ 13,000,000	\$ 3,010,000
Serial Bonds.....	2.00% - 2.50%	2022	4,985,000	3,085,000
Serial Bonds.....	2.00% - 3.00%	2017	5,154,702	483,098
Serial Bonds.....	1.50% - 2.00%	2026	5,215,000	5,215,000
Serial Bonds.....	3.50% - 4.13%	2017	5,290,000	535,000
Serial Bonds.....	2.00% - 4.00%	2033	7,700,000	6,790,000
			<u>\$ 147,844,702</u>	<u>\$ 125,578,098</u>
Amount due within one year.....				<u>\$ 3,793,098</u>

**Business-Type Activities**

General Obligation Bonds:

Serial Bonds.....	2.00% - 3.00%	2017	\$ 20,298	\$ 1,902
Amount due within one year.....				<u>\$ 1,902</u>

Revenue Bonds:

Revenue Bonds .....	3.50% - 4.13%	2017	\$ 3,755,000	\$ 290,000
Revenue Bonds .....	1.50% - 4.00%	2024	15,655,000	13,675,000
Revenue Bonds .....	4.00% - 4.38%	2017	26,000,000	1,260,000
Revenue Bonds .....	4.00% - 5.00%	2026	<u>5,305,000</u>	<u>5,305,000</u>
			<u>\$ 50,715,000</u>	<u>\$ 20,530,000</u>
Amount due within one year .....				<u>\$ 2,240,000</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 \$50,715,000 are secured by net revenues to be derived from the operations of the Water and Sewer Fund.

The Town had 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. The loan was paid in full as of June 30, 2016.

In October 2015, the Town issued a \$93,485,000 in General Obligation Bonds, Series 2015A at a \$6,104,228 premium. The bond has fixed interest rates ranging from 3.25 percent to 5.00 percent. Maturity dates range from January 1, 2017 to January 1, 2046. The bond amount of \$93,485,000 will principally be used for the construction of a new high school.

In October 2015, the Town also issued \$5,000,000 General Obligation bonds, Series 2015B at a \$323,436 premium. The bond has fixed interest rates ranging from 2.00 percent to 4.00 percent. Maturity dates range from January 1, 2016 to January 1, 2035. The bond proceeds will be used for various public works projects and equipment.

In October 2015, the Town also issued \$8,015,000 in General Obligation Refunding Bonds Series 2015C at a \$778,200 premium. The bonds have fixed interest rates ranging from 2.00 percent to 4.00 percent. Maturity dates range from November 1, 2017 to November 1, 2028. Certain net proceeds of \$8,690,181 were deposited in an escrow account to current refund a portion of General Improvement Bonds, Series 2005 (\$1,095,000) and advance refund a portion of General Improvement Bonds, Series 2008 (\$6,650,000), plus accrued interest and costs. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$982,780 that will be charged over 13.0 years using the straight-line method. The refunding decreased the Town’s total debt service payments by \$749,786 and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of \$661,736.



In October 2015, the Town also issued \$5,305,000 in Water and Sewer Revenue Refunding Bonds Series 2015D at a \$1,049,514 premium. The bonds have fixed interest rates ranging from 4.00 percent to 5.00 percent. Maturity dates range from June 1, 2018 to June 1, 2026. Certain net proceeds of \$6,292,495 were used to current refund a portion of Water Sewer Tax Refunding, Series 2005, (\$965,000) and advance refund a portion of Water Sewer Tax Refunding, Series 2006 (\$5,095,000), plus accrued interest and costs. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$304,853 that will be charged over 10.75 years using the straight-line method. The refunding decreased the Town's total debt service payments by \$829,740 and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of \$707,980.

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, 2016, \$6,650,000 of defeased bonds remain outstanding.

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

<b>Year Ending</b>	<b>General Obligation Bonds</b>		<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
<b>June 30</b>				
2017	\$ 3,795,000	\$ 5,559,481	\$ 2,240,000	\$ 746,550
2018	4,155,000	4,627,364	2,045,000	679,963
2019	4,300,000	4,476,814	2,415,000	589,025
2020	4,465,000	4,319,132	2,525,000	498,200
2021	4,230,000	4,156,488	2,310,000	391,900
2022 - 2026	21,485,000	18,338,559	7,280,000	884,675
2027 - 2031	20,325,000	14,127,110	1,715,000	85,750
2032 - 2036	18,845,000	10,751,653	-	-
2037 - 2041	19,845,000	7,260,825	-	-
2041 - 2046	24,135,000	2,972,000	-	-
	<b>\$ 125,580,000</b>	<b>\$ 76,589,426</b>	<b>\$ 20,530,000</b>	<b>\$ 3,876,063</b>

#### *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>
2017	\$ 507,819
2018	507,819
2019	507,819
2020	507,819
2021	507,819
2022 – 2026	<u>2,539,095</u>
Total payments	5,078,190
Less amount representing interest	<u>(498,414)</u>
Net litigation settlement obligation	<u>\$ 4,579,776</u>

*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 \$466,667 as of June 30, 2016. Future payments under the lease are as follows:

<u>Year</u>	<u>Amount</u>
2017	<u>240,062</u>
Total payments	240,062
Less amount representing interest	<u>(5,196)</u>
Net capital lease obligation	<u>\$ 234,866</u>

The total interest expense incurred on all debt for the year was \$4,331,816. There was no interest capitalized during the year ended June 30, 2016.

**Note (8) - 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:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Series 2005 .....	\$ 14,771	\$ -	\$ 14,771
Series 2006 .....	-	13,960	13,960
Series 2010 .....	14,112	-	14,112
Series 2011 .....	24,372	-	24,372
Series 2012 .....	413,921	1,293,350	1,707,271
Series 2015 .....	<u>926,081</u>	<u>283,584</u>	<u>1,209,665</u>
	<u>\$ 1,393,257</u>	<u>\$ 1,590,894</u>	<u>\$ 2,984,151</u>

## Note (9) - FUND BALANCES

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

Fund Balances:	General Fund	General Purpose School Fund	Capital Project Fund #321	Capital Project Fund #337	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Total
<b>Nonspendable</b>							
Prepays	\$ 2,864,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,864,650
Inventory	170,759	-	-	-	31,011	-	201,770
Total Nonspendable:	<u>3,035,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,011</u>	<u>-</u>	<u>3,066,420</u>
<b>Restricted for</b>							
Animal Shelter Projects	172,461	-	-	-	-	-	172,461
Capital Projects	150,598	-	-	85,490,096	-	9,283,375	94,924,069
Community Development	10,166	-	-	-	10,882	-	21,048
Parks and Recreation	27,141	-	-	-	-	-	27,141
Public Safety	39,541	-	-	-	626,564	-	666,105
Public Services	923,826	-	-	-	-	-	923,826
Road Maintenance and Improvements	-	-	-	-	528,640	-	528,640
Education	-	16,550,973	-	-	7,499	1,855,269	18,413,741
Total Restricted for:	<u>1,323,733</u>	<u>16,550,973</u>	<u>-</u>	<u>85,490,096</u>	<u>1,173,585</u>	<u>11,138,644</u>	<u>115,677,031</u>
<b>Committed to</b>							
Fire facilities	360,024	-	-	-	-	-	360,024
Police privilege tax	655,803	-	-	-	-	-	655,803
Sanitation	-	-	-	-	1,156,386	-	1,156,386
Alternate transportation	31,428	-	-	-	-	-	31,428
Parkland dedication	1,290,621	-	-	-	-	-	1,290,621
Total Committed to:	<u>2,337,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,156,386</u>	<u>-</u>	<u>3,494,262</u>
<b>Assigned to</b>							
Capital Projects	7,705,246	-	74,891	-	-	67	7,780,204
General Administration	5,015,575	-	-	-	-	-	5,015,575
Other Purposes	1,811,794	-	-	-	-	-	1,811,794
Parks and Recreation	1,273,457	-	-	-	-	-	1,273,457
Public Safety	254,327	-	-	-	-	-	254,327
Total Assigned to:	<u>16,060,399</u>	<u>-</u>	<u>74,891</u>	<u>-</u>	<u>-</u>	<u>67</u>	<u>16,135,357</u>
<b>Unassigned</b>							
Total Unassigned:	<u>24,651,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,651,958</u>
<b>Total Fund Balance:</b>	<u>\$ 47,409,375</u>	<u>\$ 16,550,973</u>	<u>\$ 74,891</u>	<u>\$ 85,490,096</u>	<u>\$ 2,360,982</u>	<u>\$ 11,138,711</u>	<u>\$ 163,025,028</u>

## **Note (10) – 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. All participants are 100 % vested in current and prior contributions. For the year ended June 30, 2016, contributions from the Town and employees were \$30,342 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, 2016, 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 (11) – 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 (12) 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 this 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.

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

**Hybrid Employee Retirement Plan** – Certain administrative employees with membership in TCRS beginning July 1, 2014 are included in this plan, which is maintained separately from the Town of Collierville's plan. This plan is a hybrid plan which features both a defined contribution element and a pension plan element. This 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, 2016, Town reported a payable of \$252,686, related to Collierville Schools' plans, for the amount of contributions to the pension plans related to accrued payroll at June 30, 2016.

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

General Information about the Pension Plan

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

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or 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, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	96
Active employees	11
	<u>123</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, 2015, 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, 2015 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, 2015 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 6/30/14</b>	\$ 3,225,391	\$ 5,246,748	\$ (2,021,357)
<b>Changes for the year:</b>			
Service cost	42,541	-	42,541
Interest	242,611	-	242,611
Difference between expected and actual experience	(155,231)	-	(155,231)
Net investment income	-	160,565	(160,565)
Benefit payments, including refunds of employee contributions	(66,240)	(66,240)	-
Administrative expense	-	(558)	558
<b>Net changes</b>	<u>63,681</u>	<u>93,767</u>	<u>(30,086)</u>
<b>Balance at 6/30/15</b>	<u>\$ 3,289,072</u>	<u>\$ 5,340,515</u>	<u>\$ (2,051,443)</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	\$ (1,542,830)	\$ (2,051,443)	\$ (2,466,287)

*Pension Income.* For the year ended June 30, 2016, the Town recognized pension income of \$135,778 related to this plan.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Collierville reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ 57,307	\$ 103,487
Net difference between projected and actual earnings on pension plan investments	<u>184,349</u>	<u>246,412</u>
Total for the Town's defined benefit plan	<u>\$ 241,656</u>	<u>\$ 349,899</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:**

2017	\$ (30,487)
2018	(87,795)
2019	(36,051)
2020	46,087
2021	-
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. The 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 in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. 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. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs, 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. 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, 2016 to the Teacher Legacy Pension Plan were \$3,183,922, which is 9.68 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 Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

*Pension Liability.* At June 30, 2016, Collierville Schools reported a liability of \$330,394 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, 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, 2015 relative to the contributions of all LEAs for the year ended June 30, 2015. At the June 30, 2015 measurement date, Collierville Schools' proportion was 0.806559 percent. The proportion measured as of June 30, 2014 was 0.010312 percent.

*Pension Expense.* For the year ended June 30, 2016, Collierville Schools recognized a pension expense of \$1,448,160 related to the Teacher Legacy Pension Plan.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Collierville Schools reported deferred outflows of resources and deferred inflows of resources related to the Teacher Legacy Pension Plan from the following sources:

	<b><u>Deferred Outflows of Resource</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual	\$ 265,155	\$ 5,142,637
Net difference between projected and actual earnings on pension plan investments	5,965,887	8,099,017
Changes in proportion of Net Pension Liability (Asset)	8,635,481	-
LEA's contributions subsequent to the measurement date of June 30, 2015	<u>3,183,922</u>	<u>(not applicable)</u>
Total for the Teacher Legacy Pension Plan	<u>\$ 18,050,445</u>	<u>\$ 13,241,654</u>

Collierville Schools' employer contributions of \$3,183,922, 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, 2017. 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:**

2017	\$ (456,601)
2018	(456,601)
2019	(456,601)
2020	2,243,072
2021	751,600
Thereafter	-

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, 2015 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, 2015 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 Liability (Assets) 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 <u>(6.5%)</u>	Current Discount <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Proportionate share of the net Pension liability (asset)	\$ 22,525,174	\$ 330,394	\$ (18,044,266)

*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 Retirement 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. The Teacher Retirement Plan is a separate cost-sharing, multiple- employer defined benefit plan. The 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 administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. 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, 2016 to the Teacher Retirement Plan were \$89,270, which is 4.28 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).* At June 20, 2016, Collierville Schools reported an asset of \$17,650 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial value of that date. Collierville Schools' proportion of the net pension asset was based on Collierville Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, Collierville Schools' proportion was 0.438730 percent.

*Pension Expense.* For the year ended June 20, 2016, Collierville Schools recognized pension expense of \$23,131.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Collierville Schools reported deferred outflows of resources related to the Teacher Retirement Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ -	\$ 5,745
Net difference between projected and actual earnings on pension plan investments	1,427	-
LEA's contributions subsequent to the measurement date of June 30, 2015	<u>89,270</u>	<u>(not applicable)</u>
Total for the Teacher Legacy Pension Plan	<u>\$ 90,697</u>	<u>\$ 5,745</u>

Collierville School's employer contributions of \$89,270, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized an increase of net pension liability (asset) in the year ended June 20, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Year Ended June 30:**

2017	\$ (122)
2018	(122)
2019	(122)
2020	(122)
2021	(479)
Thereafter	(3,351)

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, 2015 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, 2015 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 Liability (Assets) 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 <u>(6.5%)</u>	Current Discount <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Proportionate share of the net Pension liability (asset)	\$ 3,130	\$ (17,650)	\$ (32,890)

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

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

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. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS 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 administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www. Treasury.tn.gov/tcrs](http://www.Treasury.tn.gov/tcrs).

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members of the Legacy Public Employee Retirement 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. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and included 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, 2015, the following employees were covered by the benefit terms:



Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>204</u>
	<u><u>211</u></u>

The school Board 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. 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. For the year ended June 30, 2015, the Actuarially Determined Contribution (ADC) for the Political Subdivision Pension Plan was \$473,757 based on a rate of 9.27 percent of covered payroll. 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. The employer'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.

