

# TOWN OF COLLIERVILLE

T E N N E S S E E



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2017

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

For the Fiscal Year Ended June 30, 2017

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, 2017

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, 2017.

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, 2017, 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, 2017 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 requires 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 50,688. 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. 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 municipal school system operates under the Town Charter and is considered a part of the Town's financial statements. The Collierville Board of Education provides educational services to students within the jurisdiction of the Town of Collierville and serves approximately 8,500 students. The Collierville Municipal School District was recently designated an Exemplary District by the Tennessee Department of Education.

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 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 131.

## **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 2017. 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 14 new commercial permits valued at \$119,844,567 and another 60 permits for additions to existing buildings valued at \$10,953,305. 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, will open their new 92,000 square foot world headquarters in Collierville in late 2017. This corporate facility represents a \$25,000,000 capital investment in the community, projecting to bring approximately 400 employees to the community. Mueller Industries, a Fortune 1000 manufacturer of plumbing, HVAC, refrigeration and industrial flow products, announced their plans for a new corporate headquarters in Collierville as well. Mueller Industries plans to develop a 52,000 square foot facility, a \$15,000,000 capital investment, bringing approximately 125 employees to the Town of Collierville in 2018. Canadian based CCL Label, in partnership with Korsini, opened their new digital printing facility in 2017. CCL-Korsini will print labels for the agricultural, pharmaceutical, food and beverage industries. This \$25,000,000 capital investment will eventually bring close to 150 new jobs to Collierville. On the commercial – retail side, the Carriage Crossing lifestyle center area continues to thrive with a new Fairfield Inn & Suites being developed with 115 rooms and plans to open in 2018. The Historic Collierville Town Square continues to boom with strong residential and commercial activity. Three new restaurants opened on The Square in 2017 and two more recently announced plans to locate on The Square.

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 50,688. The growth in population is reflected in the increase of building permits for single family homes. There were 159 permits in fiscal year 2013 valued at \$50,100,200; 131 in 2014 valued at \$46,095,170; 150 in 2015 valued at \$53,253,800; 173 in 2016 valued at \$61,356,693 and 199 in 2017 valued at \$75,451,270. Additions to existing homes continues to show improvement with 227 in fiscal year 2013; 226 in 2014; 233 in 2015 and 228 in 2016. In 2017 there were 244 additions valued at \$5,186,496.

## 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. In fiscal year 2017 the fund balance increased \$4,158,469. The Town of Collierville holds the highest possible bond rating from Moody's Investors Service, 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 12.37% 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 2018 budget began in December 2016. 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. There was no property tax increase in the FY 2017 budget and the property tax rate was adjusted down \$.15 per \$100 for FY 2018 due to the property reappraisal that occurs every four years. This adjustment is necessary for reappraisal years so property reappraisals are a revenue-neutral event. Personnel changes in FY 2017 included the addition of seven full-time positions in various Town Departments and a part-time Prosecutor position in the Town's Municipal Court. In FY2018 there were three full-time positions added and one part-time position.

## **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 \$17.7 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.

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 both right-of-way and utility/railroad certification for Collierville Center Connect. Construction authorization from TDOT is expected in December 2017 and construction is projected to begin in the spring of 2018.

In August of 2017 the Town received a \$2.2 million Disaster Recovery Community Development Block Grant for drainage improvements in the downtown area. These funds will be used for major repair and renovations to the Town's drainage system. This multi-phase project will include ditch reconstruction, new culverts, paved walking trail, landscaping and installation of new drainage pipes.

In October 2015 the Town issued \$93.4 million in general obligation bonds to fund the construction of a new high school. The new high school is designed to accommodate a 3,000 student population. Construction began in 2016 and is on schedule to be completed in the fall of 2018.

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.

The Town secured \$917,000 through the Surface Transportation Program (STP) which is administered by the Metropolitan Planning Organization (MPO). These funds are for the signalization of the intersections at Shelby Drive/Byhalia Road and Shelby Drive/Sycamore Road. These projects are to help manage the additional traffic generated by the new high school. Construction is projected to be completed by 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, 2016. This was the twenty-sixth 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, 2016. This was the twentieth 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 dark ink, appearing to read 'Mark Krock', with a stylized, flowing script.

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

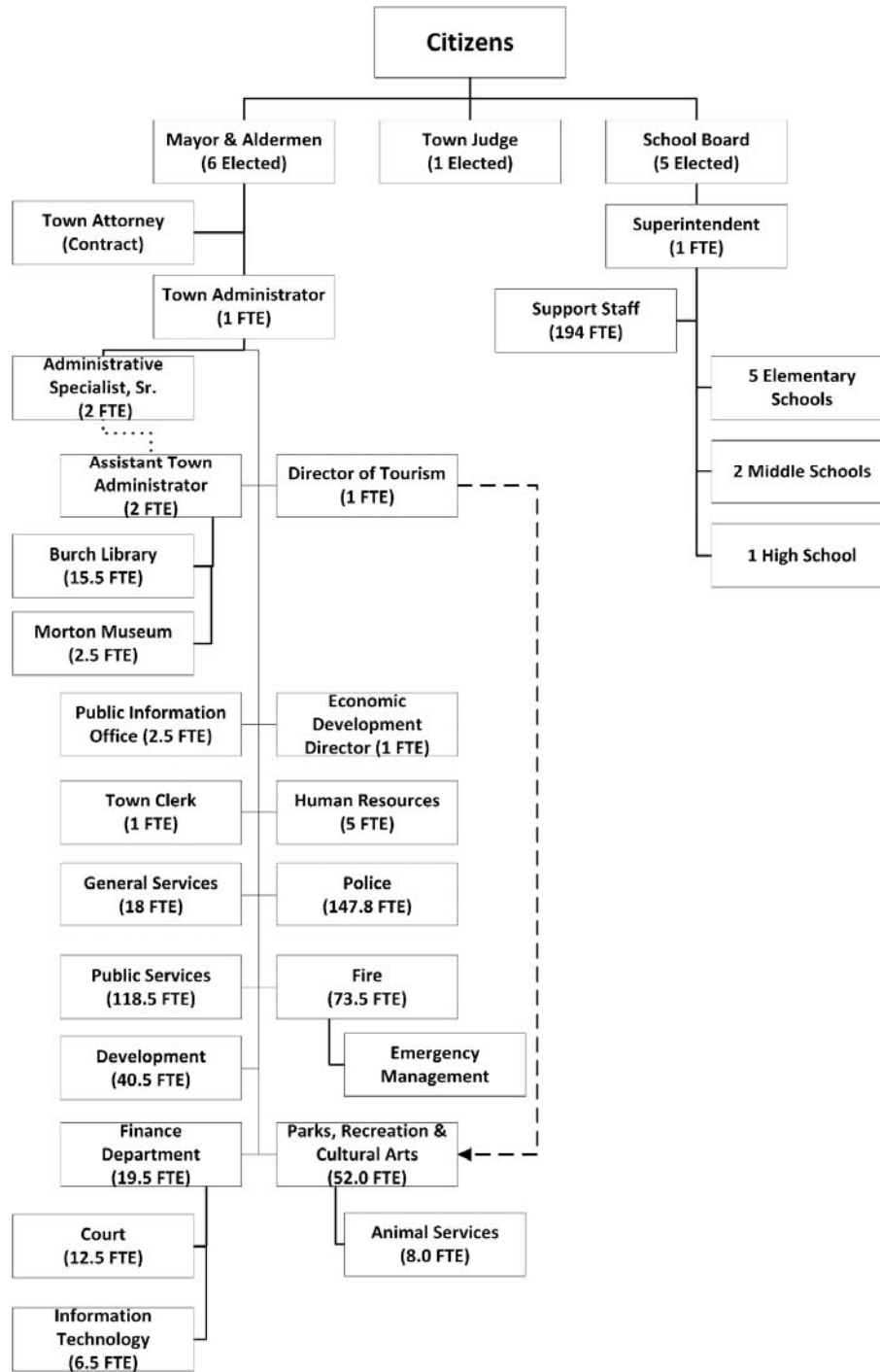
**June 30, 2016**

Executive Director/CEO

# TOWN OF COLLIERVILLE

## ORGANIZATION CHART

June 30, 2017



# TOWN OF COLLIERVILLE

## TOWN OFFICIALS

June 30, 2017

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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 (2016 – 2020\*)

Town Attorney  
Town Judge  
Town Administrator

Nathan Bicks  
William Craig Hall  
James Lewellen

### Department Heads

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

Mark Krock (CMFO)  
Jay Cravens  
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, each fiduciary fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic 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, each fiduciary fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee as of June 30, 2017, 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***

#### ***Emphasis of the Matter***

##### ***Changes in Accounting Principle***

As described in Note 1(C) to the financial statements, the Town implemented Governmental Accounting Standards Board (“GASB”) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, in the fiscal year ending June 30, 2017. The implementation of the Statement modified note disclosures related to the two retiree medical plan funds and added additional required supplementary information schedules. The Town also began recording the municipal school system’s Retiree Medical Plan Fund as a fiduciary fund. Our opinion is not modified with respect to this matter.

#### ***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 110-130), 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, 2017, 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, 2017

## 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, 2017. 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 \$412,553 (reported as *net position*). Of this amount, \$58,665 (reported as *unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$21,564. 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 \$119,730, a decrease of \$43,295 in comparison with the prior year. This decrease is due to the utilization of bond proceeds in the construction of the new high school. Approximately 19 percent of this total amount, \$23,282 is *unassigned fund balance*, 58 percent is *restricted fund balance*, 18 percent is assigned fund balance, 2 percent is *committed fund balance* and 3 percent is *non-spendable fund balance*.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$23,282 or 45 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal decreased by \$6,270 (4 percent) during the current fiscal year.

### Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

The Town of Collierville maintains 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, CIP funds 321 and 337, and the educational CIP fund 177. Data from the other ten 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 four 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 two OPEB funds account for transactions related solely to retiree group medical benefits for the Town and school. 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 48-109 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 110-130 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 131-145 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 \$412,553 (*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 (73 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 (13 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$58,665 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	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Current and other assets	\$ 166,256	\$ 200,999	\$ 34,195	\$ 33,902	\$ 200,451	\$ 234,901
Capital assets	316,451	261,043	91,309	91,988	407,760	353,031
Total assets	<u>482,707</u>	<u>462,042</u>	<u>125,504</u>	<u>125,890</u>	<u>608,211</u>	<u>587,932</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>22,273</u>	<u>24,869</u>	<u>1,623</u>	<u>1,920</u>	<u>23,896</u>	<u>26,789</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	139,376	140,571	18,632	20,933	158,008	161,504
Other liabilities	20,925	15,368	2,833	3,876	23,758	19,244
Total liabilities	<u>160,301</u>	<u>155,939</u>	<u>21,465</u>	<u>24,809</u>	<u>181,766</u>	<u>180,748</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>37,658</u>	<u>42,852</u>	<u>130</u>	<u>132</u>	<u>37,788</u>	<u>42,984</u>
<b>NET POSITION</b>						
Net investment in capital assets	226,975	223,883	72,240	70,589	299,215	294,472
Restricted	46,533	20,903	8,140	7,052	54,673	27,955
Unrestricted	33,513	43,333	25,152	25,229	58,665	68,562
Total net position	<u>\$ 307,021</u>	<u>\$ 288,119</u>	<u>\$ 105,532</u>	<u>\$ 102,870</u>	<u>\$ 412,553</u>	<u>\$ 390,989</u>

At the end of the current fiscal year, the Town of Collierville is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net position increased by \$21,564 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 Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 9,949	\$ 9,730	\$ 13,414	\$ 14,132	\$ 23,363	\$ 23,862
Operating grants and contributions	43,613	39,934	-	-	43,613	39,934
Capital grants and contributions	3,760	7,118	674	1,322	4,434	8,440
General Revenues:						
Property taxes	53,257	48,516	-	-	53,257	48,516
Other local taxes	28,895	28,341	-	-	28,895	28,341
State sales tax	4,008	3,903	-	-	4,008	3,903
State income and other taxes	1,604	2,147	-	-	1,604	2,147
Other state revenues	120	144	-	-	120	144
Other	1,855	1,015	514	421	2,369	1,436
Total revenues	<u>147,061</u>	<u>140,848</u>	<u>14,602</u>	<u>15,875</u>	<u>161,663</u>	<u>156,723</u>
<b>EXPENSES</b>						
Legislative	180	150	-	-	180	150
General government	11,083	9,469	-	-	11,083	9,469
Education	70,850	65,689	-	-	70,850	65,689
Roads and public works	10,441	9,052	-	-	10,441	9,052
Public safety	22,905	21,309	-	-	22,905	21,309
Sanitation	3,301	3,063	-	-	3,301	3,063
Drug fund	33	36	-	-	33	36
Culture and recreation	5,609	5,380	-	-	5,609	5,380
Interest on long-term debt	4,659	3,590	-	-	4,659	3,590
Water and sewer	-	-	11,038	10,788	11,038	10,788
Total expenses:	<u>129,061</u>	<u>117,738</u>	<u>11,038</u>	<u>10,788</u>	<u>140,099</u>	<u>128,526</u>
Increase in net position before special items and transfers	18,000	23,110	3,564	5,087	21,564	28,197
Transfers	902	902	(902)	(902)	-	-
Increase/(Decrease) in net position	18,902	24,012	2,662	4,185	21,564	28,197
Net position-beginning of the year as adjusted	288,119	264,107	102,870	98,685	390,989	362,792
Net position-ending	<u>\$ 307,021</u>	<u>\$ 288,119</u>	<u>\$ 105,532</u>	<u>\$ 102,870</u>	<u>\$ 412,553</u>	<u>\$ 390,989</u>

**Governmental activities.** Governmental activities increased the Town of Collierville's net position by \$18,902. This increase is attributable to revenue exceeding expenses. Property tax revenue increased with continued growth in the residential housing market. This line item increased \$4,741 or 9% percent over the prior year. Other local taxes increased \$544. These taxes include local option sales tax, wholesale beer and liquor taxes, automobile registration and business, cable TV and hotel/motel taxes. State income taxes decreased \$543 in conjunction with the state's reduction and eventual elimination of the Hall Income Tax. Operating grants and contributions increased \$3,679 predominately related to the general purpose school fund. Capital grants and contributions decreased \$3,358. The line item education expense experienced an increase of \$5,161 in the school system's third full year of operation.

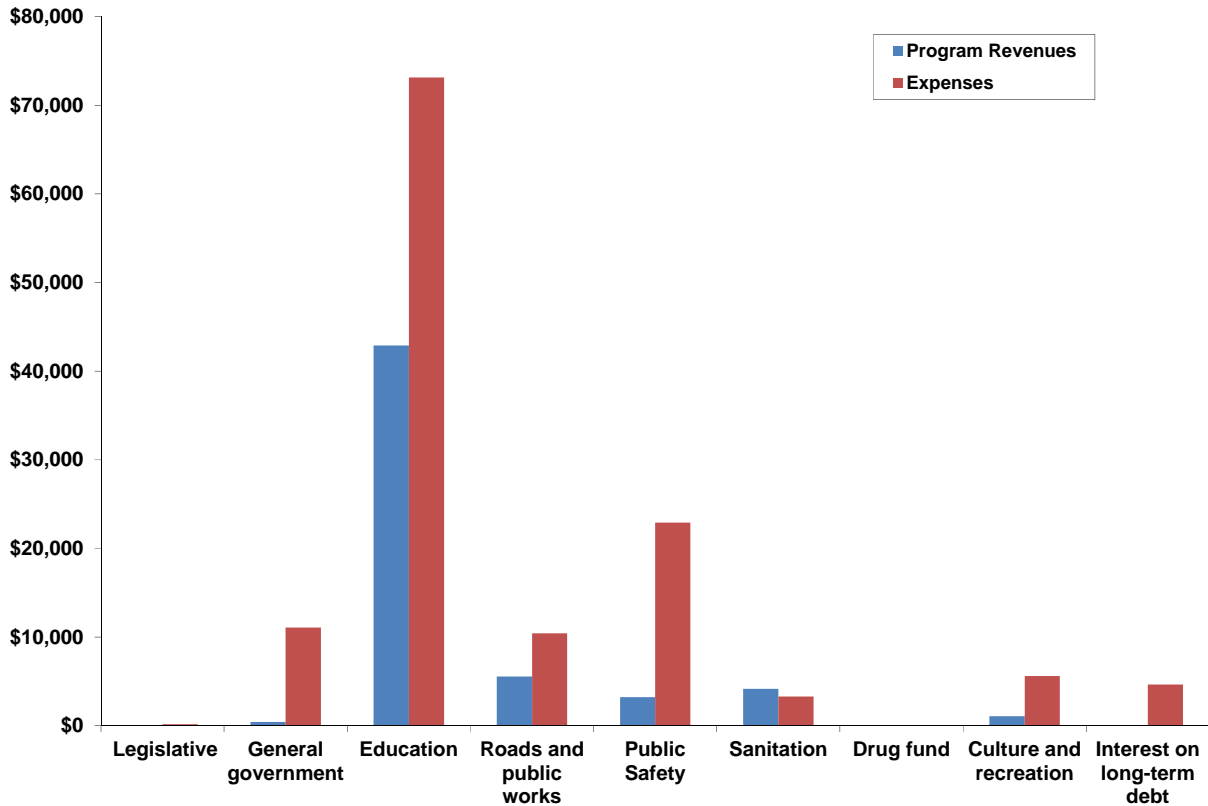
**Business-type activities.** Business-type activities increased the Town of Collierville's net position by \$2,662. This increase is due to revenues exceeding expenses by \$3,564 and transfers of \$902 resulting in an overall increase to net position. This amount of increase is consistent with prior years with an increase in fiscal year 2016 and 2015 of \$4,185 and \$2,132 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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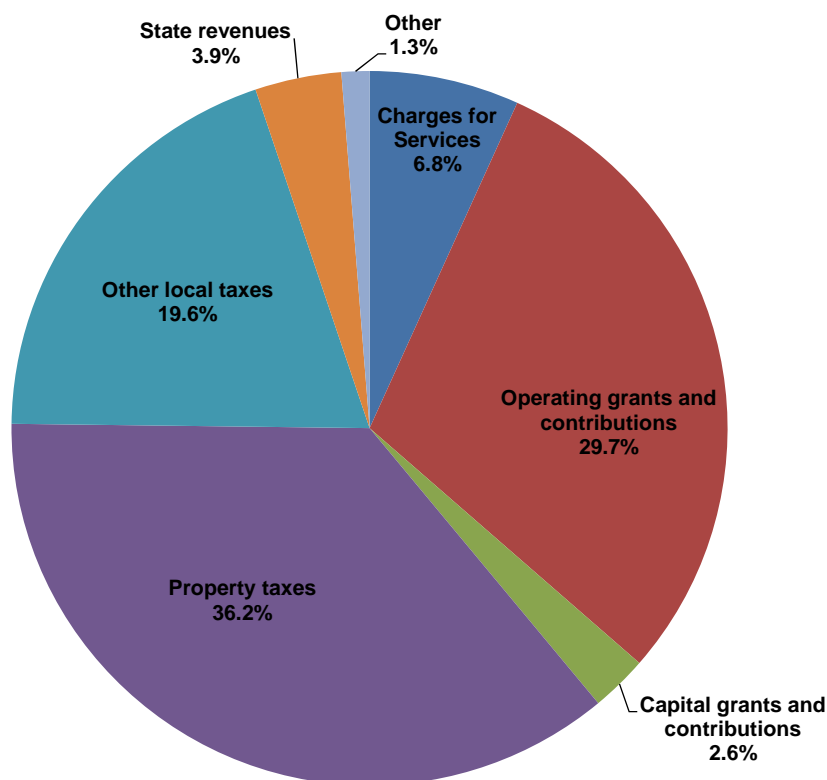
**Governmental funds.** The focus of the Town of Collierville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville's financing requirements. In particular, *unassigned fund 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 \$119,730 a decrease of \$43,295 in comparison with the prior year. The *unassigned fund balance* of \$23,282 is 19 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 \$21,001 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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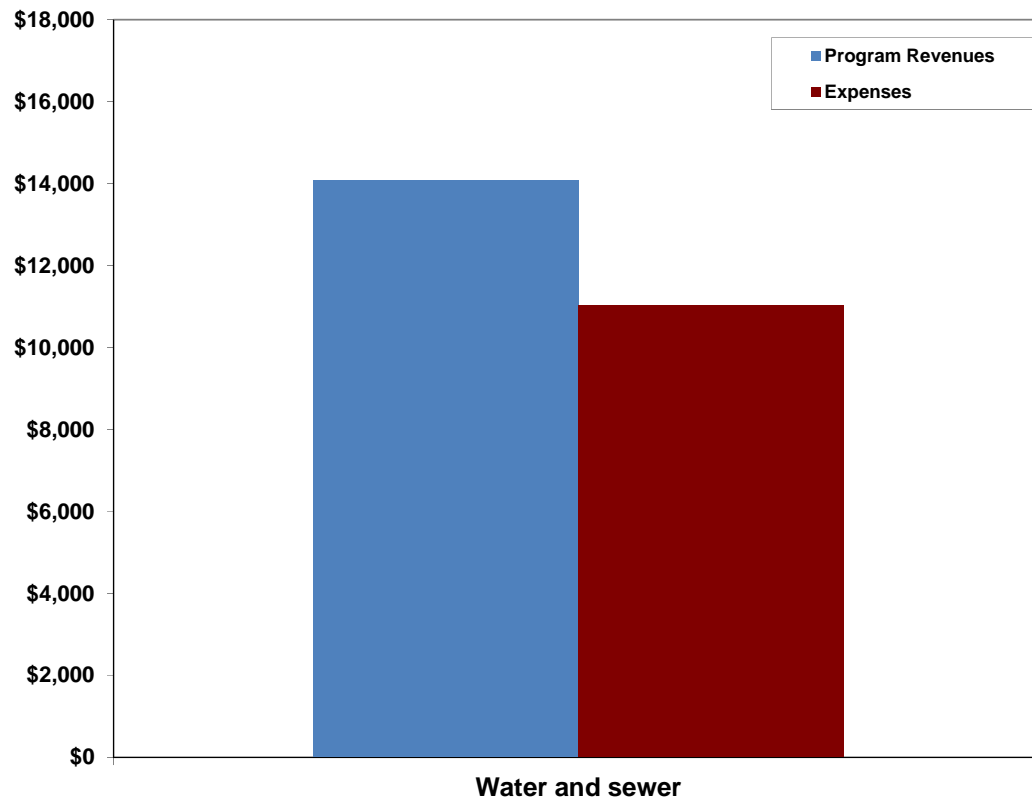
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$23,282 while total fund balance was \$51,568. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 45 percent of total general fund expenditures, while total fund balance represents 99 percent of that same amount.

The fund balance of the Town of Collierville's general fund increased by \$4,158 during the current fiscal year. The increase is attributed to revenue increases in property tax, sales tax revenue and charges for services while expenditures remained relatively stable with an increase in interest and fiscal charges related to the prior fiscal year debt issuance. The fund balance of the general purpose school fund increased \$6,570 due to revenues exceeding expenditures by a similar amount. The fund

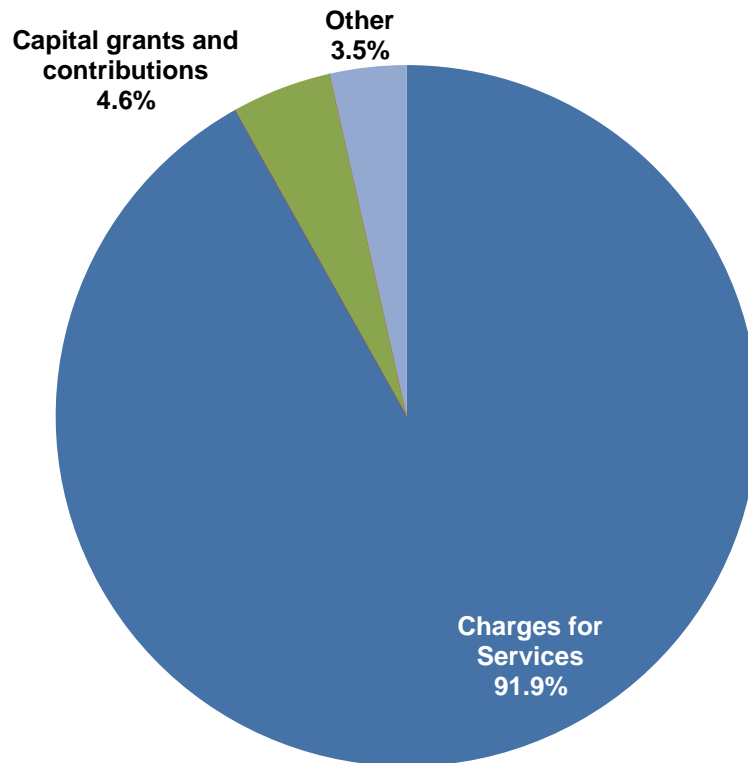
balance for the Capital Projects Fund #337 decreased by \$51,814 due to the utilization of bond proceeds for the construction of the new high school. Other governmental funds fund balances decreased by \$2,210. This decrease is due to the utilization of bond proceeds from a prior year bond issuance for various capital projects.

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



## 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 \$25,151. 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 \$2,082. The main components of the increase were:

- \$53 appropriation for animal shelter supplies
- \$1,552 appropriation for the annual street overlay project.
- \$235 appropriation for principal retirement related to a capital lease

The total positive variance of \$2,968 between final budget and actual revenues includes negative variances of \$125 in fines and costs and \$312 in state revenue. The decrease in state revenue is related to the reduction, and eventual elimination of the state’s Hall Income Tax. Positive variances of \$305 in licenses and permits and \$768 in property taxes are due to the continued growth in residential development. Positive variances also include \$111 in charges for services, \$178 in interest on investments and \$30 in other revenue. The increase in other local taxes of \$719

is due to an improved economy at the state and local level. The \$1,295 increase in contribution is due to grant receipts.

