

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

For the Fiscal Year Ended June 30, 2018

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**INTRODUCTORY SECTION (UNAUDITED)**

**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 21, 2018

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, 2018.

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 Watkins Uiberall, PLLC, 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, 2018, 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, 2018 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 51,214. 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 2018.

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 in 2017.

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 30-43 as part of the basic financial statements. For governmental funds with appropriated budgets,



other than the general fund and the general purpose school fund, the comparison is presented in the supplemental information subsection of this report, which starts on page 113.

## **LOCAL ECONOMY**

The Town of Collierville's economy has transcended from a predominantly agricultural base into a diverse economic structure including manufacturing, distribution, service, trade, construction, finance, government and high technology. Following the overall economic slowdown of recent years, the rate of growth began to increase in 2014 and continued this trend in 2018. 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 remains strong with 21 new commercial permits valued at \$37,482,096 and another 74 permits for additions to existing buildings valued at \$12,208,378. Collierville's strong residential base continues to drive a variety of projects in the community. The new \$93,485,000 Collierville High School completed construction and opened for the 2018/2019 school year. Mueller Industries, a Fortune 1000 manufacturer and marketer of HVAC, plumbing and industrial piping products, will move into their new 52,000 square foot world headquarters in late 2018. This \$15,000,000 capital investment in Collierville will bring over 170 professionals to our community. Dunavant Enterprises has begun construction on the first two of their planned seven, 50,000 square foot flex warehouse units. This industrial activity is taking place at the strategic I-269 / SR-385 / US 72 crossroads. Pimento's, Salsarita's, Freddy's, U-Haul, The Collierville Commissary, Raven & Lily, P O Press, Lost Pizza Company and the BBQ Shop, all brought new retail product to our Town in 2018. Additionally, Fairfield Inn & Suites and Holiday Inn Express are constructing new lodging options, opening early 2019.

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 to 45,550. The Town's population is currently estimated to be approximately 51,214. The growth in population is reflected in the increase of building permits for single family homes. There were 131 permits in fiscal year 2014 valued at \$46,095,170; 150 in 2015 valued at \$53,253,800; 173 in 2016 valued at \$61,356,693; 199 in 2017 valued at \$75,451,270 and 161 in 2018 valued at \$60,794,891. Additions to existing homes continues to show improvement with 226 in 2014; 233 in 2015; 228 in 2016 and 244 in 2017. In 2018 there were 265 additions valued at \$5,244,887.

## **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 and 2018 the fund balance increased \$4,158,469 and \$5,232,813 respectively. The 2018 increase is attributed to revenue exceeding budget by 7% and expenditures remaining flat compared to 2017. The increase in fund balance is largely reflected in the increase in amounts assigned to capital projects. 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 12.54% 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 12, 13 and 14 in the notes to the financial statements.

Planning and review of the FY 2019 budget began in December 2017. The budget was reflective of the recovery the Town has been experiencing since the end of the 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. In preparing the FY 2019 budget the decision was made to increase the property tax rate by \$.20 per \$100 of assessed valuation for operational purposes and to help offset the reduction in some state revenue sources. In FY 2018 there were three full-time positions added and one part-time position and for FY 2019 there were two new patrol officers added in the Police Department.

## **MAJOR INITIATIVES**

To keep pace with the transportation needs of the growing population of residents and businesses, over the past five years the Town allocated over \$20.1 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. Center Street is one of the Town's more significant gateways to Downtown from Highway 72. Construction began on both phases, being constructed simultaneously, in late summer of 2018 and is expected to be completed in 2019.

In August of 2017 the Town received a \$2.2 million Disaster Recovery Community Development Block Grant for various drainage projects in the downtown area. These projects are currently under construction and should be completed by February 2019. The drainage improvements include new drainage pipes, a box culvert, new drainage inlets and ditch construction and landscaping.

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 was completed in time for the 2018/2019 school year.

The Town secured \$1,164,696 of federal funds through the Memphis Metropolitan Planning Organization (MPO) to obtain a consultant to complete the environmental and design phases for the widening of SR 175 (Shelby Drive) between Jasper Park Lane and Shelby Post Road. This work will begin in late 2018 and estimated to be completed in 2020.

## **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, 2017. This was the twenty-seventh 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, 2017. This was the twenty-first 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, Watkins Uiberall, PLLC. 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,



Mark Krock  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Collierville  
Tennessee**

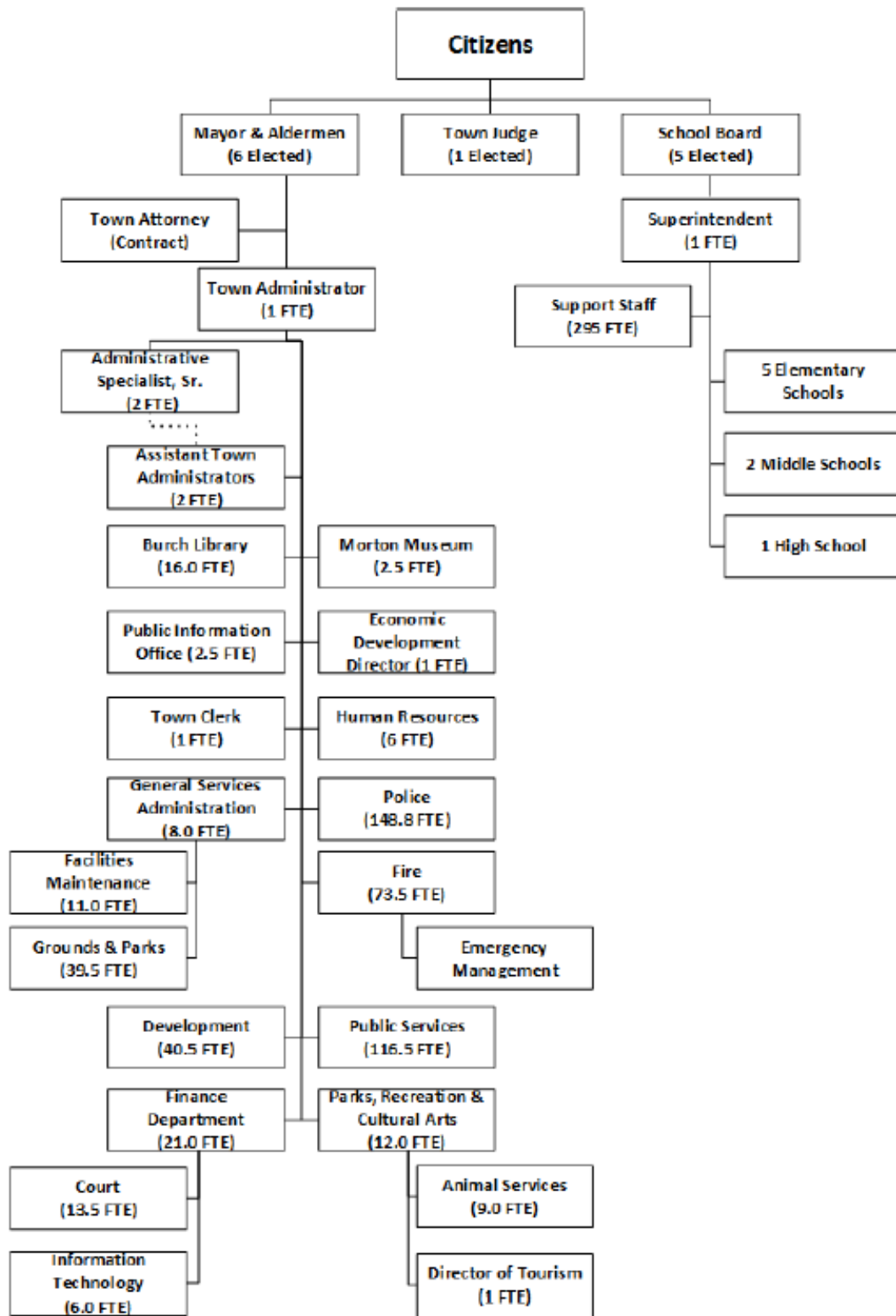
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

**TOWN OF COLLIERVILLE, TENNESSEE  
ORGANIZATION CHART**  
June 30, 2018



Note: An FTE or Full Time Equivalent equals 2,080 hours per year.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**TOWN AND BOARD OF EDUCATION OFFICIALS**  
June 30, 2018

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**TOWN OFFICIALS AND EXECUTIVE STAFF**

**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 .....	Nathan Bicks
Town Judge .....	William Craig Hall
Town Administrator .....	James Lewellen
Finance Director .....	Mark Krock**
Director of Development .....	Jay Cravens
Public Services Director .....	William Kilp
Chief of Police .....	Larry Goodwin
Fire Chief .....	Buddy Billings
Director of General Services .....	Derek Honeycutt
Parks, Recreation and Community Services Director .....	Greg Clark
Town Clerk .....	Lynn Carmack

**BOARD OF EDUCATION OFFICIALS AND EXECUTIVE STAFF**

**BOARD MEMBERS**

Mark Hansen, Chairman (2013 - 2019\*)

Wanda Chism (2013 - 2018\*)

Wright Cox (2013 - 2019\*)

Kevin Vaughn (2013 - 2019\*)

Cathy Messerly (2013 - 2018\*)

Superintendent.....	John Aitken
Chief of Staff.....	Jeff Jones
Chief Financial Officer .....	Anita Hays**
Chief Academic Officer .....	Louise Claney
Chief of Student Services.....	Herchel Burton
Chief of Operations .....	Mike Simpson

\* Date elected term expires

\*\* Designated CMFO

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen of the  
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, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee, (the "Town") as of and for the year ended June 30, 2018, 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Collierville Schools (the "Schools"), which include the general purpose school fund and the education capital projects fund #177, each a major fund, and the remaining funds of the School. The School funds are presented as special revenue funds in the financial statements of the Town and represent 37.5 percent, 54.1 percent, and 76.6 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it related to the amounts included for the School, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of



accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The Town of Collierville, Tennessee has adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ended June 30, 2018. Our opinion is not modified with respect to this matter.

## **Emphasis of a Matter**

We draw attention to Note 1E to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$3,615,829 and increasing the beginning Business-Type Activities net position by \$185,659 on the Government-wide Statement of Activities. This restatement was necessary because of the transitional requirement of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and required supplementary information 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 opinions on the financial statements that collectively comprise the Town of Collierville's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supporting schedules, and statistical information section, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and state financial assistance, as presented in the government auditing standards section, is 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 fund financial statements and schedules, and the schedule of expenditures of federal awards and state financial assistance 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 fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, supporting schedules, and statistical section 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 21, 2018 on our consideration of the Town of Collierville'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 of Collierville's internal control over financial reporting and compliance.

*Watkins Mikusall, PLLC*

Memphis, Tennessee  
December 21, 2018

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2018

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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, 2018. 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 1-5 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 \$433,884 (reported as *net position*). Of this amount, \$88,612 (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 \$21,331. 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 \$79,948, a decrease of \$39,782 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 27 percent of this total amount, \$21,778 is *unassigned fund balance*, 12 percent is *restricted fund balance*, 55 percent is assigned fund balance, 3 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 \$21,778 or 42 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal decreased by \$6,200 (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).

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

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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 24-25 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 26-43 of this report.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

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**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 44-46 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 47-48 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 49-91 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 92-110 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 111-128 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 \$433,884 (*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.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

An additional portion of the Town of Collierville's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$88,612 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 (in Thousands)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
<b>ASSETS</b>						
Current and other assets	\$ 134,786	\$ 166,256	\$ 34,195	\$ 34,195	\$ 168,981	\$ 200,451
Capital assets	371,882	316,451	91,309	91,309	463,191	407,760
Total assets	<u>506,668</u>	<u>482,707</u>	<u>125,504</u>	<u>125,504</u>	<u>632,172</u>	<u>608,211</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>16,082</u>	<u>22,273</u>	<u>1,398</u>	<u>1,623</u>	<u>17,480</u>	<u>23,896</u>
<b>LIABILITIES</b>						
Long-term liabilities outstanding	141,062	139,376	18,527	18,632	159,589	158,008
Other liabilities	13,356	20,925	602	2,833	13,958	23,758
Total liabilities	<u>154,418</u>	<u>160,301</u>	<u>19,129</u>	<u>21,465</u>	<u>173,547</u>	<u>181,766</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>43,325</u>	<u>37,658</u>	<u>313</u>	<u>130</u>	<u>43,638</u>	<u>37,788</u>
<b>NET POSITION</b>						
Net investment in capital assets	243,940	226,975	74,820	72,240	318,760	299,215
Restricted	16,978	46,533	9,534	8,140	26,512	54,673
Unrestricted	64,089	33,513	24,523	25,152	88,612	58,665
Total net position	<u>\$ 325,007</u>	<u>\$ 307,021</u>	<u>\$ 108,877</u>	<u>\$ 105,532</u>	<u>\$ 433,884</u>	<u>\$ 412,553</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 \$21,331 during the current fiscal year. The increase is attributed to revenues exceeding expenditures with revenue increases in categories including sales tax, operating grants/contributions, state income tax and interest on investments.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

**Town of Collierville's Changes in Net Position (in Thousands)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 9,879	\$ 9,949	\$ 13,957	\$ 13,414	\$ 23,836	\$ 23,363
Operating grants and contributions	47,687	43,613	-	-	47,687	43,613
Capital grants and contributions	2,734	3,760	727	674	3,461	4,434
General Revenues:						
Property taxes	51,383	53,257	-	-	51,383	53,257
Local option sales tax	25,675	-	-	-	25,675	-
Other local taxes	7,338	28,895	-	-	7,338	28,895
State sales tax	3,937	4,008	-	-	3,937	4,008
State income and other taxes	1,972	1,604	-	-	1,972	1,604
Other state revenues	75	120	-	-	75	120
Other	2,239	1,855	480	514	2,719	2,369
Total revenues	<u>152,919</u>	<u>147,061</u>	<u>15,164</u>	<u>14,602</u>	<u>168,083</u>	<u>161,663</u>
<b>EXPENSES</b>						
General government	12,033	11,263	-	-	12,033	11,263
Education	75,748	70,850	-	-	75,748	70,850
Roads and public works	9,527	10,441	-	-	9,527	10,441
Public safety	23,829	22,938	-	-	23,829	22,938
Sanitation	3,438	3,301	-	-	3,438	3,301
Culture and recreation	3,023	5,609	-	-	3,023	5,609
Interest on long-term debt	4,538	4,659	-	-	4,538	4,659
Water and sewer	-	-	11,186	11,038	11,186	11,038
Total expenses:	<u>132,136</u>	<u>129,061</u>	<u>11,186</u>	<u>11,038</u>	<u>143,322</u>	<u>140,099</u>
Increase in net position before special items and transfers	20,783	18,000	3,978	3,564	24,761	21,564
Transfers	819	902	(819)	(902)	-	-
Increase/(Decrease) in net position	21,602	18,902	3,159	2,662	24,761	21,564
Net position-beginning of the year as previously reported	307,021	288,119	105,532	102,870	412,553	390,989
Effect of change in accounting principle	(3,616)	-	186	-	(3,430)	-
Net position - beginning, as restated	<u>303,405</u>	<u>-</u>	<u>105,718</u>	<u>-</u>	<u>409,123</u>	<u>-</u>
Net position-ending	<u>\$ 325,007</u>	<u>\$ 307,021</u>	<u>\$ 108,877</u>	<u>\$ 105,532</u>	<u>\$ 433,884</u>	<u>\$ 412,553</u>

**Governmental activities.** Governmental activities increased the Town of Collierville's net position by \$17,986. This increase is attributable to revenue exceeding expenses. General revenue categories were reorganized to better align with their revenue sources. While the chart above discloses a decrease in property tax, this is due to the regrouping of accounts. Comparing prior year to current year with the new groupings, property tax increased \$628 or 1.2% and local option sales tax increased \$1,478 or 6%. Overall, revenue increased \$5,858 with increases of \$162 in business, cable tv, and hotel-motel taxes and \$51 wholesale liquor and beer taxes due to an improved economic climate. Operating grants and contributions increased \$4,074 predominately related to the general purpose school fund. Interest on investments also increased \$202. Overall, expenditures increased \$3,076 and is largely attributed the increase in in education expenditures in the school system's fourth full year of operation.

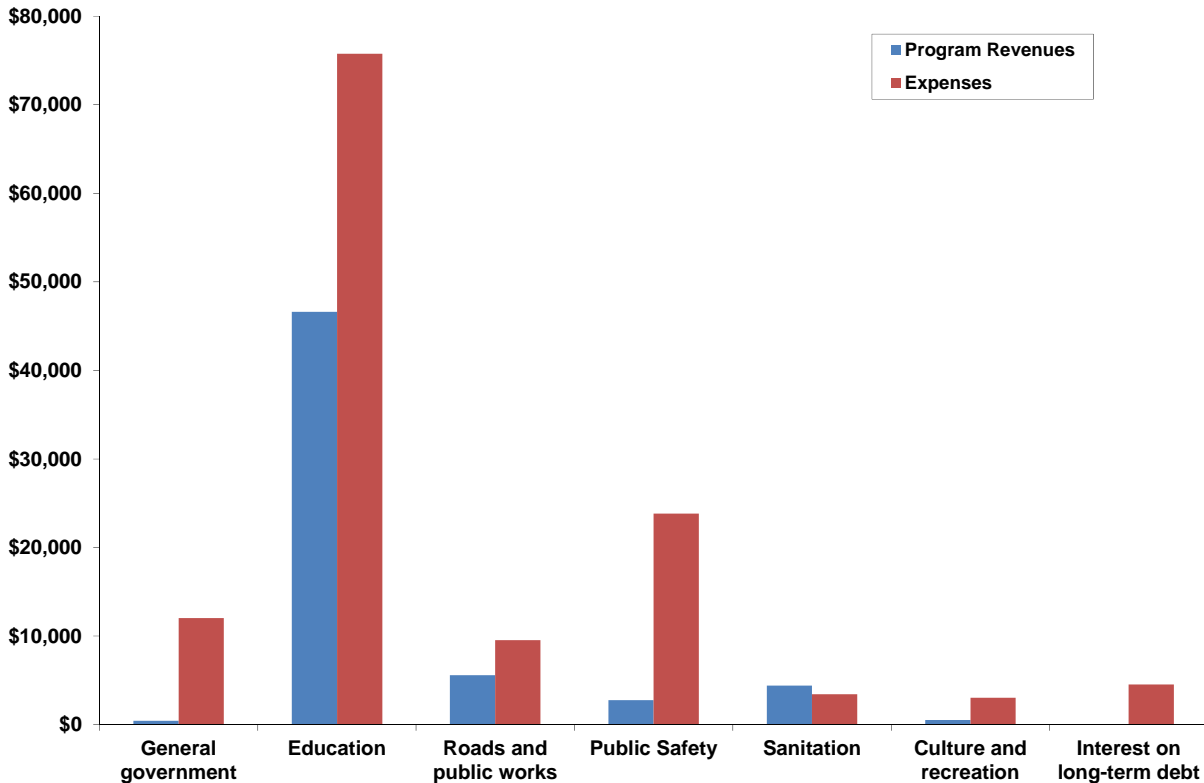
**Business-type activities.** Business-type activities increased the Town of Collierville's net position by \$3,345. This increase is due to revenues exceeding expenses by \$3,159 and transfers of \$819 resulting in on overall increase to net position. This amount of increase is consistent with prior years with an increase in fiscal year 2017 and 2016 of \$2,662 and \$4,185 respectively, and also consistent with the water usage projections from our 2012 rate study.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
 For the Year Ended June 30, 2018

**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.

**Expenses and Program Revenues – Governmental Activities**



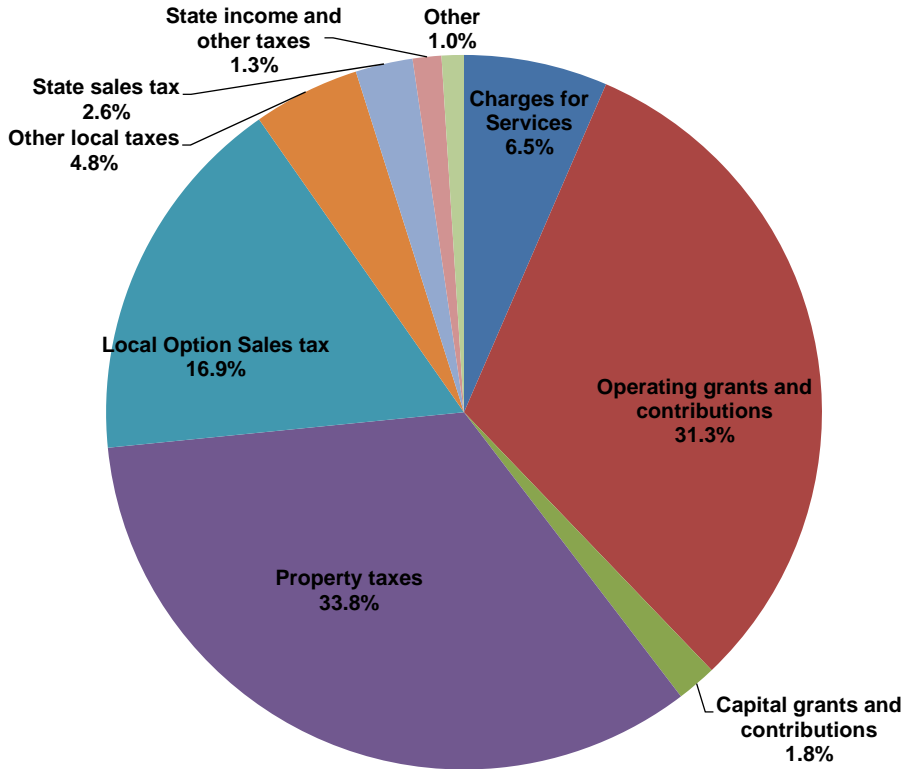
**Governmental funds.** The focus of the Town of Collierville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville's financing requirements. In particular, *unassigned fund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

As of the end of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$79,948 a decrease of \$39,782 in comparison with the prior year. The *unassigned fund balance* of \$21,778 is 27 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 \$43,692 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 (11) of this report.



**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

**Revenues by Source – Governmental Activities**



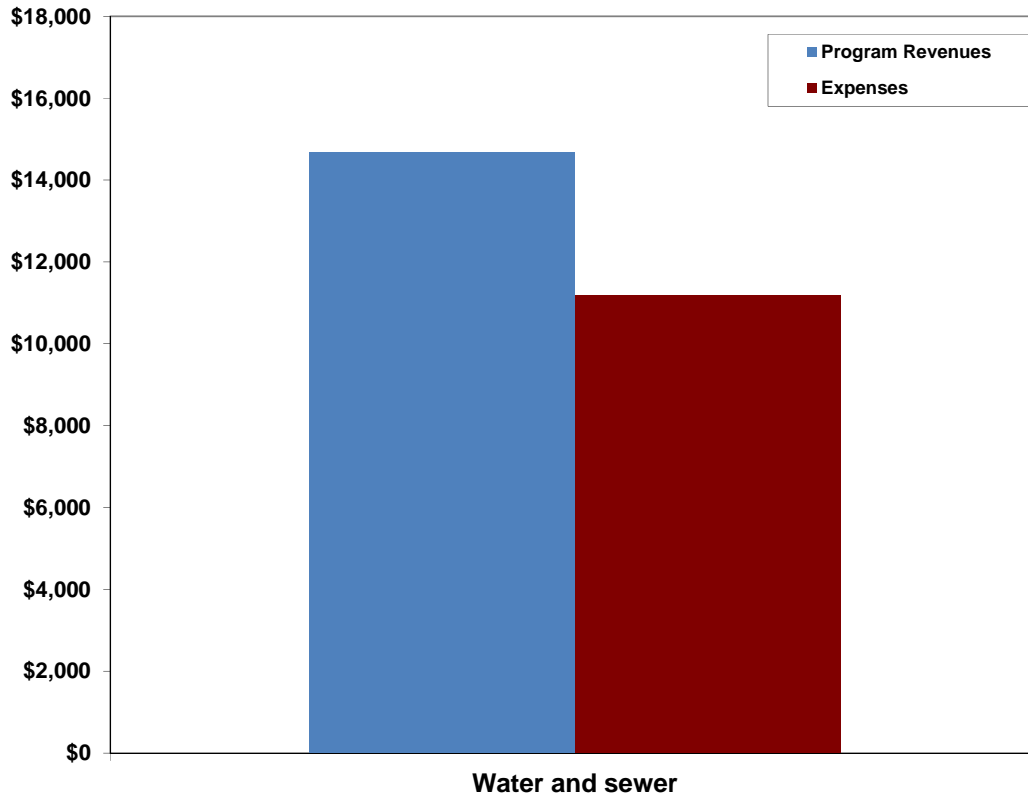
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$21,778 while total fund balance was \$56,801. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 42 percent of total general fund expenditures, while total fund balance represents 110 percent of that same amount.

The fund balance of the Town of Collierville's general fund increased by \$5,233 during the current fiscal year. The increase is attributed to revenue increases in property tax, sales tax revenue and licenses and permits while expenditures remained relatively stable with an overall decrease of \$811. While the general purpose school fund had revenues that exceeded expenditures, the fund balance of the general purpose school fund decreased \$7,697 and is attributed to construction of the new high school. The fund balance for the Capital Projects Fund #337 decreased by \$33,316 due to the utilization of bond proceeds for the construction of the new high school. Other governmental funds fund balances decreased by \$3,371. This decrease is due to the utilization of bond proceeds from a prior year bond issuance for various capital projects.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

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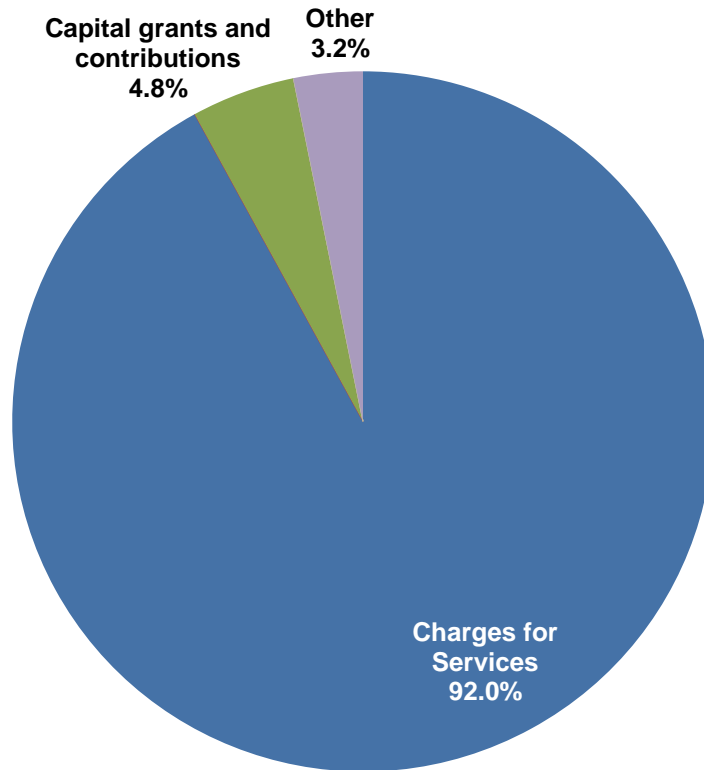
**Expenses and Program Revenues – Business-type Activities**



**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

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**Revenues by Source – Business-type Activities**



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

Unrestricted net position of the water and sewer operation at the end of the year amounted to \$24,580. 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 \$424. The main components of the increase were:

- \$30 appropriation for a drainage project
- \$10 appropriation for sidewalk repairs
- \$50 appropriation for animal shelter supplies
- \$60 appropriation related to capital expenditures

The total positive variance of \$3,853 between final budget and actual revenues includes negative variances of \$60 in property taxes. The decrease in property taxes is a result of the decrease in the property tax rate in this reappraisal year. Positive variances of \$137 in licenses and permits, \$1,062 in local taxes, \$544 intergovernmental and \$184 in charges for services can be attributed to an improving economic climate in

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

Fiscal Year 2018. Positive variances also include \$514 in interest on investments and \$33 in other revenue. The \$1,263 increase in contribution is due to grant receipts.