Collierville Board of Education's net pension liability (asset) was measured as June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of the date.

*Actuarial Assumptions.* The total pension liability in the June 30, 2015 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, 2015 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
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.

*Changes in the Net Pension Asset*

	(a)	(b)	(a) – (b)
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Asset</u>
<b>Balance at 6/30/14</b>	\$ -	\$ -	\$ -
<b>Changes for the year:</b>			
Service cost	729,290	-	729,290
Interest	54,690	-	54,690
Difference between expected and actual experience	(61,435)	-	(61,435)
Contributions- employer	-	473,757	(473,757)
Contributions- employees	-	255,533	(255,533)
Net investment income	-	11,095	(11,095)
Benefit payments, including refunds of employee contributions	(192)	(192)	-
Administrative expense	-	(9,499)	9,499
Other changes	-	878	(878)
<b>Net changes</b>	<u>722,353</u>	<u>731,572</u>	<u>(9,219)</u>
<b>Balance at 6/30/15</b>	<u>\$ 722,353</u>	<u>\$ 731,572</u>	<u>\$ (9,219)</u>

*Sensitivity of the Net Pension Liability (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:

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Political Subdivision Pension Plan net Pension liability (asset)	\$ 115,957	\$ (9,219)	\$ (111,373)

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

*Pension Expense.* For the year ended June 30, 2016, the Political Subdivision Pension Plan recognized pension expense of \$506,409.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Collierville Schools reported deferred outflows of resources related to the Political Subdivision Pension Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ -	\$ 54,609
Net difference between projected and actual earnings on pension plan investments	12,738	-
LEA's contributions subsequent to the measurement date of June 30, 2015	<u>511,834</u>	<u>(not applicable)</u>
Total for the Political Subdivision Pension Plan	<u>\$ 524,572</u>	<u>\$ 54,609</u>

The Legacy Public Retirement Pension Plan contributions of \$511,834 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.

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:**

2017	\$ (3,641)
2018	(3,641)
2019	(3,641)
2020	(3,641)
2021	(6,826)
Thereafter	(20,478)

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

**(E) Hybrid Employee Retirement Plan**

General Information about the Pension Plan

*Plan Description.* Support personnel and non-teachers of Collierville Schools are provided with pensions through the Hybrid Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The 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 administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members of the Hybrid Employee Retirement Plan are eligible to retire with an unreduced benefit 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 available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. 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 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. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	38
	<u>38</u>

The School 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 or by automatic cost controls set out in law. Employees contribute 5 percent of salary. The Hybrid Employee Retirement Plan makes 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, as established by the TCRS Board of Trustees, is reached. By law, employer contributions are required to be paid. TCRS may intercept the state shared taxes if required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016 to the plan were \$39,768, which is 4.28 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.* The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial value as of that date.

*Pension Expense.* For the year ended June 30, 2016, the hybrid Political Subdivisions Pension Plan with cost Controls recognized pension expense of \$6,579.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the plan 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>
Differences between expected and actual	\$ 8,585	\$ -
Net difference between projected and actual earnings on pension plan investments	336	-
LEA's contributions subsequent to the measurement date of June 30, 2015	<u>39,768</u>	<u>(not applicable)</u>
Total for the Political Subdivision Pension Plan	<u>\$ 48,689</u>	<u>\$ -</u>

Collierville School's employer contributions of \$39,768 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.

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:**

2017	\$ 865
2018	865
2019	865
2020	865
2021	781
Thereafter	4,686

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, 2015 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, 2015 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 Liability (Assets) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the Hybrid Employee Retirement Plan 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 <u>(6.5%)</u>	Current Discount <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Proportionate share of the net Pension liability (asset)	\$ 23,859	\$ 15,500	\$ 8,942

*Changes in the Net Pension Liability*

	(a) <b>Total Pension Liability</b>	(b) <b>Plan Fiduciary Net Position</b>	(a) – (b) <b>Net Pension Liability</b>
<b>Balance at 6/30/14</b>	\$ -	\$ -	\$ -
<b>Changes for the year:</b>			
Service cost	23,680	-	23,680
Interest	1,776	-	1,776
Difference between expected and actual experience	9,366	-	9,366
Contributions- employer	-	-	-
Contributions- employees	-	23,680	(23,680)
Net investment income	-	294	(294)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	-	(367)	367
Other changes	-	(4,285)	4,285
<b>Net changes</b>	<u>34,822</u>	<u>19,322</u>	<u>15,500</u>
<b>Balance at 6/30/15</b>	<u>\$ 34,822</u>	<u>\$ 19,322</u>	<u>\$ 15,500</u>

**Note (12) – 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, 2016, the Plan's membership consisted of:

Retirees currently receiving benefits	66
Terminated plan members entitled to but not yet receiving benefits	62
Active plan members	<u>493</u>
Total	<u>621</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 years 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, 2016, was 12.68 percent of annual covered payroll based on the July 1, 2015 valuation.

## Investments

*Investment policy.* As described more fully in Note (3), 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, 2016 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
MFS International Value	Equity Mutual Fund	\$ 3,931,438
Oppenheimer International Growth	Equity Mutual Fund	3,733,086
Victory Sycamore	Equity Mutual Fund	2,887,499

*Rate of return.* For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.35 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, 2016, were as follows:

Total pension liability	\$ 62,707,661
Plan fiduciary net position	<u>(56,406,531)</u>
Town's net pension liability	<u>\$ 6,301,130</u>

Plan fiduciary net position as a percentage of the total pension liability	89.95%
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*Actuarial assumptions.* The recommended contribution was determined as part of the July 1, 2016 actuarial valuation using the entry age normal level percent of pay, 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	RP-2000 with 2% load for expected mortality improvement

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, 2016 (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	1.0%	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.*

	(a)	(b)	(a) – (b)
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
<b>Balance at 6/30/15</b>	\$ 58,357,470	\$ 53,720,550	\$ 4,636,920
<b>Changes for the year:</b>			
Service cost	2,023,584	-	2,023,584
Interest	4,409,484	-	4,409,484
Difference between expected and actual experience	913,743	-	913,743
Contributions – employer	-	2,768,540	(2,768,540)
Contributions – employee	-	412,024	(412,024)
Net investment income	-	679,146	(679,146)
Benefit payments, including refunds of employee contributions	(1,152,278)	(1,152,278)	-
Administrative expense	-	(21,451)	21,451
Other changes	(1,844,342)	-	(1,844,342)
<b>Net changes</b>	<u>4,350,191</u>	<u>2,685,981</u>	<u>1,664,210</u>
<b>Balance at 6/30/16</b>	<u>\$ 62,707,661</u>	<u>\$ 56,406,531</u>	<u>\$ 6,301,130</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-percentage point 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)	\$ 15,052,365	\$ 6,301,130	\$ (1,342,160)

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

*Pension expense.* For the year ended June 30, 2016, the Town recognized pension expense of \$3,009,482 related to this pension plan.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

	<b>Deferred Outflows of Resource</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 973,550	\$ -
Net difference between projected and actual earnings on pension plan investments	3,874,482	-
Differences in assumptions	-	<u>1,735,851</u>
Total for the Town's defined benefit plan	<u>\$ 4,848,032</u>	<u>\$ 1,735,851</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:**

2017	\$ 1,017,924
2018	1,017,923
2019	1,017,923
2020	632,030
2021	(47,171)
Thereafter	(526,448)

**Note (13) - 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 (14) - ACCRUED LIABILITIES**

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

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Accounts payable and accrued expenses:			
Accounts payable .....	\$ 3,148,001	\$ 905,446	\$ 4,053,447
Accrued payroll .....	5,128,778	90,383	5,219,161
Other accrued expenses .....	<u>616,896</u>	<u>16,214</u>	<u>633,110</u>
	<u>\$ 8,893,675</u>	<u>\$ 1,012,043</u>	<u>\$ 9,905,718</u>

**Note (15) – NET INVESTMENT IN CAPITAL ASSETS**

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 261,042,510
Total outstanding balance of capital debt	(133,137,661)
Portion of debt related to unspent bond proceeds	94,584,547
Deferred loss on refunding	<u>1,393,257</u>
Total governmental activities	<u>\$ 223,882,653</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 91,987,808
Deferred loss on refunding	1,590,894
Total outstanding balance of capital debt	<u>(22,989,230)</u>
Total business-type activities	<u>\$ 70,589,472</u>

**Note (16) - 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, 2016, the Town was obligated under uncompleted contracts for approximately \$2,104,929, \$773,102, and \$2,566,302 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 \$1,729,474 related to a residential road construction project; included in the uncompleted contracts for the Capital Projects Funds is approximately \$55,296 related to educational facilities, \$149,007 related to park construction, \$156,908 for equipment and installation, \$446,422 for building improvements, and approximately \$1,758,670 related to contracts for road improvements; and included in the uncompleted contracts for the Water and Sewer Fund is approximately \$638,536 for treatment plant equipment, design, and installation.

At June 30, 2016, the schools were obligated under uncompleted contracts for approximately \$81,680,941. Included in the above, uncompleted contracts is approximately \$68,390,353 for the construction of the new high school, \$6,279,091 for the management of the construction of the new high school, and \$1,361,278 for architectural services related to the construction of the new high school.

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, 2016, such amount totaled \$492,073.

#### **Note (17) - 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.

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, 2016, 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, 2016 were \$4,298,543.

#### **Note (18) - POSTEMPLOYMENT BENEFITS - TOWN**

In addition to the pension benefits described in Notes (10) through (12), 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, 2016 actuarial valuation. As of July 1, 2016, the OPEB plan's membership consisted of:

Retirees receiving benefits	54
Active plan members	<u>510</u>
Total	<u><u>564</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 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, 2017, 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	17,746
Adjustment to ARC	<u>(34,131)</u>
Annual OPEB cost	499,871
Contributions remitted	<u>559,931</u>
Decrease in net pension position	(60,060)
Net OPEB obligation – beginning of year	<u>236,610</u>
Net OPEB obligation – end of year	<u><u>\$ 176,550</u></u>

### Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/16	\$ 499,871	112%	\$ 176,550
06/30/15	\$ 501,014	103%	\$ 236,610
06/30/14	\$ 895,501	102%	\$ 251,852



*Funded Status and Funding Progress.* As of July 1, 2016, the plan was 90.8 percent funded. The actuarial accrued liability for benefits was \$11,800,718, and the actuarial value of assets was \$10,712,425, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$1,088,293. The covered payroll (annual payroll of active employees covered by the plan) was \$23,089,345, and the ratio of the UAAL to the covered payroll was 4.7 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, 2016 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 (8.00 percent in prior valuation), (2) ultimate rate of 4.00 percent (4.00 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, 2016, was 10 years.

**Note (19) - 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)	\$ 776,879
Interest on net OPEB obligation	46,873
Amortization adjustment on net OPEB obligation	<u>(52,509)</u>
Annual OPEB cost	771,243
Contributions remitted for pay-go cost	(234,519)
Contributions remitted for pre-funding	<u>(425,000)</u>
Increase in net pension position	111,724
Net OPEB obligation – beginning of year	<u>585,910</u>
Net OPEB obligation – end of year	<u>\$ 697,634</u>

## Three-Year Trend Information

<u>Annual Pension Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/15	\$ 735,910	20.4%	\$ 585,910
06/30/16	\$ 771,243	85.5%	\$ 697,634

*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, 2016

(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)
7/1/2016	\$ 10,712	11,800	\$ 1,088	90.78%	\$ 23,089	4.71%
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)
7/1/2014	\$ -	\$ 6,093	\$ 6,093	0.00%	36,736	16.6%

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2016

**Town of Collierville Postemployment Benefit Plan**

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2016	\$ 516,256	108.46%
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**

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2015	\$ 735,910	20.40%
6/30/2016	771,243	85.50%

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS - TOWN  
Fiscal Years ending June 30,

	<u>2014</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 36,724	\$ 42,541
Interest	215,031	242,611
Differences between expected and actual experience	171,923	(155,231)
Benefit payments, including refunds of member contributions	(57,281)	(66,240)
<b>Net change in total pension liability</b>	<u>366,397</u>	<u>63,681</u>
<b>Total pension liability—beginning</b>	<u>2,858,994</u>	<u>3,225,391</u>
<b>Total pension liability—ending (a)</b>	<u><u>\$ 3,225,391</u></u>	<u><u>\$ 3,289,072</u></u>
<b>Plan fiduciary net position</b>		
Contributions—employer	\$ -	\$ -
Contributions—member	-	-
Net investment income	750,110	160,565
Benefit payments	(57,281)	(66,240)
Administrative expense	(709)	(558)
<b>Net change in plan fiduciary net position</b>	<u>692,120</u>	<u>93,767</u>
<b>Plan fiduciary net position—beginning</b>	<u>4,554,628</u>	<u>5,246,748</u>
<b>Plan fiduciary net position—ending (b)</b>	<u><u>\$ 5,246,748</u></u>	<u><u>\$ 5,340,515</u></u>
<b>Town's net pension liability (asset)—ending (a) – (b)</b>	<u><u>\$ (2,021,357)</u></u>	<u><u>\$ (2,051,443)</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	162.67%	162.37%
<b>Covered-employee payroll</b>	\$ 562,098	\$ 482,400
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	359.61%	425.26%

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  
Fiscal Years ending June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 562,098	\$ 482,400	\$ 510,568
Contributions as a percentage of covered-employee payroll	0.00%	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 2016 were calculated based on the July 1, 2013 actuarial

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  
 Fiscal Years ending June 30, \*

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	<b>2015</b>	<b>2016</b>
Proportion of net pension asset	0.010312%	0.806559%
Proportionate share of the net pension asset	\$ (1,675)	\$ 330,394
Covered-employee payroll	\$ 404,757	\$ 30,193,596
Proportionate share of the net pension asset as a percentage of covered-employee payroll	-0.41%	1.09%
Plan fiduciary net position as a percentatage of the total pension liability	100.08%	99.81%