Of the total positive variance of \$3,570 between final budget and actual expenditures, \$969 was in general government and legislative, \$495 in roads and public works, \$1387 in public safety, \$538 in culture and recreation, and \$176 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, 2017, amounts to \$407,760 (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 \$54,729 or 16 percent. The increase for governmental activities was \$55,408 or 21 percent and the decrease for business-type activities was \$679 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 \$65,021. This amount includes \$4,572 related to the renovation of the historic high school and \$2,501 related to streets and drainage construction at Shelby Drive and Sycamore Road. These projects are still in progress.
- School system projects included \$52,118 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 \$208 and \$253 of equipment. Completed streets and drainage projects totaled \$105.
- Transfers from construction-in-progress included the completion of the Hinton Park project for \$3,271 and the Radio and Communications Console project for \$2,631.
- For governmental activities new equipment purchases totaled \$1,753.

**Town of Collierville's Capital Assets**  
(net of depreciation)

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land	\$ 32,362	\$ 30,470	\$ 1,756	\$ 1,272	\$ 34,118	\$ 31,742
Buildings and improvements	73,363	76,095	10,681	11,060	84,044	87,155
Other improvements	12,509	9,521	934	1,003	13,443	10,524
Library materials	1,238	1,224	-	-	1,238	1,224
Equipment	12,621	9,885	2,290	2,171	14,911	12,056
Infrastructure	116,022	115,524	-	-	116,022	115,524
Distribution and collection systems	-	-	74,038	75,118	74,038	75,118
Construction in progress	68,336	18,324	1,610	1,364	69,946	19,688
<b>Total</b>	<b>\$ 316,451</b>	<b>\$ 261,043</b>	<b>\$ 91,309</b>	<b>\$ 91,988</b>	<b>\$ 407,760</b>	<b>\$ 353,031</b>

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General obligation bonds	\$ 121,785	\$ 125,578	\$ -	\$ 2	\$ 121,785	\$ 125,580
Notes payable and capital lease	-	235	-	-	-	235
Revenue bonds	-	-	18,290	20,530	18,290	20,530
<b>Total</b>	<b>\$ 121,785</b>	<b>\$ 125,813</b>	<b>\$ 18,290</b>	<b>\$ 20,532</b>	<b>\$ 140,075</b>	<b>\$ 146,345</b>

**Long-term debt.** At the end of the current fiscal year, the Town of Collierville had total debt outstanding of \$140,075. Of this amount, \$121,785 comprises debt backed by the full faith and credit of the government.

The Town of Collierville's total debt principal decreased by \$6,270 (4 percent) during the current fiscal year. The Town of Collierville has no legal debt limit. The Town maintains a rating of Aaa on all its outstanding debt as designated by Moody's Investor's Service. Additional information on the Town of Collierville's long-term debt can be found in Note (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 2017 was 3.5 percent compared to the national rate of 4.2 percent. The Town of Collierville's unemployment rate of 2.4 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 issued in fiscal year 2017 was 14 with a total valuation of \$119,845. This is an increase over fiscal year 2016 when 6 commercial permits were issued with a valuation of \$3,769. Residential permits increased by 26 to 199 in

fiscal year 2017 with a total valuation of \$75,451. Residential permits issued in fiscal year 2016 had a total valuation of \$61,356.

- 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 value of real property increased by 14.7 percent due to the property reappraisal performed by the county every four years.
- Local option sales tax revenue is monitored on a monthly basis. Revenue decreased by 3.8% year-to-date for the first four months of fiscal year 2018.
- The property tax rate was adjusted to \$1.63 per \$100 assessed valuation for fiscal year 2018 budget based on the property reappraisal.
- The total Town of Collierville budget increased approximately \$6,908 representing a 4.4% increase with revenue budget projected to increase \$3,355 or 2.1% based on the estimated fiscal year 2017 ending budget.
- The Town of Collierville has considered the current economic trends while working with fiscal year 2018 budget. The Town projects a budget with increases in revenue and expenditures with revenues projected to exceed expenditures by approximately \$5,405.

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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,788,424	\$ 3,259,037	\$ 39,047,461
Investments	85,442,703	22,680,290	108,122,993
Restricted investments	-	8,140,388	8,140,388
Receivables, net of allowance for uncollectible accounts			
Property taxes	29,108,558	-	29,108,558
Sales, income, and other taxes	5,383,194	-	5,383,194
Federal and state grants	103,813	-	103,813
Accounts	260,466	599,147	859,613
Unbilled accounts	-	844,063	844,063
Due from other governments	6,300,119	-	6,300,119
Internal balances	1,439,191	(1,439,191)	-
Inventories	213,827	97,771	311,598
Prepays	62,097	13,800	75,897
Capital assets not being depreciated	100,697,791	3,366,327	104,064,118
Capital assets being depreciated, net	215,753,600	87,942,867	303,696,467
Net pension asset	2,153,962	-	2,153,962
Total assets	<u>482,707,745</u>	<u>125,504,499</u>	<u>608,212,244</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refundings	1,243,145	1,406,387	2,649,532
Pension contributions and actuarial losses	21,030,037	216,489	21,246,526
Total deferred outflows of resources	<u>22,273,182</u>	<u>1,622,876</u>	<u>23,896,058</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	13,797,407	297,090	14,094,497
Accrued interest	124,949	93,217	218,166
Due to other governmental entities	1,168	27,220	28,388
Due to fiduciary trusts	401,744	-	401,744
Deposits	356,054	136,335	492,389
Net pension liability			
Due in more than one year	9,762,778	312,476	10,075,254
Other postemployment benefits			
Due in more than one year	907,990	-	907,990
Other liabilities			
Expected to be paid within one year	1,781,037	98,135	1,879,172
Expected to be paid after one year	4,376,285	25,333	4,401,618
Bonds and note payable			
Due within one year	4,462,994	2,317,220	6,780,214
Due in more than one year	124,329,148	18,157,888	142,487,036
Total liabilities	<u>160,301,554</u>	<u>21,464,914</u>	<u>181,766,468</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax	28,825,534	-	28,825,534
Other	72,621	-	72,621
Pension actuarial gains	8,760,256	115,876	8,876,132
Development fees	-	14,200	14,200
Total deferred inflows of resources	<u>37,658,411</u>	<u>130,076</u>	<u>37,788,487</u>
<b>NET POSITION</b>			
Net investment in capital assets	226,974,039	72,240,473	299,214,512
Restricted			
Net pension asset	2,153,962	-	2,153,962
General government	13,821,980	-	13,821,980
Education	26,191,129	-	26,191,129
Roads and public works	1,889,948	-	1,889,948
State street aid	-	-	-
Public safety	2,476,413	-	2,476,413
Water and sewer development	-	8,140,388	8,140,388
Unrestricted	33,513,491	25,151,524	58,665,015
Total net position	<u>\$ 307,020,962</u>	<u>\$ 105,532,385</u>	<u>\$ 412,553,347</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, 2017

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
Governmental activities:							
Legislative	\$ 179,705	\$ -	\$ -	\$ -	\$ (179,705)	\$ -	\$ (179,705)
General government	11,082,745	396,173	22,437	20,999	(10,643,136)	-	(10,643,136)
Education	70,850,281	1,253,150	41,631,301	-	(27,965,830)	-	(27,965,830)
Roads and public works	10,439,443	946,455	1,687,460	2,911,896	(4,893,632)	-	(4,893,632)
Public safety	22,904,755	2,699,821	249,884	286,290	(19,668,760)	-	(19,668,760)
Sanitation	3,301,213	4,139,442	8,979	-	847,208	-	847,208
Drug fund	33,498	-	-	-	(33,498)	-	(33,498)
Culture and recreation	5,609,463	514,141	12,500	540,506	(4,542,316)	-	(4,542,316)
Interest and fiscal charges	4,659,491	-	-	-	(4,659,491)	-	(4,659,491)
Total governmental activities	129,060,594	9,949,182	43,612,561	3,759,691	(71,739,160)	-	(71,739,160)
Business-type activities:							
Water and sewer	11,037,905	13,414,292	-	674,177	-	3,050,564	3,050,564
Total primary government	<u>\$ 140,098,499</u>	<u>\$ 23,363,474</u>	<u>\$ 43,612,561</u>	<u>\$ 4,433,868</u>	<u>(71,739,160)</u>	<u>3,050,564</u>	<u>(68,688,596)</u>
General revenues:							
Taxes:							
Property taxes					53,256,948	-	53,256,948
Local option sales tax					15,336,312	-	15,336,312
Business, cable tv, and hotel/motel taxes					2,047,928	-	2,047,928
Automobile registration fees					1,147,116	-	1,147,116
Wholesale beer and liquor tax					912,525	-	912,525
Other local taxes and fees					9,451,676	-	9,451,676
State revenues:							
State sales tax					4,008,478	-	4,008,478
State income and other taxes					1,603,527	-	1,603,527
Other state revenues					120,113	-	120,113
Interest income					586,687	388,453	975,140
Other					1,267,932	125,619	1,393,551
Transfers					901,610	(901,610)	-
Total general revenues and transfers					90,640,852	(387,538)	90,253,314
Change in net position					18,901,692	2,663,026	21,564,718
Net position - beginning					288,119,270	102,869,359	390,988,629
Net position - ending					<u>\$ 307,020,962</u>	<u>\$ 105,532,385</u>	<u>\$ 412,553,347</u>

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

TOWN OF COLLIERVILLE, TENNESSEE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017

	General Fund	General Purpose School Fund	Education Capital Projects Fund #177	Capital Projects Fund #321	Capital Projects Fund #337	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,189,571	\$ 23,384,701	\$ 3,002,968	\$ -	\$ -	\$ 2,211,184	\$ 35,788,424
Investments	40,670,910		-	-	38,060,859	6,710,934	85,442,703
Receivables, net							
Property taxes	29,108,558	-	-	-	-	-	29,108,558
Sales, income, and other taxes	5,354,427	28,767	-	-	-	-	5,383,194
Federal and state grants	2,779	-	-	101,034	-	-	103,813
Accounts	70,847	-	-	-	-	207,839	278,686
Due from other governments	-	5,729,761	-	-	-	570,358	6,300,119
Due from other funds	3,242,698	340,637	4,384,905	560,398	-	2,545,801	11,074,439
Inventories	172,110	-	-	-	-	41,717	213,827
Prepays	2,025,869	519	-	-	-	1,278	2,027,666
Total assets	<u>\$ 87,837,769</u>	<u>\$ 29,484,385</u>	<u>\$ 7,387,873</u>	<u>\$ 661,432</u>	<u>\$ 38,060,859</u>	<u>\$ 12,289,111</u>	<u>\$ 175,721,429</u>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	2,601,186	4,336,452	4,415,359	531,704	-	1,912,706	13,797,407
Due to other governmental entities	1,168	-	-	-	-	-	1,168
Due to other funds	3,207,131	-	-	-	4,384,905	2,043,212	9,635,248
Due to fiduciary trusts	401,744	-	-	-	-	-	401,744
Deposits	356,054	-	-	-	-	-	356,054
Total liabilities	<u>6,567,283</u>	<u>4,336,452</u>	<u>4,415,359</u>	<u>531,704</u>	<u>4,384,905</u>	<u>3,955,918</u>	<u>24,191,621</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property tax	29,269,014	-	-	-	-	-	29,269,014
State sales and income tax	413,909	2,026,395	-	-	-	-	2,440,304
Other	19,719	-	-	-	-	71,134	90,853
Total deferred inflows of resources	<u>29,702,642</u>	<u>2,026,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,134</u>	<u>31,800,171</u>
<b>FUND BALANCES</b>							
Nonspendable	3,036,761	-	-	-	-	41,717	3,078,478
Restricted	1,527,711	23,121,538	2,972,514	-	33,675,954	8,147,132	69,444,849
Committed	2,849,714	-	-	-	-	73,143	2,922,857
Assigned	20,871,637	-	-	129,728	-	67	21,001,432
Unassigned	23,282,021	-	-	-	-	-	23,282,021
Total fund balances	<u>51,567,844</u>	<u>23,121,538</u>	<u>2,972,514</u>	<u>129,728</u>	<u>33,675,954</u>	<u>8,262,059</u>	<u>119,729,637</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 87,837,769</u>	<u>\$ 29,484,385</u>	<u>\$ 7,387,873</u>	<u>\$ 661,432</u>	<u>\$ 38,060,859</u>	<u>\$ 12,289,111</u>	<u>\$ 175,721,429</u>

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, 2017

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Total fund balances, governmental funds	\$ 119,729,637
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Amounts reported for governmental activities  
in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	316,451,391
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Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.	1,243,145
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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.	4,660,965
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Accrued (prepaid) interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds.	(2,090,518)
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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.	2,883,796
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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.	(907,990)
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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>(134,949,464)</u>
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Net position of governmental activities	<u><u>\$ 307,020,962</u></u>
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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 BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2017

	General Fund	General Purpose School Fund	Education Capital Projects Fund #177	Capital Projects Fund #321	Capital Projects Fund #337	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ 25,647,102	\$ 26,464,753	\$ -	\$ -	\$ -	\$ -	\$ 52,111,855
Local option sales tax	15,336,312	-	-	-	-	-	15,336,312
Business, cable tv, and hotel/motel taxes	2,047,928	-	-	-	-	-	2,047,928
Automobile registration fees	1,147,116	-	-	-	-	-	1,147,116
Wholesale beer and liquor tax	912,525	-	-	-	-	-	912,525
Other local taxes and fees	535,627	9,049,662	-	-	-	62,261	9,647,550
Federal revenues	1,075,464	-	-	250,651	-	3,307,546	4,633,661
State sales tax	4,008,478	-	-	-	-	-	4,008,478
State income and other taxes	1,603,527	-	-	-	-	-	1,603,527
State gasoline tax revenue	-	-	-	-	-	1,260,751	1,260,751
Other state revenue	105,212	-	-	-	-	14,901	120,113
State grant revenue	11,046	-	-	218,128	-	226,471	455,645
State educational revenue	-	36,802,022	-	-	-	-	36,802,022
Licenses and permits	1,379,968	-	-	-	-	-	1,379,968
Charges for services	1,626,584	119,400	-	-	-	5,273,192	7,019,176
Court fees	1,032,721	-	-	-	-	-	1,032,721
Fines and forfeits	391,962	-	-	-	-	125,347	517,309
Interest income	218,481	-	-	-	324,682	43,524	586,687
Contributions	1,305,578	-	1,289,340	65,169	-	-	2,660,087
Other	537,806	683,889	-	-	-	13,270	1,234,965
<b>Total revenues</b>	<b>58,923,437</b>	<b>73,119,726</b>	<b>1,289,340</b>	<b>533,948</b>	<b>324,682</b>	<b>10,327,263</b>	<b>144,518,396</b>
<b>Expenditures</b>							
Current:							
Legislative	169,987	-	-	-	-	-	169,987
General government	8,110,218	-	-	-	-	-	8,110,218
Roads and public works	7,053,298	-	-	-	-	940,347	7,993,645
Public safety	21,682,921	-	-	-	-	-	21,682,921
Sanitation	-	-	-	-	-	3,073,667	3,073,667
Culture and recreation	4,715,141	-	-	-	-	-	4,715,141
Drug fund	-	-	-	-	-	33,498	33,498
Education	-	66,600,470	-	-	-	4,457,861	71,058,331
Other	168,743	-	-	-	-	-	168,743
Capital expenditures	814,392	-	52,310,919	3,297,896	-	5,667,814	62,091,021
Debt service:							
Principal retirement	3,990,524	-	-	-	-	37,440	4,027,964
Interest and fiscal charges	5,572,712	-	-	-	-	17,549	5,590,261
<b>Total expenditures</b>	<b>52,277,936</b>	<b>66,600,470</b>	<b>52,310,919</b>	<b>3,297,896</b>	<b>-</b>	<b>14,228,176</b>	<b>188,715,397</b>
Excess (deficiency) of revenues over (under) expenditures	<u>6,645,501</u>	<u>6,519,256</u>	<u>(51,021,579)</u>	<u>(2,763,948)</u>	<u>324,682</u>	<u>(3,900,913)</u>	<u>(44,197,001)</u>
Other financing sources (uses)							
Transfers in	1,288,215	51,309	52,138,824	3,205,390	-	2,442,317	59,126,055
Transfers out	(3,775,247)	-	-	(386,605)	(52,138,824)	(1,923,769)	(58,224,445)
	<u>(2,487,032)</u>	<u>51,309</u>	<u>52,138,824</u>	<u>2,818,785</u>	<u>(52,138,824)</u>	<u>518,548</u>	<u>901,610</u>
Net change in fund balances	4,158,469	6,570,565	1,117,245	54,837	(51,814,142)	(3,382,365)	(43,295,391)
Fund balances - beginning	<u>47,409,375</u>	<u>16,550,973</u>	<u>1,855,269</u>	<u>74,891</u>	<u>85,490,096</u>	<u>11,644,424</u>	<u>163,025,028</u>
Fund balances - ending	<u>\$ 51,567,844</u>	<u>\$ 23,121,538</u>	<u>\$ 2,972,514</u>	<u>\$ 129,728</u>	<u>\$ 33,675,954</u>	<u>\$ 8,262,059</u>	<u>\$ 119,729,637</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, 2017

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Net change in fund balance, total governmental funds	\$ (43,295,391)
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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	63,460,808
Depreciation expense	(7,634,185)

Loss from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.	(1,977,828)
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Capital contributions in the statement of activities are not recorded in governmental funds.	1,560,086
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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.	(136,793)
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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.	1,086,012
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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.	4,027,964
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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.	1,247,716
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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.	597,109
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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.	(33,806)
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Change in net position of governmental activities	\$ 18,901,692
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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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes				
Real	\$ 26,102,225	\$ 26,102,225	\$ 26,666,249	\$ 564,024
Personal	927,489	927,489	1,150,299	222,810
Penalty and interest	72,500	72,500	79,178	6,678
Payment in lieu of tax	55,000	55,000	29,519	(25,481)
Municipal tax allocation for schools	(2,278,143)	(2,278,143)	(2,278,143)	-
	<u>24,879,071</u>	<u>24,879,071</u>	<u>25,647,102</u>	<u>768,031</u>
Other local taxes				
Sales tax	15,181,715	15,181,715	15,336,312	154,597
Beer and liquor tax	852,000	852,000	912,525	60,525
Business tax	736,000	736,000	977,204	241,204
Cable and telecommunications tax	632,000	632,000	663,374	31,374
Occupancy tax	359,000	359,000	407,350	48,350
Automobile tax	1,100,000	1,100,000	1,147,116	47,116
Police privilege tax	-	-	75,580	75,580
MLGW in lieu of tax	400,000	400,000	460,047	60,047
	<u>19,260,715</u>	<u>19,260,715</u>	<u>19,979,508</u>	<u>718,793</u>
Federal grants	-	1,076,876	1,075,464	(1,412)
State revenues				
Beer and liquor tax	194,000	194,000	229,979	35,979
Sales tax	3,613,000	3,613,000	3,778,497	165,497
Income tax	900,000	1,565,000	1,003,981	(561,019)
TVA payments in lieu of tax	536,000	536,000	536,366	366
City streets and transportation funding	92,000	92,000	92,003	3
Other state revenue	20,000	40,000	87,437	47,437
	<u>5,355,000</u>	<u>6,040,000</u>	<u>5,728,263</u>	<u>(311,737)</u>
Licenses and permits				
Beer permit and liquor licenses	35,500	35,500	49,082	13,582
Building and related permits	850,250	850,250	1,151,967	301,717
Development related reviews and fees	189,265	189,265	178,919	(10,346)
	<u>1,075,015</u>	<u>1,075,015</u>	<u>1,379,968</u>	<u>304,953</u>
Charges for services				
Software fees	-	-	31,009	31,009
Clerk's fees	65,500	65,500	90,024	24,524
Fire inspection fees	19,219	19,219	22,671	3,452
Fingerprinting fees	4,500	4,500	6,848	2,348
Animal adoption fees	42,000	42,000	39,843	(2,157)
Animal tag fees	56,000	56,000	62,032	6,032
Facility rental fees	72,125	72,125	62,391	(9,734)
Instructional fees	125,016	125,016	85,088	(39,928)
Athletic registration fees	278,125	278,125	361,087	82,962
Special event fees	12,125	12,125	5,575	(6,550)
Sale of reports	2,000	2,000	1,867	(133)

(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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Material and rental fees	\$ 62,150	\$ 62,150	\$ 57,203	\$ (4,947)
Non-resident card fees	17,300	17,300	17,160	(140)
Storm water fees	760,000	760,000	783,786	23,786
	<u>1,516,060</u>	<u>1,516,060</u>	<u>1,626,584</u>	<u>110,524</u>
Fines, fees, and costs				
Court costs	925,000	925,000	732,958	(192,042)
Court and other fees	292,200	292,200	385,189	92,989
Fines	332,000	332,000	306,536	(25,464)
	<u>1,549,200</u>	<u>1,549,200</u>	<u>1,424,683</u>	<u>(124,517)</u>
Interest on investments	40,000	40,000	218,481	178,481
Contributions	-	10,109	1,305,578	1,295,469
Other revenue	459,200	508,296	537,806	29,510
Total revenues	<u>54,134,261</u>	<u>55,955,342</u>	<u>58,923,437</u>	<u>2,968,095</u>
<b>Expenditures</b>				
Current				
Legislative				
Personnel	133,123	133,123	132,061	1,062
Contractual	55,990	52,090	29,488	22,602
Supplies	10,500	13,770	8,438	5,332
Total legislative	<u>199,613</u>	<u>198,983</u>	<u>169,987</u>	<u>28,996</u>
General government				
Finance				
Personnel	1,443,262	1,443,262	1,405,054	38,208
Contractual	430,437	437,207	294,426	142,781
Supplies	14,775	14,775	11,857	2,918
Grants, contributions, and indemnities	600	750	680	70
Expenditure reimbursement	(661,175)	(661,175)	(603,932)	(57,243)
	<u>1,227,899</u>	<u>1,234,819</u>	<u>1,108,085</u>	<u>126,734</u>
Executive				
Personnel	833,593	860,593	840,708	19,885
Contractual	121,425	123,964	104,776	19,188
Supplies	13,850	10,961	9,118	1,843
Expenditure reimbursement	(145,512)	(145,512)	(143,392)	(2,120)
	<u>823,356</u>	<u>850,006</u>	<u>811,210</u>	<u>38,796</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Health, welfare and insurance				
Personnel	\$ 72,800	\$ 72,800	\$ 56,557	\$ 16,243
Contractual	679,800	681,800	617,535	64,265
Fixed charges	637,906	640,600	561,512	79,088
Bank charges	19,000	24,500	21,155	3,345
Expenditure reimbursement	(34,763)	(34,763)	(32,270)	(2,493)
	<u>1,374,743</u>	<u>1,384,937</u>	<u>1,224,489</u>	<u>160,448</u>
Human resources				
Personnel	458,247	458,247	449,389	8,858
Contractual	202,397	202,170	114,811	87,359
Supplies	19,430	19,430	4,299	15,131
Grants, contributions, and indemnities	5,450	5,677	5,650	27
Expenditure reimbursement	(102,829)	(102,829)	(86,111)	(16,718)
	<u>582,695</u>	<u>582,695</u>	<u>488,038</u>	<u>94,657</u>
Development administration				
Personnel	251,574	248,649	229,893	18,756
Contractual	106,661	110,617	102,204	8,413
Supplies	10,560	9,200	8,262	938
Grants, contributions, and indemnities	1,250	750	575	175
Expenditure reimbursement	(55,507)	(55,507)	(51,244)	(4,263)
	<u>314,538</u>	<u>313,709</u>	<u>289,690</u>	<u>24,019</u>
Planning and zoning				
Personnel	846,278	846,278	822,252	24,026
Contractual	45,530	45,530	32,291	13,239
Supplies	41,350	41,350	39,766	1,584
Expenditure reimbursement	(139,974)	(139,974)	(134,125)	(5,849)
	<u>793,184</u>	<u>793,184</u>	<u>760,184</u>	<u>33,000</u>
Information technology				
Personnel	450,467	450,467	414,511	35,956
Contractual	167,632	167,632	134,149	33,483
Supplies	106,431	107,106	95,155	11,951
Fixed charges	4,000	4,000	1,750	2,250
Expenditure reimbursement	(67,570)	(67,570)	(62,164)	(5,406)
	<u>660,960</u>	<u>661,635</u>	<u>583,401</u>	<u>78,234</u>
General services				
Personnel	1,110,191	1,116,339	1,021,405	94,934
Contractual	995,689	1,039,042	853,935	185,107
Supplies	164,962	164,962	132,376	32,586
Building materials	2,000	2,000	1,447	553
Grants, contributions, and indemnities	450	450	343	107
Expenditure reimbursement	(166,529)	(166,529)	(152,910)	(13,619)
	<u>2,106,763</u>	<u>2,156,264</u>	<u>1,856,596</u>	<u>299,668</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Morton museum				
Personnel	\$ 135,977	\$ 135,977	\$ 106,891	\$ 29,086
Contractual	47,125	49,325	40,184	9,141
Supplies	15,750	17,222	13,401	3,821
	<u>198,852</u>	<u>202,524</u>	<u>160,476</u>	<u>42,048</u>
Library				
Personnel	669,026	669,026	647,046	21,980
Contractual	178,773	180,536	160,842	19,694
Supplies	21,700	20,629	19,861	768
Grants, contributions, and indemnities	400	400	300	100
	<u>869,899</u>	<u>870,591</u>	<u>828,049</u>	<u>42,542</u>
Total general government	<u>8,952,889</u>	<u>9,050,364</u>	<u>8,110,218</u>	<u>940,146</u>
Roads and public works				
Public works administration				
Personnel	665,433	664,824	623,776	41,048
Contractual	54,992	54,401	49,577	4,824
Supplies	14,216	15,416	11,523	3,893
Grants, contributions, and indemnities	1,000	1,000	999	1
Expenditure reimbursement	(332,717)	(332,717)	(311,830)	(20,887)
	<u>402,924</u>	<u>402,924</u>	<u>374,045</u>	<u>28,879</u>
Vehicle maintenance				
Personnel	765,330	759,480	694,645	64,835
Contractual	47,300	49,850	22,512	27,338
Supplies	42,742	47,042	31,188	15,854
Fixed charges	665	665	250	415
	<u>856,037</u>	<u>857,037</u>	<u>748,595</u>	<u>108,442</u>
Highways and streets				
Personnel	1,714,173	1,696,013	1,606,621	89,392
Contractual	1,845,220	1,864,730	1,917,924	(53,194)
Supplies	233,821	242,046	203,690	38,356
Building materials	7,450	1,560	1,560	-
Fixed charges	1,500	1,500	-	1,500
	<u>3,802,164</u>	<u>3,805,849</u>	<u>3,729,795</u>	<u>76,054</u>
Engineering				
Personnel	1,023,777	1,023,277	1,005,794	17,483
Contractual	175,148	1,727,117	1,482,009	245,108
Supplies	41,845	42,095	23,341	18,754
Grants, contributions, and indemnities	300	300	152	148
Expenditure reimbursement	(310,267)	(310,267)	(310,433)	166
	<u>930,803</u>	<u>2,482,522</u>	<u>2,200,863</u>	<u>281,659</u>
Total roads and public works	<u>5,991,928</u>	<u>7,548,332</u>	<u>7,053,298</u>	<u>495,034</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Public safety				
Police				
Personnel	\$ 11,215,492	\$ 11,235,492	\$ 10,819,400	\$ 416,092
Contractual	621,885	623,385	480,317	143,068
Supplies	433,492	420,296	362,067	58,229
Fixed charges	3,492	3,492	3,412	80
Grants, contributions, and indemnities	2,006	2,006	1,001	1,005
	<u>12,276,367</u>	<u>12,284,671</u>	<u>11,666,197</u>	<u>618,474</u>
Fire				
Personnel	7,302,760	7,287,760	6,911,416	376,344
Contractual	275,235	285,437	267,565	17,872
Supplies	397,231	443,362	362,380	80,982
Grants, contributions, and indemnities	1,290	1,140	921	219
	<u>7,976,516</u>	<u>8,017,699</u>	<u>7,542,282</u>	<u>475,417</u>
Code enforcement				
Personnel	1,040,194	1,040,194	985,608	54,586
Contractual	71,198	69,698	45,785	23,913
Supplies	29,050	30,550	25,701	4,849
	<u>1,140,442</u>	<u>1,140,442</u>	<u>1,057,094</u>	<u>83,348</u>
City court				
Personnel	864,740	864,740	823,326	41,414
Contractual	76,439	76,439	50,456	25,983
Supplies	15,905	17,589	11,300	6,289
Grants, contributions, and indemnities	350	350	100	250
	<u>957,434</u>	<u>959,118</u>	<u>885,182</u>	<u>73,936</u>
Animal control				
Personnel	445,796	445,796	376,822	68,974
Contractual	91,090	92,780	81,112	11,668
Supplies	74,441	127,407	73,095	54,312
Grants, contributions, and indemnities	1,525	1,525	1,137	388
	<u>612,852</u>	<u>667,508</u>	<u>532,166</u>	<u>135,342</u>
Total public safety	<u>22,963,611</u>	<u>23,069,438</u>	<u>21,682,921</u>	<u>1,386,517</u>
Culture and recreation				
Parks and recreation				
Personnel	3,088,025	3,063,025	2,765,703	297,322
Contractual	1,654,767	1,652,667	1,515,547	137,120
Supplies	441,267	441,267	356,507	84,760
Building materials	93,050	94,616	78,017	16,599
Grants, contributions, and indemnities	33,200	33,200	30,587	2,613
Expenditure reimbursement	(31,220)	(31,220)	(31,220)	-
Total culture and recreation	<u>5,279,089</u>	<u>5,253,555</u>	<u>4,715,141</u>	<u>538,414</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Special appropriations	\$ 160,842	\$ 169,840	\$ 168,743	\$ 1,097
Capital				
Capital expenditures	887,599	990,548	814,392	176,156
Debt service				
Principal retirement	3,755,658	3,990,524	3,990,524	-
Interest and fiscal charges	5,575,192	5,576,714	5,572,712	4,002
Total debt service	9,330,850	9,567,238	9,563,236	4,002
Total expenditures	53,766,421	55,848,298	52,277,936	3,570,362
Excess revenue over expenditures before transfers	367,840	107,044	6,645,501	6,538,457
Other financing sources (uses)				
Transfers in	-	790,000	1,288,215	498,215
Transfers out	-	(3,775,247)	(3,775,247)	-
Total other financing sources (uses)	-	(2,985,247)	(2,487,032)	498,215
Net change in fund balance	\$ 367,840	\$ (2,878,203)	4,158,469	\$ 7,036,671
Fund balance - beginning			47,409,375	
Fund balance - ending			\$ 51,567,844	