Of the total positive variance of \$3,709 between final budget and actual expenditures, \$1,642 was in general government, \$529 in roads and public works, \$1,214 in public safety, \$228 in culture and recreation, and \$89 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, 2018, amounts to \$463,639 (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 \$55,878 or 14 percent. The increase for governmental activities was \$55,431 or 17 percent and the decrease for business-type activities was \$447 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 \$70,916. This amount includes \$5,034 related to streets and drainage construction at Shelby Drive and Sycamore Road, which was still in process at fiscal year-end. Also included were additions of \$693 for the Linda Kerley Center project, a senior citizen recreational center.
- School system projects included \$47,740 related to the construction of the new high school. This project is in progress.
- Additions to water and sewer capital assets included capital improvement projects to distribution and collection systems of \$3,109. Expenditures for infrastructure totaled \$1,110.
- Transfers from construction-in-progress include the addition of a fire ladder truck for \$1,371 and completion of the CAD/RMS dispatch system for \$1,417.
- For governmental activities new equipment purchases totaled \$7,860.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
Land	\$ 33,092	\$ 32,362	\$ 1,907	\$ 1,756	\$ 34,999	\$ 34,118
Buildings and improvements	73,285	73,363	10,302	10,681	83,587	84,044
Other improvements	12,230	12,509	867	934	13,097	13,443
Library materials	1,255	1,238	-	-	1,255	1,238
Equipment	17,601	12,621	2,167	2,290	19,768	14,911
Infrastructure	114,942	116,022	-	-	114,942	116,022
Distribution and collection systems	-	-	74,715	74,038	74,715	74,038
Construction in progress	119,477	68,336	1,798	1,610	121,275	69,946
<b>Total</b>	<b>\$ 371,882</b>	<b>\$ 316,451</b>	<b>\$ 91,756</b>	<b>\$ 91,309</b>	<b>\$ 463,638</b>	<b>\$ 407,760</b>

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

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 117,630	\$ 121,785	\$ -	\$ -	\$ 117,630	\$ 121,785
Notes payable and capital lease	1,660	-	-	-	1,660	-
Revenue bonds	-	-	16,245	18,290	16,245	18,290
<b>Total</b>	<b>\$ 119,290</b>	<b>\$ 121,785</b>	<b>\$ 16,245</b>	<b>\$ 18,290</b>	<b>\$ 135,535</b>	<b>\$ 140,075</b>

**Long-term debt.** At the end of the current fiscal year, the Town of Collierville had total debt outstanding of \$135,535. Of this amount, \$117,630 comprises debt backed by the full faith and credit of the government.

The Town of Collierville's total debt principal decreased by \$4,540 during the current fiscal year. The Town of Collierville has no legal debt limit. The Town maintains a rating of Aaa on all its outstanding debt as designated by Moody's Investor's Service. Additional information on the Town of Collierville's long-term debt can be found in Note (8) of this report.

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

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in October 2018 was 4.4 percent compared to the national rate of 3.7 percent. The Town of Collierville's unemployment rate of 3.1 percent was considerably lower than that of the larger MSA and lower than the national rate as well.
- The number of permits for commercial development issued in fiscal year 2018 was 21 with a total valuation of \$37,482. This is an increase in the number of permits over fiscal year 2017 when 14 commercial permits were issued with a valuation of \$119,845. Residential permits issued in 2018 totaled 161 compared to 199 in fiscal year 2017. The total residential permit valuation in 2018 was \$60,795 compared to \$75,451 in fiscal year 2017.
- 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 the construction was completed for the beginning of the 2018/2019 school year.
- The value of real property increased by 1.7 percent.
- Local option sales tax revenue is monitored on a monthly basis. Revenue increased by 11% year-to-date for the first five months of fiscal year 2018.
- The property tax rate was adjusted to \$1.83 per \$100 assessed valuation for fiscal year 2019 budget for operational purposes and to offset the reduction of some state revenue sources.
- The total Town of Collierville budget increased approximately \$13,035 representing a 8.3% increase with the revenue budget projected to increase \$9,424 or 5.5% based on the estimated fiscal year 2018 ending budget.
- The Town of Collierville has considered the current economic trends while working with fiscal year 2019 budget. The Town projects a budget with increases in revenue and expenditures with revenues projected to exceed expenditures by approximately \$7,928.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2018

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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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 31,872,203	\$ 1,407,860	\$ 33,280,063
LGIP investments	48,212,498	23,410,702	71,623,200
Receivables			
Property taxes	33,246,131	-	33,246,131
Customer	297,006	676,145	973,151
Federal and state grants	202,375	-	202,375
Sales, income, and other taxes	6,090,474	-	6,090,474
Unbilled	-	925,897	925,897
Less allowance for doubtful accounts	-	(75,138)	(75,138)
Due from other governments	6,022,705	-	6,022,705
Internal balances	853,073	(853,073)	-
Inventories	222,211	124,830	347,041
Prepaid items	202,384	14,274	216,658
Restricted LGIP investments	-	9,124,098	9,124,098
Capital assets, not being depreciated	152,568,824	3,705,585	156,274,409
Capital assets, being depreciated, net	219,313,423	88,050,804	307,364,227
Net pension asset	2,912,806	-	2,912,806
Net OPEB asset	4,632,039	409,911	5,041,950
Total assets	<u>506,648,152</u>	<u>126,921,895</u>	<u>633,570,047</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension	14,818,682	175,222	14,993,904
Related to OPEB	140,985	885	141,870
Deferred charge on refunding	1,121,916	1,221,883	2,343,799
Total deferred outflows of resources	<u>16,081,583</u>	<u>1,397,990</u>	<u>17,479,573</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	12,190,619	336,357	12,526,976
Accrued interest payable	114,516	86,979	201,495
Due to other governments	19,511	30,211	49,722
Due to fiduciary trusts	371,684	-	371,684
Unearned revenue	639,558	148,810	788,368
Noncurrent liabilities:			
Due within one year	5,960,822	2,800,602	8,761,424
Due in more than one year	125,675,447	15,500,271	141,175,718
Net pension liability	2,914,964	225,975	3,140,939
Net OPEB liability	6,510,966	-	6,510,966
Total liabilities	<u>154,398,087</u>	<u>19,129,205</u>	<u>173,527,292</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Current property taxes assessed for subsequent period	32,832,196	-	32,832,196
Other	110,141	-	110,141
Related to pension	8,481,946	150,471	8,632,417
Related to OPEB	1,900,270	162,996	2,063,266
Total deferred inflows of resources	<u>43,324,553</u>	<u>313,467</u>	<u>43,638,020</u>
<b>NET POSITION</b>			
Net investment in capital assets	243,939,180	74,820,384	318,759,564
Restricted for:			
Net pension and OPEB assets	7,544,845	409,911	7,954,756
General government	2,443,035	-	2,443,035
Public safety	680,544	-	680,544
Roads and public works	2,258,199	-	2,258,199
Education	137,476	-	137,476
Capital Projects	3,914,775	-	3,914,775
Water and sewer development	-	9,124,098	9,124,098
Unrestricted	64,089,041	24,522,820	88,611,861
Total net position	<u>\$ 325,007,095</u>	<u>\$ 108,877,213</u>	<u>\$ 433,884,308</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 12,033,023	\$ 408,986	\$ 12,703	\$ -	\$ (11,611,334)	\$ -	\$ (11,611,334)
Public safety	23,828,724	2,415,725	175,471	157,256	(21,080,272)	-	(21,080,272)
Roads and public works	9,527,123	1,135,899	2,081,131	2,365,689	(3,944,404)	-	(3,944,404)
Culture and recreation	3,022,787	446,652	78,700	211,012	(2,286,423)	-	(2,286,423)
Sanitation	3,438,247	4,189,366	8,913	-	760,032	-	760,032
Education	75,747,819	1,281,951	45,329,821	-	(29,136,047)	-	(29,136,047)
Interest on long-term debt	4,538,444	-	-	-	(4,538,444)	-	(4,538,444)
Total governmental activities	132,136,167	9,878,579	47,686,739	2,733,957	(71,836,892)	-	(71,836,892)
Business-type Activities:							
Water and sewer	11,186,397	13,956,654	-	726,831	-	3,497,088	3,497,088
Total primary government	\$ 143,322,564	\$ 23,835,233	\$ 47,686,739	\$ 3,460,788	(71,836,892)	3,497,088	(68,339,804)
General revenues:							
Property taxes					51,383,244	-	51,383,244
Local option sales tax					25,675,236	-	25,675,236
Other taxes							
Wholesale liquor and beer taxes					964,226	-	964,226
Business, cable tv, and hotel-motel taxes					2,210,532	-	2,210,532
Automobile registration fees					1,142,517	-	1,142,517
Other local taxes					3,019,053	-	3,019,053
Intergovernmental revenues:							
State sales tax					3,937,454	-	3,937,454
State income tax					1,972,443	-	1,972,443
Other state revenue					75,348	-	75,348
Other revenue					1,450,429	54,507	1,504,936
Interest on investments					788,909	427,037	1,215,946
Transfers					819,463	(819,463)	-
Total general revenues and transfers					93,438,854	(337,919)	93,100,935
Change in net position					21,601,962	3,159,169	24,761,131
Net position - beginning, as previously reported					307,020,962	105,532,385	412,553,347
Effect of change in accounting principle					(3,615,829)	185,659	(3,430,170)
Net position - beginning, as restated					303,405,133	105,718,044	409,123,177
Net position - ending					\$ 325,007,095	\$ 108,877,213	\$ 433,884,308

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2018

	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	\$ 8,719,460	\$ 16,047,428	\$ 5,798,511	\$ -	\$ -	\$ 1,306,804	\$ 31,872,203
Investments - unrestricted	47,170,683	-	-	-	360,382	681,433	48,212,498
Receivables							
Property taxes	33,246,131	-	-	-	-	-	33,246,131
Sales, income, and other taxes	6,081,644	8,830	-	-	-	-	6,090,474
Federal and state grants	-	-	-	202,375	-	-	202,375
Accounts	86,784	-	-	-	-	220,501	307,285
Less allowance for doubtful accounts	-	-	-	-	-	-	-
Due from other governments	-	4,998,779	-	-	-	1,023,926	6,022,705
Due from other funds	873,097	734,394	-	386,071	-	3,655,578	5,649,140
Inventory	177,024	-	-	-	-	45,187	222,211
Restricted cash	-	-	-	-	-	-	-
Prepaid Items	1,992,254	-	-	-	-	131,274	2,123,528
	<u>\$ 98,347,077</u>	<u>\$ 21,789,431</u>	<u>\$ 5,798,511</u>	<u>\$ 588,446</u>	<u>\$ 360,382</u>	<u>\$ 7,064,703</u>	<u>\$ 133,948,550</u>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 2,576,639	\$ 4,559,364	\$ 3,343,718	\$ 374,284	\$ -	\$ 1,336,614	\$ 12,190,619
Due to other governments	19,511	-	-	-	-	-	19,511
Due to other funds	4,061,803	-	-	-	-	734,264	4,796,067
Due to fiduciary trusts	371,684	-	-	-	-	-	371,684
Deposits	598,719	-	-	-	-	40,839	639,558
Total liabilities	<u>7,628,356</u>	<u>4,559,364</u>	<u>3,343,718</u>	<u>374,284</u>	<u>-</u>	<u>2,111,717</u>	<u>18,017,439</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue							
Property taxes	33,435,527	1,805,518	-	-	-	-	35,241,045
State sales and income taxes	424,203	-	-	-	-	-	424,203
Grants	-	-	-	197,625	-	-	197,625
Other	58,334	-	-	-	-	62,086	120,420
Total deferred inflows of resources	<u>33,918,064</u>	<u>1,805,518</u>	<u>-</u>	<u>197,625</u>	<u>-</u>	<u>62,086</u>	<u>35,983,293</u>
<b>FUND BALANCES</b>							
Nonspendable	2,169,278	-	-	-	-	45,716	2,214,994
Restricted	1,890,775	-	2,454,793	-	360,382	4,728,079	9,434,029
Committed	2,711,047	-	-	-	-	117,038	2,828,085
Assigned	28,251,078	15,424,549	-	16,537	-	67	43,692,231
Unassigned	21,778,479	-	-	-	-	-	21,778,479
Total fund balances	<u>56,800,657</u>	<u>15,424,549</u>	<u>2,454,793</u>	<u>16,537</u>	<u>360,382</u>	<u>4,890,900</u>	<u>79,947,818</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 98,347,077</u>	<u>\$ 21,789,431</u>	<u>\$ 5,798,511</u>	<u>\$ 588,446</u>	<u>\$ 360,382</u>	<u>\$ 7,064,703</u>	<u>\$ 133,948,550</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, 2018

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Total fund balances, governmental funds \$ 79,947,818

Amounts reported for governmental activities in the statement of net position are different because:

- |  |                      |                  |
|--|----------------------|------------------|
| (1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |                      |                  |
| Add: governmental funds capital assets   | 490,447,049          |                  |
| Less: accumulated depreciation   | <u>(118,564,802)</u> | 371,882,247      |
| (2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.  |                      | 3,030,677        |
| (3) Long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.  |                      |                  |
| Less: bonds payable  | (119,290,421)        |                  |
| Less: settlement obligation, net of unamortized discount   | (3,741,777)          |                  |
| Less: unamortized premiums (discounts) on bonds payable  | (6,699,148)          |                  |
| Add: deferred amount on refunding  | <u>1,121,916</u>     | (128,609,430)    |
| (4) Accrued (prepaid) interest on long-term liabilities and other long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.   |                      |                  |
| Less: accrued (prepaid) interest   | (2,035,660)          |                  |
| Less: compensated absences payable   | <u>(1,904,923)</u>   | (3,940,583)      |
| (5) Pension assets (liabilities) and other postemployment benefit (OPEB) liabilities result from the excess (deficiency) of trust assets over (under) total pension and OPEB liabilities. The amounts are not available for use in the current period; therefore, are not reported in the funds. |                      |                  |
| Add: net pension asset   | 2,912,806            |                  |
| Add: net OPEB asset  | 4,632,039            |                  |
| Less: net pension liability  | (2,914,964)          |                  |
| Less: net OPEB liability   | <u>(6,510,966)</u>   | (1,881,085)      |
| (6) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.  |                      |                  |
| Add: deferred outflows of resources related to pensions  | 14,818,682           |                  |
| Add: deferred outflows of resources related to OPEB  | 140,985              |                  |
| Less: deferred inflows of resources related to pensions  | (8,481,946)          |                  |
| Less: deferred inflows of resources related to OPEB  | <u>(1,900,270)</u>   | <u>4,577,451</u> |

Net position of governmental activities \$ 325,007,095

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, 2018

	General Fund	General Purpose School Fund	Education Capital Project #177	Capital Projects Fund #321	Capital Projects Fund #337	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 26,268,724	\$ 25,175,546	\$ -	\$ -	\$ -	\$ -	\$ 51,444,270
Local sales taxes	20,884,163	12,061,996	-	-	-	55,111	33,001,270
Intergovernmental							
State sales, income, and other tax	5,985,245	-	-	-	-	-	5,985,245
State education revenue	-	39,799,941	-	-	-	18,948	39,818,889
State gas tax	-	-	-	-	-	1,527,477	1,527,477
Licenses and permits	1,253,645	-	-	-	-	-	1,253,645
Charges for services	1,620,415	94,969	-	-	-	5,376,348	7,091,732
Fines, forfeitures, and penalties	1,410,061	-	-	-	-	123,141	1,533,202
Federal and state grant revenue	39,322	98,835	-	422,550	-	4,107,604	4,668,311
Contributions	1,276,977	-	1,313,406	10,314	-	-	2,600,697
Other	503,400	913,488	-	-	-	33,541	1,450,429
Interest on investments	554,620	-	-	-	196,946	37,343	788,909
Total revenues	<u>59,796,572</u>	<u>78,144,775</u>	<u>1,313,406</u>	<u>432,864</u>	<u>196,946</u>	<u>11,279,513</u>	<u>151,164,076</u>
<b>EXPENDITURES</b>							
Current							
General government	11,445,576	-	-	-	-	24,066	11,469,642
Public safety	22,735,906	-	-	-	-	64,362	22,800,268
Roads and public works	5,726,913	-	-	-	-	1,492,049	7,218,962
Culture and recreation	2,096,222	-	-	-	-	-	2,096,222
Sanitation	-	-	-	-	-	3,242,701	3,242,701
Education	-	69,830,571	-	-	-	4,879,010	74,709,581
Debt Service							
Principal	4,155,000	-	-	-	-	-	4,155,000
Interest and fiscal charges	4,635,974	-	-	-	-	-	4,635,974
Capital outlays	670,901	5,286,018	48,258,233	3,339,707	-	6,344,857	63,899,716
Total expenditures	<u>51,466,492</u>	<u>75,116,589</u>	<u>48,258,233</u>	<u>3,339,707</u>	<u>-</u>	<u>16,047,045</u>	<u>194,228,066</u>
Excess (deficiency) of revenues over (under) expenditures	8,330,080	3,028,186	(46,944,827)	(2,906,843)	196,946	(4,767,532)	(43,063,990)
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of debt	-	2,462,708	-	-	-	-	2,462,708
Transfers in	1,327,772	57,132	46,427,106	3,301,961	-	1,959,306	53,073,277
Transfers out	(4,425,039)	(13,245,015)	-	(508,309)	(33,512,518)	(562,933)	(52,253,814)
Total other financing sources (uses)	<u>(3,097,267)</u>	<u>(10,725,175)</u>	<u>46,427,106</u>	<u>2,793,652</u>	<u>(33,512,518)</u>	<u>1,396,373</u>	<u>3,282,171</u>
Net change in fund balances	5,232,813	(7,696,989)	(517,721)	(113,191)	(33,315,572)	(3,371,159)	(39,781,819)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 56,800,657</u>	<u>\$ 15,424,549</u>	<u>\$ 2,454,793</u>	<u>\$ 16,537</u>	<u>\$ 360,382</u>	<u>\$ 4,890,900</u>	<u>\$ 79,947,818</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2018

Net change in fund balance - total governmental funds		\$ (39,781,819)
Amounts reported for governmental activities in the statement of activities are different because:		
(1) 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. This is the amount by which capital outlays exceeded depreciation in the current period.		
Add: capital outlays capitalized	62,681,513	
Less: depreciation expense	<u>(8,618,950)</u>	54,062,563
(2) Gain (losses) from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.		
		(239,404)
(3) Capital contributions in the statement of activities are not recorded in governmental funds		
		1,607,697
(4) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net difference between the amounts deferred in the current and prior years.		
Property taxes	(61,026)	
Sales and income taxes	10,282	
Grant revenue	<u>197,625</u>	146,881
(5) The issuance of long-term debt (e.g. bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on long-term debt	5,380,845	
Less: debt issuance	<u>(2,462,708)</u>	2,918,137
(6) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Amortization of premiums and discounts on debt	307,994	
Amortization of deferred amount on refunding debt	(121,229)	
Change in accrued interest payable	54,858	
Change in compensated absences	<u>87,064</u>	328,687
(7) Payments of contributions to the pension plans and OPEB plan are recorded as expenditures in the governmental funds. Pension expense and OPEB expense are recorded on an actuarially determined basis in the statement of		
Difference between actual contributions and pension expense	1,673,613	
Difference between actual contributions and OPEB expense	<u>885,607</u>	<u>2,559,220</u>
Change in net position of governmental activities		<u>\$ 21,601,962</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Real taxes	\$ 27,538,326	\$ 27,538,326	\$ 27,556,158	\$ 17,832
Personal taxes	1,151,200	1,151,200	1,075,326	(75,874)
Payments in lieu of taxes	56,650	56,650	64,514	7,864
Property tax interest and penalties	70,700	70,700	61,198	(9,502)
Municipal tax allocation for schools	(2,488,472)	(2,488,472)	(2,488,472)	-
Total property taxes	<u>26,328,404</u>	<u>26,328,404</u>	<u>26,268,724</u>	<u>(59,680)</u>
<b>LOCAL TAXES</b>				
Local sales tax	15,637,166	15,637,166	16,029,675	392,509
Wholesale beer and liquor taxes	852,000	852,000	964,226	112,226
Cable and telecommunications tax	638,320	638,320	637,196	(1,124)
Business tax	808,280	808,280	1,151,544	343,264
Occupancy tax	366,180	366,180	419,429	53,249
Automobile tax	1,100,000	1,100,000	1,142,517	42,517
Police privilege tax	-	-	90,400	90,400
MLGW in lieu of tax	420,000	420,000	449,176	29,176
Total local taxes	<u>19,821,946</u>	<u>19,821,946</u>	<u>20,884,163</u>	<u>1,062,217</u>
<b>INTERGOVERNMENTAL</b>				
State of Tennessee shared revenues				
Sales tax	3,693,900	3,693,900	3,937,454	243,554
Income tax	900,000	900,000	1,088,897	188,897
Beer tax	198,215	198,215	252,939	54,724
TVA payments in lieu of tax	535,213	535,213	538,960	3,747
City streets and transportation funding	93,378	93,378	91,647	(1,731)
Other state revenue	20,300	20,300	75,348	55,048
Total state shared taxes	<u>5,441,006</u>	<u>5,441,006</u>	<u>5,985,245</u>	<u>544,239</u>
<b>FEDERAL AND STATE GRANT REVENUE</b>	-	5,000	39,322	34,322
<b>LICENSES AND PERMITS</b>				
Beer and liquor permits	35,500	35,500	42,507	7,007
Zoning permits	229,200	229,200	290,092	60,892
Building and related permits	721,750	721,750	726,666	4,916
Development related reviews and fees	129,556	129,556	194,380	64,824
Total licenses and permits	<u>1,116,006</u>	<u>1,116,006</u>	<u>1,253,645</u>	<u>137,639</u>

(CONTINUED ON NEXT PAGE)

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CHARGES FOR SERVICES</b>				
Clerk's fees	\$ 540	\$ 540	\$ 931	\$ 391
Material and rental fees	55,860	55,860	53,421	(2,439)
Non-resident card fees	17,000	17,000	15,935	(1,065)
Fire inspection fees	18,650	18,650	21,645	2,995
Fingerprinting fees	4,500	4,500	7,927	3,427
Animal adoption fees	42,800	42,800	36,470	(6,330)
Animal tag fees	56,000	56,000	60,370	4,370
Software fees	-	-	29,028	29,028
Stormwater fees	760,000	760,000	947,619	187,619
Facility rental fees	66,625	66,625	56,249	(10,376)
Instructional fees	110,744	110,744	86,364	(24,380)
Athletic registration fees	286,425	286,425	295,479	9,054
Special event fees	15,100	15,100	8,560	(6,540)
Sale of reports	2,000	2,000	417	(1,583)
Total charge for services	<u>1,436,244</u>	<u>1,436,244</u>	<u>1,620,415</u>	<u>184,171</u>
<b>FINES, FORFEITURES, AND PENALTIES</b>				
Court and other fees	943,343	943,343	1,013,534	70,191
Fines	<u>327,903</u>	<u>327,903</u>	<u>396,527</u>	<u>68,624</u>
Total fines, forfeitures, and penalties	<u>1,271,246</u>	<u>1,271,246</u>	<u>1,410,061</u>	<u>138,815</u>
<b>CONTRIBUTIONS</b>	-	13,971	1,276,977	1,263,006
<b>INTEREST ON INVESTMENTS</b>	40,000	40,000	554,620	514,620
<b>OTHER</b>	<u>447,500</u>	<u>470,169</u>	<u>503,400</u>	<u>33,231</u>
<b>Total Revenues</b>	55,902,352	55,943,992	59,796,572	3,852,580

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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 -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Legislative				
Salaries	\$ 98,000	\$ 98,000	\$ 97,187	\$ 813
Benefits	70,366	70,366	66,106	4,260
Contractual services	60,550	60,550	41,335	19,215
Materials and supplies	10,500	10,500	3,876	6,624
	<u>239,416</u>	<u>239,416</u>	<u>208,504</u>	<u>30,912</u>
Executive				
Salaries	696,988	690,056	687,164	2,892
Benefits	250,503	251,536	242,931	8,605
Contractual services	106,260	112,160	82,913	29,247
Materials and supplies	13,850	13,850	7,233	6,617
Expenditure reimbursement	(160,141)	(160,141)	(153,036)	(7,105)
	<u>907,460</u>	<u>907,461</u>	<u>867,205</u>	<u>40,256</u>
Finance				
Salaries	1,060,307	1,060,307	984,694	75,613
Benefits	480,259	480,259	442,092	38,167
Contractual services	320,889	320,639	286,946	33,693
Materials and supplies	14,775	14,775	12,174	2,601
Grants, contributions, and indemnities	600	850	770	80
Expenditure reimbursement	(656,876)	(656,876)	(604,336)	(52,540)
	<u>1,219,954</u>	<u>1,219,954</u>	<u>1,122,340</u>	<u>97,614</u>
Human resources				
Salaries	392,271	392,271	375,238	17,033
Benefits	154,950	154,950	138,736	16,214
Contractual services	201,321	201,321	106,833	94,488
Materials and supplies	19,030	19,030	9,010	10,020
Grants, contributions, and indemnities	7,050	7,050	5,472	1,578
Expenditure reimbursement	(116,839)	(116,839)	(95,293)	(21,546)
	<u>657,783</u>	<u>657,783</u>	<u>539,996</u>	<u>117,787</u>
Information technology				
Salaries	325,799	325,505	310,135	15,370
Benefits	112,598	112,598	101,844	10,754
Contractual services	243,419	243,713	137,521	106,192
Materials and supplies	31,410	31,410	18,592	12,818
Fixed charges	4,000	4,000	917	3,083
Expenditure reimbursement	(65,759)	(65,759)	(61,797)	(3,962)
	<u>651,467</u>	<u>651,467</u>	<u>507,212</u>	<u>144,255</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 -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Planning and zoning				
Salaries	\$ 629,551	\$ 628,450	\$ 607,508	\$ 20,942
Benefits	254,991	255,991	244,505	11,486
Contractual services	121,027	121,028	99,517	21,511
Materials and supplies	6,700	6,800	5,565	1,235
Expenditure reimbursement	(152,073)	(152,073)	(143,768)	(8,305)
	<u>860,196</u>	<u>860,196</u>	<u>813,327</u>	<u>46,869</u>
General services				
Salaries	440,436	438,400	379,388	59,012
Benefits	195,829	195,829	174,909	20,920
Contractual services	89,278	90,314	53,816	36,498
Materials and supplies	14,065	18,565	14,253	4,312
Grants, contributions, and indemnities	1,600	1,600	1,155	445
Expenditure reimbursement	(95,440)	(95,440)	(83,144)	(12,296)
	<u>645,768</u>	<u>649,268</u>	<u>540,377</u>	<u>108,891</u>
General service facilities				
Salaries	375,658	375,658	335,103	40,555
Benefits	238,837	238,837	229,720	9,117
Contractual services	942,236	936,136	706,181	229,955
Materials and supplies	138,641	144,171	118,675	25,496
Expenditure reimbursement	(92,174)	(92,174)	(84,724)	(7,450)
	<u>1,603,198</u>	<u>1,602,628</u>	<u>1,304,955</u>	<u>297,673</u>
General service parks				
Salaries	1,437,901	1,433,041	1,336,775	96,266
Benefits	703,313	708,173	674,181	33,992
Contractual services	852,300	851,150	717,398	133,752
Materials and supplies	386,285	381,653	321,882	59,771
Expenditure reimbursement	(321,182)	(31,220)	(31,220)	-
	<u>3,058,617</u>	<u>3,342,797</u>	<u>3,019,016</u>	<u>323,781</u>
Development administration				
Salaries	184,710	192,342	192,342	-
Benefits	62,525	58,149	58,149	-
Contractual services	114,859	115,119	100,250	14,869
Materials and supplies	10,560	7,044	6,580	464
Grants, contributions, and indemnities	1,250	1,250	563	687
Expenditure reimbursement	(56,085)	(56,085)	(53,682)	(2,403)
	<u>317,819</u>	<u>317,819</u>	<u>304,202</u>	<u>13,617</u>

