

TOWN OF COLLIERVILLE

T E N N E S S E E



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2012

TOWN OF COLLIERVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

Prepared by:

Department of Finance

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INTRODUCTORY SECTION

Stan Joyner
Mayor

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



James H. Lewellen
Town Administrator

Lynn Carmack
Town Clerk

Town of Collierville

December 17, 2012

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 for the fiscal year ended June 30, 2012.

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

The Town of Collierville's financial statements have been audited by Dixon Hughes Goodman LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Collierville for the fiscal year ended June 30, 2012 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Collierville's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The Town of Collierville was first settled in 1835, incorporated in 1870, and is located in Shelby County, southeast of Memphis, Tennessee in the southwestern part of the state. Collierville is part of the most rapidly developing area of Shelby County. The Town of Collierville currently occupies a land area of 36.12 square miles and serves a population of 45,550. 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 next election will be November 2014.

The Town of Collierville provides a full range of services, including police and fire and paramedic services; the construction and maintenance of highways, streets, and other infrastructure; planning and zoning services; sanitation and recreational activities 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 Shelby County Board of Education provides educational services to students within the jurisdiction of the Town of Collierville. The County school system is a part of the Government of Shelby County. On December 20, 2010, the Board of Education of the Memphis City Schools voted to dissolve the charter of the Memphis City Schools (MCS). On February 10, 2011, the Memphis City Council voted to approve the surrender by MCS of its charter. Voters of the City of Memphis approved the transfer of the administration of MCS to Shelby County by referendum held on March 8, 2011. The Town is in the process of creating a municipal school system to serve its citizens. Certain provisions of Tennessee law pursuant to which the Town is forming its municipal school system has been challenged in federal district court in the Western District of Tennessee. It is not possible at this time to determine the outcome of this litigation. The Town intends to vigorously defend this matter.

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 at least 45 days before the beginning of the fiscal year. The board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Collierville's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The town administrator may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the board of mayor and aldermen. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 29-30 as part of the basic financial statements. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the supplemental information subsection of this report, which starts on page 70.

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. The start of 2009 found the Memphis metro economy, of which the Town is a part, embroiled in the same recessionary pressures faced by the rest of the nation. The rate of growth has slowly increased over the past year, and Collierville's economy is expected to continue to improve.

Commercial growth was modest with 6 new commercial permits valued at \$15,395,331 and another 83 permits for additions to existing buildings valued at \$9,904,049. Commercial construction completed in the current year included several small retail businesses, a 24,000 square foot Home Goods store, a 21,360 square foot Michael's, and a bank, a car dealership and several restaurants.

The 2010 federal census put the Town's population at 43,965, a decrease of 339. In December 2011, the Town annexed a portion of its reserve area, which increased the population by 1,585 to 45,550. However, from the 2002 special census to the 2008 special census the population of Collierville grew from 37,044 to 44,304, an increase of 16.4%. Growth during those years was accommodated by the construction of an average of 510 single family homes each fiscal year from 2002 to 2006. Single family permits declined to 212 in 2007, 137 in 2008 and 50 in 2009, but 2010 and 2011 showed modest increases of 55 and 63 permits respectively. In the 2012 fiscal year, there were 158 new single family permits valued at \$50,085,160 a 98.95% increase in value over the prior year. Additions to existing homes remained fairly stable, averaging 239 from 2002 through 2006. In fiscal year 2007 there were 217, 212 in 2008, 198 in 2009, 181 in 2010, 220 in 2011, and there were 219 additions in 2012 valued at \$3,987,382, an decrease in value of 19.2% from the prior year.

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 undesignated 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 2011, fund balance increased \$243,840, and in 2012, it increased \$1,687,678. Collierville now holds the highest possible bond rating, 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 fiscal year 2007, the Town created a defined benefit pension plan to be administered by the Town. The Town's actuarially determined rate for the current fiscal year was 12.1% 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 Town of Collierville also provides post-employment health benefits for certain retirees and their dependents. The Town began funding this liability in FY 2008, and a trust was established during the prior year. Additional information on the Town of Collierville's pension arrangements and post-employment benefits can be found in Notes 9 and 15 in the notes to the financial statements.

