

TOWN OF COLLIERVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

Prepared by the Town of Collierville Department of Finance

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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

December 23, 2019

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, 2019.

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, 2019, 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, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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 51,739. 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 8,900 students. The Collierville Municipal School District achieved Reward status as designated by the Tennessee Department of Education in 2018.

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 121.

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 2019. 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 7 new commercial permits valued at \$27,811,089 and another 92 permits for additions to existing buildings valued at \$20,747,735. 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. Collierville based corporate partners have reported stronger than expected employment and wage numbers in 2019. For example, FedEx World Technology Center shows a total of 2,750 facility positions, up 250 from previous reports. Other partners, Mueller Industries, Orgill, and MCR Safety reported employee wages 20-35% above previous projections. Our corporate partners, excluding FedEx, have exceeded \$76,000,000 in capital investments in Collierville.

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 51,739. The growth in population is reflected in the increase of building permits for single family homes. There were 150 permits in 2015 valued at \$53,253,800; 173 in 2016 valued at \$61,356,693; 199 in 2017 valued at \$75,451,270; 161 in 2018 valued at \$60,794,891 and 195 permits in 2019 valued at \$86,330,623. 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 and in 2019 there were 235 additions valued at \$5,820,486.

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. In fiscal year 2019 the fund balance increased 9,326,556 and is attributed to revenues increasing across all categories from prior year by approximately 14% with expenditures increasing at a slower rate of approximately 9%. 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 10.0% of payroll. The other two plans include a defined contribution plan for employees employed prior to June 30, 1994, and a defined benefit plan for employees hired after June 30, 1994. The Town funds the defined contribution plan at 9% of total compensation of the employee. The Town is required to contribute at an actuarially determined rate to the defined benefit plan which is administered by the Tennessee Consolidated Retirement System (TCRS). The municipal school system's employees participate in plans administered by TCRS. There are currently four TCRS plans in which the school system's employees participate based on their original membership date.

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

Planning and review of the FY 2020 budget began in December 2018. 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 2019 there were two new patrol officers added in the Police Department and in FY 2020 there were an additional six new police officers added.

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 \$22.9 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. The drainage improvements include new drainage pipes, a box culvert, new drainage inlets and ditch construction and landscaping. These projects are currently under construction and will be completed in FY 2020.

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.

In order to adapt to the continued growth of businesses along Poplar Avenue, the Town will install a new water line along Poplar Avenue to accommodate the increase in demand. The new 12 inch waterline will replace the existing 6 inch waterline. Construction will begin at Collierville-Arlington Road and end at Market Boulevard. Construction is to begin in 2020.

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 project began in 2018 and with construction scheduled to begin in 2022.

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, 2018. This was the twenty-eighth 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, 2018. This was the twenty-second 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

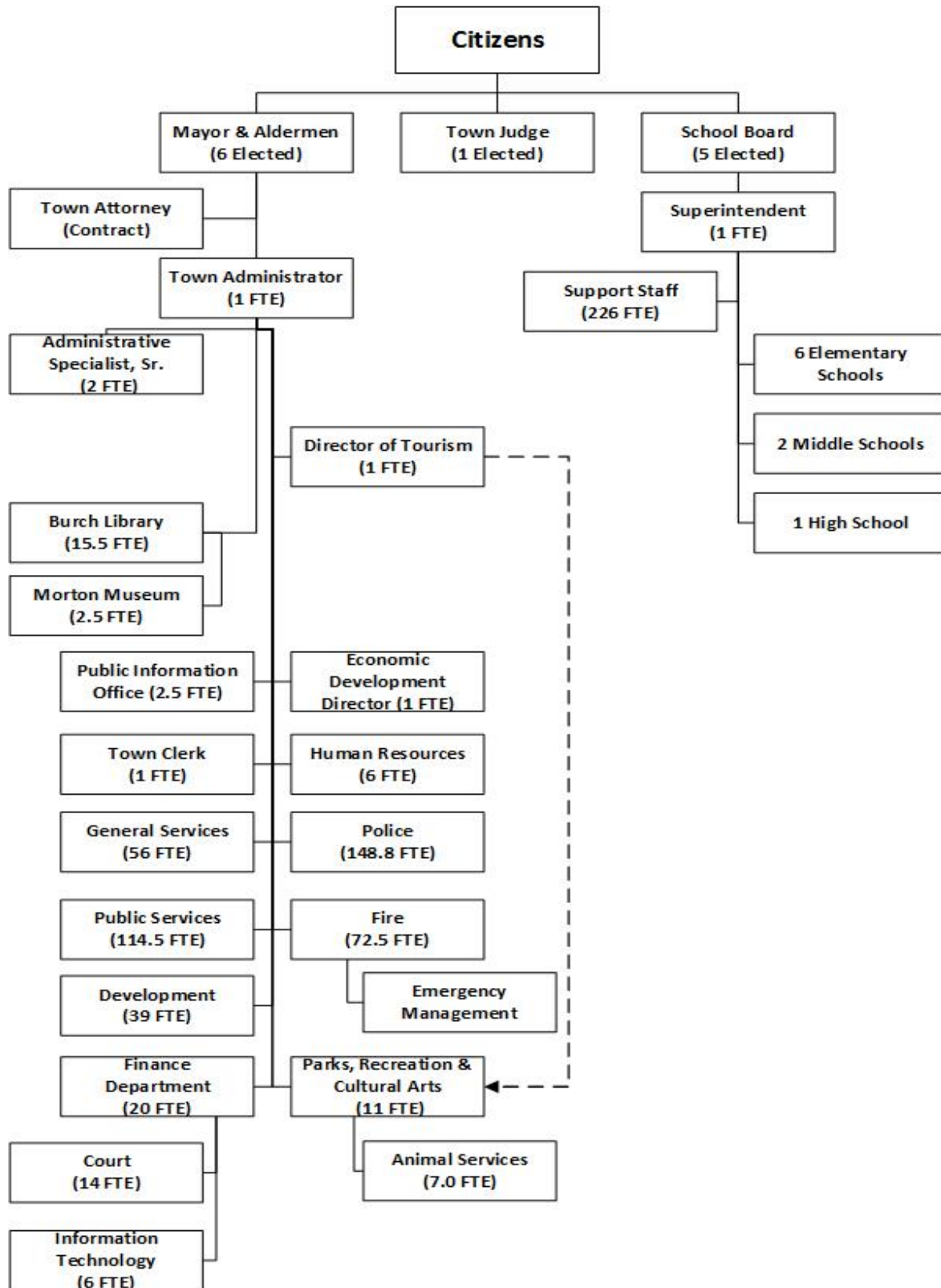
June 30, 2018

Christopher P. Morill

Executive Director/CEO

TOWN OF COLLIERVILLE, TENNESSEE ORGANIZATION CHART

June 30, 2019



TOWN OF COLLIERVILLE, TENNESSEE
TOWN AND BOARD OF EDUCATION OFFICIALS
June 30, 2019

TOWN OFFICIALS AND EXECUTIVE STAFF

MAYOR

Stan Joyner (2016 – 2020*)

ALDERMEN

Maureen Fraser, Vice Mayor (2018 – 2022*)

Tom Allen (2018 – 2022*)

John E. Stamps (2016 – 2020*)

Billy Patton (2018 – 2022*)

John Worley (2016 – 2020*)

Town Attorney	Nathan Bicks
Town Judge	Lee Ann Pafford Dobson
Town Administrator	James Lewellen
Finance Director	Mark Krock**
Director of Development	Jay Cravens
Public Services Director	William Kilp
Chief of Police	David Tillner
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 (2016 – 2020*)

Wanda Chism (2018 – 2022*)

Wright Cox (2016 – 2020*)

Wanda Gibbs (2019 – 2020*)

Frank Warren (2018 – 2022*)

Superintendent	Dr. Gary Lilly
Chief of Staff	Jeff Jones
Chief Financial Officer	Anita Hays**
Chief Academic Officer	Louise Claney
Chief of Student Services	Herchel Burton
Chief of Human Resources	Cecelia Booker
Chief of Special Education	Joyce Keohane
Chief Information Officer	Lisa Higgins

* 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, 2019, 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, the education capital projects fund #177, each a major fund, and each fiduciary fund of the School. The School funds are presented as special revenue funds in the financial statements of the Town and represent 37.1 percent, 51.6 percent, and 64.7 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, 2019, 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.

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 23, 2019 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.

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

Memphis, Tennessee
December 23, 2019

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

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, 2019. 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 \$470,483 (reported as *net position*). Of this amount, \$101,138 (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 \$36,599. This increase is attributable to revenue exceeding expenses and is reflected in the increase in capital assets including the completion of construction of the new high school and various infrastructure projects.
- As of the close of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$85,518, an increase of \$5,571 in comparison with the prior year. This increase can be attributed to revenues exceeding budgeted amounts and also exceeded total expenditures. Approximately 30 percent of this total amount, \$25,983 is *unassigned fund balance*, 7 percent is *restricted fund balance*, 56 percent is assigned fund balance, 4 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 \$25,983 or 50 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal decreased by \$6,715 (5 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.

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

The government-wide financial statements can be found on pages 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 fund 32, and the educational CIP fund 177. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

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.

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 49-97 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 98-116 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 117-136 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 \$470,483 (*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 (72 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

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Collierville's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$101,138 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 Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 144,152	\$ 134,766	\$ 38,197	35,165	\$ 182,349	\$ 169,931
Capital assets	390,376	371,882	89,735	91,757	480,111	463,639
Total assets	<u>534,528</u>	<u>506,648</u>	<u>127,932</u>	<u>126,922</u>	<u>662,460</u>	<u>633,570</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>20,485</u>	<u>16,082</u>	<u>1,592</u>	<u>1,398</u>	<u>22,077</u>	<u>17,480</u>
LIABILITIES						
Long-term liabilities outstanding	141,285	141,062	16,093	18,527	157,378	159,589
Other liabilities	11,497	13,336	556	602	12,053	13,938
Total liabilities	<u>152,782</u>	<u>154,398</u>	<u>16,649</u>	<u>19,129</u>	<u>169,431</u>	<u>173,527</u>
DEFERRED INFLOWS OF RESOURCES	<u>44,217</u>	<u>43,325</u>	<u>407</u>	<u>313</u>	<u>44,624</u>	<u>43,638</u>
NET POSITION						
Net investment in capital assets	265,549	243,940	75,301	74,820	340,850	318,760
Restricted	17,677	16,978	10,817	9,534	28,494	26,512
Unrestricted	74,789	64,089	26,350	24,523	101,139	88,612
Total net position	<u>\$ 358,015</u>	<u>\$ 325,007</u>	<u>\$ 112,468</u>	<u>\$ 108,877</u>	<u>\$ 470,483</u>	<u>\$ 433,884</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 \$36,599 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, 2019

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program Revenues:						
Charges for Services	\$ 11,169	\$ 9,879	\$ 14,201	\$ 13,957	\$ 25,370	\$ 23,836
Operating grants and contributions	53,137	47,687	-	-	53,137	47,687
Capital grants and contributions	11,149	2,734	591	727	11,740	3,461
General Revenues:						
Property taxes	56,842	51,383	-	-	56,842	51,383
Local option sales tax	27,531	25,675	-	-	27,531	25,675
Other local taxes	8,696	7,338	-	-	8,696	7,338
State sales tax	4,087	3,937	-	-	4,087	3,937
State income and other taxes	2,346	1,972	-	-	2,346	1,972
Other state revenues	54	75	-	-	54	75
Other	2,763	2,239	826	480	3,589	2,719
Total revenues	<u>177,774</u>	<u>152,919</u>	<u>15,618</u>	<u>15,164</u>	<u>193,392</u>	<u>168,083</u>
EXPENSES						
General government	12,251	12,033	-	-	12,251	12,033
Education	88,409	75,748	-	-	88,409	75,748
Roads and public works	9,523	9,527	-	-	9,523	9,527
Public safety	24,208	23,829	-	-	24,208	23,829
Sanitation	3,821	3,438	-	-	3,821	3,438
Culture and recreation	3,022	3,023	-	-	3,022	3,023
Interest on long-term debt	4,457	4,538	-	-	4,457	4,538
Water and sewer	-	-	11,102	11,186	11,102	11,186
Total expenses:	<u>145,691</u>	<u>132,136</u>	<u>11,102</u>	<u>11,186</u>	<u>156,793</u>	<u>143,322</u>
Increase in net position before special items and transfers	32,083	20,783	4,516	3,978	36,599	24,761
Transfers	925	819	(925)	(819)	-	-
Increase/(Decrease) in net position	33,008	21,602	3,591	3,159	36,599	24,761
Net position-beginning of the year as previously reported	325,007	307,021	108,877	105,532	433,884	412,553
Effect of change in accounting principle	-	(3,616)	-	186	-	(3,430)
Net position - beginning, as restated	<u>325,007</u>	<u>303,405</u>	<u>108,877</u>	<u>105,718</u>	<u>433,884</u>	<u>409,123</u>
Net position-ending	<u>\$ 358,015</u>	<u>\$ 325,007</u>	<u>\$ 112,468</u>	<u>\$ 108,877</u>	<u>\$ 470,483</u>	<u>\$ 433,884</u>

Governmental activities. Governmental activities increased the Town of Collierville's net position by \$33,008. This increase is attributable to revenue exceeding expenses. Property tax increased \$5,459 or 10% reflecting the property tax increase adopted for FY 2019. The local option sales tax increased \$1,856 or 7%. Overall, revenue increased \$24,855 with increases of \$164 in business, cable tv, and hotel-motel taxes, \$29 increase in wholesale liquor and beer taxes and \$776 in other local taxes due to an improved economic climate. Operating grants and contributions increased \$5,450 predominately related to the general purpose school fund. Interest on investments also increased \$471. Overall, expenditures increased \$13,555 and is largely attributed the increase in in education expenditures in the school system's fifth full year of operation.

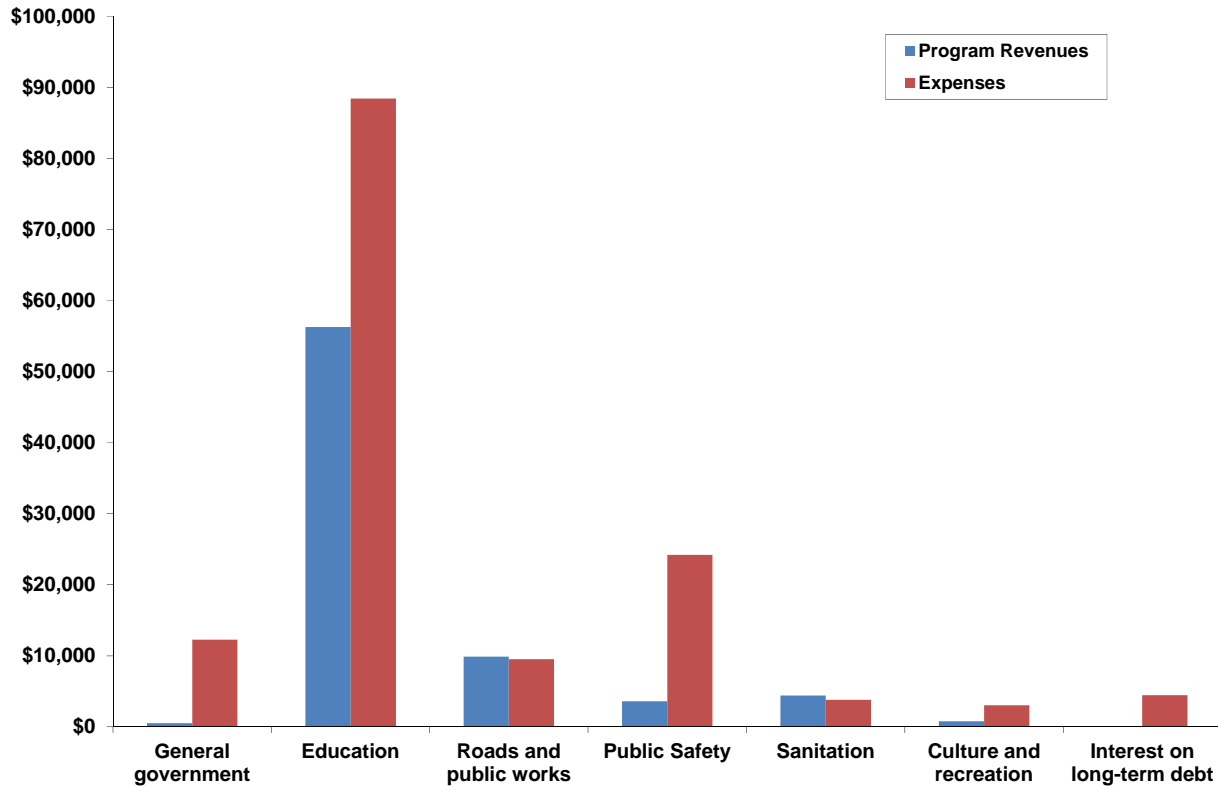
Business-type activities. Business-type activities increased the Town of Collierville's net position by \$3,591. This increase is due to revenues exceeding expenses by \$4,516 and transfers of \$925 resulting in on overall increase to net position. This amount of increase is consistent with prior years with an increase in fiscal year 2018 and 2017 of \$3,345 and \$2,662 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, 2019

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

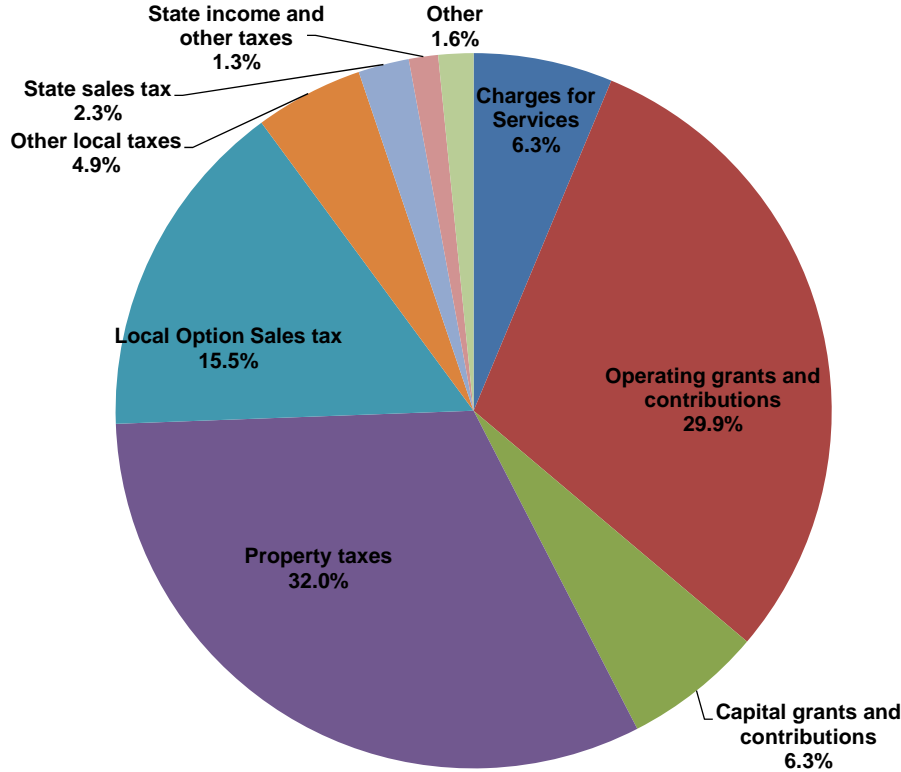


Governmental funds. The focus of the Town of Collierville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville's financing requirements. In particular, *unassigned fund 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 \$85,518 an increase of \$5,570 in comparison with the prior year. The *unassigned fund balance* of \$25,983 is 30 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 \$47,711 represents funds which the Board of Mayor and Aldermen has assigned for specific purposes. The unassigned portion includes an amount equal to 25 percent of budgeted expenses in general fund to comply with a policy of the board to maintain as an operating reserve. More details of the fund balances can be found in Note (10) of this report.

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

Revenues by Source – Governmental Activities

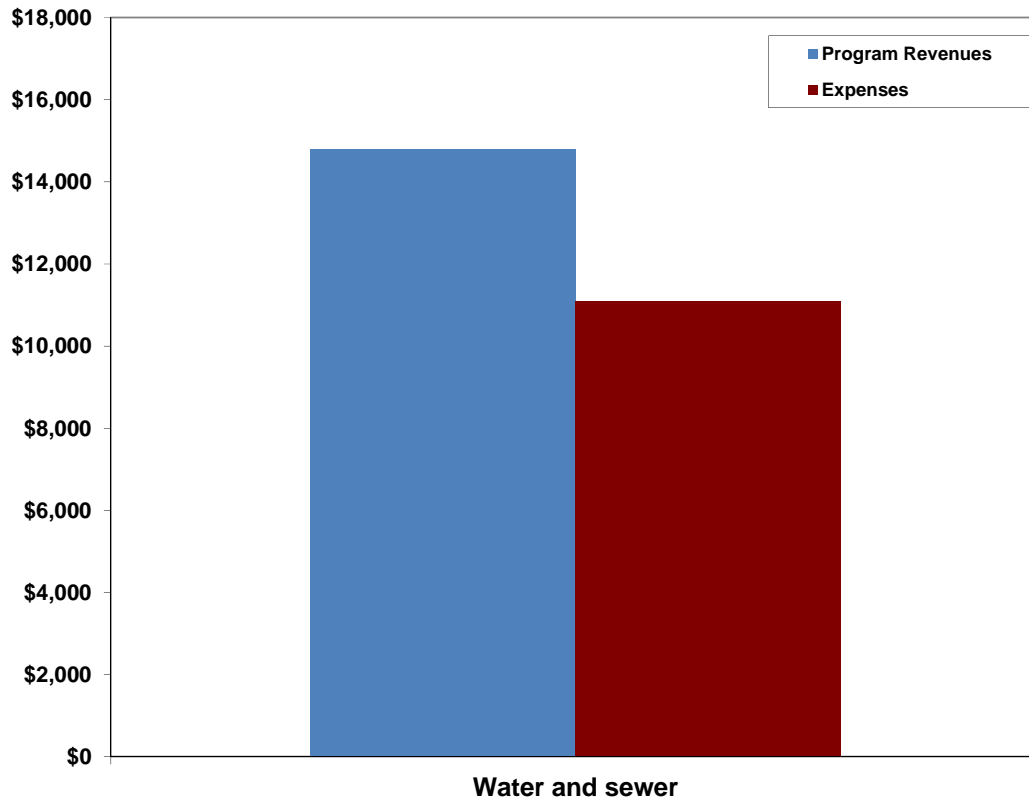


The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$25,983 while total fund balance was \$66,127. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 50 percent of total general fund expenditures, while total fund balance represents 128 percent of that same amount.

The fund balance of the Town of Collierville's general fund increased by \$9,326 during the current fiscal year. The increase is attributed to increases in all revenue categories while expenditures remained relatively stable with an overall increase of \$41. The fund balance of the general purpose school fund had an overall decrease of \$877. The fund balance for the Education Capital Project Fund #177 decreased by \$2,455 related to various school capital projects. The Other Governmental funds fund balances decreased by \$1,067 related to fund expenditures exceeding revenue for governmental funds other than the general fund.

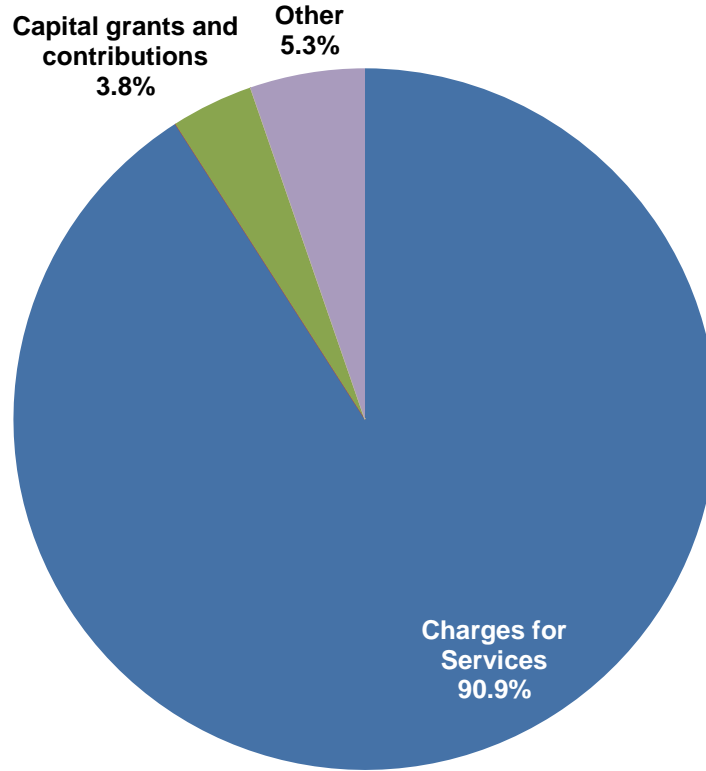
TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

Expenses and Program Revenues – Business-type Activities



TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

Revenues by Source – Business-type Activities



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

Unrestricted net position of the water and sewer operation at the end of the year amounted to \$26,350. 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 \$524. The main components of the increase were:

- \$172 appropriation for contractual services/street repaving
- \$150 appropriation for legal services
- \$274 appropriation related to capital expenditures

The total positive variance of \$6,180 between final budget and actual revenues includes a negative variance of \$85 in property taxes mainly due to a state of Tennessee adjustment to personal property valuations. The charges for services revenue also had a negative variance due to a decrease in Parks and Recreation fees. Positive variances of \$281 in licenses and permits, \$2,158 in local taxes, \$1,456 intergovernmental can be attributed to an improving economic climate in Fiscal Year 2019. Positive variances also include \$838 in

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

interest on investments and \$115 in other revenue. The \$1,384 increase in contribution is due to grant receipts.