\* 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  
Fiscal Years ending June 30,

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	<b>2014</b>	<b>2015</b>	<b>2016</b>
Contractually required	\$ 35,942	\$ 2,729,499	\$ 3,183,922
Contributions in relation to the contractually required contribution	35,942	2,729,499	3,183,922
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 404,757	\$ 30,193,596	\$ 32,893,566
Contributions as a percentage of covered-employee payroll	8.88%	9.04%	9.68%

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 PROPORTIONATE SHARE OF NET PENSION ASSET -  
 TEACHER RETIREMENT PLAN OF TCRS  
 Fiscal Year ending June 30, \*

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	<b>2016</b>
Proportion of net pension asset	0.438730%
Proportionate share of the net pension asset	\$ (17,650)
Covered-employee payroll	\$ 911,572
Proportionate share of the net pension asset as a percentage of covered-employee payroll	-1.94%
Plan fiduciary net position as a percentatage of the total pension liability	127.46%

\* 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 RETIREMENT PLAN OF TCRS  
 Fiscal Years ending June 30,

	<u>2015</u>	<u>2016</u>
Contractually required	\$ 22,789	\$ 89,270
Contributions in relation to the contractually required contribution	<u>36,463</u>	<u>89,270</u>
Contribution deficiency (excess)	<u>\$ (13,674)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 911,572	\$ 2,084,318
Contributions as a percentage of covered-employee payroll	4.00%	4.28%

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 PARTICIPATION- LEGACY PUBLIC EMPLOYEE RETIREMENT  
PLAN OF TCRS  
Fiscal Year ending June 30,

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 729,290
Interest	54,690
Changes in benefit terms	-
Differences between actual and expected experience	(61,435)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(192)
<b>Net change in total pension liability (asset)</b>	<b>722,353</b>
<b>Total pension liability—beginning</b>	<b>-</b>
<b>Total pension liability—ending (a)</b>	<b>\$ 722,353</b>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ 473,757
Contributions—employee	255,533
Net investment income	11,095
Benefit payments, including refunds of employee contributions	(192)
Administrative expense	(9,499)
Other	878
<b>Net change in plan fiduciary net position</b>	<b>731,572</b>
<b>Plan fiduciary net position—beginning</b>	<b>-</b>
<b>Plan fiduciary net position—ending (b)</b>	<b>\$ 731,572</b>
 <b>Town's net pension liability—ending (a) – (b)</b>	<b>\$ (9,219)</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	101.28%
 <b>Covered-employee payroll</b>	\$ 5,110,652
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	0.18%

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  
LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS  
Fiscal Years ending June 30,

	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 473,869	\$ 511,834
Contributions in relation to the actuarially determined contribution	<u>473,869</u>	<u>511,834</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,110,652	\$ 5,156,631
Contributions as a percentage of covered-employee payroll	9.27%	9.93%

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 2016 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	0 years
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 PARTICIPATION- HYBRID EMPLOYEE RETIREMENT PLAN OF  
 TCRS  
 Fiscal Year ending June 30,

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 23,680
Interest	1,776
Changes in benefit terms	-
Differences between actual and expected experience	9,366
Change of assumptions	-
Benefit payments, including refunds of employee contributions	-
<b>Net change in total pension liability (asset)</b>	<b>34,822</b>
<b>Total pension liability—beginning</b>	<b>-</b>
<b>Total pension liability—ending (a)</b>	<b>\$ 34,822</b>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ -
Contributions—employee	23,680
Net investment income	294
Benefit payments, including refunds of employee contributions	-
Administrative expense	(367)
Other	(4,285)
<b>Net change in plan fiduciary net position</b>	<b>19,322</b>
<b>Plan fiduciary net position—beginning</b>	<b>-</b>
<b>Plan fiduciary net position—ending (b)</b>	<b>\$ 19,322</b>
 <b>Town's net pension liability—ending (a) – (b)</b>	<b>\$ 15,500</b>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	55.49%
 <b>Covered-employee payroll</b>	\$ 473,607
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	3.27%

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  
 HYBRID EMPLOYEE RETIREMENT PLAN OF TCRS  
 Fiscal Years ending June 30,

	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ -	\$ 39,768
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>39,768</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 473,607	\$ 928,520
Contributions as a percentage of covered-employee payroll	0.00%	4.28%

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 2016 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	N/A
Asset valuation method	Fair Market Value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation
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 CHANGES IN NET PENSION LIABILITY  
DEFINED BENEFIT PENSION PLAN - TOWN PLAN  
Fiscal Years ending June 30,

	<u>2016</u>	<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	\$ 2,023,584	\$ 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	4,409,484	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	913,743	168,352	(608,973)	586,940	(122,560)	(2,274,160)	1,060,581	(245,327)	n/a
Changes of assumptions	(1,844,342)	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,152,278)	(894,299)	(790,697)	(678,800)	(575,037)	(472,023)	(365,053)	(308,152)	(101,694)
<b>Net change in total pension liability</b>	<u>4,350,191</u>	<u>5,211,739</u>	<u>4,056,857</u>	<u>4,961,763</u>	<u>4,018,929</u>	<u>1,894,708</u>	<u>4,985,156</u>	<u>3,368,189</u>	n/a
<b>Total pension liability—beginning</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>	n/a
<b>Total pension liability—ending (a)</b>	<u>\$ 62,707,661</u>	<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	\$ 2,768,540	\$ 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	412,024	440,445	435,026	424,016	412,031	390,268	379,667	386,463	365,374
Net investment income	679,146	1,701,150	6,501,579	3,869,346	703,083	4,699,952	2,928,794	(3,186,713)	(664,692)
Benefit payments	(1,152,278)	(836,358)	(773,677)	(666,507)	(553,345)	(451,404)	(333,297)	(296,296)	(99,886)
Administrative expense	(21,451)	(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>	<u>2,685,981</u>	<u>4,182,540</u>	<u>8,891,803</u>	<u>6,408,150</u>	<u>3,110,339</u>	<u>7,198,961</u>	<u>5,587,252</u>	<u>(614,345)</u>	<u>1,962,260</u>
<b>Plan fiduciary net position—beginning</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>	<u>16,993,590</u>
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 56,406,531</u>	<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>\$ 6,301,130</u>	<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>	89.95%	92.05%	93.21%	82.80%	77.59%	77.61%	62.62%	55.20%	63.48%
<b>Covered-employee payroll</b>	\$ 21,830,123	\$ 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>	28.86%	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 - TOWN PLAN  
Fiscal Years ending June 30,

	<u>2016</u>	<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	\$ 2,277,360	\$ 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>2,768,540</u>	<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>\$ (491,180)</u>	<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	\$ 21,830,123	\$ 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	12.68%	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 froz Entry age with frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	22 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	RP- 2000 with a 2.0% load for expected mortality improvement
Mortality	T-3 The Actuary's Pension Handbook

TOWN OF COLLIERVILLE, TENNESSEE  
 SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN  
 DEFINED BENEFIT PENSION PLAN - TOWN PLAN  
 Fiscal Years ending June 30,

	<u>2016</u>	<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	1.35%	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, 2016

	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	#335		#336
<b>ASSETS</b>												
Cash and cash equivalents	\$ 413,087	\$ -	\$ -	\$ 44,329	\$ 596,158	\$ -	\$ 51,526	\$ -	\$ 1,854,804	\$ -	\$ -	\$ 2,959,904
Investments	-	-	-	-	-	-	-	-	-	133	9,916,258	9,916,391
Federal and state grants receivable	-	-	-	-	-	260,344	-	13,741	-	-	-	274,085
Due from other governments	227,869	-	-	-	-	-	-	-	496,209	-	-	724,078
Due from other funds	-	2,126,701	10,882	2,064	-	-	-	-	-	-	-	2,139,647
Inventories	-	7,725	-	-	-	-	23,286	-	-	-	-	31,011
Total assets	<u>\$ 640,956</u>	<u>\$ 2,134,426</u>	<u>\$ 10,882</u>	<u>\$ 46,393</u>	<u>\$ 596,158</u>	<u>\$ 260,344</u>	<u>\$ 74,812</u>	<u>\$ 13,741</u>	<u>\$ 2,351,013</u>	<u>\$ 133</u>	<u>\$ 9,916,258</u>	<u>\$ 16,045,116</u>
<b>LIABILITIES</b>												
Accounts payable and accrued liabilities	\$ 112,297	\$ 130,315	\$ -	\$ -	\$ 295	80,393	\$ 11,868	\$ 827	\$ 495,744	\$ 66	\$ 21,778	\$ 853,583
Due to other funds	19	-	-	-	627	179,951	-	5,415	-	-	611,105	797,117
Advances from other funds	-	840,000	-	-	-	-	-	-	-	-	-	840,000
Total liabilities	<u>112,316</u>	<u>970,315</u>	<u>-</u>	<u>-</u>	<u>922</u>	<u>260,344</u>	<u>11,868</u>	<u>6,242</u>	<u>495,744</u>	<u>66</u>	<u>632,883</u>	<u>2,490,700</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unearned revenue	-	-	-	-	-	-	39,658	-	-	-	-	39,658
Seizures escrow	-	-	-	-	15,065	-	-	-	-	-	-	15,065
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,065</u>	<u>-</u>	<u>39,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,723</u>
<b>FUND BALANCES</b>												
Nonspendable	-	7,725	-	-	-	-	23,286	-	-	-	-	31,011
Restricted	528,640	-	10,882	46,393	580,171	-	-	7,499	1,855,269	-	9,283,375	12,312,229
Committed	-	1,156,386	-	-	-	-	-	-	-	-	-	1,156,386
Assigned	-	-	-	-	-	-	-	-	-	67	-	67
Total fund balances	<u>528,640</u>	<u>1,164,111</u>	<u>10,882</u>	<u>46,393</u>	<u>580,171</u>	<u>-</u>	<u>23,286</u>	<u>7,499</u>	<u>1,855,269</u>	<u>67</u>	<u>9,283,375</u>	<u>13,499,693</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 640,956</u>	<u>\$ 2,134,426</u>	<u>\$ 10,882</u>	<u>\$ 46,393</u>	<u>\$ 596,158</u>	<u>\$ 260,344</u>	<u>\$ 74,812</u>	<u>\$ 13,741</u>	<u>\$ 2,351,013</u>	<u>\$ 133</u>	<u>\$ 9,916,258</u>	<u>\$ 16,045,116</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, 2016

	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	#335		#336
<b>Revenues</b>												
Other local taxes	\$ -	\$ -	\$ 10,882	\$ -	\$ -	\$ -	\$ -	\$ 34,212	\$ -	\$ -	\$ -	\$ 45,094
Federal revenues	-	-	-	-	-	2,804,486	638,099	3,515	-	-	-	3,446,100
State revenues	1,252,346	4,116	-	-	-	-	34,034	121,659	-	-	-	1,412,155
Public auction sales	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	4,174,199	-	-	-	-	1,069,688	-	-	-	-	5,243,887
Interest income	349	-	-	-	174	-	-	-	-	5,435	19,743	25,701
Contributions	-	-	-	-	-	-	-	-	2,142,905	-	-	2,142,905
Seizures and fines	-	-	-	28,561	112,618	-	-	-	-	-	-	141,179
Other	-	-	-	-	-	-	-	-	-	5,257	-	5,257
<b>Total revenues</b>	<u>1,252,695</u>	<u>4,178,315</u>	<u>10,882</u>	<u>28,561</u>	<u>112,792</u>	<u>2,804,486</u>	<u>1,741,821</u>	<u>159,386</u>	<u>2,142,905</u>	<u>10,692</u>	<u>19,743</u>	<u>12,462,278</u>
<b>Expenditures</b>												
Current:												
Roads and public works	1,246,019	-	-	-	-	-	-	-	-	-	-	1,246,019
Sanitation	-	2,848,570	-	-	-	-	-	-	-	-	-	2,848,570
Police	-	-	-	-	36,467	-	-	-	-	-	-	36,467
Education	-	-	-	-	-	2,440,503	1,746,748	129,387	-	-	-	4,316,638
Capital projects	-	391,158	-	-	45,959	315,520	9,366	22,500	8,157,704	138,677	631,826	9,712,710
Debt service:												
Principal retirement	-	44,693	-	-	-	-	-	-	-	-	-	44,693
Interest and fiscal charges	-	21,455	-	-	-	-	-	-	-	-	-	21,455
Bond issue costs	-	-	-	-	-	-	-	-	-	-	354,104	354,104
<b>Total expenditures</b>	<u>1,246,019</u>	<u>3,305,876</u>	<u>-</u>	<u>-</u>	<u>82,426</u>	<u>2,756,023</u>	<u>1,756,114</u>	<u>151,887</u>	<u>8,157,704</u>	<u>138,677</u>	<u>985,930</u>	<u>18,580,656</u>
Excess (deficiency) of revenue over (under) expenditures	<u>6,676</u>	<u>872,439</u>	<u>10,882</u>	<u>28,561</u>	<u>30,366</u>	<u>48,463</u>	<u>(14,293)</u>	<u>7,499</u>	<u>(6,014,799)</u>	<u>(127,985)</u>	<u>(966,187)</u>	<u>(6,118,378)</u>
<b>Other financing sources (uses)</b>												
Bond proceeds	-	-	-	-	-	-	-	-	-	-	11,111,663	11,111,663
Transfers in	-	-	-	-	11,014	-	8,276	-	8,164,085	7,553	157,667	8,348,595
Transfers out	-	-	-	-	-	(48,463)	-	-	(386,358)	(2,139,869)	(1,019,768)	(3,594,458)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,014</u>	<u>(48,463)</u>	<u>8,276</u>	<u>-</u>	<u>7,777,727</u>	<u>(2,132,316)</u>	<u>10,249,562</u>	<u>15,865,800</u>
<b>Net change in fund balances</b>	<u>6,676</u>	<u>872,439</u>	<u>10,882</u>	<u>28,561</u>	<u>41,380</u>	<u>-</u>	<u>(6,017)</u>	<u>7,499</u>	<u>1,762,928</u>	<u>(2,260,301)</u>	<u>9,283,375</u>	<u>9,747,422</u>
<b>Fund balances - beginning</b>	<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>2,260,368</u>	<u>-</u>	<u>3,752,271</u>
<b>Fund balances - ending</b>	<u>\$ 528,640</u>	<u>\$ 1,164,111</u>	<u>\$ 10,882</u>	<u>\$ 46,393</u>	<u>\$ 580,171</u>	<u>\$ -</u>	<u>\$ 23,286</u>	<u>\$ 7,499</u>	<u>\$ 1,855,269</u>	<u>\$ 67</u>	<u>\$ 9,283,375</u>	<u>\$ 13,499,693</u>