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, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Property taxes				
Real and personal	\$ 19,527,074	\$ 21,080,894	\$ 19,938,116	\$ (1,142,778)
Circuit court	285,138	285,138	246,262	(38,876)
TPSC tax	1,589,942	1,589,942	1,500,602	(89,340)
MLGW in lieu of tax	171,767	171,767	150,797	(20,970)
Other payments in lieu of tax	257,650	257,650	209,697	(47,953)
Wheel tax	100,000	100,000	2,138,012	2,038,012
Business tax	2,940	2,940	3,124	184
Municipal tax	2,295,371	2,278,143	2,278,143	-
	<u>24,229,882</u>	<u>25,766,474</u>	<u>26,464,753</u>	<u>698,279</u>
Other local taxes				
Local option sales tax	8,599,798	8,599,798	8,860,486	260,688
Mixed drink tax	179,683	179,683	189,176	9,493
	<u>8,779,481</u>	<u>8,779,481</u>	<u>9,049,662</u>	<u>270,181</u>
Federal revenues				
Special education - grants to states	30,000	-	-	-
	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
State educational revenues				
Basic education program	36,000,869	36,767,000	36,620,060	(146,940)
Other state educational funds	100,534	25,534	21,583	(3,951)
Career ladder program	163,000	163,000	160,379	(2,621)
	<u>36,264,403</u>	<u>36,955,534</u>	<u>36,802,022</u>	<u>(153,512)</u>
Charges for services				
Tuition	150,000	142,000	119,400	(22,600)
	<u>150,000</u>	<u>142,000</u>	<u>119,400</u>	<u>(22,600)</u>
Other				
Other local revenue	28,250	258,250	253,449	(4,801)
Insurance recovery	-	5,000	6,534	1,534
E-Rate funding	482,700	52,700	10,589	(42,111)
Laptop insurance	5,250	40,250	37,021	(3,229)
Lease/rental	10,000	10,000	-	(10,000)
Miscellaneous refunds	243,703	301,703	368,216	66,513
Damages recovered from individuals	6,000	6,000	8,080	2,080
	<u>775,903</u>	<u>673,903</u>	<u>683,889</u>	<u>9,986</u>
Total revenues	<u>70,229,669</u>	<u>72,317,392</u>	<u>73,119,726</u>	<u>802,334</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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Expenditures				
Current				
Instruction - regular				
Personnel	\$ 33,315,743	\$ 33,870,660	\$ 32,152,307	\$ 1,718,353
Contractual	660,500	703,780	648,789	54,991
Supplies	896,571	976,417	956,030	20,387
Other	68,800	133,800	71,386	62,414
Expenditure reimbursement	(500,000)	(600,000)	(412,728)	(187,272)
Total instruction - regular	<u>34,441,614</u>	<u>35,084,657</u>	<u>33,415,784</u>	<u>1,668,873</u>
Instruction - alternative				
Personnel	186,704	154,526	128,203	26,323
Contractual	12,000	8,250	6,981	1,269
Supplies	1,500	3,000	2,248	752
Other	2,500	1,000	-	1,000
Total instruction - alternative	<u>202,704</u>	<u>166,776</u>	<u>137,432</u>	<u>29,344</u>
Instruction - special education				
Personnel	5,318,399	5,379,099	5,259,515	119,584
Contractual	139,000	207,991	207,990	1
Supplies	53,900	46,756	45,298	1,458
Total instruction - special education	<u>5,511,299</u>	<u>5,633,846</u>	<u>5,512,803</u>	<u>121,043</u>
Instruction - vocational				
Personnel	949,381	949,381	892,380	57,001
Contractual	4,307	4,307	179	4,128
Supplies	19,600	19,600	17,328	2,272
Total instruction - vocational	<u>973,288</u>	<u>973,288</u>	<u>909,887</u>	<u>63,401</u>
Attendance				
Personnel	592,541	592,541	592,404	137
Contractual	55,680	55,680	49,169	6,511
Supplies	1,000	1,000	896	104
In-service/staff development	8,000	8,000	6,349	1,651
Total attendance	<u>657,221</u>	<u>657,221</u>	<u>648,818</u>	<u>8,403</u>
Health services				
Personnel	942,285	942,285	895,614	46,671
Contractual	15,300	29,300	24,456	4,844
Supplies	8,000	8,000	2,012	5,988
In-service/staff development	2,100	2,100	-	2,100
Total health services	<u>967,685</u>	<u>981,685</u>	<u>922,082</u>	<u>59,603</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, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Support - other student support				
Personnel	\$ 1,598,015	\$ 1,626,792	\$ 1,622,119	\$ 4,673
Contractual	15,000	53,800	52,219	1,581
Supplies	750	750	498	252
In-service/staff development	1,000	1,240	1,122	118
Total support - other student support	<u>1,614,765</u>	<u>1,682,582</u>	<u>1,675,958</u>	<u>6,624</u>
Support - regular instruction				
Personnel	1,569,551	1,623,335	1,560,074	63,261
Contractual	45,056	37,100	32,643	4,457
Supplies	74,800	76,800	59,382	17,418
In-service/staff development	152,000	256,556	230,188	26,368
Expenditure reimbursement	(436,528)	(476,529)	(461,506)	(15,023)
Total support - regular instruction	<u>1,404,879</u>	<u>1,517,262</u>	<u>1,420,781</u>	<u>96,481</u>
Support - special education				
Personnel	894,750	899,572	899,746	(174)
Contractual	399,468	420,693	399,412	21,281
Supplies	11,900	10,399	10,398	1
In-service/staff development	30,345	30,345	29,840	505
Total support - special education	<u>1,336,463</u>	<u>1,361,009</u>	<u>1,339,396</u>	<u>21,613</u>
Support - vocational education				
Contractual	34,169	34,169	34,164	5
Total support - vocational education	<u>34,169</u>	<u>34,169</u>	<u>34,164</u>	<u>5</u>
Board of education				
Personnel	428,489	428,489	382,326	46,163
Contractual	246,115	226,115	115,580	110,535
Supplies	200	200	-	200
Insurance	390,421	387,748	262,002	125,746
In-service/staff development	20,000	20,000	6,643	13,357
Other charges	545,319	546,819	514,301	32,518
Total board of education	<u>1,630,544</u>	<u>1,609,371</u>	<u>1,280,852</u>	<u>328,519</u>
Office of the superintendent				
Personnel	363,114	369,114	349,428	19,686
Contractual	51,270	90,270	48,995	41,275
Supplies	1,500	1,500	1,499	1
In-service/staff development	10,000	10,000	7,718	2,282
Other charges	5,000	35,000	31,019	3,981
Total office of the superintendent	<u>430,884</u>	<u>505,884</u>	<u>438,659</u>	<u>67,225</u>
Office of the principal				
Personnel	4,583,326	4,583,326	4,513,217	70,109
Contractual	16,000	16,000	13,425	2,575
In-service/staff development	32,000	32,000	16,995	15,005
Total office of the principal	<u>4,631,326</u>	<u>4,631,326</u>	<u>4,543,637</u>	<u>87,689</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, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Fiscal services				
Personnel	\$ 422,478	\$ 528,648	\$ 498,743	\$ 29,905
Contractual	197,033	247,093	197,459	49,634
Supplies	3,400	13,500	12,853	647
In-service/staff development	11,800	14,300	11,513	2,787
Total fiscal services	634,711	803,541	720,568	82,973
Human resources				
Personnel	280,644	285,389	253,182	32,207
Contractual	14,695	17,542	13,345	4,197
Supplies	3,280	3,280	2,525	755
In-service/staff development	22,700	22,700	10,956	11,744
Total human resources	321,319	328,911	280,008	48,903
Central and other				
Personnel	1,781,103	263,484	221,915	41,569
Contractual	871,546	91,000	66,101	24,899
Supplies	96,500	41,000	16,521	24,479
In-service/staff development	100,975	49,475	11,465	38,010
Other charges	562,040	21,769	8,295	13,474
Total central and other	3,412,164	466,728	324,297	142,431
Operation of plant				
Personnel	537,610	574,771	556,748	18,023
Contractual	1,222,337	1,230,049	1,087,762	142,287
Supplies	1,547,206	1,474,800	1,168,560	306,240
Insurance	171,553	171,553	150,123	21,430
In-service/staff development	258	258	-	258
Other charges	13,920	17,578	16,470	1,108
Total operation of plant	3,492,884	3,469,009	2,979,663	489,346
Maintenance of plant				
Personnel	264,540	275,540	273,854	1,686
Contractual	1,155,502	1,121,702	948,249	173,453
Supplies	1,000	1,000	392	608
In-service/staff development	3,280	3,280	1,885	1,395
Other charges	15,000	15,000	3,606	11,394
Total maintenance of plant	1,439,322	1,416,522	1,227,986	188,536
Transportation				
Personnel	340,496	345,496	336,858	8,638
Contractual	2,332,820	2,333,458	2,091,828	241,630
Supplies	372,000	369,400	278,331	91,069
In-service/staff development	3,000	3,000	518	2,482
Other charges	3,300	2,662	1,595	1,067
Expenditure reimbursement	(254,366)	(329,366)	(328,555)	(811)
Total transportation	2,797,250	2,724,650	2,380,575	344,075

(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, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Technology				
Personnel	\$ -	\$ 1,648,960	\$ 1,653,503	\$ (4,543)
Contractual	-	1,507,318	1,363,505	143,813
Supplies	-	740,464	411,587	328,877
In-service/staff development	-	86,500	56,965	29,535
Other charges	-	364,720	285,439	79,281
Total technology	-	4,347,962	3,770,999	576,963
 Total education	 65,934,491	 68,396,399	 63,964,349	 4,432,050
Capital outlay				
Contractual	105,000	105,000	9,982	95,018
Capital Outlay	4,241,466	3,867,281	2,626,139	1,241,142
Total regular capital outlay	4,346,466	3,972,281	2,636,121	1,336,160
Total expenditures	70,280,957	72,368,680	66,600,470	5,768,210
 Excess (deficit) of revenues over (under) expenditures before transfers	 (51,288)	 (51,288)	 6,519,256	 6,570,544
 Other financing sources (uses)				
Transfers in	51,288	51,288	51,309	21
Transfers out	-	-	-	-
Total other financing sources (uses)	51,288	51,288	51,309	21
 Net change in fund balance	 \$ -	 \$ -	 \$ 6,570,565	 \$ 6,570,565
 Fund balance - beginning			 16,550,973	
Fund balance - ending			 \$ 23,121,538	

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

TOWN OF COLLIERVILLE, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2017

	Business-type Activities - Enterprise Fund Water and Sewer
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,259,037
Investments	22,680,290
Receivables, net	599,147
Unbilled receivables	844,063
Prepays	13,800
Inventories	97,771
Total current unrestricted assets	27,494,108
Restricted investments	8,140,388
Total current assets	35,634,496
Noncurrent assets:	
Capital assets:	
Land	1,756,343
Distribution and collection systems	117,721,390
Buildings and improvements	19,532,261
Equipment	4,833,322
Other improvements	1,560,389
Construction in progress	1,609,984
Less accumulated depreciation	(55,704,495)
Net capital assets	91,309,194
Total noncurrent assets	91,309,194
Total assets	126,943,690
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on refundings	1,406,387
Pension actuarial losses	216,489
Total deferred outflows of resources	1,622,876
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	297,090
Due to governmental entities	27,220
Accrued interest	93,217
Due to other funds	1,439,191
Compensated absences	98,135
Current installment of bonds payable	2,317,220
Total current liabilities	4,272,073
Noncurrent liabilities:	
Customer deposits	136,335
Compensated absences	25,333
Bonds payable	18,157,888
Net pension liability	312,476
Total noncurrent liabilities	18,632,032
Total liabilities	22,904,105
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Development fees	14,200
Pension actuarial gains	115,876
Total deferred inflows of resources	130,076
<b>NET POSITION</b>	
Net investment in capital assets	72,240,473
Restricted	
Water and sewer development	8,140,388
Unrestricted	25,151,524
Total net position	\$ 105,532,385

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

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

For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund Water and Sewer
Operating revenues:	
Charges for services - water	\$ 4,644,392
Charges for services - sewer	7,441,822
Miscellaneous	125,619
Total operating revenues	<u>12,211,833</u>
Operating expenses:	
Personal services	2,781,019
Materials, supplies, services and other	4,255,410
Depreciation	3,348,843
Total operating expenses	<u>10,385,272</u>
Operating income (loss)	<u>1,826,561</u>
Nonoperating revenues (expenses):	
Interest and investment revenue	388,453
Impact fees	1,089,810
Tap fees	238,268
Loss on sale of assets	(831)
Interest expense	(651,802)
Total nonoperating revenues	<u>1,063,898</u>
Income before contributions and transfers	<u>2,890,459</u>
Capital grants and contributions	674,177
Transfers out	(901,610)
Change in net position	<u>2,663,026</u>
Total net position - beginning	102,869,359
Total net position - ending	<u><u>\$ 105,532,385</u></u>

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, 2017

	Business-type Activities - Enterprise Fund Water and Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 12,467,335
Payments to suppliers	(4,960,635)
Payments to employees	(2,342,763)
Other receipts	1,236
Net cash provided by operating activities	<u>5,165,173</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating subsidies and transfers to other funds	(901,610)
Tap and impact fee receipts	1,328,078
Net cash provided by noncapital financing activities	<u>426,468</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(1,996,883)
Principal paid on capital debt	(2,241,902)
Interest paid on capital debt	(747,386)
Net cash used in capital and related financing activities	<u>(4,986,171)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments, net	(1,258,074)
Interest and dividends	388,453
Net cash used in investing activities	<u>(869,621)</u>
Net decrease in cash and cash equivalents	(264,151)
Balances - beginning of the year	<u>3,523,188</u>
Balances - end of the year	<u><u>\$ 3,259,037</u></u>

(Continued)

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

For the Year Ended June 30, 2017

	Business-type Activities - Enterprise Fund Water and Sewer
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 1,826,561
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	3,348,843
Provision for bad debts	18,654
Change in assets and liabilities	
(Increase) decrease in assets and deferred outflows of resources:	
Receivables, net	189,985
Unbilled receivables	41,773
Prepaid expenses	350
Inventories	9,378
Pension actuarial loss	(116,617)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable and accrued expense	(714,953)
Compensated absences	1,782
Due to governmental entities	1,236
Due to other funds	440,846
Customer deposits	5,090
Net pension liability	112,245
Net cash provided by operating activities	<u>\$ 5,165,173</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>	
Receipt of capital assets contributions from developers	<u>\$ 674,117</u>

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

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

June 30, 2017

	Town Retiree Pension Plan	Town Retiree Medical Insurance	Schools Retiree Medical Insurance	School Activities Agency Fund
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ 9,484	\$ 1,173,323
Inventories	-	-	-	13,471
Savings, certificates of deposit and time deposits	1,435,355	-	-	-
Investments, at fair value:				
Money market funds	1,506,785	185,069	-	-
U.S. government agency bonds	515,215	-	-	-
Corporate and foreign bonds	4,138,047	-	-	-
Municipal obligations	1,403,806	-	-	-
Common stocks	7,808,120	1,470,185	-	-
Domestic equities	-	-	362,980	-
International equities	-	-	149,158	-
Equity mutual funds	31,634,808	6,453,860	-	-
Emerging equities	-	-	34,487	-
Fixed income mutual funds	14,946,195	3,982,437	306,076	-
Total investments	61,952,976	12,091,551	852,701	-
Accrued investment income	107,516	8,641	-	-
Due from other funds	346,851	54,893	-	-
Total assets	63,842,698	12,155,085	862,185	1,186,794
<b>LIABILITIES</b>				
Due to schools general fund	-	-	-	719,050
Due to student groups	-	-	-	467,744
Accounts payable and accrued liabilities	54,105	7,558	-	-
Total liabilities	54,105	7,558	-	\$ 1,186,794
<b>NET POSITION</b>				
Restricted for other post employment benefits	-	12,147,527	862,185	
Restricted for pension benefits	63,788,593	-	-	
Total net position held in trust	\$ 63,788,593	\$ 12,147,527	\$ 862,185	

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

For the Year Ended June 30, 2017

	Town Retiree Pension Plan	Town Retiree Medical Insurance	Schools Retiree Medical Insurance
	<u>Plan</u>	<u>Insurance</u>	<u>Insurance</u>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 3,066,497	\$ 574,737	\$ 525,679
Plan member	533,710	105,722	-
Total contributions	<u>3,600,207</u>	<u>680,459</u>	<u>525,679</u>
Net investment income:			
Interest and dividends	1,327,444	244,620	20,574
Net increase in the fair value of investments	4,080,287	881,372	68,049
Less: investment expenses	(231,776)		
Net investment income	<u>5,175,955</u>	<u>1,125,992</u>	<u>88,623</u>
Total additions	<u>8,776,162</u>	<u>1,806,451</u>	<u>614,302</u>
<b>DEDUCTIONS</b>			
Benefits and claims paid	1,375,157	329,646	325,679
Administrative expenses	18,943	41,702	1,239
Total deductions	<u>1,394,100</u>	<u>371,348</u>	<u>326,918</u>
Change in net position	7,382,062	1,435,103	287,384
Net position - beginning	56,406,531	10,712,424	574,801
Net position - ending	<u>\$ 63,788,593</u>	<u>\$ 12,147,527</u>	<u>\$ 862,185</u>

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



**BASIC FINANCIAL STATEMENTS  
TOWN OF COLLIERVILLE, TENNESSEE**

**NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2017

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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.

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, 2017.

**(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. These revenues include local and state shared revenue for education purposes. 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 Town **Pension Plan Fund** accounts for transactions related to the Town sponsored defined benefit pension plan.

The Town **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.

The School **Retiree Medical Plan Fund** accounts for money set aside to pay for health benefits of qualified retirees of the school.

### **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
Education Capital Project Fund #177	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

### (C) – Change in accounting principles

The Town implemented Governmental Accounting Standards Board (“GASB”) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, in the fiscal year ending June 30, 2017. The implementation of the Statement modified note disclosures related to the Town’s two retirees medical plan funds and added additional required supplementary information schedules. In implementing this standard, the Town determined that the fiduciary net position related to the School’s retiree medical plan fund should also be included in the financial statements.

### (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.

#### 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.

Agency funds employ accrual basis accounting for purposes of asset and liability recognition, but have no measurement focus for revenues and expenses.

### **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 \$143,156,234. 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 \$8,140,388 in restricted investments for development fees at June 30, 2017.

#### **(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 accounts 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 comply with statutes requiring deposits be insured or collateralized with securities held by the Town or its agent in the Town's name. 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, 2017.

The Town is permitted under state law to utilize an Industrial Development Board ("IDB") to facilitate payment-in-lieu-of-taxes ("PILOT") programs, which effectively reduce the amount of property tax revenue collected by the Town. The IDB offers incentives in the form of PILOTs on a case-by-case basis to stimulate business attraction, retention, redevelopment and expansion. Each PILOT agreement must be approved by the Mayor and Board of Alderman of the Town. The PILOT



incentive is determined by the number of full time jobs created, capital investment and an average wage target. Based on compliance with job creation, capital investment and wage requirements, the IDB has the discretion to recapture abated tax. For year ended June 30, 2017, the Town effectively abated approximately \$1,634,000 of property taxes under the PILOT program.

#### **(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.

#### **(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 and are recognized using the consumption method. 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**

Nonspendable 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, 2017, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 40,197,706	\$ 39,044,268

A summary of the primary government's bank deposits as of June 30, 2017, 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 .....	<u>39,197,706</u>	
	<u>\$ 40,197,706</u>	\$ 39,044,268
Petty cash.....		<u>3,193</u>
Total cash and cash equivalents .....		<u>\$ 39,047,461</u>

### ***Fiduciary Pension Trust Deposits***

Deposits of the Town's fiduciary pension trust funds at June 30, 2017, consist of the following:

	<b><u>Bank Balance</u></b>	<b><u>Book Balance</u></b>
Accounts at banks.....	<u>\$ 1,435,355</u>	<u>\$ 1,435,355</u>

A summary of the Town's fiduciary pension trust funds bank deposits as of June 30, 2017, is as follows:

Insured .....	<u>\$ 1,435,355</u>	<u>\$ 1,435,355</u>
---------------	---------------------	---------------------

### ***Fiduciary Agency Deposits***

Deposits of the Town's fiduciary agency fund at June 30, 2017, consist of the following:

	<b><u>Bank Balance</u></b>	<b><u>Book Balance</u></b>
Accounts at banks.....	<u>\$ 1,213,524</u>	<u>\$ 1,173,323</u>

A summary of the Town's fiduciary agency fund bank deposits as of June 30, 2017, is as follows:

Insured .....	\$ 250,000	
Collateralized by securities held by the Town or their agent in the Town's name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee .....	<u>963,524</u>	
	<u>\$ 1,213,524</u>	
Total cash and cash equivalents .....		<u>\$ 1,173,323</u>

### **Note (3) – INVESTMENTS**

The Tennessee Local Government Investment Pool (the "Pool") represents 100% of the primary government's investments at June 30, 2017. 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 63 days at June 30, 2017.