Of the total positive variance of \$3,399 between final budget and actual expenditures, \$1,468 was in general government, \$467 in roads and public works, \$1,250 in public safety, \$155 in culture and recreation. 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, 2019, amounts to \$480,111 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, and infrastructure. The total increase in the Town of Collierville's investment in capital assets for the current fiscal year was \$16,473 or 3 percent. The increase for governmental activities was \$18,494 or 5 percent and the decrease for business-type activities was \$2,021 or 2 percent.

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

- Governmental activities assets acquired during the year amounted to \$28,703. This amount includes \$1,819 related to the Center Street Connect project that was still in process at fiscal year-end. Also included were various drainage projects totaling \$2,363 and the historic high school renovation with \$2,774 in additions in fiscal year 2019.
- School system projects included \$10,292 related to the completion of the new high school with a total valuation of \$101,705. Equipment purchases related to the new school included \$1,796 in fiscal year 2019 and also a chiller replacement in an elementary school for \$833.
- Additions to water and sewer capital assets included capital projects and additions to distribution and collection systems of \$1,092. Expenses for equipment totaled \$110.
- Transfers from construction-in-progress include the new high school for \$101,705 with equipment of \$12,672. Drainage projects totaled \$614 in additions to depreciable capital assets.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 34,549	\$ 33,092	\$ 2,081	\$ 1,907	\$ 36,630	\$ 34,999
Buildings and improvements	171,931	73,285	9,924	10,302	181,855	83,587
Other improvements	11,468	12,230	799	867	12,267	13,097
Library materials	1,228	1,255	-	-	1,228	1,255
Equipment	31,771	17,601	2,011	2,167	33,782	19,768
Infrastructure	113,972	114,942	-	-	113,972	114,942
Distribution and collection systems	-	-	73,967	74,715	73,967	74,715
Construction in progress	25,457	119,477	953	1,798	26,410	121,275
Total	<u>\$ 390,376</u>	<u>\$ 371,882</u>	<u>\$ 89,735</u>	<u>\$ 91,756</u>	<u>\$ 480,111</u>	<u>\$ 463,638</u>

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, 2019

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 113,330	\$ 117,630	\$ -	\$ -	\$ 113,330	\$ 117,630
Notes payable and capital lease	2,797	1,660	-	-	2,797	1,660
Revenue bonds	-	-	13,830	16,245	13,830	16,245
Total	<u>\$ 116,127</u>	<u>\$ 119,290</u>	<u>\$ 13,830</u>	<u>\$ 16,245</u>	<u>\$ 129,957</u>	<u>\$ 135,535</u>

Long-term debt. At the end of the current fiscal year, the Town of Collierville had total debt outstanding of \$129,957. Of this amount, \$113,330 comprises debt backed by the full faith and credit of the government.

The Town of Collierville's total debt principal decreased by \$5,578 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 July 2019 was 4.2 percent compared to the national rate of 3.7 percent. The Town of Collierville's unemployment rate of 3.2 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 2019 was 7 with a total valuation of \$27,811. This is a decrease in the number of permits over fiscal year 2018 when 21 commercial permits were issued with a valuation of \$37,482. Residential permits issued in 2019 totaled 195 compared to 161 in fiscal year 2018. The total residential permit valuation in 2019 was \$86,330 compared to \$60,795 in fiscal year 2018.
- 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 2.1 percent.
- Local option sales tax revenue is monitored on a monthly basis. Revenue increased by 5% year-to-date for the first three months of fiscal year 2020.
- 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 \$3,859 representing a 6.8% increase with the revenue budget projected to increase \$2,325 or 3.7% based on the fiscal year 2019 adopted budget.
- The Town of Collierville has considered the current economic trends while working with fiscal year 2020 budget. The Town projects a budget with increases in revenue and expenditures with revenues projected to exceed expenditures by approximately \$5,443.

TOWN OF COLLIERVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2019

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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 28,551,189	\$ 2,484,508	\$ 31,035,697
LGIP investments	51,245,514	24,844,387	76,089,901
Receivables			
Property taxes	33,465,536	-	33,465,536
Customer	1,180,721	816,382	1,997,103
Federal and state grants	3,077,988	-	3,077,988
Sales, income, and other taxes	6,266,562	-	6,266,562
Other	187,547	-	187,547
Unbilled	-	885,816	885,816
Less allowance for doubtful accounts	(623,251)	(95,138)	(718,389)
Due from other governments	7,170,054	-	7,170,054
Internal balances	1,678,617	(1,678,617)	-
Inventories	252,873	109,910	362,783
Prepaid items	128,435	13,100	141,535
Restricted investments	272,779	10,386,058	10,658,837
Capital assets, not being depreciated	60,005,260	3,033,208	63,038,468
Capital assets, being depreciated, net	330,370,304	86,701,655	417,071,959
Net pension asset	6,427,997	-	6,427,997
Net OPEB asset	4,870,338	430,999	5,301,337
Total assets	534,528,463	127,932,268	662,460,731
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	18,398,323	546,818	18,945,141
Related to OPEB	1,086,334	7,931	1,094,265
Deferred charge on refunding	1,000,687	1,037,377	2,038,064
Total deferred outflows of resources	20,485,344	1,592,126	22,077,470
LIABILITIES			
Accounts payable and accrued liabilities	10,466,699	265,023	10,731,722
Accrued interest payable	102,632	75,154	177,786
Due to other governments	16,142	28,350	44,492
Due to fiduciary trusts	58,447	-	58,447
Unearned revenue	852,980	187,284	1,040,264
Noncurrent liabilities:			
Due within one year	7,067,876	2,825,550	9,893,426
Due in more than one year			
Other liabilities	120,667,762	12,785,935	133,453,697
Net pension liability	6,470,845	482,132	6,952,977
Net OPEB liability	7,078,236	-	7,078,236
Total liabilities	152,781,619	16,649,428	169,431,047
DEFERRED INFLOWS OF RESOURCES			
Current property taxes assessed for subsequent period	32,866,935	-	32,866,935
Other	78,580	-	78,580
Related to pension	9,127,640	263,137	9,390,777
Related to OPEB	2,144,027	143,464	2,287,491
Total deferred inflows of resources	44,217,182	406,601	44,623,783
NET POSITION			
Net investment in capital assets	265,549,172	75,301,572	340,850,744
Restricted	17,677,287	10,817,057	28,494,344
Unrestricted	74,788,547	26,349,736	101,138,283
Total net position	\$ 358,015,006	\$ 112,468,365	\$ 470,483,371

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

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
Primary government:							
Governmental Activities:							
General government	\$ 12,250,745	\$ 441,335	\$ 37,764	\$ 41,452	\$ (11,730,194)	\$ -	\$ (11,730,194)
Public safety	24,207,971	2,706,219	451,210	426,303	(20,624,239)	-	(20,624,239)
Roads and public works	9,522,520	1,312,250	2,143,261	6,430,608	363,599	-	363,599
Culture and recreation	3,022,417	454,086	46,900	286,020	(2,235,411)	-	(2,235,411)
Sanitation	3,820,531	4,249,035	151,849	-	580,353	-	580,353
Education	88,409,406	2,005,777	50,306,142	3,964,540	(32,132,947)	-	(32,132,947)
Interest on long-term debt	4,457,236	-	-	-	(4,457,236)	-	(4,457,236)
Total governmental activities	145,690,826	11,168,702	53,137,126	11,148,923	(70,236,075)	-	(70,236,075)
Business-type Activities:							
Water and sewer	11,101,790	14,201,166	-	591,353	-	3,690,729	3,690,729
Total primary government	<u>\$ 156,792,616</u>	<u>\$ 25,369,868</u>	<u>\$ 53,137,126</u>	<u>\$ 11,740,276</u>	<u>(70,236,075)</u>	<u>3,690,729</u>	<u>(66,545,346)</u>
General revenues:							
Property taxes					56,842,183	-	56,842,183
Local option sales tax					27,530,957	-	27,530,957
Other taxes							
Wholesale liquor and beer taxes					993,158	-	993,158
Business, cable tv, and hotel-motel taxes					2,374,699	-	2,374,699
Automobile registration fees					1,532,564	-	1,532,564
Other local taxes					3,795,268	-	3,795,268
Intergovernmental revenues:							
State sales tax					4,087,076	-	4,087,076
State income tax					2,346,417	-	2,346,417
Other state revenue					53,552	-	53,552
Other revenue					1,502,914	37,360	1,540,274
Interest on investments					1,260,414	787,847	2,048,261
Transfers					924,784	(924,784)	-
Total general revenues and transfers					103,243,986	(99,577)	103,144,409
Change in net position					33,007,911	3,591,152	36,599,063
Net position - beginning					325,007,095	108,877,213	433,884,308
Net position - ending					<u>\$ 358,015,006</u>	<u>\$ 112,468,365</u>	<u>\$ 470,483,371</u>

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	General Purpose School Fund	Education Capital Projects Fund #177	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 12,191,729	\$ 14,170,359	\$ 80,413	\$ -	\$ 2,108,688	\$ 28,551,189
Investments - unrestricted	51,081,700	-	-	-	163,814	51,245,514
Receivables						
Property taxes	33,465,536	-	-	-	-	33,465,536
Sales, income, and other taxes	6,266,562	-	-	-	-	6,266,562
Federal and state grants	41,452	-	-	2,354,823	681,713	3,077,988
Accounts	932,023	-	-	-	253,648	1,185,671
Other	-	99,872	-	-	87,675	187,547
Less allowance for doubtful accounts	(623,251)	-	-	-	-	(623,251)
Due from other governments	-	6,056,749	836,794	-	276,511	7,170,054
Due from other funds	2,247,060	588,132	-	1,102,359	2,642,894	6,580,445
Inventory	204,925	-	-	-	47,948	252,873
Prepaid Items	1,933,899	-	-	-	69,180	2,003,079
Restricted investments	-	272,779	-	-	-	272,779
Total assets	<u>\$ 107,741,635</u>	<u>\$ 21,187,891</u>	<u>\$ 917,207</u>	<u>\$ 3,457,182</u>	<u>\$ 6,332,071</u>	<u>\$ 139,635,986</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 2,637,723	\$ 4,866,807	\$ 909,037	\$ 1,091,220	\$ 961,912	\$ 10,466,699
Due to other governments	16,142	-	-	-	-	16,142
Due to other funds	3,796,772	-	-	-	1,105,056	4,901,828
Due to fiduciary trusts	58,447	-	-	-	-	58,447
Deposits	842,046	-	-	-	10,934	852,980
Total liabilities	<u>7,351,130</u>	<u>4,866,807</u>	<u>909,037</u>	<u>1,091,220</u>	<u>2,077,902</u>	<u>16,296,096</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Property taxes	33,754,088	1,773,310	-	-	-	35,527,398
State sales and income taxes	367,266	-	-	-	-	367,266
Grants	41,452	-	-	1,706,275	-	1,747,727
Court	95,536	-	-	-	-	95,536
Other	4,950	-	8,170	-	70,410	83,530
Total deferred inflows of resources	<u>34,263,292</u>	<u>1,773,310</u>	<u>8,170</u>	<u>1,706,275</u>	<u>70,410</u>	<u>37,821,457</u>
FUND BALANCES						
Nonspendable	2,138,824	-	-	-	47,948	2,186,772
Restricted	2,030,483	272,779	-	-	4,075,690	6,378,952
Committed	3,221,148	-	-	-	37,105	3,258,253
Assigned	32,753,748	14,274,995	-	659,687	23,016	47,711,446
Unassigned	25,983,010	-	-	-	-	25,983,010
Total fund balances	<u>66,127,213</u>	<u>14,547,774</u>	<u>-</u>	<u>659,687</u>	<u>4,183,759</u>	<u>85,518,433</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 107,741,635</u>	<u>\$ 21,187,891</u>	<u>\$ 917,207</u>	<u>\$ 3,457,182</u>	<u>\$ 6,332,071</u>	<u>\$ 139,635,986</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, 2019

Total fund balances, governmental funds	\$ 85,518,433
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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 | 520,887,691 |
| Less: accumulated depreciation | <div style="display: flex; justify-content: space-between;"> <u>(130,512,127)</u> 390,375,564 </div> |
| | |
| (2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds. | 4,870,992 |
| | |
| (3) Long-term debt is not due and payable in the current period and, therefore, is not reported in the funds. | |
| Less: bonds payable | (116,127,024) |
| Less: settlement obligation, net of unamortized discount | (3,308,901) |
| Less: unamortized premiums (discounts) on bonds payable | (6,391,154) |
| Add: deferred amount on refunding | <div style="display: flex; justify-content: space-between;"> <u>1,000,687</u> (124,826,392) </div> |
| | |
| (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 | (1,977,276) |
| Less: compensated absences payable | <div style="display: flex; justify-content: space-between;"> <u>(1,908,559)</u> (3,885,835) </div> |
| | |
| (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 | 6,427,997 |
| Add: net OPEB asset | 4,870,338 |
| Less: net pension liability | (6,470,845) |
| Less: net OPEB liability | <div style="display: flex; justify-content: space-between;"> <u>(7,078,236)</u> (2,250,746) </div> |
| | |
| (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 | 18,398,323 |
| Add: deferred outflows of resources related to OPEB | 1,086,334 |
| Less: deferred inflows of resources related to pensions | (9,127,640) |
| Less: deferred inflows of resources related to OPEB | <div style="display: flex; justify-content: space-between;"> <u>(2,144,027)</u> <u>8,212,990</u> </div> |

Net position of governmental activities	<div style="display: flex; justify-content: space-between;"> <u><u>\$ 358,015,006</u></u> </div>
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The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	General Fund	General Purpose School Fund	Education Capital Project #177	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 30,090,868	\$ 26,499,701	\$ -	\$ -	\$ -	\$ 56,590,569
Local sales taxes	22,278,629	13,973,387	-	-	31,567	36,283,583
Intergovernmental						
State sales, income, and other tax	6,487,045	-	-	-	-	6,487,045
State education revenue	-	43,110,671	-	-	15,962	43,126,633
State gas tax	-	-	-	-	1,599,661	1,599,661
Licenses and permits	1,384,194	-	-	-	-	1,384,194
Charges for services	1,752,548	270,469	-	-	5,984,343	8,007,360
Fines, forfeitures, and penalties	1,608,114	-	-	-	73,498	1,681,612
Federal and state grant revenue	108,951	-	-	3,039,855	7,502,521	10,651,327
Contributions	1,423,074	-	3,964,540	-	-	5,387,614
Other	602,790	771,412	-	-	128,712	1,502,914
Interest on investments	1,138,274	82,493	-	-	39,647	1,260,414
Total revenues	<u>66,874,487</u>	<u>84,708,133</u>	<u>3,964,540</u>	<u>3,039,855</u>	<u>15,375,911</u>	<u>173,962,926</u>
EXPENDITURES						
Current						
General government	11,463,101	-	-	-	171,500	11,634,601
Public safety	22,678,589	-	-	-	34,887	22,713,476
Roads and public works	5,540,004	-	-	-	1,557,965	7,097,969
Culture and recreation	2,014,196	-	-	-	-	2,014,196
Sanitation	-	-	-	-	3,541,278	3,541,278
Education	-	77,845,556	-	-	7,907,525	85,753,081
Debt Service						
Principal	4,300,000	-	-	-	-	4,300,000
Interest and fiscal charges	4,484,213	-	-	-	-	4,484,213
Capital outlays	1,026,654	5,667,186	11,483,440	6,686,118	5,806,096	30,669,494
Total expenditures	<u>51,506,757</u>	<u>83,512,742</u>	<u>11,483,440</u>	<u>6,686,118</u>	<u>19,019,251</u>	<u>172,208,308</u>
Excess (deficiency) of revenues over (under) expenditures	15,367,730	1,195,391	(7,518,900)	(3,646,263)	(3,643,340)	1,754,618
OTHER FINANCING SOURCES (USES)						
Issuance of capital lease	-	2,891,213	-	-	-	2,891,213
Transfers in	3,651,913	100,728	5,064,107	6,692,292	3,667,159	19,176,199
Transfers out	(9,693,087)	(5,064,107)	-	(2,402,879)	(1,091,342)	(18,251,415)
Total other financing sources (uses)	<u>(6,041,174)</u>	<u>(2,072,166)</u>	<u>5,064,107</u>	<u>4,289,413</u>	<u>2,575,817</u>	<u>3,815,997</u>
Net change in fund balances	9,326,556	(876,775)	(2,454,793)	643,150	(1,067,523)	5,570,615
Fund balances - beginning	<u>56,800,657</u>	<u>15,424,549</u>	<u>2,454,793</u>	<u>16,537</u>	<u>5,251,282</u>	<u>79,947,818</u>
Fund balances - ending	<u>\$ 66,127,213</u>	<u>\$ 14,547,774</u>	<u>\$ -</u>	<u>\$ 659,687</u>	<u>\$ 4,183,759</u>	<u>\$ 85,518,433</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, 2019

Net change in fund balance - total governmental funds		\$ 5,570,615
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	29,624,163	
Less: depreciation expense	<u>(12,868,747)</u>	16,755,416
(2) Gain (losses) from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.		(232,811)
(3) Capital contributions in the statement of activities are not recorded in governmental funds		1,970,712
(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	251,614	
Sales and income taxes	(56,937)	
Grant revenue	1,550,102	
Other revenue	<u>95,536</u>	1,840,315
(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	6,705,658	
Less: debt issuance through capital lease	<u>(2,891,213)</u>	3,814,445
(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	89,822	
Amortization of deferred amount on refunding debt	(121,229)	
Change in accrued interest payable	58,384	
Change in compensated absences	<u>(3,636)</u>	23,341
(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	2,893,257	
Difference between actual contributions and OPEB expense	<u>372,621</u>	3,265,878
Change in net position of governmental activities		<u><u>\$ 33,007,911</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL GENERAL FUND
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
PROPERTY TAXES				
Real taxes	\$ 31,283,654	\$ 31,283,654	\$ 31,164,246	\$ (119,408)
Personal taxes	1,320,984	1,320,984	1,226,330	(94,654)
Payments in lieu of taxes	30,000	30,000	147,736	117,736
Property tax interest and penalties	70,700	70,700	82,443	11,743
Municipal tax allocation for schools	(2,529,887)	(2,529,887)	(2,529,887)	-
Total property taxes	30,175,451	30,175,451	30,090,868	(84,583)
LOCAL TAXES				
Local sales tax	14,963,477	15,599,837	16,748,812	1,148,975
Wholesale beer and liquor taxes	860,520	860,520	993,158	132,638
Cable and telecommunications tax	644,703	644,703	632,859	(11,844)
Business tax	817,663	817,663	1,324,388	506,725
Occupancy tax	369,842	369,842	414,228	44,386
Automobile tax	1,400,000	1,400,000	1,532,564	132,564
Police privilege tax	-	-	95,793	95,793
MLGW in lieu of tax	428,400	428,400	536,827	108,427
Total local taxes	19,484,605	20,120,965	22,278,629	2,157,664
INTERGOVERNMENTAL				
State of Tennessee shared revenues				
Sales tax	3,667,220	3,667,220	4,087,076	419,856
Income tax	500,000	500,000	1,406,988	906,988
Beer tax	227,750	227,750	285,933	58,183
TVA payments in lieu of tax	514,715	514,715	563,053	48,338
City streets and transportation funding	91,100	91,100	90,443	(657)
Other state revenue	30,000	30,000	53,552	23,552
Total state shared taxes	5,030,785	5,030,785	6,487,045	1,456,260
FEDERAL AND STATE GRANT REVENUE	190,000	347,600	108,951	(238,649)
LICENSES AND PERMITS				
Beer and liquor permits	37,000	37,000	46,023	9,023
Zoning permits	240,600	240,600	322,098	81,498
Building and related permits	688,000	688,000	786,661	98,661
Development related reviews and fees	136,770	136,770	229,412	92,642
Total licenses and permits	1,102,370	1,102,370	1,384,194	281,824

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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, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
CHARGES FOR SERVICES				
Clerk's fees	\$ 600	\$ 600	\$ 997	\$ 397
Material and rental fees	49,725	49,725	48,297	(1,428)
Non-resident card fees	16,400	16,400	17,320	920
Fire inspection fees	19,350	19,350	17,770	(1,580)
Fingerprinting fees	5,500	5,500	7,050	1,550
Animal adoption fees	42,600	42,600	27,916	(14,684)
Animal tag fees	56,000	56,000	58,712	2,712
Software fees	28,000	28,000	30,119	2,119
Stormwater fees	1,068,000	1,068,000	1,089,438	21,438
Facility rental fees	63,900	63,900	39,494	(24,406)
Instructional fees	112,914	112,914	83,085	(29,829)
Athletic registration fees	316,975	316,975	301,976	(14,999)
Special event fees	20,550	20,550	29,531	8,981
Sale of reports	350	350	843	493
Total charge for services	1,800,864	1,800,864	1,752,548	(48,316)
FINES, FORFEITURES, AND PENALTIES				
Court and other fees	962,948	962,948	1,192,575	229,627
Fines	327,903	327,903	415,539	87,636
Total fines, forfeitures, and penalties	1,290,851	1,290,851	1,608,114	317,263
CONTRIBUTIONS	-	38,648	1,423,074	1,384,426
INTEREST ON INVESTMENTS	300,000	300,000	1,138,274	838,274
OTHER	450,081	487,283	602,790	115,507
Total Revenues	59,825,007	60,694,817	66,874,487	6,179,670