**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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
State 3 Cent, 1989, and Street Gas Tax	\$ 1,200,000	\$ 1,200,000	\$ 1,252,346	\$ 52,346
Interest income	500	500	349	(151)
Total revenues	<u>1,200,500</u>	<u>1,200,500</u>	<u>1,252,695</u>	<u>52,195</u>
Expenditures				
Postage	30	30	-	30
Contractual services	400	400	168	232
Traffic signal repair	46,000	46,000	39,172	6,828
Paving	1,000,000	980,000	934,949	45,051
Street repair	251,000	283,020	271,730	11,290
Total expenditures	<u>1,297,430</u>	<u>1,309,450</u>	<u>1,246,019</u>	<u>63,431</u>
Net change in fund balance	<u>\$ (96,930)</u>	<u>\$ (108,950)</u>	6,676	<u>\$ 115,626</u>
Fund balance - beginning			<u>521,964</u>	
Fund balance - ending			<u>\$ 528,640</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 4,075,813	\$ 4,075,813	\$ 4,098,217	\$ 22,404
Contributions	4,200	4,200	4,116	(84)
Miscellaneous refunds	-	-	56,250	56,250
Recycle revenue	-	-	19,732	19,732
Total revenue	<u>4,080,013</u>	<u>4,080,013</u>	<u>4,178,315</u>	<u>98,302</u>
<b>Expenditures</b>				
Personnel	1,735,221	1,735,221	1,628,252	106,969
Contractual	776,637	810,386	723,492	86,894
Supplies	544,860	511,011	468,480	42,531
Building materials	11,000	11,100	11,091	9
Fixed charges	2,500	2,500	1,500	1,000
Grants, contributions, and indemnities	16,500	16,500	15,755	745
	<u>3,086,718</u>	<u>3,086,718</u>	<u>2,848,570</u>	<u>238,148</u>
Capital outlay	<u>140,000</u>	<u>409,208</u>	<u>391,158</u>	<u>18,050</u>
<b>Debt service</b>				
Bond principal	44,693	44,693	44,693	-
Bond interest	22,455	22,455	21,455	1,000
Total debt service	<u>67,148</u>	<u>67,148</u>	<u>66,148</u>	<u>1,000</u>
Total expenditures	<u>3,293,866</u>	<u>3,563,074</u>	<u>3,305,876</u>	<u>257,198</u>
Excess of revenues over expenditures before transfers	<u>786,147</u>	<u>516,939</u>	<u>872,439</u>	<u>355,500</u>
<b>Other financing uses</b>				
Transfers out	(120,000)	(120,000)	-	120,000
Total other financing uses	<u>(120,000)</u>	<u>(120,000)</u>	<u>-</u>	<u>120,000</u>
Net change in fund balance	<u>\$ 666,147</u>	<u>\$ 396,939</u>	872,439	<u>\$ 475,500</u>
Fund balance - beginning			<u>291,672</u>	
Fund balance - ending			<u>\$ 1,164,111</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Historic preservation fee	\$ 10,000	\$ 10,000	\$ 10,882	\$ 882
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	10,882	<u>\$ 882</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ 10,882</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Fees	\$ -	\$ 18,000	\$ 28,561	\$ 10,561
Total revenues	<u>-</u>	<u>18,000</u>	<u>28,561</u>	<u>10,561</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 18,000</u>	28,561	<u>\$ 10,561</u>
Fund balance - beginning			<u>17,832</u>	
Fund balance - ending			<u>\$ 46,393</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Seizures	\$ 82,500	\$ 82,500	\$ 101,603	\$ 19,103
Fines	5,500	5,500	11,015	5,515
Interest income	-	-	174	174
Total revenues	<u>88,000</u>	<u>88,000</u>	<u>112,792</u>	<u>24,792</u>
Expenditures				
Contractual services	31,990	25,660	13,739	11,921
Supplies and materials	32,386	38,686	22,715	15,971
Bank charges	-	30	13	17
	<u>64,376</u>	<u>64,376</u>	<u>36,467</u>	<u>27,909</u>
Capital outlay	<u>2,850</u>	<u>51,200</u>	<u>45,959</u>	<u>5,241</u>
Total expenditures	<u>67,226</u>	<u>115,576</u>	<u>82,426</u>	<u>33,150</u>
Excess of revenues over expenditures before transfers	<u>20,774</u>	<u>(27,576)</u>	<u>30,366</u>	<u>57,942</u>
Other financing sources				
Transfers in	<u>5,500</u>	<u>5,500</u>	<u>11,014</u>	<u>5,514</u>
Net change in fund balance	<u>\$ 26,274</u>	<u>\$ (22,076)</u>	41,380	<u>\$ 63,456</u>
Fund balance - beginning			<u>538,791</u>	
Fund balance - ending			<u>\$ 580,171</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal revenue	\$ 591,000	\$ 701,144	\$ 638,099	\$ (63,045)
State revenue	6,000	36,000	34,034	(1,966)
Charges for services	1,132,000	1,116,000	1,069,688	(46,312)
Total revenue	<u>1,729,000</u>	<u>1,853,144</u>	<u>1,741,821</u>	<u>(111,323)</u>
<b>Expenditures</b>				
<b>Current</b>				
Personnel	1,001,312	1,152,276	1,108,877	43,399
Travel	6,000	6,000	5,109	891
Contractual	75,945	91,581	89,271	2,310
Supplies	663,000	810,882	784,478	26,404
In-service/staff development	4,000	4,000	1,343	2,657
Charges	24,400	20,600	3,114	17,486
Expense reimbursement	(245,657)	(245,657)	(245,444)	(213)
	<u>1,529,000</u>	<u>1,839,682</u>	<u>1,746,748</u>	<u>92,934</u>
<b>Capital</b>				
Capital expenditures	200,000	13,462	9,366	4,096
Total expenditures	<u>1,729,000</u>	<u>1,853,144</u>	<u>1,756,114</u>	<u>97,030</u>
Deficiency of revenues under expenditures before transfers	<u>-</u>	<u>-</u>	<u>(14,293)</u>	<u>(14,293)</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>8,276</u>	<u>8,276</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(6,017)</u>	<u>\$ (6,017)</u>
Fund balance - beginning			<u>29,303</u>	
Fund balance - ending			<u>\$ 23,286</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 2,939,024	\$ 2,950,155	\$ 2,804,486	\$ (145,669)
Total revenue	<u>2,939,024</u>	<u>2,950,155</u>	<u>2,804,486</u>	<u>(145,669)</u>
Expenditures				
Current				
Instruction - Title I-A				
Personnel	400,389	400,389	382,107	18,282
Supplies	141,366	-	-	-
Other	10,755	-	-	-
	<u>552,510</u>	<u>400,389</u>	<u>382,107</u>	<u>18,282</u>
IDEA-B Individuals with Disabilities Ed. Act				
Personnel	1,437,786	1,378,749	1,335,984	42,765
Contractual	16,966	16,957	16,957	-
Supplies	83,082	-	-	-
In-service/staff development	2,800	-	-	-
Other	30,686	-	-	-
	<u>1,571,320</u>	<u>1,395,706</u>	<u>1,352,941</u>	<u>42,765</u>
Support and training				
Personnel	366,570	353,062	349,812	3,250
Supplies	61,815	258,047	227,546	30,501
In-service/staff development	126,460	172,825	128,097	44,728
Other	10,358	-	-	-
	<u>565,203</u>	<u>783,934</u>	<u>705,455</u>	<u>78,479</u>
Preschool inventive				
Other	348	-	-	-
	<u>348</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital				
Capital expenditures	<u>249,643</u>	<u>318,873</u>	<u>315,520</u>	<u>3,353</u>
Total expenditures	<u>2,939,024</u>	<u>2,898,902</u>	<u>2,756,023</u>	<u>142,879</u>
Excess of revenues over expenditures before transfers	<u>-</u>	<u>51,253</u>	<u>48,463</u>	<u>(2,790)</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(51,253)</u>	<u>(48,463)</u>	<u>2,790</u>
Total other financing uses	<u>-</u>	<u>(51,253)</u>	<u>(48,463)</u>	<u>2,790</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State revenue	\$ -	\$ 134,177	\$ 125,174	\$ (9,003)
Other local revenue	-	34,214	34,212	(2)
Total revenue	-	168,391	159,386	(9,005)
<b>Expenditures</b>				
<b>Current</b>				
Coordinated school health				
Personnel	-	17,738	9,619	8,119
Contractual	-	35,450	34,834	616
Supplies	-	2,900	2,876	24
In-service/staff development	-	11,468	11,416	52
Travel	-	100	84	16
Other	-	700	692	8
	-	68,356	59,521	8,835
Support - safe schools grant				
Contractual	-	38,580	38,580	-
	-	38,580	38,580	-
Regular Instrucional Support				
Contractual	-	24,012	19,648	4,364
Supplies	-	11,377	10,240	1,137
In-service/staff development	-	3,097	1,098	1,999
Other	-	300	300	-
	-	38,786	31,286	7,500
<b>Capital</b>				
Capital expenditures	-	22,669	22,500	169
Total expenditures	-	168,391	151,887	16,504
Net change in fund balance	\$ -	\$ -	7,499	\$ 7,499
Fund balance - beginning			-	
Fund balance - ending			\$ 7,499	

**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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Contributions	\$ 332,124	\$ 3,521,309	\$ 2,142,905	\$ (1,378,404)
Total revenues	<u>332,124</u>	<u>3,521,309</u>	<u>2,142,905</u>	<u>(1,378,404)</u>
Expenditures				
Contractual	4,260,547	7,270,771	3,754,131	3,516,640
	<u>4,260,547</u>	<u>7,270,771</u>	<u>3,754,131</u>	<u>3,516,640</u>
Capital expenditures	4,235,662	4,414,623	4,403,573	11,050
Total expenditures	<u>8,496,209</u>	<u>11,685,394</u>	<u>8,157,704</u>	<u>3,527,690</u>
Deficiency of revenues under expenditures before transfers	<u>(8,164,085)</u>	<u>(8,164,085)</u>	<u>(6,014,799)</u>	<u>2,149,286</u>
Other financing sources				
Transfers in	8,164,085	8,164,085	8,164,085	-
Transfers out	-	-	(386,358)	(386,358)
Total other financing sources	<u>8,164,085</u>	<u>8,164,085</u>	<u>7,777,727</u>	<u>(386,358)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,762,928	<u>\$ 1,762,928</u>
Fund balance - beginning			<u>92,341</u>	
Fund balance - ending			<u>\$ 1,855,269</u>	

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, 2016

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 680,404	\$ 680,404	\$ -
State grants	-	18,562	18,562	-
Contributions	-	292,669	212,419	(80,250)
Total revenues	<u>-</u>	<u>991,635</u>	<u>911,385</u>	<u>(80,250)</u>
Expenditures				
Capital projects	5,353,500	9,773,620	7,360,589	2,413,031
Deficiency of revenues under expenditures before transfers	<u>(5,353,500)</u>	<u>(8,781,985)</u>	<u>(6,449,204)</u>	<u>2,332,781</u>
Other financing sources (uses)				
Transfers in	-	6,748,035	6,748,035	-
Transfers out	-	(553,799)	(553,799)	-
Total other financing sources	<u>-</u>	<u>6,194,236</u>	<u>6,194,236</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,353,500)</u>	<u>\$ (2,587,749)</u>	(254,968)	<u>\$ 2,332,781</u>
Fund balance - beginning			<u>329,859</u>	
Fund balance - ending			<u>\$ 74,891</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, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ 5,435	\$ 5,435	\$ -
Miscellaneous refunds	-	5,257	5,257	-
	-	10,692	10,692	
Expenditures				
Capital projects	-	138,677	138,677	-
Total expenditures	-	138,677	138,677	-
Deficiency of revenues under expenditures before transfers	-	(127,985)	(127,985)	-
Other financing uses				
Transfers in	-	7,553	7,553	-
Transfers out	-	(2,139,869)	(2,139,869)	-
Total other financing uses	-	(2,132,316)	(2,132,316)	-
Net change in fund balance	\$ -	\$ (2,260,301)	(2,260,301)	\$ -
Fund balance - beginning			2,260,368	
Fund balance - ending			\$ 67	

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECT #336

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ 19,743	\$ 19,743	\$ -
Expenditures				
Capital projects	-	5,716,035	631,826	5,084,209
Debt service				
Bond issue costs	-	354,103	354,104	(1)
Total expenditures	-	6,070,138	985,930	5,084,208
Deficiency of revenues under expenditures before transfers	-	(6,050,395)	(966,187)	5,084,208
Other financing uses				
Bond proceeds	-	11,111,663	11,111,663	-
Transfers in	-	157,667	157,667	-
Transfers out	-	(1,019,768)	(1,019,768)	-
Total other financing uses	-	10,249,562	10,249,562	-
Net change in fund balance	\$ -	\$ 4,199,167	9,283,375	\$ 5,084,208
Fund balance - beginning			-	
Fund balance - ending			\$ 9,283,375	