Planning and review of the FY 2013 budget began in January 2012. The growth that the Town had been experiencing began to slow considerably during the 2009 fiscal year. As a result and with the national economy in turmoil, Town leaders had to make some very difficult decisions. Several positions had been eliminated in the FY 2010 and FY 2011, and no salary increases were approved except the step plan for public safety personnel. For FY 2012, the decision was made to increase the property tax rate by \$.25 per \$100 of assessed valuation in order to replenish fund balance reserves which had been used during the previous three fiscal years, to provide for employee raises and to purchase some needed capital equipment. For the FY 2013 budget, there was no tax increase and five full-time and four part-time positions were added.

MAJOR INITIATIVES

To keep pace with the transportation needs of the growing population of residents and businesses, over the past three years the Town allocated over \$5.7 million for design and construction of major road projects. These projects, along with several other intersection and roadway improvements within the Town's interior, have helped to improve traffic flow and the livability of the entire community.

The Tennessee Department of Transportation (TDOT) has started work to widen Highway 72 to a five lane section from the Town's front door on the east through to our major east west corridor, Poplar Avenue. The Town was successful in its efforts to work with TDOT to get landscaped medians installed along the project length. This \$20 million project will improve the functionality and appearance of the Highway 72 Corridor which begins at the planned interchange of the new I-269 corridor. The I-269 interchange will be a prime location when the new highway (I-269) is ultimately completed within the next 3 years. In the fall of 2013, the final section of Nonconah/385 loop around Memphis will be complete. Highway 72 connects to the new \$150 million intermodal facility currently under construction in the neighboring community. Spin off from the intermodal facility will create opportunities for new businesses and residents for Collierville.

In our Historic Downtown, the Town continues implementation of the Downtown Development Plan that was adopted in 2010. Major milestones included the award of a \$756,000 grant from the State of Tennessee for the Collierville Center Connect project, which includes significant road and streetscape improvements to Center Street, one of the Town's more significant gateways to Downtown from Highway 72. Work on Collierville Center Connect has begun with construction expected to start in 2014.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officer's 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, 2011. This was the twentieth 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, 2011. This was the fifteenth year that the government has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Jane Bevill
Finance Director