	<u>Amortized Cost</u>
Investments in Local Government Investment Pool ("LGIP"):	
Governmental funds.....	\$ 85,442,703
Proprietary funds.....	<u>\$ 30,820,678</u>
	<u>\$116,263,381</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, 2017:

	<u>Fair Value</u>	<u>Prices in Active Markets for (Level 1)</u>	<u>Significant Other Observable (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Money market mutual funds	\$ 1,691,854	\$ 1,691,854	\$ -	\$ -
U.S. government agency bonds	515,215	-	515,215	-
Corporate and foreign bonds	4,138,047	-	4,138,047	-
Municipal obligations	1,403,806	-	1,403,806	-
Common stocks	9,278,305	9,278,305	-	-
Equity mutual funds	38,635,293	38,635,293	-	-
Fixed income mutual funds	19,234,708	19,234,708	-	-
	<u>\$ 74,897,228</u>	<u>\$ 68,840,160</u>	<u>\$ 6,057,068</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.

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 98% of the tax levy.

Property taxes receivable as of June 30, 2017 include:

Real and personal property taxes	\$ 28,690,717
Ad valorem taxes	665,000
Pilot taxes	<u>43,971</u>
	29,399,688
Less allowance for uncollectible amounts	<u>(291,130)</u>
	<u>\$ 29,108,558</u>

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

#### **Note (5) - INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2017 is as follows:

<b>MAJOR FUNDS</b>	<b><u>INTERFUND RECEIVABLE</u></b>	<b><u>INTERFUND PAYABLE</u></b>
General Fund		
Special Drug Fund	\$ 1,096	\$ -
Historic Preservation Fund	-	73,143
Capital Project Funds #321	-	560,398
Capital Project Funds #335	-	952,929
Capital Project Funds #336	1,136,135	-



State Street Aid Fund	666,276	-
Sanitation Fund	-	1,517,343
Water and Sewer Fund	1,439,191	-
Retirement Pension Fund	-	346,851
Retirement Medical Fund	-	54,893
E-Citation Fund	-	2,386
General Purpose School Fund	-	100,932
	<u>3,242,698</u>	<u>3,608,875</u>
Capital Project Fund #321		
General Fund	<u>560,398</u>	<u>-</u>
Capital Project Fund #337		
Educational Capital Projects Fund	<u>-</u>	<u>4,384,905</u>
General Purpose School Fund		
General Fund	100,932	-
School Federal Projects Fund	223,898	-
School Discretionary Grants	15,807	-
	<u>340,637</u>	<u>-</u>
Educational Capital Projects Fund		
Capital Project Fund #337	<u>4,384,905</u>	<u>-</u>
Water and Sewer Fund		
General Fund	<u>-</u>	<u>1,439,191</u>
<b>NON-MAJOR FUNDS</b>		
Special Drug Fund		
General Fund	<u>-</u>	<u>1,096</u>
Retirement Pension Fund		
General Fund	<u>346,851</u>	<u>-</u>
Retirement Medical Fund		
General Fund	<u>54,893</u>	<u>-</u>
Sanitation Fund		
General Fund	<u>1,517,343</u>	<u>-</u>
Historic Preservation Fund		
General Fund	<u>73,143</u>	<u>-</u>
State Street Aid Fund		
General Fund	<u>-</u>	<u>666,276</u>

Capital Project Fund #335		
General Fund	<u>952,929</u>	<u>-</u>
Capital Project Fund #336		
General Fund	<u>-</u>	<u>1,136,135</u>
E-Citation Fund		
General Fund	<u>2,386</u>	<u>-</u>
School Federal Projects Fund		
General Purpose School Fund	<u>-</u>	<u>223,898</u>
School Discretionary Grants		
General Purpose School Fund	<u>-</u>	<u>15,807</u>
<b>TOTALS</b>	<u><b>\$ 11,476,183</b></u>	<u><b>\$ 11,476,183</b></u>

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

	<b><u>INTERFUND BALANCES - ASSETS</u></b>	<b><u>INTERFUND BALANCES - LIABILITIES</u></b>
Governmental Funds		
Due from other funds	\$ 11,074,439	\$ -
Due to other funds	-	9,635,248
Due to fiduciary trusts	-	401,744
Proprietary Funds		
Due to other funds	-	1,439,191
Fiduciary Funds		
Due from other funds	<u>401,744</u>	<u>-</u>
	<u><b>\$ 11,476,183</b></u>	<u><b>\$ 11,476,183</b></u>

Interfund balances 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, 2017 were as follows:

	<b>TRANSFERS FROM OTHER FUNDS</b>	<b>TRANSFERS TO OTHER FUNDS</b>
<b>MAJOR FUNDS</b>		
General Fund		
Special Drug Fund	\$ -	\$ 10,044
Capital Project Funds #321	386,605	2,520,627
Capital Project Funds #335	-	1,244,576
Water and Sewer Fund	901,610	-
	(1) <u>1,288,215</u>	<u>3,775,247</u>
General Purpose School Fund		
Discretionary Grants Fund	1,711	-
School Federal Projects	49,598	-
	<u>51,309</u>	<u>-</u>
Educational Capital Projects		
Capital Project Fund #337	<u>52,138,824</u>	<u>-</u>
Capital Project Funds #321		
General Fund	2,520,627	386,605
Capital Project Funds #336	684,763	-
	<u>3,205,390</u>	<u>386,605</u>
Capital Project Funds #337		
Educational Capital Projects	<u>-</u>	<u>52,138,824</u>
Water and Sewer Fund		
General Fund	<u>-</u>	<u>901,610</u> (1)
<b>NON-MAJOR FUNDS</b>		
Special Drug Fund		
General Fund	<u>10,044</u>	<u>-</u>
Capital Project Fund #335		
General Fund	1,244,576	-
Capital Project Fund #336	1,187,697	-
	<u>2,432,273</u>	<u>-</u>
Capital Project Fund #336		
Capital Project Fund #321	-	684,763
Capital Project Fund #335	-	1,187,697
	<u>-</u>	<u>1,872,460</u>

Discretionary Grants Fund		
General Purpose School Fund	<u>-</u>	<u>1,711</u>
School Federal Projects		
General Purpose School Fund	<u>-</u>	<u>49,598</u>
<b>TOTALS</b>	<u>\$ 59,126,055</u>	<u>\$ 59,126,055</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 services transactions arising in the normal course of operations.

## Note (6) - CAPITAL ASSETS

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

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>July 1, 2017</u>
Governmental activities:					
Capital assets not being depreciated					
Land, easements, right-of-ways	\$ 30,470,268	\$ 1,294,352	\$ (5,220)	\$ 602,703	\$ 32,362,103
Construction in progress	<u>18,324,247</u>	<u>61,051,970</u>	<u>-</u>	<u>(11,040,529)</u>	<u>68,335,688</u>
Total capital assets not being depreciated	<u>48,794,515</u>	<u>62,346,322</u>	<u>(5,220)</u>	<u>(10,437,826)</u>	<u>100,697,791</u>
Other capital assets:					
Buildings and improvements	112,468,085	479,347	(2,144,342)	1,328,418	112,131,508
Other improvements	19,555,470	-	-	3,749,564	23,305,034
Library materials	2,615,960	231,184	(203,085)	-	2,644,059
Equipment	27,700,259	1,753,339	(418,132)	2,928,671	31,964,137
Infrastructure	<u>154,362,953</u>	<u>210,702</u>	<u>-</u>	<u>2,431,173</u>	<u>157,004,828</u>
Total other capital assets at historical cost	<u>316,702,727</u>	<u>2,674,572</u>	<u>(2,765,559)</u>	<u>10,437,826</u>	<u>327,049,566</u>
Less accumulated depreciation for:					
Buildings and improvements	(36,373,390)	(2,592,597)	197,132	-	(38,768,855)
Other improvements	(10,034,440)	(761,296)	-	-	(10,795,736)
Library materials	(1,392,247)	(216,706)	203,085	-	(1,405,868)
Equipment	(17,815,105)	(1,920,496)	392,734	-	(19,342,867)
Infrastructure	<u>(38,839,550)</u>	<u>(2,143,090)</u>	<u>-</u>	<u>-</u>	<u>(40,982,640)</u>
Total accumulated depreciation	<u>(104,454,732)</u>	<u>(7,634,185)</u>	<u>792,951</u>	<u>-</u>	<u>(111,295,966)</u>
Other capital assets, net	<u>212,247,995</u>	<u>(4,959,613)</u>	<u>(1,972,608)</u>	<u>10,437,826</u>	<u>215,753,600</u>
Governmental activities capital assets, net	<u>\$ 261,042,510</u>	<u>\$ 57,386,709</u>	<u>\$ (1,977,828)</u>	<u>\$ -</u>	<u>\$ 316,451,391</u>

Depreciation expense was charged to functions as follows:

Legislative	<u>\$ 9,718</u>
General Government:	
Finance	11,166
General services	44,302
Information technology	149,258
Executive	181,763
Town administration	245,254
Library	334,941
Development administration	1,369
Development engineering	15,120
General government	8,995
Human resources	1,073
Development planning	<u>4,722</u>
	<u>997,963</u>
Public Safety:	
Animal control	47,212
Police	728,516
Fire	375,380
Code enforcement	41,575
City court	<u>23,612</u>
	<u>1,216,295</u>
Roads and Public Works:	
Public services administration	81,620
Fleet services	63,786
Highways and streets	<u>2,297,529</u>
	<u>2,442,935</u>
Education	<u>1,837,652</u>
Sanitation	<u>231,781</u>
Culture and Recreation:	
Parks and recreation	<u>873,575</u>
Development of historic town square	<u>24,266</u>
Total governmental activities depreciation expense	<u>\$ 7,634,185</u>

	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>July 1, 2017</u>
Business-type activities:					
Capital assets not being depreciated					
Land, easements, right-of-ways	\$ 1,271,574	\$ 484,769	\$ -	\$ -	\$ 1,756,343
Construction in progress	1,364,372	1,724,784	-	(1,479,172)	1,609,984
Total capital assets not being depreciated	2,635,946	2,209,553	-	(1,479,172)	3,366,327
Other capital assets:					
Buildings and improvements	19,532,261	-	-	-	19,532,261
Other improvements	1,560,389	-	-	-	1,560,389
Equipment	4,498,655	252,699	(56,056)	138,024	4,833,322
Distribution and collection systems	116,177,668	208,809	(6,235)	1,341,148	117,721,390
Total other capital assets at historical cost	141,768,973	461,508	(62,291)	1,479,172	143,647,362
Less accumulated depreciation for:					
Buildings and improvements	(8,472,338)	(378,675)	-	-	(8,851,013)
Other improvements	(557,461)	(68,106)	-	-	(625,567)
Equipment	(2,327,579)	(271,149)	56,055	-	(2,542,673)
Distribution and collection systems	(41,059,733)	(2,630,913)	5,404	-	(43,685,242)
Total accumulated depreciation	(52,417,111)	(3,348,843)	61,459	-	(55,704,495)
Other capital assets, net	89,351,862	(2,887,335)	(832)	1,479,172	87,942,867
Governmental activities capital assets, net	\$ 91,987,808	\$ (677,782)	\$ (832)	\$ -	\$ 91,309,194

Depreciation expense was charged to functions as follows:

Business-type activities:

  Water and sewer.....\$ 3,348,843

Total business-type activities depreciation expense.....\$ 3,348,843

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, 2017, is as follows. Additional detailed information is available on the following pages.

	Balance July 1, 2016	Additions	Defeasance	Reductions and Amortizations	Balance June 30, 2017	Due within One year
<b>Governmental Activities:</b>						
General Obligation						
Bonds	\$ 125,578,098	\$ -	\$ -	\$ (3,793,098)	\$ 121,785,000	\$ 4,155,000
Capital lease	234,866	-	-	(234,866)	-	-
Compensated						
Absences	1,801,102	1,357,478	-	(1,166,593)	1,991,987	1,357,479
Settlement obligation	4,579,776	-	-	(414,441)	4,165,335	423,558
Unamortized premiums (discounts), net	7,324,697	-	-	(317,555)	7,007,142	307,994
	<u>139,518,539</u>	<u>1,357,478</u>	<u>-</u>	<u>(5,926,552)</u>	<u>134,949,464</u>	<u>6,244,031</u>
<b>Business-type Activities</b>						
General Obligation						
Bonds	1,902	-	-	(1,902)	-	-
Revenue Bonds	20,530,000	-	-	(2,240,000)	18,290,000	2,045,000
Compensated						
Absences	121,686	98,136	-	(96,353)	123,469	98,135
Unamortized premiums (discounts), net	2,457,328	-	-	(272,220)	2,185,108	272,220
	<u>23,110,916</u>	<u>98,136</u>	<u>-</u>	<u>(2,610,475)</u>	<u>20,598,577</u>	<u>2,415,355</u>
	<u>\$ 162,629,455</u>	<u>\$ 1,455,614</u>	<u>\$ -</u>	<u>\$ (8,537,028)</u>	<u>\$ 155,548,041</u>	<u>\$ 8,659,386</u>

Debt outstanding as of June 30, 2017 consisted of the following:

	Interest Rate	Maturity Date	Issued	Debts Outstanding
<b>Governmental Activities</b>				
General Obligation Bonds				
Serial Bonds.....	3.25% - 5.00%	2046	\$ 93,485,000	\$ 92,680,000
Serial Bonds.....	2.00% - 4.00%	2035	5,000,000	4,770,000
Serial Bonds.....	2.00% - 4.00%	2029	8,015,000	8,015,000
Serial Bonds.....	3.50% - 5.00%	2021	13,000,000	2,460,000
Serial Bonds.....	2.00% - 2.50%	2022	4,985,000	2,645,000
Serial Bonds.....	1.50% - 2.00%	2026	5,215,000	4,740,000
Serial Bonds.....	2.00% - 4.00%	2033	7,700,000	6,475,000
			<u>\$ 137,400,000</u>	<u>\$ 121,785,000</u>
Amount due within one year.....				<u>\$ 4,155,000</u>
<b>Business-Type Activities</b>				
Revenue Bonds:				
Revenue Bond.....	1.50% - 4.00%	2024	\$ 15,655,000	\$ 12,985,000
Revenue Bond.....	4.00% - 5.00%	2026	5,305,000	5,305,000
			<u>\$ 20,960,000</u>	<u>\$ 18,290,000</u>
Amount due within one year.....				<u>\$ 2,045,000</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 \$20,960,000 are secured by net revenues to be derived from the operations of the Water and Sewer Fund.

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, 2017, \$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>June 30</b>	<b>General Obligation Bonds</b>		<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2018	\$ 4,155,000	\$ 4,627,363	\$ 2,045,000	\$ 679,963
2019	4,300,000	4,476,813	2,415,000	589,025
2020	4,465,000	4,319,131	2,525,000	498,200
2021	4,230,000	4,156,488	2,310,000	391,900
2022	4,415,000	3,994,638	2,480,000	296,100
2023 - 2027	21,205,000	17,488,419	6,515,000	674,325
2028 - 2032	20,075,000	13,399,581	-	-
2033 - 2037	18,630,000	10,084,700	-	-
2038 - 2042	20,630,000	6,476,200	-	-
2043 - 2046	19,680,000	2,006,600	-	-
	<u>\$ 121,785,000</u>	<u>\$ 71,029,933</u>	<u>\$ 18,290,000</u>	<u>\$ 3,129,513</u>

#### *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:



Litigation Settlement Obligation

<u>Year</u>	<u>Amount</u>
2018	\$ 507,819
2019	507,819
2020	507,819
2021	507,819
2022	507,819
2023-2026	2,031,276
Total payments	4,570,371
Less amount representing interest	(405,036)
Net litigation settlement obligation	<u>\$ 4,165,335</u>

The total interest expense incurred on all debt for the year was \$5,311,293. There was no interest capitalized during the year ended June 30, 2017.

**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:

	Governmental Activities	Business- Type Activities	Total
Series 2005.....	\$ -	\$ 9,971	\$ 9,971
Series 2011.....	20,133	-	20,133
Series 2012.....	372,529	1,141,191	1,513,720
Series 2015.....	850,483	255,225	1,105,708
	<u>\$ 1,243,145</u>	<u>\$ 1,406,387</u>	<u>\$ 2,649,532</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	Education Capital Project Fund #177	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Total
Nonspendable								
Prepays	\$ 2,864,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,864,650
Inventory	172,111	-	-	-	-	41,717	-	213,828
Total Nonspendable:	3,036,761	-	-	-	-	41,717	-	3,078,478
Restricted for								
Animal Shelter Projects	211,892	-	-	-	-	-	-	211,892
Capital Projects	-	-	-	33,675,954	-	-	4,952,214	38,628,168
Community Development	11,985	-	-	-	-	-	-	11,985
Development Improvements	177,798	-	-	-	-	-	-	177,798
Parks and Recreation	27,202	-	-	-	-	-	-	27,202
Public Safety	52,459	-	-	-	-	666,180	-	718,639
Public Services	1,046,375	-	-	-	-	-	-	1,046,375
Road Maintenance and Improvements	-	-	-	-	-	843,573	-	843,573
Sanitation	-	-	-	-	-	1,619,837	-	1,619,837
Education	-	23,121,538	-	-	2,972,514	65,328	-	26,159,380
Total Restricted for:	1,527,711	23,121,538	-	33,675,954	2,972,514	3,194,918	4,952,214	69,444,849
Committed to								
Parks and Recreation	-	-	-	-	-	-	-	-
Alternative Transportation	34,973	-	-	-	-	-	-	34,973
Fire Facility Fee	582,568	-	-	-	-	-	-	582,568
Historic Preservation	-	-	-	-	-	73,143	-	73,143
Parkland Dedication	1,494,500	-	-	-	-	-	-	1,494,500
Police Privilege Tax	737,673	-	-	-	-	-	-	737,673
Total Committed to:	2,849,714	-	-	-	-	73,143	-	2,922,857
Assigned to								
Capital Projects	13,310,183	-	129,728	-	-	-	67	13,439,978
General Administration	5,627,271	-	-	-	-	-	-	5,627,271
Parks and Recreation	1,708,542	-	-	-	-	-	-	1,708,542
Public Safety	225,641	-	-	-	-	-	-	225,641
Total Assigned to:	20,871,637	-	129,728	-	-	-	67	21,001,432
Unassigned	23,282,021	-	-	-	-	-	-	23,282,021
Total Unassigned:	23,282,021	-	-	-	-	-	-	23,282,021
Total Fund Balance:	\$ 51,567,844	\$ 23,121,538	\$ 129,728	\$ 33,675,954	\$ 2,972,514	\$ 3,309,778	\$ 4,952,281	\$ 119,729,637

## 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, 2017, contributions from the Town and employees were \$32,832 and \$575, 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, 2017, 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, existing 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).

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

#### General Information about the Pension Plan

*Plan Description.* Employees of the Town 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 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 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, 2016, 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	94
Active employees	<u>11</u>
	<u>121</u>

The Town closed the plan to new employees hired after June 30, 2007.

*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, 2017, employer contributions for the Town were zero based on a rate of 0% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Town’s 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, 2016, 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, 2016 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 were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016 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>Asset Class</b>	<b>Long-Term Expected 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%
		<b>100%</b>

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*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
<b>Balance at 6/30/15</b>	\$ 3,289,072	\$ 5,340,515	\$ (2,051,443)
<b>Changes for the year:</b>			
Service costs	40,093	-	40,093
Interest	247,290	-	247,290
Difference between expected and actual experience	(123,688)	-	(123,688)
Net investment income	-	141,079	(141,079)
Benefit payments, including refunds of employee contribution	(63,933)	(63,933)	-
Administrative expense	-	(832)	832
Other changes	-	22,188	(22,188)
<b>Net changes</b>	<u>99,762</u>	<u>98,502</u>	<u>1,260</u>
<b>Balance at 6/30/16</b>	<u>\$ 3,388,834</u>	<u>\$ 5,439,017</u>	<u>\$ (2,050,183)</u>

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate.* The following presents the net pension asset of the Town 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%)
Net pension asset	\$ (1,527,249)	\$ (2,050,183)	\$ (2,478,284)

*Negative Pension Expense.* For the year ended June 30, 2017, the Town recognized negative pension expense of \$153,059.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ -	\$ (135,202)
Net difference between projected and actual earnings on pension plan investments	180,278	
Total for the Town's defined benefit plan	<u>\$ 180,278</u>	<u>\$ (135,202)</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:

2018	\$ (77,451)
2019	(25,707)
2020	97,660
2021	51,573
2022	-
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 Municipal 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. 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 Municipal Schools for the year ended June 30, 2017 to the Teacher Legacy Pension Plan were \$2,926,702, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liability.* At June 30, 2017, Collierville Municipal Schools reported a liability of \$5,686,872 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Collierville Municipal Schools' proportion of the net pension liability was based on Collierville Municipal Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June



30, 2016, Collierville Municipal Schools' proportion was 0.909980 percent. The proportion measured as of June 30, 2015 was 0.806559 percent.

*Pension Expense.* For the year ended June 30, 2017, Collierville Municipal Schools recognized pension expense of \$2,554,173.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Collierville Municipal Schools reported deferred outflows of resources and deferred inflows of resources related to the Teacher Legacy Pension Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 239,324	\$ 6,884,918
Net difference between projected and actual earnings on pension plan investments	6,349,470	-
Changes in proportion of net pension liability (asset)	7,692,799	-
LEA's contributions subsequent to the measurement date of June 30, 2015	2,926,702	(not applicable)
Total	<u>\$ 17,208,295</u>	<u>\$ 6,884,918</u>

Year Ended June 30:

2018	\$ 819,872
2019	819,872
2020	3,865,709
2021	2,182,994
2022	(291,773)
Thereafter	-

Collierville Municipal Schools' employer contributions of \$2,926,702, 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, 2018. 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:

2018	\$ 819,872
2019	819,872
2020	3,865,709
2021	2,182,994
2022	(291,773)
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, 2016 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 an adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016 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>Asset Class</b>	<b>Long-Term Expected 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%
		<b>100%</b>

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 Municipal Schools' proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Collierville Municipal Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1- percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability (asset)	\$ 31,227,595	\$ 5,686,872	\$ (15,469,910)

*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 Municipal 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 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 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 years of service credit. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 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 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 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. 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 by Collierville Municipal Schools for the year ended June 30, 2017 to the Teacher Retirement Plan were \$167,581 which is 4.00 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

*Pension Liabilities (Assets).* At June 20, 2017, Collierville Municipal Schools reported an asset of \$49,328 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension asset used to calculate the net pension asset was determined by an actuarial value of that date. Collierville Municipal Schools' proportion of the net pension asset was based on Collierville Municipal Schools' share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, Collierville Municipal Schools' proportion was 0.473838 percent. The proportion measured as of June 30, 2015 was 0.429674 percent.

*Pension Expense.* For the year ended June 20, 2017, Collierville Municipal Schools recognized

pension expense of \$41,195.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Collierville Municipal Schools reported deferred outflows of resources and deferred inflows 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	\$ 4,780	\$ 5,687
Net difference between projected and actual earnings on pension plan investments	8,076	-
Changes in proportion of net pension liability (asset)		1,239
LEA's contributions subsequent to the measurement date of June 30, 2015	167,581	(not applicable)
Total	<u>\$ 180,437</u>	<u>\$ 6,926</u>

Collierville Municipal School's employer contributions of \$167,581, 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, 2018. 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:**

2018	\$ 1,893
2019	1,893
2020	1,893
2021	1,508
2022	(222)
Thereafter	(1,037)

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, 2016 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, 2016 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>Asset Class</b>	<b>Long-Term Expected 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 Municipal Schools' proportionate share of the net pension asset calculated using the discount rate of 7.5 percent, as well as what Collierville Municipal Schools' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1- percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability (asset)	\$ 23,293	\$ (49,328)	\$ (102,835)

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

*401(k) Plan* - The plan provides a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the plan is managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Public school teachers are automatically enrolled, with opt-out feature, to contribute 2% of their salaries to the defined contribution (401(k)) portion of the plan. Contributions are made on a tax-deferred basis. Employees are immediately vested in contributions.

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

##### General Information about the Pension Plan

*Plan Description.* Support personnel and non-teachers of Collierville Schools Board of Education are provided with pensions through the Legacy Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. 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 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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	47
Active employees	<u>155</u>
	<u>209</u>

The school Board closed the plan to new membership on July 1, 2014.

*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. Collierville Schools Board of Education makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contributions for Collierville Schools Board of Education were \$478,839 based on a rate of 9.29 percent of covered payroll. By law, employer contributions for the Plan are required to be paid. The TCRS may intercept Collierville Schools Board of Education's state shared taxes if 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.

*Net Pension Asset.* Collierville Board of Education's net pension liability (asset) was measured as June 30, 2016, 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, 2016 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, 2016 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>Asset Class</b>	<b>Long-Term Expected 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 Collierville Schools Board of Education 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>Total Pension Liability</b>	(b) <b>Plan Fiduciary Net Position</b>	(a) - (b) <b>Net Pension Asset</b>
<b>Balance at 6/30/15</b>	<u>\$ 722,353</u>	<u>\$ 731,572</u>	<u>\$ (9,219)</u>
<b>Changes for the year:</b>			
Service costs	805,568	-	805,568
Interest	114,304	-	114,304
Difference between expected and actual experience	(196,811)	-	(196,811)
Contributions - employer	-	476,176	(476,176)
Contributions - employee	-	256,837	(256,837)
Net investment income	-	28,921	(28,921)
Benefit payments, including refunds of employee contribution	(7,743)	(7,743)	-
Administrative expense	-	(11,877)	11,877
Other changes	-	-	-
<b>Net changes</b>	<u>715,318</u>	<u>742,314</u>	<u>(26,996)</u>
<b>Balance at 6/30/16</b>	<u><u>\$ 1,437,671</u></u>	<u><u>\$ 1,473,886</u></u>	<u><u>\$ (36,215)</u></u>

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension asset of the plan calculated 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:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount (7.5%)</b>	<b>1% Increase (8.5%)</b>
Political Subdivision Pension Plan net pension liability (asset)	\$ 203,252	\$ (36,215)	\$ (232,382)

**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, 2017, Collierville Schools Board of Education recognized pension expense of \$578,323.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Collierville Schools Board of Education reported deferred outflows of resources and deferred inflows 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	\$ -	\$ (222,726)
Net difference between projected and actual earnings on pension plan investments	51,712	-
LEA's contributions subsequent to the measurement date of June 30, 2015	478,839	(not applicable)
Total	<u>\$ 530,551</u>	<u>\$ (222,726)</u>

The Collierville School's employer contributions of \$478,839 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, 2017.