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECT #337

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ 169,181	169,181	\$ -
Expenditures				
Capital projects	-	-	-	-
Excess revenues over expenditures before transfers	-	169,181	169,181	-
Other financing uses				
Bond proceeds	-	93,485,000	93,485,000	-
Transfers out	-	(8,164,085)	(8,164,085)	-
Total other financing uses	-	85,320,915	85,320,915	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 85,490,096</u>	85,490,096	<u>\$ -</u>
Fund balance at beginning of the year			-	
Fund balance at end of the year			<u>\$ 85,490,096</u>	

## **SUPPORTING INFORMATION**



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

June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<b>ASSETS</b>				
Cash	\$ 1,020,027	\$ 3,051,735	\$ (2,902,140)	\$ 1,169,622
Inventories	16,668	-	(4,225)	12,443
Total assets	<u>\$ 1,036,695</u>	<u>\$ 3,051,735</u>	<u>\$ (2,906,365)</u>	<u>\$ 1,182,065</u>
<b>LIABILITIES</b>				
Due to schools general fund	\$ 644,656	\$ 910,422	\$ (912,186)	\$ 642,892
Due to student groups	392,039	2,141,313	(1,994,179)	539,173
Total liabilities	<u>\$ 1,036,695</u>	<u>\$ 3,051,735</u>	<u>\$ (2,906,365)</u>	<u>\$ 1,182,065</u>

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

June 30, 2016

	Land	Construction in Progress	Buildings and Improvements	Other Improvements	Library Materials	Equipment	Infrastructure	Total
Mayor and Board	\$ -	\$ -	\$ -	\$ 3,988	\$ -	\$ 138,498	\$ -	\$ 142,486
General Government:								
Finance	-	562,699	-	-	-	184,583	-	747,282
Information technology	-	-	2,657	-	-	1,275,214	-	1,277,871
Executive	1,782,850	-	5,797,880	407,911	-	469,933	-	8,458,574
Town administrator	2,394,355	9,276	7,679,640	434,474	-	106,627	599,456	11,223,828
Development administration	-	-	-	-	-	22,893	-	22,893
Development engineering	859,269	-	-	-	-	266,075	-	1,125,344
Development planning	-	-	-	-	-	103,912	-	103,912
General government	1,755,439	-	213,877	34,396	-	-	-	2,003,712
Library	305,068	-	4,116,562	128,452	2,615,960	647,525	-	7,813,567
Human resources	-	-	-	-	-	17,053	-	17,053
General services	-	514,800	118,546	-	-	527,653	-	1,160,999
	<u>7,096,981</u>	<u>1,086,775</u>	<u>17,929,162</u>	<u>1,005,233</u>	<u>2,615,960</u>	<u>3,621,468</u>	<u>599,456</u>	<u>33,955,035</u>
Public Safety:								
Animal control	8,099	104,894	485,218	37,013	-	124,326	-	759,550
Police	206,588	3,982,247	8,458,127	1,282,447	-	4,858,041	-	18,787,450
Fire	599,784	1,274,572	4,465,865	139,231	-	5,154,325	-	11,633,777
Code enforcement	-	-	-	-	-	308,773	-	308,773
City court	-	-	203,291	-	-	138,880	-	342,171
	<u>814,471</u>	<u>5,361,713</u>	<u>13,612,501</u>	<u>1,458,691</u>	<u>-</u>	<u>10,584,345</u>	<u>-</u>	<u>31,831,721</u>
Roads and Public Works:								
Public services administration	441,607	-	2,405,063	252,262	-	127,501	-	3,226,433
Fleet services	-	-	-	30,256	-	583,916	-	614,172
Streets and drainage	4,956,519	3,760,903	-	1,258,819	-	2,662,859	153,726,504	166,365,604
	<u>5,398,126</u>	<u>3,760,903</u>	<u>2,405,063</u>	<u>1,541,337</u>	<u>-</u>	<u>3,374,276</u>	<u>153,726,504</u>	<u>170,206,209</u>
Education	<u>8,413,365</u>	<u>4,309,960</u>	<u>69,498,686</u>	<u>-</u>	<u>-</u>	<u>2,437,288</u>	<u>-</u>	<u>84,659,299</u>
Sanitation	<u>53,650</u>	<u>-</u>	<u>552,756</u>	<u>27,087</u>	<u>-</u>	<u>4,890,556</u>	<u>-</u>	<u>5,524,049</u>
Culture and Recreation	<u>8,630,075</u>	<u>3,804,896</u>	<u>8,315,280</u>	<u>14,017,973</u>	<u>-</u>	<u>2,621,510</u>	<u>36,993</u>	<u>37,426,727</u>
Development of historic town square	<u>63,600</u>	<u>-</u>	<u>154,637</u>	<u>1,501,161</u>	<u>-</u>	<u>32,318</u>	<u>-</u>	<u>1,751,716</u>
Total capital assets	<u>\$ 30,470,268</u>	<u>\$ 18,324,247</u>	<u>\$ 112,468,085</u>	<u>\$ 19,555,470</u>	<u>\$ 2,615,960</u>	<u>\$ 27,700,259</u>	<u>\$ 154,362,953</u>	<u>\$ 365,497,242</u>

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

For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Mayor and Board	\$ 163,635	\$ 2,400	\$ (1,064)	\$ (22,485)	\$ 142,486
General Government:					
Finance	198,003	560,752	(2,964)	(8,509)	747,282
Information technology	1,155,312	145,796	(24,877)	1,640	1,277,871
Executive	8,532,604	-	(74,030)	-	8,458,574
Town administrator	11,214,088	10,633	(893)	-	11,223,828
Development administration	24,454	-	(1,561)	-	22,893
Development engineering	1,108,716	23,768	(1,457)	(5,683)	1,125,344
Development planning	109,404	-	(5,492)	-	103,912
General government	2,003,712	-	-	-	2,003,712
Library	7,846,664	273,974	(307,071)	-	7,813,567
Human resources	17,053	-	-	-	17,053
General services	939,552	222,316	(869)	-	1,160,999
	<u>33,149,562</u>	<u>1,237,239</u>	<u>(419,214)</u>	<u>(12,552)</u>	<u>33,955,035</u>
Public Safety:					
Animal control	635,653	124,555	(658)	-	759,550
Police	18,482,986	574,481	(319,648)	49,631	18,787,450
Fire	10,396,025	1,322,481	(35,098)	(49,631)	11,633,777
Code enforcement	230,564	79,707	(1,498)	-	308,773
City court	336,161	-	(2,499)	8,509	342,171
	<u>30,081,389</u>	<u>2,101,224</u>	<u>(359,401)</u>	<u>8,509</u>	<u>31,831,721</u>
Roads and Public Works:					
Public services administration	3,231,882	-	(5,449)	-	3,226,433
Fleet services	561,501	30,186	-	22,485	614,172
Streets and drainage	159,482,756	6,963,133	(87,234)	6,949	166,365,604
	<u>163,276,139</u>	<u>6,993,319</u>	<u>(92,683)</u>	<u>29,434</u>	<u>170,206,209</u>
Education	<u>76,324,965</u>	<u>8,352,049</u>	<u>(17,715)</u>	<u>-</u>	<u>84,659,299</u>
Sanitation	<u>5,299,841</u>	<u>391,158</u>	<u>(166,950)</u>	<u>-</u>	<u>5,524,049</u>
Culture and Recreation	<u>35,763,392</u>	<u>1,686,644</u>	<u>(20,403)</u>	<u>(2,906)</u>	<u>37,426,727</u>
Development of historic town square	<u>1,751,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,751,716</u>
Total capital assets	<u>\$ 345,810,639</u>	<u>\$ 20,764,033</u>	<u>\$ (1,077,430)</u>	<u>\$ -</u>	<u>\$ 365,497,242</u>

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

For the Year Ended June 30, 2016

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2016	1.78	\$ 1,505,569,330
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

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE July 1, 2015</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE June 30, 2016</u>
2016		\$ 26,799,134			\$ 26,799,134
2015	26,191,981	-	8,371	25,845,903	337,707
2014	245,453		(14,340)	147,921	111,872
2013	137,259		8,033	68,121	61,105
2012	70,942		1,252	41,914	27,776
2011	45,800		3,105	19,466	23,229
2010	20,350		3,447	549	16,354
2009	17,736		4,880	34	12,822
2008	17,330		5,937	(5,454)	16,847
2007 & PRIOR	66,317		45,108	(9,004)	30,213
	<u>26,813,168</u>	<u>26,799,134</u>	<u>65,793</u>	<u>26,109,450</u>	<u>27,437,059</u>
Allowance for uncollectible property taxes	<u>(338,348)</u>				<u>(257,752)</u>
Net receivables	<u>\$ 26,474,820</u>				<u>\$ 27,179,307</u>

Uncollected taxes for years prior to 2004 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 2016 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, 2016

	Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Bonds		General Improvement Refunding Bonds		Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Tax and Revenue Refunding Bonds		Total		
Date Issued	11/01/05		06/01/06		9/1/10		11/1/12		10/13/15				
Interest Rate %	3.50% - 4.125%		4.00% - 4.375%		2.00% - 3.00%		1.50% - 4.00%		4.00% - 5.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2017	\$ 290,000	\$ 5,800	\$ 1,260,000	\$ 50,400	\$ 1,902	\$ 38	\$ 690,000	\$ 438,600	\$ -	\$ 251,750	\$ 2,241,902	\$ 746,588	\$ 2,988,490
2018	-	-	-	-	-	-	695,000	428,213	1,350,000	251,750	2,045,000	679,963	2,724,963
2019	-	-	-	-	-	-	2,115,000	391,275	300,000	197,750	2,415,000	589,025	3,004,025
2020	-	-	-	-	-	-	2,205,000	315,450	320,000	182,750	2,525,000	498,200	3,023,200
2021	-	-	-	-	-	-	2,310,000	225,150	-	166,750	2,310,000	391,900	2,701,900
2022	-	-	-	-	-	-	2,480,000	129,350	-	166,750	2,480,000	296,100	2,776,100
2023	-	-	-	-	-	-	1,565,000	64,100	-	166,750	1,565,000	230,850	1,795,850
2024	-	-	-	-	-	-	1,615,000	24,225	-	166,750	1,615,000	190,975	1,805,975
2025	-	-	-	-	-	-	-	-	1,620,000	166,750	1,620,000	166,750	1,786,750
2026	-	-	-	-	-	-	-	-	1,715,000	85,750	1,715,000	85,750	1,800,750
	<u>\$ 290,000</u>	<u>\$ 5,800</u>	<u>\$ 1,260,000</u>	<u>\$ 50,400</u>	<u>\$ 1,902</u>	<u>\$ 38</u>	<u>\$ 13,675,000</u>	<u>\$ 2,016,363</u>	<u>\$ 5,305,000</u>	<u>\$ 1,803,500</u>	<u>\$ 20,531,902</u>	<u>\$ 3,876,101</u>	<u>\$ 24,408,003</u>

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

June 30, 2016

	General Improvement Refunding Bonds		General Improvement Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Date Issued	11/1/05		11/25/08		9/1/10		10/25/11		11/1/12		8/22/13	
Interest Rate %	3.50% - 4.125%		3.50% - 5.00%		2.00% - 3.00%		2.00% - 2.50%		1.50% - 2.00%		2.00% - 4.00%	
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 535,000	\$ 10,700	\$ 550,000	\$ 120,263	\$ 483,098	\$ 9,662	\$ 440,000	\$ 68,438	\$ 475,000	\$ 92,050	\$ 315,000	\$ 202,725
2018	-	-	575,000	97,763	-	-	510,000	59,638	485,000	82,450	325,000	196,325
2019	-	-	600,000	71,263	-	-	520,000	49,438	490,000	73,925	335,000	188,050
2020	-	-	625,000	42,981	-	-	535,000	39,038	500,000	66,500	340,000	177,925
2021	-	-	660,000	14,850	-	-	520,000	27,000	510,000	58,925	355,000	165,725
2022	-	-	-	-	-	-	560,000	14,000	520,000	49,900	365,000	154,975
2023	-	-	-	-	-	-	-	-	535,000	39,350	370,000	146,700
2024	-	-	-	-	-	-	-	-	555,000	28,450	380,000	137,325
2025	-	-	-	-	-	-	-	-	565,000	17,250	390,000	127,456
2026	-	-	-	-	-	-	-	-	580,000	5,800	405,000	116,263
2027	-	-	-	-	-	-	-	-	-	-	415,000	103,963
2028	-	-	-	-	-	-	-	-	-	-	425,000	91,363
2029	-	-	-	-	-	-	-	-	-	-	440,000	78,113
2030	-	-	-	-	-	-	-	-	-	-	455,000	63,275
2031	-	-	-	-	-	-	-	-	-	-	475,000	46,406
2032	-	-	-	-	-	-	-	-	-	-	490,000	28,313
2033	-	-	-	-	-	-	-	-	-	-	510,000	9,563
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-
	\$535,000	\$10,700	\$3,010,000	347,120	\$483,098	\$9,662	\$3,085,000	257,552	\$5,215,000	\$514,600	\$6,790,000	\$2,034,465