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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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative				
Salaries	\$ 98,000	\$ 98,000	\$ 98,000	\$ -
Benefits	77,094	77,094	73,436	3,658
Contractual services	61,750	64,242	42,840	21,402
Materials and supplies	9,313	9,221	3,655	5,566
	<u>246,157</u>	<u>248,557</u>	<u>217,931</u>	<u>30,626</u>
Executive				
Salaries	541,042	541,042	511,045	29,997
Benefits	196,675	196,675	179,931	16,744
Contractual services	96,410	100,445	69,561	30,884
Materials and supplies	12,800	8,860	7,717	1,143
Expenditure reimbursement	(127,039)	(127,039)	(115,308)	(11,731)
	<u>719,888</u>	<u>719,983</u>	<u>652,946</u>	<u>67,037</u>
Finance				
Salaries	1,014,516	1,014,516	996,280	18,236
Benefits	521,927	520,427	476,508	43,919
Contractual services	311,789	309,489	271,137	38,352
Materials and supplies	14,775	18,575	16,713	1,862
Grants, contributions, and indemnities	700	700	473	227
Expenditure reimbursement	(652,297)	(652,297)	(616,368)	(35,929)
	<u>1,211,410</u>	<u>1,211,410</u>	<u>1,144,743</u>	<u>66,667</u>
Human resources				
Salaries	383,800	383,800	389,811	(6,011)
Benefits	155,322	155,322	136,897	18,425
Contractual services	184,913	184,913	99,217	85,696
Materials and supplies	17,430	17,430	6,836	10,594
Grants, contributions, and indemnities	7,050	7,050	5,577	1,473
Expenditure reimbursement	(112,277)	(112,277)	(95,747)	(16,530)
	<u>636,238</u>	<u>636,238</u>	<u>542,591</u>	<u>93,647</u>
Information technology				
Salaries	323,735	323,735	328,156	(4,421)
Benefits	119,194	112,894	99,501	13,393
Contractual services	250,400	248,683	207,247	41,436
Materials and supplies	26,040	31,068	26,739	4,329
Fixed charges	2,000	2,000	1,200	800
Expenditure reimbursement	(66,439)	(66,439)	(64,146)	(2,293)
	<u>654,930</u>	<u>651,941</u>	<u>598,697</u>	<u>53,244</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Planning and zoning				
Salaries	\$ 538,668	\$ 538,668	\$ 540,408	\$ (1,740)
Benefits	244,991	244,991	230,807	14,184
Contractual services	102,186	102,186	87,267	14,919
Materials and supplies	7,775	7,775	3,766	4,009
Expenditure reimbursement	(134,186)	(134,186)	(129,449)	(4,737)
	<u>759,434</u>	<u>759,434</u>	<u>732,799</u>	<u>26,635</u>
General services				
Salaries	426,641	426,641	422,355	4,286
Benefits	165,545	165,545	152,822	12,723
Contractual services	82,785	82,785	60,392	22,393
Materials and supplies	14,565	13,433	9,788	3,645
Grants, contributions, and indemnities	1,600	1,600	(552)	2,152
Expenditure reimbursement	(88,828)	(88,828)	(86,273)	(2,555)
	<u>602,308</u>	<u>601,176</u>	<u>558,532</u>	<u>42,644</u>
General service facilities				
Salaries	337,960	337,960	278,417	59,543
Benefits	234,432	234,432	203,621	30,811
Contractual services	923,481	926,370	802,184	124,186
Materials and supplies	158,034	154,794	127,167	27,627
Expenditure reimbursement	(85,859)	(85,859)	(72,244)	(13,615)
	<u>1,568,048</u>	<u>1,567,697</u>	<u>1,339,145</u>	<u>228,552</u>
General service parks				
Salaries	1,387,814	1,357,197	1,255,918	101,279
Benefits	775,704	775,705	706,813	68,892
Contractual services	800,612	800,612	714,526	86,086
Materials and supplies	348,735	352,765	297,296	55,469
Expenditure reimbursement	(31,220)	(31,220)	(31,220)	-
	<u>3,281,645</u>	<u>3,255,059</u>	<u>2,943,333</u>	<u>311,726</u>
Development administration				
Salaries	183,484	183,484	194,398	(10,914)
Benefits	63,972	63,972	49,721	14,251
Contractual services	108,848	108,848	94,202	14,646
Materials and supplies	10,225	10,225	6,162	4,063
Grants, contributions, and indemnities	1,250	1,250	1,071	179
Expenditure reimbursement	(55,167)	(55,167)	(51,832)	(3,335)
	<u>312,612</u>	<u>312,612</u>	<u>293,722</u>	<u>18,890</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Morton museum				
Salaries	\$ 92,807	\$ 91,896	\$ 90,613	\$ 1,283
Benefits	33,835	33,835	31,482	2,353
Contractual services	50,425	50,786	39,557	11,229
Materials and supplies	13,250	12,890	7,388	5,502
	190,317	189,407	169,040	20,367
Library				
Salaries	534,869	534,869	522,382	12,487
Benefits	149,539	149,539	131,345	18,194
Contractual services	182,291	184,782	157,323	27,459
Materials and supplies	25,126	28,126	25,128	2,998
Grants, contributions, and indemnities	400	400	225	175
	892,225	897,716	836,403	61,313
Health, welfare, and insurance				
Benefits	70,000	70,000	56,976	13,024
Contractual services	662,465	812,465	699,416	113,049
Fixed charges	753,700	753,700	582,491	171,209
Other charges	149,550	149,550	15,980	133,570
Expenditure reimbursement	(33,150)	(33,150)	(48,405)	15,255
	1,602,565	1,752,565	1,306,458	446,107
Special appropriations				
Grants, contributions, and indemnities	127,842	127,842	126,761	1,081
Total general government	12,805,619	12,931,637	11,463,101	1,468,536
PUBLIC SAFETY				
City court				
Salaries	600,317	600,317	575,831	24,486
Benefits	309,003	309,003	289,038	19,965
Contractual services	78,599	78,599	59,654	18,945
Materials and supplies	15,170	14,370	10,338	4,032
Grants, contributions, and indemnities	350	350	100	250
	1,003,439	1,002,639	934,961	67,678

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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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Police				
Salaries	\$ 8,458,564	\$ 8,302,265	\$ 8,028,745	\$ 273,520
Benefits	3,773,259	3,778,558	3,443,874	334,684
Contractual services	801,579	806,379	739,096	67,283
Materials and supplies	477,492	472,692	408,401	64,291
Fixed charges	3,477	3,477	3,313	164
Grants, contributions, and indemnities	2,006	2,006	1,163	843
	<u>13,516,377</u>	<u>13,365,377</u>	<u>12,624,592</u>	<u>740,785</u>
Fire department				
Salaries	5,043,244	5,043,244	4,952,423	90,821
Benefits	2,216,731	2,216,731	2,046,689	170,042
Contractual services	270,779	293,982	286,042	7,940
Materials and supplies	384,022	346,743	344,312	2,431
Grants, contributions, and indemnities	800	1,921	1,921	-
	<u>7,915,576</u>	<u>7,902,621</u>	<u>7,631,387</u>	<u>271,234</u>
Code enforcement				
Salaries	734,017	734,017	673,216	60,801
Benefits	319,224	319,224	274,786	44,438
Contractual services	67,568	67,568	53,335	14,233
Materials and supplies	30,310	30,310	23,078	7,232
	<u>1,151,119</u>	<u>1,151,119</u>	<u>1,024,415</u>	<u>126,704</u>
Animal control				
Salaries	225,710	225,710	225,570	140
Benefits	98,598	98,598	97,350	1,248
Contractual services	96,292	110,307	80,831	29,476
Materials and supplies	71,295	71,195	58,489	12,706
Grants, contributions, and indemnities	1,525	1,525	994	531
	<u>493,420</u>	<u>507,335</u>	<u>463,234</u>	<u>44,101</u>
Total public safety	<u>24,079,931</u>	<u>23,929,091</u>	<u>22,678,589</u>	<u>1,250,502</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
ROADS AND PUBLIC WORKS				
Public works administration				
Salaries	\$ 483,901	\$ 483,901	\$ 485,527	\$ (1,626)
Benefits	202,907	202,907	191,286	11,621
Contractual services	59,967	59,967	54,634	5,333
Materials and supplies	14,542	14,542	10,806	3,736
Grants, contributions, and indemnities	1,250	1,250	1,210	40
Expenditure reimbursement	(343,404)	(343,404)	(338,392)	(5,012)
	419,163	419,163	405,071	14,092
Vehicle maintenance				
Salaries	433,947	433,947	415,827	18,120
Benefits	230,601	230,601	215,116	15,485
Contractual services	44,030	44,030	20,664	23,366
Materials and supplies	52,761	52,761	39,984	12,777
Fixed charges	665	665	315	350
	762,004	762,004	691,906	70,098
Highways and streets				
Salaries	1,122,875	1,114,875	1,077,679	37,196
Benefits	635,846	635,846	589,563	46,283
Contractual services	1,400,180	1,413,915	1,530,613	(116,698)
Materials and supplies	242,146	243,796	196,693	47,103
Other charges	-	-	-	-
	3,401,047	3,408,432	3,394,548	13,884
Engineering				
Salaries	737,963	737,963	721,339	16,624
Benefits	336,945	336,945	312,449	24,496
Contractual services	457,835	693,935	344,020	349,915
Materials and supplies	42,260	42,260	19,995	22,265
Grants, contributions, and indemnities	300	300	-	300
Expenditure reimbursement	(393,826)	(393,826)	(349,324)	(44,502)
	1,181,477	1,417,577	1,048,479	369,098
Total roads and public works	5,763,691	6,007,176	5,540,004	467,172

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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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
CULTURE AND RECREATION				
Parks and recreation				
Salaries	\$ 653,749	\$ 663,749	\$ 659,695	\$ 4,054
Benefits	243,750	243,750	234,758	8,992
Contractual services	962,997	952,997	871,827	81,170
Materials and supplies	246,187	276,805	224,727	52,078
Grants, contributions, and indemnities	31,600	31,600	23,189	8,411
	<u>2,138,283</u>	<u>2,168,901</u>	<u>2,014,196</u>	<u>154,705</u>
Total culture and recreation	2,138,283	2,168,901	2,014,196	154,705
CAPITAL				
Capital expenditures	801,564	1,076,036	1,026,654	49,382
DEBT SERVICE				
Principal	4,300,000	4,300,000	4,300,000	-
Interest and fiscal charges	4,493,314	4,493,314	4,484,213	9,101
Total debt service	<u>8,793,314</u>	<u>8,793,314</u>	<u>8,784,213</u>	<u>9,101</u>
Total Expenditures	<u>54,382,402</u>	<u>54,906,155</u>	<u>51,506,757</u>	<u>3,399,398</u>
Excess of revenues over expenditures	5,442,605	5,788,662	15,367,730	9,579,068
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,989,778	3,651,913	(337,865)
Transfers out	<u>-</u>	<u>(9,696,633)</u>	<u>(9,693,087)</u>	<u>3,546</u>
Total other financing uses	<u>-</u>	<u>(5,706,855)</u>	<u>(6,041,174)</u>	<u>(334,319)</u>
Net change in fund balances	<u>\$ 5,442,605</u>	<u>\$ 81,807</u>	<u>9,326,556</u>	<u>\$ 9,244,749</u>
Fund balances - beginning			<u>56,800,657</u>	
Fund balances - ending			<u>\$ 66,127,213</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
PROPERTY TAXES				
Real and personal	\$ 22,920,414	\$ 22,920,414	\$ 22,225,159	\$ (695,255)
Circuit court	310,019	310,019	214,620	(95,399)
TPSC tax	1,728,680	1,728,680	1,530,035	(198,645)
Municipal tax	2,712,435	2,529,888	2,529,887	(1)
Total property taxes	27,671,548	27,489,001	26,499,701	(989,300)
LOCAL TAXES				
Local option sales tax	10,221,119	10,221,119	10,782,145	561,026
Mixed drink tax	225,503	225,503	286,466	60,963
Business tax	3,186	3,186	3,224	38
MLGW in lieu of tax	184,501	248,235	222,391	(25,844)
Other in lieu of tax	280,133	280,133	183,461	(96,672)
Wheel tax	1,450,604	1,450,604	2,495,700	1,045,096
	12,365,046	12,428,780	13,973,387	1,544,607
INTERGOVERNMENTAL				
State revenues				
Basic education program	41,595,834	43,205,991	42,938,364	(267,627)
Career Ladder program	175,000	175,000	162,322	(12,678)
Other state education funds	25,000	4,250	9,985	5,735
Total intergovernmental	41,795,834	43,385,241	43,110,671	(274,570)
CHARGES FOR SERVICES	479,400	289,000	270,469	(18,531)
INTEREST ON INVESTMENTS	-	83,000	82,493	(507)
OTHER				
Other local revenue	254,000	2,560	2,560	-
Miscellaneous refunds	314,932	353,678	441,725	88,047
Insurance recovery	-	39,750	37,136	(2,614)
Lease/rental	2,000	44,000	37,880	(6,120)
Tech replacement fines	-	7,000	16,049	9,049
Device fees	-	234,000	232,994	(1,006)
Sale of equipment	-	-	-	-
Damages recovered from individuals	11,250	6,000	3,068	(2,932)
Total other revenues	582,182	686,988	771,412	84,424
Total Revenues	82,894,010	84,362,010	84,708,133	346,123

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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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES				
EDUCATION				
Regular instruction				
Personnel	\$ 39,111,463	\$ 38,338,698	\$ 37,498,448	\$ 840,250
Contractual services	708,000	3,384,232	3,368,668	15,564
Materials and supplies	1,182,445	1,182,445	1,179,726	2,719
Other charges	179,000	179,000	136,878	42,122
Expenditure reimbursement	(380,000)	(508,821)	(479,393)	(29,428)
	<u>40,800,908</u>	<u>42,575,554</u>	<u>41,704,327</u>	<u>871,227</u>
Alternative education instruction				
Personnel	174,910	174,910	26,997	147,913
Contractual services	12,000	12,000	12,465	(465)
Materials and supplies	6,500	6,500	1,516	4,984
Other charges	2,000	2,000	201	1,799
	<u>195,410</u>	<u>195,410</u>	<u>41,179</u>	<u>154,231</u>
Special education instruction				
Personnel	6,212,487	6,212,487	6,119,908	92,579
Contractual services	196,500	216,500	150,595	65,905
Materials and supplies	99,650	99,650	78,806	20,844
	<u>6,508,637</u>	<u>6,528,637</u>	<u>6,349,309</u>	<u>179,328</u>
Vocational instruction				
Personnel	985,912	985,912	923,912	62,000
Contractual services	4,300	4,300	379	3,921
Materials and supplies	25,600	25,600	18,457	7,143
	<u>1,015,812</u>	<u>1,015,812</u>	<u>942,748</u>	<u>73,064</u>
Attendance				
Personnel	610,593	610,593	618,470	(7,877)
Contractual services	69,083	67,583	63,821	3,762
Materials and supplies	1,500	1,500	1,199	301
In-service/staff development	8,000	9,500	6,713	2,787
	<u>689,176</u>	<u>689,176</u>	<u>690,203</u>	<u>(1,027)</u>
Health services				
Personnel	1,145,724	1,150,124	1,062,355	87,769
Contractual services	14,300	22,300	21,899	401
Materials and supplies	5,000	3,000	1,240	1,760
In-service/staff development	6,000	6,000	4,322	1,678
	<u>1,171,024</u>	<u>1,181,424</u>	<u>1,089,816</u>	<u>91,608</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Other student support				
Personnel	\$ 2,099,142	\$ 2,144,342	\$ 2,189,037	\$ (44,695)
Contractual services	45,900	45,900	45,412	488
In-service/staff development	15,500	15,500	8,482	7,018
	<u>2,160,542</u>	<u>2,205,742</u>	<u>2,242,931</u>	<u>(37,189)</u>
Regular instruction support				
Personnel	1,626,753	1,635,753	1,548,304	87,449
Contractual services	77,000	82,000	77,451	4,549
Materials and supplies	103,800	103,800	103,854	(54)
In-service/staff development	169,200	164,200	119,680	44,520
Expenditure reimbursement	(150,039)	(179,639)	(171,520)	(8,119)
	<u>1,826,714</u>	<u>1,806,114</u>	<u>1,677,769</u>	<u>128,345</u>
Alternative instruction support				
In-service/staff development	2,000	2,000	-	2,000
	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Special education support				
Personnel	1,608,020	1,645,020	1,614,510	30,510
Contractual services	144,000	99,000	48,254	50,746
Materials and supplies	17,000	17,000	16,978	22
In-service/staff development	37,345	49,905	44,325	5,580
	<u>1,806,365</u>	<u>1,810,925</u>	<u>1,724,067</u>	<u>86,858</u>
Vocational education support				
Contractual services	60,470	60,502	60,470	32
In-service/staff development	-	4,668	4,574	94
	<u>.</u>	<u>65,170</u>	<u>65,044</u>	<u>126</u>
Board of education				
Personnel	545,176	849,876	539,108	310,768
Contractual services	229,000	218,440	152,118	66,322
Materials and supplies	200	200	-	200
Insurance	294,993	286,974	184,481	102,493
In-service/staff development	15,000	15,000	8,758	6,242
Other charges	524,519	524,519	522,725	1,794
	<u>1,608,888</u>	<u>1,895,009</u>	<u>1,407,190</u>	<u>487,819</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Office of the superintendent				
Personnel	\$ 369,402	\$ 384,402	\$ 366,736	\$ 17,666
Contractual services	52,270	46,320	27,235	19,085
Materials and supplies	3,500	3,500	2,198	1,302
In-service/staff development	8,000	8,000	5,933	2,067
Other charges	30,000	39,950	31,542	8,408
	<u>463,172</u>	<u>482,172</u>	<u>433,644</u>	<u>48,528</u>
Office of the principal				
Personnel	5,427,204	5,603,969	5,609,824	(5,855)
Contractual services	16,705	16,705	14,805	1,900
In-service/staff development	40,000	40,000	17,431	22,569
	<u>5,483,909</u>	<u>5,660,674</u>	<u>5,642,060</u>	<u>18,614</u>
Fiscal services				
Personnel	642,944	642,944	643,933	(989)
Contractual services	341,422	341,422	332,645	8,777
Materials and supplies	8,900	40,900	36,994	3,906
In-service/staff development	21,200	21,200	13,237	7,963
Other charges	2,000	2,000	27	1,973
	<u>1,016,466</u>	<u>1,048,466</u>	<u>1,026,836</u>	<u>21,630</u>
Human resources				
Personnel	277,838	277,838	279,774	(1,936)
Contractual services	29,491	29,691	26,447	3,244
Materials and supplies	4,350	5,450	4,627	823
In-service/staff development	27,700	26,400	6,131	20,269
	<u>339,379</u>	<u>339,379</u>	<u>316,979</u>	<u>22,400</u>
Central and other				
Personnel	248,799	248,799	246,090	2,709
Contractual services	111,950	117,950	105,879	12,071
Materials and supplies	34,500	34,300	15,804	18,496
In-service/staff development	22,500	22,500	11,040	11,460
Other charges	26,500	25,500	18,389	7,111
	<u>444,249</u>	<u>449,049</u>	<u>397,202</u>	<u>51,847</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Operation of plant				
Personnel	\$ 709,338	\$ 749,338	\$ 742,265	\$ 7,073
Contractual services	1,838,460	1,983,460	1,814,676	168,784
Materials and supplies	2,228,572	2,083,572	1,844,752	238,820
Insurance	221,407	245,326	245,321	5
In-service/staff development	300	300	-	300
Other charges	29,000	29,000	8,476	20,524
	<u>5,027,077</u>	<u>5,090,996</u>	<u>4,655,490</u>	<u>435,506</u>
Maintenance of plant				
Personnel	855,485	855,485	781,830	73,655
Contractual services	590,990	590,990	467,122	123,868
Materials and supplies	1,000	1,000	901	99
In-service/staff development	18,280	18,280	2,090	16,190
Other charges	18,000	18,000	17,738	262
	<u>1,483,755</u>	<u>1,483,755</u>	<u>1,269,681</u>	<u>214,074</u>
Transportation				
Personnel	358,443	358,443	350,617	7,826
Contractual services	2,865,475	2,799,100	2,468,722	330,378
Materials and supplies	412,100	412,100	378,947	33,153
In-service/staff development	3,000	3,500	3,460	40
Other charges	3,300	2,800	160	2,640
Expenditure reimbursement	(356,848)	(427,248)	(407,201)	(20,047)
	<u>3,285,470</u>	<u>3,148,695</u>	<u>2,794,705</u>	<u>353,990</u>
Technology				
Personnel	2,279,907	2,308,907	2,356,411	(47,504)
Contractual services	3,652,762	871,026	588,431	282,595
Materials and supplies	318,266	324,516	320,713	3,803
In-service/staff development	64,050	64,050	37,734	26,316
Other charges	165,067	165,067	71,087	93,980
	<u>6,480,052</u>	<u>3,733,566</u>	<u>3,374,376</u>	<u>359,190</u>
Total education	81,869,475	81,407,725	77,845,556	3,562,169

(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 BALANCE -
BUDGET AND ACTUAL - GENERAL PURPOSE SCHOOL FUND
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
CAPITAL OUTLAY				
	\$ 2,103,535	\$ 1,281,375	\$ 5,667,186	\$ (4,385,811)
Total Expenditures	83,973,010	82,689,100	83,512,742	(823,642)
Excess (deficiency) of revenues over (under) expenditures	(1,079,000)	1,672,910	1,195,391	(477,519)
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	2,891,213	2,891,213
Transfers in	79,000	120,000	100,728	(19,272)
Transfers out	-	-	(5,064,107)	(5,064,107)
Planned use of fund balance	1,000,000	(1,792,910)	-	1,792,910
Total other financing sources (uses)	1,079,000	(1,672,910)	(2,072,166)	(399,256)
Net change in fund balances	\$ -	\$ -	(876,775)	\$ (876,775)
Fund balances - beginning			15,424,549	
Fund balances - ending			\$ 14,547,774	

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-type Activities Enterprise Funds Water Fund and Sewer
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,484,508
LGIP Investments	24,844,387
Customer receivables	816,382
Unbilled receivables	885,816
Less allowance for doubtful accounts	(95,138)
Inventory	109,910
Prepaid expenses	13,100
Restricted LGIP Investments	10,386,058
Total current assets	39,445,023
Noncurrent assets:	
Capital assets, not being depreciated	3,033,208
Capital assets, being depreciated, net	86,701,655
Total capital assets, net	89,734,863
Net OPEB asset	430,999
Total noncurrent assets	90,165,862
Total assets	129,610,885
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	546,818
Related to OPEB	7,931
Deferred charges on refunding	1,037,377
Total deferred outflows of resources	1,592,126
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	265,023
Accrued bond interest	75,154
Due to other funds	1,678,617
Due to other governments	28,350
Accrued compensated absences	28,266
Current portion of bonds and notes payable	2,797,284
Total current liabilities	4,872,694
Noncurrent liabilities:	
Unearned revenue	187,284
Accrued compensated absences	112,551
Bonds and notes payable, net of current portion, discounts, and premium:	12,673,384
Net pension liability	482,132
Total noncurrent liabilities	13,455,351
Total liabilities	18,328,045
DEFERRED INFLOWS OF RESOURCES	
Related to pension	263,137
Related to OPEB	143,464
Total deferred inflows of resources	406,601
NET POSITION	
Net investment in capital assets	75,301,572
Restricted	
Net OPEB asset	430,999
Water and sewer development	10,386,058
Unrestricted	26,349,736
Total net position	\$ 112,468,365

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, 2019

	Business-type Activities:
	Enterprise Funds
	Water Fund and Sewer
Operating Revenues:	
Water service charges	\$ 4,695,606
Sewer service charges	7,704,745
Penalties and other charges	303,590
Other income	37,360
Total operating revenues	<u>12,741,301</u>
Operating Expenses:	
Salaries	1,793,903
Benefits	874,413
Contractual services	1,908,284
Materials and supplies	2,441,952
Insurance	174,896
Grants, contributions, and indemnities	22,031
Depreciation	3,396,664
Total operating expenses	<u>10,612,143</u>
Operating income	2,129,158
Nonoperating Revenues (Expenses):	
Interest income	787,847
Development fees	1,261,960
Tap fees	235,265
Bond interest and fiscal charges	(489,485)
Loss on sale of capital assets	(162)
Total nonoperating revenues	<u>1,795,425</u>
Income before contributions and transfers	3,924,583
Capital contributions	591,353
Transfers out	<u>(924,784)</u>
Change in net position	3,591,152
Net position - beginning, as previously reported	<u>108,877,213</u>
Net position - ending	<u><u>\$ 112,468,365</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2019

	Business-type Activities:
	Enterprise Funds
	Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 13,487,803
Payments to suppliers	(4,602,403)
Payments to employees	(2,720,923)
Other receipts	35,499
Net cash provided by operating activities	6,199,976
CASH FLOW FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	
Payment (to) from other fund	(924,784)
Tap and impact fee receipts	1,497,225
Net cash provided by noncapital financing activities	572,441
CASH FLOW FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	591,353
Purchases of capital assets	(1,375,300)
Principal paid on capital debt	(2,415,000)
Interest paid on capital debt	(589,024)
Net cash used for capital and related financing activities	(3,787,971)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments, net	(2,695,645)
Interest income	787,847
Net cash from investing activities	(1,907,798)
Net increase in cash and cash equivalents	1,076,648
Cash and cash equivalents - beginning of the year	1,407,860
Cash and cash equivalents - end of the year	\$ 2,484,508
Reconciliation of operating income to net cash from operating activities	
Operating income	\$ 2,129,158
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	3,396,664
Provision for bad debts	20,000
Pension expense in excess of employer contributions	(2,773)
OPEB expense in excess of employer contributions	(47,666)
Change in assets and liabilities	
Receivables, net	(140,237)
Unbilled receivables	40,081
Prepaid expenses	1,174
Inventories	14,920
Accounts payable	(71,334)
Accrued compensated absences	(2,168)
Due to governmental entities	(1,861)
Due to other funds	825,544
Unearned revenue	38,474
Net cash provided by operating activities	\$ 6,199,976

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Pension and OPEB Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 3,509,989	\$ 1,349,599
Interest receivable	131,969	-
Inventory	-	21,895
Investments		
Savings, cds and time deposits	1,342,939	-
US government securities	200,682	-
Corporate and foreign bonds	5,286,051	-
Municipal obligations	818,093	-
Common equity securities	11,564,616	-
Equity mutual funds	44,783,356	-
Fixed income mutual funds	24,639,120	-
Total investments	88,634,857	-
Due from other funds	231,148	-
	<u>92,507,963</u>	<u>\$ 1,371,494</u>
LIABILITIES		
Accounts payable and accrued liabilities	107,792	-
Due to general fund	172,701	-
Due to schools general fund	-	710,823
Due to student groups	-	660,671
	<u>280,493</u>	<u>\$ 1,371,494</u>
NET POSITION		
Restricted for pensions	76,713,182	
Restricted for OPEB	15,514,288	
Total net position	<u>\$ 92,227,470</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, 2019

	Pension and OPEB Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 3,663,091
Plan members	726,480
Total contributions	<u>4,389,571</u>
Investment earnings (losses):	
Interest and dividends	1,982,350
Net appreciation in fair value of investments	4,213,667
Total investment earnings	<u>6,196,017</u>
Total additions	10,585,588
DEDUCTIONS	
Benefits and claims paid	2,735,295
Administrative expense	272,472
Total deductions	<u>3,007,767</u>
Change in net position	7,577,821
Net position - beginning of the year	<u>84,649,649</u>
Net position - end of the year	<u><u>\$ 92,227,470</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF COLLIERVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, Legislative, Finance, Education, Police, Fire, Parks and Recreation, Public Works, Planning and 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 include the financial statements of Collierville Schools (the “School”). The School’s general purpose fund, federal projects fund, nutrition fund, and discretionary grants fund are each reported as special revenue funds of the Town and the School’s capital projects fund is considered a capital projects fund 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.