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:**

2018	\$ (14,969)
2019	(14,969)
2020	(14,969)
2021	(18,154)
2022	(28,694)
Thereafter	(79,256)

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 Hybrid 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 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 vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. 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, 2016, 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	5
Active employees	<u>52</u>
	<u><u>57</u></u>

*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. Collierville Schools Hybrid 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. The TCRS may intercept Collierville Schools Hybrid state shared taxes if required employer contributions are not remitted. Employer contributions by Collierville Schools Hybrid for the year ended June 30, 2017 to the Public Employee Retirement Plan were \$78,584 based on a rate of 5.32 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 Asset.* Collierville Schools Hybrid net pension liability (asset) was measured as of June 30, 2016, 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, 2017, Collierville Schools Hybrid recognized pension expense of \$11,202.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the plan reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 24,709	\$ -
Net difference between projected and actual earnings on pension plan investments	3,320	-
LEA's contributions subsequent to the measurement date of June 30, 2015	78,584	(not applicable)
Total	<u>\$ 106,613</u>	<u>\$ -</u>

Collierville School's employer contributions of \$78,584 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, 2017.

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:**

2018	\$ 3,169
2019	3,169
2020	3,169
2021	3,085
2022	2,318
Thereafter	13,127

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, 2016 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, 2016 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 Collierville Schools Hybrid 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 Collierville Schools Hybrid

calculated using the discount rate of 7.5 percent, as well as what 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:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount (7.5%)</b>	<b>1% Increase (8.5%)</b>
Collierville Schools Hybrid net pension liability (asset)	\$ 10,864	\$ (18,236)	\$ (41,182)

*Changes in the Net Pension Liability*

	<b>(a) Total Pension Liability</b>	<b>(b) Plan Fiduciary Net Position</b>	<b>(a) - (b) Net Pension Asset</b>
<b>Balance at 6/30/15</b>	<u>\$ 34,822</u>	<u>\$ 19,322</u>	<u>\$ 15,500</u>
<b>Changes for the year:</b>			
Service costs	63,579	-	63,579
Interest	7,356	-	7,356
Difference between expected and actual experience	18,442	-	18,442
Contributions - employer	-	64,046	(64,046)
Contributions - employee	-	60,714	(60,714)
Net investment income	-	2,127	(2,127)
Benefit payments, including refunds of employee contribution	(651)	(651)	-
Administrative expense	-	(3,774)	3,774
Other changes	-	-	-
<b>Net changes</b>	<u>88,726</u>	<u>122,462</u>	<u>(33,736)</u>
<b>Balance at 6/30/16</b>	<u><u>\$ 123,548</u></u>	<u><u>\$ 141,784</u></u>	<u><u>\$ (18,236)</u></u>

*401(k) Plan* - The plan provides a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the plan is managed by TCRS. The defined contribution assets are deposited into the State's 401(k) plan where the employee manages the investments within the 401(k) plan. Public school teachers are automatically enrolled, with opt-out feature, to contribute 2% of their salaries to the defined contribution (401(k)) portion of the plan. Contributions are made on a tax-deferred basis. Employees are immediately vested in contributions.

## **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, 2017, the Plan’s membership consisted of:

Retirees currently receiving benefits	71
Terminated plan members entitled to but not yet receiving benefits	64
Active plan members	<u>507</u>
Total	<u>642</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, 2017, was 13.95 percent of annual covered payroll based on the July 1, 2016 valuation.

## **Investments**

*Investment policy.* 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.

*Rate of return.* For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.26 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, 2017, were as follows:

Total pension liability	\$ 68,176,974
Plan fiduciary net position	<u>(63,788,593)</u>
Town's net pension liability	<u><u>\$ 4,388,381</u></u>

Plan fiduciary net position as a percentage of the total pension liability	93.56%
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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:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	21 years

Asset valuation method	5 year smoothed market value
Inflation	2.5 percent
Salary increases	4.0 percent, including inflation
Investment rate of return	7.5 percent, net of investment expenses, including inflation
Retirement age	Age 62 or the completion of 10 years of service if later
Mortality rates	RP-2000 with 2% load for expected mortality Improvement
Withdrawal rates	T-3 The Actuary's Pension Handbook

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 (see the discussion of the Plan's investment policy) are summarized as follows:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Target Allocation</b>
Cash & cash equivalents	2.00%	2.00%
Short-term bond	2.00%	16.00%
Intermediate-term bond	3.25%	22.00%
Large cap equity	6.25%	26.00%
Mid cap equity	6.65%	9.00%
Small cap equity	7.00%	5.00%
International equity	7.00%	15.00%
REITS	5.00%	5.00%
Total		100%

*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) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
<b>Balance at 6/30/16</b>	<u>\$ 62,707,661</u>	<u>\$ 56,406,531</u>	<u>\$ 6,301,130</u>
<b>Changes for the year:</b>			
Service costs	1,964,779	-	1,964,779
Interest	4,724,329	-	4,724,329
Difference between expected and actual experience	178,216	-	178,216
Difference between expected and actual income	-	-	-
Contributions - employer	-	3,066,497	(3,066,497)
Contributions - employee	-	533,710	(533,710)
Net investment income	-	5,175,955	(5,175,955)
Benefit payments, including refunds of employee contribution	(1,398,011)	(1,375,157)	(22,854)
Administrative expense	-	(18,973)	18,973
Other changes	-	-	-
<b>Net changes</b>	<u>5,469,313</u>	<u>7,382,032</u>	<u>(1,912,719)</u>
<b>Balance at 6/30/17</b>	<u><u>\$ 68,176,974</u></u>	<u><u>\$ 63,788,563</u></u>	<u><u>\$ 4,388,411</u></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 (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
Town's net pension liability (asset)	\$ 13,937,416	\$ 4,388,381	\$ (3,635,590)

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

*Pension expense.* For the year ended June 30, 2017, the Town recognized pension expense of \$2,420,930 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 Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 1,079,963	\$ -
Net difference between projected and actual earnings on pension plan investments	1,960,388	-
Contributions subsequent to the measurement date of June 30, 2017	-	1,627,360
Total	<u>\$ 3,040,351</u>	<u>\$ 1,627,360</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:**

2018	\$ 816,156
2019	816,156
2020	430,263
2021	(248,938)
2022	(36,687)
Thereafter	(363,959)

**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:

	Governmental Activities	Business- Type Activities	Total
Accounts payable and accrued expenses:			
Accounts payable	\$ 8,194,494	\$ 251,428	\$ 8,445,922
Accrued payroll	3,453,496	33,945	3,487,441
Other accrued expenses	2,149,417	11,717	2,161,134
	<u>\$ 13,797,407</u>	<u>\$ 297,090</u>	<u>\$ 14,094,497</u>

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

##### Governmental activities:

Capital assets, net of accumulated depreciation	\$ 316,451,391
Total outstanding balance of capital debt	(128,792,142)
Portion of debt related to unspent bond proceeds	38,071,645
Deferred loss on refunding	1,243,145
Total governmental activities	<u>\$ 226,974,039</u>

##### Business-type activities:

Capital assets, net of accumulated depreciation	\$ 91,309,194
Deferred loss on refunding	1,406,388
Total outstanding balance of capital debt	(20,475,109)
Total business-type activities	<u>\$ 72,240,473</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, 2017, the Town was obligated under uncompleted contracts for \$138,146, \$1,853,407, and \$8,199,090 in the General Fund, Water and Sewer Fund, and Capital Project Funds, respectively. Included in the above uncompleted contracts for the General Fund is \$72,980 related to refinishing the town hall; included in the uncompleted contracts for the Capital Projects Funds is approximately \$240,000 related to educational facilities, \$561,481 for equipment and installation, \$1,439,057 for building improvements, and \$5,958,550 related to contracts for road improvements; and included in the uncompleted contracts for the Water and Sewer Fund is approximately \$1,697,263 for treatment plant equipment, design, and installation.

At June 30, 2017, Collierville Schools were obligated under uncompleted contracts for \$29,134,858. Included in the above, uncompleted contracts is \$26,919,906 for the construction of the new high school, \$1,643,352 for the management of the construction of the new high school, and \$571,600 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, 2017, such amount totaled \$496,541.

Effective July 1, 2016, the Collierville Schools entered into a three year operating lease for computer equipment to be used in the classrooms. Lease expense was \$725,906 for fiscal year 2017. The future lease commitment is \$725,906 for the next two fiscal years.

Subsequent to June 30, 2017, Collierville Schools entered into a capital lease 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 \$2,462,708. The School will make three yearly payments of \$862,119 starting in fiscal 2018.

#### **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. The Town has not incurred any losses in excess of commercial insurance coverage for fiscal 2015, 2016 or 2017.

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, 2017, 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, 2017 were \$5,712,456.

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

### **Plan Description**

*Plan administration.* 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. Also in 2007, the Town established an irrevocable trust fund, administered by the Town, to deposit funds necessary to cover current and future retiree benefits.

*Plan membership.* 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 using updated procedures that incorporate actuarial assumptions. 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>

*Benefits provided.* The Town provides a continuation of medical coverage for eligible retirees and their eligible dependents until the retiree and/or spouse reaches the age of sixty-five (65) or becomes eligible for Medicare insurance, whichever comes first. Eligible dependent children will be covered to age 25. The premium charged will be a percentage of the group rate and will be based on age and years of continuous service. The group rate will be determined by the plan cost annually. Upon reaching the age of sixty-five or becoming eligible for Medicare insurance coverage under this plan will cease. The Town at that time will either provide a Medicare supplement plan or reimburse the retiree for a supplemental plan at the Town's discretion, at a rate determined by the Town on an annual basis. The Town reserves the right to modify or amend this plan for purposes of plan management and cost containment. Additionally the Town reserves the right to discontinue this plan at any time. Any retiree will be subject to these amendments to the plan.

*Contributions.* 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 2.47 percent of annual covered payroll.

## Investments

*Investment policy.* 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>Target Allocation</u>
Cash	2%
Bonds	38
Stocks	55
Real Estate	5
Total	<u>100%</u>

*Rate of return.* For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 10.38 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Net OPEB Liability (Asset) of the Town

The components of the net OPEB liability (asset) of the Town's plan at June 30, 2017, were as follows:

Total OPEB liability	\$ 9,627,014
Plan fiduciary net position	<u>12,147,527</u>
Town's net OPEB liability (asset)	<u>\$ (2,520,513)</u>

Plan fiduciary net position as a percentage of the total OPEB liability	126.18%
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Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.5% percent based on age
Investment rate of return	7.5%
Healthcare cost trend rates	8% decreasing to an ultimate 4% over 9 years

Mortality rates were based on the RP2000 Mortality Table with a 2% load.

Retirement rates are assumed to be 10% per year beginning at age 55 and 100% at age 62.



The long-term expected rate of return on OPEB plan investments was estimated to be 7.5 percent based on historical returns by asset class consistent with the investment policy.

**Discount rate.** The discount rate used to measure the total OPEB liability was 7.5 percent. The discount rate is based on the long term expected rate of return on OPEB plan investments.

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

	<b>1% Decrease</b> <b>(6.5%)</b>	<b>Current</b> <b>Discount</b> <b>(7.5%)</b>	<b>1% Increase</b> <b>(8.5%)</b>
Net OPEB liability (asset)	\$ (1,489,167)	\$ (2,520,513)	\$ (3,415,423)

*Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point than the current healthcare cost trend rates:

	<b>1% Decrease</b> <b>(7% decreasing to</b> <b>3%)</b>	<b>Healthcare Cost</b> <b>Trend Rates</b> <b>(8% decreasing to</b> <b>4%)</b>	<b>1% Increase</b> <b>(9% decreasing to</b> <b>5%)</b>
Net OPEB liability (asset)	\$ (3,822,386)	\$ (2,520,513)	\$ (913,479)

### ***Employer Disclosures***

**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)	\$ 552,454
Interest on net OPEB obligation	13,241
Adjustment to ARC	<u>(23,926)</u>
Annual OPEB cost	541,769
Contributions remitted	<u>574,737</u>
Decrease in net pension position	(32,968)
Net OPEB obligation – beginning of year	<u>176,550</u>
Net OPEB obligation – end of year	<u>\$ 143,582</u>

### Three-Year Trend Information

Annual OPEB Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 541,769	106.0%	\$ 143,582
June 30, 2016	\$ 499,871	112.0%	\$ 176,550
June 30, 2015	\$ 501,014	103.0%	\$ 236,610

*Funded Status and Funding Progress.* As of July 1, 2017, the plan was 92.2 percent funded. The actuarial accrued liability for benefits was \$13,168,053 and the actuarial value of assets was \$12,147,527 resulting in an unfunded actuarial accrued liability (“UAAL”) of \$1,020,526. The covered payroll (annual payroll of active employees covered by the plan) was \$24,504,469 and the ratio of the UAAL to the covered payroll was 4.2 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 30, 2017, was 10 years.

## Note (19) - POSTEMPLOYMENT BENEFITS - SCHOOLS

### Plan Description

*Plan administration.* The Collierville Schools Board of Education participates in the Tennessee School Boards Association OPEB Trust (“TSBA OPEB Trust”). On March 10, 2015 the Collierville Schools Board of Education approved a retiree healthcare plan to be administered by the TSBA OPEB Trust to be effective April 14, 2015. The School administers the Collierville Schools Employee Benefits Plan (“CSEBP”)—a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (“OPEB”).

Management of the CSEP is vested in the TSBA Board of Trustees (TSBA Board), which consists of seven (7) members—five (5) appointed by the governing boards of the participating members of the Trust, and the Executive Director and President of the Tennessee School Board Association are ex-officio members.

Employees who retire from the School and qualify for TCRS Service Retirement under the Tennessee Consolidated Retirement System may be eligible for post-retirement health benefits. Eligible employees must complete fifteen (15) years of continuous service with Collierville Schools. Those who are former employees of Shelby County Schools or Memphis City Schools must have fifteen (15) years of continuous service with Collierville, Shelby County, and/or Memphis City Schools prior to retirement. Eligible employees must be enrolled in a Collierville Schools health insurance plan for one (1) year immediately before the retirement date.

Plan membership. At June 30, 2016, participants consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	12
Active employees	307
Total	<u>363</u>

*Benefits provided.* The CSEBP provides healthcare for retirees and their dependents. Benefits are provided through a third-party insurer. Retirees with 25 years of service may continue to participate in the Schools' plan options that are available to its active employees for life. Retirees with 10 to 25 years of services will receive a monthly stipend of \$300 to \$600.

Benefits and premiums are set by the Board of Education. The Board is authorized to (1) add, change or end any coverage offered, (2) change or discontinue benefits, (3) establish premiums and (4) change the rules for eligibility at any time, for any reason.

*Contributions.* The School establishes contributions based on an actuarially determined rate. For the year ended June 30, 2017, the School contributed an amount of \$525,679. The amount contributed is based on an actuarial valuation and available funds for the year. For the year ended June 30, 2017, the School's average contribution rate was 2.71 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

## **Investments**

*Investment policy.* TSBA OPEB Trust's policy in regard to the allocation of invested assets is established and may be amended by the TSBA OPEB Trust Board of Trustees by a majority vote of its members. It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. TSBA OPEB Trust's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2017:

Asset Class	Maximum Allocation	Minimum Allocation
Equity investments	65%	35%
Fixed income investments	65%	20%
Cash and cash equivalents	35%	0%

*Rate of return.* For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 13.53 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### **Net OPEB Liability of the School**

The components of the net OPEB liability of the School at June 30, 2017, were as follows:

Total OPEB liability	\$ 6,626,729
Plan fiduciary net position	862,185
School's net OPEB liability	<u>\$ 5,764,544</u>
Plan fiduciary net position as a percentage of the total OPEB liability	13.01%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, and rolled forward to June 30, 2017 using updated procedures that incorporate actuarial assumptions.

Salary increases	Graded salary ranges from 7.75 to 3.69 percent based on age
Investment rate of return	8%
Healthcare cost trend rates	9% decreasing 0.5% per year to an ultimate 5% for 2026 and thereafter

Mortality rates were based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017.

The salary, retirement and withdrawal/termination assumptions are all based on the TCRS Actuarial Valuation as of June 30, 2016.

The long-term expected rate of return on OPEB plan investments was estimated to be 8 percent based on historical returns by asset class consistent with the investment policy.

**Discount rate.** The discount rate used to measure the total OPEB liability was 8 percent. The discount rate is based on the long term expected rate of return on OPEB plan investments.

**Sensitivity of the net OPEB liability to changes in the discount rate.** The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were

calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease (7%)</b>	<b>Current Discount (8%)</b>	<b>1% Increase (9%)</b>
Net OPEB liability (asset)	\$ 6,412,971	\$ 5,764,544	\$ 5,210,160

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point than the current healthcare cost trend rates:

	<b>1% Decrease (8% decreasing to 4%)</b>	<b>Healthcare Cost Trent Rates (9% decreasing to 5%)</b>	<b>1% Increase (10% decreasing to 6%)</b>
Net OPEB liability (asset)	\$ 5,200,932	\$ 5,764,544	\$ 6,427,011

### ***Employer Disclosures***

#### **Annual OPEB Cost and Net OPEB Obligation of the School**

*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)	\$ 598,611
Interest on net OEB obligation	55,811
Amortization adjustment on net OPEB obligation	(61,969)
Annual OPEB cost	592,453
Contributions remitted for pay-as-you-go cost	(325,679)
Contributions remitted for pre-funding	(200,000)
Increase in net OPEB position	66,774
Net OPEB obligation, beginning of year	697,634
Net OPEB obligation, end of year	<u>\$ 764,408</u>

#### **Three-Year Trend Information**

<b>Annual OPEB Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Percentage of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
June 30, 2017	\$ 592,453	88.7%	\$ 764,408
June 30, 2016	\$ 771,243	85.5%	\$ 697,634
June 30, 2015	\$ 735,910	20.4%	\$ 585,910

*Funded status and funding progress.* As of June 30, 2017, the most recent actuarial valuation date, the plan was 8.9 percent funded on a basis in alignment with GASB Statement No. 45. The actuarial accrued liability for benefits was \$6,479,281, and the actuarial value of assets was \$574,801, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$5,904,480. The covered payroll (annual payroll of active employees covered by the plan) was \$19,429,570, and the ratio of the UAAL to the covered payroll was 30.4 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets 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 June 30, 2017, 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 percent a year (inclusive of 3.00 percent inflation) compounded annually and (b) mortality rates based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. The actuarial value of assets equals the fair market value of the net position held by the OPEB plan. The School’s unfunded actuarially accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at June 30, 2017, was 30 years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## TOWN OF COLLIERVILLE, TENNESSEE

## SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2017

(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)
7/1/2017	\$ 12,148	\$ 13,169	\$ 1,021	92.25%	\$ 24,504	4.17%
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%
7/1/2009	1,878	13,631	11,753	13.78%	19,033	61.75%

**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 (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2016	\$ 575	\$ 6,479	\$ 5,904	8.87%	19,430	30.39%
7/1/2014	-	6,093	6,093	0.00%	36,736	16.59%



TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2017

**Town of Collierville Postemployment Benefit Plan**

<u>Annual Pension Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution as a Percentage of ARC</u>
6/30/2017	\$ 552,454	104.03%
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%
6/30/2009	1,458,343	81.90%

**Collierville Schools Postemployment Benefit Plan**

<u>Annual Pension Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contribution as a Percentage of ARC</u>
6/30/2017	\$ 598,611	87.82%
6/30/2016	771,243	85.50%
6/30/2015	735,910	20.40%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>			
Service cost	\$ 40,093	\$ 42,541	\$ 36,724
Interest	247,290	242,611	215,031
Differences between expected and actual experience	(123,688)	(155,231)	171,923
Benefit payments, including refunds of member contributions	<u>(63,933)</u>	<u>(66,240)</u>	<u>(57,281)</u>
<b>Net change in total pension liability</b>	99,762	63,681	366,397
<b>Total pension liability—beginning</b>	<u>3,289,072</u>	<u>3,225,391</u>	<u>2,858,994</u>
<b>Total pension liability—ending (a)</b>	<u><u>\$ 3,388,834</u></u>	<u><u>\$ 3,289,072</u></u>	<u><u>\$ 3,225,391</u></u>
<b>Plan fiduciary net position</b>			
Contributions—employer	\$ -	\$ -	\$ -
Contributions—member	-	-	-
Net investment income	141,079	160,565	750,110
Benefit payments	(63,933)	(66,240)	(57,281)
Administrative expense	(832)	(558)	(709)
Other	<u>22,188</u>	<u>-</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	98,502	93,767	692,120
<b>Plan fiduciary net position—beginning</b>	<u>5,340,515</u>	<u>5,246,748</u>	<u>4,554,628</u>
<b>Plan fiduciary net position—ending (b)</b>	<u><u>\$ 5,439,017</u></u>	<u><u>\$ 5,340,515</u></u>	<u><u>\$ 5,246,748</u></u>
<b>Town's net pension liability (asset)—ending (a) – (b)</b>	<u><u>\$ (2,050,183)</u></u>	<u><u>\$ (2,051,443)</u></u>	<u><u>\$ (2,021,357)</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	160.50%	162.37%	162.67%
<b>Covered-employee payroll</b>	\$ 509,968	\$ 482,400	\$ 562,098
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	402.02%	425.26%	359.61%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 557,292	\$ 510,568	\$ 509,968	\$ 562,098
Contributions as a percentage of covered-employee payroll	0.00%	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 2017 were calculated based on the July 1, 2015 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	Varies by year
Asset valuation method	10-year smoothed within a 20.0% corridor to marketvalue
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
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated 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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	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of net pension asset	0.909980%	0.806559%	0.010312%
Proportionate share of the net pension asset	\$ 5,686,872	\$ 330,394	\$ (1,675)
Covered-employee payroll	\$ 32,848,484	\$ 30,193,596	\$ 404,757
Proportionate share of the net pension asset as a percentage of covered-employee payrol	17.31%	1.09%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	97.14%	99.81%	100.08%

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

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

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CONTRIBUTIONS  
TEACHER LEGACY PENSION PLAN OF TCRS  
Fiscal Years ending June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required	\$ 2,926,702	\$ 3,183,922	\$ 2,969,500	\$ 35,942
Contributions in relation to the contractually required contribution	<u>2,926,702</u>	<u>3,183,922</u>	<u>2,969,500</u>	<u>35,942</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 32,375,060	\$ 32,893,566	\$ 32,848,484	\$ 404,757
Contributions as a percentage of covered-employee payroll	9.04%	9.68%	9.04%	8.88%

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

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

	<u>2016</u>	<u>2015</u>
Proportion of net pension asset	0.473838%	0.438730%
Proportionate share of the net pension asset	\$ (49,328)	\$ (17,650)
Covered-employee payroll	\$ 2,084,918	\$ 911,572
Proportionate share of the net pension asset as a percentage of covered-employee payroll	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	121.88%	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>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required	\$ 167,581	\$ 52,190	\$ 22,789
Contributions in relation to the contractually required contribution	<u>167,581</u>	<u>83,396</u>	<u>36,463</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (31,206)</u>	<u>\$ (13,674)</u>
Covered-employee payroll	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Contributions as a percentage of covered-employee payroll	4.00%	4.00%	4.00%

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

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF PARTICIPATION  
LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS  
Fiscal Year ending June 30,

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 805,568	\$ 729,290
Interest	114,304	54,690
Changes in benefit terms	-	-
Differences between actual and expected experience	(196,811)	(61,435)
Change of assumptions	-	-
Benefit payments, including refunds of employee contributions	(7,743)	(192)
<b>Net change in total pension liability (asset)</b>	715,318	722,353
<b>Total pension liability—beginning</b>	722,353	-
<b>Total pension liability—ending (a)</b>	<u>\$ 1,437,671</u>	<u>\$ 722,353</u>
<b>Plan fiduciary net position</b>		
Contributions—employer	\$ 476,176	\$ 473,757
Contributions—employee	256,837	255,533
Net investment income	28,921	11,095
Benefit payments, including refunds of employee contributions	(7,743)	(192)
Administrative expense	(11,877)	(9,499)
Other	878	878
<b>Net change in plan fiduciary net position</b>	742,314	731,572
<b>Plan fiduciary net position—beginning</b>	731,572	-
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 1,473,886</u>	<u>\$ 731,572</u>
<b>Town's net pension liability—ending (a) – (b)</b>	<u>\$ (36,215)</u>	<u>\$ (9,219)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	102.52%	101.28%
<b>Covered-employee payroll</b>	\$ 5,154,204	\$ 5,110,652
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	-0.70%	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>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 478,839	\$ 476,176	\$ 473,869
Contributions in relation to the actuarially determined contribution	<u>478,839</u>	<u>476,176</u>	<u>473,869</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
Contributions as a percentage of covered-employee payroll	9.29%	9.24%	9.27%

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

**Notes to Schedule**

Valuation date:

Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015 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	Varies by 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,
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,