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

June 30, 2016

	Capital Lease		General Improvement Bonds, Series A		General Improvement Bonds, Series B		General Improvement Refunding Bonds, Series C		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
Date Issued	6/24/14		10/13/15		10/13/15		10/13/15				
Interest Rate %	2.20%		4.00% - 5.00%		2.00% - 4.00%		2.00% - 4.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2017	\$ 234,866	\$ 5,195	\$ 805,000	\$ 4,618,467	\$ 190,000	\$ 173,038	\$ -	\$ 264,100	\$ 4,027,964	\$ 5,564,638	\$ 9,592,602
2018	-	-	1,660,000	3,763,800	195,000	167,338	405,000	260,050	4,155,000	4,627,364	8,782,364
2019	-	-	1,740,000	3,680,800	200,000	161,488	415,000	251,850	4,300,000	4,476,814	8,776,814
2020	-	-	1,830,000	3,593,800	205,000	155,488	430,000	243,400	4,465,000	4,319,132	8,784,132
2021	-	-	1,920,000	3,502,300	215,000	149,338	50,000	238,350	4,230,000	4,156,488	8,386,488
2022	-	-	2,015,000	3,406,300	220,000	142,888	735,000	226,575	4,415,000	3,994,638	8,409,638
2023	-	-	2,115,000	3,305,550	225,000	136,288	760,000	204,150	4,005,000	3,832,038	7,837,038
2024	-	-	2,220,000	3,199,800	235,000	127,288	790,000	180,900	4,180,000	3,673,763	7,853,763
2025	-	-	2,335,000	3,088,800	245,000	117,888	815,000	156,825	4,350,000	3,508,219	7,858,219
2026	-	-	2,450,000	2,972,050	255,000	108,088	845,000	127,700	4,535,000	3,329,901	7,864,901
2027	-	-	2,570,000	2,849,550	265,000	97,888	885,000	93,100	4,135,000	3,144,501	7,279,501
2028	-	-	2,700,000	2,721,050	275,000	87,288	925,000	56,900	4,325,000	2,956,601	7,281,601
2029	-	-	2,790,000	2,633,300	285,000	76,288	960,000	19,200	4,475,000	2,806,901	7,281,901
2030	-	-	2,880,000	2,542,625	300,000	64,888	-	-	3,635,000	2,670,788	6,305,788
2031	-	-	2,970,000	2,449,025	310,000	52,888	-	-	3,755,000	2,548,319	6,303,319
2032	-	-	3,075,000	2,345,075	320,000	43,588	-	-	3,885,000	2,416,976	6,301,976
2033	-	-	3,185,000	2,237,450	330,000	33,588	-	-	4,025,000	2,280,601	6,305,601
2034	-	-	3,295,000	2,125,975	340,000	22,863	-	-	3,635,000	2,148,838	5,783,838
2035	-	-	3,410,000	2,010,650	350,000	11,813	-	-	3,760,000	2,022,463	5,782,463
2036	-	-	3,540,000	1,882,775	-	-	-	-	3,540,000	1,882,775	5,422,775
2037	-	-	3,670,000	1,750,025	-	-	-	-	3,670,000	1,750,025	5,420,025
2038	-	-	3,810,000	1,612,400	-	-	-	-	3,810,000	1,612,400	5,422,400
2039	-	-	3,960,000	1,460,000	-	-	-	-	3,960,000	1,460,000	5,420,000
2040	-	-	4,120,000	1,301,600	-	-	-	-	4,120,000	1,301,600	5,421,600
2041	-	-	4,285,000	1,136,800	-	-	-	-	4,285,000	1,136,800	5,421,800
2042	-	-	4,455,000	965,400	-	-	-	-	4,455,000	965,400	5,420,400
2043	-	-	4,635,000	787,200	-	-	-	-	4,635,000	787,200	5,422,200
2044	-	-	4,820,000	601,800	-	-	-	-	4,820,000	601,800	5,421,800
2045	-	-	5,010,000	409,000	-	-	-	-	5,010,000	409,000	5,419,000
2046	-	-	5,215,000	208,600	-	-	-	-	5,215,000	208,600	5,423,600
	\$234,866	\$5,195	\$93,485,000	\$69,161,967	\$4,960,000	1,930,222	\$8,015,000	\$2,323,100	\$125,812,964	76,594,583	202,407,547

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF INVESTMENTS

June 30, 2016

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**Governmental Funds**

General Fund	
Local government investment pool	\$ 34,499,436
Capital Projects Fund	
Local government investment pool	<u>95,819,003</u>
	<u>\$ 130,318,439</u>

**Proprietary Fund**

Water and Sewer Fund	
Local government investment pool	<u>\$ 29,562,604</u>

**Fiduciary Funds**

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 2,448,794
U.S. government agency bonds	529,401
Corporate and foreign bonds	4,342,274
Municipal obligations	1,660,030
Common stocks	5,934,248
Equity mutual funds	27,524,659
Fixed income mutual funds	<u>12,809,988</u>
	<u>\$ 55,249,394</u>
Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 208,479
Common stocks	1,045,087
Equity mutual funds	5,811,223
Fixed income mutual funds	<u>3,593,641</u>
	<u>\$ 10,658,430</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.*

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These schedules contain trend information to help the reader understand how the Town's financial perform and well-being have changed over time.

### **Revenue Capacity (Schedules 6, 7, 8, 9, 10, 11) 153**

These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales tax.

### **Debt Capacity (Schedules 12, 13, 14, 15) 159**

These schedule 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.

### **Demographic and Economic Information (Schedules 16, 17) 163**

These schedule 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.

### **Operating Information (Schedules 18, 19, 20, 21, 22, 23, 24) 165**

These schedule 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.

*Sources: Unless otherwise notes, 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>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>	<u>2016</u>
Governmental Activities										
Net investment in capital assets <sup>a</sup>	\$ 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	\$ 223,882,653
Restricted	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	20,903,560
Unrestricted	<u>39,101,813</u>	<u>31,946,261</u>	<u>24,821,960</u>	<u>23,078,426</u>	<u>18,304,577</u>	<u>19,902,580</u>	<u>29,618,473</u>	<u>25,818,422</u>	<u>28,543,675</u>	<u>43,333,057</u>
Total government activities net position	<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>	<u>\$ 288,119,270</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 70,589,472
Restricted	-	-	2,857,366	2,639,558	2,170,938	2,014,175	2,905,168	4,017,819	4,967,688	7,050,578
Unrestricted	<u>19,963,143</u>	<u>20,067,949</u>	<u>20,598,131</u>	<u>21,086,683</u>	<u>22,759,955</u>	<u>24,072,503</u>	<u>26,698,776</u>	<u>26,334,310</u>	<u>25,206,047</u>	<u>25,229,309</u>
Total business-type activities net position	<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>	<u>\$ 102,869,359</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 294,472,125
Restricted	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	27,954,138
Unrestricted	<u>59,064,956</u>	<u>52,014,210</u>	<u>45,420,091</u>	<u>44,165,109</u>	<u>41,064,532</u>	<u>43,975,083</u>	<u>56,317,249</u>	<u>52,152,732</u>	<u>53,749,722</u>	<u>68,562,366</u>
Total primary government net position	<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>	<u>\$ 390,988,629</u>

<sup>a</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.

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

	<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>	<u>2016</u>
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 181,343	\$ 179,470	\$ 192,200	\$ 138,580	\$ 149,268	\$ 261,181	\$ 196,902	\$ 282,947	\$ 154,751	\$ 149,781
General government	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	9,468,928
Education <sup>b</sup>	-	-	-	-	-	-	-	1,492,580	59,010,427	65,689,122
Roads and public works	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	9,050,543
Public Safety	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	21,309,356
Sanitation	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	3,062,821
Drug fund	44,155	26,845	22,285	20,721	41,757	27,673	17,798	29,003	24,230	36,467
Culture and recreation	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	5,380,376
Interest and fiscal charges	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	3,590,322
Total government activities expenses	<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>	<u>117,737,716</u>
Business-type activities:										
Water and sewer	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	10,787,768
Total business-type activities expenses	<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>	<u>10,787,768</u>
Total primary government expenses	<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>	<u>\$ 128,525,484</u>
<b>Program Revenues</b> (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 524,079	\$ 480,888	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958	\$ 312,452	\$ 332,750	\$ 392,418
Education <sup>b</sup>	-	-	-	-	-	-	-	397,168	1,082,403	1,213,396
Roads and public works	566,298	1,264,991	627,109	491,002	1,101,149	503,235	653,073	695,312	633,779	970,723
Public safety	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	2,586,339
Sanitation	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	4,174,199
Culture and recreation	293,648	324,183	507,646	515,021	545,418	533,441	473,788	483,247	506,855	393,000
Operating grants and contributions <sup>b</sup>	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	39,933,660
Capital grants and contributions	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	7,118,129
Total governmental activities program revenues	<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>	<u>56,781,864</u>
Business-type activities:										
Charges for services	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	14,131,835
Operating grants and contributions	-	-	-	18,767	-	-	-	-	-	-
Capital grants and contributions	2,312,450	1,555,946	1,796,272	1,026,656	1,669,411	274,665	3,500	350,862	345,748	1,321,865
Total business-type activities program revenues	<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>	<u>15,453,700</u>
Total primary government program revenues	<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>	<u>\$ 72,235,564</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (60,955,852)
Business-type activities	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	4,665,932
Total primary government net expense	<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>	<u>\$ (56,289,920)</u>

(Continued)

Schedule 2 - Continued

	<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>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 48,515,768
Other local taxes	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	28,341,227
Intergovernmental revenues:										
State sales tax	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	3,902,538
State income and other taxes	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	2,146,546
Other state revenue	-	112,674	115,699	103,113	102,478	99,185	103,508	103,704	201,434	144,288
Investment earnings	1,305,477	1,190,266	514,218	115,891	53,902	33,280	36,221	35,908	50,376	294,145
Miscellaneous	672,714	181,730	191,278	326,715	34,321	809,480	452,029	363,688	573,303	721,122
Payment to fiduciary trust	-	-	(875,759)	-	-	-	-	-	-	-
Transfers	491,596	567,117	762,562	651,672	557,773	764,569	753,632	790,493	789,805	902,215
Special item - litigation settlement	-	-	-	-	-	-	-	(5,324,494)	-	-
Special item - transfer of operations <sup>a</sup>	-	-	-	-	-	-	-	52,215,436	-	-
Total government activities	<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>	<u>84,967,849</u>
Business-type activities:										
Investment earnings	2,243,989	1,490,542	596,892	338,739	304,158	273,796	281,831	249,936	256,773	290,345
Miscellaneous	48,926	63,361	86,122	139,068	126,379	129,035	141,510	157,928	156,242	130,331
Transfers	(491,596)	(567,117)	(762,562)	(651,672)	(557,773)	(764,569)	(753,632)	(790,493)	(789,805)	(902,215)
Total business-type activities	<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>	<u>(481,539)</u>
Total primary government	<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>	<u>\$ 84,486,310</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 24,011,997
Business-type activities	<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>	<u>4,184,393</u>
Total primary government	<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>	<u>\$ 28,196,390</u>

<sup>a</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>b</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>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>	<u>2016</u>
Governmental Activities:										
General government	\$ 594,982	\$ 510,481	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866	\$ 495,251	\$ 664,865	\$ 426,700
Education <sup>b</sup>	-	-	-	-	-	-	-	397,168	37,342,062	41,633,016
Roads and public works	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	6,329,419
Public safety	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	3,190,248
Sanitation	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	4,174,199
Culture and recreation <sup>a</sup>	1,084,610	355,437	616,262	1,099,425	698,905	556,884	499,588	632,107	748,151	1,028,282
Subtotal governmental activities	<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>	<u>56,781,864</u>
Business-type activities:										
Water and Sewer	<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>	<u>15,453,700</u>
Subtotal business-type activities	<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>	<u>15,453,700</u>
Total primary government	<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>	<u>\$ 72,235,564</u>

<sup>a</sup> The increase in revenue in 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>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>	<u>2016<sup>b</sup></u>
General Fund										
Reserved	\$ 228,758	\$ 476,853	\$ 475,191	\$ 572,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	23,547,928	25,662,542	22,753,263	21,547,026	-	-	-	-	-	-
Nonspendable	-	-	-	-	154,091	153,045	161,315	172,028	180,804	3,035,409
Restricted	-	-	-	-	1,369,227	1,677,931	1,885,530	1,508,576	1,621,489	1,323,733
Committed	-	-	-	-	1,188,831	1,004,206	1,566,727	1,565,296	1,887,716	2,337,876
Assigned	-	-	-	-	6,877,687	6,019,516	10,295,248	15,822,524	13,198,818	16,060,399
Unassigned	-	-	-	-	12,791,481	15,181,846	17,052,954	17,717,284	18,950,295	24,651,958
Total general fund	<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>	<u>\$ 47,409,375</u>
All Other Governmental Funds										
Reserved	\$ 814,912	\$ 1,366,394	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	655,355	325,828	226,536	247,508	-	-	-	-	-	-
Capital projects funds	7,418,832	9,635,292	17,651,735	11,217,468	-	-	-	-	-	-
Nonspendable	-	-	-	-	15,331	17,983	12,060	89,687	51,527	31,011
Restricted	-	-	-	-	6,077,870	4,343,644	3,069,023	6,696,509	14,100,059	114,353,298
Committed	-	-	-	-	489,119	727,569	660,732	-	-	1,156,386
Assigned	-	-	-	-	726,774	593,048	513,210	10,620	-	74,958
Unassigned	-	-	-	-	-	-	-	(513,960)	-	-
Total all other governmental funds	<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>	<u>\$ 115,615,653</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.

<sup>b</sup> In fiscal year 2016, the Town issued \$93,485,000 of bonds at \$6,104,228 premium for the construction of a new high school.