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**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Morton museum				
Salaries	\$ 94,702	\$ 94,682	\$ 85,632	\$ 9,050
Benefits	32,363	32,363	30,384	1,979
Contractual services	49,675	50,345	39,655	10,690
Materials and supplies	14,250	13,600	9,832	3,768
	<u>190,990</u>	<u>190,990</u>	<u>165,503</u>	<u>25,487</u>
Library				
Salaries	549,998	548,054	523,385	24,669
Benefits	144,748	145,453	133,600	11,853
Contractual services	182,258	186,904	158,291	28,613
Materials and supplies	26,004	28,287	24,195	4,092
Grants, contributions, and indemnities	400	400	300	100
	<u>903,408</u>	<u>909,098</u>	<u>839,771</u>	<u>69,327</u>
Health, welfare, and insurance				
Benefits	73,892	73,892	58,252	15,640
Contractual services	693,453	693,453	478,519	214,934
Fixed charges	651,650	651,650	544,558	107,092
Other charges	23,200	24,986	23,475	1,511
Expenditure reimbursement	(33,150)	(33,150)	(18,701)	(14,449)
	<u>1,409,045</u>	<u>1,410,831</u>	<u>1,086,103</u>	<u>324,728</u>
Special appropriations				
Grants, contributions, and indemnities	127,842	127,842	127,065	777
	<u>12,792,963</u>	<u>13,087,550</u>	<u>11,445,576</u>	<u>1,641,974</u>
<b>PUBLIC SAFETY</b>				
City court				
Salaries	606,525	606,525	570,842	35,683
Benefits	288,670	288,670	274,675	13,995
Contractual services	79,779	79,779	49,072	30,707
Materials and supplies	16,170	16,170	8,193	7,977
Grants, contributions, and indemnities	350	350	100	250
	<u>991,494</u>	<u>991,494</u>	<u>902,882</u>	<u>88,612</u>

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**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Police				
Salaries	\$ 8,394,858	\$ 8,365,388	\$ 8,107,427	\$ 257,961
Benefits	3,511,127	3,527,955	3,400,162	127,793
Contractual services	671,614	667,766	520,433	147,333
Materials and supplies	439,602	455,647	407,830	47,817
Fixed charges	3,502	3,502	3,333	169
Grants, contributions, and indemnities	2,006	2,006	1,752	254
	<u>13,022,709</u>	<u>13,022,264</u>	<u>12,440,937</u>	<u>581,327</u>
Fire department				
Salaries	5,325,680	5,312,822	5,035,110	277,712
Benefits	2,157,178	2,167,584	2,082,274	85,310
Contractual services	277,366	290,549	277,677	12,872
Materials and supplies	375,195	363,224	354,158	9,066
Grants, contributions, and indemnities	735	1,005	830	175
	<u>8,136,154</u>	<u>8,135,184</u>	<u>7,750,049</u>	<u>385,135</u>
Code enforcement				
Salaries	733,946	746,789	746,789	-
Benefits	300,424	287,579	284,000	3,579
Contractual services	71,828	71,029	54,430	16,599
Materials and supplies	25,350	26,150	22,291	3,859
	<u>1,131,548</u>	<u>1,131,547</u>	<u>1,107,510</u>	<u>24,037</u>
Animal control				
Salaries	333,179	323,179	249,757	73,422
Benefits	132,036	132,036	117,518	14,518
Contractual services	89,087	99,087	76,604	22,483
Materials and supplies	73,330	113,830	89,806	24,024
Grants, contributions, and indemnities	1,525	1,525	843	682
	<u>629,157</u>	<u>669,657</u>	<u>534,528</u>	<u>135,129</u>
Total public safety	<u>23,911,062</u>	<u>23,950,146</u>	<u>22,735,906</u>	<u>1,214,240</u>

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**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>ROADS AND PUBLIC WORKS</b>				
Public works administration				
Salaries	\$ 483,754	\$ 479,360	\$ 476,560	\$ 2,800
Benefits	188,160	192,554	186,250	6,304
Contractual services	60,222	60,022	51,525	8,497
Materials and supplies	14,204	14,404	11,611	2,793
Grants, contributions, and indemnities	1,000	1,000	999	1
Expenditure reimbursement	(335,957)	(335,957)	(331,405)	(4,552)
	<u>411,383</u>	<u>411,383</u>	<u>395,540</u>	<u>15,843</u>
Vehicle maintenance				
Salaries	516,003	516,004	469,660	46,344
Benefits	240,671	240,671	225,823	14,848
Contractual services	69,450	62,750	28,773	33,977
Materials and supplies	49,984	49,984	32,993	16,991
Fixed charges	665	665	315	350
	<u>876,773</u>	<u>870,074</u>	<u>757,564</u>	<u>112,510</u>
Highways and streets				
Salaries	1,171,872	1,133,204	1,089,675	43,529
Benefits	611,658	611,658	577,031	34,627
Contractual services	1,900,662	1,951,409	1,811,343	140,066
Materials and supplies	247,583	235,333	205,716	29,617
Other charges	-	170	169	1
	<u>3,931,775</u>	<u>3,931,774</u>	<u>3,683,934</u>	<u>247,840</u>
Engineering				
Salaries	743,216	739,236	731,689	7,547
Benefits	318,249	322,226	311,817	10,409
Contractual services	238,510	283,112	119,901	163,211
Materials and supplies	37,015	32,115	23,834	8,281
Grants, contributions, and indemnities	300	300	26	274
Expenditure reimbursement	(334,322)	(334,322)	(297,392)	(36,930)
	<u>1,002,968</u>	<u>1,042,667</u>	<u>889,875</u>	<u>152,792</u>
Total roads and public works	<u>6,222,899</u>	<u>6,255,898</u>	<u>5,726,913</u>	<u>528,985</u>

(CONTINUED ON NEXT PAGE)

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**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL GENERAL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CULTURE AND RECREATION</b>				
Parks and recreation				
Salaries	\$ 752,235	\$ 746,450	\$ 684,764	\$ 61,686
Benefits	266,686	272,471	257,846	14,625
Contractual services	980,302	979,802	895,982	83,820
Materials and supplies	293,637	293,487	231,303	62,184
Grants, contributions, and indemnities	32,200	32,200	26,327	5,873
	<u>2,325,060</u>	<u>2,324,410</u>	<u>2,096,222</u>	<u>228,188</u>
 Total culture and recreation	 <u>2,325,060</u>	 <u>2,324,410</u>	 <u>2,096,222</u>	 <u>228,188</u>
<b>CAPITAL</b>				
Capital expenditures	700,422	760,275	670,901	89,374
<b>DEBT SERVICE</b>				
Principal	4,155,000	4,155,000	4,155,000	-
Interest and fiscal charges	4,643,863	4,642,077	4,635,974	6,103
Total debt service	<u>8,798,863</u>	<u>8,797,077</u>	<u>8,790,974</u>	<u>6,103</u>
 <b>Total Expenditures</b>	 <u>54,751,269</u>	 <u>55,175,356</u>	 <u>51,466,492</u>	 <u>3,708,864</u>
 Excess of revenues over expenditures	 1,151,083	 768,636	 8,330,080	 7,561,444
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	810,436	810,436	1,327,772	517,336
Transfers out	<u>(5,500)</u>	<u>(4,425,039)</u>	<u>(4,425,039)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>804,936</u>	 <u>(3,614,603)</u>	 <u>(3,097,267)</u>	 <u>517,336</u>
 Net change in fund balances	 <u>\$ 1,956,019</u>	 <u>\$ (2,845,967)</u>	 5,232,813	 <u>\$ 8,078,780</u>
 Fund balances - beginning			 <u>51,567,844</u>	
 Fund balances - ending			 <u>\$ 56,800,657</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Real and personal	\$ 21,338,427	\$ 21,338,427	\$ 21,048,783	\$ (289,644)
Circuit court	288,621	288,621	154,731	(133,890)
TPSC tax	1,609,365	1,607,365	1,483,560	(123,805)
Municipal tax	2,289,534	2,488,472	2,488,472	-
Total property taxes	<u>25,525,947</u>	<u>25,722,885</u>	<u>25,175,546</u>	<u>(547,339)</u>
<b>LOCAL TAXES</b>				
Local option sales tax	10,165,210	10,165,210	9,645,561	(519,649)
Mixed drink tax	209,939	209,939	228,879	18,940
Business tax	2,966	2,966	2,363	(603)
MLGW in lieu of tax	173,865	175,865	175,129	(736)
Other in lieu of tax	260,798	260,798	203,649	(57,149)
Wheel tax	1,111,489	1,111,489	1,806,415	694,926
	<u>11,924,267</u>	<u>11,926,267</u>	<u>12,061,996</u>	<u>135,729</u>
<b>INTERGOVERNMENTAL</b>				
State revenues				
Basic education program	38,657,899	39,584,000	39,627,409	43,409
Career Ladder program	175,000	162,653	150,578	(12,075)
Other state education funds	22,000	22,000	21,954	(46)
Total intergovernmental	<u>38,854,899</u>	<u>39,768,653</u>	<u>39,799,941</u>	<u>31,288</u>
<b>CHARGES FOR SERVICES</b>	131,200	97,059	94,969	(2,090)
<b>FEDERAL AND STATE GRANTS</b>	30,000	115,418	98,835	(16,583)
<b>OTHER</b>				
Other local revenue	390,608	202,608	201,763	(845)
Miscellaneous refunds	315,908	310,908	310,494	(414)
Insurance reimbursements	-	785	780	(5)
Device fees	-	116,575	116,574	(1)
Sale of equipment	-	282,628	282,627	(1)
Other local revenue	13,250	1,750	1,250	(500)
Total other revenues	<u>719,766</u>	<u>915,254</u>	<u>913,488</u>	<u>(1,766)</u>
<b>Total Revenues</b>	<u>77,186,079</u>	<u>78,545,536</u>	<u>78,144,775</u>	<u>(400,761)</u>

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**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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>EDUCATION</b>				
Regular instruction				
Personnel	\$ 35,644,124	\$ 35,720,812	\$ 34,610,195	\$ 1,110,617
Contractual services	700,000	737,520	728,029	9,491
Materials and supplies	1,470,405	1,470,405	1,447,430	22,975
Other charges	128,800	78,800	78,204	596
Expenditure reimbursement	(400,000)	(251,000)	(250,969)	(31)
	<u>37,543,329</u>	<u>37,756,537</u>	<u>36,612,889</u>	<u>1,143,648</u>
Alternative education instruction				
Personnel	154,324	126,123	120,866	5,257
Contractual services	12,000	12,000	11,441	559
Materials and supplies	3,300	3,300	2,476	824
Other charges	1,500	1,500	84	1,416
	<u>171,124</u>	<u>142,923</u>	<u>134,867</u>	<u>8,056</u>
Special education instruction				
Personnel	5,601,679	5,654,378	5,431,335	223,043
Contractual services	178,000	127,600	126,773	827
Materials and supplies	61,350	111,750	96,330	15,420
	<u>5,841,029</u>	<u>5,893,728</u>	<u>5,654,438</u>	<u>239,290</u>
Vocational instruction				
Personnel	946,130	976,643	958,878	17,765
Contractual services	4,300	4,300	296	4,004
Materials and supplies	29,600	29,087	24,566	4,521
	<u>980,030</u>	<u>1,010,030</u>	<u>983,740</u>	<u>26,290</u>
Attendance				
Personnel	595,630	598,028	586,486	11,542
Contractual services	7,000	47,925	44,449	3,476
Materials and supplies	1,000	1,000	966	34
In-service/staff development	8,000	10,900	8,916	1,984
Other charges	-	-	-	-
	<u>611,630</u>	<u>657,853</u>	<u>640,817</u>	<u>17,036</u>
Health services				
Personnel	987,246	991,846	955,459	36,387
Contractual services	16,300	16,300	4,440	11,860
Materials and supplies	3,000	3,000	917	2,083
In-service/staff development	6,000	6,000	2,682	3,318
	<u>1,012,546</u>	<u>1,017,146</u>	<u>963,498</u>	<u>53,648</u>

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**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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other student support				
Personnel	\$ 1,777,484	\$ 1,802,984	\$ 1,749,768	\$ 53,216
Contractual services	50,900	35,180	35,179	1
In-service/staff development	11,000	9,500	6,945	2,555
	<u>1,839,384</u>	<u>1,847,664</u>	<u>1,791,892</u>	<u>55,772</u>
Regular instruction support				
Personnel	1,622,582	1,592,582	1,501,256	91,326
Contractual services	151,000	51,713	44,965	6,748
Materials and supplies	68,800	157,506	145,672	11,834
In-service/staff development	179,200	244,781	240,423	4,358
Expenditure reimbursement	(511,236)	(366,796)	(366,796)	-
	<u>1,510,346</u>	<u>1,679,786</u>	<u>1,565,520</u>	<u>114,266</u>
Alternative instruction support				
In-service/staff development	2,000	2,000	1,423	577
	<u>2,000</u>	<u>2,000</u>	<u>1,423</u>	<u>577</u>
Special education support				
Personnel	1,362,100	1,383,100	1,299,268	83,832
Contractual services	135,560	163,160	162,996	164
Materials and supplies	17,000	25,245	20,801	4,444
In-service/staff development	37,345	38,500	36,695	1,805
	<u>1,552,005</u>	<u>1,610,005</u>	<u>1,519,760</u>	<u>90,245</u>
Vocational education support				
Contractual services	25,549	25,549	25,548	1
	<u>25,549</u>	<u>25,549</u>	<u>25,548</u>	<u>1</u>
Board of education				
Personnel	750,713	513,628	483,187	30,441
Contractual services	235,255	200,550	142,756	57,794
Materials and supplies	200	200	195	5
Insurance	286,219	280,219	224,419	55,800
In-service/staff development	20,000	20,000	9,394	10,606
Other charges	539,519	539,519	513,758	25,761
	<u>1,831,906</u>	<u>1,554,116</u>	<u>1,373,709</u>	<u>180,407</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 BALANCE -**  
**BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Office of the superintendent				
Personnel	\$ 362,269	\$ 366,469	\$ 342,122	\$ 24,347
Contractual services	88,054	91,054	37,220	53,834
Materials and supplies	1,500	1,500	1,500	-
In-service/staff development	8,000	8,000	6,434	1,566
Other charges	32,000	32,000	29,262	2,738
	<u>491,823</u>	<u>499,023</u>	<u>416,538</u>	<u>82,485</u>
Office of the principal				
Personnel	4,887,022	4,902,222	4,870,350	31,872
Contractual services	16,000	16,405	15,705	700
In-service/staff development	32,000	17,300	16,859	441
	<u>4,935,022</u>	<u>4,935,927</u>	<u>4,902,914</u>	<u>33,013</u>
Fiscal services				
Personnel	569,826	617,967	588,824	29,143
Contractual services	291,387	291,317	260,561	30,756
Materials and supplies	8,900	8,900	5,976	2,924
In-service/staff development	17,900	17,900	16,206	1,694
Other charges	1,500	1,500	478	1,022
	<u>889,513</u>	<u>937,584</u>	<u>872,045</u>	<u>65,539</u>
Human resources				
Personnel	283,349	283,459	261,619	21,840
Contractual services	17,036	17,056	16,520	536
Materials and supplies	4,080	4,080	3,200	880
In-service/staff development	28,200	27,480	18,764	8,716
	<u>332,665</u>	<u>332,075</u>	<u>300,103</u>	<u>31,972</u>
Central and other				
Personnel	242,488	248,230	248,002	228
Contractual services	97,500	96,260	86,383	9,877
Materials and supplies	41,000	41,000	9,403	31,597
In-service/staff development	32,000	35,700	13,116	22,584
Other charges	28,200	28,200	13,178	15,022
	<u>441,188</u>	<u>449,390</u>	<u>370,082</u>	<u>79,308</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 BALANCE -**  
**BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of plant				
Personnel	\$ 588,143	\$ 599,143	\$ 593,201	\$ 5,942
Contractual services	1,290,146	1,322,146	1,174,993	147,153
Materials and supplies	1,567,206	1,533,206	1,446,172	87,034
Insurance	111,601	111,601	111,601	-
In-service/staff development	300	300	-	300
Other charges	18,670	18,670	9,177	9,493
	<u>3,576,066</u>	<u>3,585,066</u>	<u>3,335,144</u>	<u>249,922</u>
Maintenance of plant				
Personnel	732,074	750,052	742,332	7,720
Contractual services	442,092	438,592	327,811	110,781
Materials and supplies	1,000	4,500	4,447	53
In-service/staff development	9,280	9,280	2,309	6,971
Other charges	18,000	18,000	15,864	2,136
	<u>1,202,446</u>	<u>1,220,424</u>	<u>1,092,763</u>	<u>127,661</u>
Transportation				
Personnel	344,699	344,199	336,977	7,222
Contractual services	2,409,560	2,409,560	2,170,937	238,623
Materials and supplies	380,400	380,400	347,359	33,041
In-service/staff development	3,000	3,000	2,041	959
Other charges	13,300	13,300	1,682	11,618
Expenditure reimbursement	(226,500)	(374,350)	(374,350)	-
	<u>2,924,459</u>	<u>2,776,109</u>	<u>2,484,646</u>	<u>291,463</u>
Technology				
Personnel	2,035,731	2,077,022	2,065,865	11,157
Contractual services	2,229,983	2,183,528	2,013,912	169,616
Materials and supplies	273,832	301,966	267,882	34,084
In-service/staff development	50,550	50,550	37,542	13,008
Other charges	403,009	403,039	403,034	5
	<u>4,993,105</u>	<u>5,016,105</u>	<u>4,788,235</u>	<u>227,870</u>
 Total education	 72,707,165	 72,949,040	 69,830,571	 3,118,469

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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 PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>CAPITAL OUTLAY</b>	<u>\$ 4,267,269</u>	<u>\$ 8,152,994</u>	<u>\$ 5,286,018</u>	<u>\$ 2,866,976</u>
<b>Total Expenditures</b>	<u>76,974,434</u>	<u>81,102,034</u>	<u>75,116,589</u>	<u>5,985,445</u>
Excess (deficiency) of revenues over (under) expenditures	211,645	(2,556,498)	3,028,186	5,584,684
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance	-	2,462,708	2,462,708	-
Transfers in	48,500	57,200	57,132	(68)
Transfers out	-	-	<u>(13,245,015)</u>	<u>(13,245,015)</u>
Total other financing sources (uses)	<u>48,500</u>	<u>2,519,908</u>	<u>(10,725,175)</u>	<u>(13,245,083)</u>
Net change in fund balances	<u>\$ 260,145</u>	<u>\$ (36,590)</u>	<u>(7,696,989)</u>	<u>\$ (7,660,399)</u>
Fund balances - beginning			<u>23,121,538</u>	
Fund balances - ending			<u>\$ 15,424,549</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2018

	<b>Business-type Activities</b>
	<b>Enterprise Funds</b>
	<b>Water Fund and Sewer</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,407,860
LGIP Investments	23,410,702
Customer receivables	676,145
Unbilled receivables	925,897
Less allowance for doubtful accounts	(75,138)
Inventory	124,830
Prepaid expenses	14,274
Restricted LGIP Investments	9,124,098
Total current assets	35,608,668
Noncurrent assets:	
Capital assets, not being depreciated	3,705,585
Capital assets, being depreciated, net	88,050,804
Total capital assets, net	91,756,389
Net OPEB asset	409,911
Total noncurrent assets	92,166,300
Total assets	127,774,968
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pension	175,222
Related to OPEB	885
Deferred charges on refunding	1,221,883
Total deferred outflows of resources	1,397,990
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	336,357
Accrued bond interest	86,979
Due to other funds	853,073
Due to other governments	30,211
Accrued compensated absences	113,318
Current portion of bonds and notes payable	2,687,284
Total current liabilities	4,107,222
Noncurrent liabilities:	
Unearned revenue	148,810
Accrued compensated absences	29,667
Bonds and notes payable, net of current portion, discounts, and premium:	15,470,604
Net pension liability	225,975
Total noncurrent liabilities	15,875,056
Total liabilities	19,982,278
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pension	150,471
Related to OPEB	162,996
Total deferred inflows of resources	313,467
<b>NET POSITION</b>	
Net investment in capital assets	74,820,384
Restricted	
Net OPEB asset	409,911
Water and sewer development	9,124,098
Unrestricted	24,522,820
Total net position	\$ 108,877,213

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2018

	<b>Business-type Activities:</b>
	<b>Enterprise Funds</b>
	<b>Water Fund and Sewer</b>
Operating Revenues:	
Water service charges	\$ 4,654,748
Sewer service charges	7,591,987
Penalties and other charges	293,213
Other income	54,507
Total operating revenues	12,594,455
Operating Expenses:	
Salaries	1,802,191
Benefits	805,449
Contractual services	1,937,057
Materials and supplies	2,444,315
Insurance	204,717
Grants, contributions, and indemnities	19,995
Depreciation	3,386,663
Total operating expenses	10,600,387
Operating income	1,994,068
Nonoperating Revenues (Expenses):	
Interest income	427,037
Development fees	1,183,710
Tap fees	232,996
Bond interest and fiscal charges	(586,010)
Total nonoperating revenues	1,257,733
Income before contributions and transfers	3,251,801
Capital contributions	726,831
Transfers out	(819,463)
Change in net position	3,159,169
Net position - beginning, as previously reported	105,532,385
Effect of change in accounting principle	185,659
Net position, beginning, as restated	105,718,044
Net position - ending	\$ 108,877,213
Income (loss) before contributions and transfers	

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2018

	<b>Business-type Activities:</b>
	<b>Enterprise Funds</b>
	<b>Water Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 11,818,203
Payments to suppliers	(4,544,140)
Payments to employees	(2,660,903)
Other receipts	57,498
Net cash provided by operating activities	4,670,658
<b>CASH FLOW FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	
Payment (to) from other fund	(819,463)
Tap and impact fee receipts	1,416,706
Net cash provided by noncapital financing activities	597,243
<b>CASH FLOW FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions	726,831
Purchases of capital assets	(3,833,860)
Principal paid on capital debt	(2,045,000)
Interest paid on capital debt	(679,964)
Net cash used for capital and related financing activities	(5,831,993)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments, net	(1,714,122)
Interest income	427,037
Net cash from investing activities	(1,287,085)
Net increase in cash and cash equivalents	(1,851,177)
Cash and cash equivalents - beginning of the year	3,259,037
Cash and cash equivalents - end of the year	\$ 1,407,860
<b>Reconciliation of operating income to net cash from operating activities</b>	
Operating income	\$ 1,994,068
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	3,386,663
Provision for bad debts	18,654
Pension expense in excess of employer contributions	(10,639)
OPEB expense in excess of employer contributions	(62,141)
Change in assets and liabilities	
Receivables, net	(70,722)
Unbilled receivables	(81,834)
Prepaid expenses	(474)
Inventories	(27,059)
Accounts payable	89,477
Accrued compensated absences	19,517
Due to governmental entities	2,991
Due to other funds	(586,118)
Customer deposits	(1,725)
Net cash provided by operating activities	\$ 4,670,658

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2018

	<b>Pension and OPEB Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22,882	\$ 1,227,181
Interest receivable	137,124	-
Inventory	-	15,030
Investments, at fair value:	84,199,271	-
Due from other funds	371,684	-
Total assets	<u>84,730,961</u>	<u>\$ 1,242,211</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	81,312	-
Due to schools general fund	-	755,730
Due to student groups	-	486,481
Total liabilities	<u>81,312</u>	<u>\$ 1,242,211</u>
<b>NET POSITION</b>		
Restricted for pensions	70,108,110	
Restricted for OPEB	14,541,539	
Total net position	<u>\$ 84,649,649</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
For the Year Ended June 30, 2018

	<b>Pension and OPEB Trust Funds</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 4,429,864
Plan members	709,162
Total contributions	5,139,026
Investment earnings (losses):	
Interest and dividends	1,797,280
Net appreciation in fair value of investments	3,634,583
Total investment earnings	5,431,863
Total additions	10,570,889
<b>DEDUCTIONS</b>	
Benefits and claims paid	2,459,633
Administrative expense	259,912
Total deductions	2,719,545
Change in net position	7,851,344
Net position - beginning of the year	76,798,305
Net position - end of the year	\$ 84,649,649

The accompanying notes are an integral part of the financial statements



**TOWN OF COLLIERVILLE, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Collierville, Tennessee (the “Town”) is a municipal corporation governed by an elected mayor and five-member Board of Aldermen. The Executive Branch is organized into the following departments: Administration, Mayor, Finance, Education, Police, Fire, Parks and Recreation, Public Works, Planning and Economic Development, Code Enforcement, General Services, Engineering, and Utilities.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as codified by the Governmental Accounting Standards Board (“GASB”). The financial statements present the government and its component units, entities for which the government is considered to be financially accountable. However, currently there are no component units. The financial statements of the Town included the financial statements of Collierville Schools (the “Schools”). The Town has determined that the School’s general purpose school fund, education capital projects fund #177, federal projects fund, nutrition fund, and discretionary grants fund represent special revenue funds of the Town, the School’s OPEB trust fund represents a fiduciary fund of the Town and the School’s student activity funds are an agency fund of the Town.

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, 2018.

**B. Basis of Presentation**

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to private-sector business. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Certain eliminations have been made 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 business type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, those transactions between governmental and business-type activities have not been eliminated.

The statement of net position presents information on all the Town’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the differences presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

### *Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The activities of the government are organized into funds, each of which are considered to be separate 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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town has presented all major funds that met the quantitative or qualitative qualifications to be reported as a major fund as separate columns in the fund financial statements. The Town's major governmental funds include the General Fund, the General Purpose School Fund and the Education Capital Projects Fund. The Capital Projects Fund #321 accounts for the majority of the Town's activity; therefore, the Town's management has elected to classify this fund as a major fund. In addition, the Town reports the Water and Sewer Fund as a major proprietary fund. Detailed descriptions of these funds are presented below.