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 63,579	\$ 23,680
Interest	7,356	1,776
Changes in benefit terms	-	-
Differences between actual and expected experience	18,442	9,366
Change of assumptions	-	-
Benefit payments, including refunds of employee contributions	(651)	-
<b>Net change in total pension liability (asset)</b>	88,726	34,822
<b>Total pension liability—beginning</b>	34,822	-
<b>Total pension liability—ending (a)</b>	<u>\$ 123,548</u>	<u>\$ 34,822</u>
<b>Plan fiduciary net position</b>		
Contributions—employer	\$ 64,046	\$ -
Contributions—employee	60,714	23,680
Net investment income	2,127	294
Benefit payments, including refunds of employee contributions	(651)	-
Administrative expense	(3,774)	(367)
Other	-	(4,285)
<b>Net change in plan fiduciary net position</b>	122,462	19,322
<b>Plan fiduciary net position—beginning</b>	19,322	-
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 141,784</u>	<u>\$ 19,322</u>
<b>Town's net pension liability—ending (a) – (b)</b>	<u>\$ (18,236)</u>	<u>\$ 15,500</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	114.76%	55.49%
<b>Covered-employee payroll</b>	\$ 1,214,266	\$ 473,607
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	-1.50%	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>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 78,584	\$ 39,760	\$ -
Contributions in relation to the actuarially determined contribution	<u>78,584</u>	<u>64,046</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (24,286)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,477,444	\$ 1,214,266	\$ 473,607
Contributions as a percentage of covered-employee payroll	5.32%	5.27%	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 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	Varies by year
Asset valuation method	10 -year smoothed within a 20% corridor to 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,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total pension liability</b>										
Service cost	\$ 1,964,779	\$ 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	4,724,329	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	178,216	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	(1,398,011)	(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>	5,469,313	4,350,191	5,211,739	4,056,857	4,961,763	4,018,929	1,894,708	4,985,156	3,368,189	n/a
<b>Total pension liability—beginning</b>	62,707,661	58,357,470	53,145,731	49,088,874	44,127,111	40,108,182	38,213,474	33,228,318	29,860,129	n/a
<b>Total pension liability—ending (a)</b>	<u>\$ 68,176,974</u>	<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	\$ 3,066,497	\$ 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	533,710	412,024	440,445	435,026	424,016	412,031	390,268	379,667	386,463	365,374
Net investment income	5,175,955	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	(1,375,157)	(1,152,278)	(836,358)	(773,677)	(666,507)	(553,345)	(451,404)	(333,297)	(296,296)	(99,886)
Administrative expense	(18,943)	(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>	7,382,062	2,685,981	4,182,540	8,891,803	6,408,150	3,110,339	7,198,961	5,587,252	(614,345)	1,962,260
<b>Plan fiduciary net position—beginning</b>	56,406,531	53,720,550	49,538,010	40,646,207	34,238,057	31,127,718	23,928,757	18,341,505	18,955,850	16,993,590
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 63,788,593</u>	<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>\$ 4,388,381</u>	<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>	93.56%	89.95%	92.05%	93.21%	82.80%	77.59%	77.61%	62.62%	55.20%	63.48%
<b>Covered-employee payroll</b>	\$ 21,977,675	\$ 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>	19.97%	28.86%	22.27%	18.25%	44.44%	53.46%	48.28%	75.05%	83.70%	65.06%

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>2017</u>	<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	\$ 2,201,004	\$ 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>3,066,497</u>	<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>\$ (865,493)</u>	<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	\$ 21,977,675	\$ 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	13.95%	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	Frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	21 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 Actuarv's Pension Handbook

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF INVESTMENT RETURNS  
DEFINED BENEFIT PENSION PLAN - TOWN PLAN  
Fiscal Years ending June 30,

	<u>2017</u>	<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	9.26%	1.35%	3.71%	15.86%	11.24%	2.14%	18.76%	15.05%	(15.83%)	(3.63%)

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
DEFINED BENEFIT HEALTHCARE PLAN - TOWN PLAN  
Fiscal Year ending June 30,

	<u>2017</u>
<b>Total OPEB liability</b>	
Service cost	\$ 364,730
Interest	669,530
Changes of benefit terms	-
Differences between expected and actual experience	12,870
Benefit payments, including refunds of member contributions	(329,646)
<b>Net change in total OPEB liability</b>	717,484
<b>Total OPEB liability—beginning</b>	8,909,530
<b>Total OPEB liability—ending (a)</b>	<u>\$ 9,627,014</u>
<b>Plan fiduciary net position</b>	
Contributions—employer	\$ 574,737
Contributions—member	105,722
Net investment income	1,125,991
Benefit payments	(329,646)
Administrative expense	(41,702)
<b>Net change in plan fiduciary net position</b>	1,435,102
<b>Plan fiduciary net position—beginning</b>	10,712,425
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 12,147,527</u>
<b>Town's net OPEB liability (asset)—ending (a) – (b)</b>	<u>\$ (2,520,513)</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability (asset)</b>	126.18%
<b>Covered-employee payroll</b>	\$ 23,089,345
<b>Town's net OPEB liability (asset) as a percentage of covered-employee payroll</b>	-10.92%

**Notes to Schedule:**

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 ACTUARIALLY DETERMINED AND ACTUAL OPEB PLAN EMPLOYER CONTRIBUTIONS  
DEFINED BENEFIT HEALTHCARE PLAN - TOWN PLAN  
Fiscal Year ending June 30,

---

	<u>2017</u>
Actuarially determined employer contribution	\$ 552,454
Contributions in relation to the actuarially determined contribution	<u>574,737</u>
Contribution deficiency (excess)	<u><u>\$ (22,283)</u></u>
Covered-employee payroll	\$ 23,089,345
Contributions as a percentage of covered-employee payroll	2.49%

**Notes to Schedule**

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.

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 Normal - Level Percent of Pay
Amortization method	Level dollar, closed
Amortization period	23 years
Asset valuation method	5-year smoothed market value
Inflation	2.5%
Healthcare cost trend rates	8.0 percent initial, decreasing to an ultimate rate of 4 percent over 9 years
Salary increases	3.5%, average, including inflation
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	Age 60 and 10 years of service or 30 years
Mortality	RP- 2000 with a 2.0% load for expected mortality improvement



TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF INVESTMENT RETURNS  
DEFINED BENEFIT HEALTHCARE PLAN - TOWN PLAN  
Fiscal Year ending June 30,

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2017

Annual money-weighted rate of return, net of investment expense	10.38%
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**Notes to Schedule:**

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

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
DEFINED BENEFIT HEALTHCARE PLAN - SCHOOLS PLAN  
Fiscal Year ending June 30,

	<u>2017</u>
<b>Total OPEB liability</b>	
Service cost	\$ 207,352
Interest	559,477
Changes of benefit terms	-
Differences between expected and actual experience	(521,705)
Changes of assumptions	(445,844)
Benefit payments, including refunds of member contributions	(325,679)
<b>Net change in total OPEB liability</b>	(526,399)
<b>Total OPEB liability—beginning</b>	7,153,168
<b>Total OPEB liability—ending (a)</b>	<u>\$ 6,626,769</u>
 <b>Plan fiduciary net position</b>	
Contributions—employer	\$ 525,679
Contributions—member	-
Net investment income	88,623
Benefit payments	(325,679)
Administrative expense	(1,239)
<b>Net change in plan fiduciary net position</b>	287,384
 <b>Plan fiduciary net position—beginning</b>	574,801
<b>Plan fiduciary net position—ending (b)</b>	<u>\$ 862,185</u>
 <b>School's net OPEB liability—ending (a) – (b)</b>	<u>\$ 5,764,584</u>
 <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	13.01%
 <b>Covered-employee payroll</b>	\$ 19,429,570
<b>School's net OPEB liability as a percentage of covered-employee payroll</b>	29.67%

**Notes to Schedule:**

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 ACTUARIALLY DETERMINED AND ACTUAL OPEB PLAN EMPLOYER CONTRIBUTIONS  
DEFINED BENEFIT HEALTHCARE PLAN - SCHOOLS PLAN  
Fiscal Year ending June 30,

	<u>2017</u>
Actuarially determined employer contribution	\$ 791,692
Contributions in relation to the actuarially determined contribution	<u>525,679</u>
Contribution deficiency (excess)	<u><u>\$ 266,013</u></u>
Covered-employee payroll	\$ 19,429,570
Contributions as a percentage of covered-employee payroll	2.71%

**Notes to Schedule**

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.

**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 normal level percentage of
Amortization method	Level dollar
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	3.0%
Healthcare cost trend rates	9% decreasing 0.5% per year to an ultimate 5% for 2026 and thereafter. Lower for post-65 employees
Salary increases	Payroll growth including general wage inflation plus merit / productivity increases from zero to 7.75% based on the TCRS valuation as of June 30, 2016.
Investment rate of return	8.00%
Retirement age	Annual retirement rates are based on the TCRS valuation as of June 30, 2016.
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF INVESTMENT RETURNS  
DEFINED BENEFIT HEALTHCARE PLAN - SCHOOLS PLAN  
Fiscal Year ending June 30,

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2017

Annual money-weighted rate of return, net of investment expense	13.53%
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**Notes to Schedule:**

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.

## **SUPPLEMENTAL INFORMATION**

## **COMBINING FINANCIAL STATEMENTS**

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

June 30, 2017

	Special Revenue Funds							Capital Projects 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	#335	#336	
<b>ASSETS</b>											
Cash and cash equivalents	\$ 1,408,924	\$ -	\$ -	\$ 71,638	\$ 614,056	\$ -	\$ 116,566	\$ -	\$ -	\$ -	\$ 2,211,184
Investments	-	-	-	-	-	-	-	-	66	6,710,868	6,710,934
Federal and state grants receivable	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	-	207,839	-	-	-	-	-	-	-	-	207,839
Due from other governments	219,163	-	-	-	-	313,233	-	37,962	-	-	570,358
Due from other funds	-	1,517,343	73,143	2,386	-	-	-	-	952,929	-	2,545,801
Inventories	-	9,968	-	-	-	-	31,749	-	-	-	41,717
Prepays	-	-	-	-	-	1,278	-	-	-	-	1,278
Total assets	<u>\$ 1,628,087</u>	<u>\$ 1,735,150</u>	<u>\$ 73,143</u>	<u>\$ 74,024</u>	<u>\$ 614,056</u>	<u>\$ 314,511</u>	<u>\$ 148,315</u>	<u>\$ 37,962</u>	<u>\$ 952,995</u>	<u>\$ 6,710,868</u>	<u>\$ 12,289,111</u>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ 118,239	\$ 105,345	\$ -	\$ -	\$ 130	\$ 90,613	\$ 15,027	\$ 7,904	\$ 952,928	\$ 622,520	\$ 1,912,706
Due to other funds	666,276	-	-	-	1,096	223,898	-	15,807	-	1,136,135	2,043,212
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>784,515</u>	<u>105,345</u>	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>314,511</u>	<u>15,027</u>	<u>23,711</u>	<u>952,928</u>	<u>1,758,655</u>	<u>3,955,918</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unearned revenue	-	-	-	-	-	-	50,460	-	-	-	50,460
Seizures escrow	-	-	-	-	20,674	-	-	-	-	-	20,674
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,674</u>	<u>-</u>	<u>50,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,134</u>
<b>FUND BALANCES</b>											
Nonspendable	-	9,968	-	-	-	-	31,749	-	-	-	41,717
Restricted	843,572	1,619,837	-	74,024	592,156	-	51,079	14,251	-	4,952,213	8,147,132
Committed	-	-	73,143	-	-	-	-	-	-	-	73,143
Assigned	-	-	-	-	-	-	-	-	67	-	67
Total fund balances	<u>843,572</u>	<u>1,629,805</u>	<u>73,143</u>	<u>74,024</u>	<u>592,156</u>	<u>-</u>	<u>82,828</u>	<u>14,251</u>	<u>67</u>	<u>4,952,213</u>	<u>8,262,059</u>
Total liabilities, deferred inflows, and fund balance:	<u>\$ 1,628,087</u>	<u>\$ 1,735,150</u>	<u>\$ 73,143</u>	<u>\$ 74,024</u>	<u>\$ 614,056</u>	<u>\$ 314,511</u>	<u>\$ 148,315</u>	<u>\$ 37,962</u>	<u>\$ 952,995</u>	<u>\$ 6,710,868</u>	<u>\$ 12,289,111</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, 2017

	Special Revenue Funds							Capital Projects 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	#335	#336	
Revenues											
Other local taxes	\$ -	\$ -	\$ 62,261	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,261
Federal revenues	-	-	-	-	-	2,618,671	688,875	-	-	-	3,307,546
State revenues	1,260,751	8,979	-	-	-	-	14,901	217,492	-	-	1,502,123
Public auction sales	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	4,139,442	-	-	-	-	1,133,750	-	-	-	5,273,192
Interest income	427	-	-	-	181	-	-	-	-	42,916	43,524
Seizures and fines	-	-	-	27,631	97,716	-	-	-	-	-	125,347
Other	-	-	-	-	-	-	-	13,270	-	-	13,270
Total revenues	1,261,178	4,148,421	62,261	27,631	97,897	2,618,671	1,837,526	230,762	-	42,916	10,327,263
Expenditures											
Current:											
Roads and public works	940,347	-	-	-	-	-	-	-	-	-	940,347
Sanitation	-	3,073,667	-	-	-	-	-	-	-	-	3,073,667
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	33,498	-	-	-	-	-	33,498
Education	-	-	-	-	-	2,486,258	1,769,944	201,659	-	-	4,457,861
Capital projects	5,899	554,071	-	-	62,458	82,815	8,040	20,640	2,432,273	2,501,618	5,667,814
Debt service:											-
Principal retirement	-	37,440	-	-	-	-	-	-	-	-	37,440
Interest and fiscal charges	-	17,549	-	-	-	-	-	-	-	-	17,549
Bond issue costs	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	946,246	3,682,727	-	-	95,956	2,569,073	1,777,984	222,299	2,432,273	2,501,618	14,228,176
Excess (deficiency) of revenue over (under) expenditures	314,932	465,694	62,261	27,631	1,941	49,598	59,542	8,463	(2,432,273)	(2,458,702)	(3,900,913)
Other financing sources (uses)											
Transfers in	-	-	-	-	10,044	-	-	-	2,432,273	-	2,442,317
Transfers out	-	-	-	-	-	(49,598)	-	(1,711)	-	(1,872,460)	(1,923,769)
Total other financing sources (uses)	-	-	-	-	10,044	(49,598)	-	(1,711)	2,432,273	(1,872,460)	518,548
Net change in fund balances	314,932	465,694	62,261	27,631	11,985	-	59,542	6,752	-	(4,331,162)	(3,382,365)
Fund balances - beginning	528,640	1,164,111	10,882	46,393	580,171	-	23,286	7,499	67	9,283,375	11,644,424
Fund balances - ending	\$ 843,572	\$ 1,629,805	\$ 73,143	\$ 74,024	\$ 592,156	\$ -	\$ 82,828	\$ 14,251	\$ 67	\$ 4,952,213	\$ 8,262,059



**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, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
State 3 Cent, 1989, and Street Gas Tax	\$ 1,200,000	\$ 1,200,000	\$ 1,260,751	\$ 60,751
Interest income	500	500	427	(73)
Total revenues	<u>1,200,500</u>	<u>1,200,500</u>	<u>1,261,178</u>	<u>60,678</u>
Expenditures				
Postage	30	30	-	30
Contractual services	400	400	145	255
Traffic signal repair	55,200	55,200	37,826	17,374
Paving	1,000,000	992,000	646,359	345,641
Street repair	271,000	271,000	256,017	14,983
	<u>1,326,630</u>	<u>1,318,630</u>	<u>940,347</u>	<u>378,283</u>
Capital outlay	<u>-</u>	<u>8,000</u>	<u>5,899</u>	<u>2,101</u>
Total expenditures	<u>1,326,630</u>	<u>1,326,630</u>	<u>946,246</u>	<u>380,384</u>
Net change in fund balance	<u>\$ (126,130)</u>	<u>\$ (126,130)</u>	314,932	<u>\$ 441,062</u>
Fund balance - beginning			<u>528,640</u>	
Fund balance - ending			<u>\$ 843,572</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, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 4,070,500	\$ 4,070,500	\$ 4,139,442	\$ 68,942
Contributions	4,200	4,200	8,979	4,779
Total revenue	<u>4,074,700</u>	<u>4,074,700</u>	<u>4,148,421</u>	<u>73,721</u>
Expenditures				
Personnel	1,806,588	1,819,088	1,731,695	87,393
Contractual	967,550	885,850	755,948	129,902
Supplies	527,855	596,755	557,909	38,846
Building materials	11,000	11,300	11,160	140
Fixed charges	2,500	2,500	1,687	813
Grants, contributions, and indemnities	24,000	24,000	15,268	8,732
	<u>3,339,493</u>	<u>3,339,493</u>	<u>3,073,667</u>	<u>265,826</u>
Capital outlay	<u>621,000</u>	<u>861,000</u>	<u>554,071</u>	<u>306,929</u>
Debt service				
Bond principal	37,440	37,440	37,440	-
Bond interest	17,549	17,549	17,549	-
Total debt service	<u>54,989</u>	<u>54,989</u>	<u>54,989</u>	<u>-</u>
Total expenditures	<u>4,015,482</u>	<u>4,255,482</u>	<u>3,682,727</u>	<u>572,755</u>
Net change in fund balance	<u>\$ 59,218</u>	<u>\$ (180,782)</u>	465,694	<u>\$ 646,476</u>
Fund balance - beginning			<u>1,164,111</u>	
Fund balance - ending			<u>\$ 1,629,805</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, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Historic preservation fee	\$ 10,000	\$ 10,000	\$ 62,261	\$ 52,261
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	62,261	<u>\$ 52,261</u>
Fund balance - beginning			<u>10,882</u>	
Fund balance - ending			<u>\$ 73,143</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, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Fees	\$ 29,500	\$ 29,500	\$ 27,631	\$ (1,869)
Total revenues	<u>29,500</u>	<u>29,500</u>	<u>27,631</u>	<u>(1,869)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 29,500</u>	<u>\$ 29,500</u>	27,631	<u>\$ (1,869)</u>
Fund balance - beginning			<u>46,393</u>	
Fund balance - ending			<u>\$ 74,024</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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Seizures	\$ 25,000	\$ 25,000	\$ 87,128	\$ 62,128
Fines	7,500	7,500	10,588	3,088
Interest income	-	-	181	181
Total revenues	<u>32,500</u>	<u>32,500</u>	<u>97,897</u>	<u>65,397</u>
Expenditures				
Contractual services	32,010	31,310	15,136	16,174
Supplies and materials	32,386	37,379	18,350	19,029
Bank charges	-	36	12	24
	<u>64,396</u>	<u>68,725</u>	<u>33,498</u>	<u>35,227</u>
Capital outlay	<u>38,500</u>	<u>66,841</u>	<u>62,458</u>	<u>4,383</u>
Total expenditures	<u>102,896</u>	<u>135,566</u>	<u>95,956</u>	<u>39,610</u>
Excess of revenues over expenditures before transfers	<u>(70,396)</u>	<u>(103,066)</u>	<u>1,941</u>	<u>105,007</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>10,044</u>	<u>10,044</u>
Net change in fund balance	<u>\$ (70,396)</u>	<u>\$ (103,066)</u>	11,985	<u>\$ 115,051</u>
Fund balance - beginning			<u>580,171</u>	
Fund balance - ending			<u>\$ 592,156</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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal revenue	\$ 707,000	\$ 707,600	\$ 688,875	\$ (18,725)
State revenue	13,500	15,100	14,901	(199)
Charges for services	1,159,000	1,156,800	1,133,750	(23,050)
Total revenue	<u>1,879,500</u>	<u>1,879,500</u>	<u>1,837,526</u>	<u>(41,974)</u>
Expenditures				
Current				
Personnel	1,207,247	1,194,247	1,102,044	92,203
Travel	5,000	5,000	4,342	658
Contractual	134,680	134,680	111,494	23,186
Supplies	725,362	738,362	794,504	(56,142)
In-service/staff development	4,000	4,000	4,768	(768)
Charges	20,000	20,000	1,560	18,440
Expense reimbursement	(261,451)	(261,451)	(248,768)	(12,683)
	<u>1,834,838</u>	<u>1,834,838</u>	<u>1,769,944</u>	<u>64,894</u>
Capital				
Capital expenditures	44,662	44,662	8,040	36,622
Total expenditures	<u>1,879,500</u>	<u>1,879,500</u>	<u>1,777,984</u>	<u>101,516</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	59,542	<u>\$ 59,542</u>
Fund balance - beginning			<u>23,286</u>	
Fund balance - ending			<u>\$ 82,828</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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 2,798,073	\$ 2,796,623	\$ 2,618,671	\$ (177,952)
Total revenue	<u>2,798,073</u>	<u>2,796,623</u>	<u>2,618,671</u>	<u>(177,952)</u>
Expenditures				
Current				
Instruction - Title I-A				
Personnel	444,256	406,942	400,104	6,838
Contractual	-	-	-	-
Supplies	94,118	115,191	114,051	1,140
In-service/staff development	-	-	-	-
Other	11,298	-	-	-
	<u>549,672</u>	<u>522,133</u>	<u>514,155</u>	<u>7,978</u>
IDEA-B Individuals with Disabilities Ed. Act				
Personnel	1,252,650	1,252,781	1,220,072	32,709
Contractual	29,883	50,492	33,696	16,796
Supplies	85,147	86,773	86,725	48
In-service/staff development	-	-	-	-
Other	32,330	-	-	-
	<u>1,400,010</u>	<u>1,390,046</u>	<u>1,340,493</u>	<u>49,553</u>
Support and training				
Personnel	261,651	236,651	234,938	1,713
Contractual	16,349	19,754	8,183	11,571
Supplies	217,447	254,234	153,752	100,482
In-service/staff development	9,379	-	-	-
Other	504,826	510,639	396,873	113,766
Preschool inventive				
Personnel	248,907	227,383	228,771	(1,388)
Supplies	3,166	3,166	3,166	-
In-service/staff development	2,800	2,800	2,800	-
Other	254,873	233,349	234,737	(1,388)
Capital				
Capital expenditures	88,692	87,452	82,815	4,637
Total expenditures	<u>2,798,073</u>	<u>2,743,619</u>	<u>2,569,073</u>	<u>174,546</u>
Excess of revenues over expenditures before transfers	<u>-</u>	<u>53,004</u>	<u>49,598</u>	<u>(3,406)</u>
Other financing uses				
Transfers out	-	(53,004)	(49,598)	3,406
Total other financing uses	<u>-</u>	<u>(53,004)</u>	<u>(49,598)</u>	<u>3,406</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			-	
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		
Revenues				
State revenue	\$ -	\$ 227,308	\$ 217,492	\$ (9,816)
Other local revenue	-	18,772	13,270	(5,502)
Total revenue	-	246,080	230,762	(15,318)
Expenditures				
Current				
Regular Instructional Program				
Supplies	-	2,081	2,081	-
	-	2,081	2,081	-
Coordinated school health				
Personnel	-	47,484	41,176	6,308
Contractual	-	8,394	2,713	5,681
Supplies	-	15,271	8,219	7,052
In-service/staff development	-	15,350	15,252	98
Other	-	750	731	19
	-	87,249	68,091	19,158
Support - safe schools grant				
Contractual	-	38,030	38,030	-
	-	38,030	38,030	-
Regular Instructional Support				
Personnel	-	5,919	5,904	15
Supplies	-	2,000	-	2,000
In-service/staff development	-	1,997	1,997	-
	-	9,916	7,901	2,015
Early Childhood Education				
Personnel	-	83,308	82,554	754
Supplies	-	1,563	1,563	-
In-service/staff development	-	1,439	1,439	-
	-	86,310	85,556	754
Capital				
Capital expenditures	-	20,768	20,640	128
Total expenditures	-	244,354	222,299	22,055
Excess of revenues over expenditures before transfers	-	1,726	8,463	6,737
Other financing sources				
Transfers out	-	(1,726)	(1,711)	15
Total other financing uses	-	(1,726)	(1,711)	15
Net change in fund balance	\$ -	\$ -	6,752	\$ 6,752.00
Fund balance - beginning			7,499	
Fund balance - ending			\$ 14,251	

## **CAPITAL PROJECTS FUNDS**

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

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Contributions	\$ 1,762,928	\$ 762,928	\$ 1,289,340	\$ 526,412
Total revenues	<u>1,762,928</u>	<u>762,928</u>	<u>1,289,340</u>	<u>526,412</u>
Expenditures				
Contractual	1,762,928	9,668,020	7,737,365	1,930,655
Capital expenditures	-	72,113,052	44,573,554	27,539,498
Total expenditures	<u>1,762,928</u>	<u>81,781,072</u>	<u>52,310,919</u>	<u>29,470,153</u>
Deficiency of revenues under expenditures before transfers	<u>-</u>	<u>(81,018,144)</u>	<u>(51,021,579)</u>	<u>29,996,565</u>
Other financing sources				
Transfers in	-	81,018,144	52,138,824	(28,879,320)
Total other financing sources	<u>-</u>	<u>81,018,144</u>	<u>52,138,824</u>	<u>(28,879,320)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,117,245	<u>\$ 1,117,245</u>
Fund balance - beginning			<u>1,855,269</u>	
Fund balance - ending			<u>\$ 2,972,514</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, 2017

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 250,651	\$ 250,651	\$ -
State grants	-	218,128	218,128	-
Contributions	-	65,169	65,169	-
Total revenues	-	533,948	533,948	-
Expenditures				
Capital projects	6,578,000	4,197,163	3,297,896	899,267
Deficiency of revenues under expenditures before transfers	(6,578,000)	(3,663,215)	(2,763,948)	899,267
Other financing sources (uses)				
Transfers in	-	3,205,390	3,205,390	-
Transfers out	-	(386,605)	(386,605)	-
Total other financing sources	-	2,818,785	2,818,785	-
Net change in fund balance	<u>\$ (6,578,000)</u>	<u>\$ (844,430)</u>	54,837	<u>\$ 899,267</u>
Fund balance - beginning			<u>74,891</u>	
Fund balance - ending			<u>\$ 129,728</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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Interest income	\$ -	\$ -	\$ -	\$ -
Miscellaneous refunds	-	-	-	-
	-	-	-	-
Expenditures				
Capital projects	-	2,432,273	2,432,273	-
Total expenditures	-	2,432,273	2,432,273	-
Deficiency of revenues under expenditures before transfers	-	(2,432,273)	(2,432,273)	-
Other financing uses				
Transfers in	-	2,432,273	2,432,273	-
Transfers out	-	-	-	-
Total other financing uses	-	2,432,273	2,432,273	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning			<u>67</u>	
Fund balance - ending			<u>\$ 67</u>	