B. Basis of Presentation

1. 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)

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.

2. 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 the enterprise fund 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 Capital Projects Fund #321 accounts for the majority of the Town's capital activity; therefore, the Town's management has elected to classify this fund as a major fund. The Town's major funds are as follows:

Major Governmental Funds: General Fund, General Purpose School Fund, Capital Projects Fund #321, Education Capital Fund.

Major Proprietary Fund: Water and Sewer Fund

Detailed descriptions of these funds are presented below.

3. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 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.

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.

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

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

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 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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *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.

Water and Sewer Fund – Accounts for water and sewer fees in connection with the operation of the Town's water and sewer system. The proceeds of several bond issues have been used specifically for the construction or acquisition of water and sewer systems and facilities. Since it is the intention of the Town to repay these bonds through water and sewer fund operations, these obligations are reported in this fund. Revenues derived from the physical connection to the system do not substantially exceed the cost incurred to provide such services.

5. *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. Since 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 Town maintains the Town Pension Plan Fund, and the Town Retiree Medical Plan Fund (Town OPEB). The School maintains the School Retiree Medical Plan (School OPEB). Both the Town OPEB and School OPEB account solely for retiree medical benefits (including claims incurred but not reported) for which each plan 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). The School Student Activity Funds are used to account 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)

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)

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 investments measured using Net Asset Value (“NAV”) per share, which have no readily determinable fair value and have been determined using amortized cost which approximates fair value. Those investments in the Local Government Investment Pool (“LGIP”) qualify as a 2a7-like pool and are reported at amortized cost using a Stable Net Asset Value which approximates fair value.

For governmental activities, restricted investments consist of assets held in an irrevocable trust for future TCRS pension benefits. In addition 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 \$10,386,058 in restricted investments for development fees at June 30, 2019.

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 the following January 1 and are considered delinquent after February 28, at which time interest is 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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, 2019.

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. Inventories are charged to operations using the consumption 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In the fund financial statements, governmental funds report fund balances in classifications that comprise 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Fair Value Measurements

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. 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 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. 82, *Certain Asset Retirement Obligations* which requires accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. As of June 30, 2019 the Town of Collierville has not identified asset retirement obligations that have been incurred.

GASB Statement No. 84, *Fiduciary Activities* was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of GASB Statement No. 84 are effective for fiscal year 2020. The Town of Collierville is currently evaluating the impact of GASB Statement No. 84 may have on its financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of the Construction Period, was issued to enhance the relevance and comparability of information about capital assets and the costs of borrowing for a period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements are effective for fiscal periods beginning after December 15, 2019, with early implementation encouraged. The Town of Collierville implemented the new standards as of June 30, 2019.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 transfer funds within departments without approval of the governing body; however, any amendments made between departments must meet with the governing body's approval as prescribed by the Town Charter. The accompanying budgetary data has been revised for transfers authorized by the Town Administrator during the year as well as amended in accordance with the Town Charter. 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, 2019, expenditures exceeded budget in the general purpose school fund by \$823,642.

C. Deficit fund equity

As of June 30, 2019, none of the funds had a deficit fund balance.

NOTE 3 – DEPOSITS

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, 2019, 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

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.

The School is a member of the Tennessee Consolidated Retirement System (“TCRS”) Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of retirement benefits of that member’s employees. Trust funds are not subject to the claims of general creditors of the School or Town. The trust is authorized to make investments are directed by the TCRS Board of Trustees. The School may not impose restrictions on investments placed by the trust on their behalf.

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)

A. Primary Government Investments

The Tennessee Local Government Investment Pool (“LGIP”) represents 100% of the primary government’s investments at June 30, 2019. 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. Restricted Investments – TCRS Stabilization Reserve Trust

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (“TRGT”). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool’s underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares. For further information concerning the School Department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>. The following table summarizes fair value disclosures and measurements for Collierville School’s investments held by the TRGT on its behalf June 30, 2019.

Investments at Fair Value	Total	Level 1	Level 2	Level 3
U.S. equity	\$ 84,562	\$ 84,562	\$ -	\$ -
Developed market international equity	38,189	38,189	-	-
Emerging market international equity	10,911	10,911	-	-
U.S. fixed income	54,556	-	54,556	-
Short-term securities	2,728	-	2,728	-
Real estate	27,278	-	-	27,278
	218,224	133,662	57,284	27,278
Investments at amortized cost using NAV				
Private equity and strategic lending	54,555			
Total restricted investments	<u>\$ 272,779</u>			

NOTE 4 – INVESTMENTS (CONTINUED)

C. 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. The following table summarized fair value disclosures and measurements for fiduciary investments at June 30, 2019:

	Total	Level 1	Level 2	Level 3
Investments:				
Certificates of deposit	\$ 1,342,939	\$ -	\$ 1,342,939	\$ -
U.S. government agency bonds	200,682	-	200,682	-
Corporate and foreign bonds	5,286,051	-	5,286,051	-
Municipal obligations	818,093	-	818,093	-
Common stocks	12,480,137	12,480,137	-	-
Equity mutual funds	43,867,835	43,867,835	-	-
Fixed income mutual funds	24,639,120	24,639,120	-	-
	<u>\$ 88,634,857</u>	<u>\$ 80,987,092</u>	<u>\$ 7,647,765</u>	<u>\$ -</u>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019:

- *Short-term securities:* generally include investments in money market-type securities reported at cost plus accrued interest.
- *Equity and equity derivative securities:* Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are securities whose values are derived daily from associated traded securities. Level 3 are valued with last trade data having limited trading volume.
- *US Treasury Bills, Bonds, Notes and Futures:* Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.
- *Real estate investments:* Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

NOTE 4 – INVESTMENTS (CONTINUED)

- *Private mutual funds, traditional private equity funds, strategic lending funds and real estate funds:* Those funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

Risks and Uncertainties – The fiduciary fund trust's and TRGT's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Collierville Schools does not have the ability to limit TRGT investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Collierville Schools places no limit on the amount the TRGT may invest in one issuer. The Town and School have adopted the investment policy established by TCA 6-5-106 for investments other than those held for Pension and OPEB benefits. The Town diversifies its fiduciary fund investment portfolios so that the impact of potential losses from any specific issuer or business sector will be minimized. The Town had no investments that comprised more than 5% of its total investments at June 30, 2019.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities 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 third party bank is also a participant in the State collateral pool. Pursuant to the trust agreements, investments are held in the TRGT and each fiduciary trust are for the benefit of the Town of Collierville and Collierville Schools to pay retirement benefits of their respective employees.

NOTE 5 – INTERFUND TRANSACTIONS

At June 30, 2019, the composition of interfund balances for governmental and business-type activities is as follows:

	Due From:	Due To:
Major Funds		
General Fund		
General Purpose School Fund	\$ -	\$ 51,519
State Street Aid Fund	566,796	-
Historic Preservation Fund	-	40,964
E-Citation Fund	-	1,639
Sanitation Fund	-	2,164,083
Special Drug Fund	692	-
CIP #321 Fund	-	1,102,359
CIP #335 Fund	-	436,208
CIP #336 Fund	955	-
Water and Sewer Fund	1,678,617	-
	<u>2,247,060</u>	<u>3,796,772</u>
General Purpose School Fund		
General Fund	51,519	-
Federal Projects Fund	507,462	-
Discretionary Grants Fund	29,151	-
	<u>588,132</u>	<u>-</u>
CIP #321 Fund		
General Fund	1,102,359	-
Water and Sewer Fund		
General Fund	-	1,678,617
Total Major	<u>3,937,551</u>	<u>5,475,389</u>
Nonmajor Funds		
State Street Aid Fund		
General Fund	-	566,796
Historic Preservation Fund		
General Fund	40,964	-
E-Citation Fund		
General Fund	1,639	-
Sanitation Fund		
General Fund	2,164,083	-
Special Drug Fund		
General Fund	-	692
Federal Projects Fund		
General Purpose School Fund	-	507,462
Discretionary Grants Fund		
General Purpose School Fund	-	29,151
CIP #335 Fund		
General Fund	436,208	-
CIP #336 Fund		
General Fund	-	955
Total Nonmajor	<u>2,642,894</u>	<u>1,105,056</u>
	<u>\$ 6,580,445</u>	<u>\$ 6,580,445</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, 2019 were as follows:

	<u>Transfers In:</u>	<u>Transfers Out:</u>
Major Funds		
General Fund		
Capital Projects Fund #321	\$ 2,402,879	\$ 6,579,182
Special Drug Fund	-	6,454
Historic Preservation Fund	-	60,000
Capital Projects Fund #335	-	2,243,837
Capital Projects Fund #336	-	803,614
Capital Projects Fund #337	324,250	-
Water and Sewer Fund	924,784	-
	<u>3,651,913</u>	<u>9,693,087</u>
General Purpose School Fund		
Education Capital Projects #177	-	5,064,107
Discretionary Grants Fund	3,558	-
School Federal Projects	97,170	-
	<u>100,728</u>	<u>5,064,107</u>
Education Capital Projects #177		
General Purpose School Fund	5,064,107	-
Capital Projects Fund #321		
General Fund	6,579,182	2,402,879
Capital Projects Fund #336	113,110	-
	<u>6,692,292</u>	<u>2,402,879</u>
Water and Sewer Fund		
General Fund	-	924,784
Total Major	<u>15,509,040</u>	<u>18,084,857</u>

NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)

Nonmajor Funds

Historic Preservation Fund		
General Fund	\$ 60,000	\$ -
Special Drug Fund		
General Fund	6,454	-
Discretionary Grants Fund		
General Purpose School Fund	-	3,558
School Federal Projects		
General Purpose School Fund	-	97,170
Capital Projects Fund #335		
General Fund	2,243,837	-
Capital Projects Fund #336	553,254	
Capital Projects Fund #336		
General Fund	803,614	-
Capital Projects Fund #321	-	113,110
Capital Projects Fund #335	-	553,254
	<u>803,614</u>	<u>666,364</u>
Capital Projects Fund #337		
General Fund	-	324,250
Total Nonmajor	<u>3,667,159</u>	<u>1,091,342</u>
Total	<u>\$ 19,176,199</u>	<u>\$ 19,176,199</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, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land, easements, right-of-ways	\$ 33,091,738	\$ 1,456,920	\$ -	\$ 34,548,658
Construction in progress	119,477,086	22,838,400	(116,858,884)	25,456,602
Total capital assets, not being depreciated	152,568,824	24,295,320	(116,858,884)	60,005,260
Capital assets, being depreciated:				
Buildings and improvements	114,370,129	103,229,736	-	217,599,865
Other improvements	23,926,919	117,250	-	24,044,169
Library materials	2,608,032	240,323	(287,395)	2,560,960
Equipment	38,875,102	19,343,443	(866,838)	57,351,707
Infrastructure	158,098,043	1,227,687	-	159,325,730
Total capital assets, being depreciated	337,878,225	124,158,439	(1,154,233)	460,882,431
Less accumulated depreciation for:				
Buildings and improvements	(41,085,219)	(4,583,934)	-	(45,669,153)
Other improvements	(11,697,331)	(878,665)	-	(12,575,996)
Library materials	(1,352,858)	(221,902)	241,385	(1,333,375)
Equipment	(21,273,536)	(4,987,482)	680,037	(25,580,981)
Infrastructure	(43,155,858)	(2,196,764)	-	(45,352,622)
Total accumulated depreciation	(118,564,802)	(12,868,747)	921,422	(130,512,127)
Total capital assets, being depreciated, net	219,313,423	111,289,692	(232,811)	330,370,304
Governmental activities capital assets, net	<u>\$ 371,882,247</u>	<u>\$ 135,585,012</u>	<u>\$ (117,091,695)</u>	<u>\$ 390,375,564</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,907,118	\$ 173,582	\$ -	\$ 2,080,700
Construction in progress	1,798,467	673,818	(1,519,777)	952,508
Total capital assets, not being depreciated	3,705,585	847,400	(1,519,777)	3,033,208
Capital assets, being depreciated:				
Buildings and improvements	19,532,261	-	-	19,532,261
Other improvements	1,559,939	-	-	1,559,939
Equipment	4,813,348	110,127	(43,988)	4,879,487
Distribution and collection systems	121,065,893	1,937,550	-	123,003,443
Total capital assets, being depreciated	146,971,441	2,047,677	(43,988)	148,975,130
Less accumulated depreciation for:				
Buildings and improvements	(9,229,687)	(378,674)	-	(9,608,361)
Other improvements	(693,222)	(68,106)	-	(761,328)
Equipment	(2,646,928)	(264,309)	43,826	(2,867,411)
Distribution and collection systems	(46,350,800)	(2,685,575)	-	(49,036,375)
Total accumulated depreciation	(58,920,637)	(3,396,664)	43,826	(62,273,475)
Total capital assets, being depreciated, net	88,050,804	(1,348,987)	(162)	86,701,655
Business-type activities capital assets, net	<u>\$ 91,756,389</u>	<u>\$ (501,587)</u>	<u>\$ (1,519,939)</u>	<u>\$ 89,734,863</u>

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General government	\$ 997,943
Public safety	1,738,279
Roads and public works	2,445,762
Culture and recreation	1,014,789
Sanitation	265,768
Education	6,406,206
Total depreciation expense - governmental activities	<u>\$ 12,868,747</u>
Business-type Activities:	
Water and sewer	<u>\$ 3,396,664</u>

Construction and other significant commitments

The government has active construction projects as of June 30, 2019. 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	\$ 585,000
General government - buildings and improvements	1,360,000
Public Safety - buildings and improvements	19,000
Roads and public works - infrastructure	3,743,000
Education - school renovations	898,000
Education - furniture and fixtures	275,000
Education - athletic buildings and fields	1,233,000
	<u>\$ 8,113,000</u>

NOTE 7 – ACCRUED LIABILITIES

	Governmental Activities	Business-Type Activities	Total
Accounts payable	\$ 3,894,628	\$ 224,513	\$ 4,119,141
Accrued expenses	423,716	5,350	429,066
Accrued payroll and benefits	5,281,099	34,675	5,315,774
Retainage payable	118,189	329	118,518
Accrued other	749,067	156	749,223
	<u>\$ 10,466,699</u>	<u>\$ 265,023</u>	<u>\$ 10,731,722</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.

Debt outstanding as of June 30, 2019 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance Outstanding at Year End
Governmental activities:				
General obligation bonds				
2015A serial bonds	3.25% - 5.00%	2046	\$ 93,485,000	\$ 89,280,000
2015B serial bonds	2.00% - 4.00%	2035	5,000,000	4,375,000
2015C serial bonds	2.00% - 4.00%	2029	8,015,000	7,195,000
2008 serial bonds	3.50% - 5.00%	2021	13,000,000	1,285,000
2011 serial bonds	2.00% - 2.50%	2022	4,985,000	1,615,000
2012 serial bonds	1.50% - 2.00%	2026	5,215,000	3,765,000
2013 serial bonds	2.00% - 4.00%	2033	7,700,000	5,815,000
			<u>\$ 137,400,000</u>	<u>\$ 113,330,000</u>
Business-type activities:				
Revenue bonds				
2012 revenue bond	1.50% - 4.00%	2024	\$ 15,655,000	\$ 10,175,000
2015 revenue bond	4.00% - 5.00%	2026	5,305,000	3,655,000
			<u>\$ 20,960,000</u>	<u>\$ 13,830,000</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
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	4,180,000	3,673,763	1,615,000	190,975
2025 - 2029	21,820,000	15,746,120	3,335,000	252,500
2030 - 2034	18,935,000	12,065,520	-	-
2035 - 2039	18,740,000	8,727,663	-	-
2040 - 2044	22,315,000	4,792,800	-	-
2045 - 2046	10,225,000	617,600	-	-
	<u>\$ 113,330,000</u>	<u>\$ 61,925,761</u>	<u>\$ 13,830,000</u>	<u>\$ 1,860,525</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
2020	\$ 507,819
2021	507,819
2022	507,819
2023	507,819
2024	507,819
2025 - 2026	1,015,638
Total payments	3,554,733
Less amount representing interest	(245,832)
	<u>\$ 3,308,901</u>

NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**3. Capital Leases**

Collierville Schools entered into capital leases for computer equipment to be used in the classrooms. The equipment has a book value, calculated at the net present value of the lease payments at inception of \$3,605,543, as of June 30, 2019. Lease expense was \$1,897,839 for fiscal year 2019. Future payments under the lease are as follows:

Years Ending June 30	Amount
2020	\$ 1,897,839
2021	1,035,720
Total payments	2,933,559
Less amount representing interest	(136,535)
	<u>\$ 2,797,024</u>

4. Changes in Long-Term Liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 117,630,000	\$ -	\$ (4,300,000)	\$ 113,330,000	\$4,465,000
Capital leases	1,660,421	2,891,213	(1,754,610)	2,797,024	1,804,670
Settlement obligation	3,741,777	-	(432,876)	3,308,901	442,400
Unamortized premiums (discounts), net	6,699,148	-	(307,994)	6,391,154	307,994
Total long-term debt	129,731,346	2,891,213	(6,795,480)	125,827,079	7,020,064
Compensated absences	1,904,923	47,812	(44,176)	1,908,559	47,812
Net pension liability*	2,914,964	3,555,881	-	6,470,845	-
Net OPEB liability*	6,510,966	567,270	-	7,078,236	-
	<u>\$ 141,062,199</u>	<u>\$ 7,062,176</u>	<u>\$ (6,839,656)</u>	<u>\$ 141,284,719</u>	<u>\$ 7,067,876</u>
Business-type activities:					
Revenue bonds	\$ 16,245,000	\$ -	\$ (2,415,000)	\$ 13,830,000	\$2,525,000
Unamortized premiums (discounts), net	1,912,888	-	(272,220)	1,640,668	272,284
Total long-term debt	18,157,888	-	(2,687,220)	15,470,668	2,797,284
Compensated absences	142,985	3,904	(6,072)	140,817	28,266
Net pension liability*	225,975	256,157	-	482,132	-
	<u>\$ 18,526,848</u>	<u>\$ 260,061</u>	<u>\$ (2,693,292)</u>	<u>\$ 16,093,617</u>	<u>\$ 2,825,550</u>

*net increase (decrease) shown

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.

NOTE 9 – DEFERRED LOSS ON REFUNDING

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, 2019 consists of the following:

	Governmental Activities	Business-Type Activities	Total
Series 2005	\$ -	\$ 1,995	\$ 1,995
Series 2011	11,655	-	11,655
Series 2012	289,745	836,873	1,126,618
Series 2015	699,287	198,509	897,796
	<u>\$ 1,000,687</u>	<u>\$ 1,037,377</u>	<u>\$ 2,038,064</u>

NOTE 10 – FUND BALANCES

Following is more detailed information on the government-wide fund balances including a calculation of the net investment in capital assets:

	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 390,375,564	\$ 89,734,863	\$ 480,110,427
Deferred loss on refunding	1,000,687	1,037,377	2,038,064
Total outstanding balance of capital debt	(125,827,079)	(15,470,668)	(141,297,747)
Net investment in capital assets	<u>\$ 265,549,172</u>	<u>\$ 75,301,572</u>	<u>\$ 340,850,744</u>

	Governmental Activities	Business-Type Activities	Total
Restricted for:			
Net pension assets and net OPEB assets	\$ 11,298,335	\$ 430,999	\$ 11,729,334
Stabilization reserve trust	272,779	-	272,779
General government	2,521,214	-	2,521,214
Public safety	980,730	-	980,730
Roads and public works	2,361,030	-	2,361,030
Education	80,406	-	80,406
Capital Projects	162,793	-	162,793
Water and sewer development	-	10,386,058	10,386,058
	<u>\$ 17,677,287</u>	<u>\$ 10,817,057</u>	<u>\$ 28,494,344</u>

NOTE 10 – FUND BALANCES (CONTINUED)

Following is more detailed information on the governmental fund balances:

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Education Capital Projects Fund #177	Other Governmental Funds	Total
Nonspendable for:						
Inventory	\$ 204,925	\$ -	\$ -	\$ -	\$ 47,948	\$ 252,873
Prepaid expenditures	1,933,899	-	-	-	-	1,933,899
Total nonspendable fund balance	2,138,824	-	-	-	47,948	2,186,772
Restricted for:						
Animal shelter projects	272,609	-	-	-	-	272,609
Capital projects	-	-	-	-	162,793	162,793
Community development	15,936	-	-	-	-	15,936
Development improvements	191,704	-	-	-	-	191,704
Public safety	87,948	-	-	-	620,173	708,121
Public services	1,423,865	-	-	-	-	1,423,865
Road maintenance and improvements	-	-	-	-	937,165	937,165
Parks and recreation	38,421	-	-	-	-	38,421
Sanitation	-	-	-	-	2,275,153	2,275,153
Stabilization reserve trust	-	272,779	-	-	-	272,779
Education capital projects	-	-	-	-	80,406	80,406
Total restricted fund balance	2,030,483	272,779	-	-	4,075,690	6,378,952
Committed for:						
Alternate transportation	39,728	-	-	-	-	39,728
Fire facility fee	828,029	-	-	-	-	828,029
Historic preservation	-	-	-	-	37,105	37,105
Parkland dedication	1,512,400	-	-	-	-	1,512,400
Police privilege tax	840,991	-	-	-	-	840,991
Total committed fund balance	3,221,148	-	-	-	37,105	3,258,253
Assigned to:						
Capital projects	22,260,046	-	659,687	-	23,016	22,942,749
General administration	5,134,443	-	-	-	-	5,134,443
Other purposes	2,150,000	-	-	-	-	2,150,000
Parks and recreation	2,708,734	-	-	-	-	2,708,734
Public safety	391,200	-	-	-	-	391,200
Public Services	109,325	-	-	-	-	109,325
OPEB contributions	-	1,067,508	-	-	-	1,067,508
Education	-	13,207,487	-	-	-	13,207,487
Total assigned fund balance	32,753,748	14,274,995	659,687	-	23,016	47,711,446
Unassigned	25,983,010	-	-	-	-	25,983,010
Total fund balances	<u>\$ 66,127,213</u>	<u>\$ 14,547,774</u>	<u>\$ 659,687</u>	<u>\$ -</u>	<u>\$ 4,183,759</u>	<u>\$ 85,518,433</u>

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 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. 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
Governmental Activities					
Town Administered Pension Plan	\$ -	\$ 7,339,016	\$ 6,470,845	\$ 3,531,645	\$ 3,080,966
Town TCRS Plan	2,506,910	31,565	-	49,277	(189,266)
School Administrative Legacy Plan	140,961	471,255	-	304,459	420,880
School Administrative Hybrid Plan	149,069	197,304	-	7,644	6,265
Teacher Legacy Plan	3,291,522	10,171,373	-	5,156,895	946,202
Teacher Hybrid Plan	339,535	187,810	-	77,720	112,156
Total governmental activities	<u>\$ 6,427,997</u>	<u>\$ 18,398,323</u>	<u>\$ 6,470,845</u>	<u>\$ 9,127,640</u>	<u>\$ 4,377,203</u>
Business-type Activities					
Town Administered Pension Plan	<u>\$ -</u>	<u>\$ 546,818</u>	<u>\$ 482,132</u>	<u>\$ 263,137</u>	<u>\$ 218,245</u>

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 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, 2019 while the TCRS Plans have a measurement date of June 30, 2018. As of the respective plan measurement dates, the following employees were covered by the benefit terms of the agent plans:

	Town Pension Plan	TCRS Town Plan	TCRS School Administrative Legacy Plan	Hybrid Plan
Inactive employees or beneficiaries currently receiving benefits	86	18	15	-
Inactive employees entitled to but not yet receiving benefits	84	89	59	39
Active employees	483	11	133	110
	653	118	207	149

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

Employer contributions to each plan for the year ended June 30, 2019 were as follows:

	Town Pension Plan	TCRS Town Plan	TCRS School Administrative		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Employer contributions	\$ 3,031,121	\$ -	\$ 425,971	\$ 81,166	\$ 3,560,049	\$ 152,562
Covered payroll	24,557,658	505,133	4,615,070	4,476,396	34,099,277	9,085,252
As a percentage of covered payroll	12.34%	0.00%	9.23%	1.81%	10.44%	1.68%

Actuarial Assumptions

Town Administered Pension Plan

The total pension liability was determined as part of the June 30, 2019 actuarial valuation using the entry age normal, level percent of pay cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5%
Salary increases	4.00%, including inflation
Investment rate of return	7.25%, net of investment expense, including inflation
Mortality table	Pub G-2010 for general employees ages 18-54 Pub-2010 for healthy employees over age 54

Changes of Assumptions

In 2019, the following assumptions were changed: decreased the investment rate of return from 7.50% to 7.25%; and mortality assumptions were modified.