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandison

President

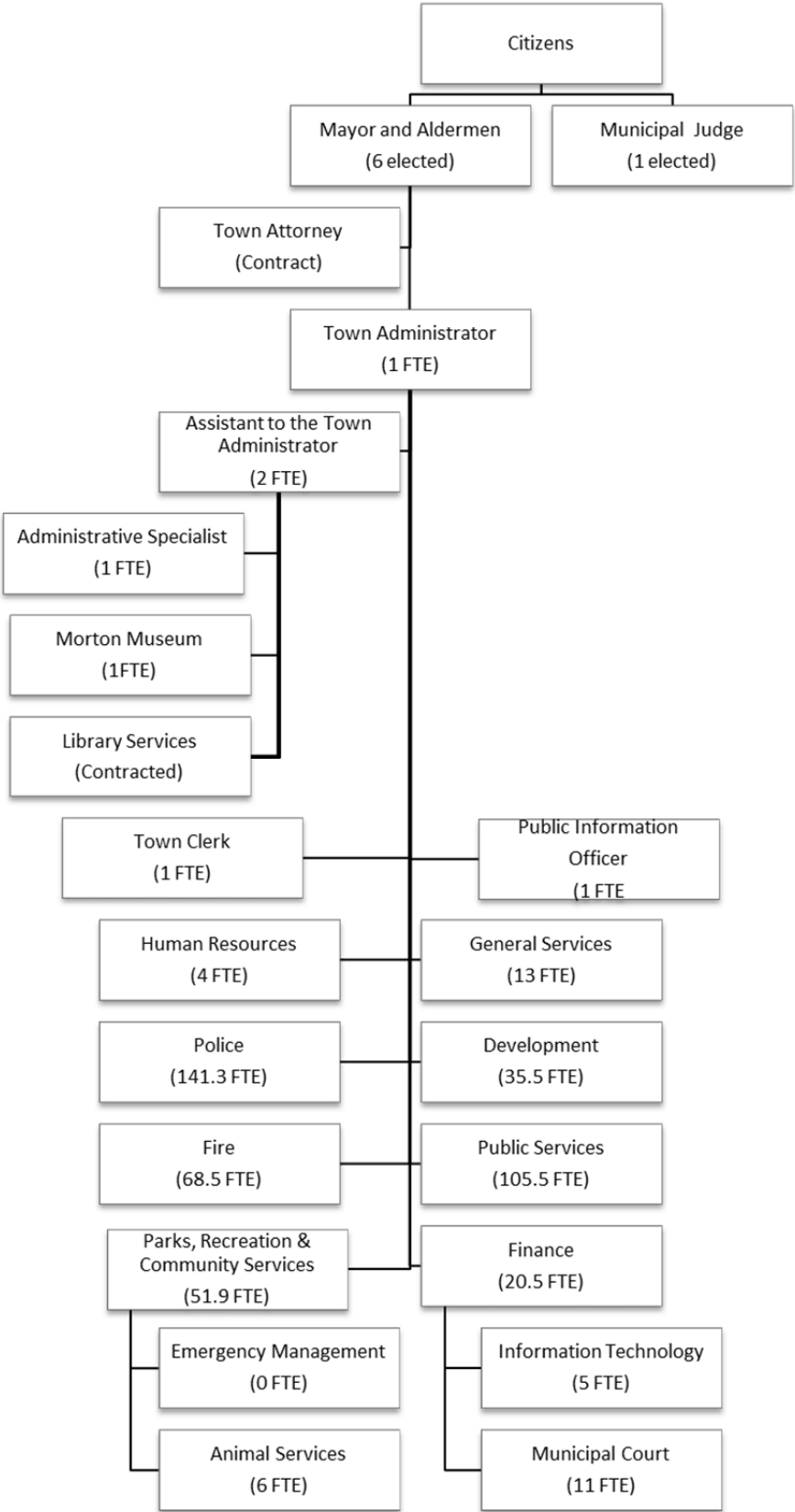
Jeffrey R. Emer

Executive Director

TOWN OF COLLIERVILLE

ORGANIZATION CHART

June 30, 2012



TOWN OF COLLIERVILLE

TOWN OFFICIALS

June 30, 2012

Mayor

Stan Joyner
(2008 - 2012*)

Aldermen

Jimmy Lott, Vice Mayor (2008 - 2012*)

Tom Allen (2010- 2014*)

Maureen Fraser (2010- 2014*)

Billy Patton (2010- 2014*)

Tony Sarwar (2008 - 2012*)

Town Attorney

Tom Cates

Town Judge

William Craig Hall

Town Administrator

James Lewellen

Department Heads

Finance Director

Jane Bevill

Director of Development

Jason Gambone

Public Services Director

William Kilp

Chief of Police

Larry Goodwin

Fire Chief

Jerry Crawford

Director of General Services

Derek Honeycutt

Parks, Recreation and Community Services Director

Chip Petersen

Town Clerk

Lynn Carmack

*Elected Term Expires

FINANCIAL SECTION



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town"), as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. We have also audited each of the Town's fiduciary funds financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and each of the fiduciary funds of the Town of Collierville, Tennessee as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the major governmental fund (General Fund) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, the schedule of funding progress and the schedule of employer contributions 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 Standard Board, who consider 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 inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's response 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual non-major fund financial statements (except for fiduciary funds) and related schedules - budget and actual, supporting schedules and the statistical data are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is also not a required part of the basic financial statements of the Town. The combining and individual non-major fund financial statements (except for fiduciary funds) and related schedules - budget and actual, the schedule of expenditures of federal and state awards and other supporting schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section 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.