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, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Interest income	\$ -	\$ 42,916	\$ 42,916	\$ -
Expenditures				
Capital projects	2,275,000	2,501,618	2,501,618	-
Total expenditures	2,275,000	2,501,618	2,501,618	-
Deficiency of revenues under expenditures before transfers	(2,275,000)	(2,458,702)	(2,458,702)	-
Other financing uses				
Transfers out	-	(1,872,460)	(1,872,460)	-
Total other financing uses	-	(1,872,460)	(1,872,460)	-
Net change in fund balance	\$ -	\$ (4,331,162)	(4,331,162)	\$ -
Fund balance - beginning			9,283,375	
Fund balance - ending			\$ 4,952,213	

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

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Interest income	\$ -	\$ 324,682	\$ 324,682	\$ -
Expenditures				
Total expenditures	-	-	-	-
Excess of revenues over expenditures before transfers	-	324,682	324,682	-
Other financing uses				
Transfers out	-	(52,138,824)	(52,138,824)	-
Total other financing uses	-	(52,138,824)	(52,138,824)	-
Net change in fund balance	\$ -	\$ (51,814,142)	(51,814,142)	\$ -
Fund balance - beginning			85,490,096	
Fund balance - ending			\$ 33,675,954	



## **SUPPORTING INFORMATION**

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

For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<b>ASSETS</b>				
Cash	\$ 1,169,622	\$ 2,994,575	\$ (2,990,874)	\$ 1,173,323
Inventories	12,443	1,028	-	13,471
Total assets	<u>\$ 1,182,065</u>	<u>\$ 2,995,603</u>	<u>\$ (2,990,874)</u>	<u>\$ 1,186,794</u>
<b>LIABILITIES</b>				
Due to schools general fund	\$ 642,892	\$ 816,684	\$ (740,526)	\$ 719,050
Due to student groups	539,173	2,178,919	(2,250,348)	467,744
Total liabilities	<u>\$ 1,182,065</u>	<u>\$ 2,995,603</u>	<u>\$ (2,990,874)</u>	<u>\$ 1,186,794</u>

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

June 30, 2017

	Land	Construction in Progress	Buildings and Improvements	Other Improvements	Library Materials	Equipment	Infrastructure	Total
Mayor and Board	\$ -	\$ -	\$ -	\$ 3,988	\$ -	\$ 139,128	\$ -	\$ 143,116
General Government:								
Finance	-	762,345	-	-	-	197,065	-	959,410
Information technology	-	-	2,657	-	-	1,285,301	-	1,287,958
Executive	1,782,850	-	5,797,880	407,911	-	468,908	-	8,457,549
Town administrator	2,394,355	9,276	5,539,853	434,474	-	129,189	599,455	9,106,602
Development administration	-	-	-	-	-	23,623	-	23,623
Development engineering	859,269	-	-	-	-	265,183	-	1,124,452
Development planning	-	-	-	-	-	88,213	-	88,213
General government	1,755,439	-	213,877	34,396	-	-	-	2,003,712
Library	305,068	-	4,116,562	128,452	2,644,059	646,876	-	7,841,017
Human resources	-	-	-	-	-	16,088	-	16,088
General services	-	2,947,073	118,546	-	-	528,165	-	3,593,784
	7,096,981	3,718,694	15,789,375	1,005,233	2,644,059	3,648,611	599,455	34,502,408
Public Safety:								
Animal control	8,099	-	1,066,910	51,860	-	124,326	-	1,251,195
Police	206,588	1,642,888	8,458,127	1,282,447	-	7,628,354	-	19,218,404
Fire	599,784	1,337,251	4,482,557	139,231	-	5,230,212	-	11,789,035
Code enforcement	-	-	-	-	-	315,556	-	315,556
City court	-	-	203,291	-	-	138,880	-	342,171
	814,471	2,980,139	14,210,885	1,473,538	-	13,437,328	-	32,916,361
Roads and Public Works:								
Public services administration	441,607	-	2,405,064	252,261	-	108,806	-	3,207,738
Fleet services	-	19,072	-	30,256	-	552,970	-	602,298
Streets and drainage	6,715,034	4,258,778	-	1,642,888	-	2,794,128	155,881,850	171,292,678
	7,156,641	4,277,850	2,405,064	1,925,405	-	3,455,904	155,881,850	175,102,714
Education	8,413,365	56,458,868	70,626,268	-	-	2,931,108	-	138,429,609
Sanitation	53,650	-	552,756	27,087	-	5,444,627	-	6,078,120
Culture and Recreation	8,763,395	900,137	8,392,523	17,368,622	-	2,875,113	523,523	38,823,313
Development of historic town square	63,600	-	154,637	1,501,161	-	32,318	-	1,751,716
Total capital assets	\$ 32,362,103	\$ 68,335,688	\$ 112,131,508	\$ 23,305,034	\$ 2,644,059	\$ 31,964,137	\$ 157,004,828	\$ 427,747,357

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

For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Mayor and Board	\$ 142,486	\$ 630	\$ -	\$ -	\$ 143,116
General Government:					
Finance	747,282	213,396	(1,268)	-	959,410
Information technology	1,277,871	59,418	(49,331)	-	1,287,958
Executive	8,458,574	-	(512)	(513)	8,457,549
Town administrator	11,223,828	22,560	(2,139,786)	-	9,106,602
Development administration	22,893	730	-	-	23,623
Development engineering	1,125,344	-	(892)	-	1,124,452
Development planning	103,912	-	(15,699)	-	88,213
General government	2,003,712	-	-	-	2,003,712
Library	7,813,567	233,154	(205,704)	-	7,841,017
Human resources	17,053	-	(965)	-	16,088
General services	1,160,999	2,432,272	-	513	3,593,784
	<u>33,955,035</u>	<u>2,961,530</u>	<u>(2,414,157)</u>	<u>-</u>	<u>34,502,408</u>
Public Safety:					
Animal control	759,550	491,645	-	-	1,251,195
Police	18,787,450	754,443	(323,489)	-	19,218,404
Fire	11,633,777	156,719	(1,461)	-	11,789,035
Code enforcement	308,773	19,377	-	(12,594)	315,556
City court	342,171	-	-	-	342,171
	<u>31,831,721</u>	<u>1,422,184</u>	<u>(324,950)</u>	<u>(12,594)</u>	<u>32,916,361</u>
Roads and Public Works:					
Public services administration	3,226,433	-	-	(18,695)	3,207,738
Fleet services	614,172	53,106	-	(64,980)	602,298
Streets and drainage	166,365,604	4,932,294	(5,220)	-	171,292,678
	<u>170,206,209</u>	<u>4,985,400</u>	<u>(5,220)</u>	<u>(83,675)</u>	<u>175,102,714</u>
Education	<u>84,659,299</u>	<u>53,792,204</u>	<u>(21,894)</u>	<u>-</u>	<u>138,429,609</u>
Sanitation	<u>5,524,049</u>	<u>554,071</u>	<u>-</u>	<u>-</u>	<u>6,078,120</u>
Culture and Recreation	<u>37,426,727</u>	<u>1,304,875</u>	<u>(4,558)</u>	<u>96,269</u>	<u>38,823,313</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>\$ 365,497,242</u>	<u>\$ 65,020,894</u>	<u>\$ (2,770,779)</u>	<u>\$ -</u>	<u>\$ 427,747,357</u>

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

For the Year Ended June 30, 2017

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2017	1.63	\$ 1,725,044,030
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

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE June 30, 2016</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE June 30, 2017</u>
2017	\$ -	\$ 28,118,218	\$ -	\$ -	\$ 28,118,218
2016	26,799,134		(154,889)	26,702,124	251,899
2015	337,707		(32,185)	241,560	128,332
2014	111,872		(4,418)	77,645	38,645
2013	61,105		3,134	24,240	33,731
2012	27,776		(19)	4,100	23,695
2011	23,229		1,065	204	21,960
2010	16,354		1,064	(1,417)	16,707
2009	12,822		355	(2,432)	14,899
2008 & PRIOR	47,060		4,083	346	42,631
	<u>27,437,059</u>	<u>28,118,218</u>	<u>(181,810)</u>	<u>27,046,370</u>	<u>28,690,717</u>
Allowance for uncollectible property taxes	<u>(257,752)</u>				<u>(291,130)</u>
Net receivables	<u>\$ 27,179,307</u>				<u>\$ 28,399,587</u>

Uncollected taxes for years prior to 2001 have been charged off for financial reporting purposes. Such amounts are not significant. 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 2017 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, 2017

	Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Tax and Revenue Refunding Bonds		Total		
Date Issued	11/1/12		10/13/15				
Interest Rate %	1.50% - 4.00%		4.00% - 5.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Total
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>\$ 12,985,000</u>	<u>\$ 1,577,763</u>	<u>\$5,305,000</u>	<u>\$1,551,750</u>	<u>\$ 18,290,000</u>	<u>\$ 3,129,513</u>	<u>\$ 21,419,513</u>

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

June 30, 2017

Date Issued Interest Rate %	General Improvement Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Bonds		General Improvement Bonds, Series A		General Improvement Bonds, Series B		General Improvement Refunding Bonds, Series C				Total
	11/1/08 3.50% - 5.00%		10/25/11 2.00% - 2.50%		11/1/12 1.50% - 2.00%		8/22/13 2.00% - 4.00%		10/13/15 4.00% - 5.00%		10/13/15 2.00% - 4.00%		10/13/15 2.00% - 4.00%				
FY	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$ 575,000	\$ 97,763	\$ 510,000	\$ 59,638	\$ 485,000	\$ 82,450	\$ 325,000	\$ 196,325	\$ 1,660,000	\$ 3,763,800	\$ 195,000	\$ 167,338	\$ 405,000	\$ 260,050	\$ 4,155,000	\$ 4,627,363	\$ 8,782,363
2019	600,000	71,263	520,000	49,438	490,000	73,925	335,000	188,050	1,740,000	3,680,800	200,000	161,488	415,000	251,850	4,300,000	4,476,813	8,776,813
2020	625,000	42,981	535,000	39,038	500,000	66,500	340,000	177,925	1,830,000	3,593,800	205,000	155,488	430,000	243,400	4,465,000	4,319,131	8,784,131
2021	660,000	14,850	520,000	27,000	510,000	58,925	355,000	165,725	1,920,000	3,502,300	215,000	149,338	50,000	238,350	4,230,000	4,156,488	8,386,488
2022			560,000	14,000	520,000	49,900	365,000	154,975	2,015,000	3,406,300	220,000	142,888	735,000	226,575	4,415,000	3,994,638	8,409,638
2023					535,000	39,350	370,000	146,700	2,115,000	3,305,550	225,000	136,288	760,000	204,150	4,005,000	3,832,038	7,837,038
2024					555,000	28,450	380,000	137,325	2,220,000	3,199,800	235,000	127,288	790,000	180,900	4,180,000	3,673,763	7,853,763
2025					565,000	17,250	390,000	127,456	2,335,000	3,088,800	245,000	117,888	815,000	156,825	4,350,000	3,508,219	7,858,219
2026					580,000	5,800	405,000	116,263	2,450,000	2,972,050	255,000	108,088	845,000	127,700	4,535,000	3,329,900	7,864,900
2027							415,000	103,963	2,570,000	2,849,550	265,000	97,888	885,000	93,100	4,135,000	3,144,500	7,279,500
2028							425,000	91,363	2,700,000	2,721,050	275,000	87,288	925,000	56,900	4,325,000	2,956,600	7,281,600
2029							440,000	78,113	2,790,000	2,633,300	285,000	76,288	960,000	19,200	4,475,000	2,806,900	7,281,900
2030							455,000	63,275	2,880,000	2,542,625	300,000	64,888			3,635,000	2,670,788	6,305,788
2031							475,000	46,406	2,970,000	2,449,025	310,000	52,888			3,755,000	2,548,319	6,303,319
2032							490,000	28,313	3,075,000	2,345,075	320,000	43,588			3,885,000	2,416,975	6,301,975
2033							510,000	9,563	3,185,000	2,237,450	330,000	33,588			4,025,000	2,280,600	6,305,600
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
	\$2,460,000	\$ 226,856	\$2,645,000	\$ 189,113	\$4,740,000	\$422,550	\$6,475,000	\$1,831,738	\$92,680,000	\$64,543,500	\$4,770,000	\$ 1,757,175	\$8,015,000	\$2,059,000	\$121,785,000	\$ 71,029,931	\$ 192,814,931

TOWN OF COLLIERVILLE, TENNESSEE  
SCHEDULE OF INVESTMENTS

June 30, 2017

**Governmental Funds**

General Fund	
Local government investment pool	\$ 40,670,910
Capital Projects Fund	
Local government investment pool	<u>44,771,793</u>
	<u>\$ 85,442,703</u>

**Proprietary Fund**

Water and Sewer Fund	
Local government investment pool	<u>\$ 30,820,678</u>

**Fiduciary Funds**

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 1,506,785
U.S. government agency bonds	515,215
Corporate and foreign bonds	4,138,047
Municipal obligations	1,403,806
Common stocks	7,808,120
Equity mutual funds	31,634,808
Fixed income mutual funds	14,946,195
	<u>\$ 61,952,976</u>

Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 185,069
Common stocks	1,470,185
Equity mutual funds	6,453,860
Fixed income mutual funds	<u>3,982,437</u>
	<u>\$ 12,091,551</u>

Postemployment Healthcare Benefits	
Trustee bank (member of Tennessee School Boards Association OPEB Trust)	
Fixed income	\$ 306,076
Domestic equities	362,980
International equities	149,158
Emerging equities	<u>34,487</u>
	<u>\$ 852,701</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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### **Financial Trends (Schedules 1, 2, 3, 4, 5) 154**

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

### **Revenue Capacity (Schedules 6, 7, 8, 9, 10, 11) 161**

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) 167**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. The Town has no legal debt limit.

### **Demographic and Economic Information (Schedules 16, 17) 171**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.

### **Operating Information (Schedules 18, 19, 20, 21, 22, 23, 24) 173**

These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.

*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>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>	<u>2017</u>
Governmental Activities										
Net investment in capital assets <sup>a</sup>	\$ 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	\$ 226,974,039
Restricted	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	46,533,432
Unrestricted	31,946,261	24,821,960	23,078,426	18,304,577	19,902,580	29,618,473	25,818,422	28,543,675	43,333,057	33,513,491
Total government activities net position	<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>	<u>\$ 307,020,962</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 72,240,473
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	8,140,388
Unrestricted	20,067,949	20,598,131	21,086,683	22,759,955	24,072,503	26,698,776	26,334,310	25,206,047	25,229,309	25,151,524
Total business-type activities net position	<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>	<u>\$ 105,532,385</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 299,214,512
Restricted	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	54,673,820
Unrestricted	52,014,210	45,420,091	44,165,109	41,064,532	43,975,083	56,317,249	52,152,732	53,749,722	68,562,366	58,665,015
Total primary government net position	<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>	<u>\$ 412,553,347</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>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>	<u>2017</u>
<b>Expenses</b>										
Governmental activities:										
Legislative	\$ 179,470	\$ 192,200	\$ 138,580	\$ 149,268	\$ 261,181	\$ 196,902	\$ 282,947	\$ 154,751	\$ 149,781	\$ 179,705
General government	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	11,082,745
Education <sup>b</sup>	-	-	-	-	-	-	1,492,580	59,010,427	65,689,122	70,850,281
Roads and public works	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	10,439,443
Public Safety	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	22,904,755
Sanitation	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	3,301,213
Drug fund	26,845	22,285	20,721	41,757	27,673	17,798	29,003	24,230	36,467	33,498
Culture and recreation	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	5,609,463
Interest and fiscal charges	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	4,659,491
Total government activities expenses	<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>	<u>129,060,594</u>
Business-type activities:										
Water and sewer	<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>	<u>11,037,905</u>
Total business-type activities expenses	<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>	<u>11,037,905</u>
Total primary government expenses	<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>	<u>\$ 140,098,499</u>
<b>Program Revenues</b> (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 480,888	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958	\$ 312,452	\$ 332,750	\$ 392,418	\$ 396,173
Education <sup>b</sup>	-	-	-	-	-	-	397,168	1,082,403	1,213,396	1,253,150
Roads and public works	1,264,991	627,109	491,002	1,101,149	503,235	653,073	695,312	633,779	970,723	946,455
Public safety	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	2,699,821
Sanitation	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	4,139,442
Culture and recreation	324,183	507,646	515,021	545,418	533,441	473,788	483,247	506,855	393,000	514,141
Operating grants and contributions <sup>b</sup>	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	43,612,561
Capital grants and contributions	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	3,759,691
Total governmental activities program revenues	<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>	<u>57,321,434</u>
Business-type activities:										
Charges for services	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	13,414,292
Operating grants and contributions	-	-	18,767	-	-	-	-	-	-	-
Capital grants and contributions	<u>1,555,946</u>	<u>1,796,272</u>	<u>1,026,656</u>	<u>1,669,411</u>	<u>274,665</u>	<u>3,500</u>	<u>350,862</u>	<u>345,748</u>	<u>1,321,865</u>	<u>674,177</u>
Total business-type activities program revenues	<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>	<u>14,088,469</u>
Total primary government program revenues	<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>	<u>\$ 71,409,903</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (71,739,160)
Business-type activities	<u>5,381,419</u>	<u>3,320,132</u>	<u>2,159,336</u>	<u>1,255,546</u>	<u>2,000,584</u>	<u>2,078,441</u>	<u>3,236,114</u>	<u>2,508,937</u>	<u>4,665,932</u>	<u>3,050,564</u>
Total primary government net expense	<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>	<u>\$ (68,688,596)</u>

(Continued)

Schedule 2 - Continued

	<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>	<u>2017</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 53,256,948
Other local taxes	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	28,895,557
Intergovernmental revenues:										
State sales tax	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	4,008,478
State income and other taxes	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	1,603,527
Other state revenue	112,674	115,699	103,113	102,478	99,185	103,508	103,704	201,434	144,288	120,113
Investment earnings	1,190,266	514,218	115,891	53,902	33,280	36,221	35,908	50,376	294,145	586,687
Miscellaneous	181,730	191,278	326,715	34,321	809,480	452,029	363,688	573,303	721,122	1,267,932
Payment to fiduciary trust	-	(875,759)	-	-	-	-	-	-	-	-
Transfers	567,117	762,562	651,672	557,773	764,569	753,632	790,493	789,805	902,215	901,610
Special item - litigation settlement	-	-	-	-	-	-	(5,324,494)	-	-	-
Special item - transfer of operations <sup>a</sup>	-	-	-	-	-	-	52,215,436	-	-	-
Total government activities	35,026,043	33,572,089	33,863,650	34,448,854	39,733,059	44,628,367	93,795,331	77,406,919	84,967,849	90,640,852
Business-type activities:										
Investment earnings	1,490,542	596,892	338,739	304,158	273,796	281,831	249,936	256,773	290,345	388,453
Miscellaneous	63,361	86,122	139,068	126,379	129,035	141,510	157,928	156,242	130,331	125,619
Transfers	(567,117)	(762,562)	(651,672)	(557,773)	(764,569)	(753,632)	(790,493)	(789,805)	(902,215)	(901,610)
Total business-type activities	986,786	(79,548)	(173,865)	(127,236)	(361,738)	(330,291)	(382,629)	(376,790)	(481,539)	(387,538)
Total primary government	<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>	<u>\$ 90,253,314</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 18,901,692
Business-type activities	<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>	<u>2,663,026</u>
Total primary government	<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>	<u>\$ 21,564,718</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>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>	<u>2017</u>
Governmental Activities:										
General government	\$ 510,481	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866	\$ 495,251	\$ 664,865	\$ 426,700	\$ 439,609
Education <sup>b</sup>	-	-	-	-	-	-	397,168	37,342,062	41,633,016	42,884,451
Roads and public works	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	5,545,811
Public safety	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	3,235,995
Sanitation	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	4,148,421
Culture and recreation <sup>a</sup>	355,437	616,262	1,099,425	698,905	556,884	499,588	632,107	748,151	1,028,282	1,067,147
Subtotal governmental activities	<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>	<u>57,321,434</u>
Business-type activities:										
Water and Sewer	<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>	<u>14,088,469</u>
Subtotal business-type activities	<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>	<u>14,088,469</u>
Total primary government	<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>	<u>\$ 71,409,903</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>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>	<u>2017</u>
General Fund										
Reserved	\$ 476,853	\$ 475,191	\$ 572,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	25,662,542	22,753,263	21,547,026	-	-	-	-	-	-	-
Nonspendable	-	-	-	154,091	153,045	161,315	172,028	180,804	3,035,409	3,036,761
Restricted	-	-	-	1,369,227	1,677,931	1,885,530	1,508,576	1,621,489	1,323,733	1,527,711
Committed	-	-	-	1,188,831	1,004,206	1,566,727	1,565,296	1,887,716	2,337,876	2,849,714
Assigned	-	-	-	6,877,687	6,019,516	10,295,248	15,822,524	13,198,818	16,060,399	20,871,637
Unassigned	-	-	-	12,791,481	15,181,846	17,052,954	17,717,284	18,950,295	24,651,958	23,282,021
Total general fund	<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>	<u>\$ 51,567,844</u>
All Other Governmental Funds										
Reserved	\$ 1,366,394	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	325,828	226,536	247,508	-	-	-	-	-	-	-
Capital projects funds	9,635,292	17,651,735	11,217,468	-	-	-	-	-	-	-
Nonspendable	-	-	-	15,331	17,983	12,060	89,687	51,527	31,011	41,717
Restricted	-	-	-	6,077,870	4,343,644	3,069,023	6,696,509	14,100,059	114,353,298	67,917,138
Committed	-	-	-	489,119	727,569	660,732	-	-	1,156,386	73,143
Assigned	-	-	-	726,774	593,048	513,210	10,620	-	74,958	129,795
Unassigned	-	-	-	-	-	-	(513,960)	-	-	-
Total all other governmental funds	<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>	<u>\$ 68,161,793</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>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>	<u>2017</u>
<b>Revenues</b>										
Property taxes	\$ 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	\$ 52,111,855
Other local taxes	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	29,091,431
Federal revenues	303,726	129,082	377,170	1,157,242	959,130	507,931	104,916	2,601,414	4,182,022	4,633,661
State revenues	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	44,250,536
Licenses and permits	1,719,735	783,060	616,926	488,437	673,993	1,343,894	1,142,811	1,105,769	1,214,114	1,379,968
Charges for services	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	7,019,176
Court fees	724,866	812,974	863,247	795,641	934,985	1,117,353	1,158,302	1,199,196	1,115,573	1,032,721
Fines and forfeitures	253,872	285,880	281,921	293,699	293,723	489,108	456,230	606,651	532,581	517,309
Interest income	1,173,193	514,218	115,891	53,902	33,280	36,221	35,908	50,376	294,145	586,687
Contributions	164,195	289,028	167,668	212,163	1,207,091	1,588,212	1,845,267	1,787,520	3,945,575	2,660,087
Other revenues	244,577	247,188	367,057	269,505	353,303	171,627	204,750	674,160	800,798	1,234,965
Total revenues	<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>	<u>144,518,396</u>
<b>Expenditures</b>										
Legislative	195,028	196,908	135,668	143,270	252,047	188,876	273,865	145,555	140,545	169,987
General government	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	8,110,218
Roads and public works	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	7,993,645
Public safety	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	21,682,921
Sanitation	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	3,073,667
Culture and recreation	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	4,715,141
Drug fund	26,845	22,285	20,721	41,757	27,673	17,798	29,003	24,230	36,467	33,498
Education	-	-	-	-	-	-	1,363,515	59,826,715	63,743,735	71,058,331
Other	472,266	392,042	184,994	153,125	138,153	353,738	78,572	167,378	140,528	168,743
Capital projects <sup>a</sup>	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	62,091,021
Debt service										
Principal	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	4,027,964
Interest and fiscal charges	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	5,590,261
Bond Issue costs	(14,691)	30,538	-	91,333	103,153	56,018	92,448	-	687,543	-
Total expenditures	<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>	<u>188,715,397</u>

(Continued)



Schedule 5 - Continued

	<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>	<u>2017</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 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	\$ (44,197,001)
<b>Other Financing Sources</b>										
<b>(Uses)</b>										
Capital lease	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>	-	33,185	-	-	-	-	7,700,000	-	113,705,863	-
Premium							154,836	-	-	-
Transfers in	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	59,126,055
Transfers out	(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)	(58,224,445)
Total other financing sources (uses)	<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>	<u>901,610</u>
Net change in fund balances	<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>	<u>\$ (43,295,391)</u>
Debt service as a percentage of noncapital expenditures <sup>b</sup>	9.9%	15.3%	10.6%	9.9%	9.5%	8.8%	9.0%	4.0%	3.7%	7.6%

<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)

Fiscal Year	Property	In Lieu of	Local Option Sales	Beer & Liquor	Business & Privilege	Motor Vehicle	Park Land Dedication	Historic Preservation	Substance	Total
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
2017	27,925,245	460,047	15,336,312	912,525	2,123,508	1,147,116	192,780	62,261	-	48,159,794
Change										
2008-2017	67.7%	17.3%	82.9%	38.5%	52.3%	54.5%	204.4%	16.7%	-100.0%	69.9%

<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  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years  
(in thousands of dollars)

<b>Fiscal Year</b>	<b>Farm Property</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Multiple Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
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
2017	10,238	1,050,716	338,700	40,569	4,599	60,748	1,505,570	1.78	5,441,895	27.666