### *1. Governmental Fund Financial Statements*

Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balance individually for all major funds and in the aggregate for the remaining nonmajor funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance and changes in fund balances as presented in these statements to net position and changes in net position presented in the government-wide financial statements. The governmental funds of the Town are described below:

- a. **General Fund** – The primary operating fund of the Town and accounts for all financial resources obtained and used for delivery of those services traditionally provided by a municipal government, which are not provided for in other funds. Most of the essential governmental services such as general government, public safety, public works, solid waste management, library, culture and recreation, and municipal courts, among other things, are reported in the general fund.
- b. **Special Revenue Funds** – These 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 or committed to expenditures for specific purposes. The following comprise the special revenue funds:

General Purpose School Fund – The operating fund of the Collierville Schools and accounts for all general revenues and other receipts that are not allocated by law or contractual agreement to

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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another Collierville Schools fund, such as property tax revenue from Shelby County, Tennessee, Basic Education Program (BEP) funds, sales tax, etc. General operating expenditures and capital improvement costs that are not paid through other School funds are paid from the general purpose school fund.

State Street Aid Fund – Accounts for the receipts and expenditures of the Town’s share of the State of Tennessee’s gasoline tax.

Solid Waste and Sanitation Fund – Accounts for the receipts and expenditures of the Town’s solid waste removal services.

Historic Preservation Fund – Accounts for the receipts and expenditures of fees charged to developers for the preservation of the Town’s historic town square.

E-Citation Fund – Accounts for the receipt of and expenditures related to the Town’s electronic traffic citation system.

Special Drug Fund – Accounts for the receipt of and expenditures related to court drug fines and drug seizures.

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.

School Federal Fund – Accounts for the receipts and expenditures of the Town’s municipal school system related to the system’s federally funded programs.

School Discretionary Grants Fund – Accounts for the receipts and expenditures of the Town’s municipal school system related to state funded programs.

- c. **Capital Projects Fund** – These funds account for all the financing of major governmental fund capital asset purchases. 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.

### 2. *Proprietary Fund Financial Statements*

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. The proprietary fund of the Town is described below:

- a. **Enterprise Fund** – Account for business-like activities provided to the general public. The activities are financed primarily by user charges and the measurement of the financial activity focuses on net income measurement similar to private sector businesses.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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Water and Sewer Fund – Accounts for water and sewer fees in connection with the operation of the Town's water and sewer system. Revenues derived from the physical connection to the system do not substantially exceed the cost incurred to provide such services.

### 3. *Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a statement of fiduciary net position and 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. Agency funds are fiduciary funds used to account for assets held by the Town in a purely custodial capacity. Single agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

- a. **Pension (and Other Employee Benefit) Trust Fund** – These 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 and other postemployment benefit plans. The following comprise the Town's pension and other postemployment benefits ("OPEB") trust funds:

Town Pension Plan Fund – Accounts for transactions related to the Town sponsored defined benefit pension plan.

Town Retiree Medical Plan ("Town OPEB") Fund – Accounts for transactions related solely to retiree group medical benefits (including claims incurred but not reported) for which the Town is self-insured.

School Retiree Medical Plan ("School OPEB") Fund - Accounts for transactions related solely to retiree group medical benefits (including claims incurred but not reported) for which the School is self-insured.

- b. **Agency Fund** – These funds report resources held by the Town in a purely custodial capacity (the receipt, temporary investment, and remittance of fiduciary resources).

School Student Activity Funds – Accounts for cash and inventory held by Collierville Schools on behalf of the 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. These funds were audited in a separate report and can be obtained by contacting the Collierville Schools.

### C. **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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### *Measurement Focus*

On the government-wide statement of net position and 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 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 funds and fiduciary funds are also 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 revenues (additions) and expenses (deductions) in total net position. Agency funds do not use the economic resources measurement focus.

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

### *Basis of Accounting*

The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues in the fiduciary funds are those additions to the plan that are generated from contributions from the Town or School 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.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property taxes, other local taxes, and intergovernmental revenues. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are considered to be measurable and available only when cash is received by the Town. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The issuance of long-term debt is reported as other financing sources.

### **D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**

#### *1. Deposits and investments*

The Town considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents held by the trustee of the Town Pension Plan Fund, the Town OPEB Fund, and the School OPEB Fund are included in cash and cash equivalents of those funds.

Investments, including pension and other postemployment benefit investments held in fiduciary funds, are reported at fair value except for those investment in the Local Government Investment Pool (“LGIP”). The LGIP qualifies as a 2a7-like pool and is reported at amortized cost using a Stable Net Asset Value which approximates fair value.

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 \$9,124,098 in restricted investments for development fees at June 30, 2018.

#### *2. Receivables*

All trade and property taxes receivable are shown net of an allowance for uncollectibles.

Real and personal property taxes are levied by April 20 of each fiscal year on values assessed as of the prior January 1. The Town has an enforceable legal claim as of January 1 (the assessment date). Property taxes are due on December 1 and are considered delinquent after February 28, at which time penalties and interest are assessed and property is available for tax lien. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and Town Charter, is set annually by the Mayor and Board of Aldermen and billed and collected by the Finance Department.

Property taxes receivable are recognized as of the date the Town has an enforceable legal claim. Property taxes are reflected as revenues in the fiscal period for which they are levied, which is the subsequent fiscal year for the current fiscal year’s assessment, provided they are received and collected within the current

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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period or within 60 days following the fiscal year end (August 31). Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and a deferred inflow of resources to reflect amounts that were not available as revenues at June 30, 2018.

Receivables due from other governments are primarily from the United States government, the State of Tennessee, and Shelby County, Tennessee. No allowance for uncollectible amounts has been recognized.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned as “unearned revenue”. At the end of the current fiscal year, unavailable revenue principally represents amounts relating to property taxes.

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 as unbilled utility receivable.

### *3. Interfund Transactions*

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. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

### *4. Inventories and prepaid items*

Inventory in all funds consists of expendable supplies held for consumption are stated at cost using the average cost method.

Certain contractual or otherwise required payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenses in the governmental funds also include interest payments made on debt prior to the due date.

Inventories and prepaid items are charged to operations using the consumption method.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### 5. *Capital assets*

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), and intangible assets (easements, right-of-ways, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets with an initial, individual cost of at least \$5,000 and an estimated useful life in excess of three years are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date received. 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. 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.

Land, easements, right-of-ways, and construction in progress are not depreciated. All other capital assets 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

### 6. *Deferred outflows of resources*

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Town has qualifying items for reporting in this category. The unamortized discount on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Other deferred outflows of resources include pension and OPEB changes and employer contributions to the pension plan after the measurement date.

### 7. *Compensated absences*

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.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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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.

### 8. *Long-term obligations*

In the governmental-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the governmental fund financial statements, bond premiums and discounts and issuance costs are recognized in the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### 9. *Deferred inflows of resources*

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an increase to net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The Town has several types of items that qualify for reporting in this category. These items are amounts in the governmental funds that were receivable and measureable at year-end but were not available to finance expenditures for the current year. Deferred inflows of resources include those related to unavailable revenues from property taxes and pension and OPEB changes.

### 10. *Net Position and Fund balance*

In the government-wide financial statements and the proprietary fund in the fund financial statements, net positions is displayed in three components:

**Net investment in capital assets** – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings 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 be included in the component of net position.

**Restricted net position** – consists of net position with constraints placed on the use of primarily cash and investments either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislations.

**Unrestricted net position** – all other net position that does not meet the definition of net investment in capital assets or restricted net position

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*CONTINUED*)

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In the fund financial statements, governmental funds report fund balances in classifications that compromise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classification consist of the following five components, as applicable:

**Nonspendable** – amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable), or (b) legally or contractually required to be maintained intact (i.e. corpus of endowment funds).

**Restricted** – amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation.

**Committed** – amounts constrained to be used for specific purposes by the highest level of decision making authority (Board of Mayor and Alderman or Collierville Schools). Formal action, in the form of an ordinance adopted by the Board of Mayor and Aldermen, to establish, modify or rescind a commitment must be taken by the end of the fiscal year. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Board removes or changes the commitment by taking the same action it employed to impose the commitment.

**Assigned** – amounts intended to be used by the Town for a specific purpose, but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or a designee authorized by the Board of Mayor and Aldermen with authority to assign amounts. At this time, the Board of Mayor and Aldermen has maintained the authorization to assign fund balance which is accomplished through a resolution. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. The Collierville Schools has the authority to assign the fund balance for the School Funds. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund are reported as assigned fund balance.

**Unassigned** – represents the residual balance available for any purpose in the general fund or deficit balances in other funds. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Town to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the Town that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

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.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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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.

### *11. Pensions and Other Postemployment Benefits*

The Town maintains six defined benefit retirement plans. Two are sponsored by the Town and the remaining four are sponsored by the Tennessee Consolidated Retirement System. The Town maintains two defined benefit other postemployment benefit plans (“OPEB”) sponsored by the Town.

For purposes of measuring the net pension and net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB 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. Expenses of the plans, such as investment fees, trustee fees, and audit fees, are paid by the plans. However, certain administrative functions are performed by employees of the Town and are not reimbursed by the plans. Investments, other than contracts, are reported at fair value. Investment income is recognized as earned. Plan assets do not include any securities of the Town nor have any of the plans made any loans to the Town.

### *12. 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. The three categories of level inputs are as follows: Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date; Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices in inactive markets; or other inputs that can be corroborated by observable market data. Such inputs include market interest rates and volatilities, spreads and yield curves; Level 3 inputs are inputs which are unobservable for the asset or liability and rely on management’s own assumptions that market participants would use in pricing the asset or liability.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the Town utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Town

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

### 13. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### E – New Governmental Accounting Standards Board (GASB) Pronouncements

The Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, required for fiscal periods beginning after June 15, 2018, in fiscal year 2018. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The implementation has been accounted for as a change in accounting principle with a prior year adjustment as determined by an actuary. The effect of this adjustment decreases net position for government activities by \$3,615,829 and increases net position of business-type activities by \$185,659.

## NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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### A. Budgetary information

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 annually approves the operating budgets of the general, special revenue, capital projects, debt service, and enterprise funds of the Town. The Collierville Schools annually approves the operating budgets of the general purpose school fund, federal projects, school nutrition, discretionary grants, and education capital fund. 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. The Town Administrator 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. Transfers within the funds are accomplished by resolution of the Board of Mayor and Aldermen to authorize expenditures of various grants received and to adjust the individual fund budgets as required within the total dollar limitations of the budget resolution. While no supplemental appropriations were required during the year, the accompanying budgetary data has been revised for amendments authorized by resolution during the year. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for all governmental funds.

### B. Excess of expenditures over appropriations

For the year ended June 30, 2018, expenditures did not exceed appropriations in any fund.

## NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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### C. Deficit fund equity

As of June 30, 2018, none of the funds had a deficit fund balance.

## NOTE 3 – DEPOSITS

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Legal Provisions – Deposits must be collateralized by federal depository insurance, the Tennessee Bank Collateral Pool, collateral held by the Town’s agent in the Town’s name, collateral held by the Federal Reserve Banks acting as third party agents, or a combination of these methods. State statute requires that all uninsured deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

Custodial Credit Risk – 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 be insured or collateralized with securities held by the Town or its agent in the Town’s name and comply with statutes requiring deposits. As of June 30, 2018, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

## NOTE 4 – INVESTMENTS

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Legal Provisions – Investments of the primary government are limited to those authorized by Tennessee State Law. State statutes authorize the Town to make direct investments in bonds, notes or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the Local Government Investment Pool (“LGIP”); bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and nonconvertible debt securities of certain federal government sponsored enterprises. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. 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 Finance. The Town has not adopted a formal investment policy that limits its interest rate or credit risks.

In addition to the investments allowed by the primary government, the fiduciary funds investment policies authorize investments in common stocks, mutual funds, and other equities. The investment policies of the fiduciary funds have been formally adopted by the Town’s Board of Mayor and Aldermen.

#### NOTE 4 – INVESTMENTS (CONTINUED)

Custodial Risk – 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 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.

##### A. Primary Government Investments

The Tennessee Local Government Investment Pool (“LGIP”) represents 100% of the primary government’s investments at June 30, 2018. The responsibility of 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 LGIP uses amortized costs rather than fair value to report net position to compute share prices. The Pool maintains a weighted average maturity of 60 days or less.

##### B. Fiduciary Investments

The Town administers four fiduciary funds whose investments are held by a third party trustee bank. Additionally, the Town utilizes an advisor to select appropriate investment choices.

Fair value has been determined based on the Town’s assessment of available market information and appropriate valuation methodologies. 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 certificates of deposit, 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. There have been no changes in the methodologies used at June 30, 2018.

The following table summarized fair value disclosures and measurements for fiduciary investments at June 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments:				
Money market mutual funds	\$ 3,363,489	\$ -	\$ -	\$ 3,363,489
Certificates of deposit	-	1,549,832	-	1,549,832
U.S. government agency bonds	-	1,054,090	-	1,054,090
Corporate and foreign bonds	-	4,512,722	-	4,512,722
Municipal obligations	-	1,358,685	-	1,358,685
Common stocks	10,838,877	-	-	10,838,877
Equity mutual funds	40,354,813	-	-	40,354,813
Fixed income mutual funds	21,166,763	-	-	21,166,763
	<u>\$ 75,723,942</u>	<u>\$ 8,475,329</u>	<u>\$ -</u>	<u>\$ 84,199,271</u>

**NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)**

At June 30, 2018, the composition of interfund balances for governmental and business-type activities is as follows:

	<u>Due From:</u>	<u>Due To:</u>
Major Funds		
General Fund		
General Purpose School Fund	\$ -	\$ 20,154
State Street Aid Fund	20,024	-
Historic Preservation Fund	-	117,038
E-Citation Fund	-	2,640
Sanitation Fund	-	2,133,875
Special Drug Fund	-	751
CIP #321 Fund	-	386,071
CIP #336 Fund	-	1,401,274
Water and Sewer Fund	853,073	-
	<u>873,097</u>	<u>4,061,803</u>
General Purpose School Fund		
General Fund	20,154	-
Federal Projects Fund	703,864	-
Discretionary Grants Fund	10,376	-
	<u>734,394</u>	<u>-</u>
CIP #321 Fund		
General Fund	386,071	-
Water and Sewer Fund		
General Fund	-	853,073
Total Major	<u>1,993,562</u>	<u>4,914,876</u>
Nonmajor Funds		
State Street Aid Fund		
General Fund	-	20,024
Historic Preservation Fund		
General Fund	117,038	-
E-Citation Fund		
General Fund	2,640	-
Sanitation Fund		
General Fund	2,133,875	-
Special Drug Fund		
General Fund	751	-
Federal Projects Fund		
General Purpose School Fund	-	703,864
Discretionary Grants Fund		
General Purpose School Fund	-	10,376
CIP #336 Fund		
General Fund	1,401,274	-
Total Nonmajor	<u>3,655,578</u>	<u>734,264</u>
	<u>\$ 5,649,140</u>	<u>\$ 5,649,140</u>

**NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)**

These balances resulted from the time lag between the dates that the interfund goods and services are provided or reimbursable expenditures occur and when payments between funds are made.

The composition of interfund transfers for the year ended June 30, 2018 were as follows:

	<u>Transfers In:</u>	<u>Transfers Out:</u>
<b>Major Funds</b>		
<b>General Fund</b>		
Capital Projects Fund #321	\$ 508,309	\$ 3,085,700
Special Drug Fund	-	6,547
Historic Preservation Fund	-	12,850
Capital Projects Fund #336	-	1,319,942
Water and Sewer Fund	819,463	-
	<u>1,327,772</u>	<u>4,425,039</u>
<b>General Purpose School Fund</b>		
Education Capital Projects #177	-	13,245,015
Discretionary Grants Fund	1,751	-
School Federal Projects	55,381	-
	<u>57,132</u>	<u>13,245,015</u>
<b>Education Capital Projects #177</b>		
General Purpose School Fund	13,245,015	
Capital Projects Fund #337	33,182,091	-
	<u>46,427,106</u>	<u>-</u>
<b>Capital Projects Fund #321</b>		
General Fund	3,085,700	508,309
Capital Projects Fund #336	216,261	-
	<u>3,301,961</u>	<u>508,309</u>
<b>Capital Projects Fund #337</b>		
Education Capital Projects #177	-	33,182,091
Capital Projects Fund #336	-	330,427
	<u>-</u>	<u>33,512,518</u>
<b>Water and Sewer Fund</b>		
General Fund	-	819,463
Total Major	<u>51,113,971</u>	<u>52,510,344</u>



**NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)**

	<u>Transfers In:</u>	<u>Transfers Out:</u>
Nonmajor Funds		
Historic Preservation Fund		
General Fund	\$ 12,850	\$ -
Special Drug Fund		
General Fund	6,547	-
Discretionary Grants Fund		
General Purpose School Fund	-	1,751
School Federal Projects		
General Purpose School Fund	-	55,381
Capital Projects Fund #335		
General Fund	289,540	-
Capital Projects Fund #336		
General Fund	1,319,942	-
Capital Projects Fund #321	-	216,261
Capital Projects Fund #337	-	289,540
Capital Projects Fund #335	330,427	-
	<u>1,650,369</u>	<u>505,801</u>
Total Nonmajor	<u>1,959,306</u>	<u>562,933</u>
Total	<u>\$ 53,073,277</u>	<u>\$ 53,073,277</u>

Transfers out of the governmental funds represent cost allocations, capital projects funding, and transactions for goods and services arising in the normal course of business. Transfers out of the water and sewer fund represent payments in lieu of taxes that are not payments for, and are not reasonably equivalent in value to, services provided.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land, easements, right-of-ways	\$ 32,362,103	\$ 738,135	\$ (8,500)	\$ 33,091,738
Construction in progress	68,335,688	57,759,733	(6,618,335)	119,477,086
Total capital assets, not being depreciated	100,697,791	58,497,868	(6,626,835)	152,568,824
Capital assets, being depreciated:				
Buildings and improvements	112,131,508	2,587,697	(349,076)	114,370,129
Other improvements	23,305,034	623,002	(1,117)	23,926,919
Library materials	2,644,059	236,808	(272,835)	2,608,032
Equipment	31,964,137	7,860,004	(949,039)	38,875,102
Infrastructure	157,004,828	1,110,666	(17,451)	158,098,043
Total capital assets, being depreciated	327,049,566	12,418,177	(1,589,518)	337,878,225
Less accumulated depreciation for:				
Buildings and improvements	(38,768,855)	(2,604,858)	288,494	(41,085,219)
Other improvements	(10,795,736)	(902,712)	1,117	(11,697,331)
Library materials	(1,405,868)	(219,825)	272,835	(1,352,858)
Equipment	(19,342,867)	(2,709,708)	779,039	(21,273,536)
Infrastructure	(40,982,640)	(2,181,847)	8,629	(43,155,858)
Total accumulated depreciation	(111,295,966)	(8,618,950)	1,350,114	(118,564,802)
Total capital assets, being depreciated, net	215,753,600	3,799,227	(239,404)	219,313,423
Governmental activities capital assets, net	<u>\$ 316,451,391</u>	<u>\$ 62,297,095</u>	<u>\$ (6,866,239)</u>	<u>\$ 371,882,247</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,756,343	\$ 150,775	\$ -	\$ 1,907,118
Construction in progress	1,609,984	2,958,817	(2,770,334)	1,798,467
Total capital assets, not being depreciated	3,366,327	3,109,592	(2,770,334)	3,705,585
Capital assets, being depreciated:				
Buildings and improvements	19,532,261	-	-	19,532,261
Other improvements	1,560,389	-	(450)	1,559,939
Equipment	4,833,322	150,097	(170,071)	4,813,348
Distribution and collection systems	117,721,390	3,344,503	-	121,065,893
Total capital assets, being depreciated	143,647,362	3,494,600	(170,521)	146,971,441
Less accumulated depreciation for:				
Buildings and improvements	(8,851,013)	(378,674)	-	(9,229,687)
Other improvements	(625,567)	(68,105)	450	(693,222)
Equipment	(2,542,673)	(274,326)	170,071	(2,646,928)
Distribution and collection systems	(43,685,242)	(2,665,558)	-	(46,350,800)
Total accumulated depreciation	(55,704,495)	(3,386,663)	170,521	(58,920,637)
Total capital assets, being depreciated, net	87,942,867	107,937	-	88,050,804
Business-type activities capital assets, net	<u>\$ 91,309,194</u>	<u>\$ 3,217,529</u>	<u>\$ (2,770,334)</u>	<u>\$ 91,756,389</u>

**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 1,001,497
Public safety	1,407,409
Roads and public works	2,436,123
Culture and recreation	1,024,895
Sanitation	245,696
Education	2,503,330
Total depreciation expense - governmental activities	<u>\$ 8,618,950</u>
Business-type Activities:	
Water and sewer	<u>\$ 3,386,663</u>

**Construction and other significant commitments**

The government has active construction projects as of June 30, 2018. At year-end the government's approximate commitments with contractors related to uncompleted contracts are as follows:

<u>Function/Activity</u>	<u>Commitment</u>
City uncompleted contracts	
General government - equipment	\$ 14,000
General government - buildings and improvements	17,000
Public Safety - buildings and improvements	361,000
Roads and public works - infrastructure	5,990,000
Culture and recreation - buildings and improvements	26,000
Education - high school	8,701,557
	<u>\$ 15,109,557</u>

**NOTE 7 – ACCRUED LIABILITIES**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable	\$ 5,811,082	\$ 265,436	\$ 6,076,518
Accrued expenses	389,214	3,791	393,005
Accrued payroll and benefits	4,872,384	35,968	4,908,352
Retainage payable	273,467	31,006	304,473
Accrued other	844,472	156	844,628
	<u>\$ 12,190,619</u>	<u>\$ 336,357</u>	<u>\$ 12,526,976</u>

## NOTE 8 – LONG-TERM LIABILITIES

### 1. Long-Term Debt

#### General obligation and revenue bonds

The Town periodically issues general obligation and revenue bonds for the acquisition, construction, and improvement of major capital facilities and infrastructure. The bonds are generally issued as 15 to 30-year serial bonds. The Town is not subject to any state or other law that limits the amount of net bonded debt a Town may have outstanding; therefore, there is no legal debt margin or computation thereof. The Town's full faith, credit and unlimited taxing power are pledged to the repayment of all general obligation bond principal and interest. Revenue bonds are secured by net revenues derived from the operations of the Water and Sewer fund. The Town is contingently liable for the repayment of revenue bond principal and interest.

The net proceeds from advance refunding bonds have been placed in an irrevocable trust to provide for 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, 2018, \$6,650,000 of defeased bonds remain outstanding.

Debt outstanding as of June 30, 2018 consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Balance Outstanding at Year End</u>
Governmental activities:				
General obligation bonds				
2015A serial bonds	3.25% - 5.00%	2046	\$ 93,485,000	\$ 91,020,000
2015B serial bonds	2.00% - 4.00%	2035	5,000,000	4,575,000
2015C serial bonds	2.00% - 4.00%	2029	8,015,000	7,610,000
2008 serial bonds	3.50% - 5.00%	2021	13,000,000	1,885,000
2011 serial bonds	2.00% - 2.50%	2022	4,985,000	2,135,000
2012 serial bonds	1.50% - 2.00%	2026	5,215,000	4,255,000
2013 serial bonds	2.00% - 4.00%	2033	7,700,000	6,150,000
			<u>\$ 137,400,000</u>	<u>\$ 117,630,000</u>
Business-type activities:				
Revenue bonds				
2012 revenue bond	1.50% - 4.00%	2024	\$ 15,655,000	\$ 12,290,000
2015 revenue bond	4.00% - 5.00%	2026	5,305,000	3,955,000
			<u>\$ 20,960,000</u>	<u>\$ 16,245,000</u>

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

Annual debt service requirements to maturity for bonds and notes payable are as follows:

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 4,300,000	\$ 4,476,814	\$ 2,415,000	\$ 589,025
2020	4,465,000	4,319,132	2,525,000	498,200
2021	4,230,000	4,156,488	2,310,000	391,900
2022	4,415,000	3,994,637	2,480,000	296,100
2023	4,005,000	3,832,038	1,565,000	230,850
2024 - 2028	21,525,000	16,612,982	4,950,000	443,475
2029 - 2033	19,775,000	12,723,582	-	-
2034 - 2038	18,415,000	9,416,501	-	-
2039 - 2043	21,455,000	5,651,000	-	-
2044 - 2046	15,045,000	1,219,400	-	-
	<u>\$ 117,630,000</u>	<u>\$ 66,402,574</u>	<u>\$ 16,245,000</u>	<u>\$ 2,449,550</u>

*2. Settlement Liability*

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 Town and the School entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The School agreed to pay the Shelby County Board of Education twelve annual installments of \$507,819 for a total of \$6,093,828. The School elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of 2.2%. Future payments under the settlement liability are as follows:

Years Ending June 30	Amount
2019	\$ 507,819
2020	507,819
2021	507,819
2022	507,819
2023	507,819
2024 - 2026	1,523,457
Total payments	4,062,552
Less amount representing interest	(320,775)
	<u>\$ 3,741,777</u>

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

*3. Capital Leases*

On August 1, 2017, Collierville Schools entered into a 36 month lease purchase agreement for the acquisition of computers 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 and is payable over 3 annual payments of \$862,119 for a total of \$2,586,367 including interest.

The following is a schedule of the future minimum lease payments at June 30:

Years Ending June 30	Amount
2019	\$ 862,119
2020	862,119
Total payments	1,724,238
Less amount representing interest	(63,817)
	<u>\$ 1,660,421</u>

*4. Changes in long-term liabilities*

A summary of long-term liability activity, including debt, for the year ended June 30, 2018 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 121,785,000	\$ -	\$ (4,155,000)	\$ 117,630,000	\$ 4,300,000
Capital leases	-	2,462,708	(802,287)	1,660,421	802,287
Settlement obligation	4,165,335	-	(423,558)	3,741,777	432,876
Unamortized premiums (discounts), net	7,007,142	-	(307,994)	6,699,148	307,994
Total long-term debt	132,957,477	2,462,708	(5,688,839)	129,731,346	5,843,157
Compensated absences	1,991,987	117,665	(204,729)	1,904,923	117,665
Net pension liability*	9,762,778	-	(6,847,814)	2,914,964	-
Net OPEB obligation*	5,764,544	746,422	-	6,510,966	-
	<u>\$ 150,476,786</u>	<u>\$ 3,326,795</u>	<u>\$ (12,741,382)</u>	<u>\$ 141,062,199</u>	<u>\$ 5,960,822</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 18,290,000	\$ -	\$ (2,045,000)	\$ 16,245,000	\$ 2,415,000
Unamortized premiums (discounts), net	2,185,108	-	(272,220)	1,912,888	272,284
Total long-term debt	20,475,108	-	(2,317,220)	18,157,888	2,687,284
Compensated absences	123,469	124,550	(105,034)	142,985	113,318
Net pension liability*	312,476	-	(86,501)	225,975	-
	<u>\$ 20,911,053</u>	<u>\$ 124,550</u>	<u>\$ (2,508,755)</u>	<u>\$ 18,526,848</u>	<u>\$ 2,800,602</u>

\*net increase (decrease) shown

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

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For governmental activities, net pension liability, net other postemployment liability, and compensated absences are generally liquidated by the general fund and general purpose school fund. No interest was capitalized for the year ended June 30, 2018; interest incurred and charged to expense totaled \$5,221,984. For the governmental activities, \$360,449 of bond proceeds were not spent as of June 30, 2018. As such, these proceeds were not included in the calculation of net investment in capital assets.

**5. Subsequent event**

Subsequent to year end, Collierville Schools entered into a computer lease with future payments of \$3,107,000 over a three year period and a lease for copiers with future payments of \$303,000 for a period of five years.