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 7.25 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, 2019 (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%
		100%

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Rate of return

For the year ended June 30, 2019, the annual money-weighted rate of return on plan investments was 7.35%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 7.25%. 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, 2018 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	Actual experience including an adjustment for some anticipated improvements

The actuarial assumptions used in the June 30, 2018 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.

Investment policy

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 11 – 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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Net Pension Liability (Asset)

The net pension liability (asset) for the Town administered pension plan was measured as of June 30, 2019 and each TCRS plan was measured as of June 30, 2018. 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 Pension Plan	TCRS Town Plan	TCRS School Legacy Plan	Administrative Hybrid Plan	TCRS Teacher Plans Legacy Plan	Hybrid Plan
Total Pension Liability						
Service cost	\$ 2,237,370	\$ 45,027	\$ 671,753	\$ 136,737		
Interest	5,505,190	268,612	215,749	29,427		
Differences between expected and actual experience	(1,935,974)	(32,336)	(112,617)	69,069		
Changes in assumptions	6,589,427	-	-	-		
Benefit payments, including refunds	(1,978,903)	(67,769)	(18,151)	-		
Net change in total pension liability	10,417,110	213,534	756,734	235,233		
Total pension liability - beginning	73,249,049	3,693,847	2,313,172	269,154		
Total pension liability - ending	83,666,159	3,907,381	3,069,906	504,387		
Plan Fiduciary Net Position						
Contributions - employer	3,031,121	-	380,282	127,254		
Contributions - employee	594,054	-	243,147	159,069		
Net investment income	5,178,111	494,254	223,391	39,496		
Benefit payments	(1,978,903)	(67,769)	(18,151)	-		
Administrative expense	(219,311)	(1,045)	(12,871)	(10,048)		
Other changes	-	-	-	-		
Net change in plan fiduciary net position	6,605,072	425,440	815,798	315,771		
Plan fiduciary net position - beginning	70,108,110	5,988,851	2,395,069	337,685		
Plan fiduciary net position -ending	76,713,182	6,414,291	3,210,867	653,456		
Net pension liability (asset)	\$ 6,952,977	\$ (2,506,910)	\$ (140,961)	\$ (149,069)		
Proportionate share of net pension liability (asset)					\$ (3,291,522)	\$ (339,535)
Proportionate share at June 30, 2018 measurement date					0.935380%	0.748652%
Proportionate share at June 30, 2017 measurement date					0.916457%	0.634966%

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 11 – 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 7.25 percent, 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-percentage point higher than the current rate:

	Current Rate	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)				
Town Pension Plan	7.25%	\$ 19,025,670	\$ 6,952,977	\$ (2,806,000)
TCRS Town Plan	7.25%	(1,920,599)	(2,506,910)	(2,989,368)
TCRS School Administrative Legacy Plan	7.25%	359,225	(140,961)	(549,382)
TCRS School Administrative Hybrid Plan	7.25%	(34,070)	(149,069)	(238,267)
Proportionate share of the net pension asset				
TCRS Teacher Legacy Plan	7.25%	\$ 25,373,123	\$ (3,291,522)	\$(27,007,522)
TCRS Teacher Hybrid Plan	7.25%	52,492	(339,535)	(628,366)

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

For the year ended June 30, 2019, the Town reported pension expense, deferred outflows of resources, and deferred inflows of resources related to each plan from the following sources:

	Town Pension Plan	TCRS Town Plan	TCRS School Administrative		TCRS Teacher Plans	
			Legacy Plan	Hybrid Plan	Legacy Plan	Hybrid Plan
Pension Expense (Negative Pension Expense)	\$ 3,299,211	\$ (189,266)	\$ 420,880	\$ 6,265	\$ 946,202	\$ 112,156
Deferred Outflows of Resources						
Differences between expected and actual experience	\$ 936,357	\$ -	\$ 6,631	\$ 108,240	\$ 665,329	\$ 19,230
Net difference between projected and actual earnings on plan investments	771,889	-	-	-	-	-
Changes in assumptions	6,177,588	31,565	38,653	7,898	1,943,989	16,018
Change in proportion of net pension liability (asset)	-	-	-	-	4,002,006	-
Contributions subsequent to the measurement date of June 30, 2018	-	-	425,971	81,166	3,560,049	152,562
	<u>\$ 7,885,834</u>	<u>\$ 31,565</u>	<u>\$ 471,255</u>	<u>\$ 197,304</u>	<u>\$ 10,171,373</u>	<u>\$ 187,810</u>
Deferred Inflows of Resources						
Differences between expected and actual experience	\$ 2,384,404	\$ 24,166	\$ 263,878	\$ -	\$ 4,440,523	\$ 13,524
Net difference between projected and actual earnings on plan investments	-	25,111	40,581	7,644	716,372	19,179
Changes in assumptions	1,410,378	-	-	-	-	-
Change in proportion of net pension liability (asset)	-	-	-	-	-	45,017
	<u>\$ 3,794,782</u>	<u>\$ 49,277</u>	<u>\$ 304,459</u>	<u>\$ 7,644</u>	<u>\$ 5,156,895</u>	<u>\$ 77,720</u>

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The amounts shown above for “Contributions subsequent to the measurement date of June 30, 2018,” 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
2020	\$ 847,673	\$ 51,113	\$ (41,229)	\$ 11,089	\$ 2,566,944	\$ (6,282)
2021	168,473	(2,371)	(44,414)	11,005	837,261	(6,891)
2022	380,723	(53,944)	(54,954)	10,238	(1,658,375)	(9,624)
2023	239,788	(12,510)	(40,879)	11,993	(291,401)	(4,613)
2024	216,192	-	(35,224)	12,993	-	(2,058)
Thereafter	2,238,203	-	(42,475)	51,176	-	(13,004)

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

D. Payable to the Pension Plans

At June 30, 2019, Collierville Schools reported payables to the TCRS pension plans related to outstanding required contribution for the year ended June 30 2019 including: \$44,513 related to the School Administrative Legacy Plan, \$29,269 related to the School Administrative Hybrid Plan, \$452,654 related to the Teacher Legacy Plan, and \$69,350 related to the Teacher Hybrid Plan.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Trusted Pension Plan without Stand-Alone Financial Statements

<u>Statements of Pension Trust Net Position</u>		Town Pension Plan
ASSETS		
Cash and cash equivalents	\$	3,186,161
Interest receivable		118,328
Investments, at fair value:		
Savings, cds and time deposits		1,342,939
US government securities		200,682
Corporate and foreign bonds		5,286,051
Municipal obligations		818,093
Common equity securities		9,706,001
Equity mutual funds		36,384,770
Fixed income mutual funds		19,537,718
Total investments		<u>73,276,254</u>
Due from other funds		<u>231,148</u>
Total assets		<u>76,811,891</u>
LIABILITIES		
Accounts payable		<u>98,709</u>
NET POSITION		
Restricted for pension	\$	<u><u>76,713,182</u></u>
<u>Statements of Changes in Pension Plan Net Position</u>		
ADDITIONS		
Contributions:		
Employer	\$	3,031,121
Plan members		594,054
Total contributions		<u>3,625,175</u>
Investment earnings (losses):		
Interest and dividends		1,637,299
Net appreciation in fair value of investments		3,540,812
Total investment earnings		<u>5,178,111</u>
Total additions		<u>8,803,286</u>
DEDUCTIONS		
Benefits		1,978,903
Administrative expense		219,311
Total deductions		<u>2,198,214</u>
Change in net position		6,605,072
NET POSITION RESTRICTED FOR PENSION		
Beginning of year		70,108,110
End of year	\$	<u><u>76,713,182</u></u>

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2019, there were 5 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, 2019, contributions from the Town and employees were \$28,616 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 and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid plans. During 2019, the School's employer contributions to the Hybrid Plans was \$678,082. Employees are immediately vested in contributions. Contributions are made on a tax-deferred basis.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS

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.
- 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 with Collierville Schools. Those who are former employees of Shelby County Schools or Memphis City Schools must have fifteen (15) years of continuous service with Collierville, Shelby County, and/or Memphis City Schools prior to retirement. 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.

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

	Net OPEB Asset	Deferred Outflows of Resources	Net OPEB Liability	Deferred Inflows of Resources	OPEB Expense
Governmental Activities					
Town OPEB Plan	\$ 4,870,338	\$ 89,621	\$ -	\$ 1,621,167	\$ (433,572)
School OPEB Plan	-	996,713	7,078,236	522,860	633,715
Total governmental activities	<u>\$ 4,870,338</u>	<u>\$ 1,086,334</u>	<u>\$ 7,078,236</u>	<u>\$ 2,144,027</u>	<u>\$ 200,143</u>
Business-type Activities					
Town OPEB Plan	<u>\$ 430,999</u>	<u>\$ 7,931</u>	<u>\$ -</u>	<u>\$ 143,464</u>	<u>11,407</u>

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

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. The Town 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.

Employees Covered by Benefit Terms

At July 1, 2018 and June 30, 2019, the Town and School's membership consisted of:

	Town OPEB Plan	School OPEB Plan
Inactive employees or beneficiaries currently receiving benefits	63	54
Inactive employees entitled to but not yet receiving benefits	-	26
Active employees	519	94
	<u>582</u>	<u>174</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.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

Employer contributions to each plan for the year ended June 30, 2019 were as follows:

	Town OPEB Plan	School OPEB Plan
Actuarially determined contribution	\$ -	\$ 658,937
Employer contributions	164,257	467,713
Contribution deficiency (excess)	(164,257)	191,224
Employer contributions as a percentage of covered payroll	0.64%	2.48%

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 estimated are made about the future.

Town Administered OPEB Plan

The total OPEB liability was determined as of June 30, 2018 as part of an actuarial valuation using the entry age normal, level percent of pay cost method applied to all periods included in the measurement date of June 30, 2019. Significant actuarial assumptions used in the valuation include:

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 June 30, 2019 using the entry age normal level percent of pay actuarial cost method. Significant actuarial assumptions used in the valuation include:

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	RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018
Health care cost trend rate	8.0% initial rate, 4.5% ultimate rate, 7 year grading period

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

Changes of Assumptions

In 2019, the School OPEB assumptions included a decrease in the health care costs from 8.5% to 8.0% and a change to mortality tables.

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. 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%
Short-term bond	15%	2.25%
Intermediate-term bond	19%	3.25%
Large-cap equity	27%	6.25%
Mid-cap equity	11%	6.65%
Small-Cap equity	7%	7.00%
International equity	15%	7.00%
REITS	5%	5.00%
	100%	

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.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

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
U.S. large equity	34%	9.20%
U.S. mid equity	4%	9.80%
U.S. small equity	4%	10.30%
European equity	13%	7.40%
Japanese equity	2%	7.40%
Asian (excl. Japan) equity	3%	9.70%
Emerging market equity	5%	11.40%
Short-term fixed income	7%	3.60%
U.S. fixed income	23%	4.80%
International fixed income	1%	4.50%
Inflation protected notes	3%	5.70%
Emerging market fixed income	1%	7.10%
	100%	

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on Town and School investments was 7.32% percent and 4.36%, 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 School's funding policy is to pay for the pay-as-you-go costs out of the general purpose fund and partially fund the Actuarially Determined Contribution. The final equivalent single discount rate for this year's valuation is 7.50% based on the assumption that the trust is eventually expected to be sufficient to finance all future benefit payments.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**C. Net OPEB Liability**

The components of the Town's net OPEB liability at June 30, 2019, were as follows:

	Town OPEB Plan	School OPEB Plan
Total OPEB Liability		
Service cost	\$ 241,801	\$ 95,128
Interest	617,703	571,143
Differences between expected and actual experience	94,935	335,029
Changes in assumptions	-	81,285
Benefit payments, including refunds	(438,679)	(317,713)
Net change in total OPEB liability	515,760	764,872
Total OPEB liability - beginning	8,334,463	7,676,092
Total OPEB liability - ending	8,850,223	8,440,964
Plan Fiduciary Net Position		
Contributions - employer	164,257	467,713
Contributions - employee	132,426	-
Net investment income	965,357	52,549
Benefit payments	(438,679)	(317,713)
Administrative expense	(48,214)	(4,947)
Net change in plan fiduciary net position	775,147	197,602
Plan fiduciary net position - beginning	13,376,413	1,165,126
Plan fiduciary net position -ending	14,151,560	1,362,728
Net OPEB liability (asset)	<u>\$ (5,301,337)</u>	<u>\$ 7,078,236</u>

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%	\$ (4,500,026)	\$ (5,301,337)	\$ (6,323,949)
School OPEB Plan	7.50%	\$ 7,994,447	\$ 7,078,236	\$ 6,344,860

NOTE 13 – 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 – 8.0% 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%	\$ (5,845,003)	\$ (5,301,337)	\$ (5,056,592)
School OPEB Plan	8.0% to 5%	\$ 6,344,176	\$ 7,078,236	\$ 7,942,492

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

For the year ended June 30, 2019, 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>\$ (422,165)</u>	<u>\$ 633,715</u>
Deferred Outflows of Resources		
Differences between expected and actual experience	\$ 97,552	\$ 670,168
Net difference between projected and actual earnings on plan investments	-	32,142
Changes in assumptions	-	294,403
	<u>\$ 97,552</u>	<u>\$ 996,713</u>
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 1,685,798	\$ 268,306
Net difference between projected and actual earnings on plan investments	78,833	25,242
Changes in assumptions	-	229,312
	<u>\$ 1,764,631</u>	<u>\$ 522,860</u>

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)

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>
2020	\$ (194,468)	\$ 55,223
2021	(194,468)	55,222
2022	(132,275)	62,188
2023	(137,460)	231,836
2024	(144,960)	69,384
Thereafter	(863,448)	-

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (CONTINUED)**E. Trusted OPEB Plan without Stand-Alone Financial Statements**

	Town OPEB Fund
Statements of OPEB Trust Net Position	
ASSETS	
Cash and cash equivalents	\$ 301,910
Interest receivable	13,641
Investments, at fair value:	
Common equity securities	1,858,615
Equity mutual funds	7,483,065
Fixed income mutual funds	4,676,113
Total investments	<u>14,017,793</u>
Total assets	<u>14,333,344</u>
LIABILITIES	
Accounts payable	9,083
Due to other funds	172,701
	<u>181,784</u>
NET POSITION	
Restricted for OPEB	<u><u>\$ 14,151,560</u></u>
Statements of Changes in OPEB Plan Net Position	
ADDITIONS	
Contributions:	
Employer	\$ 164,257
Plan members	132,426
Total contributions	<u>296,683</u>
Investment earnings (losses):	
Interest and dividends	298,479
Net appreciation in fair value of investments	666,878
Total investment earnings	<u>965,357</u>
Total additions	<u>1,262,040</u>
DEDUCTIONS	
Benefits	438,679
Administrative expense	48,214
Total deductions	<u>486,893</u>
Change in net position	775,147
NET POSITION RESTRICTED FOR OPEB	
Beginning of year	13,376,413
End of year	<u><u>\$ 14,151,560</u></u>

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Operating Lease Revenues

Collierville Schools occasionally enters into long-term operating leases for equipment to be used in the classrooms with maturities ranging from fiscal year 2019 to 2024. For the year ended June 30, 2019, lease expense under these operating leases was \$771,365. The future lease commitments is as follows:

Years Ending June 30	Amount
2020	\$ 60,612
2021	60,612
2022	60,612
2023	60,612
2024	15,153
Total payments	<u><u>\$ 257,601</u></u>

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, 2019, 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 plan on such property. The corporation has been responsible for all cleanup costs and continues to maintain compliance with the EPA.

NOTE 15 – RISK MANAGEMENT

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 Public Entity Partners Risk Management Pool (the "Pool"), 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 Pool. Each political subdivision that participates in the Pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the Pool. The Pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company.

The Town has not incurred any losses in excess of 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/.

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, 2019, the Town of Collierville and the Collierville Schools contributed premiums of \$6,168,872 and \$8,379,710 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*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Pension Liability										
Service cost	\$ 2,237,370	\$ 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
Interest	5,505,190	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
Differences between expected and actual experience	(1,935,974)	(645,352)	178,216	913,743	168,352	(608,973)	586,940	(122,560)	(2,274,160)	1,060,581
Changes in assumptions	6,589,427	-	-	(1,844,342)	-	-	-	-	-	-
Benefit payments	(1,978,903)	(1,606,651)	(1,398,011)	(1,152,278)	(894,299)	(790,697)	(678,800)	(575,037)	(472,023)	(365,053)
Net change in total pension liability	10,417,110	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
Total pension liability - beginning	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
Total pension liability - ending	83,666,159	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
Plan Fiduciary Net Position										
Contributions - employer	3,031,121	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
Contributions - employee	594,054	606,552	533,710	412,024	440,445	435,026	424,016	412,031	390,268	379,667
Net investment income	5,178,111	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
Benefit payments	(1,978,903)	(1,606,651)	(1,375,157)	(1,152,278)	(836,358)	(773,677)	(666,507)	(553,345)	(451,404)	(333,297)
Administrative expense	(219,311)	(205,002)	(18,943)	(21,451)	(17,419)	(29,364)	(26,757)	(117,883)	(99,038)	(76,512)
Net change in fiduciary net position	6,605,072	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
Plan Fiduciary net position - beginning	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
Plan fiduciary net position -ending	76,713,182	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
Net pension liability (asset)	\$ 6,952,977	\$ 3,140,939	\$ 4,388,381	\$ 6,301,130	\$ 4,636,920	\$ 3,607,721	\$ 8,442,667	\$ 9,889,054	\$ 8,980,464	\$ 14,284,717
Plan fiduciary net position as a percentage of the total pension liability	91.69%	95.71%	93.56%	89.95%	92.05%	93.21%	82.80%	77.59%	77.61%	62.62%
Covered payroll	\$ 23,874,855	\$ 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
Net pension liability as a percentage of covered payroll	29.12%	12.82%	19.97%	28.86%	22.27%	18.25%	44.44%	53.46%	48.28%	75.05%

Changes in assumptions: In 2019, amounts reported as changes in assumptions resulted from changes to the investment rate of return and mortality improvements.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 2,452,625	\$ 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
Contributions	3,031,121	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
Contribution deficiency (excess)	<u>\$ (578,496)</u>	<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>
Covered payroll	\$24,557,658	\$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
Contributions as a percentage of covered payroll	12.34%	12.58%	13.95%	12.68%	13.90%	13.95%	14.87%	15.50%	14.32%	14.10%

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	19 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*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money-weighted rate of return, net of investment expense	7.35%	6.85%	9.26%	1.35%	3.71%	15.86%	11.24%	2.14%	18.76%	15.05%

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*

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 45,027	\$ 41,340	\$ 40,093	\$ 42,541	\$ 36,724
Interest	268,612	254,939	247,290	242,611	215,031
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(32,336)	(23,996)	(123,688)	(155,231)	171,923
Change of assumptions	-	94,693			
Benefit payments	(67,769)	(61,963)	(63,933)	(66,240)	(57,281)
Net change in total pension liability	213,534	305,013	99,762	63,681	366,397
Total pension liability - beginning	3,693,847	3,388,834	3,289,072	3,225,391	2,858,994
Total pension liability - ending	3,907,381	3,693,847	3,388,834	3,289,072	3,225,391
Plan Fiduciary Net Position					
Contributions - employer	-	-	-	-	-
Contributions - employee	-	-	-	-	-
Net investment income	494,254	612,731	141,079	160,565	750,110
Benefit payments	(67,769)	(61,963)	(63,933)	(66,240)	(57,281)
Administrative expense	(1,045)	(934)	(832)	(558)	(709)
Other	-	-	22,188	-	-
Net change in plan fiduciary net position	425,440	549,834	98,502	93,767	692,120
Plan fiduciary net position - beginning	5,988,851	5,439,017	5,340,515	5,246,748	4,554,628
Plan fiduciary net position - ending	6,414,291	5,988,851	5,439,017	5,340,515	5,246,748
Net pension liability (asset)	\$ (2,506,910)	\$ (2,295,004)	\$ (2,050,183)	\$ (2,051,443)	\$ (2,021,357)
Plan fiduciary net position as a percentage of the total pension liability	164.16%	162.13%	160.50%	162.37%	162.67%
Covered payroll	\$ 561,312	\$ 557,292	\$ 509,968	\$ 482,400	\$ 562,098
Net pension liability (asset) as a percentage of covered payroll	-446.62%	-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 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 OF COLLIERVILLE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Ten Fiscal Years Ending June 30*

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-
Contribution deficiency (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 505,133	\$ 561,312	\$ 557,292	\$ 509,968	\$ 482,400	\$ 562,098
Contributions as a percentage of covered payroll	0.00%	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 2019 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	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation
Investment rate of return	7.25%, 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	2.25%

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*

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 671,753	\$ 669,582	\$ 805,568	\$ 729,290
Interest	215,749	157,592	114,304	54,690
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(112,617)	8,841	(196,811)	(61,435)
Changes in assumptions	-	51,537	-	-
Benefit payments	(18,151)	(12,051)	(7,743)	(192)
Net change in total pension liability	756,734	875,501	715,318	722,353
Total pension liability - beginning	2,313,172	1,437,671	722,353	-
Total pension liability - ending	3,069,906	2,313,172	1,437,671	722,353
Plan Fiduciary Net Position				
Contributions - employer	380,282	477,714	476,176	473,757
Contributions - employee	243,147	257,669	256,837	255,533
Net investment income	223,391	207,672	28,921	11,095
Benefit payments	(18,151)	(12,051)	(7,743)	(192)
Administrative expense	(12,871)	(12,313)	(11,877)	(9,499)
Other	-	2,492	-	878
Net change in plan fiduciary net position	815,798	921,183	742,314	731,572
Plan fiduciary net position - beginning	2,395,069	1,473,886	731,572	-
Plan fiduciary net position - ending	3,210,867	2,395,069	1,473,886	731,572
Net pension liability (asset)	<u>\$ (140,961)</u>	<u>\$ (81,897)</u>	<u>\$ (36,215)</u>	<u>\$ (9,219)</u>
Plan fiduciary net position as a percentage of the total pension liability	104.59%	103.54%	102.52%	101.28%
Covered payroll	\$ 4,862,948	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
Net pension liability as a percentage of covered payroll	-2.90%	-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*

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 425,971	\$ 380,282	\$ 435,456	\$ 476,176	\$ 473,869
Contributions	425,971	380,282	477,714	476,176	473,869
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,258)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,615,070	\$ 4,862,586	\$ 5,153,327	\$ 5,154,204	\$ 5,110,652
Contributions as a percentage of covered payroll	9.23%	7.82%	9.27%	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 2019 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	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, 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	2.25%

Changes of assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to 4%; and modified mortality assumptions

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*

	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 136,737	\$ 88,280	\$ 63,579	\$ 23,680
Interest	29,427	15,887	7,356	1,776
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	69,069	31,785	18,442	9,366
Changes in assumptions	-	9,654	-	-
Benefit payments	-	-	(651)	-
Net change in total pension liability	235,233	145,606	88,726	34,822
Total pension liability - beginning	269,154	123,548	34,822	-
Total pension liability - ending	504,387	269,154	123,548	34,822
Plan Fiduciary Net Position				
Contributions - employer	127,254	78,585	64,046	-
Contributions - employee	159,069	98,232	60,714	23,680
Net investment income	39,496	25,786	2,127	294
Benefit payments	-	-	(651)	-
Administrative expense	(10,048)	(6,702)	(3,774)	(367)
Other	-	-	-	(4,285)
Net change in plan fiduciary net position	315,771	195,901	122,462	19,322
Plan fiduciary net position - beginning	337,685	141,784	19,322	-
Plan fiduciary net position -ending	653,456	337,685	141,784	19,322
Net pension liability (asset)	\$ (149,069)	\$ (68,531)	\$ (18,236)	\$ 15,500
Plan fiduciary net position as a percentage of the total pension liability	129.55%	125.46%	114.76%	55.49%
Covered payroll	\$ 3,181,347	\$ 1,964,624	\$ 1,214,266	\$ 473,607
Net pension liability as a percentage of covered payroll	-4.69%	-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*

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 161,797	\$ 68,399	\$ 46,562	\$ 39,760	\$ -
Contributions	81,166	127,254	78,584	64,046	-
Contribution deficiency (excess)	<u>\$ 80,631</u>	<u>\$ (58,855)</u>	<u>\$ (32,022)</u>	<u>\$ (24,286)</u>	<u>\$ -</u>
Covered payroll	\$ 4,476,396	\$ 3,181,347	\$ 1,964,624	\$ 1,214,266	\$ 473,607
Contributions as a percentage of covered payroll	1.81%	4.00%	4.00%	5.27%	0.00%

In 2019, the School placed the actuarially determined contribution rate of 1.81% of covered payroll into the pension plan and placed 2.19% of covered payroll into the Pension Stabilization Reserve Trust.