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

	<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>	<u>2016</u>
<b>Revenues</b>										
Property taxes	\$ 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	\$ 48,462,096
Other local taxes	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	28,316,990
Federal revenues	467,144	303,726	129,082	377,170	1,157,242	959,130	507,931	104,916	2,601,414	4,182,022
State revenues	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	42,294,895
Licenses and permits	2,166,469	1,719,735	783,060	616,926	488,437	673,993	1,343,894	1,142,811	1,105,769	1,214,114
Charges for services	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	6,867,807
Court fees	838,253	724,866	812,974	863,247	795,641	934,985	1,117,353	1,158,302	1,199,196	1,115,573
Fines and forfeitures	320,054	253,872	285,880	281,921	293,699	293,723	489,108	456,230	606,651	532,581
Interest income	1,305,470	1,173,193	514,218	115,891	53,902	33,280	36,221	35,908	50,376	294,145
Contributions	152,034	164,195	289,028	167,668	212,163	1,207,091	1,588,212	1,845,267	1,787,520	3,945,575
Other revenues	731,006	244,577	247,188	367,057	269,505	353,303	171,627	204,750	674,160	800,798
Total revenues	<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>	<u>138,026,596</u>
<b>Expenditures</b>										
Legislative	183,567	195,028	196,908	135,668	143,270	252,047	188,876	273,865	145,555	140,545
General government	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	7,712,477
Roads and public works	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	6,754,664
Public safety	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	20,096,618
Sanitation	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	2,848,570
Culture and recreation	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	4,449,423
Drug fund	44,155	26,845	22,285	20,721	41,757	27,673	17,798	29,003	24,230	36,467
Education	-	-	-	-	-	-	-	1,363,515	59,826,715	63,743,735
Other	472,953	472,266	392,042	184,994	153,125	138,153	353,738	78,572	167,378	140,528
Capital projects <sup>a</sup>	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	20,163,778
Debt service										
Principal	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	3,317,054
Interest and fiscal charges	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	818,771
Bond Issue costs	-	(14,691)	30,538	-	91,333	103,153	56,018	92,448	-	687,543
Total expenditures	<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>	<u>130,910,173</u>

(Continued)



Schedule 5 - Continued

	<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>	<u>2016</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 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	\$ 7,116,423
<b>Other Financing Sources</b>										
<b>(Uses)</b>										
Capital lease	1,600,000	2,980,000	13,289,500	-	-	-	-	-	700,000	-
Refunding bonds issued	-	-	-	-	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	-	-	-	-	(5,284,191)	(4,900,000)	(5,343,793)	-	-	(8,690,181)
Issuance proceeds <sup>d</sup>	255,627	-	33,185	-	-	-	-	7,700,000	-	113,705,863
Premium	-	-	-	-	-	-	-	154,836	-	-
Transfers in	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	16,988,020
Transfers out	(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)	(16,085,805)
Total other financing sources (uses)	<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>	<u>105,917,897</u>
Net change in fund balances	<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>	<u>\$ 113,034,320</u>
Debt service as a percentage of noncapital expenditures <sup>b</sup>	10.5%	9.9%	15.3%	10.6%	9.9%	9.5%	8.8%	9.0%	4.0%	3.7%

<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.

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.

<sup>d</sup> In fiscal year 2016 the Town had three General Obligation Bond issuances. The most significant was for \$93,485,000 at a premium of \$6,104,228 for the construction of a new high school.

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>
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
2016	26,902,128	448,705	15,129,725	858,631	2,067,574	1,124,698	580,860	10,882	-	47,123,203
Change 2007-2016	66.9%	17.0%	84.7%	33.0%	58.8%	55.7%	190.9%	-89.9%	-100.0%	70.2%

<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>
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
2016	10,370	1,034,551	329,925	40,907	4,799	50,908	1,471,460	1.78	5,324,668	27.635

**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	
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	
2016	1.78	-	1.78	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

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
AT&T Mobility, LLC	\$ 28,893,869	1	1.91%	\$ 11,502,026	3	0.92%
G&I VII (Carriage Crossing)	22,072,080	2	1.46	41,145,185	1	3.29
Carrier Corporation	18,478,940	3	1.22	20,750,450	2	1.66
Legacy Farm, LLC	13,244,470	4	0.88	10,037,870	4	0.80
Spyglass Collierville, LLC	11,200,000	5	0.74	-	-	-
Dogwood Creek Associates	9,210,020	6	0.61	6,859,430	8	0.55
Cole MT (Gallina Centro)	8,637,640	8	0.57	6,623,240	9	0.53
Bailey Creek Associates	8,613,980	7	0.57	-	-	-
Baptist Memorial Hospital	8,356,960	9	0.55	7,566,080	7	0.61
Westbrook Crossing Group	7,782,160	10	0.52	-	-	-
Delta Beverage Group				8,826,840	5	0.71
G&I IV Madison				8,505,200	6	0.68
Wingo Properties				6,497,995	10	0.52
Total	<u>\$ 136,490,119</u>		9.0%	<u>\$ 128,314,316</u>		10.3%

**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
2007	\$ 15,736,050	\$ (30,638)	\$ 15,705,412	\$ 15,304,741	97.45%	\$ 373,893	\$ 15,678,634	99.83%
2008	16,268,491	36,902	16,305,393	15,837,483	97.13	445,888	16,283,370	99.86
2009	16,901,393	(162,348)	16,739,045	16,284,182	97.28	435,562	16,719,744	99.88
2010	17,413,217	(458,987)	16,954,230	16,460,339	97.09	461,218	16,921,557	99.81
2011	17,282,758	(268,077)	17,014,681	16,579,268	97.44	417,576	16,996,844	99.90
2012	20,816,706	(289,394)	20,527,312	20,081,479	97.83	401,514	20,482,993	99.78
2013	21,458,562	(199,473)	21,259,089	20,820,857	97.94	388,934	21,209,791	99.77
2014	22,137,343	(231,778)	21,905,565	21,576,099	98.50	252,987	21,829,087	99.65
2015	22,223,670	2,599	22,226,270	21,957,997	98.79	147,921	22,105,918	99.46
2016	26,191,981	8,798	26,200,778	25,845,903	98.65	-	25,845,903	98.65

**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>
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
2016	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>a</sup>
	General Obligation	Notes Payable	Bond Anticipation Notes	Settlement Obligation	Capital Lease	Water & Sewer Revenue & Tax Bonds	General Obligation Bonds			
	2007	\$ 28,679	\$ 2,051	\$ -	\$ -	\$ -	\$ 39,015			
2008	26,421	1,819	2,980	-	-	37,265	29	68,514	4.74	1,546 <sup>b</sup>
2009	37,393	1,869	-	-	-	35,435	27	74,724	5.17	1,687 <sup>b</sup>
2010	34,860	1,624	-	-	-	33,710	25	70,219	4.19	1,585 <sup>b</sup>
2011	32,235	1,372	-	-	-	31,930	20	65,557	3.85	1,491 <sup>c</sup>
2012	29,315	1,113	-	-	-	29,631	16	60,075	3.53	1,366 <sup>c</sup>
2013	27,924	846	-	-	-	29,504	12	58,286	3.33	1,326 <sup>c</sup>
2014	32,746	572	-	5,381	-	27,303	7	66,009	3.77	1,501 <sup>c</sup>
2015	30,015	290	-	5,025	465	25,043	5	60,842	3.46	1,384 <sup>c</sup>
2016	132,903 <sup>e</sup>	-	-	4,580	235	22,987	2	160,707	7.73	3,289 <sup>d</sup>

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

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

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

<sup>d</sup> US Census Bureau estimated population

<sup>e</sup> The Town issued \$93,485,000 for the construction of a new high school.



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		
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>
2016	132,905	-	132,905	2.50	2,720 <sup>f</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.

<sup>f</sup> Population estimate according to the US Census Bureau

**SCHEDULE 14**  
**TOWN OF COLLIERVILLE**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 As of June 30, 2016  
 (dollars in thousands)

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Shelby County</b>	\$ 1,005,349	8.80%	\$ 88,471
<b>Town direct debt</b>	133,138	100%	133,138
<b>Total direct and overlapping debt</b>			\$ 221,609

**Sources:** Assessed value data used to estimate applicable percentages provided by the Shelby County Assessor's office. Debt outstanding provided by each governmental unit.

**Note:** Overlapping governments are those that coincide with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Collierville. This process recognizes that, when considering the town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

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

<b>Fiscal Year</b>	<b>Water &amp; Sewer Tax &amp; Revenue Bonds</b>			<b>Debt Service</b>		<b>Coverage</b>
	<b>Total Revenue and Other Sources</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Principal</b>	<b>Interest</b>	
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
2016	12,314	7,633	4,681	2,148	741	1.62

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<sup>f</sup></b>	<b>Unemployment Rate<sup>b</sup></b>
2007	41,923 <sup>a</sup>	\$ 1,268,255	\$ 30,252	8,322	4.0%
2008	44,304 <sup>c</sup>	1,445,418	32,625 <sup>d</sup>	8,604	6.5
2009	44,304 <sup>c</sup>	1,445,418	3,2625 <sup>d</sup>	8,535	7.7
2010	44,304 <sup>c</sup>	1,445,418	3,2625 <sup>d</sup>	8,562	7.0
2011	43,965 <sup>e</sup>	1,703,424	38,745 <sup>e</sup>	8,516	7.4
2012	43,965 <sup>e</sup>	1,703,424	38,745 <sup>e</sup>	8,639	6.5
2013	43,965 <sup>e</sup>	1,749,279	39,788 <sup>e</sup>	9,062	6.6
2014	43,965 <sup>e</sup>	1,719,119	39,102 <sup>e</sup>	8,572	6.3
2015	43,965 <sup>e</sup>	1,760,447	40,042 <sup>e</sup>	9,646	5.6
2016	48,863 <sup>g</sup>	2,078,485	42,537 <sup>g</sup>	9,534	4.1

<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.

<sup>g</sup> Estimated population and per capita income according to the U. S. Census Bureau

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

<u>Employer</u>	<u>2016</u>			<u>2007</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	2,500	1	0.58%	3,000	1	0.68%
Carrier Corporation	1,730	2	0.40	2,100	2	0.48
Collierville Schools	870	3	0.20	-	-	-
Kroger	540	4	0.13	-	-	-
Town of Collierville	492	5	0.11	461	3	0.10
Helena Chemical	420	6	0.10	212	8	0.05
Baptist Hospital - Collierville	355	7	0.08	300	6	0.07
Wal-Mart	338	8	0.08	-	-	-
Juice Plus (NSA)	237	9	0.06	-	-	-
Philipps Bodine	175	10		220	7	0.05
Alpha Corporation	-	-		350	4	0.08
Pepsi Americas	-	-		325	5	0.07
AIMS Logistics	-	-		180	9	0.04
Central Woodwork	-	-		165	10	0.04
Total	<u>7,657</u>		1.78%	<u>7,313</u>		1.66%

**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>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>	<u>2016</u>
Legislative	7	7	7	6	6	6	6	6	6	6
General Government										
Administration	7	6	6	6	6	6	7	6	7	7
Morton Museum <sup>a</sup>	-	-	-	-	-	1	1	2	2	2
Financial Administration	18	18	19	19	19	19	19	19	21	21
Human Resources	4	4	4	4	4	4	4	5	6	5
Information Technology	5	5	5	5	5	5	5	5	5	6
General Services	9	11	13	13	13	13	14	15	15	16
Development										
Administration	1	2	2	3	2	2	2	3	3	3
Office of Planning	11	11	11	9	9	9	9	9	9	10
Code Enforcement	19	19	18	12	12	10	11	13	14	14
Office of Engineer	13	14	14	11	12	11	11	11	11	12
Education <sup>b</sup>										
Professional	-	-	-	-	-	-	-	-	585	642
Clerical	-	-	-	-	-	-	-	-	53	54
Other	-	-	-	-	-	-	-	52	118	142
Part-time	-	-	-	-	-	-	-	-	26	32
Public Safety										
Animal Services	6	6	6	6	5	5	4	4	4	5
Municipal Court	9	9	9	9	9	9	9	9	12	12
Police Department	133	140	139	138	137	137	138	141	141	140
Fire Department	67	70	70	68	68	69	69	69	69	71
Public Services										
Administration	5	5	5	5	5	5	7	7	7	7
Vehicle Maintenance	9	9	9	9	8	7	7	9	9	10
Streets and Drainage	25	25	25	24	25	25	29	29	29	29
Sanitation	34	36	36	34	32	27	28	30	30	31
Parks and Recreation	44	44	46	45	44	44	44	46	50	49
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water Distribution System	12	12	13	13	13	13	12	14	17	17
Wastewater Collection	10	10	10	10	10	10	10	8	6	7
Wastewater Treatment	8	8	7	7	7	7	7	7	7	7
<b>Total</b>	<u>461</u>	<u>476</u>	<u>479</u>	<u>461</u>	<u>456</u>	<u>449</u>	<u>458</u>	<u>524</u>	<u>1,267</u>	<u>1,362</u>

**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>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>	<u>2016</u>
Development										
Permits issued	3,648	3,242	2,434	2,438	2,610	3,130	4,050	3,893	3,355	3,658
Inspections conducted	15,932	14,917	13,523	6,470	7,280	9,163	12,652	12,395	11,417	8,965
Police <sup>a</sup>										
Physical arrests	1,573	1,781	2,764	2,704	2,392	2,591	2,424	2,745	2,604	N/A
Traffic citations	9,805	9,166	10,901	9,075	9,978	12,001	11,643	12,731	11,459	N/A
DUI arrests	135	103	169	150	138	152	125	138	151	N/A
Fire										
Emergency responses	2,551	2,624	2,446	2,633	2,785	2,799	3,011	3,066	3,207	3,507
Fires extinguished	159	116	105	96	105	94	102	93	88	91
Inspections	2,948	2,300	1,609	1,740	2,659	2,637	2,615	2,789	2,717	2,508
Sanitation										
Refuse collected (tons) <sup>b</sup>	15,000	15,091	14,838	14,295	14,124	13,993	14,344	14,812	14,332	14,469
Recyclables collected (tons)	1,810	1,776	1,867	1,809	1,900	1,927	1,835	1,872	3,071	3,100
Other public works										
Street resurfacing (miles)	19	11	13	20	12	33	27	24	20	29
Sidewalk replacement (linear feet)	420	150	100	132	240	401	223	235	175	129
Pavement repairs	500	550	600	450	300	238	220	380	502	285
Parks and Recreation										
Adult/youth sports participants	5,844	6,019	6,250	6,452	5,790	5,546	5,879	5,872	5,989	6,048
Community center admissions	143,901	145,340	135,166	136,500	139,450	140,211	140,536	140,548	140,829	141,533
Harrell Theatre attendance	41,023	41,733	39,646	36,500	32,836	30,112	22,857	22,922	31,412	31,725
Library										
Volumes in collection	88,733	93,796	101,694	106,049	113,785	117,057	122,209	129,452	134,452	125,120
Total volumes circulated	324,185	351,133	349,731	344,280	345,914	350,044	362,498	348,300	340,902	333,478
Water										
New connections	386	312	169	139	182	154	212	264	262	259
Water main breaks	9	33	6	21	32	15	39	25	45	39
Average daily consumption (thousands of gallons)	7,342	6,996	6,222	5,950	6,821	6,803	6,006	5,933	5,586	6,035
Peak day consumption (thousands of gallons)	16,142	16,791	13,484	12,710	11,898	15,472	14,543	10,862	10,601	12,473
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,471	4,241	4,290	4,318	3,868	3,937	4,144	4,233	4,174	4,214