**NOTE 9 – DEFERRED LOSS ON REFUNDING**

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The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental activities and Water and Sewer Revenue Refunding Bonds for business-type activities. Deferred loss on refunding reported in the statement of net position at June 30, 2018 consists of the following:

	Governmental Activities	Business-Type Activities	Total
Series 2005	\$ -	\$ 5,983	\$ 5,983
Series 2011	15,894	-	15,894
Series 2012	331,137	989,032	1,320,169
Series 2015	774,885	226,867	1,001,752
	<u>\$ 1,121,916</u>	<u>\$ 1,221,882</u>	<u>\$ 2,343,798</u>

**NOTE 10 – NET INVESTMENT IN CAPITAL ASSETS**

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	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 371,882,247	\$ 91,756,389	\$ 463,638,636
Deferred loss on refunding	1,121,916	1,221,883	2,343,799
Total outstanding balance of capital debt	(129,731,346)	(18,157,888)	(147,889,234)
Unspent bond proceeds related to debt	666,363	-	666,363
	<u>\$ 243,939,180</u>	<u>\$ 74,820,384</u>	<u>\$ 318,759,564</u>

## NOTE 11 – FUND BALANCES

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Capital Projects Fund #337	Education Capital Projects Fund #177	Other Governmental Funds	Total
Nonspendable for:							
Inventory	\$ 177,024	\$ -	\$ -	\$ -	\$ -	\$ 45,187	\$ 222,211
Prepaid expenditures	1,992,254	-	-	-	-	529	1,992,783
Total nonspendable fund balance	2,169,278	-	-	-	-	45,716	2,214,994
Restricted for:							
Animal shelter projects	216,841	-	-	-	-	-	216,841
Capital projects	-	-	-	360,382	-	1,099,600	1,459,982
Community development	1,627	-	-	-	-	-	1,627
Development improvements	191,704	-	-	-	-	-	191,704
Public safety	69,423	-	-	-	-	394,280	463,703
Public services	1,378,623	-	-	-	-	-	1,378,623
Road maintenance and improvements	-	-	-	-	-	879,576	879,576
Parks and recreation	32,557	-	-	-	-	-	32,557
Sanitation	-	-	-	-	-	2,217,147	2,217,147
Education capital projects	-	-	-	-	2,454,793	137,476	2,592,269
Total restricted fund balance	1,890,775	-	-	360,382	2,454,793	4,728,079	9,434,029
Committed for:							
Alternate transportation	37,563	-	-	-	-	-	37,563
Fire facility fee	701,906	-	-	-	-	-	701,906
Historic preservation	-	-	-	-	-	117,038	117,038
Parkland dedication	1,226,380	-	-	-	-	-	1,226,380
Police privilege tax	745,198	-	-	-	-	-	745,198
Total committed fund balance	2,711,047	-	-	-	-	117,038	2,828,085
Assigned to:							
Capital projects	21,351,925	-	16,537	-	-	67	21,368,529
General administration	4,474,994	-	-	-	-	-	4,474,994
Other purposes	400,000	-	-	-	-	-	400,000
Parks and recreation	1,882,959	-	-	-	-	-	1,882,959
Public safety	141,200	-	-	-	-	-	141,200
Education	-	15,424,549	-	-	-	-	15,424,549
Total assigned fund balance	28,251,078	15,424,549	16,537	-	-	67	43,692,231
Unassigned							
	21,778,479	-	-	-	-	-	21,778,479
Total fund balances	<u>\$ 56,800,657</u>	<u>\$ 15,424,549</u>	<u>\$ 16,537</u>	<u>\$ 360,382</u>	<u>\$ 2,454,793</u>	<u>\$ 4,890,900</u>	<u>\$ 79,947,818</u>



## NOTE 12 – DEFINED BENEFIT PENSION PLANS

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The Town of Collierville is the administrator of the following defined benefit single-employer Public Employee Retirement Plan established by the Town to provide pension benefits for its employees:

- I. **Town of Collierville, Tennessee Defined Benefit Pension (“Town Pension Plan”)** – On July 1, 2007, the effective date of the plan, existing employees were given the option to make an irrevocable election to participate in this plan or stay in the Town TCRS Plan. Employees hired on July 1, 2007 and after are eligible at the date of employment. The plan offers both contributory and non-contributory options. Participants make an irrevocable election to participate in one of these options.

The plan is considered a part of the Town’s financial reporting entity and is included in the Town’s financial reports as a pension trust fund. The Town does not issue a stand-alone financial report for the plan. Benefits and contributions are established by the Town and may be amended only by the Board of Mayor and Aldermen.

The Town of Collierville and Collierville Schools participate in the following defined benefit multiple-employer Public Employee Retirement Plans administered by the Tennessee Consolidated Retirement System (“TCRS”):

- II. **Town Public Employee Retirement Plan (“Town TCRS Plan”)** – 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. 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.
- III. **Collierville Schools Legacy Public Employee Retirement Plan (“Legacy 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.
- IV. **Collierville Schools Hybrid Employee Retirement Plan (“Hybrid 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.
- V. **Collierville Schools Teacher Legacy Pension Plan (“Teacher Legacy 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.
- VI. **Collierville Schools Teacher Retirement Plan (“Teacher Hybrid Plan”)** – Teachers with membership in TCRS beginning July 1, 2014 are included in this plan. The plan is a hybrid plan

**NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension 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 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). 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.

The net pension assets, deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to pensions reported on the statement of net position are summarized as follows:

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
<b>Governmental Activities</b>					
Town Administered Pension Plan	\$ -	\$ 2,270,025	\$ 2,914,964	\$ 1,975,788	\$ 2,776,719
Town TCRS Plan	2,295,004	63,129	-	58,201	(203,673)
School Administrative Legacy Plan	81,897	433,085	-	212,344	420,531
School Administrative Hybrid Plan	68,531	187,344	-	4,549	806
Teacher Legacy Plan	299,849	11,582,817	-	6,190,476	1,920,334
Teacher Hybrid Plan	167,525	282,282	-	40,588	74,433
<b>Total governmental activities</b>	<b>\$ 2,912,806</b>	<b>\$ 14,818,682</b>	<b>\$ 2,914,964</b>	<b>\$ 8,481,946</b>	<b>\$ 4,989,150</b>
<b>Business-type Activities</b>					
Town Administered Pension Plan	\$ -	\$ 175,222	\$ 225,975	\$ 150,471	\$ 205,635

**A. General Information about the Pension Plans**

*Benefits Provided*

Under the Town Pension Plan, members are eligible to retire with an unreduced benefit at age 60 with 10 years of service credit (5 years if hired prior to July 1, 2007) or after 30 years of service credit regardless of age. A reduced early retirement benefit is available at age 55 and vested. Benefits are determined by a formula using the member’s highest five consecutive year average compensation during the 10 completed calendar years immediately preceding termination of employment and the member’s years of service credit up to 30 years. Members vest with 10 years of service credit (5 years if hired prior to July 1, 2007). A variety of death benefits are available under various eligibility criteria.

Under the Town TCRS Plan, Legacy Plan and Teacher Legacy Plan, 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. A reduced early retirement benefit is available at age 55 and vested. Under the Hybrid Plan and Teacher Hybrid Plan, 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. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s

**NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

years of service credit. 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 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 Plan and Teacher Hybrid Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, under the Hybrid Plan, Teacher Legacy Plan, and Teacher Hybrid Plan, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis. No COLA is provided under the Town Pension Plan.

Employees Covered by Benefit Terms

The Town Pension Plan has a measurement date of June 30, 2018 while the TCRS Plans have a measurement date of June 30, 2017. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the agent plans:

	Town	TCRS	TCRS School Administrative	
	Pension Plan	Town Plan	Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	79	17	12	-
Inactive employees entitled to but not yet receiving benefits	69	91	47	20
Active employees	503	11	147	76
	<u>651</u>	<u>119</u>	<u>206</u>	<u>96</u>

Contributions

Under the Town Pension Plan, 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.

Under the TCRS Plans, contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or, for the Hybrid Plan and Teacher Hybrid Plan, by automatic cost controls set by law. Employees contribute 5 percent of salary. The Town and School make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions to each plan are required to be paid. TCRS may intercept the Town’s state shared taxes if the required employer contributions are not remitted. 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. Per the statutory provisions governing TCRS, the employer contribution rate for the Hybrid Plan and Teacher Hybrid Plan cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached.

## NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employer contributions to each plan for the year ended June 30, 2018 were as follows:

	Town	TCRS	TCRS School Administrative		TCRS Teacher Plans	
	Pension Plan	Town Plan	Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Employer contributions	\$ 3,081,617	\$ -	\$ 380,254	\$ 127,282	\$ 2,974,098	\$ 261,693
As a percentage of covered payroll	12.58%	0.00%	7.82%	4.00%	9.08%	4.00%

### B. Actuarial Assumptions

#### Town Administered Pension Plan

The total pension liability as of the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	4.00%, including inflation
Investment rate of return	7.50%, net of investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table with a 2% load for expected mortality improvements.

#### 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 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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Cash and cash equivalents	2.00%	2%
Fixed income	2.72%	38%
U.S equity	6.43%	40%
International equity	7.00%	15%
REITS	5.00%	5%
		<u>100%</u>

#### Rate of return

For the year ended June 30, 2018, the annual money-weighted rate of return on plan investments was 6.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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### Discount rate

The discount rate used to measure the total pension liability was 7.50%. 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.

### TCRS Administered Pension Plans

The total pension liability as of **June 30, 2017** actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Graded salary ranges from 8.75% to 3.45% based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, net of investment expense, including inflation
Cost-of-Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the **June 30, 2017** actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

### Changes of Assumptions

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments were established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projects and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net pension plan investment expense and inflation) is developed for each major asset class. These best-estimates 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 of 2.5%.

**NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation 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	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
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 7.25 percent based on a blending of the three factors described above.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 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 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 total pension liability.

**NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**C. Net Pension Liability (Asset)**

The net pension liability (asset) for the Town administered pension plan was measured as of June 30, 2018 and each TCRS plan was measured as of **June 30, 2017**. The total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of the respective dates. The components of the net pension liability for the agent plans as of those dates are as follows:

	Agent Plans				Cost-Sharing Plans	
	Town	TCRS	TCRS School Administrative		TCRS Teacher Plans	
	Pension Plan	Town Plan	Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Total Pension Liability						
Service cost	\$ 2,188,438	\$ 41,340	\$ 669,582	\$ 88,280		
Interest	5,135,640	254,939	157,592	15,887		
Changes of benefit items	-	-	-	-		
Differences between expected and actual experience	(645,352)	(23,996)	8,841	31,785		
Changes in assumptions	-	94,693	51,537	9,654		
Benefit payments, including refunds	(1,606,651)	(61,963)	(12,051)	-		
Net change in total pension liability	5,072,075	305,013	875,501	145,606		
Total pension liability - beginning	68,176,974	3,388,834	1,437,671	123,548		
Total pension liability - ending	73,249,049	3,693,847	2,313,172	269,154		
Plan Fiduciary Net Position						
Contributions - employer	3,081,617	-	477,714	78,585		
Contributions - employee	606,552	-	257,669	98,232		
Net investment income	4,443,001	612,731	207,672	25,786		
Benefit payments	(1,606,651)	(61,963)	(12,051)	-		
Administrative expense	(205,002)	(934)	(12,313)	(6,702)		
Other changes	-	-	2,492	-		
Net change in plan fiduciary net position	6,319,517	549,834	921,183	195,901		
Plan fiduciary net position - beginning	63,788,593	5,439,017	1,473,886	141,784		
Plan fiduciary net position -ending	70,108,110	5,988,851	2,395,069	337,685		
Net pension liability (asset)	\$ 3,140,939	\$ (2,295,004)	\$ (81,897)	\$ (68,531)		
Proportionate share of net pension liability (asset)					\$ (299,849)	\$ (167,525)
Proportionate share at June 30, 2017 measurement date					0.916457%	0.634966%
Proportionate share at June 30, 2016 measurement date					0.909980%	0.473838%

The proportion of the net pension liability (asset) was based on the School’s contributions to each cost-sharing plan relative to the contributions of all participating LEAs. Detailed information about each cost-sharing pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

**NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the net pension liability (asset) or proportionate share of net pension liability (asset) of the Town related to each plan calculated using the current discount rate of 7.50 percent (Town Administered Plan) and 7.25 percent (TCRS Plans), as well as what the net pension liability (asset) or proportionate share of net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentagepoint higher than the current rate:

	<u>Current Rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net pension liability (asset)				
Town Pension Plan	7.50%	\$ 13,503,428	\$ 3,140,939	\$ (5,036,195)
TCRS Town Plan	7.25%	(1,724,125)	(2,295,004)	(2,762,429)
TCRS School Administrative Legacy Plan	7.25%	302,364	(81,897)	(394,974)
TCRS School Administrative Hybrid Plan	7.25%	(5,242)	(68,531)	(117,692)
Proportionate share of the net pension asset				
TCRS Teacher Legacy Plan	7.25%	\$ 26,905,016	\$ (299,849)	\$ (22,786,463)
TCRS Teacher Hybrid Plan	7.25%	33,424	(167,525)	(314,926)

**D. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2018, the Town reported pension expense, deferred outflows of resources, and deferred inflows of resources related to each plan from the following sources:

	<u>Town</u>	<u>TCRS</u>	<u>TCRS School Administrative</u>		<u>TCRS Teacher Plans</u>	
	<u>Pension Plan</u>	<u>Town Plan</u>	<u>Legacy Plan</u>	<u>Hybrid Plan</u>	<u>Legacy Plan</u>	<u>Hybrid Plan</u>
Pension Expense (Negative Pension Expense)	\$ 2,982,354	\$ (203,673)	\$ 420,531	\$ 806	\$ 1,920,334	\$ 74,433
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 1,008,160	\$ -	\$ 7,736	\$ 51,286	\$ 180,770	\$ 5,871
Net difference between projected and actual earnings on plan investments	1,437,087	-	-	-	45,516	-
Changes in assumptions	-	63,129	45,095	8,776	2,539,548	14,718
Change in proportion of net pension liability (asset)	-	-	-	-	5,842,885	-
Contributions subsequent to the measurement date of June 30, 2017	-	-	380,254	127,282	2,974,098	261,693
	<u>\$ 2,445,247</u>	<u>\$ 63,129</u>	<u>\$ 433,085</u>	<u>\$ 187,344</u>	<u>\$ 11,582,817</u>	<u>\$ 282,282</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 607,390	\$ 57,227	\$ 194,032	\$ -	\$ 6,190,476	\$ 12,599
Net difference between projected and actual earnings on plan investments	-	974	18,312	4,549	-	9,014
Changes in assumptions	1,518,869	-	-	-	-	-
Change in proportion of net pension liability (asset)	-	-	-	-	-	18,975
	<u>\$ 2,126,259</u>	<u>\$ 58,201</u>	<u>\$ 212,344</u>	<u>\$ 4,549</u>	<u>\$ 6,190,476</u>	<u>\$ 40,588</u>



**NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

The amounts shown above for “Contributions subsequent to the measurement date of **June 30, 2017,**” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

	Town Pension Plan	TCRS Town Plan	TCRS School Administrative		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
2019	\$ 860,581	\$ (43,575)	\$ (21,497)	\$ 5,182	\$ (228,707)	\$ (2,354)
2020	474,687	79,792	(21,497)	5,182	2,838,806	(2,354)
2021	(204,513)	10,140	(24,682)	5,098	1,144,115	(2,870)
2022	7,737	(41,429)	(35,222)	4,331	(1,335,971)	(5,189)
2023	(74,649)	-	(21,147)	6,086	-	(938)
Thereafter	(744,855)	-	(35,468)	29,634	-	(6,294)

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

**E. Payable to the Pension Plans**

At June 30, 2018, Collierville Schools reported payables to the TCRS pension plans related to outstanding required contribution for the year ended June 30 2018 including: \$49,249 related to the School Administrative Legacy Plan, \$16,182 related to the School Administrative Hybrid Plan, \$517,454 related to the Teacher Legacy Plan, and \$46,314 related to the Teacher Hybrid Plan.

## **NOTE 13 – DEFINED CONTRIBUTION BENEFIT PLANS**

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### *Town Money Purchase 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. 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. 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. 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. Contributions are made on a tax-deferred basis. For the year ended June 30, 2018, contributions from the Town and employees were \$32,821 and \$600, respectively.

### *Town 457 Plan*

The Town offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. Plan provisions and related 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. 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.

### *School TCRS Hybrid 401k Plan*

The TCRS School Administrative Hybrid Plan and the TCRS Teacher Hybrid Plan (the Hybrid Plans) provide a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plans are 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. Participants are automatically enrolled, with opt-out feature, to contribute 2% of their salaries to the defined contribution (401(k)) portion of the Hybrid plans. Employees are immediately vested in contributions. Contributions are made on a tax-deferred basis. There are no employer contributions to the 401(k) portion of the plans.

## NOTE 14 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS

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The Town and School each administer a single-employer defined benefit other postemployment plan to provide health care benefits to certain employees and elected officials under the provisions of the Retirement System of the Town of Collierville i.e. Town of Collierville, Tennessee Other Postemployment Benefit Plan and Collierville Schools Other Postemployment Benefit Plan.

- I. **Town of Collierville, Tennessee Other Postemployment Benefit Plan (“Town OPEB Plan”)**  
– Certain employees and elected officials who have at least ten (10) 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 and participate in the healthcare plan are eligible to participate in the OPEB plan and .
  
- II. **Collierville Schools Employee Benefit Plan (“School OPEB Plan”)** – Employees who retire from the School and qualify for retirement under the TCRS may be eligible for the plan. Eligible employees must complete fifteen (15) years of continuous service must be with Collierville Schools. Those who are former employees of Shelby County Schools or Memphis City Schools must have fifteen (15) years of continuous service Collierville, Shelby County, and/or Memphis City Schools prior to retirement. New employees are not eligible for benefits if employed after July 1, 2018. Eligible employees must be enrolled in a Collierville Schools health insurance plan for one (1) year immediately before the retirement date.

The plans are considered part of the Town’s financial reporting entity and are included in the Town’s financial reports as OPEB trust funds. The Town does not issue a stand-alone financial report for either plan. Benefits provided including coverage, eligibility, and contribution requirements of the Town OPEB plan and School OPEB plan are established and may be amended only by the Board of Mayor and Aldermen and Board of Education, respectively, at any time, for any reason.

### A. General Information about the OPEB Plans

#### Benefits Provided

The Town OPEB plan 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. Upon reaching the age of sixty-five or becoming eligible for Medicare insurance coverage under this plan will cease. 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. 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 School OPEB plan 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 School’s 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.

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**

Employees Covered by Benefit Terms

At July 1, 2018 and July 1, 2016, the Town and School's membership consisted of:

	Town OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	63	44
Inactive employees entitled to but not yet receiving benefits	-	12
Active employees	519	307
	<u>582</u>	<u>363</u>

Contributions

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 Town's actuarially determined contribution 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.

The School has adopted a non-contributory OPEB plan for its employees. Employer contributions are based on an actuarially determined rate. The School's intent is to partially fund the actuarial determined contribution and pay for the pay-go costs from the general purpose school fund until the Trust balance is sufficient to meet future benefit payments.

Employer contributions to each plan for the year ended June 30, 2018 were as follows:

	Town OPEB Plan	School OPEB Plan
Actuarially determined contribution	\$ 552,454	\$ 735,990
Employer contributions	656,482	691,765
Contribution deficiency (excess)	(104,028)	44,225
Employer contributions as a percentage of covered payroll	2.54%	3.46%

## NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

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### B. Actuarial Assumptions

Actuarial valuations for the Town and School OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, the actuarial calculations of the OPEB plans 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.

#### Town Administered OPEB Plan

The total OPEB liability for the as of the June 30, 2018 measurement date was determined by an actuarial valuation as of that date using the following actuarial assumptions and the entry age normal level percent of pay actuarial cost method.

Inflation	2.5%
Salary increases	3.5%
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	RP-2000 with 2% load for expected mortality improvement
Health care cost trend rate	8.0% initial rate, 4.0% ultimate rate, 9 year grading period

#### School Administered OPEB Plan

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017 using the entry age normal level percent of pay actuarial cost method, applied to all periods included in the measurement period and rolled forward to the measurement date of June 30, 2018 with the following assumptions:

Inflation	3.0%
Salary increases	Payroll growth including general wage inflation plus merit/productivity increases from 0% to 7.75% based on the TCRS valuation as of June 30, 2016
Investment rate of return	7.5%, net of investment expense, including inflation
Mortality table	SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017
Health care cost trend rate	8.5% initial rate, 5.0% ultimate rate, 8 year grading period

#### Changes of Assumptions

In 2018, the following School OPEB assumptions included a decrease in the discount rate from 8.0% to 7.5% to reflect the long-term expected rate of return for the TSBA OPEB Trust resulting in an increase in liabilities.

#### Town Investment Policy

The Town's policy in regard to allocation of invested assets is established and may be amended by the Retirement Plan Committee. The Town has developed a flexible investment policy 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% over a minimum of a 10-year period. The long-term rate of return on OPEB plan investments is based on historical returns by asset class consistent with the investment policy.

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1%	2.00%
Fixed income	34%	2.81%
Equity	60%	6.60%
Real estate	5%	5.00%
	100%	5.19%

*School Investment Policy*

Collierville Schools has placed funds with the Tennessee School Board Association OPEB Trust (“TSBA OPEB Trust”) to be used to pre-fund a portion of the OPEB liability. The assets of the TSBA OPEB Trust are commingled with other participant’s funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA OPEB Trust’s policy in regard to 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. The TSBA OPEB Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2018 was not available from other auditors as of the date of this report.

It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The 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 long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return are developed for each major asset class. These expected future rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage.

The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2018 is summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	42%	9.36%
Developed market international equity	18%	7.78%
Emerging market international equity	5%	11.4%
Fixed income	35%	4.69%
	100%	7.55%

## **NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**

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### Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on Town and School investments was 6.82% percent and 8.26%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used.

The discount rate used to measure the total OPEB liability for the Town OPEB plan and School OPEB plan was 7.5% for each plan. The discount rate for the Town OPEB plan is based on the long-term rate of return on the OPEB plan investments. The discount rate for the School's unfunded OPEB plan is based on the long-term rate of return on School OPEB plan investments with the assumption that the School will eventually pay the pay-go costs out of the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**

**C. Net OPEB Liability**

The components of the Town’s net OPEB liability at June 30, 2018, were as follows:

	Town OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 364,730	\$ 72,072
Interest	721,220	517,593
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,992,284)	586,465
Changes in assumptions	-	339,998
Benefit payments, including refunds	(386,217)	(466,765)
Net change in total OPEB liability	(1,292,551)	1,049,363
Total OPEB liability - beginning	9,627,014	6,626,729
Total OPEB liability - ending	8,334,463	7,676,092
 Plan Fiduciary Net Position		
Contributions - employer	656,482	691,765
Contributions - employee	102,610	-
Net investment income	897,564	91,298
Benefit payments	(386,217)	(466,765)
Administrative expense	(41,553)	(13,357)
Net change in plan fiduciary net position	1,228,886	302,941
Plan fiduciary net position - beginning	12,147,527	862,185
Plan fiduciary net position -ending	13,376,413	1,165,126
Net OPEB liability (asset)	\$ (5,041,950)	\$ 6,510,966

*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate*

The following presents the Town and School’s net OPEB liability (asset) calculated using the current discount rate of 7.5%, as well as what the 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 rate:

	Current Rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)				
Town OPEB Plan	7.50%	\$ (4,120,718)	\$ (5,041,950)	\$ (5,831,943)
School OPEB Plan	7.50%	\$ 7,279,192	\$ 6,510,966	\$ 5,856,513



**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**

*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate*

The following presents the Town and School’s net OPEB liability (asset) calculated using the current healthcare cost trend rate (Town - 8% decreasing to 4% and School – 8.5% decreasing to 5%) as well as what the 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 rate:

	<u>Current Rate</u>	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)				
Town OPEB Plan	8.0% to 4%	\$ (5,995,137)	\$ (5,041,950)	\$ (4,630,726)
School OPEB Plan	8.5% to 5%	\$ 5,789,871	\$ 6,510,966	\$ 7,361,854

**D. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Town and School reported OPEB expense, deferred outflows of resources, and deferred inflows of resources related to each OPEB plan from the following sources:

	<u>Town OPEB Plan</u>	<u>School OPEB Plan</u>
OPEB (negative) expense	<u>\$ 107,868</u>	<u>\$ 508,367</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 10,890	\$ 130,980
Net difference between projected and actual earnings on plan investments	-	-
Changes in assumptions	-	-
	<u>\$ 10,890</u>	<u>\$ 130,980</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 1,839,031	\$ -
Net difference between projected and actual earnings on plan investments	165,840	35,978
Changes in assumptions	-	22,417
	<u>\$ 2,004,871</u>	<u>\$ 58,395</u>

**NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

	<u>Town OPEB Plan</u>	<u>School OPEB Plan</u>
2019	\$ (209,272)	\$ (22,198)
2020	(209,271)	(22,198)
2021	(209,271)	(22,199)
2022	(147,077)	(15,233)
2023	(152,263)	154,413
Thereafter	(1,066,827)	-

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

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Operating Lease Revenues

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 2018. The future lease commitment is \$725,906 for the next fiscal year.

Contracts

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, 2018, such amount totaled to \$520,484.

Legal 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.

Environmental Protection Agency

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.

## **NOTE 16 – RISK MANAGEMENT**

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### Insurance Other Than Health Insurance

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, workers' 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. Each political subdivision that participates 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 the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

### Health Insurance

The Town of Collierville and the Collierville Schools participate in the Interlocal Health Benefits Plan Asset Trust in order to reduce costs of benefit plan administration and lower premium rates related to healthcare benefits. The Interlocal Health Plan is accounted for as a public entity risk pool but operates solely as a risk-sharing pool. Benefits and premium requirements are established and may be amended by an insurance committee. Members have the option of choosing between a Health Reimbursement Account (HRA) option, an Exclusive Provider Organization (EPO) option, and a basic option for healthcare benefits. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in term of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The plan has a separately issued Comprehensive Annual Report (CAFR) and can be found on the state's website at [http://www.comptroller.tn.gov/RA\\_MA\\_Financial/](http://www.comptroller.tn.gov/RA_MA_Financial/).