* 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 2019 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 within a 20% corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4%
Investment rate of return	7.25%, 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	2.25%

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

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*

	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.935380%	0.916457%	0.909980%	0.806559%	0.010312%
Proportionate share of the net pension liability (asset)	\$ (3,291,522)	\$ (299,849)	\$ 5,686,872	\$ 330,394	\$ (1,675)
Covered payroll	\$ 32,754,587	\$ 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	-10.05%	-0.93%	17.31%	1.09%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	101.49%	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*

	2019	2018	2017	2016	2015
Contractually required	\$ 3,560,049	\$ 2,974,058	\$ 2,928,624	\$ 2,969,500	\$ 2,729,499
Contribution in relation to the contractually required contribution	<u>3,560,049</u>	<u>2,974,058</u>	<u>2,928,624</u>	<u>2,969,500</u>	<u>2,729,499</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 32,754,587	\$ 32,375,060	\$ 32,848,484	\$ 30,193,596	\$ 404,757
Contributions as a percentage of covered payroll	10.87%	9.19%	8.92%	9.83%	674.35%

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

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*

	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.748652%	0.634966%	0.473838%	0.438730%
Proportionate share of the net pension liability (asset)	\$ (339,535)	\$ (167,525)	\$ (49,328)	\$ (17,650)
Covered payroll	\$ 6,542,299	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-5.19%	-4.00%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	126.97%	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*

	2019	2018	2017	2016	2015
Contractually required	\$ 344,710	\$ 106,689	\$ 166,701	\$ 52,190	\$ 22,789
Contribution in relation to the contractually required contribution	<u>152,562</u>	<u>261,693</u>	<u>166,701</u>	<u>83,396</u>	<u>36,463</u>
Contribution deficiency (excess)	<u>\$ 192,148</u>	<u>\$ (155,004)</u>	<u>\$ -</u>	<u>\$ (31,206)</u>	<u>\$ (13,674)</u>
Covered payroll	\$ 9,085,252	\$ 6,542,299	\$ 4,188,789	\$ 2,084,918	\$ 911,572
Contributions as a percentage of covered payroll	1.68%	4.00%	3.98%	4.00%	4.00%

In 2019, the School placed the actuarially determined contribution rate of 1.68% of covered payroll into the pension plan and placed 2.32% of covered payroll into the Pension Stabilization Reserve Trust.

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

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*

	2019	2018	2017
Total OPEB Liability:			
Service cost	\$ 241,801	\$ 364,730	\$ 364,730
Interest	617,703	721,220	669,530
Changes in benefit terms	-	-	-
Differences between actual and expected experience	94,935	(1,992,284)	12,870
Changes of assumptions	-	-	-
Benefit payments, including refunds	(438,679)	(386,217)	(329,646)
Net change in total OPEB liability (asset)	515,760	(1,292,551)	717,484
Total OPEB liability-beginning	8,334,463	9,627,014	8,909,530
Total OPEB liability-ending	8,850,223	8,334,463	9,627,014
Plan Fiduciary Net Position:			
Contributions - employer	164,257	656,482	574,737
Contributions - employee	132,426	102,610	105,722
Net investment income	965,357	897,564	1,125,991
Benefit payments	(438,679)	(386,217)	(329,646)
Administrative expense	(48,214)	(41,553)	(41,702)
Net change in plan fiduciary net position	775,147	1,228,886	1,435,102
Plan fiduciary net position-beginning	13,376,413	12,147,527	10,712,425
Plan fiduciary net position-ending	14,151,560	13,376,413	12,147,527
Net OPEB liability-ending	<u>\$ (5,301,337)</u>	<u>\$ (5,041,950)</u>	<u>\$ (2,520,513)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	159.90%	160.50%	126.18%
Covered payroll	\$ 25,821,015	\$ 25,821,015	\$ 23,089,345
Net OPEB liability as a percentage of covered payroll	-20.53%	-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*

	2019	2018	2017
Actuarially determined contribution	\$ -	\$ 552,454	\$ 552,454
Contributions	164,257	656,482	574,737
Contribution deficiency (excess)	<u>\$ (164,257)</u>	<u>\$ (104,028)</u>	<u>\$ (22,283)</u>
Covered payroll	\$ 25,821,015	\$ 25,821,015	\$ 23,089,345
Contributions as a percentage of covered payroll	0.64%	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

July 1, 2018 with results actuarially rolled forward to June 30, 2019 on a "no loss/no gain" basis.

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 4.0%
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*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	7.32%	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*

	2019	2018	2017
Total OPEB Liability:			
Service cost	\$ 95,128	\$ 72,072	\$ 207,352
Interest	571,143	517,593	559,477
Changes in benefit terms	-	-	-
Differences between actual and expected experience	335,029	339,998	(521,705)
Changes of assumptions	81,285	586,465	(445,844)
Benefit payments, including refunds	(317,713)	(466,765)	(325,679)
Net change in total OPEB liability (asset)	764,872	1,049,363	(526,399)
Total OPEB liability-beginning	7,676,092	6,626,729	7,153,168
Total OPEB liability-ending	8,440,964	7,676,092	6,626,769
Plan Fiduciary Net Position:			
Contributions - employer	467,713	691,765	525,679
Contributions - employee	-	-	-
Net investment income	52,549	91,298	88,623
Benefit payments	(317,713)	(466,765)	(325,679)
Administrative expense	(4,947)	(13,357)	(1,239)
Net change in plan fiduciary net position	197,602	302,941	287,384
Plan fiduciary net position-beginning	1,165,126	862,185	574,801
Plan fiduciary net position-ending	1,362,728	1,165,126	862,185
Net OPEB liability-ending	\$ 7,078,236	\$ 6,510,966	\$ 5,764,584
Plan fiduciary net position as a percentage of the total OPEB liability	16.14%	15.18%	13.01%
Covered payroll	\$ 18,853,928	\$ 20,012,457	\$ 19,429,570
Net OPEB liability as a percentage of covered payroll	37.54%	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*

	2019	2018	2017
Actuarially determined contribution	\$ 658,937	\$ 735,990	\$ 791,692
Contributions	467,713	691,765	525,679
Contribution deficiency (excess)	\$ 191,224	\$ 44,225	\$ 266,013
Covered payroll	\$ 18,853,928	\$ 20,012,457	\$ 19,429,570
Contributions as a percentage of covered payroll	2.48%	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%
Healthcare cost trend rates	8.0% decreasing 0.5% per year to an ultimate 4.5% for 2026 and thereafter after. Lower for post-65 employees.
Salary increases	Payroll growth including general wage inflation plus merit/productivity increases from zero to 7.75% based on the TCRS valuation as of June 30, 2016.
Investment rate of return	7.5%, net of investment expenses, including inflation
Retirement age	Annual retirement rates are based on the TCRS valuation as of June 30, 2016.
Mortality	RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.36%	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, 2019

	Special Revenue 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
ASSETS								
Cash and cash equivalents	\$ 1,371,371	\$ -	\$ 129,986	\$ -	\$ 502,552	\$ -	\$ 104,779	\$ -
Investments	-	-	-	-	-	-	-	-
Receivables								
Federal and state grants	-	-	-	-	-	592,895	-	88,818
Customer	-	-	-	253,648	-	-	-	-
Other	-	-	-	-	-	-	87,675	-
Due from other governments	276,511	-	-	-	-	-	-	-
Due from other funds	-	40,964	1,639	2,164,083	-	-	-	-
Inventory	-	-	-	13,775	-	-	34,173	-
Prepaid Items	-	-	-	-	-	69,180	-	-
Total assets	<u>\$ 1,647,882</u>	<u>\$ 40,964</u>	<u>\$ 131,625</u>	<u>\$ 2,431,506</u>	<u>\$ 502,552</u>	<u>\$ 662,075</u>	<u>\$ 226,627</u>	<u>\$ 88,818</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ 143,921	\$ 3,859	\$ -	\$ 142,578	\$ 2,378	\$ 154,613	\$ 77,193	\$ 24,112
Due to other funds	566,796	-	-	-	692	507,462	-	29,151
Unearned revenue	-	-	-	-	10,934	-	-	-
Total liabilities	<u>710,717</u>	<u>3,859</u>	<u>-</u>	<u>142,578</u>	<u>14,004</u>	<u>662,075</u>	<u>77,193</u>	<u>53,263</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue								
Other	-	-	-	-	-	-	70,410	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,410</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	13,775	-	-	34,173	-
Restricted	937,165	-	131,625	2,275,153	488,548	-	44,851	35,555
Committed	-	37,105	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>937,165</u>	<u>37,105</u>	<u>131,625</u>	<u>2,288,928</u>	<u>488,548</u>	<u>-</u>	<u>79,024</u>	<u>35,555</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 1,647,882	\$ 40,964	\$ 131,625	\$ 2,431,506	\$ 502,552	\$ 662,075	\$ 226,627	\$ 88,818

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TOWN OF COLLIERVILLE, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Capital Projects Funds			Total Nonmajor Governmental Funds
	#335 Fund	#336 Fund	#337 Fund	
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,108,688
Investments	66	123,933	39,815	163,814
Receivables				
Federal and state grants	-	-	-	681,713
Customer	-	-	-	253,648
Other	-	-	-	87,675
Due from other governments	-	-	-	276,511
Due from other funds	436,208	-	-	2,642,894
Inventory	-	-	-	47,948
Prepaid Items	-	-	-	69,180
Total assets	<u>\$ 436,274</u>	<u>\$ 123,933</u>	<u>\$ 39,815</u>	<u>\$ 6,332,071</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 413,258	\$ -	\$ -	\$ 961,912
Due to other funds	-	955	-	1,105,056
Unearned revenue	-	-	-	10,934
Total liabilities	<u>413,258</u>	<u>955</u>	<u>-</u>	<u>2,077,902</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue				
Other	-	-	-	70,410
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,410</u>
FUND BALANCES				
Nonspendable	-	-	-	47,948
Restricted	-	122,978	39,815	4,075,690
Committed	-	-	-	37,105
Assigned	23,016	-	-	23,016
Total fund balances	<u>23,016</u>	<u>122,978</u>	<u>39,815</u>	<u>4,183,759</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 436,274</u>	<u>\$ 123,933</u>	<u>\$ 39,815</u>	<u>\$ 6,332,071</u>

TOWN OF COLLIERVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Special Revenue 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
REVENUES								
Local sales taxes	\$ -	\$ 31,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental								
State education revenue	-	-	-	-	-	-	15,962	-
State gas tax	1,599,661	-	-	-	-	-	-	-
Charges for services	-	-	-	4,249,035	-	-	1,735,308	-
Fines, forfeitures, and penalties	-	-	28,192	-	45,306	-	-	-
Federal and state grant revenue	-	-	-	151,849	171,163	5,816,926	766,699	595,883
Interest on investments	15,893	-	1,528	-	4,552	-	-	-
Other	-	-	-	92,750	3,585	-	1,520	30,857
Total revenues	1,615,554	31,567	29,720	4,493,634	224,606	5,816,926	2,519,489	626,740
EXPENDITURES								
Current								
General government	-	171,500	-	-	-	-	-	-
Public safety	-	-	644	-	34,243	-	-	-
Roads and public works	1,557,965	-	-	-	-	-	-	-
Sanitation	-	-	-	3,541,278	-	-	-	-
Education	-	-	-	-	-	4,928,771	2,581,165	397,585
Capital outlays	-	-	-	887,439	-	790,985	13,288	212,382
Total expenditures	1,557,965	171,500	644	4,428,717	34,243	5,719,756	2,594,453	609,967
Excess (deficiency) of revenues over (under) expenditures	57,589	(139,933)	29,076	64,917	190,363	97,170	(74,964)	16,773
OTHER FINANCING SOURCES (USES)								
Transfers in	-	60,000	-	-	6,454	-	-	-
Transfers out	-	-	-	-	-	(97,170)	-	(3,558)
Total other financing sources and uses	-	60,000	-	-	6,454	(97,170)	-	(3,558)
Net change in fund balances	57,589	(79,933)	29,076	64,917	196,817	-	(74,964)	13,215
Fund balances - beginning	879,576	117,038	102,549	2,224,011	291,731	-	153,988	22,340
Fund balances - ending	\$ 937,165	\$ 37,105	\$ 131,625	\$ 2,288,928	\$ 488,548	\$ -	\$ 79,024	\$ 35,555

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TOWN OF COLLIERVILLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Capital Projects Fund			Total Nonmajor Governmental Funds
	#335 Fund	#336 Fund	#337 Fund	
REVENUES				
Local sales taxes	\$ -	\$ -	\$ -	\$ 31,567
Intergovernmental				
State education revenue	-	-	-	15,962
State gas tax	-	-	-	1,599,661
Charges for services	-	-	-	5,984,343
Fines, forfeitures, and penalties	-	-	-	73,498
Federal and state grant revenue	-	-	-	7,502,520
Interest on investments	-	13,991	3,683	39,647
Other	-	-	-	128,712
Total revenues	-	13,991	3,683	15,375,910
EXPENDITURES				
Current				
General government	-	-	-	171,500
Public safety	-	-	-	34,887
Roads and public works	-	-	-	1,557,965
Sanitation	-	-	-	3,541,278
Education	-	-	-	7,907,521
Capital outlays	2,774,142	1,127,863	-	5,806,099
Total expenditures	2,774,142	1,127,863	-	19,019,250
Excess (deficiency) of revenues over (under) expenditures	(2,774,142)	(1,113,872)	3,683	(3,643,340)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,797,091	803,614	-	3,667,159
Transfers out	-	(666,364)	(324,250)	(1,091,342)
Total other financing sources and uses	2,797,091	137,250	(324,250)	2,575,817
Net change in fund balances	22,949	(976,622)	(320,567)	(1,067,523)
Fund balances - beginning	67	1,099,600	360,382	5,251,282
Fund balances - ending	\$ 23,016	\$ 122,978	\$ 39,815	\$ 4,183,759

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	\$ 808,759	\$ 808,759	\$ 862,493	\$ 53,734
Gas 1989	129,018	129,018	137,590	8,572
Gas 3 cent	239,063	239,063	254,947	15,884
Petroleum special	323,160	323,160	344,631	21,471
Interest on investments	350	350	15,893	15,543
Total revenues	<u>1,500,350</u>	<u>1,500,350</u>	<u>1,615,554</u>	<u>115,204</u>
EXPENDITURES				
Roads and Public Works				
Contractual services	122,930	82,930	788	82,142
Traffic signal repair	54,700	54,700	45,824	8,876
Paving and street repair	1,311,000	1,651,000	1,511,108	139,892
Other charges	-	-	245	(245)
Total expenditures	<u>1,488,630</u>	<u>1,788,630</u>	<u>1,557,965</u>	<u>230,665</u>
Net change in fund balances	<u>\$ 11,720</u>	<u>\$ (288,280)</u>	57,589	<u>\$ 345,869</u>
Fund balances - beginning			<u>879,576</u>	
Fund balances - ending			<u>\$ 937,165</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Local taxes				
Historic preservation fee	\$ 10,000	\$ 10,000	\$ 31,567	\$ 21,567
EXPENDITURES				
General government				
Contractual services	112,850	172,850	171,500	1,350
Deficiency of revenues under expenditures	(102,850)	(162,850)	(139,933)	22,917
OTHER FINANCING SOURCES				
Transfers in	-	60,000	60,000	-
Net change in fund balances	<u>\$ (102,850)</u>	<u>\$ (102,850)</u>	(79,933)	<u>\$ 22,917</u>
Fund balances - beginning			117,038	
Fund balances - ending			<u>\$ 37,105</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Fines and Penalties				
E-citation fees	\$ 28,000	\$ 28,000	\$ 28,192	\$ 192
Interest on investments	-	-	1,528	1,528
Total revenues	28,000	28,000	29,720	1,720
EXPENDITURES				
Public Safety				
Materials and supplies	1,500	1,500	644	856
Net change in fund balances	<u>\$ 26,500</u>	<u>\$ 26,500</u>	29,076	<u>\$ 2,576</u>
Fund balances - beginning			<u>102,549</u>	
Fund balances - ending			<u>\$ 131,625</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Federal and state grant revenue	\$ 8,000	\$ 8,000	\$ 151,849	\$ 143,849
Charges for Services				
Sanitation fees	4,205,800	4,205,800	4,249,035	43,235
Other Income	-	-	92,750	92,750
Total revenues	4,213,800	4,213,800	4,493,634	279,834
EXPENDITURES				
Sanitation				
Salaries	1,216,901	1,246,001	1,227,132	18,869
Benefits	717,534	717,534	682,478	35,056
Contractual services	993,433	1,025,333	968,611	56,722
Materials and supplies	601,472	640,472	645,460	(4,988)
Fixed charges	2,500	2,500	1,500	1,000
Grants, contributions, and indemnities	17,500	17,500	16,097	1,403
	3,549,340	3,649,340	3,541,278	108,062
Capital Outlay	613,000	904,810	887,439	17,371
Total expenditures	4,162,340	4,554,150	4,428,717	125,433
Net change in fund balances	<u>\$ 51,460</u>	<u>\$ (340,350)</u>	64,917	<u>\$ 405,267</u>
Fund balances - beginning			2,224,011	
Fund balances - ending			<u>\$ 2,288,928</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Federal and state grants	\$ -	\$ -	\$ 171,163	\$ 171,163
Fines, forfeitures, and penalties				
Seizures	25,000	25,000	38,193	13,193
Fines	7,500	7,500	7,113	(387)
Other income	-	-	3,585	3,585
Interest on investments	120	120	4,552	4,432
Total revenues	<u>32,620</u>	<u>32,620</u>	<u>224,606</u>	<u>191,986</u>
EXPENDITURES:				
Public Safety				
Contractual services	36,040	34,575	23,669	10,906
Materials and supplies	18,336	19,801	10,574	9,227
Other charges	-	-	-	-
	<u>54,376</u>	<u>54,376</u>	<u>34,243</u>	<u>20,133</u>
Excess (deficiency) of revenues over (under) expenditures	(21,756)	(21,756)	190,363	212,119
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>6,454</u>	<u>6,454</u>
Net change in fund balances	<u>\$ (21,756)</u>	<u>\$ (21,756)</u>	<u>196,817</u>	<u>\$ 218,573</u>
Fund balances - beginning			<u>291,731</u>	
Fund balances - ending			<u>\$ 488,548</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Federal and state grants	\$ 4,868,982	\$ 7,249,681	\$ 5,816,926	\$ (1,432,755)
EXPENDITURES				
Education				
Regular instruction - Title I-A				
Personnel	1,164,913	1,489,115	1,203,324	285,791
Contractual services	-	75,000	71,103	3,897
Materials and supplies	153,000	671,000	307,811	363,189
	1,317,913	2,235,115	1,582,238	652,877
Special education - IDEA-B				
Personnel	1,364,591	1,385,285	1,316,942	68,343
Contractual services	-	43,212	43,212	-
Materials and supplies	36,702	25,440	13,920	11,520
	1,401,293	1,453,937	1,374,074	79,863
Support services				
Personnel	1,069,179	1,306,115	967,262	338,853
Contractual services	221,500	266,500	165,721	100,779
Travel	10,000	10,000	-	10,000
Materials and supplies	129,044	168,722	77,312	91,410
In-service/staff development	204,651	529,292	450,233	79,059
Other charges	60,066	1,000	-	1,000
	1,694,440	2,281,629	1,660,528	621,101
Special education support- IDEA-B				
Personnel	296,153	296,153	297,972	(1,819)
Materials and supplies	3,159	3,159	3,159	-
In-service/staff development	10,800	10,800	10,800	-
Other charges	34,109	-	-	-
	344,221	310,112	311,931	(1,819)
	4,757,867	6,280,793	4,928,771	1,352,022
Capital outlays	111,115	843,391	790,985	52,406
Total expenditures	4,868,982	7,124,184	5,719,756	1,404,428
Excess of revenues over expenditures	-	125,497	97,170	(28,327)
OTHER FINANCING USES				
Transfers out	-	(125,497)	(97,170)	28,327
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			\$ -	

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - NUTRITION FUND
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental				
State revenues	\$ 1,100	\$ 17,600	\$ 15,962	\$ (1,638)
Charges for Services				
Cafeteria fees	1,257,228	1,761,481	1,735,308	(26,173)
Federal grant revenue	702,800	801,800	766,699	(35,101)
Other revenue	-	-	1,520	1,520
Total revenues	<u>1,961,128</u>	<u>2,580,881</u>	<u>2,519,489</u>	<u>(61,392)</u>
EXPENDITURES				
Education				
Cafeteria				
Personnel	1,137,528	1,126,528	1,037,689	88,839
Travel	600	600	432	168
Contractual services	90,900	904,400	952,653	(48,253)
Materials and supplies	847,900	716,400	692,142	24,258
In-service/staff development	5,400	6,996	2,024	4,972
Other charges	3,700	3,700	1,097	2,603
Expense reimbursements	<u>(158,900)</u>	<u>(158,900)</u>	<u>(104,872)</u>	<u>(54,028)</u>
	<u>1,927,128</u>	<u>2,599,724</u>	<u>2,581,165</u>	<u>18,559</u>
Capital outlays	<u>34,000</u>	<u>26,585</u>	<u>13,288</u>	<u>13,297</u>
Total expenditures	<u>1,961,128</u>	<u>2,626,309</u>	<u>2,594,453</u>	<u>31,856</u>
Deficiency of revenues under expenditures	-	(45,428)	(74,964)	(29,536)
OTHER FINANCING SOURCES (USES)				
Transfers in	45,428	45,428	-	(45,428)
Planned use of fund balance	<u>(45,428)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>45,428</u>	<u>-</u>	<u>(45,428)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(74,964)</u>	<u>\$ (74,964)</u>
Fund balances - beginning			<u>153,988</u>	
Fund balances - ending			<u>\$ 79,024</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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Federal and state grant revenue	\$ -	\$ 611,697	\$ 595,883	\$ (15,814)
Other Income	-	55,945	30,857	(25,088)
Total revenues	-	667,642	626,740	(40,902)
EXPENDITURES				
Education				
Regular instruction				
Personnel	-	25,669	22,500	3,169
Materials and supplies	-	4,488	4,322	166
Other charges	-	3,000	-	3,000
	-	33,157	26,822	6,335
Health services				
Personnel	-	46,674	45,810	864
Contractual services	-	17,357	9,487	7,870
Materials and supplies	-	23,486	19,042	4,444
In-service/staff development	-	13,850	12,226	1,624
	-	101,367	86,565	14,802
Support services				
Contractual services	-	80,500	80,000	500
Materials and supplies	-	9,580	8,782	798
In-service/staff development	-	20,840	5,016	15,824
Other charges	-	14,700	1,488	13,212
	-	125,620	95,286	30,334
Regular instruction support				
Personnel	-	5,675	5,666	9
Materials and supplies	-	2,126	1,304	822
In-service/staff development	-	1,450	36	1,414
Other charges	-	3,335	52	3,283
	-	12,586	7,058	5,528
Early Childhood Education				
Personnel	-	183,008	177,880	5,128
Materials and supplies	-	3,850	3,848	2
In-service/staff development	-	1,104	126	978
	-	187,962	181,854	6,108
	-	460,692	397,585	63,107
Capital outlays	-	218,500	212,382	6,118
Total expenditures	-	679,192	609,967	69,225
Excess (deficiency) of revenues over (under) expenditures	-	(11,550)	16,773	28,323
OTHER FINANCING USES				
Transfers out	-	(3,660)	(3,558)	102
Planned use of fund balance	-	15,210	-	(15,210)
Total other financing sources (uses)	-	11,550	(3,558)	(15,108)
Net change in fund balances	\$ -	\$ -	13,215	\$ 13,215
Fund balances - beginning			22,340	
Fund balances - ending			\$ 35,555	