**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	
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	
2017	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>	2017			2008		
	<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	\$ 31,753,047	1	2.05%	\$ 15,230,652	3	1.18%
Carrier Corporation	25,882,670	2	1.67	16,649,620	2	1.29
G&I VII (Carriage Crossing)	21,573,040	3	1.40	41,384,920	1	3.20
Legacy Farm, LLC	13,233,880	4	0.86	10,030,880	4	0.77
Spyglass Collierville, LLC	11,200,000	5	0.72	-	-	-
Signature Schilling Farms	10,843,440	6	0.70	6,859,430	-	0.53
Dogwood Creek Associates	9,200,000	7	0.59	6,853,040	8	0.53
Cole Mt. (Gallina Centro)	8,637,640	8	0.56	6,922,680	7	0.53
Bailey Creek Associates	8,600,000	9	0.55	5,862,840	10	0.45
Baptist Memorial Hospital	8,356,960	10	0.54	6,850,080	9	0.53
G&I IV Madison				8,498,720	5	0.66
Delta Beverage Group				7,992,460	6	0.62
Total	<u>\$ 149,280,677</u>		9.7%	<u>\$ 133,135,322</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
2008	\$ 16,268,491	\$ 36,902	\$ 16,305,393	\$ 15,837,483	97.13%	\$ 446,086	\$ 16,283,569	99.87%
2009	16,901,393	(162,348)	16,739,045	16,284,182	97.28	435,709	16,719,891	99.89
2010	17,413,217	(458,987)	16,954,230	16,460,339	97.09	458,786	16,919,125	99.79
2011	17,282,758	(268,077)	17,014,681	16,579,268	97.44	416,158	16,995,426	99.89
2012	20,816,706	(289,394)	20,527,312	20,081,479	97.83	401,718	20,483,197	99.79
2013	21,458,562	(199,473)	21,259,089	20,820,857	97.94	393,034	21,213,891	99.79
2014	22,137,343	(231,710)	21,900,633	21,576,099	98.52	277,227	21,853,327	99.78
2015	22,223,670	5,021	22,228,691	21,957,997	98.78	225,566	22,183,563	99.80
2016	26,191,981	41,306	26,233,287	25,845,903	98.52	241,560	26,087,463	98.44
2017	26,799,134	176,087	26,975,221	26,702,124	98.99	-	26,702,124	98.99

**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

<b>Fiscal Year</b>	<b>Town Direct Rate</b>	<b>State of Tennessee<sup>a</sup></b>
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
2017	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			
	Bonds									
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>
2017	128,792	-	-	4,165	-	20,475	-	153,432	7.33	3,120 <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		
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>
2017	128,792	-	128,792	2.37	2,619 <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  
June 30, 2017  
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Shelby County</b>	\$ 989,747	7.94%	\$ 78,586
<b>Town direct debt</b>	128,792	100%	<u>128,792</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 207,378</u></u>

**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)

Fiscal Year	Water & Sewer Tax & Revenue Bonds			Debt Service		Coverage
	Total	Less:	Net			
	Revenue and Other Sources	Operating Expenses	Available Revenue	Principal	Interest	
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
2017	12,600	7,938	4,663	2,242	747	1.56

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>e</sup></b>	<b>Unemployment Rate<sup>a</sup></b>
2008	44,304 <sup>b</sup>	\$ 1,445,418	32,625 <sup>c</sup>	8,604	6.5%
2009	44,304 <sup>b</sup>	1,445,418	32,625 <sup>c</sup>	8,535	7.7
2010	44,304 <sup>b</sup>	1,445,418	32,625 <sup>c</sup>	8,562	7.0
2011	43,965 <sup>d</sup>	1,703,424	38,745 <sup>d</sup>	8,516	7.4
2012	43,965 <sup>d</sup>	1,703,424	38,745 <sup>d</sup>	8,639	6.5
2013	43,965 <sup>d</sup>	1,749,279	39,788 <sup>d</sup>	9,062	6.6
2014	43,965 <sup>d</sup>	1,719,119	39,102 <sup>d</sup>	8,572	6.3
2015	43,965 <sup>d</sup>	1,760,447	40,042 <sup>d</sup>	9,646	5.6
2016	48,863 <sup>f</sup>	2,078,485	42,537 <sup>f</sup>	9,534	4.1
2017	49,177 <sup>f</sup>	2,091,842	42,537 <sup>f</sup>	9,448	4.2

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

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

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

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

<sup>e</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>f</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>2017</u>			<u>2008</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	0.57%	2,934	1	0.67%
Carrier Corporation	1,650	2	0.38	1,600	2	0.36
Collierville Schools	918	3	0.21	-	-	-
Town of Collierville	511	4	0.12	476	4	0.11
Kroger	470	5	0.11	260	9	-
Baptist Hospital - Collierville	355	6	0.08	417	6	0.09
Wal-Mart	345	7	0.08	450	5	-
Helena Chemical	265	8	0.06	212	-	0.05
Juice Plus (NSA)	230	9	0.05	-	-	-
Philipps Bodine	185	10		220	10	0.05
Shelby County Schools		-		575	3	
Alpha Corporation		-		365	7	0.08
Pepsi Americas		-		325	8	0.07
Total	<u>7,429</u>		1.73%	<u>7,834</u>		1.78%

**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>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>	<u>2017</u>
Legislative	7	7	6	6	6	6	6	6	6	6
General Government										
Administration	6	6	6	6	6	7	6	7	7	9
Morton Museum <sup>a</sup>	-	-	-	-	1	1	2	2	2	2
Financial Administration	18	19	19	19	19	19	19	21	21	19
Human Resources	4	4	4	4	4	4	5	6	5	5
Information Technology	5	5	5	5	5	5	5	5	6	6
General Services	11	13	13	13	13	14	15	15	16	18
Development										
Administration	2	2	3	2	2	2	3	3	3	3
Office of Planning	11	11	9	9	9	9	9	9	10	10
Code Enforcement	19	18	12	12	10	11	13	14	14	15
Office of Engineer	14	14	11	12	11	11	11	11	12	12
Education <sup>b</sup>										
Professional	-	-	-	-	-	-	-	585	642	659
Clerical	-	-	-	-	-	-	-	53	54	55
Other	-	-	-	-	-	-	52	118	142	175
Part-time	-	-	-	-	-	-	-	26	32	29
Public Safety										
Animal Services	6	6	6	5	5	4	4	4	5	6
Municipal Court	9	9	9	9	9	9	9	12	12	11
Police Department	140	139	138	137	137	138	141	141	140	149
Fire Department	70	70	68	68	69	69	69	69	71	73
Public Services										
Administration	5	5	5	5	5	7	7	7	7	8
Vehicle Maintenance	9	9	9	8	7	7	9	9	10	11
Streets and Drainage	25	25	24	25	25	29	29	29	29	29
Sanitation	36	36	34	32	27	28	30	30	31	31
Parks and Recreation	44	46	45	44	44	44	46	50	49	50
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	5	4
Water Distribution System	12	13	13	13	13	12	14	17	17	19
Wastewater Collection	10	10	10	10	10	10	8	6	7	8
Wastewater Treatment	8	7	7	7	7	7	7	7	7	7
Total	<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>	<u>1,429</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012<sup>c</sup></u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Development										
Permits issued	3,242	2,434	2,438	2,610	3,130	4,050	3,893	3,355	3,658	3,597
Inspections conducted	14,917	13,523	6,470	7,280	9,163	12,652	12,395	11,417	8,965	11,084
Police <sup>a</sup>										
Physical arrests	1,781	2,764	2,704	2,392	2,591	2,424	2,745	2,604	2,412	N/A
Traffic citations	9,166	10,901	9,075	9,978	12,001	11,643	12,731	11,459	9,045	N/A
DUI arrests	103	169	150	138	152	125	138	151	102	N/A
Fire										
Total responses	2,624	2,446	2,633	2,785	2,799	3,011	3,066	3,207	3,507	3,429
Fires extinguished	116	105	96	105	94	102	93	88	91	72
Inspections	2,300	1,609	1,740	2,659	2,637	2,615	2,789	2,717	2,508	4,112
Sanitation										
Refuse collected (tons) <sup>b</sup>	15,091	14,838	14,295	14,124	13,993	14,344	14,812	14,332	14,469	14,742
Recyclables collected (tons)	1,776	1,867	1,809	1,900	1,927	1,835	1,872	3,071	3,100	3,149
Other public works										
Street resurfacing (lane miles)	11	13	20	12	33	27	24	20	29	24
Sidewalk replacement (linear feet) <sup>d</sup>	150	100	132	240	401	223	235	175	129	-
Curb replacement (linear feet) <sup>c</sup>	-	-	-	-	1,921	3,513	1,521	2,325	1,951	1,226
Pavement repairs	550	600	450	300	238	220	380	502	285	237
Parks and Recreation										
Adult/youth sports participants	6,019	6,250	6,452	5,790	5,546	5,879	5,872	5,989	6,048	6,420
Community center admissions	145,340	135,166	136,500	139,450	140,211	140,536	140,548	140,829	141,533	140,117
Harrell Theatre attendance	41,733	39,646	36,500	32,836	30,112	22,857	22,922	31,412	31,725	32,043
Library										
Volumes in collection	93,796	101,694	106,049	113,785	117,057	122,209	129,452	134,452	125,120	132,545
Total volumes circulated	351,133	349,731	344,280	345,914	350,044	362,498	348,300	340,902	333,478	343,347
Water										
New connections	312	169	139	182	154	212	264	262	259	695
Water main breaks	33	6	21	32	15	39	25	45	39	19
Average daily consumption (thousands of gallons)	6,996	6,222	5,950	6,821	6,803	6,006	5,933	5,586	6,035	6,173
Peak day consumption (thousands of gallons)	16,791	13,484	12,710	11,898	15,472	14,543	10,862	10,601	12,473	11,339
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,241	4,290	4,318	3,868	3,937	4,144	4,233	4,174	4,214	4,069

**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.

<sup>c</sup>The first year for tracking of this data.

<sup>d</sup>Beginning in 2017, sidewalk maintenance is the responsibility of the property owner, therefore the Town no longer tracks this number.

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

<i>Function/Program</i>	<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>	<u>2017</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	0	0	0	0	0	0	0	0	0	0
Patrol units	76	80	75	75	75	79	79	79	80	79
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	22	22	22	24	24	26	26	26	30	31
Recycle Trucks <sup>a</sup>	5	5	5	0	0	0	2	3	3	3
Other public works										
Streets (miles)	264	261	268	278	311	336	340	340	346	350
Streetlights	6,200	6,291	6,515	6,576	6,599	6,599	6,599	6,695	6,716	6,805
Traffic Signals (intersections)	34	34	35	38	39	39	40	40	42	43
Education <sup>c</sup>										
Schools										
High	-	-	-	-	-	-	1	1	1	1
Middle	-	-	-	-	-	-	2	2	2	2
Elementary	-	-	-	-	-	-	5	5	5	5
Parks and Recreation										
Parks	15	15	18	18	18	18	18	20	20	20
Acreage <sup>b</sup>	487	496	625	750	750	750	775	1,025	1,025	1,025
Playgrounds <sup>c</sup>	12	13	13	13	13	13	13	15	15	15
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	12	11	11	11	11	11	11	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	232	232	240	240	240	240	242	248	250	283
Fire hydrants	3,010	3,010	3,010	3,103	3,103	3,103	3,366	3,400	3,457	3,500
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	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	220	220	228	228	228	228	230	235	240	270
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500

**Sources:** Various town departments.

**Notes:**

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

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

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

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

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



SCHEDULE 21  
TOWN OF COLLIERVILLE  
INSURANCE COVERAGE  
June 30, 2017

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TML		
TMP – 7718-17	Property Insurance	\$179,328,589 Buildings & Personal Property; \$1,246,873 Electronic Data; \$1,954,823 Mobile Equipment, \$181,283,412 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, 2017

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	
Jay Jeffries	Human Resources Director	
Larry Goodwin	Chief of Police	
William Kilp	Public Services Director	
Buddy Billings	Fire Chief	
Greg Clark	Parks, Recreation and Community Services Director	
Derek Honeycutt	General Services Director	
Jay Cravens	Development Director	
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 2016 - December 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	17,905
Sewer	15,927
Sanitation	15,400

SCHEDULE 23  
TOWN OF COLLIERVILLE  
UTILITY RATES IN FORCE

**Rates from January 2017 - June 2017**

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"	\$2.90	\$3.45	\$1.50	3/4"	\$3.85	\$11.20	\$2.60
1"	2.90	8.63	1.50	1"	3.85	28.00	2.60
2"	2.90	27.60	1.50	2"	3.85	89.60	2.60
3"	2.90	51.75	1.50	3"	3.85	168.00	2.60
4"	2.90	86.25	1.50	4"	3.85	280.00	2.60
6"	2.90	172.50	1.50	6"	3.85	560.00	2.60
8"	2.90	276.00	1.50	8"	3.85	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"	\$2.90	\$5.18	\$2.25	3/4"	\$3.85	\$16.80	\$3.90
1"	2.90	12.95	2.25	1"	3.85	42.00	3.90
2"	2.90	41.40	2.25	2"	3.85	134.40	3.90
				3"	3.85	252.00	3.90
				4"	3.85	420.00	3.90
				6"	3.85	840.00	3.90
				8"	3.85	1,344.00	3.90

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge
2"	\$2.90	\$31.74	\$1.73
6"	2.90	198.38	1.73
8"	2.90	317.40	1.73
10"	2.90	456.26	1.73

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$3.85	\$16.80	\$3.90

Unmetered Cotton Creek customers: \$55.75

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	17,905
Sewer	15,927
Sanitation	15,400

## AWWA Free Water Audit Software:

### Reporting Worksheet

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

[Click to access definition](#)

[Click to add a comment](#)

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

**Reporting Year:** 2017 7/2016 - 6/2017

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:	+	?	8	2,253.404	MG/Yr
Water imported:	+	?	n/a	0.000	MG/Yr
Water exported:	+	?	8	83.997	MG/Yr

WATER SUPPLIED: 2,165.442 MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt:	Value:								
5	0.10%	●	○						MG/Yr
5	-2.00%	●	○						MG/Yr

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

---

**AUTHORIZED CONSUMPTION**

Billed metered:	+	?	8	2,026.841	MG/Yr
Billed unmetered:	+	?	n/a	0.000	MG/Yr
Unbilled metered:	+	?	8	32.876	MG/Yr
Unbilled unmetered:	+	?	?	27.068	MG/Yr

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

AUTHORIZED CONSUMPTION: 2,086.785 MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt:	Value:								
1.25%	●	○							MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt:	Value:								
0.25%	●	○							MG/Yr
1.00%	●	○							MG/Yr
0.25%	●	○							MG/Yr

---

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

78.657 MG/Yr

**Apparent Losses**

Unauthorized consumption: 5.414 MG/Yr

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

Customer metering inaccuracies: 20.805 MG/Yr

Systematic data handling errors: 5.067 MG/Yr

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

Apparent Losses: 31.286 MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt:	Value:								
1.25%	●	○							MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt:	Value:								
0.25%	●	○							MG/Yr
1.00%	●	○							MG/Yr
0.25%	●	○							MG/Yr

---

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

Real Losses = Water Losses - Apparent Losses: 47.371 MG/Yr

WATER LOSSES: 78.657 MG/Yr

---

**NON-REVENUE WATER**

NON-REVENUE WATER: 138.601 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

---

**SYSTEM DATA**

Length of mains: 7 283.0 miles

Number of active AND inactive service connections: 8 17,913

Service connection density: 63 conn./mile main

Are customer meters typically located at the curbside or property line? Yes

Average length of customer service line: ?

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

Average operating pressure: 7 75.0 psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

---

**COST DATA**

Total annual cost of operating water system: 10 \$4,073,650 \$/Year

Customer retail unit cost (applied to Apparent Losses): 10 \$1.50 \$/1000 gallons (US)

Variable production cost (applied to Real Losses): 10 \$283.84 \$/Million gallons ☐ Use Customer Retail Unit Cost to value real losses

---

\*\*\* YOUR SCORE IS: 80 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: Unauthorized consumption

3: Systematic data handling errors

Continued



## AWWA Free Water Audit Software:

### System Attributes and Performance Indicators

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

Water Audit Report for: Town of Collierville (TN0000126)

Reporting Year: 2017 7/2016 - 6/2017

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 80 out of 100 \*\*\*

**System Attributes:**

	Apparent Losses:	31.286	MG/Yr
	+ Real Losses:	47.371	MG/Yr
	= Water Losses:	78.657	MG/Yr

? Unavoidable Annual Real Losses (UARL): 115.47 MG/Yr

Annual cost of Apparent Losses: \$46,929

Annual cost of Real Losses: \$13,446 Valued at **Variable Production Cost**  
Return to Reporting Worksheet to change this assumption

**Performance Indicators:**

**Financial:**

**Operational Efficiency:**

Non-revenue water as percent by volume of Water Supplied:	6.4%	
Non-revenue water as percent by cost of operating system:	1.9%	Real Losses valued at Variable Production Cost

Apparent Losses per service connection per day:	4.79	gallons/connection/day
Real Losses per service connection per day:	7.25	gallons/connection/day
Real Losses per length of main per day*:	N/A	
Real Losses per service connection per day per psi pressure:	0.10	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 47.37 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 0.41

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

## **COMPLIANCE SECTION**



**TOWN OF COLLIERVILLE, TENNESSEE**

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

For the Year Ended June 30, 2017

<b>Federal/State Grantor/ Pass-Through Grantor/ Program</b>	<b>CFDA Number</b>	<b>Pass-Through Contract # / Description</b>	<b>Grants Receivable July 1, 2016</b>	<b>Cash Receipts</b>	<b>Expenditures</b>	<b>Grants Receivable June 30, 2017</b>
<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 15	\$ -	\$ 2,788	\$ 2,788	\$ -
	16.607	16. 607 FY 16	-	668	668	-
			-	3,456	3,456	-
U.S. Department of Transportation, National Highway Traffic Safety Administration, State and Community Highway Safety Program						
Pass-Through from the Tennessee Governor's Highway Safety Office						
	20.607	154-AL-16-140	2,765	2,765	-	-
	20.616	Z-17-THS404	-	8,267	11,046	2,779
			2,765	11,032	11,046	2,779
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)	900	93,118	92,218	-
	20.205	TDOT #130312 Federal Proj. # STP-M-9417(10)	27,842	1,099,849	1,072,007	-
	20.205	TDOT #140020 Federal Proj. # STP-M-57(66)	25,807	37,537	44,111	32,381
	20.205	TDOT #170031 Federal Proj. # STP-M-5437(11)	-	-	-	-
	20.205	TDOT #160217 Federal Proj. # STP-175(23)	-	4,000	12,350	8,350
	20.205	TDOT #160222 Federal Proj. # STP-M-5437(10)	-	4,000	6,175	2,175
			54,549	1,238,504	1,226,861	42,906
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	25,858	121,655	95,797	-
<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	-	60,626	60,626	-
	10.555	National School Lunch Program - non-cash	-	117,672	117,672	-
	10.555	National School Lunch Program - cash	-	510,577	510,577	-
			-	628,249	628,249	-
		Total Cluster	-	688,875	688,875	-

(Continued)

**TOWN OF COLLIERVILLE, TENNESSEE**

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

For the Year Ended June 30, 2017

<b>CFDA Number</b>	<b>CFDA Number</b>	<b>Pass-Through Contract # / Description</b>	<b>Grants Receivable July 1, 2016</b>	<b>Cash Receipts</b>	<b>Expenditures</b>	<b>Grants Receivable June 30, 2017</b>
<b>Federal Awards Continued</b>						
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	54,324	500,758	531,575	85,141
	84.010	Title I Grants to Local Education Agencies	11,300	118,161	124,345	17,484
			<u>65,624</u>	<u>618,919</u>	<u>655,920</u>	<u>102,625</u>
	84.367	Improving Teacher Quality State Grants	25,951	228,964	252,802	49,789
	84.367	Improving Teacher Quality State Grants	1,994	18,072	16,078	-
			<u>27,945</u>	<u>247,036</u>	<u>268,880</u>	<u>49,789</u>
	84.365	English Language Acquisition State Grants	-	23,500	24,278	778
	84.365	English Language Acquisition State Grants	-	245	282	37
	84.365	English Language Acquisition State Grants	1,904	1,904	-	-
	85.365	English Language Acquisition State Grants	427	427	-	-
			<u>2,331</u>	<u>26,076</u>	<u>24,560</u>	<u>815</u>
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	163,847	1,559,746	1,555,902	160,003
	84.027	Special Education Grants to States	-	5,966	5,966	-
	85.027	Special Education Grants to States	-	88,159	88,159	-
			<u>163,847</u>	<u>1,653,871</u>	<u>1,650,027</u>	<u>160,003</u>
	84.173	Special Education Preschool Grants	597	19,881	19,284	-
		Total Cluster	<u>164,444</u>	<u>1,673,752</u>	<u>1,669,311</u>	<u>160,003</u>
<b>Total Federal Awards</b>			<u>\$ 343,516</u>	<u>\$ 4,629,305</u>	<u>\$ 4,644,706</u>	<u>\$ 358,917</u>

(Continued)

**TOWN OF COLLIERVILLE, TENNESSEE**

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

For the Year Ended June 30, 2017

CFDA Number	CFDA Number	Pass-Through Contract # / Description	Grants Receivable July 1, 2016	Cash Receipts	Expenditures	Grants Receivable June 30, 2017
<b>State Awards</b>						
	<b>Town</b>					
		32701-02241	\$ 1,857	\$ 161,856	\$ 218,128	\$ 58,129
	<b>Schools</b>					
		Basic Education Program	-	35,498,136	36,620,060	1,121,924
		Online Readiness Funds (Connect TN)	-	21,583	21,583	-
		Career Ladder	-	160,379	160,379	-
		School Nutrition Match	-	14,901	14,901	-
		Voluntary Pre-K	-	78,213	88,436	10,223
		Coordinated School Health	13,741	71,960	83,041	24,822
		Safe and Drug-Free Schools	-	38,030	38,030	-
		Read to be Ready	-	2,081	4,998	2,917
		Teacher Leader Network Support Coach	-	2,987	2,987	-
		<b>Total State Awards</b>	<u>\$ 15,598</u>	<u>\$ 36,050,126</u>	<u>\$ 37,252,543</u>	<u>\$ 1,218,015</u>
		<b>Total Federal and State Awards</b>	<u><u>\$ 359,114</u></u>	<u><u>\$ 40,679,431</u></u>	<u><u>\$ 41,897,249</u></u>	<u><u>\$ 1,576,932</u></u>

**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 Town 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, 2017, the Board of Education of Collierville Schools received food commodities totaling \$177,672.

**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, 2017, 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, 2017.

***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, we did identify a deficiency in internal control that we consider to be a significant deficiency which is identified as finding 2017-001 in the accompanying Schedule of Findings and Questioned Costs.

### ***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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as Findings 2017-001 and 2017-002.

### ***Response to Findings***

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***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, 2017

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE 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 program for the year ended June 30, 2017. The Town's major federal program is 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 of the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on 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 the major federal program for the year ended June 30, 2017.

## **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 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, 2017

Town of Collierville, Tennessee  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

**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?

  x  yes \_\_\_\_ 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>
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20.205	Statewide Transportation Improvement Plan
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Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 2017-001: Significant deficiency in Student Activity Funds controls and noncompliance**

Condition and Criteria - During 2017, the State of Tennessee Comptroller of the Treasury conducted an investigation into the Collierville Middle School Band Boosters funds. While this report focused on fraud occurring with the booster funds, which are not School funds, the report did indicate there were weaknesses in the controls over student activity funds. Student fees were being improperly deposited into the booster account. State law requires

these fees to be deposited into the School's Student Activity Fund accounts. The report also noted weaknesses in the inventory procedures for band equipment.



Cause - School policies did not ensure that all student fees were properly deposited in the School's Student Activity Fund accounts. Physical inventories were not conducted by a person independent of the process.

Effect or Potential Effect - Understatement of student activity funds and equipment inventory.

Questioned Costs - The State reported an understatement of equipment inventory of \$46,000. The amount of students fees deposited into the booster accounts versus School accounts was not determined.

Recommendation - We recommend that the School adopt formal policies and procedures to provide effective controls over the deposits of student fees that ensure all student fees are properly deposited into the Student Activity Funds. The School should also require physical inventories to be conducted by a person independent of the process.

Management's response - See corrective action plan.

### **Finding 2017-002: Approval of leases**

Condition - The School did not obtain the Town of Collierville's Board of Alderman approval for lease contracts entered into during the year.

Criteria - Under the Tennessee Code 7-51-904 such contract, lease or lease-purchase agreement shall first be approved by resolution or ordinance duly adopted by the governing body of the municipality, and no such contract, lease, or lease-purchase agreement shall be entered into by a municipality without such approval. Section 5. Title 3 of the Tennessee Internal School Uniform Accounting Manual also states that that the local legislative body must approve lease-purchase agreements or other contracts that will have the effect of creating long-term liabilities, since schools are prohibited from recording long-term liabilities in the school accounts.

Cause - The School's Board of Education did approve the lease contracts but was not aware of the above requirement for Town approval.

Effect or Potential Effect - The local legislative body did not approve the long-term liabilities that it is responsible for.

Questioned Costs - No questioned cost related to this finding were noted.

Recommendations - We recommend that the School adopt formal procedures to comply with state law regarding lease approval and to enact procedures to ensure this does not occur again.

Management's response - See corrective action plan.

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

None reported

### **SECTION IV - PRIOR YEAR AUDIT FINDINGS**

None reported



**Anita Hays, Chief Financial Officer**  
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Management's Corrective Action Plan

December 19, 2017

Finding #: 2017-001 – Significant deficiency in internal controls

Contact Person: Anita Hays, Chief Financial Officer

Corrective Action:

- All student fees for participation in the school band (taken for credit) will be deposited in the Band Student Activity Fund at the school. Collierville Schools Board of Education annually approves all student fees according to Policy #6.709. Policy #2.404 requires that school support organizations such as the Band Booster Club shall provide access to all books, records and bank account information to the principal upon request. Going forward, the principal will be charged with periodically requesting and reviewing the Band Booster Club's financial records to ensure student fees are not being deposited in the booster club bank account. Inventory Control will continue to conduct annual physical inventories of the band instruments with the designee at each school. This designee will be independent of the band department.

Finding #: 2017-002 – Approval of leases

Contact Person: Anita Hays, Chief Financial Officer

Corrective Action:

- Going forward, prior to entering into a lease, the school district will review the prospective agreement with the Finance Director at the Town of Collierville. Leases will be approved by the governing body of the municipality (Board of Mayor and Aldermen) prior to being entered into by Collierville Schools.
- Proposed Completion Date: June 30, 2018