The Town and the School are only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any incurred-but-not-reported claims is borne by the Interlocal Health Plan and not by the individual members. During the year ended June 30, 2018, the Town of Collierville and the Collierville Schools contributed premiums of \$6,627,162 and \$6,108,473 respectively to the Interlocal Health Benefits Plan Asset Trust.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**TOWN OF COLLIERVILLE DEFINED BENEFIT PENSION PLAN**

Last Ten Fiscal Years Ending June 30\*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total Pension Liability</b>										
Service cost	\$ 2,188,438	\$ 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
Interest	5,135,640	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
Differences between expected and actual experience	(645,352)	178,216	913,743	168,352	(608,973)	586,940	(122,560)	(2,274,160)	1,060,581	(245,327)
Changes in assumptions	-	-	(1,844,342)	-	-	-	-	-	-	-
Benefit payments	(1,606,651)	(1,398,011)	(1,152,278)	(894,299)	(790,697)	(678,800)	(575,037)	(472,023)	(365,053)	(308,152)
Net change in total pension liability	5,072,075	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
Total pension liability - beginning	68,176,974	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
Total pension liability - ending	73,249,049	68,176,974	62,707,661	58,357,470	53,145,731	49,088,874	44,127,111	40,108,182	38,213,474	33,228,318
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	3,081,617	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
Contributions - employee	606,552	533,710	412,024	440,445	435,026	424,016	412,031	390,268	379,667	386,463
Net investment income	4,443,001	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)
Benefit payments	(1,606,651)	(1,375,157)	(1,152,278)	(836,358)	(773,677)	(666,507)	(553,345)	(451,404)	(333,297)	(296,296)
Administrative expense	(205,002)	(18,943)	(21,451)	(17,419)	(29,364)	(26,757)	(117,883)	(99,038)	(76,512)	(90,565)
Net change in fiduciary net position	6,319,517	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)
Plan Fiduciary net position - beginning	63,788,593	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
Plan fiduciary net position -ending	70,108,110	63,788,593	56,406,531	53,720,550	49,538,010	40,646,207	34,238,057	31,127,718	23,928,757	18,341,505
<b>Net pension liability (asset)</b>	<b>\$ 3,140,939</b>	<b>\$ 4,388,381</b>	<b>\$ 6,301,130</b>	<b>\$ 4,636,920</b>	<b>\$ 3,607,721</b>	<b>\$ 8,442,667</b>	<b>\$ 9,889,054</b>	<b>\$ 8,980,464</b>	<b>\$ 14,284,717</b>	<b>\$ 14,886,813</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	95.71%	93.56%	89.95%	92.05%	93.21%	82.80%	77.59%	77.61%	62.62%	55.20%
<b>Covered payroll</b>	\$ 24,504,469	\$ 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
<b>Net pension liability as a percentage of covered payroll</b>	12.82%	19.97%	28.86%	22.27%	18.25%	44.44%	53.46%	48.28%	75.05%	83.70%

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CONTRIBUTIONS**  
**TOWN OF COLLIERVILLE DEFINED BENEFIT PENSION PLAN**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,373,129	\$ 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
Contributions	3,081,617	3,066,497	2,768,540	2,894,722	2,758,239	2,824,943	2,866,628	2,664,080	2,683,469	2,599,337
Contribution deficiency (excess)	<u>\$ (708,488)</u>	<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>
Covered payroll	\$24,504,469	\$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
Contributions as a percentage of covered payroll	12.58%	13.95%	12.68%	13.90%	13.95%	14.87%	15.50%	14.32%	14.10%	14.61%

**NOTE 1 - VALUATION DATE**

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

**NOTE 2 - 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	20 years
Asset valuation method	5-year smoothed market rate
Inflation	2.5%
Salary increases	4.0%, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	Age 62 or the completion of the 10 years of service if later
Mortality	RP-2000 with a 2.0% load for expected mortality improvement
Mortality	T-3 The Actuary's Pension Handbook

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF INVESTMENT RETURNS**  
**TOWN OF COLLIERVILLE DEFINED BENEFIT PENSION PLAN**  
 Last Ten Fiscal Years Ending June 30\*

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	<u>2018</u>	<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>
Annual money-weighted rate of return, net of investment expense	6.85%	9.26%	1.35%	3.71%	15.86%	11.24%	2.14%	18.76%	15.05%	-15.83%

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**TOWN OF COLLIERVILLE PUBLIC EMPLOYEE PENSION PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service cost	\$ 41,340	\$ 40,093	\$ 42,541	\$ 36,724
Interest	254,939	247,290	242,611	215,031
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(23,996)	(123,688)	(155,231)	171,923
Change of assumptions	94,693			
Benefit payments	(61,963)	(63,933)	(66,240)	(57,281)
Net change in total pension liability	305,013	99,762	63,681	366,397
Total pension liability - beginning	3,388,834	3,289,072	3,225,391	2,858,994
Total pension liability - ending	3,693,847	3,388,834	3,289,072	3,225,391
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	-	-	-	-
Contributions - employee	-	-	-	-
Net investment income	612,731	141,079	160,565	750,110
Benefit payments	(61,963)	(63,933)	(66,240)	(57,281)
Administrative expense	(934)	(832)	(558)	(709)
Other	-	22,188	-	-
Net change in plan fiduciary net position	549,834	98,502	93,767	692,120
Plan fiduciary net position - beginning	5,439,017	5,340,515	5,246,748	4,554,628
Plan fiduciary net position - ending	5,988,851	5,439,017	5,340,515	5,246,748
<b>Net pension liability (asset)</b>	<u>\$ (2,295,004)</u>	<u>\$ (2,050,183)</u>	<u>\$ (2,051,443)</u>	<u>\$ (2,021,357)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	162.13%	160.50%	162.37%	162.67%
<b>Covered payroll</b>	\$ 557,292	\$ 509,968	\$ 482,400	\$ 562,098
<b>Net pension liability (asset) as a percentage of covered payroll</b>	-411.81%	-402.02%	-425.26%	-359.61%

\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retro-actively. 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**  
**TOWN OF COLLIERVILLE PUBLIC EMPLOYEE PENSION PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-
Contribution deficiency (surplus)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 576,283	\$ 557,292	\$ 510,568	\$ 509,968	\$ 562,098
Contributions as a percentage of covered payroll	0.00%	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.

**NOTE 1 - VALUATION DATE**

Actuarially determined contribution rates for fiscal year 2018 were calculated based on the June 30, 2017 actuarial valuation.

**NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with 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 investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated movement
Cost of Living Adjustments	2.5%

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2017	2016	2015
<b>Total Pension Liability</b>			
Service cost	\$ 669,582	\$ 805,568	\$ 729,290
Interest	157,592	114,304	54,690
Changes in benefit terms	-	-	-
Differences between expected and actual experience	8,841	(196,811)	(61,435)
Changes in assumptions	51,537	-	-
Benefit payments	(12,051)	(7,743)	(192)
Net change in total pension liability	875,501	715,318	722,353
Total pension liability - beginning	1,437,671	722,353	-
Total pension liability - ending	2,313,172	1,437,671	722,353
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	477,714	476,176	473,757
Contributions - employee	257,669	256,837	255,533
Net investment income	207,672	28,921	11,095
Benefit payments	(12,051)	(7,743)	(192)
Administrative expense	(12,313)	(11,877)	(9,499)
Other	2,492	-	878
Net change in plan fiduciary net position	921,183	742,314	731,572
Plan fiduciary net position - beginning	1,473,886	731,572	-
Plan fiduciary net position -ending	2,395,069	1,473,886	731,572
<b>Net pension liability (asset)</b>	<u>\$ (81,897)</u>	<u>\$ (36,215)</u>	<u>\$ (9,219)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	103.54%	102.52%	101.28%
<b>Covered payroll</b>	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
<b>Net pension liability as a percentage of covered payroll</b>	-1.59%	-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.

Changes in assumptions: In 2017, amounts reported as changes in changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustments, salary growth and mortality improvements.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CONTRIBUTIONS**  
**LEGACY PUBLIC EMPLOYEE RETIREMENT PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017	2016	2015
Actuarially determined contribution	\$ 380,254	\$ 478,839	\$ 476,176	\$ 473,869
Contributions	380,254	478,839	476,176	473,869
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,862,586	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
Contributions as a percentage of covered payroll	7.82%	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.

**NOTE 1 - VALUATION DATE**

Actuarially determined contribution rates for fiscal year 2018 were calculated based on the July 1, 2017 actuarial valuation.

**NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with 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 investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated
Cost of Living Adjustments	2.5%

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**  
**SCHOOL HYBRID EMPLOYEE RETIREMENT PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2017	2016	2015
<b>Total Pension Liability</b>			
Service cost	\$ 88,280	\$ 63,579	\$ 23,680
Interest	15,887	7,356	1,776
Changes in benefit terms	-	-	-
Differences between expected and actual experience	31,785	18,442	9,366
Changes in assumptions	9,654	-	-
Benefit payments	-	(651)	-
Net change in total pension liability	145,606	88,726	34,822
Total pension liability - beginning	123,548	34,822	-
Total pension liability - ending	269,154	123,548	34,822
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	78,585	64,046	-
Contributions - employee	98,232	60,714	23,680
Net investment income	25,786	2,127	294
Benefit payments	-	(651)	-
Administrative expense	(6,702)	(3,774)	(367)
Other	-	-	(4,285)
Net change in plan fiduciary net position	195,901	122,462	19,322
Plan fiduciary net position - beginning	141,784	19,322	-
Plan fiduciary net position -ending	337,685	141,784	19,322
<b>Net pension liability (asset)</b>	<u>\$ (68,531)</u>	<u>\$ (18,236)</u>	<u>\$ 15,500</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	125.46%	114.76%	55.49%
<b>Covered payroll</b>	\$ 1,964,624	\$ 1,214,266	\$ 473,607
<b>Net pension liability as a percentage of covered payroll</b>	-3.49%	-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.

Changes in assumptions: In 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustments and salary growth.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF CONTRIBUTIONS**  
**SCHOOL HYBRID EMPLOYEE RETIREMENT PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017	2016	2015
Actuarially determined contribution	\$ 127,282	\$ 78,584	\$ 39,760	\$ -
Contributions	127,282	78,584	64,046	-
Contribution deficiency (excess)	\$ -	\$ -	\$ (24,286)	\$ -
Covered payroll	\$ 3,181,347	\$ 1,477,444	\$ 1,214,266	\$ 473,607
Contributions as a percentage of covered payroll	4.00%	4.00%	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.

**NOTE 1 - VALUATION DATE**

Actuarially determined contribution rates for fiscal year 2018 were calculated based on the June 30, 2017 actuarial valuation.

**NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	N/A
Asset valuation method	Fair market value
Inflation	3.0%
Salary increases	Graded salary ranges from 8.97% to 3.71% based on age, including inflation
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	including an adjustment for some anticipated movement
Cost of Living Adjustments	2.5%

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**SCHOOL TEACHER LEGACY PENSION PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.916457%	0.909980%	0.806559%	0.010312%
Proportionate share of the net pension liability (asset)	\$ (299,849)	\$ 5,686,872	\$ 330,394	\$ (1,675)
Covered payroll	\$ 32,375,060	\$ 32,848,484	\$ 30,193,596	\$ 404,757
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.93%	17.31%	1.09%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	100.14%	97.14%	99.81%	100.08%

\*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**  
**SCHOOL TEACHER LEGACY PENSION PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required	\$ 2,974,098	\$ 2,926,702	\$ 3,183,922	\$ 2,969,500	\$ 35,942
Contribution in relation to the contractually required contribution	<u>2,974,098</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 32,760,828	\$ 32,375,060	\$ 32,893,566	\$ 32,848,484	\$ 404,757
Contributions as a percentage of covered payroll	9.08%	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 THE NET PENSION LIABILITY (ASSET)**  
**SCHOOL TEACHER RETIREMENT PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	2017	2016	2015
Proportion of the net pension liability (asset)	0.634966%	0.473838%	0.438730%
Proportionate share of the net pension liability (asset)	\$ (167,525)	\$ (49,328)	\$ (17,650)
Covered payroll	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-4.00%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	126.81%	121.88%	127.46%

\* 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**  
**SCHOOL TEACHER RETIREMENT PLAN OF TCRS**  
Last Ten Fiscal Years Ending June 30\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required	\$ 261,693	\$ 167,581	\$ 52,190	\$ 22,789
Contribution in relation to the contractually required contribution	<u>261,693</u>	<u>167,581</u>	<u>83,396</u>	<u>36,463</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,206)</u>	<u>\$ (13,674)</u>
Covered payroll	\$ 6,535,058	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Contributions as a percentage of covered payroll	4.00%	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 CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
**TOWN OTHER POSTEMPLOYMENT BENEFIT PLAN**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017
<b>Total OPEB Liability:</b>		
Service cost	\$ 364,730	\$ 364,730
Interest	721,220	669,530
Changes in benefit terms	-	-
Differences between actual and expected experience	(1,992,284)	12,870
Changes of assumptions	-	-
Benefit payments, including refunds	(386,217)	(329,646)
Net change in total OPEB liability (asset)	(1,292,551)	717,484
Total OPEB liability-beginning	9,627,014	8,909,530
Total OPEB liability-ending	8,334,463	9,627,014
<b>Plan Fiduciary Net Position:</b>		
Contributions - employer	656,482	574,737
Contributions - employee	102,610	105,722
Net investment income	897,564	1,125,991
Benefit payments	(386,217)	(329,646)
Administrative expense	(41,553)	(41,702)
Net change in plan fiduciary net position	1,228,886	1,435,102
Plan fiduciary net position-beginning	12,147,527	10,712,425
Plan fiduciary net position-ending	13,376,413	12,147,527
<b>Net OPEB liability-ending</b>	<u>\$ (5,041,950)</u>	<u>\$ (2,520,513)</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	160.50%	126.18%
<b>Covered payroll</b>	\$ 25,821,015	\$ 23,089,345
<b>Net OPEB liability as a percentage of covered payroll</b>	-19.53%	-10.92%

\* 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**  
**TOWN OTHER POSTEMPLOYMENT BENEFIT PLAN**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017
Actuarially determined contribution	\$ 552,454	\$ 552,454
Contributions	656,482	574,737
Contribution deficiency (excess)	<u>\$ (104,028)</u>	<u>\$ (22,283)</u>
Covered payroll	\$ 25,821,015	\$ 23,089,345
Contributions as a percentage of covered payroll	2.54%	2.49%

\* 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.

**NOTE 1 - 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.

**NOTE 2 - 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	12 years
Asset valuation method	5 year smoothed market value
Inflation	2.5%
Salary increases	3.5%
Investment rate of return	7.5%, net of investment expenses, including inflation
Healthcare cost trend rates	8.0% initial, decreasing .5% over 9 years to an ultimate rate of 4%
Mortality	RP-2000 with a 2.0% load for expected mortality improvement

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF INVESTMENT RETURNS**  
**TOWN OTHER POSTEMPLOYMENT BENEFIT PLAN**  
Last Ten Fiscal Years Ending June 30\*

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	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	6.82%	10.38%

\* 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 (ASSET) AND RELATED RATIOS**  
**SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017
<b>Total OPEB Liability:</b>		
Service cost	\$ 72,072	\$ 207,352
Interest	517,593	559,477
Changes in benefit terms	-	-
Differences between actual and expected experience	339,998	(521,705)
Changes of assumptions	586,465	(445,844)
Benefit payments, including refunds	(466,765)	(325,679)
Net change in total OPEB liability (asset)	1,049,363	(526,399)
Total OPEB liability-beginning	6,626,729	7,153,168
Total OPEB liability-ending	7,676,092	6,626,769
<b>Plan Fiduciary Net Position:</b>		
Contributions - employer	691,765	525,679
Contributions - employee	-	-
Net investment income	91,298	88,623
Benefit payments	(466,765)	(325,679)
Administrative expense	(13,357)	(1,239)
Net change in plan fiduciary net position	302,941	287,384
Plan fiduciary net position-beginning	862,185	574,801
Plan fiduciary net position-ending	1,165,126	862,185
<b>Net OPEB liability-ending</b>	<b>\$ 6,510,966</b>	<b>\$ 5,764,584</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	15.18%	13.01%
<b>Covered payroll</b>	\$ 20,012,457	\$ 19,429,570
<b>Net OPEB liability as a percentage of covered payroll</b>	32.53%	29.67%

\* 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**  
**SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN**  
Last Ten Fiscal Years Ending June 30\*

	2018	2017
Actuarially determined contribution	\$ 735,990	\$ 791,692
Contributions	691,765	525,679
Contribution deficiency (excess)	\$ 44,225	\$ 266,013
Covered payroll	\$ 20,012,457	\$ 19,429,570
Contributions as a percentage of covered payroll	3.46%	2.71%

\* 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.

**NOTE 1 - 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.

**NOTE 2 - 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	30 years
Asset valuation method	Market value of assets
Inflation	3.0%
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	7.5%, net of investment expenses, including inflation
Healthcare cost trend rates	8.5%, decreasing 0.5% per year to an ultimate 5% for 2026 and thereafter. Lower for post-65.
Mortality	RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF INVESTMENT RETURNS**  
**SCHOOL OTHER POSTEMPLOYMENT BENEFIT PLAN**  
Last Ten Fiscal Years Ending June 30\*

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	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	8.26%	13.53%

\* 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.

**SUPPLEMENTARY INFORMATION**



**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**TOWN OF COLLIERVILLE, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2018

	Special Revenue Funds						Capital Projects Funds		Total Nonmajor Governmental Funds		
	State Street Aid Fund	Historic Preservation Fund	E-Citation Fund	Solid Waste and Sanitation Fund	Special Drug Fund	School Federal Projects Fund	School Nutrition Fund	School Discretionary Grants Fund		#335 Fund	#336 Fund
<b>ASSETS</b>											
Cash and cash equivalents	\$ 677,682	\$ -	\$ 99,909	\$ -	\$ 334,986	\$ -	\$ 194,227	\$ -	\$ -	\$ -	\$ 1,306,804
Investments	-	-	-	-	-	-	-	-	67	681,366	681,433
Receivables											
Customer	-	-	-	220,501	-	-	-	-	-	-	220,501
Due from other governments	268,289	-	-	-	-	713,089	-	42,548	-	-	1,023,926
Due from other funds	-	117,038	2,640	2,133,875	751	-	-	-	-	1,401,274	3,655,578
Inventory	-	-	-	6,335	-	-	38,852	-	-	-	45,187
Prepaid Items	-	-	-	529	-	130,745	-	-	-	-	131,274
<b>Total assets</b>	<b>\$ 945,971</b>	<b>\$ 117,038</b>	<b>\$ 102,549</b>	<b>\$ 2,361,240</b>	<b>\$ 335,737</b>	<b>\$ 843,834</b>	<b>\$ 233,079</b>	<b>\$ 42,548</b>	<b>\$ 67</b>	<b>\$ 2,082,640</b>	<b>\$ 7,064,703</b>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ 46,371	\$ -	\$ -	\$ 137,229	\$ 3,167	\$ 139,970	\$ 17,005	\$ 9,832	\$ -	\$ 983,040	\$ 1,336,614
Due to other funds	20,024	-	-	-	-	703,864	-	10,376	-	-	734,264
Unearned revenue	-	-	-	-	40,839	-	-	-	-	-	40,839
<b>Total liabilities</b>	<b>66,395</b>	<b>-</b>	<b>-</b>	<b>137,229</b>	<b>44,006</b>	<b>843,834</b>	<b>17,005</b>	<b>20,208</b>	<b>-</b>	<b>983,040</b>	<b>2,111,717</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue											
Other	-	-	-	-	-	-	62,086	-	-	-	62,086
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,086</b>
<b>FUND BALANCES</b>											
Nonspendable	-	-	-	6,864	-	-	38,852	-	-	-	45,716
Restricted	879,576	-	102,549	2,217,147	291,731	-	115,136	22,340	-	1,099,600	4,728,079
Committed	-	117,038	-	-	-	-	-	-	-	-	117,038
Assigned	-	-	-	-	-	-	-	-	67	-	67
<b>Total fund balances</b>	<b>879,576</b>	<b>117,038</b>	<b>102,549</b>	<b>2,224,011</b>	<b>291,731</b>	<b>-</b>	<b>153,988</b>	<b>22,340</b>	<b>67</b>	<b>1,099,600</b>	<b>4,890,900</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 945,971</b>	<b>\$ 117,038</b>	<b>\$ 102,549</b>	<b>\$ 2,361,240</b>	<b>\$ 335,737</b>	<b>\$ 843,834</b>	<b>\$ 233,079</b>	<b>\$ 42,548</b>	<b>\$ 67</b>	<b>\$ 2,082,640</b>	<b>\$ 7,064,703</b>

**TOWN OF COLLIERVILLE, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2018

	Special Revenue Funds							Capital Projects Fund		Total Nonmajor Governmental Funds	
	State Street Aid Fund	Historic Preservation Fund	E-Citation Fund	Solid Waste and Sanitation Fund	Special Drug Fund	School Federal Projects Fund	School Nutrition Fund	School Discretionary Grants Fund	#335 Fund		#336 Fund
<b>REVENUES</b>											
Local sales taxes	\$ -	\$ 55,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,111
Intergovernmental											
State education revenue	-	-	-	-	-	-	18,948	-	-	-	18,948
State gas tax	1,527,477	-	-	-	-	-	-	-	-	-	1,527,477
Charges for services	-	-	-	4,189,366	-	-	1,186,982	-	-	-	5,376,348
Fines, forfeitures, and penalties	-	-	28,525	-	94,616	-	-	-	-	-	123,141
Federal and state grant revenue	-	-	-	8,913	-	3,168,411	682,688	247,592	-	-	4,107,604
Interest on investments	576	-	-	-	126	-	-	-	-	36,641	37,343
Other	-	-	-	-	11,621	-	-	21,920	-	-	33,541
Total revenues	1,528,053	55,111	28,525	4,198,279	106,363	3,168,411	1,888,618	269,512	-	36,641	11,279,513
<b>EXPENDITURES</b>											
Current											
General government	-	24,066	-	-	-	-	-	-	-	-	24,066
Public safety	-	-	-	-	64,362	-	-	-	-	-	64,362
Roads and public works	1,492,049	-	-	-	-	-	-	-	-	-	1,492,049
Sanitation	-	-	-	3,242,701	-	-	-	-	-	-	3,242,701
Education	-	-	-	-	-	2,839,854	1,801,375	237,781	-	-	4,879,010
Capital outlays	-	-	-	361,372	348,973	273,176	16,083	21,891	289,540	5,033,822	6,344,857
Total expenditures	1,492,049	24,066	-	3,604,073	413,335	3,113,030	1,817,458	259,672	289,540	5,033,822	16,047,045
Excess (deficiency) of revenues over (under) expenditures	36,004	31,045	28,525	594,206	(306,972)	55,381	71,160	9,840	(289,540)	(4,997,181)	(4,767,532)
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	-	12,850	-	-	6,547	-	-	-	289,540	1,650,369	1,959,306
Transfers out	-	-	-	-	-	(55,381)	-	(1,751)	-	(505,801)	(562,933)
Total other financing sources and uses	-	12,850	-	-	6,547	(55,381)	-	(1,751)	289,540	1,144,568	1,396,373
Net change in fund balances	36,004	43,895	28,525	594,206	(300,425)	-	71,160	8,089	-	(3,852,613)	(3,371,159)
Fund balances - beginning	843,572	73,143	74,024	1,629,805	592,156	-	82,828	14,251	67	4,952,213	8,262,059
Fund balances - ending	\$ 879,576	\$ 117,038	\$ 102,549	\$ 2,224,011	\$ 291,731	\$ -	\$ 153,988	\$ 22,340	\$ 67	\$ 1,099,600	\$ 4,890,900

**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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental - state gas tax				
Gas motor fuel	\$ 872,692	\$ 872,692	\$ 873,880	\$ 1,188
Gas 1989	138,965	138,965	139,154	189
Gas 3 cent	257,493	257,493	257,844	351
Petroleum special	256,250	256,250	256,599	349
Interest on investments	350	350	576	226
Total revenues	<u>1,525,750</u>	<u>1,525,750</u>	<u>1,528,053</u>	<u>2,303</u>
<b>EXPENDITURES</b>				
Roads and Public Works				
Contractual services	122,930	122,930	1,086	121,844
Traffic signal repair	54,700	54,700	45,706	8,994
Paving and street repair	1,311,000	1,511,000	1,445,257	65,743
	<u>1,488,630</u>	<u>1,688,630</u>	<u>1,492,049</u>	<u>196,581</u>
Capital Outlay	-	-	-	-
Total expenditures	<u>1,488,630</u>	<u>1,688,630</u>	<u>1,492,049</u>	<u>196,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,120</u>	<u>(162,880)</u>	<u>36,004</u>	<u>198,884</u>
Net change in fund balances	<u><u>\$ 37,120</u></u>	<u><u>\$ (162,880)</u></u>	<u>36,004</u>	<u><u>\$ 198,884</u></u>
Fund balances - beginning			<u>843,572</u>	
Fund balances - ending			<u><u>\$ 879,576</u></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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local taxes				
Historic preservation fee	\$ 10,000	\$ 10,000	\$ 55,111	\$ 45,111
Total revenues	10,000	10,000	55,111	45,111
<b>EXPENDITURES</b>				
General government				
Contractual services	-	25,000	24,066	934
Total expenditures	-	25,000	24,066	934
Excess (deficiency) of revenues over (under) expenditures	10,000	(15,000)	31,045	46,045
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	12,850	12,850
Net change in fund balances	<u>\$ 10,000</u>	<u>\$ (15,000)</u>	43,895	<u>\$ 58,895</u>
Fund balances - beginning			<u>73,143</u>	
Fund balances - ending			<u>\$ 117,038</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines and Penalties				
E-citation fees	\$ 26,000	\$ 26,000	\$ 28,525	\$ 2,525
Total revenues	26,000	26,000	28,525	2,525
<hr/>				
Net change in fund balances	<u>\$ 26,000</u>	<u>\$ 26,000</u>	28,525	<u>\$ 2,525</u>
Fund balances - beginning			<u>74,024</u>	
Fund balances - ending			<u>\$ 102,549</u>	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL SOLID WASTE AND SANITATION FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal and state grant revenue	\$ 5,000	\$ 5,000	\$ 8,913	\$ 3,913
Charges for Services				
Sanitation fees	4,125,200	4,125,200	4,189,366	64,166
Total revenues	4,130,200	4,130,200	4,198,279	68,079
<b>EXPENDITURES</b>				
Sanitation				
Salaries	1,163,151	1,171,875	1,160,544	11,331
Benefits	666,142	675,243	647,220	28,023
Contractual services	994,553	969,889	871,840	98,049
Materials and supplies	566,912	573,752	545,572	28,180
Fixed charges	2,500	2,500	1,500	1,000
Grants, contributions, and indemnities	16,500	16,500	16,025	475
	3,409,758	3,409,759	3,242,701	167,058
Capital Outlay	205,000	445,000	361,372	83,628
Total expenditures	3,614,758	3,854,759	3,604,073	250,686
Excess of revenues over expenditures	515,442	275,441	594,206	318,765
Net change in fund balances	<u>\$ 515,442</u>	<u>\$ 275,441</u>	594,206	<u>\$ 318,765</u>
Fund balances - beginning			<u>1,629,805</u>	
Fund balances - ending			<u>\$ 2,224,011</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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines, forfeitures, and penalties				
Seizures	\$ 25,000	\$ 25,000	\$ 88,069	\$ 63,069
Fines	7,500	7,500	6,547	(953)
Other income	-	11,472	11,621	149
Interest on investments	-	-	126	126
Total revenues	<u>32,500</u>	<u>43,972</u>	<u>106,363</u>	<u>62,391</u>
<b>EXPENDITURES:</b>				
Public Safety				
Contractual services	50,490	61,162	40,947	20,215
Materials and supplies	41,870	42,670	23,407	19,263
Other charges	50	50	8	42
	<u>92,410</u>	<u>103,882</u>	<u>64,362</u>	<u>39,520</u>
Capital outlay	<u>356,335</u>	<u>356,335</u>	<u>348,973</u>	<u>7,362</u>
Total expenditures	<u>448,745</u>	<u>460,217</u>	<u>413,335</u>	<u>46,882</u>
Deficiency of revenues under expenditures	(416,245)	(416,245)	(306,972)	109,273
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>6,547</u>	<u>6,547</u>
Net change in fund balances	<u>\$ (416,245)</u>	<u>\$ (416,245)</u>	<u>(300,425)</u>	<u>\$ 115,820</u>
Fund balances - beginning			<u>592,156</u>	
Fund balances - ending			<u>\$ 291,731</u>	