**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>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>	<u>2016</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	1	0	0	0	0	0	0	0	0	0
Patrol units	72	76	80	75	75	75	79	79	79	80
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	22	22	22	22	24	24	26	26	26	30
Recycle Trucks <sup>a</sup>	5	5	5	5	0	0	0	2	3	3
Other public works										
Streets (miles)	260	264	261	268	278	311	336	340	340	346
Streetlights	5,920	6,200	6,291	6,515	6,576	6,599	6,599	6,599	6,695	6,716
Traffic Signals (intersections)	33	34	34	35	38	39	39	40	40	42
Education <sup>c</sup>										
Schools										
High	-	-	-	-	-	-	-	1	1	1
Middle	-	-	-	-	-	-	-	2	2	2
Elementary	-	-	-	-	-	-	-	5	5	5
Parks and Recreation										
Parks	15	15	15	18	18	18	18	18	20	20
Acreage <sup>b</sup>	487	487	496	625	750	750	750	775	1,025	1,025
Playgrounds <sup>c</sup>	12	12	13	13	13	13	13	13	15	15
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	12	12	11	11	11	11	11	11	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	230	232	232	240	240	240	240	242	248	250
Fire hydrants	2,860	3,010	3,010	3,010	3,103	3,103	3,103	3,366	3,400	3,457
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	4,250	4,250	4,250	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	218	220	220	228	228	228	228	230	235	240
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	6,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500

<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, 2016

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TML TMP – 7718-17	Property Insurance	\$188,700,509 Buildings & Personal Property; \$1,137,506 Electronic Data; \$1,720,401 Mobile Equipment, \$190,420,910 Equipment Breakdown; \$5,000 Deductible Buildings, Personal Property, Equipment Breakdown; \$250 Deductible Mobile Equipment; \$250 Deductible Electronic Data Processing Equipment
TML – 0070-17	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 – 0032-17	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 - Medical payment only
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
Brown & Associates	Notary Bonds	\$ 10,000
Notary Public Underwriters of TN, Inc.	Notary Bonds	\$ 10,000
Notary Public Underwriters of TN, Inc.	Notary Bonds	\$ 10,000
Notary Public Underwriters of TN, Inc.	Notary Bonds	\$ 10,000
Notary Public Underwriters of TN, Inc.	Notary Bonds	\$ 10,000
Notary Public Underwriters of TN, Inc.	Notary Bonds	\$ 10,000
Notary Public Underwriters of TN, Inc.	Notary Bonds	\$ 10,000
Clay & Land	Notary Bonds	\$ 10,000
Clay & Land	Notary Bonds	\$ 10,000
TML - 7718-17	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
QBE Insurance Corporation MHH010303	Town of Collierville Volunteers	\$2,500 Principal Sum; \$25,000 Medical Indemnity

SCHEDULE 22  
TOWN OF COLLIERVILLE  
SCHEDULE OF OFFICIAL BONDS AND PRINCIPAL OFFICIALS  
June 30, 2016

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	
Mark Krock (CMFO)	Finance Director	
Larry Goodwin	Chief of Police	
William Kilp	Public Services Director	
Buddy Billings	Fire Chief	
Greg Clark	Interim Parks, Recreation and Community Services Director	
Derek Honeycutt	Director of General Services	
Dale Perryman	Interim Director of Development	
Jaime Groce	Town Planner	
Dale Perryman	Town Engineer	
Tim Pendleton	Building Official	
(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 2015 - June 2016**

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	17,196
Sewer	15,508
Sanitation	15,305

WAS v6.0  
American Water Works Association  
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### AWWA Free Water Audit Software: Reporting Worksheet

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

Reporting Year: **2016**    **7/2015 - 6/2016**

Click to access definition

Click to add a comment

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

← Enter grading in column 'E' and 'J' →

Volume from own sources:	7	2,209,028	MG/Yr
Water imported:	n/a	0.000	MG/Yr
Water exported:	7	76,361	MG/Yr
<b>WATER SUPPLIED:</b>		<b>2,128,902</b>	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	7	0.10%	MG/Yr
Pcnt:	7	-2.00%	MG/Yr

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

---

**AUTHORIZED CONSUMPTION**

Billed metered:	8	2,039,880	MG/Yr
Billed unmetered:	n/a	0.000	MG/Yr
Unbilled metered:	8	26,591	MG/Yr
Unbilled unmetered:	7	26,611	MG/Yr
<b>AUTHORIZED CONSUMPTION:</b>		<b>2,093,082</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%	MG/Yr
Pcnt:	0.25%	MG/Yr
Pcnt:	1.00%	MG/Yr
Pcnt:	0.25%	MG/Yr

---

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

**35,820** MG/Yr

**Apparent Losses**

Unauthorized consumption:	7	5,322	MG/Yr
Customer metering inaccuracies:	6	20,873	MG/Yr
Systematic data handling errors:	7	5,100	MG/Yr
<b>Apparent Losses:</b>		<b>31,295</b>	MG/Yr

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

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

Real Losses = Water Losses - Apparent Losses: **4,524** MG/Yr

**WATER LOSSES:** **35,820** MG/Yr

---

**NON-REVENUE WATER**

NON-REVENUE WATER: **89,022** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains:	7	250.0	miles
Number of active AND inactive service connections:	8	17,196	
Service connection density:	7	69	conn./mile main
Average length of customer service line:	7	75.0	psi

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

---

**COST DATA**

Total annual cost of operating water system:	10	\$3,729,580	\$/Year
Customer retail unit cost (applied to Apparent Losses):	10	\$1.50	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	10	\$339.88	\$/Million gallons

Use Customer Retail Unit Cost to value real losses

**WATER AUDIT DATA VALIDITY SCORE:**


\*\*\* 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



### 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: 2016 7/2015 - 6/2016

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

**System Attributes:**

	Apparent Losses:	31.295	MG/Yr												
	+ Real Losses:	4.524	MG/Yr												
	= <b>Water Losses:</b>	<b>35.820</b>	MG/Yr												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"></td> <td style="width: 10%; text-align: right;">? Unavoidable Annual Real Losses (UARL):</td> <td style="width: 15%; border: 1px solid black; text-align: right;">107.64</td> <td style="width: 35%; text-align: right;">MG/Yr</td> </tr> <tr> <td></td> <td style="text-align: right;">Annual cost of Apparent Losses:</td> <td style="border: 1px solid black; text-align: right;">\$46,943</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">Annual cost of Real Losses:</td> <td style="border: 1px solid black; text-align: right;">\$1,538</td> <td style="text-align: right;">Valued at <b>Variable Production Cost</b></td> </tr> </table> <p style="text-align: right; font-size: small;">Return to Reporting Worksheet to change this assumption</p>					? Unavoidable Annual Real Losses (UARL):	107.64	MG/Yr		Annual cost of Apparent Losses:	\$46,943			Annual cost of Real Losses:	\$1,538	Valued at <b>Variable Production Cost</b>
	? Unavoidable Annual Real Losses (UARL):	107.64	MG/Yr												
	Annual cost of Apparent Losses:	\$46,943													
	Annual cost of Real Losses:	\$1,538	Valued at <b>Variable Production Cost</b>												

**Performance Indicators:**

<b>Financial:</b>	{	Non-revenue water as percent by volume of Water Supplied:	4.2%	
		Non-revenue water as percent by cost of operating system:	1.8%	
<b>Operational Efficiency:</b>	{	Apparent Losses per service connection per day:	4.99	gallons/connection/day
		Real Losses per service connection per day:	0.72	gallons/connection/day
		Real Losses per length of main per day*:	N/A	
		Real Losses per service connection per day per psi pressure:	0.01	gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	4.52	million gallons/year
		? Infrastructure Leakage Index (ILI) [CARL/UARL]:	0.04	

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

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**COMPLIANCE SECTION**

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

For the Year Ended June 30, 2016

Federal/State Grantor/ Pass-Through Grantor/ Program	CFDA Number	Pass-Through Contract # / Description	Grants Receivable July 1, 2015	Cash Receipts	Expenditures	Grants Receivable June 30, 2016
<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	\$ 3,478	\$ 1,147	\$ -
	16.607	16. 607 FY 15	-	500	500	-
			<u>2,331</u>	<u>3,978</u>	<u>1,647</u>	<u>-</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						
	20.600	Z-15-GHSO73	6,703	12,174	5,471	-
	20.607	154-AL-16-140	-	2,235	5,000	2,765
			<u>6,703</u>	<u>14,409</u>	<u>10,471</u>	<u>2,765</u>
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)	160	2,200	2,940	900
	20.205	TDOT #130312 Federal Proj. # STP-M-9417(10)	5,926	21,485	43,401	27,842
	20.205	TDOT #140020 Federal Proj. # STP-M-57(66)	1,608	40,709	64,908	25,807
			<u>7,694</u>	<u>64,394</u>	<u>111,249</u>	<u>54,549</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	8,893	595,590	612,555	25,858
<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	-	81,402	81,402	-
	10.555	National School Lunch Program - non-cash	-	114,144	114,144	-
	10.555	National School Lunch Program - cash	-	442,553	442,553	-
			<u>-</u>	<u>556,697</u>	<u>556,697</u>	<u>-</u>
		Total Cluster	<u>-</u>	<u>638,099</u>	<u>638,099</u>	<u>-</u>
	10.560	Healthy Hunger Free Kids Act Grant	-	3,515	3,515	-
			<u>-</u>	<u>641,614</u>	<u>641,614</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	41,650	540,463	553,137	54,324
	84.010	Title I Grants to Local Education Agencies	24	125,968	137,244	11,300
			<u>41,674</u>	<u>666,431</u>	<u>690,381</u>	<u>65,624</u>
	84.367	Improving Teacher Quality State Grants	12,649	288,697	301,999	25,951
	84.367	Improving Teacher Quality State Grants	-	22,225	24,219	1,994
			<u>12,649</u>	<u>310,922</u>	<u>326,218</u>	<u>27,945</u>
	84.365	English Language Acquisition State Grants	-	47,382	47,382	-
	84.365	English Language Acquisition State Grants	-	2,163	4,067	1,904
	84.365	English Language Acquisition State Grants	-	29,338	29,765	427
			<u>-</u>	<u>78,883</u>	<u>81,214</u>	<u>2,331</u>

(Continued)



TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS - Continued

For the Year Ended June 30, 2016

CFDA Number	CFDA Number	Pass-Through Contract # / Description	Grants Receivable July 1, 2014	Cash Receipts	Expenditures	Grants Receivable June 30, 2015
<b>Federal Awards Continued</b>						
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	44,744	1,552,549	1,671,652	163,847
	84.027	Special Education Grants to States	-	5,882	5,882	-
			44,744	1,558,431	1,677,534	163,847
	84.173	Special Education Preschool Grants	1,153	29,695	29,139	597
		Total Cluster	45,897	1,588,126	1,706,673	164,444
		<b>Total Federal Awards</b>	<b>\$ 125,841</b>	<b>\$ 3,964,347</b>	<b>\$ 4,182,022</b>	<b>\$ 343,516</b>
<b>State Awards</b>						
	<b>Town</b>					
		32701-02241	\$ 6,154	\$ 22,859	\$ 18,562	\$ 1,857
		1301.15.048333	-	6,336	6,336	-
	<b>Schools</b>					
		Basic Education Program	-	34,478,250	34,478,250	-
		Online Readiness Funds (Connect TN)	-	21,149	21,149	-
		Teacher Leadership Council Grant	(1,997)	-	1,997	-
		Safe and Drug-Free Schools	-	38,580	38,580	-
		Coordinated School Health	32,497	99,837	81,081	13,741
		Career Ladder	-	195,170	195,170	-
		Explore and Plan Assessment Reimbursemen	-	14,388	14,388	-
		School Nutrition Match	-	34,034	34,034	-
		<b>Total State Awards</b>	<b>\$ 36,654</b>	<b>\$ 34,910,603</b>	<b>\$ 34,889,547</b>	<b>\$ 15,598</b>
		<b>Total Federal and State Awards</b>	<b>\$ 162,495</b>	<b>\$ 38,874,950</b>	<b>\$ 39,071,569</b>	<b>\$ 359,114</b>

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**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.

**Note C - Non-Monetary Assistance**

Non-monetary assistance is reported in the schedule of expenditures of federal and state awards at the fair market value of the commodities received and disbursed. For the year ended June 30, 2016, the Board of Education of Collierville Schools received food commodities totaling \$144,114.

**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 for the year ended June 30, 2016, 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 22, 2016.

***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*.

There were also no prior year findings.

***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 22, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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 Supplement* that could have a direct and material effect on the Town's major federal programs for the year ended June 30, 2016. 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 programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance each of Town's major federal programs 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Collierville Schools' 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 each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each 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 each of its major federal programs for the year ended June 30, 2016.

**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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 year 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Dixon Hughes Goodman LLP*

Memphis, Tennessee  
December 22, 2016

**Town of Collierville, Tennessee**  
**Schedule of Findings and Questioned Costs**  
For the Year Ended June 30, 2016

**SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

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 2 CFR 200.516(a)

\_\_\_yes  x  no

Identification of major programs:

<b><u>CFDA Number</u></b>	<b><u>Name of Federal Program or Cluster</u></b>	
	Special Education Cluster:	
84.027	Special Education – Grants to States	1,677,534
84.173	Special Education – Preschool Grants	<u>29,139</u>
		<u>\$ 1,706,673</u>
	Child Nutrition Cluster:	
10.553	School Breakfast Program	81,402
10.555	National School Lunch Program	<u>556,697</u>
		<u>\$638,099</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_yes  x  no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported

**SECTION IV - PRIOR YEAR AUDIT FINDINGS**

None reported