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Contributions	\$ 12,158,285	\$ 14,833,974	\$ 3,964,540	\$ (10,869,434)
EXPENDITURES				
Contractual	\$ 805,850	\$ 1,537,763	\$ 749,007	788,756
Capital Outlay	11,352,435	13,296,211	10,734,433	2,561,778
Total expenditures	<u>12,158,285</u>	<u>14,833,974</u>	<u>11,483,440</u>	<u>3,350,534</u>
Deficiency of revenues under expenditures	-	-	(7,518,900)	(7,518,900)
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>13,245,015</u>	<u>5,064,107</u>	<u>(8,180,908)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 13,245,015</u>	<u>\$ (2,454,793)</u>	<u>\$ (15,699,808)</u>
Fund balances - beginning			<u>2,454,793</u>	
Fund balances - ending			<u>\$ -</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Federal and state grant revenue	\$ -	\$ 3,041,981	\$ 3,039,855	\$ (2,126)
EXPENDITURES				
Capital Outlay				
Capital expenditures	<u>6,361,282</u>	<u>6,686,118</u>	<u>6,686,118</u>	<u>-</u>
Deficiency of revenues				
under expenditures	(6,361,282)	(3,644,137)	(3,646,263)	(2,126)
OTHER FINANCING SOURCES				
Transfers in	-	6,000,000	6,692,292	692,292
Transfers out	<u>-</u>	<u>(2,911,731)</u>	<u>(2,402,879)</u>	<u>508,852</u>
Total other financing sources	<u>-</u>	<u>3,088,269</u>	<u>4,289,413</u>	<u>1,201,144</u>
Net change in fund balances	<u><u>\$ (6,361,282)</u></u>	<u><u>\$ (555,868)</u></u>	643,150	<u><u>\$ 1,199,018</u></u>
Fund balances - beginning			<u>16,537</u>	
Fund balances - ending			<u><u>\$ 659,687</u></u>	

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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES				
Capital Outlay				
Capital expenditures	<u>785,700</u>	<u>2,774,142</u>	<u>2,774,142</u>	<u>-</u>
Deficiency of revenues				
under expenditures	<u>(785,700)</u>	<u>(2,774,142)</u>	<u>(2,774,142)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>2,500,000</u>	<u>2,797,091</u>	<u>297,091</u>
Net change in fund balances	<u>\$ (785,700)</u>	<u>\$ (274,142)</u>	<u>22,949</u>	<u>\$ 297,091</u>
Fund balances - beginning			<u>67</u>	
Fund balances - ending			<u>\$ 23,016</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Interest on investment	\$ -	\$ -	\$ 13,991	\$ 13,991
EXPENDITURES				
Capital Outlay				
Capital expenditures	-	1,127,864	1,127,863	1
Deficiency of revenues under expenditures	-	(1,127,864)	(1,113,872)	13,992
OTHER FINANCING SOURCES				
Transfers in	-	1,100,000	803,614	(296,386)
Transfers out	-	(850,000)	(666,364)	183,636
Total other financing sources	-	250,000	137,250	(112,750)
Net change in fund balances	<u>\$ -</u>	<u>\$ (877,864)</u>	<u>(976,622)</u>	<u>\$ (98,758)</u>
Fund balances - beginning			<u>1,099,600</u>	
Fund balances - ending			<u>\$ 122,978</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Interest on investment	\$ -	\$ -	\$ 3,683	\$ 3,683
Excess of revenues over expenditures	-	-	3,683	3,683
OTHER FINANCING SOURCES				
Transfers out	-	(325,000)	(324,250)	750
Net change in fund balances	<u>\$ -</u>	<u>\$ (325,000)</u>	(320,567)	<u>\$ 4,433</u>
Fund balances - beginning			<u>360,382</u>	
Fund balances - ending			<u>\$ 39,815</u>	

TOWN OF COLLIERVILLE, TENNESSEE
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2019

	Employee Retirement Plan	Town OPEB Fund	School OPEB Fund	Total Pension and OPEB Trust Funds
ASSETS				
Cash and cash equivalents	\$ 3,186,161	\$ 301,910	\$ 21,918	\$ 3,509,989
Interest receivable	118,328	13,641	-	131,969
Investments				
Savings, cds and time deposits	1,342,939	-	-	1,342,939
US government securities	200,682	-	-	200,682
Corporate and foreign bonds	5,286,051	-	-	5,286,051
Municipal obligations	818,093	-	-	818,093
Common equity securities	9,706,001	1,858,615	-	11,564,616
Equity mutual funds	36,384,770	7,483,065	915,521	44,783,356
Fixed income mutual funds	19,537,718	4,676,113	425,289	24,639,120
Total investments	73,276,254	14,017,793	1,340,810	88,634,857
Due from other funds	231,148	-	-	231,148
 Total assets	 76,811,891	 14,333,344	 1,362,728	 92,507,963
LIABILITIES				
Accounts payable	98,709	9,083	-	107,792
Due to other funds	-	172,701	-	172,701
 Total liabilities	 98,709	 181,784	 -	 280,493
NET POSITION				
Restricted for pensions	76,713,182	-	-	76,713,182
Restricted for OPEB benefits	-	14,151,560	1,362,728	15,514,288
Total net position	<u>\$ 76,713,182</u>	<u>\$ 14,151,560</u>	<u>\$ 1,362,728</u>	<u>\$ 92,227,470</u>

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

For the Year Ended June 30, 2019

	<u>Town Pension Fund</u>	<u>Town OPEB Fund</u>	<u>School OPEB Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
ADDITIONS				
Contributions:				
Employer	\$ 3,031,121	\$ 164,257	\$ 467,713	\$ 3,663,091
Plan members	594,054	132,426	-	726,480
Total contributions	<u>3,625,175</u>	<u>296,683</u>	<u>467,713</u>	<u>4,389,571</u>
Investment earnings (losses):				
Interest and dividends	1,637,299	298,479	46,572	1,982,350
Net appreciation in fair value of investments	<u>3,540,812</u>	<u>666,878</u>	<u>5,977</u>	<u>4,213,667</u>
Net investment earnings	<u>5,178,111</u>	<u>965,357</u>	<u>52,549</u>	<u>6,196,017</u>
Total additions	8,803,286	1,262,040	520,262	10,585,588
DEDUCTIONS				
Benefits and claims paid	1,978,903	438,679	317,713	2,735,295
Administrative expense	<u>219,311</u>	<u>48,214</u>	<u>4,947</u>	<u>272,472</u>
Total deductions	<u>2,198,214</u>	<u>486,893</u>	<u>322,660</u>	<u>3,007,767</u>
Change in net position	6,605,072	775,147	197,602	7,577,821
Net position - beginning	<u>70,108,110</u>	<u>13,376,413</u>	<u>1,165,126</u>	<u>84,649,649</u>
Net position - ending	<u><u>\$ 76,713,182</u></u>	<u><u>\$ 14,151,560</u></u>	<u><u>\$ 1,362,728</u></u>	<u><u>\$ 92,227,470</u></u>

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2019

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Assets				
Cash	\$ 1,227,181	\$ 3,689,780	\$ (3,567,362)	\$ 1,349,599
Inventory	15,030	6,865	-	21,895
Total assets	<u>\$ 1,242,211</u>	<u>\$ 3,696,645</u>	<u>\$ (3,567,362)</u>	<u>\$ 1,371,494</u>
Liabilities				
Due to student general fund	\$ 755,730	\$ 965,300	\$ (1,010,207)	\$ 710,823
Due to student groups	486,481	2,731,345	(2,557,155)	660,671
Total liabilities	<u>\$ 1,242,211</u>	<u>\$ 3,696,645</u>	<u>\$ (3,567,362)</u>	<u>\$ 1,371,494</u>

SUPPORTING SCHEDULES (UNAUDITED)

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULES OF PROPERTY TAXES
For the Year Ended June 30, 2019

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR

Year of Levy	Balance June 30, 2018	Assessment	Adjustments	Collections	June 30, 2019
2019	\$ -	\$ 32,469,003	\$ -	\$ -	\$ 32,469,003
2018	32,165,608		(146,122)	31,492,883	526,603
2017	342,209		(16,725)	213,752	111,732
2016	115,811		10,343	79,265	46,889
2015	48,258		163	15,537	32,884
2014	27,374		-	2,745	24,629
2013	25,420		-	1,144	24,276
2012	19,911		-	1,163	18,748
2011	18,741		-	1,590	17,151
2010 PRIOR	49,849		(10,475)	798	38,576
Total	32,813,181	<u>\$ 32,469,003</u>	<u>\$ (162,816)</u>	<u>\$ 31,808,877</u>	33,310,491
Allowance for uncollectible property taxes	<u>(327,050)</u>				<u>(434,955)</u>
Net receivables	<u>\$ 32,486,131</u>				<u>\$ 32,875,536</u>

In addition to real and personal property taxes, ad valorem property taxes receivable totaled \$590,000 at June 30, 2019.

PROPERTY TAX RATES AND ASSESSMENTS - LAST 10 YEARS

Year of Levy	Total Assessed Valuation	Tax Rate per \$100	Levy
2019	\$ 1,774,262,475	\$ 1.83	\$ 32,469,003
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

DELINQUENT PROPERTY TAXES

Uncollected taxes for years prior to 2007 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to 2017 have been turned over to Chancery Court for collection. Property taxes in 2019 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, 2019

Governmental Funds

General Fund	
Local Government Investment Pool	\$ 51,081,700
Capital Projects Fund	
Local Government Investment Pool	163,814
	<u>\$ 51,245,514</u>

Proprietary Fund

Water and Sewer Fund	
Local Government Investment Pool	<u>\$ 35,230,445</u>

Fiduciary Funds

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 3,186,161
Certificates of deposit	1,342,939
U.S. government agency bonds	200,682
Corporate and foreign bonds	5,286,051
Municipal obligations	818,093
Common stocks	9,706,001
Equity mutual funds	36,384,770
Fixed income mutual funds	19,537,718
	<u>\$ 76,462,415</u>

Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 301,910
Common stocks	1,858,615
Equity mutual funds	7,483,065
Fixed income mutual funds	4,676,113
	<u>\$ 14,319,703</u>

Postemployment Healthcare Benefits	
Trustee bank (member of Tennessee School Boards Association OPEB Trust)	
Fixed income mutual funds	\$ 425,289
Domestic equities mutual funds	604,440
International equities mutual funds	311,081
	<u>\$ 1,340,810</u>

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

June 30, 2019

	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			
Date Issued	11/1/2008		10/25/2011		11/1/2012		8/22/2013		10/13/2015		10/13/2015		10/13/2015			
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	Total	Total
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>\$1,285,000</u>	<u>\$ 57,831</u>	<u>\$1,615,000</u>	<u>\$ 80,038</u>	<u>\$3,765,000</u>	<u>\$266,175</u>	<u>\$5,815,000</u>	<u>\$1,447,365</u>	<u>\$89,280,000</u>	<u>\$57,098,900</u>	<u>\$4,375,000</u>	<u>\$1,428,351</u>	<u>\$7,195,000</u>	<u>\$1,547,100</u>	<u>\$ 113,330,000</u>	<u>\$61,925,760</u>

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
COLLIERVILLE SCHOOLS LONG-TERM OBLIGATIONS - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Issue Date	Maturity Date	Outstanding July 1, 2018	Issued During Period	Paid During Period, net of interest	Outstanding June 30, 2019
Settlement liability	\$ 6,093,828	2.20%	11/1/2014	11/1/2025	\$ 3,741,777	\$ -	\$ (432,876)	\$ 3,308,901
Capital Lease	2,462,708	2.49%	8/1/2017	8/1/2019	1,660,421	-	(821,779)	838,642
Capital Lease	2,891,213	3.69%	8/1/2018	8/1/2020	-	2,891,213	(932,831)	1,958,382
					<u>\$ 5,402,198</u>	<u>\$ 2,891,213</u>	<u>\$ (2,187,486)</u>	<u>\$ 6,105,925</u>

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

June 30, 2019

	Water & Sewer Revenue and Tax Refunding Bonds		Water & Sewer Revenue and Tax Refunding Bonds			
	11/1/2012 1.50% - 4.00%		10/13/2015 4.00% - 5.00%			
Fiscal Year	Principal	Interest	Principal	Interest	Total	
					Principal	Interest
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>\$ 10,175,000</u>	<u>\$ 758,275</u>	<u>\$ 3,655,000</u>	<u>\$ 1,102,250</u>	<u>\$ 13,830,000</u>	<u>\$ 1,860,525</u>

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS
For the Year Ended June 30, 2019

Rates from July 2018 - June 2019

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	18,300
Sewer	16,236
Sanitation	15,753

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, 2019

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	
David Tillner	Chief of Police	
William Kilp	Public Services Director	
Richard Mills	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, 2019

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association.

? Click to access definition

+ Click to add a comment

Water Audit Report for: Town of Collierville (TN0000126)
Reporting Year: 2019 7/2018 - 6/2019

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 it.

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

WATER SUPPLIED

Volume from own sources:	+	?	9	2,253.404	MG/Yr
Water imported:	+	?	n/a	0.000	MG/Yr
Water exported:	+	?	9	101.610	MG/Yr

WATER SUPPLIED: 2,147.469 MG/Yr

Master Meter and Supply Error Adjustments

+	?	5	0.10%	MG/Yr
+	?	?	?	MG/Yr
+	?	5	-2.00%	MG/Yr

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

AUTHORIZED CONSUMPTION

Billed metered:	+	?	8	2,033.358	MG/Yr
Billed unmetered:	+	?	n/a	0.000	MG/Yr
Unbilled metered:	+	?	10	38.335	MG/Yr
Unbilled unmetered:	+	?	?	26.843	MG/Yr

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

AUTHORIZED CONSUMPTION: 2,098.536 MG/Yr

Click here: ? for help using option buttons below

Use buttons to select percentage of water supplied OR value

Pcnt: 1.25% Value: MG/Yr

Pcnt: 0.25% Value: MG/Yr

1.00% MG/Yr

0.25% MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

48.933

Apparent Losses

Unauthorized consumption:	+	?	?	5.369	MG/Yr
---------------------------	---	---	---	-------	-------

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

Customer metering inaccuracies:	+	?	7	20.926	MG/Yr
Systematic data handling errors:	+	?	?	5.083	MG/Yr

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

Apparent Losses: 31.378 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	?	?	?	17.555	MG/Yr
---	---	---	---	--------	-------

WATER LOSSES: 48.933 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 114.111 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+	?	9	307.0	miles
Number of <u>active AND inactive</u> service connections:	+	?	9	18,178	conn./mile main
Service connection density:	?	?	?	59	conn./mile main

Are customer meters typically located at the curbside or property line? Yes (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:	+	?	9	75.0	psi
-----------------------------	---	---	---	------	-----

COST DATA

Total annual cost of operating water system:	+	?	10	\$4,158,615	\$/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 u

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 86 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

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TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF UNACCOUNTED FOR WATER
For the Year Ended June 30, 2019

AWWA Free Water Audit Software: System Attributes and Performance Indicators			WAS v5.0 American Water Works Association Copyright © 2014. All Rights Reserved
Water Audit Report for: Town of Collierville (TN0000126)			
Reporting Year: 2019 7/2018 - 6/2019			
*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 ***			
System Attributes:			
	Apparent Losses:	31.378	MG/Yr
	+ Real Losses:	17.555	MG/Yr
	= Water Losses:	48.933	MG/Yr
	? Unavoidable Annual Real Losses (UARL):	120.11	MG/Yr
	Annual cost of Apparent Losses:	\$47,067	
	Annual cost of Real Losses:	\$4,791	Valued at Variable Production Cost
Return to Reporting Worksheet to change this assumption			
Performance Indicators:			
Financial:	{	Non-revenue water as percent by volume of Water Supplied:	5.3%
		Non-revenue water as percent by cost of operating system:	1.7%
Real Losses valued at Variable Production Cost			
Operational Efficiency:	{	Apparent Losses per service connection per day:	4.73 gallons/connection/day
		Real Losses per service connection per day:	2.65 gallons/connection/day
		Real Losses per length of main per day*:	N/A
		Real Losses per service connection per day per psi pressure:	0.04 gallons/connection/day/psi
		From Above, Real Losses = Current Annual Real Losses (CARL):	17.55 million gallons/year
	? Infrastructure Leakage Index (ILI) [CARL/UARL]:	0.15	
* 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

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) 147

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) 154

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) 160

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) 164

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) 166

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>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>	<u>2019</u>
Governmental Activities										
Net investment in capital assets ^a	\$ 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	\$ 265,549,172
Restricted	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	17,677,287
Unrestricted	<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>	<u>74,788,547</u>
Total government activities net position	<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>	<u>\$ 358,015,006</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 75,301,572
Restricted	2,639,558	2,170,938	2,014,175	2,905,168	4,017,819	4,967,688	7,050,578	8,140,388	9,534,009	10,817,057
Unrestricted	<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>24,522,820</u>	<u>26,349,736</u>
Total business-type activities net position	<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>	<u>\$ 112,468,365</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 340,850,744
Restricted	4,314,198	9,787,457	8,035,752	7,859,724	12,222,904	20,689,236	27,954,138	54,673,820	26,512,883	28,494,344
Unrestricted	<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>88,611,861</u>	<u>101,138,283</u>
Total primary government net position	<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>	<u>\$ 470,483,371</u>

^a 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>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>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 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	\$ 12,250,745
Education ^b	-	-	-	-	1,492,580	59,010,427	65,689,122	70,850,281	75,747,819	88,409,406
Roads and public works	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	9,522,520
Public Safety	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	24,207,971
Sanitation	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	3,820,531
Culture and recreation	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	3,022,417
Interest and fiscal charges	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	4,457,236
Total government activities expenses	<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>	<u>145,690,826</u>
Business-type activities:										
Water and sewer	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	11,101,790
Total business-type activities expenses	<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>	<u>11,101,790</u>
Total primary government expenses	<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>	<u>\$ 156,792,616</u>
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958	\$ 312,452	\$ 332,750	\$ 392,418	\$ 396,173	\$ 408,986	\$ 441,335
Education ^b	-	-	-	-	397,168	1,082,403	1,213,396	1,253,150	1,281,951	2,005,777
Roads and public works	491,002	1,101,149	503,235	653,073	695,312	633,779	970,723	946,455	1,135,899	1,312,250
Public safety	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	2,706,219
Sanitation	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	4,249,035
Culture and recreation	515,021	545,418	533,441	473,788	483,247	506,855	393,000	514,141	446,652	454,086
Operating grants and contributions ^b	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	53,137,126
Capital grants and contributions	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	11,148,923
Total governmental activities program revenues	<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>	<u>75,454,751</u>
Business-type activities:										
Charges for services	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	14,201,166
Operating grants and contributions	18,767	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,026,656	1,669,411	274,665	3,500	350,862	345,748	1,321,865	674,177	726,831	591,353
Total business-type activities program revenues	<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>	<u>14,792,519</u>
Total primary government program revenues	<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>	<u>\$ 90,247,270</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (70,236,075)
Business-type activities	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	3,690,729
Total primary government net expense	<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>\$ (56,289,920)</u>	<u>\$ (68,688,596)</u>	<u>\$ (66,545,346)</u>

(Continued)

Schedule 2 - Continued

	<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>	<u>2019</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 56,842,183
Other local taxes	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	36,226,646
Intergovernmental revenues:										
State sales tax	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	4,087,076
State income and other taxes	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	2,346,417
Other state revenue	103,113	102,478	99,185	103,508	103,704	201,434	144,288	120,113	75,348	53,552
Investment earnings	115,891	53,902	33,280	36,221	35,908	50,376	294,145	586,687	788,909	1,260,414
Miscellaneous	326,715	34,321	809,480	452,029	363,688	573,303	721,122	1,267,932	1,450,429	1,502,914
Payment to fiduciary trust	-	-	-	-	-	-	-	-	-	-
Transfers	651,672	557,773	764,569	753,632	790,493	789,805	902,215	901,610	819,463	924,784
Special item - litigation settlement	-	-	-	-	(5,324,494)	-	-	-	-	-
Special item - transfer of operations ^a	-	-	-	-	52,215,436	-	-	-	-	-
Total government activities	<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>	<u>103,243,986</u>
Business-type activities:										
Investment earnings	338,739	304,158	273,796	281,831	249,936	256,773	290,345	388,453	427,037	787,847
Miscellaneous	139,068	126,379	129,035	141,510	157,928	156,242	130,331	125,619	54,507	37,360
Transfers	(651,672)	(557,773)	(764,569)	(753,632)	(790,493)	(789,805)	(902,215)	(901,610)	(819,463)	(924,784)
Total business-type activities	<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>	<u>(99,577)</u>
Total primary government	<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>	<u>\$ 103,144,409</u>
Change in Net Position										
Governmental activities	\$ 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	\$ 33,007,911
Business-type activities	1,985,471	1,128,310	1,638,846	1,748,150	2,853,485	2,132,147	4,184,393	2,663,026	3,159,169	3,591,152
Total primary government	<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>	<u>\$ 36,599,063</u>

^a 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.

^b 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>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>	<u>2019</u>
Governmental Activities:										
General government	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866	\$ 495,251	\$ 664,865	\$ 426,700	\$ 439,609	\$ 421,689	\$ 520,551
Education ^b	-	-	-	-	397,168	37,342,062	41,633,016	42,884,451	46,611,772	56,276,459
Roads and public works	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	9,886,119
Public safety	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	3,583,732
Sanitation	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	4,400,884
Culture and recreation ^a	<u>1,099,425</u>	<u>698,905</u>	<u>556,884</u>	<u>499,588</u>	<u>632,107</u>	<u>748,151</u>	<u>1,028,282</u>	<u>1,067,147</u>	<u>736,364</u>	<u>787,006</u>
Subtotal governmental activities	<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>	<u>75,454,751</u>
Business-type activities:										
Water and Sewer	<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>	<u>14,792,519</u>
Subtotal business-type activities	<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>	<u>14,792,519</u>
Total primary government	<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>	<u>\$ 90,247,270</u>

^a The increase in revenue in 2010 resulted from grants and contributions.

^b 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>2010</u>	<u>2011^a</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016^b</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved	\$ 572,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	21,547,026	-	-	-	-	-	-	-	-	-
Nonspendable	-	154,091	153,045	161,315	172,028	180,804	3,035,409	3,036,761	2,169,278	2,138,824
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	2,030,483
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	3,221,148
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	32,753,748
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	25,983,010
Total general fund	<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>	<u>\$ 66,127,213</u>
All Other Governmental Funds										
Reserved	\$ 1,101,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	247,508	-	-	-	-	-	-	-	-	-
Capital projects funds	11,217,468	-	-	-	-	-	-	-	-	-
Nonspendable	-	15,331	17,983	12,060	89,687	51,527	31,011	41,717	45,716	47,948
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	4,348,469
Committed	-	489,119	727,569	660,732	-	-	1,156,386	73,143	117,038	37,105
Assigned	-	726,774	593,048	513,210	10,620	-	74,958	129,795	15,441,153	14,957,698
Unassigned	-	-	-	-	(513,960)	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 19,391,220</u>

^a 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.