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

For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal and state grants	\$ 5,111,837	\$ 5,243,354	\$ 3,168,411	\$ (2,074,943)
<b>EXPENDITURES</b>				
Education				
Regular instruction - Title I-A				
Personnel	440,823	440,823	372,388	68,435
Materials and supplies	508,304	518,304	221,667	296,637
Other charges	354	-	-	-
	<u>949,481</u>	<u>959,127</u>	<u>594,055</u>	<u>365,072</u>
Special education - IDEA-B				
Salaries	1,316,961	1,315,893	1,265,039	50,854
Contractual services	23,845	23,877	23,877	-
Materials and supplies	4,949	46,088	24,869	21,219
Other charges	32,158	-	-	-
	<u>1,377,913</u>	<u>1,385,858</u>	<u>1,313,785</u>	<u>72,073</u>
Support and training				
Salaries	597,040	597,040	308,837	288,203
Contractual services	102,000	102,000	86,857	15,143
Materials and supplies	5,000	5,000	-	5,000
Travel	124,598	150,380	21,965	128,415
In-service/staff development	363,689	397,155	227,087	170,068
Other charges	42,375	12,025	-	12,025
	<u>1,234,702</u>	<u>1,263,600</u>	<u>644,746</u>	<u>618,854</u>
Special education support- IDEA-B				
Salaries	251,164	259,939	264,413	(4,474)
Materials and supplies	3,082	3,082	3,082	-
In-service/staff development	19,774	19,774	19,773	1
Other charges	120	-	-	-
	<u>274,140</u>	<u>282,795</u>	<u>287,268</u>	<u>(4,473)</u>
	<u>3,836,236</u>	<u>3,891,380</u>	<u>2,839,854</u>	<u>1,051,526</u>
Capital outlays	<u>1,275,601</u>	<u>1,274,709</u>	<u>273,176</u>	<u>1,001,533</u>
Total expenditures	<u>5,111,837</u>	<u>5,166,089</u>	<u>3,113,030</u>	<u>2,053,059</u>
Excess of revenues over expenditures	-	77,265	55,381	(21,884)
<b>OTHER FINANCING USES</b>				
Transfers out	-	(77,265)	(55,381)	21,884
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - NUTRITION FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental				
State revenues	\$ 15,000	\$ 19,000	\$ 18,948	\$ (52)
Charges for Services				
Cafeteria fees	1,203,000	1,223,000	1,186,982	(36,018)
Federal grant revenue	730,000	709,175	682,688	(26,487)
Total revenues	<u>1,948,000</u>	<u>1,951,175</u>	<u>1,888,618</u>	<u>(62,557)</u>
<b>EXPENDITURES</b>				
Education				
Cafeteria				
Personnel	1,163,244	1,158,244	1,092,121	66,123
Contractual services	145,200	97,795	78,774	19,021
Materials and supplies	783,000	839,080	775,984	63,096
In-service/staff development	10,000	10,000	3,197	6,803
Other charges	8,000	8,000	2,194	5,806
Expense reimbursements	(150,483)	(150,983)	(150,895)	(88)
	<u>1,958,961</u>	<u>1,962,136</u>	<u>1,801,375</u>	<u>160,761</u>
Capital outlays	20,000	20,000	16,083	3,917
Total expenditures	<u>1,978,961</u>	<u>1,982,136</u>	<u>1,817,458</u>	<u>164,678</u>
Excess (deficiency) of revenues over (under) expenditures	(30,961)	(30,961)	71,160	102,121
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>30,961</u>	<u>30,961</u>	<u>-</u>	<u>(30,961)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	71,160	<u>\$ 71,160</u>
Fund balances - beginning			<u>82,828</u>	
Fund balances - ending			<u>\$ 153,988</u>	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - DISCRETIONARY GRANTS FUND**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal and state grant revenue	\$ -	\$ 249,661	\$ 247,592	\$ (2,069)
Other Income	-	47,403	21,920	(25,483)
Total revenues	-	297,064	269,512	(27,552)
<b>EXPENDITURES</b>				
Education				
Regular instruction				
Materials and supplies	-	6,530	6,523	7
Health services				
Personnel	-	41,359	40,735	624
Contractual services	-	11,676	2,993	8,683
Materials and supplies	-	19,088	9,574	9,514
In-service/staff development	-	22,017	22,017	-
Other charges	-	144	144	-
	-	94,284	75,463	18,821
Support services				
Contractual services	-	38,960	38,960	-
Regular instruction support				
Personnel	-	4,669	4,669	-
Materials and supplies	-	3,000	874	2,126
In-service/staff development	-	14,070	13,270	800
Other charges	-	16,450	4,000	12,450
	-	38,189	22,813	15,376
Alternative education				
Materials and supplies	-	500	500	-
Early Childhood Education				
Personnel	-	87,103	86,143	960
Materials and supplies	-	6,950	6,950	-
In-service/staff development	-	428	429	(1)
	-	94,481	93,522	959
	-	272,944	237,781	35,163
Capital outlays				
Total expenditures	-	295,313	259,672	35,641
Excess of revenues over expenditures	-	1,751	9,840	8,089
<b>OTHER FINANCING USES</b>				
Transfers out	-	(1,751)	(1,751)	-
Net change in fund balances	\$ -	\$ -	8,089	\$ 8,089
Fund balances - beginning			14,251	
Fund balances - ending			\$ 22,340	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - EDUCATION CAPITAL EXPENDITURES FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Contributions	\$ -	\$ -	\$ 1,313,406	\$ 1,313,406
<b>EXPENDITURES</b>				
Contractual	\$ 2,610,087	\$ 58,489,327	\$ 1,253,538	57,235,789
Capital Outlay	33,608,141	2,059,385	47,004,695	(44,945,310)
Total expenditures	<u>36,218,228</u>	<u>60,548,712</u>	<u>48,258,233</u>	<u>12,290,479</u>
Deficiency of revenues under expenditures	(36,218,228)	(60,548,712)	(46,944,827)	13,603,885
<b>OTHER FINANCING SOURCES</b>				
Transfers in	36,218,228	60,548,712	46,427,106	(14,121,606)
Total other financing sources	<u>36,218,228</u>	<u>60,548,712</u>	<u>46,427,106</u>	<u>(14,121,606)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(517,721)	<u>\$ (517,721)</u>
Fund balances - beginning			<u>2,972,514</u>	
Fund balances - ending			<u>\$ 2,454,793</u>	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL CAPITAL PROJECTS #321 FUND**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Federal and state grant revenue	\$ -	\$ 422,550	\$ 422,550	\$ -
Contributions	-	10,314	10,314	-
Total revenues	-	432,864	432,864	-
<b>EXPENDITURES</b>				
Capital Outlay				
Contractual	-	-	-	-
Capital expenditures	5,561,682	3,339,707	3,339,707	-
Total expenditures	5,561,682	3,339,707	3,339,707	-
Deficiency of revenues under expenditures	(5,561,682)	(2,906,843)	(2,906,843)	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	3,301,961	3,301,961	-
Transfers out	-	(508,309)	(508,309)	-
Total other financing sources	-	2,793,652	2,793,652	-
Net change in fund balances	\$ (5,561,682)	\$ (113,191)	(113,191)	\$ -
Fund balances - beginning			129,728	
Fund balances - ending			\$ 16,537	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL CAPITAL PROJECTS #335 FUND**  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Contributions	\$ -	\$ -	\$ -	\$ -
Federal and state grant revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Capital expenditures	2,802,500	289,540	289,540	-
Deficiency of revenues under expenditures	(2,802,500)	(289,540)	(289,540)	-
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	289,540	289,540	-
Net change in fund balances	<u>\$ (2,802,500)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			<u>67</u>	
Fund balances - ending			<u>\$ 67</u>	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL CAPITAL PROJECTS #336 FUND**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investment	\$ -	\$ 4,684	\$ 36,641	\$ 31,957
<b>EXPENDITURES</b>				
Capital Outlay				
Capital expenditures	-	5,033,822	5,033,822	-
Deficiency of revenues under expenditures	-	(5,029,138)	(4,997,181)	31,957
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	1,650,369	1,650,369	-
Transfers out	-	(505,801)	(505,801)	-
Total other financing sources	-	1,144,568	1,144,568	-
Net change in fund balances	<u>\$ -</u>	<u>\$ (3,884,570)</u>	<u>(3,852,613)</u>	<u>\$ 31,957</u>
Fund balances - beginning			<u>4,952,213</u>	
Fund balances - ending			<u>\$ 1,099,600</u>	

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CAPITAL PROJECTS #337 FUND**  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investment	\$ -	\$ 196,945	\$ 196,946	\$ 1
<b>EXPENDITURES</b>				
Capital Outlay				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	196,945	196,946	1
<b>OTHER FINANCING SOURCES</b>				
Transfers out	-	(33,512,517)	(33,512,518)	(1)
Net change in fund balances	<u>\$ -</u>	<u>\$ (33,315,572)</u>	(33,315,572)	<u>\$ -</u>
Fund balances - beginning			<u>33,675,954</u>	
Fund balances - ending			<u>\$ 360,382</u>	



**TOWN OF COLLIERVILLE, TENNESSEE**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2018

	<b>Employee Retirement Plan</b>	<b>Town OPEB Fund</b>	<b>School OPEB Fund</b>	<b>Total Pension and OPEB Trust Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 22,882	\$ 22,882
Interest receivable	123,801	13,323	-	137,124
Investments, at fair value:	69,702,363	13,354,664	1,142,244	84,199,271
Due from other funds	354,792	16,892	-	371,684
Total assets	70,180,956	13,384,879	1,165,126	84,730,961
<b>LIABILITIES</b>				
Accounts payable	72,846	8,466	-	81,312
<b>NET POSITION</b>				
Restricted for pensions	70,108,110	-	-	70,108,110
Held in trust for OPEB benefits	-	13,376,413	1,165,126	14,541,539
Total net position	<u>\$ 70,108,110</u>	<u>\$ 13,376,413</u>	<u>\$ 1,165,126</u>	<u>\$ 84,649,649</u>

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

For the Year Ended June 30, 2018

	<u>Town Pension Fund</u>	<u>Town OPEB Fund</u>	<u>School OPEB Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 3,081,617	\$ 656,482	\$ 691,765	\$ 4,429,864
Plan members	606,552	102,610	-	709,162
Total contributions	<u>3,688,169</u>	<u>759,092</u>	<u>691,765</u>	<u>5,139,026</u>
Investment earnings (losses):				
Interest and dividends	1,484,530	274,918	37,832	1,797,280
Net appreciation in fair value of investments	2,958,471	622,646	53,466	3,634,583
Less investment expense	-	-	-	-
Net investment earnings	<u>4,443,001</u>	<u>897,564</u>	<u>91,298</u>	<u>5,431,863</u>
Total additions	8,131,170	1,656,656	783,063	10,570,889
<b>DEDUCTIONS</b>				
Benefits and claims paid	1,606,651	386,217	466,765	2,459,633
Administrative expense	205,002	41,553	13,357	259,912
Total deductions	<u>1,811,653</u>	<u>427,770</u>	<u>480,122</u>	<u>2,719,545</u>
Change in net position	6,319,517	1,228,886	302,941	7,851,344
Net position - beginning	<u>63,788,593</u>	<u>12,147,527</u>	<u>862,185</u>	<u>76,798,305</u>
Net position - ending	<u>\$ 70,108,110</u>	<u>\$ 13,376,413</u>	<u>\$ 1,165,126</u>	<u>\$ 84,649,649</u>

**TOWN OF COLLIERVILLE, TENNESSEE**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITY FUNDS**  
For the Year Ended June 30, 2018

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Assets</b>				
Cash	\$ 1,173,323	\$ 2,941,400	\$ (2,887,542)	\$ 1,227,181
Inventory	13,471	1,559	-	15,030
Total assets	<u>\$ 1,186,794</u>	<u>\$ 2,942,959</u>	<u>\$ (2,887,542)</u>	<u>\$ 1,242,211</u>
<b>Liabilities</b>				
Due to student general fund	\$ 719,050	\$ 797,078	\$ (760,398)	\$ 755,730
Due to student groups	467,744	2,145,881	(2,127,144)	486,481
Total liabilities	<u>\$ 1,186,794</u>	<u>\$ 2,942,959</u>	<u>\$ (2,887,542)</u>	<u>\$ 1,242,211</u>

**SUPPORTING SCHEDULES (UNAUDITED)**

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULES OF PROPERTY TAXES**  
For the Year Ended June 30, 2018

**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR**

Year of Levy	Balance June 30, 2017	Assessment	Adjustments	Collections	June 30, 2018
2018	\$ -	\$ 32,165,608	\$ -	\$ -	\$ 32,165,608
2017	28,118,218	-	(100,977)	27,675,032	342,209
2016	251,899	-	(6,857)	129,231	115,811
2015	128,332	-	(640)	79,434	48,258
2014	38,645	-	(1,463)	9,808	27,374
2013	33,731	-	(1,446)	6,865	25,420
2012	23,695	-	(2,440)	1,344	19,911
2011	21,960	-	(2,351)	868	18,741
2010	16,707	-	(3,408)	157	13,142
2009 PRIOR	57,530	-	(20,299)	524	36,707
<b>Total</b>	<b>28,690,717</b>	<b><u>\$ 32,165,608</u></b>	<b><u>\$ (139,881)</u></b>	<b><u>\$ 27,903,263</u></b>	<b>32,813,181</b>
Allowance for uncollectible property taxes	<u>(291,130)</u>				<u>(327,050)</u>
Net receivables	<u>\$ 28,399,587</u>				<u>\$ 32,486,131</u>

In addition to real and personal property taxes, ad valorem property taxes receivable totaled \$760,000 at June 30, 2018.

**PROPERTY TAX RATES AND ASSESSMENTS - LAST 10 YEARS**

Year of Levy	Total Assessed Valuation	Tax Rate per \$100	Levy
2018	\$ 1,757,683,475	\$ 1.83	\$ 32,165,608
2017	1,725,044,030	1.63	28,118,218
2016	1,505,569,330	1.78	26,799,134
2015	1,471,459,590	1.78	26,191,981
2014	1,452,527,470	1.53	22,223,670
2013	1,446,885,170	1.53	22,137,343
2012	1,500,598,775	1.43	21,458,562
2011	1,455,713,724	1.43	20,816,706
2010	1,464,640,545	1.18	17,282,758
2009	1,475,696,365	1.18	17,413,217

**DELINQUENT PROPERTY TAXES**

Uncollected taxes for years prior to 2006 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to 2016 have been turned over to Chancery Court for collection. Property taxes in 2018 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 INVESTMENTS**  
June 30, 2018

**Governmental Funds**

General Fund	
Local Government Investment Pool	\$ 47,170,683
Capital Projects Fund	
Local Government Investment Pool	1,041,815
	<u>\$ 48,212,498</u>

**Proprietary Fund**

Water and Sewer Fund	
Local Government Investment Pool	\$ 32,534,800

**Fiduciary Funds**

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 2,736,916
Certificates of deposit	1,549,832
U.S. government agency bonds	1,054,090
Corporate and foreign bonds	4,512,722
Municipal obligations	1,358,685
Common stocks	8,510,723
Equity mutual funds	33,702,181
Fixed income mutual funds	16,277,214
	<u>\$ 69,702,363</u>

Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 626,573
Common stocks	1,603,056
Equity mutual funds	6,652,632
Fixed income mutual funds	4,472,403
	<u>\$ 13,354,664</u>

Postemployment Healthcare Benefits	
Trustee bank (member of Tennessee School Boards Association OPEB Trust)	
Fixed income	\$ 417,146
Domestic equities	482,249
International equities	242,849
	<u>\$ 1,142,244</u>

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF LONG-TERM DEBT, PRINCIPAL AND INTEREST REQUIREMENTS**  
**BONDS PAYABLE - GOVERNMENTAL FUNDS**

June 30, 2018

Date Issued	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	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
11/1/2008																
Interest Rate	3.50% - 5.00%		2.00% - 2.50%		1.50% - 2.00%		2.00% - 4.00%		4.00% - 5.00%		2.00% - 4.00%		2.00% - 4.00%			
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 600,000	\$ 71,263	\$ 520,000	\$ 49,438	\$ 490,000	\$ 73,925	\$ 335,000	\$ 188,051	\$ 1,740,000	\$ 3,680,800	\$ 200,000	\$ 161,488	\$ 415,000	\$ 251,850	\$ 4,300,000	\$ 4,476,815
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	4,319,132
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
2022	-	-	560,000	14,000	520,000	49,900	365,000	154,975	2,015,000	3,406,300	220,000	142,887	735,000	226,575	4,415,000	3,994,637
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
2024	-	-	-	-	555,000	28,450	380,000	137,325	2,220,000	3,199,800	235,000	127,287	790,000	180,900	4,180,000	3,673,762
2025	-	-	-	-	565,000	17,250	390,000	127,456	2,335,000	3,088,800	245,000	117,887	815,000	156,825	4,350,000	3,508,218
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	3,329,901
2027	-	-	-	-	-	-	415,000	103,963	2,570,000	2,849,550	265,000	97,888	885,000	93,100	4,135,000	3,144,501
2028	-	-	-	-	-	-	425,000	91,363	2,700,000	2,721,050	275,000	87,287	925,000	56,900	4,325,000	2,956,600
2029	-	-	-	-	-	-	440,000	78,113	2,790,000	2,633,300	285,000	76,287	960,000	19,200	4,475,000	2,806,900
2030	-	-	-	-	-	-	455,000	63,275	2,880,000	2,542,625	300,000	64,888	-	-	3,635,000	2,670,788
2031	-	-	-	-	-	-	475,000	46,406	2,970,000	2,449,025	310,000	52,888	-	-	3,755,000	2,548,319
2032	-	-	-	-	-	-	490,000	28,313	3,075,000	2,345,075	320,000	43,587	-	-	3,885,000	2,416,975
2033	-	-	-	-	-	-	510,000	9,563	3,185,000	2,237,450	330,000	33,587	-	-	4,025,000	2,280,600
2034	-	-	-	-	-	-	-	-	3,295,000	2,125,975	340,000	22,863	-	-	3,635,000	2,148,838
2035	-	-	-	-	-	-	-	-	3,410,000	2,010,650	350,000	11,813	-	-	3,760,000	2,022,463
2036	-	-	-	-	-	-	-	-	3,540,000	1,882,775	-	-	-	-	3,540,000	1,882,775
2037	-	-	-	-	-	-	-	-	3,670,000	1,750,025	-	-	-	-	3,670,000	1,750,025
2038	-	-	-	-	-	-	-	-	3,810,000	1,612,400	-	-	-	-	3,810,000	1,612,400
2039	-	-	-	-	-	-	-	-	3,960,000	1,460,000	-	-	-	-	3,960,000	1,460,000
2040	-	-	-	-	-	-	-	-	4,120,000	1,301,600	-	-	-	-	4,120,000	1,301,600
2041	-	-	-	-	-	-	-	-	4,285,000	1,136,800	-	-	-	-	4,285,000	1,136,800
2042	-	-	-	-	-	-	-	-	4,455,000	965,400	-	-	-	-	4,455,000	965,400
2043	-	-	-	-	-	-	-	-	4,635,000	787,200	-	-	-	-	4,635,000	787,200
2044	-	-	-	-	-	-	-	-	4,820,000	601,800	-	-	-	-	4,820,000	601,800
2045	-	-	-	-	-	-	-	-	5,010,000	409,000	-	-	-	-	5,010,000	409,000
2046	-	-	-	-	-	-	-	-	5,215,000	208,600	-	-	-	-	5,215,000	208,600
	<u>\$1,885,000</u>	<u>\$129,094</u>	<u>\$2,135,000</u>	<u>\$129,476</u>	<u>\$4,255,000</u>	<u>\$340,100</u>	<u>\$6,150,000</u>	<u>\$1,635,416</u>	<u>\$91,020,000</u>	<u>\$60,779,700</u>	<u>\$4,575,000</u>	<u>\$1,589,839</u>	<u>\$7,610,000</u>	<u>\$1,798,950</u>	<u>\$117,630,000</u>	<u>\$66,402,575</u>

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**  
**COLLIERVILLE SCHOOLS LONG-TERM DEBT - GOVERNMENTAL FUNDS**  
 June 30, 2018

---

<b>Fiscal Year</b>	<b>2017 Capital Lease</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 821,779	\$ 40,340	\$ 862,119
2020	838,642	23,477	862,119
	<u>\$ 1,660,421</u>	<u>\$ 63,817</u>	<u>\$ 1,724,238</u>

<b>Fiscal Year</b>	<b>Shelby County Settlement Obligation</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 432,876	\$ 74,943	\$ 507,819
2020	442,400	65,419	507,819
2021	452,133	55,686	507,819
2022	462,079	45,740	507,819
2023	472,245	35,574	507,819
2024	482,635	25,184	507,819
2025	493,253	14,566	507,819
2026	504,156	3,663	507,819
	<u>\$ 3,741,777</u>	<u>\$ 320,775</u>	<u>\$ 4,062,552</u>



**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF LONG-TERM DEBT, PRINCIPAL AND INTEREST REQUIREMENTS**  
**PROPRIETARY FUNDS**

June 30, 2018

Date Issued Interest Rate	Water & Sewer Revenue and Tax Refunding Bonds		Water & Sewer Revenue and Tax Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
11/1/2012 1.50% - 4.00%			10/13/2015 4.00% - 5.00%			
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 2,115,000	\$ 391,275	\$ 300,000	\$ 197,750	\$ 2,415,000	\$ 589,025
2020	2,205,000	315,450	320,000	182,750	2,525,000	498,200
2021	2,310,000	225,150	-	166,750	2,310,000	391,900
2022	2,480,000	129,350	-	166,750	2,480,000	296,100
2023	1,565,000	64,100	-	166,750	1,565,000	230,850
2024	1,615,000	24,225	-	166,750	1,615,000	190,975
2025	-	-	1,620,000	166,750	1,620,000	166,750
2026	-	-	1,715,000	85,750	1,715,000	85,750
	<u>\$ 12,290,000</u>	<u>\$ 1,149,550</u>	<u>\$ 3,955,000</u>	<u>\$ 1,300,000</u>	<u>\$ 16,245,000</u>	<u>\$ 2,449,550</u>

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS**  
For the Year Ended June 30, 2018

**Rates from July 2017 - June 2018**

**Water**

**Sewer**

Inside 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	\$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

**Number of Customers at Year-end**

Water	18,055
Sewer	16,042
Sanitation	15,575

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.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF FIDELITY BONDS AND PRINCIPAL OFFICIALS**  
 June 30, 2018

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	
James Lewellen	Town Administrator	
Mark Krock (CMFO)	Finance Director	
Jay Jeffries	Human Resources Director	
Larry Goodwin	Chief of Police	
William Kilp	Public Services Director	
Tim Overly	Public Utilities 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.

# TOWN OF COLLIERVILLE, TENNESSEE

## SCHEDULE OF UNACCOUNTED FOR WATER

### For the Year Ended June 30, 2018

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

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

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

Reporting Year: **2018** / 7/2017 - 6/2018

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**

---

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

**WATER SUPPLIED**

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

Volume from own sources:	+ ?	7	2,253.404	MG/Yr
Water imported:	+ ?	n/a	0.000	MG/Yr
Water exported:	+ ?	9	83.997	MG/Yr

**WATER SUPPLIED:** 2,165.442 MG/Yr

**Master Meter and Supply Error Adjustments**

Pcmt:	Value:				
+ ?	5	0.10%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr
+ ?	5	-2.00%	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr

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

---

**AUTHORIZED CONSUMPTION**

Billed metered:	+ ?	8	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

Click here: ? for help using option buttons below

Use buttons to select percentage of water supplied OR value

Pcmt:	Value:				
+ ?	1.25%	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	MG/Yr
+ ?	0.25%	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	MG/Yr
+ ?	1.00%	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	MG/Yr
+ ?	0.25%	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	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:	+ ?	7	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

**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:	+ ?	9	283.0	miles
Number of active AND inactive service connections:	+ ?	9	18,164	
Service connection density:	+ ?	?	64	conn./mile main

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

Average length of customer service line: ? (length of service line, beyond the property boundary, that is the responsibility of the utility)

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

Average operating pressure: 75.0 psi

---

**COST DATA**

Total annual cost of operating water system:	+ ?	10	\$4,291,024	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	10	\$1.50	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	10	\$272.92	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

---

**WATER AUDIT DATA VALIDITY SCORE:**

\*\*\* YOUR SCORE IS: 78 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 ON NEXT PAGE)

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**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF UNACCOUNTED FOR WATER**  
 For the Year Ended June 30, 2018

AWWA Free Water Audit Software:		WAS v5.0
System Attributes and Performance Indicators		American Water Works Association Copyright © 2014, All Rights Reserved.
Water Audit Report for: <input type="text" value="Town of Collierville (TN0000126)"/>		
Reporting Year: <input type="text" value="2018"/> <input type="text" value="7/2017 - 6/2018"/>		
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 78 out of 100 ***		
<b>System Attributes:</b>		
	Apparent Losses:	<input type="text" value="31.286"/> MG/Yr
	+ Real Losses:	<input type="text" value="47.371"/> MG/Yr
	= <b>Water Losses:</b>	<input type="text" value="78.657"/> MG/Yr
	<input type="checkbox"/> Unavoidable Annual Real Losses (UARL):	<input type="text" value="116.50"/> MG/Yr
	Annual cost of Apparent Losses:	<input type="text" value="\$46,929"/>
	Annual cost of Real Losses:	<input type="text" value="\$12,928"/> Valued at <b>Variable Production Cost</b>
		<small>Return to Reporting Worksheet to change this assumption</small>
<b>Performance Indicators:</b>		
Financial:	Non-revenue water as percent by volume of Water Supplied:	<input type="text" value="6.4%"/>
	Non-revenue water as percent by cost of operating system:	<input type="text" value="1.8%"/> Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	<input type="text" value="4.72"/> gallons/connection/day
	Real Losses per service connection per day:	<input type="text" value="7.15"/> gallons/connection/day
	Real Losses per length of main per day*:	<input type="text" value="N/A"/>
	Real Losses per service connection per day per psi pressure:	<input type="text" value="0.10"/> gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	<input type="text" value="47.37"/> million gallons/year
	<input type="checkbox"/> Infrastructure Leakage Index (ILI) [CARL/UARL]:	<input type="text" value="0.41"/>

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

**STATISTICAL INFORMATION SECTION (UNAUDITED)**

# Statistical Section

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*This part of the Town of Collierville's comprehensive annual financial report represents 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.*

## Contents

### **Financial Trends (Schedules 1, 2, 3, 4, 5) 139**

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) 146**

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) 152**

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) 156**

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

### **Operating Information (Schedules 18, 19, 20, 21) 158**

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

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

	<u>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>	<u>2018</u>
Governmental Activities										
Net investment in capital assets <sup>a</sup>	\$ 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	\$ 243,939,180
Restricted	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	16,978,874
Unrestricted	<u>24,821,960</u>	<u>23,078,426</u>	<u>18,304,577</u>	<u>19,902,580</u>	<u>29,618,473</u>	<u>25,818,422</u>	<u>28,543,675</u>	<u>43,333,057</u>	<u>33,513,491</u>	<u>64,089,041</u>
Total government activities net position	<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>	<u>\$ 325,007,095</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 74,820,384
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	9,477,035
Unrestricted	<u>20,598,131</u>	<u>21,086,683</u>	<u>22,759,955</u>	<u>24,072,503</u>	<u>26,698,776</u>	<u>26,334,310</u>	<u>25,206,047</u>	<u>25,229,309</u>	<u>25,151,524</u>	<u>24,579,794</u>
Total business-type activities net position	<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>	<u>\$ 108,877,213</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 318,759,564
Restricted	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	26,455,909
Unrestricted	<u>45,420,091</u>	<u>44,165,109</u>	<u>41,064,532</u>	<u>43,975,083</u>	<u>56,317,249</u>	<u>52,152,732</u>	<u>53,749,722</u>	<u>68,562,366</u>	<u>58,665,015</u>	<u>88,668,835</u>
Total primary government net position	<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>	<u>\$ 433,884,308</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>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>	<u>2018</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 7,424,561	\$ 7,084,758	\$ 6,629,677	\$ 6,899,360	\$ 8,449,190	\$ 8,613,929	\$ 8,488,802	\$ 9,618,709	\$ 11,262,450	\$ 12,033,023
Education <sup>b</sup>	-	-	-	-	-	1,492,580	59,010,427	65,689,122	70,850,281	75,747,819
Roads and public works	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	9,527,123
Public Safety	19,317,089	19,417,670	19,473,131	20,451,636	20,502,856	21,796,313	20,689,453	21,345,823	22,938,253	23,828,724
Sanitation	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	3,438,247
Culture and recreation	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	3,022,787
Interest and fiscal charges	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	4,538,444
Total government activities expenses	<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>	<u>132,136,167</u>
Business-type activities:										
Water and sewer	10,252,913	10,149,940	12,254,310	10,679,638	10,905,161	10,488,286	10,370,911	10,787,768	11,037,905	11,186,397
Total business-type activities expenses	<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>	<u>11,186,397</u>
Total primary government expenses	<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>	<u>\$ 143,322,564</u>
<b>Program Revenues (see Schedule 3)</b>										
Governmental activities:										
Charges for services:										
General government	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958	\$ 312,452	\$ 332,750	\$ 392,418	\$ 396,173	\$ 408,986
Education <sup>b</sup>	-	-	-	-	-	397,168	1,082,403	1,213,396	1,253,150	1,281,951
Roads and public works	627,109	491,002	1,101,149	503,235	653,073	695,312	633,779	970,723	946,455	1,135,899
Public safety	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	2,415,725
Sanitation	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	4,189,366
Culture and recreation	507,646	515,021	545,418	533,441	473,788	483,247	506,855	393,000	514,141	446,652
Operating grants and contributions <sup>b</sup>	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	47,686,739
Capital grants and contributions	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	2,733,957
Total governmental activities program revenues	<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>	<u>60,299,275</u>
Business-type activities:										
Charges for services	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	13,956,654
Operating grants and contributions	-	18,767	-	-	-	-	-	-	-	-
Capital grants and contributions	1,796,272	1,026,656	1,669,411	274,665	3,500	350,862	345,748	1,321,865	674,177	726,831
Total business-type activities program revenues	<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>	<u>14,683,485</u>
Total primary government program revenues	<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>	<u>\$ 74,982,760</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (71,836,892)
Business-type activities	3,320,132	2,159,336	1,255,546	2,000,584	2,078,441	3,236,114	2,508,937	4,665,932	3,050,564	3,497,088
Total primary government net expense	<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>	<u>\$ (68,339,804)</u>

(Continued)

Schedule 2 - Continued

	<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>	<u>2018</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 51,383,244
Other local taxes	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	33,011,564
Intergovernmental revenues:										
State sales tax	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	3,937,454
State income and other taxes	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	1,972,443
Other state revenue	115,699	103,113	102,478	99,185	103,508	103,704	201,434	144,288	120,113	75,348
Investment earnings	514,218	115,891	53,902	33,280	36,221	35,908	50,376	294,145	586,687	788,909
Miscellaneous	191,278	326,715	34,321	809,480	452,029	363,688	573,303	721,122	1,267,932	1,450,429
Payment to fiduciary trust	(875,759)	-	-	-	-	-	-	-	-	-
Transfers	762,562	651,672	557,773	764,569	753,632	790,493	789,805	902,215	901,610	819,463
Special item - litigation settlement	-	-	-	-	-	(5,324,494)	-	-	-	-
Special item - transfer of operations <sup>a</sup>	-	-	-	-	-	52,215,436	-	-	-	-
Total government activities	<u>33,572,089</u>	<u>33,863,650</u>	<u>34,448,854</u>	<u>39,733,059</u>	<u>44,628,367</u>	<u>93,795,331</u>	<u>77,406,919</u>	<u>84,967,849</u>	<u>90,640,852</u>	<u>93,438,854</u>
Business-type activities:										
Investment earnings	596,892	338,739	304,158	273,796	281,831	249,936	256,773	290,345	388,453	427,037
Miscellaneous	86,122	139,068	126,379	129,035	141,510	157,928	156,242	130,331	125,619	54,507
Transfers	(762,562)	(651,672)	(557,773)	(764,569)	(753,632)	(790,493)	(789,805)	(902,215)	(901,610)	(819,463)
Total business-type activities	<u>(79,548)</u>	<u>(173,865)</u>	<u>(127,236)</u>	<u>(361,738)</u>	<u>(330,291)</u>	<u>(382,629)</u>	<u>(376,790)</u>	<u>(481,539)</u>	<u>(387,538)</u>	<u>(337,919)</u>
Total primary government	<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>	<u>\$ 93,100,935</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (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	\$ 21,601,962
Business-type activities	<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>	<u>3,159,169</u>
Total primary government	<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>	<u>\$ 24,761,131</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>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>	<u>2018</u>
Governmental Activities:										
General government	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866	\$ 495,251	\$ 664,865	\$ 426,700	\$ 439,609	\$ 421,689
Education <sup>b</sup>	-	-	-	-	-	397,168	37,342,062	41,633,016	42,884,451	46,611,772
Roads and public works	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	5,582,719
Public safety	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	2,748,452
Sanitation	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	4,198,279
Culture and recreation <sup>a</sup>	616,262	1,099,425	698,905	556,884	499,588	632,107	748,151	1,028,282	1,067,147	736,364
Subtotal governmental activities	<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>	<u>60,299,275</u>
Business-type activities:										
Water and Sewer	13,573,045	12,309,276	13,509,856	12,680,222	12,983,602	13,724,400	12,879,848	15,453,700	14,088,469	14,683,485
Subtotal business-type activities	<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>	<u>14,683,485</u>
Total primary government	<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>	<u>\$ 74,982,760</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>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>	<u>2018</u>
General Fund										
Reserved	\$ 475,191	\$ 572,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,753,263	21,547,026	-	-	-	-	-	-	-	-
Nonspendable	-	-	154,091	153,045	161,315	172,028	180,804	3,035,409	3,036,761	2,169,278
Restricted	-	-	1,369,227	1,677,931	1,885,530	1,508,576	1,621,489	1,323,733	1,527,711	1,890,775
Committed	-	-	1,188,831	1,004,206	1,566,727	1,565,296	1,887,716	2,337,876	2,849,714	2,711,047
Assigned	-	-	6,877,687	6,019,516	10,295,248	15,822,524	13,198,818	16,060,399	20,871,637	28,251,078
Unassigned	-	-	12,791,481	15,181,846	17,052,954	17,717,284	18,950,295	24,651,958	23,282,021	21,778,479
Total general fund	<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>	<u>\$ 56,800,657</u>
All Other Governmental Funds										
Reserved	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	226,536	247,508	-	-	-	-	-	-	-	-
Capital projects funds	17,651,735	11,217,468	-	-	-	-	-	-	-	-
Nonspendable	-	-	15,331	17,983	12,060	89,687	51,527	31,011	41,717	45,716
Restricted	-	-	6,077,870	4,343,644	3,069,023	6,696,509	14,100,059	114,353,298	67,917,138	7,543,254
Committed	-	-	489,119	727,569	660,732	-	-	1,156,386	73,143	117,038
Assigned	-	-	726,774	593,048	513,210	10,620	-	74,958	129,795	15,441,153
Unassigned	-	-	-	-	-	(513,960)	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 23,147,161</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>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>	<u>2018</u>
<b>Revenues</b>										
Property taxes	\$ 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	\$ 51,444,270
Other local taxes	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	33,001,270
Federal revenues	129,082	377,170	1,157,242	959,130	507,931	104,916	2,601,414	4,182,022	4,633,661	4,668,311
State revenues	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	47,331,611
Licenses and permits	783,060	616,926	488,437	673,993	1,343,894	1,142,811	1,105,769	1,214,114	1,379,968	1,253,645
Charges for services	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	7,091,732
Fines and forfeitures	1,098,854	1,145,168	1,089,340	1,228,708	1,606,461	1,614,532	1,805,847	1,648,154	1,550,030	1,533,202
Interest income	514,218	115,891	53,902	33,280	36,221	35,908	50,376	294,145	586,687	788,909
Contributions	289,028	167,668	212,163	1,207,091	1,588,212	1,845,267	1,787,520	3,945,575	2,660,087	2,600,697
Other revenues	247,188	367,057	269,505	353,303	171,627	204,750	674,160	800,798	1,234,965	1,450,429
Total revenues	<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>	<u>151,164,076</u>
<b>Expenditures</b>										
General government	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	11,469,642
Roads and public works	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	7,218,962
Public safety	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	22,800,268
Sanitation	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	3,242,701
Culture and recreation	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	2,096,222
Education	-	-	-	-	-	1,363,515	59,826,715	63,743,735	71,058,331	74,709,581
Capital projects <sup>a</sup>	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	63,899,716
Debt service										
Principal	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	4,155,000
Interest and fiscal charges	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	4,635,974
Bond Issue costs	30,538	-	91,333	103,153	56,018	92,448	-	687,543	-	-
Total expenditures	<u>49,887,030</u>	<u>49,087,049</u>	<u>49,467,507</u>	<u>49,169,190</u>	<u>48,827,410</u>	<u>57,661,970</u>	<u>118,237,611</u>	<u>130,910,173</u>	<u>188,715,397</u>	<u>194,228,066</u>

(Continued)

Schedule 5 - Continued

	<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>	<u>2018</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (8,712,092)	\$ (7,852,476)	\$ (5,316,736)	\$ (484,177)	\$ 5,210,868	\$ (412,124)	\$ 5,432,339	\$ 7,116,423	\$ (44,197,001)	\$ (43,063,990)
<b>Other Financing Sources (Uses)</b>										
Capital lease	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	-	2,462,708
Premium	-	-	-	-	-	154,836	-	-	-	-
Transfers in	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	53,073,277
Transfers out	(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)	(52,253,814)
Total other financing sources (uses)	<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>	<u>3,282,171</u>
Net change in fund balances	<u>\$ 5,373,155</u>	<u>\$ (7,200,804)</u>	<u>\$ (4,658,079)</u>	<u>\$ 446,250</u>	<u>\$ 6,025,972</u>	<u>\$ 8,233,205</u>	<u>\$ 6,922,144</u>	<u>\$ 113,034,320</u>	<u>\$ (43,295,391)</u>	<u>\$ (39,781,819)</u>
Debt service as a percentage of noncapital expenditures <sup>b</sup>	15.5%	10.7%	10.0%	9.6%	8.9%	9.1%	4.0%	3.7%	7.6%	6.8%

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

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

<sup>b</sup> For fiscal years 2003 through 2011 the calculation ratio of total debt services expenditures to noncapital expenditures was revised to include only the principal and interest components of debt service expenditures as of the 2012 report. For fiscal years 2007 and after, debt service percentage is calculated using total capital expenditures. For fiscal year 2009, \$2.89 million in bond anticipation notes were paid off with proceeds from bonds issued in that year.

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

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

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

<b>Fiscal Year</b>	<b>Property</b>	<b>In Lieu of</b>	<b>Local Option Sales</b>	<b>Beer &amp; Liquor</b>	<b>Business &amp; Privilege</b>	<b>Motor Vehicle</b>	<b>Park Land Dedication</b>	<b>Historic Preservation</b>	<b>Substance</b>	<b>Total</b>
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
2018	28,757,196	449,176	16,029,675	964,226	2,298,569	1,142,517	206,640	55,111	-	49,903,110
Change 2009-2018	67.8%	18.5%	95.2%	38.8%	59.3%	55.9%	925.0%	59.6%	-100.0%	74.1%

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

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

<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>
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
2018	11,012	1,210,506	386,225	46,678	4,560	66,063	1,725,044	1.63	6,238,377	27.652

**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	
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	
2018	1.63	-	1.63	4.11	

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

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

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

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

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
AT&T Mobility, LLC	\$ 34,214,865	1	1.94%	\$ 17,889,496	2	1.25%
G&I VII (Carriage Crossing)	22,684,600	2	1.28			
Legacy Farm, LLC	13,220,080	3	0.75	10,030,880	4	0.70%
Spyglass Collierville, LLC	12,414,640	4	0.70			
Signature Schilling Farms	11,062,120	5	0.63	6,859,430	7	0.48%
Carrier Corporation	10,853,680	6	0.61	17,481,550	3	1.22%
Schilling Apartment Investors	10,659,520	7	0.60			
Dogwood Creek Associates	9,320,800	8	0.53	6,853,040	8	0.48%
Westbrook Crossing GP	9,167,000	9	0.52			
Bailey Creek Associates	8,859,360	10	0.50			
Philip M. Brabyn				31,192,560	1	2.17%
G & I IV Madison Apartments				8,498,720	5	0.59%
Delta Beverage Group				6,887,650	6	0.48%
Baptist Memorial Hospital				6,850,080	9	0.48%
Cole MT Collierville TN				6,724,760	10	0.47%
Total	<u>\$ 142,456,665</u>		8.06%	<u>\$ 119,268,166</u>		8.30%

**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
2009	\$ 16,901,393	\$ (162,348)	\$ 16,739,045	\$ 16,284,182	97.28%	\$ 435,907	\$ 16,720,088	99.89%
2010	17,413,217	(458,987)	16,954,230	16,460,339	97.09	459,112	16,919,450	99.79
2011	17,282,758	(268,077)	17,014,681	16,579,268	97.44	416,315	16,995,583	99.89
2012	20,816,706	(289,394)	20,527,312	20,081,479	97.83	402,587	20,484,066	99.79
2013	21,458,562	(199,473)	21,259,089	20,820,857	97.94	394,378	21,215,235	99.79
2014	22,137,343	(237,511)	21,899,832	21,576,099	98.52	284,092	21,860,193	99.82
2015	22,223,670	4,311	22,227,982	21,957,997	98.79	235,374	22,193,371	99.84
2016	26,191,981	40,905	26,232,886	25,845,903	98.52	320,995	26,166,898	99.75
2017	26,799,134	170,662	26,969,796	26,702,124	99.01	129,231	26,702,124	99.49
2018	28,118,218	(79,195)	28,039,023	27,675,032	98.70	-	27,675,032	98.70

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

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<u>Fiscal Year</u>	<u>Town Direct Rate</u>	<u>State of Tennessee<sup>a</sup></u>
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
2018	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, 2017 is 4%.

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 Bonds	Notes Payable	Bond Anticipation Notes	Settlement Obligation	Capital Lease	Water & Sewer Revenue & Tax Bonds	General Obligation 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>
2018	124,329	-	-	3,742	1,660	18,158	-	147,889	6.62	2,941 <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 bonds of \$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		
2009	\$ 37,420	-	\$ 37,420	0.78%	\$ 845 <sup>b</sup>
2010	34,885	-	34,885	0.65	787 <sup>b</sup>
2011	32,255	-	32,255	0.61	734 <sup>c</sup>
2012	29,331	-	29,331	0.56	667 <sup>c</sup>
2013	27,936	-	27,936	0.51	635 <sup>c</sup>
2014	32,753	-	32,753	0.63	745 <sup>c</sup>
2015	30,020	-	30,020	0.57	683 <sup>c</sup>
2016	132,905	-	132,905	2.50	2,720 <sup>e</sup>
2017	128,792	-	128,792	2.37	2,619 <sup>e</sup>
2018	124,329	-	124,329	1.99	2,472 <sup>e</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 Redistricting Data.

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

**SCHEDULE 14**  
**TOWN OF COLLIERVILLE**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2018**  
**(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>	\$ 890,040	9.10%	\$ 80,994
<b>Town direct debt</b>	124,329	100%	<u>124,329</u>
<b>Total direct and overlapping debt</b>			<u>\$ 205,323</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	Principal	Interest	
	Revenue and Other Sources	Operating Expenses	Available Revenue			
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
2018	13,021	8,033	4,988	2,045	680	1.83



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

Fiscal Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	School Enrollment <sup>e</sup>	Unemployment Rate <sup>a</sup>
2009	44,304 <sup>b</sup>	\$ 1,445,418	\$ 32,625	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
2018	50,286 <sup>f</sup>	2,233,201	44,410 <sup>f</sup>	9,933	4.1

<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>2018</u>			<u>2009</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	0.55%	2,700	1	0.62%
Carrier Corporation	1,650	2	0.36	1,600	2	0.37
Collierville Schools	995	3	0.22			
Town of Collierville	531	4	0.12	479	4	0.11
Kroger	522	5	0.11	260	9	0.06
Baptist Hospital - Collierville	355	6	0.08	417	6	0.10
Wal-Mart	304	7	0.07	450	5	0.10
Helena Chemical	265	8	0.06	212	10	0.05
Orgill	265	9	0.06			
Juice Plus (NSA)	230	10	0.05			
Shelby County Schools				585	3	0.13
Alpha Corporation				350	7	0.08
Pepsi Americas				325	8	0.07
Total	<u>7,617</u>		1.67%	<u>7,378</u>		1.69%

**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>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>	<u>2018</u>
General Government										
Administration	13	12	12	12	13	12	13	13	15	13
Morton Museum <sup>a</sup>	-	-	-	1	1	2	2	2	2	3
Library <sup>b</sup>	-	-	-	-	-	-	-	8	8	8
Financial Administration	19	19	19	19	19	19	21	21	19	20
Human Resources	4	4	4	4	4	5	6	5	5	6
Information Technology	5	5	5	5	5	5	5	6	6	6
General Services Administration	13	13	13	13	14	15	15	16	18	8
General Services Parks & Facilities Maintenance <sup>c</sup>	-	-	-	-	-	-	-	-	-	48
Development										
Administration	2	3	2	2	2	3	3	3	3	3
Office of Planning	11	9	9	9	9	9	9	10	10	10
Code Enforcement	18	12	12	10	11	13	14	14	15	15
Office of Engineer	14	11	12	11	11	11	11	12	12	12
Education <sup>d</sup>										
Professional	-	-	-	-	-	-	585	642	659	728
Clerical	-	-	-	-	-	-	53	54	55	49
Other	-	-	-	-	-	52	144	174	204	218
Public Safety										
Animal Services	6	6	5	5	4	4	4	5	6	9
Municipal Court	9	9	9	9	9	9	12	12	11	17
Police Department	139	138	137	137	138	141	141	140	149	143
Fire Department	70	68	68	69	69	69	69	71	73	73
Public Services										
Administration	5	5	5	5	7	7	7	7	8	9
Vehicle Maintenance	9	9	8	7	7	9	9	10	11	9
Streets and Drainage	25	24	25	25	29	29	29	29	29	22
Sanitation	36	34	32	27	28	30	30	31	31	30
Parks and Recreation	46	45	44	44	44	46	50	49	50	13
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	4	5
Water Distribution System	13	13	13	13	12	14	17	17	19	19
Wastewater Collection	10	10	10	10	10	8	6	7	8	8
Wastewater Treatment	7	7	7	7	7	7	7	7	7	7
<b>Total</b>	<b>479</b>	<b>461</b>	<b>456</b>	<b>449</b>	<b>458</b>	<b>524</b>	<b>1,267</b>	<b>1,370</b>	<b>1,437</b>	<b>1,511</b>

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

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

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

<sup>b</sup> In FY 2016, the Library became a department in the General Fund for the Town

<sup>c</sup> Beginning in FY 2018, Parks maintenance staff was transferred to General Services Parks and Facilities Maintenance

<sup>d</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>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>	<u>2018</u>
Development										
Permits issued	2,434	2,438	2,610	3,130	4,050	3,893	3,355	3,658	3,597	3,988
Inspections conducted	13,523	6,470	7,280	9,163	12,652	12,395	11,417	8,965	11,084	12,005
Police <sup>a</sup>										
Physical arrests	2,764	2,704	2,392	2,591	2,424	2,745	2,604	2,412	2,404	N/A
Traffic citations	10,901	9,075	9,978	12,001	11,643	12,731	11,459	9,045	10,230	N/A
DUI arrests	169	150	138	152	125	138	151	102	143	N/A
Fire										
Total responses	2,446	2,633	2,785	2,799	3,011	3,066	3,207	3,507	3,429	3,828
Fires extinguished	105	96	105	94	102	93	88	91	72	102
Inspections	1,609	1,740	2,659	2,637	2,615	2,789	2,717	2,508	4,112	4,312
Sanitation										
Refuse collected (tons) <sup>b</sup>	14,838	14,295	14,124	13,993	14,344	14,812	14,332	14,469	14,742	14,681
Recyclables collected (tons)	1,867	1,809	1,900	1,927	1,835	1,872	3,071	3,100	3,149	3,300
Other public works										
Street resurfacing (lane miles)	13	20	12	33	27	24	20	29	24	31
Sidewalk replacement (linear feet) <sup>d</sup>	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	3,500
Pavement repairs	600	450	300	238	220	380	502	285	237	3,000
Parks and Recreation										
Adult/youth sports participants	6,250	6,452	5,790	5,546	5,879	5,872	5,989	6,048	6,420	6,484
Community center admissions	135,166	136,500	139,450	140,211	140,536	140,548	140,829	141,533	140,117	141,400
Harrell Theatre attendance	39,646	36,500	32,836	30,112	22,857	22,922	31,412	31,725	32,043	31,433
Library										
Volumes in collection	101,694	106,049	113,785	117,057	122,209	129,452	134,452	125,120	132,545	120,183
Total volumes circulated	349,731	344,280	345,914	350,044	362,498	348,300	340,902	333,478	343,347	343,732
Water										
New connections	169	139	182	154	212	264	262	259	695	244
Water main breaks	6	21	32	15	39	25	45	39	19	36
Average daily consumption (thousands of gallons)	6,222	5,950	6,821	6,803	6,006	5,933	5,586	6,035	6,173	6,157
Peak day consumption (thousands of gallons)	13,484	12,710	11,898	15,472	14,543	10,862	10,601	12,473	11,339	11,471
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,290	4,318	3,868	3,937	4,144	4,233	4,174	4,214	4,069	4,590

**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>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>	<u>2018</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	80	75	75	75	79	79	79	80	79	81
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	22	22	24	24	26	26	26	30	31	32
Recycle Trucks <sup>a</sup>	5	5	0	0	0	2	3	3	3	3
Other public works										
Streets (miles)	261	268	278	311	336	340	340	346	350	350
Streetlights	6,291	6,515	6,576	6,599	6,599	6,599	6,695	6,716	6,805	6,809
Traffic Signals (intersections)	34	35	38	39	39	40	40	42	43	46
Education <sup>c</sup>										
Schools										
High	-	-	-	-	-	1	1	1	1	1
Middle	-	-	-	-	-	2	2	2	2	2
Elementary	-	-	-	-	-	5	5	5	5	5
Parks and Recreation										
Parks	15	18	18	18	18	18	20	20	20	20
Acreage <sup>b</sup>	496	625	750	750	750	775	1,025	1,025	1,025	1,025
Playgrounds <sup>c</sup>	13	13	13	13	13	13	15	15	15	15
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	11	11	11	11	11	11	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	232	240	240	240	240	242	248	250	283	283
Fire hydrants	3,010	3,010	3,103	3,103	3,103	3,366	3,400	3,457	3,500	3,600
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	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	220	228	228	228	228	230	235	240	270	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>Recycling 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, 2018

TML TMP – 7718-17	Property Insurance	\$185,453,707 Buildings & Personal Property; \$2,256,793 Electronic Data; \$2,041,180 Mobile Equipment, \$187,494,887 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 per occurrence, \$500,000 Catastrophic Medical per person
	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

(Continued)

Schedule 21 - Continued

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
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
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

**GOVERNMENT AUDITING STANDARDS SECTION**



**TOWN OF COLLIERVILLE, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Receivable 6/30/2017	Receipts	Expenditures	Receivable 6/30/2018
<b><u>Federal Awards</u></b>						
<b><u>U.S. Department of Housing and Urban Development</u></b>						
Shelby County, TN / Community Development Block Grants	14.218	CA1519403	\$ -	\$ 71,750	\$ 95,000	\$ 23,250
Shelby County, TN / Community Development Block Grants	14.218	CA157607	-	56,750	80,000	23,250
Shelby County, TN / Community Development Block Grants	14.218	CA158197	-	61,750	85,000	23,250
Total CFDA 14.218			-	190,250	260,000	69,750
State of TN / Community Development Block Grant Disaster Recovery Grant	14.269	n/a	-	103,398	200,602	97,204
Total U.S. Department of Housing and Urban Development			-	293,648	460,602	166,954
<b><u>U.S. Department of Justice</u></b>						
Tennessee Governor's Highway Safety Office, Bulletproof Vest Partnership Program	16.607	FY17	-	1,965	1,965	-
<b><u>U.S. Department of Transportation</u></b>						
State of TN / Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205	140020	32,381	90,772	86,410	28,019
Highway Planning and Construction	20.205	160217	8,350	39,719	35,865	4,496
Highway Planning and Construction	20.205	160222	2,175	32,124	32,780	2,831
Highway Planning and Construction	20.205	170031	-	71	71	-
Highway Planning and Construction	20.205	170140	-	-	75	75
Total CFDA 20.205			42,906	162,686	155,201	35,421
Tennessee Governor's Highway Safety Office/ State Highway Safety Program	20.616	Z-17-THS404	2,779	8,642	5,863	-
Total U.S. Department of Transportation			45,685	171,328	161,064	35,421
<b><u>U.S. Department of Homeland Security</u></b>						
Direct Funding/ Federal Emergency Management Agency	97.036	FEMA-4320-DR-TN	-	31,494	31,494	-
Total Federal Awards			45,685	498,435	655,125	202,375
<b><u>State Financial Assistance</u></b>						
TN Department of Environment and Conservation / Local Park and Recreation Fund	N/A	32701-02241	58,128	62,500	4,372	-
Total Federal Awards and State Financial Assistance			<u>\$ 103,813</u>	<u>\$ 560,935</u>	<u>\$ 659,497</u>	<u>\$ 202,375</u>

See independent auditor's report and accompanying notes to the schedule.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2018

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**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the Town of Collierville, Tennessee (the Town) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.
- 3) There were no federal awards passed through to subrecipients.
- 4) The Town has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS**

The following is a reconciliation of expenditures per the schedule of expenditures of federal awards and state financial assistance to the revenue balances in the Town’s financial statements.

Total grant revenue per governmental funds financial statements	\$ 4,668,311
Collierville Schools federal awards and state assistance	(4,197,526)
Change in unavailable revenue	197,625
Non-federal and non-state grants and awards	(8,913)
Total federal awards and state financial assistance	<u>\$ 659,497</u>

**INDEPENDENT AUDITOR’S 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 Mayor and Board of Aldermen of the  
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, the statements of budgetary comparison for the general fund and general purpose school fund, and the aggregate remaining fund information of the Town of ColliervilleTown of Collierville, Tennessee (the “Town”), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated December 21, 2018. Our report includes a reference to other auditors who audited the financial statements of the Board of Education of Collierville Schools, (the “Schools”), as described in our report on the Town’s financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors.

**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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Watkins Mikusall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
December 21, 2018

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 2018

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**A. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

None reported.

**B. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**TOWN OF COLLIERVILLE, TENNESSEE**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 2018

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**A. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

None reported.

**B. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.