^b 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>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^e</u>	<u>2019</u>
Revenues										
Property taxes	\$ 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	\$ 56,590,569
Other local taxes	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	36,283,583
Federal revenues	377,170	1,157,242	959,130	507,931	104,916	2,601,414	4,182,022	4,633,661	4,668,311	10,651,327
State revenues	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	51,213,339
Licenses and permits	616,926	488,437	673,993	1,343,894	1,142,811	1,105,769	1,214,114	1,379,968	1,253,645	1,384,194
Charges for services	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	8,007,360
Fines and forfeitures	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	1,681,612
Interest income	115,891	53,902	33,280	36,221	35,908	50,376	294,145	586,687	788,909	1,260,414
Contributions	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	5,387,614
Other revenues	367,057	269,505	353,303	171,627	204,750	674,160	800,798	1,234,965	1,450,429	1,502,914
Total revenues	<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>	<u>173,962,926</u>
Expenditures										
General government	6,152,894	5,919,236	6,139,869	7,724,217	7,679,053	7,737,130	7,993,550	8,448,948	11,469,642	11,634,601
Roads and public works	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	7,097,969
Public safety	18,714,884	18,415,319	19,325,879	19,433,648	20,730,180	19,901,835	20,133,085	21,716,419	22,800,268	22,713,476
Sanitation	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	3,541,278
Culture and recreation	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	2,014,196
Education	-	-	-	-	1,363,515	59,826,715	63,743,735	71,058,331	74,709,581	85,753,081
Capital projects ^a	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	30,669,494
Debt service										
Principal	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	4,300,000
Interest and fiscal charges	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	4,484,213
Bond Issue costs	-	91,333	103,153	56,018	92,448	-	687,543	-	-	-
Total expenditures	<u>49,428,432</u>	<u>49,805,659</u>	<u>49,587,063</u>	<u>49,387,822</u>	<u>58,043,410</u>	<u>118,574,774</u>	<u>130,910,173</u>	<u>188,715,397</u>	<u>194,228,066</u>	<u>172,208,308</u>

(Continued)

Schedule 5 - Continued

	<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>	<u>2019</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (8,193,859)	\$ (5,654,888)	\$ (902,050)	\$ 4,650,456	\$ (793,564)	\$ 5,432,339	\$ 7,116,423	\$ (44,197,001)	\$ (43,063,990)	\$ 1,754,618
Other Financing Sources										
(Uses)										
Capital lease	-	-	-	-	-	700,000	-	-	-	-
Refunding bonds issued	-	5,154,702	4,985,000	5,215,000	-	-	-	-	-	-
Refunding bonds premium ^c	-	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 ^d	-	-	-	-	7,700,000	-	113,705,863	-	2,462,708	2,891,213
Premium					154,836	-	-	-	-	-
Transfers in	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	19,176,199
Transfers out	(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)	(18,251,415)
Total other financing sources (uses)	<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>	<u>3,815,997</u>
Net change in fund balances	<u>\$ (7,542,187)</u>	<u>\$ (4,996,231)</u>	<u>\$ 28,377</u>	<u>\$ 5,465,560</u>	<u>\$ 7,851,765</u>	<u>\$ 6,922,144</u>	<u>\$ 113,034,320</u>	<u>\$ (43,295,391)</u>	<u>\$ (39,781,819)</u>	<u>\$ 5,570,615</u>
Debt service as a percentage of noncapital expenditures ^b	10.6%	10.2%	9.8%	8.8%	9.0%	4.0%	3.7%	7.6%	6.7%	6.2%

^a Capital projects amount consists of major capital projects.

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

^b 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.

^c For fiscal years 2011 and after bond premium costs are reported as a separate line item.

^d 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.

^e In fiscal year 2018, groupings were re-classified: Court fees into Fines and forfeitures, Legislative & other into General government, Drug fund into Public safety

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

Fiscal Year	Property	In Lieu of	Local Option Sales	Beer & Liquor	Business & Privilege	Motor Vehicle	Park Land Dedication	Historic Preservation	Substance	Total
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 ^a	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
2019	32,620,755	536,827	16,748,812	993,158	2,467,268	1,532,564	286,020	31,567	-	\$ 55,216,971
Change 2009-2018	87.6%	29.8%	107.1%	38.4%	85.4%	100.3%	5575.0%	-52.4%	-100.0%	91.9%

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

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

Fiscal Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Multiple Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
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
2019	10,813	1,234,316	389,821	47,076	4,565	71,092	1,757,683	1.83	6,359,574	27.638

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 ^a	
	Basic Rate	Parks Improvement ^b		Shelby County	
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	
2019	1.83	-	\$ 1.83	4.05	

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.

^a 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.

^b 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>2019</u>			<u>2010</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>
Carrier Corporation	\$ 26,670,310	1	1.49%	\$ 18,310,890	2	1.24%
AT&T Mobility, LLC	25,027,781	2	1.40	14,938,662	3	1.01
G&I VII (Carriage Crossing)	22,634,840	3	1.26	29,746,240	1	2.02
Legacy Farm, LLC	13,220,080	4	0.74	11,688,520	4	0.79
Schilling Farms-Sabina, LLC	12,414,640	5	0.69			
Signature Schilling Farms, LLC	11,062,120	6	0.62			
Schilling Apartment Investors	10,659,520	7	0.60			
Cole MT Collierville TN, LLC	10,501,440	8	0.59	7,010,040	10	0.48
Dogwood Creek Associates, LLC	9,320,800	9	0.52	8,324,160	7	0.56
Westbrook Crossing GP	9,167,000	10	0.51			
G&I IV Bailey Creek				7,205,160	9	0.49
G & I IV Madison Apartments				9,881,880	5	0.67
Wilson Shelby Drive LLC				9,691,640	6	0.66
Delta Beverage Group, Inc.				7,888,970	8	0.53
Total	<u>\$ 150,678,531</u>		8.42%	<u>\$ 124,686,162</u>		8.45%

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 ^a	Adjustments to Initial Levy ^b	Final Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^c	Total Collections to Date	
				Amount ^c	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 17,413,217	\$ (458,987)	\$ 16,954,230	\$ 16,460,339	97.1%	\$ 459,493	\$ 16,919,832	99.8%
2011	17,282,758	(268,077)	17,014,681	16,579,268	97.44	416,703	16,995,971	99.89
2012	20,816,706	(289,394)	20,527,312	20,081,479	97.83	404,176	20,485,656	99.80
2013	21,458,562	(199,473)	21,259,089	20,820,857	97.94	395,541	21,216,398	99.80
2014	22,137,343	(237,511)	21,899,832	21,576,099	98.52	285,114	21,861,214	99.82
2015	22,223,670	4,311	22,227,982	21,957,997	98.79	237,605	22,195,602	99.85
2016	26,191,981	41,068	26,232,886	25,845,903	98.52	335,663	26,181,565	99.80
2017	26,799,134	181,005	26,969,796	26,702,124	99.01	208,600	26,910,724	99.78
2018	28,118,218	(95,919)	28,039,023	27,675,032	98.70	213,752	27,888,784	99.46
2019	32,165,608	(146,122)	32,019,486	31,492,883	98.36	-	31,492,883	98.36

Source: Shelby County Assessor's Office

^a Initial certified levy before Board of Appeals adjustments and other change orders.

^b Adjustments include change orders and new bills.

^c 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

Fiscal Year	Town Direct Rate	State of Tennessee^a
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
2019	2.75	7.00

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

^a 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
	General Obligation Bonds	Notes Payable	Bond Anticipation Notes	Settlement Obligation	Capital Lease	Water & Sewer Revenue & Tax Bonds	General Obligation Bonds			
2010	\$ 34,860	\$ 1,624	\$ -	\$ -	\$ -	\$ 33,710	\$ 25	\$ 70,219	4.19%	\$ 1,585
2011	32,235	1,372	-	-	-	31,930	20	65,557	3.85	1,491
2012	29,315	1,113	-	-	-	29,631	16	60,075	3.53	1,366
2013	27,924	846	-	-	-	29,504	12	58,286	3.33	1,326
2014	32,746	572	-	5,381	-	27,303	7	66,010	3.77	1,501
2015	30,015	290	-	5,025	465	25,043	5	60,842	3.46	1,384
2016	132,903 ^a	-	-	4,580	235	22,987	2	160,707	7.73	3,289
2017	128,792	-	-	4,165	-	20,475	-	153,432	7.33	3,120
2018	124,329	-	-	3,742	1,660	18,158	-	147,889	6.62	2,941
2019	119,721	-	-	3,309	2,797	15,471	-	141,298	5.97	2,922

Source: 2010 Census Economic Data and US Census Bureau estimated population

^a 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
	General Obligation Bonds ^a	Bond Anticipation Notes	Total		
2010	\$ 34,885	-	\$ 34,885	0.65%	\$ 787
2011	32,255	-	32,255	0.61	734
2012	29,331	-	29,331	0.56	667
2013	27,936	-	27,936	0.51	635
2014	32,753	-	32,753	0.63	745
2015	30,020	-	30,020	0.57	683
2016	132,905	-	132,905	2.50	2,720
2017	128,792	-	128,792	2.37	2,619
2018	124,329	-	124,329	1.99	2,472
2019	119,721	-	119,721	1.88	2,365

Source: 2010 Census Economic Data and US Census Bureau estimated population

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

SCHEDULE 14
TOWN OF COLLIERVILLE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2019
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Shelby County	\$ 965,474	9.21%	\$ 88,920
Town direct debt	119,721	100%	<u>119,721</u>
Total direct and overlapping debt			<u>\$ 208,641</u>

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

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

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

Fiscal Year	Water & Sewer Tax & Revenue Bonds			Debt Service		Coverage
	Total	Less:	Net			
	Revenue and Other Sources	Operating Expenses	Available Revenue	Principal	Interest	
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
2019	13,529	8,140	5,389	2,415	589	1.79

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^d	Unemployment Rate^a
2010	44,304 ^b	\$ 1,445,418	\$ 32,625	8,562	7.0
2011	43,965 ^c	1,703,424	38,745 ^c	8,516	7.4
2012	43,965 ^c	1,703,424	38,745 ^c	8,639	6.5
2013	43,965 ^c	1,749,279	39,788 ^c	9,062	6.6
2014	43,965 ^c	1,719,119	39,102 ^c	8,572	6.3
2015	43,965 ^c	1,760,447	40,042 ^c	9,646	5.6
2016	48,863 ^e	2,078,485	42,537 ^e	9,534	4.1
2017	49,177 ^e	2,091,842	42,537 ^e	9,448	4.2
2018	50,286 ^e	2,233,201	44,410 ^e	9,933	4.1
2019	50,616 ^e	2,365,539	46,735 ^e	9,985	3.3

^a Information about unemployment is provided by the Tennessee Department of Labor and Workforce Development.

^b Population according to the special census conducted by the Town of Collierville in 2008.

^c Population and per capita income according to the U. S. Census Economic Data.

^d 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.

^e 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>	2019			2010		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>
FedEx	2,750	1	0.59%	3,000	1	0.65%
Carrier Corporation	1,500	2	0.32	1,700	2	0.37
Collierville Schools	1,181	3	0.25			
Town of Collierville	553	4	0.12	461	4	0.10
Baptist Hospital - Collierville	400	5	0.09	417	6	0.09
Kroger	300	6	0.06	260	9	0.06
Orgill	285	7	0.06			
Helena Chemical	275	8	0.06	212	10	0.05
Juice Plus (NSA)	250	9	0.05			
MCR Safety	200	10	0.04			
Shelby County Schools				585	3	0.13
Wal-Mart				450	5	0.10
Alpha Corporation				350	7	0.08
Pepsi Americas				325	8	0.07
Total	<u>7,694</u>		1.68%	<u>7,435</u>		1.69%

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

¹Percentage 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>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>	<u>2019</u>
General Government										
Administration	12	12	12	13	12	13	13	15	13	14
Morton Museum ^a	-	-	1	1	2	2	2	2	3	3
Library ^b	-	-	-	-	-	-	8	8	8	25
Financial Administration	19	19	19	19	19	21	21	19	20	20
Human Resources	4	4	4	4	5	6	5	5	6	6
Information Technology	5	5	5	5	5	5	6	6	6	6
General Services Administration	13	13	13	14	15	15	16	18	8	8
General Services Parks & Facilities Maintenance ^c	-	-	-	-	-	-	-	-	48	48
Development										
Administration	3	2	2	2	3	3	3	3	3	3
Office of Planning	9	9	9	9	9	9	10	10	10	9
Code Enforcement	12	12	10	11	13	14	14	15	15	15
Office of Engineer	11	12	11	11	11	11	12	12	12	12
Education ^d										
Professional	-	-	-	-	-	585	642	659	728	690
Clerical	-	-	-	-	-	53	54	55	49	48
Other	-	-	-	-	52	144	174	204	218	443
Public Safety										
Animal Services	6	5	5	4	4	4	5	6	9	9
Municipal Court	9	9	9	9	9	12	12	11	17	17
Police Department	138	137	137	138	141	141	140	149	143	158
Fire Department	68	68	69	69	69	69	71	73	73	73
Public Services										
Administration	5	5	5	7	7	7	7	8	9	9
Vehicle Maintenance	9	8	7	7	9	9	10	11	9	9
Streets and Drainage	24	25	25	29	29	29	29	29	22	27
Sanitation	34	32	27	28	30	30	31	31	30	30
Parks and Recreation	45	44	44	44	46	50	49	50	13	13
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	4	5	5
Water Distribution System	13	13	13	12	14	17	17	19	19	19
Wastewater Collection	10	10	10	10	8	6	7	8	8	8
Wastewater Treatment	7	7	7	7	7	7	7	7	7	7
Total	<u>461</u>	<u>456</u>	<u>449</u>	<u>458</u>	<u>524</u>	<u>1,267</u>	<u>1,370</u>	<u>1,437</u>	<u>1,511</u>	<u>1,734</u>

Sources: Town of Collierville Human Resources Department.

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

^a FY 2012 a new department was created for the Morton Museum with a curator position added.

^b In FY 2016, the Library became a department in the General Fund for the Town

^c Beginning in FY 2018, Parks maintenance staff was transferred to General Services Parks and Facilities Maintenance

^d 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>2010</u>	<u>2011</u>	<u>2012^c</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Development										
Permits issued	2,438	2,610	3,130	4,050	3,893	3,355	3,658	3,597	3,988	3,874
Inspections conducted	6,470	7,280	9,163	12,652	12,395	11,417	8,965	11,084	12,005	11,642
Police ^a										
Physical arrests	2,704	2,392	2,591	2,424	2,745	2,604	2,412	2,404	2,059	N/A
Traffic citations	9,075	9,978	12,001	11,643	12,731	11,459	9,045	10,230	9,742	N/A
DUI arrests	150	138	152	125	138	151	102	143	138	N/A
Fire										
Total responses	2,633	2,785	2,799	3,011	3,066	3,207	3,507	3,429	3,828	3,947
Fires extinguished	96	105	94	102	93	88	91	72	102	74
Inspections	1,740	2,659	2,637	2,615	2,789	2,717	2,508	4,112	4,312	3,243
Sanitation										
Refuse collected (tons) ^b	14,295	14,124	13,993	14,344	14,812	14,332	14,469	14,742	14,681	15,103
Recyclables collected (tons)	1,809	1,900	1,927	1,835	1,872	3,071	3,100	3,149	3,300	3,049
Other public works										
Street resurfacing (lane miles)	20	12	33	27	24	20	29	24	31	17
Sidewalk replacement (linear feet) ^d	132	240	401	223	235	175	129	-	-	-
Curb replacement (linear feet) ^c	-	-	1,921	3,513	1,521	2,325	1,951	1,226	3,500	1,500
Pavement repairs	450	300	238	220	380	502	285	237	3,000	3,000
Parks and Recreation										
Adult/youth sports participants	6,452	5,790	5,546	5,879	5,872	5,989	6,048	6,420	6,484	5,840
Community center admissions	136,500	139,450	140,211	140,536	140,548	140,829	141,533	140,117	141,400	141,500
Harrell Theatre attendance	36,500	32,836	30,112	22,857	22,922	31,412	31,725	32,043	31,433	32,450
Library										
Volumes in collection	106,049	113,785	117,057	122,209	129,452	134,452	125,120	132,545	120,183	124,023
Total volumes circulated	344,280	345,914	350,044	362,498	348,300	340,902	333,478	343,347	343,732	371,677
Water										
New connections	139	182	154	212	264	262	259	695	244	233
Water main breaks	21	32	15	39	25	45	39	19	36	22
Average daily consumption (thousands of gallons)	5,950	6,821	6,803	6,006	5,933	5,586	6,035	6,173	6,157	6,000
Peak day consumption (thousands of gallons)	12,710	11,898	15,472	14,543	10,862	10,601	12,473	11,339	11,471	11,641
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,318	3,868	3,937	4,144	4,233	4,174	4,214	4,069	4,590	4,509

Sources: Various town departments.

Notes:

^aThe Police Department measures are by calendar year.

^bHousehold garbage only. Junk and yard waste is not included.

^cThe first year for tracking of this data.

^dBeginning 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>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>	<u>2019</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	75	75	75	79	79	79	80	79	81	88
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	22	24	24	26	26	26	30	31	32	32
Recycle Trucks ^a	5	0	0	0	2	3	3	3	3	5
Other public works										
Streets (miles)	268	278	311	336	340	340	346	350	350	350
Streetlights	6,515	6,576	6,599	6,599	6,599	6,695	6,716	6,805	6,809	7,001
Traffic Signals (intersections)	35	38	39	39	40	40	42	43	46	45
Education ^c										
Schools										
High	-	-	-	-	1	1	1	1	1	1
Middle	-	-	-	-	2	2	2	2	2	2
Elementary	-	-	-	-	5	5	5	5	5	5
Parks and Recreation										
Parks	18	18	18	18	18	20	20	20	20	20
Acreage ^b	625	750	750	750	775	1,025	1,025	1,025	1,025	1,025
Playgrounds ^c	13	13	13	13	13	15	15	15	15	15
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	17
Soccer/football fields	11	11	11	11	11	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	240	240	240	240	242	248	250	283	283	307
Fire hydrants	3,010	3,103	3,103	3,103	3,366	3,400	3,457	3,500	3,600	3,600
Water treatment plants	5	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons) ^d	3,500	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	228	228	228	228	230	235	240	270	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:

^aRecycling operations were contracted out during 2011. The Town resumed operations in FY 2013.

^bIncludes Department owned wetlands.

^cIncludes new Hinton Park facility.

^dIn 2011, water storage capacity increased due to expansion of Waste Water Treatment Plant 2.

^eIn 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
30-Jun-19

TML TMP – 7718-17	Property Insurance	\$189,942,943 Buildings & Personal Property; \$1,564,163 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
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, 2019

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Contract Number	Receivable 6/30/2018	Receipts	Expenditures	Receivable 6/30/2019
U.S. Department of Housing and Urban Development						
<u>Shelby County, TN</u>						
Community Development Block Grants	14.218	CA1519403	\$ 23,250	\$ 55,478	\$ 32,228	\$ -
Community Development Block Grants	14.218	CA158197	23,250	68,751	45,501	-
Community Development Block Grants	14.218	CA157607	23,250	145,521	122,271	-
Total CFDA 14.218			69,750	269,750	200,000	-
<u>State of Tennessee</u>						
Community Development Block Grant Disaster Recovery Grant	14.269	56427	97,204	818,079	1,954,093	1,233,218
Total U.S. Department of Housing and Urban Development			166,954	1,087,829	2,154,093	1,233,218
U.S. Department of Justice						
<u>Tennessee Governor's Highway Safety Office,</u>						
Bulletproof Vest Partnership Program	16.607	FY19	-	3,330	3,330	-
<u>Direct Award</u>						
Equitable Sharing Program	16.922	TN0790100	-	171,163	171,163	-
Total U.S. Department of Justice			-	174,493	174,493	-
U.S. Department of Transportation						
<u>State of Tennessee</u>						
<u>Highway Planning and Construction Cluster</u>						
Highway Planning and Construction	20.205	STP-M-57(66)	28,019	122,705	103,288	8,602
Highway Planning and Construction	20.205	STP-175(23)	4,496	413,221	442,802	34,077
Highway Planning and Construction	20.205	STP-M-5437(10)	2,831	175,480	398,535	225,886
Highway Planning and Construction	20.205	STP-M-5437(11)	-	73,377	82,557	9,180
Highway Planning and Construction	20.205	STP-M-175(25)	75	10,122	70,880	60,833
Highway Planning and Construction	20.205	STP-EN-9417(9)	-	513,321	1,296,349	783,028
Highway Planning and Construction	20.205	TAP-M-9417(11)	-	92,743	122,903	30,160
Highway Planning and Construction	20.205	STP-M-5426(10)	-	6,824	13,295	6,471
Total CFDA 20.205			35,421	1,407,793	2,530,609	1,158,237
<u>Tennessee Governor's Highway Safety Office</u>						
State Highway Safety Program	20.616	Z-17-THS404	-	2,540	2,540	-
State Highway Safety Program	20.616	Z-19-THS062	-	3,513	8,335	4,822
Total CFDA 20.616			-	6,053	10,875	4,822
Total U.S. Department of Transportation			35,421	1,413,846	2,541,484	1,163,059
Total Federal Awards			202,375	2,676,168	4,870,070	2,396,277
State Financial Assistance						
Tennessee Department of Environment and Conservation: recycling grant	N/A	Edison #32701-03670	-	142,720	142,720	-
Total Federal Awards and State Financial Assistance			\$ 202,375	\$ 2,818,888	\$ 5,012,790	\$ 2,396,277

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, 2019

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, 2019. 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 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	\$ 10,651,327
Collierville Schools federal awards and state assistance	(7,179,509)
Change in unavailable revenue	1,550,102
Non-federal and non-state grants and awards	(9,130)
Total federal awards and state financial assistance	<u>\$ 5,012,790</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 Collierville, Tennessee (the “Town”), as of and for the year ended June 30, 2019, 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 23, 2019. 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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

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 Wilmall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee
December 23, 2019

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

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Collierville, Tennessee's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

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

Memphis, Tennessee
December 23, 2019

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

__ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)?

X Yes __ No

Noncompliance material to financial statements noted

__ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

__ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)?

__ Yes X No

Type of auditors report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

__ Yes X No

Identification of major programs:

CFDA Number: 14.269 – Community Development Block Grant Disaster Recovery

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Did auditee qualify as a low-risk auditee? __ Yes X No

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

2019-001 Record Court Receivables and Associated Allowance for Uncollectibles

Condition: Court fines and fees are recorded on the cash basis when received.

Criteria: Court fines and fees should be recorded on the modified accrual basis of accounting at the governmental fund level and on the accrual basis of accounting at the government-wide level. In conjunction with recording the receivable and revenue, an allowance for uncollectible amounts should be established and unavailable revenue should be reported at the fund level and reduced at the government-wide level.

Effect: Understatement of accounts receivable, allowance for uncollectible amounts, unavailable revenue and revenue.

Recommendation: Management should review the courts receivable reports and record the appropriate entries for reporting.

Management Comments: Management agrees with the finding and has established corrective action.

SECTION III – 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, 2019

A. FINANCIAL STATEMENT FINDINGS

None reported.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

Stan Joyner
Mayor

Maureen Fraser, Alderman
Jimmy Lott, Alderman
John Worley, Alderman
Tom Allen, Alderman
Billy Patton, Alderman



James H. Lewellen
Town Administrator

Lynn Carmack
Town Clerk

Town of Collierville

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Town of Collierville respectfully submits the following corrective action plan for the year ended June 30, 2019. The finding from the June 30, 2019, schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

2019-001: Record Court Receivables and Associated Allowance for Uncollectibles

Corrective Action Plan: An aged receivable report (as of 06/30/19) was generated from the Court software system (ADSI) to determine the amounts to record on our general ledger (GL) for the Court receivable, the allowance for doubtful accounts and revenue related to the amounts owed the Town's Court. Balances greater than 999 days were not included in the receivable recorded to the GL since the total amount would be offset by an allowance for the same amount. These aged court balances are not written-off as they remain in the Court's Accounts Receivable System, but not on the GL.

Amounts aged less than 999 days are recorded on the GL as an Accounts Receivable (AR) net of estimated amounts due to the other governmental agencies (GL 110-13224).

The allowance for doubtful accounts represents balances greater than 90 days, but less than 999 days, also net of estimated amounts due to other governmental agencies (GL 110-13241).

The financial impact of not recording the Court receivable resulted in an understatement of \$143,303 in accrued revenue, and an understatement of assets (Accounts Receivable) and also an understatement of the contra-asset account (Allowance for Doubtful accounts) and also deferred revenue.

Controls are now in place so at each year-end, the process noted above will occur to determine amounts to be recorded on the GL.

Contact Person Responsible for Each Corrective Action: Mark Krock, Chief Financial Officer
Anticipated Completion Date for Each Corrective Action: Corrective action has been completed

Respectively submitted,

Mark Krock
Chief Financial Officer, Town of Collierville, Tennessee