Dixon Hughes Goodman LLP

December 17, 2012

Management's Discussion and Analysis

As management of the Town of Collierville, we offer readers of the Town of Collierville's financial statements this narrative overview and analysis of the financial activities of the Town of Collierville for the fiscal year ended June 30, 2012. 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 of the Town of Collierville exceeded its liabilities at the close of the most recent fiscal year by \$269,894 (*net assets*). Of this amount, \$44,280 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$12,623. This increase is attributable to revenue exceeding expenses.
- As of the close of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$29,751 an increase of \$61 in comparison with the prior year. Approximately 51 percent of this total amount, \$15,214, is *unassigned fund balance*, 20 percent is *restricted fund balance*, 22 percent is assigned fund balance, 6 percent is *committed fund balance* and less than 1 percent is *non-spendable fund balance*.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$15,214 or 38.4 percent of the total general fund expenditures.
- The Town of Collierville's total debt decreased by \$4,624 (7.1 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 assets* presents information on all of the Town of Collierville's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town of Collierville is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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, roads and public works, public safety, sanitation, 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 22-24 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 and outflows of spendable resources*, as well as on *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 eight 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 and the CIP fund 321. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Collierville adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with

this budget. The basic governmental fund financial statements can be found on pages 25-30 of this report.

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

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operation which is considered to be a major fund of the Town of Collierville. The internal service fund is presented in the proprietary fund financial statements, but it is primarily a governmental activity. The basic proprietary fund financial statements can be found on pages 31-34 of this report.

Fiduciary funds. The Town of Collierville maintains two fiduciary funds. The pension plan fund accounts for transactions related to the Town-sponsored defined benefit pension plan. *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 OPEB fund accounts for transactions related solely to retiree group medical benefits for which the Town is self-insured. The basic fiduciary fund financial statements can be found on pages 35-36 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 37-67 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 68-69 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 70-82 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Collierville, assets exceeded liabilities by \$269,894 at the close of the most recent fiscal year.

By far the largest portion of the Town of Collierville's net assets (80.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Collierville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Collierville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Collierville's net assets (3.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$44,108) may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Collierville's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 59,728	\$ 58,782	\$ 27,587	\$ 26,079	\$ 87,315	\$ 84,861
Capital assets	178,220	170,222	95,755	97,157	273,975	267,379
Total assets	237,948	229,004	123,342	123,236	361,290	352,240
Long-term liabilities outstanding	28,149	30,863	27,779	29,652	55,928	60,515
Other liabilities	32,184	31,517	3,284	2,937	35,468	34,454
Total liabilities	60,333	62,380	31,063	32,589	91,396	94,969
Net assets:						
Invested in capital assets, net of related debt	151,471	140,704	66,108	65,716	217,579	206,420
Restricted	6,021	7,616	2,014	2,171	8,035	9,787
Unrestricted	20,123	18,304	24,157	22,760	44,280	41,064
Total net assets	\$ 177,615	\$ 166,624	\$ 92,279	\$ 90,647	\$ 269,894	\$ 257,271

At the end of the current fiscal year, the Town of Collierville is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net assets increased by \$12,623 during the current fiscal year. This increase is attributable to revenue exceeding expenses.

Governmental activities. Governmental activities increased the Town of Collierville's net assets by \$10,992. This increase is due to revenues exceeding expenses. The main increase in revenue was property taxes which increased \$3,393 or 19.3% percent over the prior year. Other

local taxes increase \$814. These taxes include local option sales tax, wholesale beer and liquor taxes, automobile registration and business, cable TV and hotel/motel taxes. Capital grants and contributions increased by \$3,045.

Town of Collierville's Changes in Net Assets

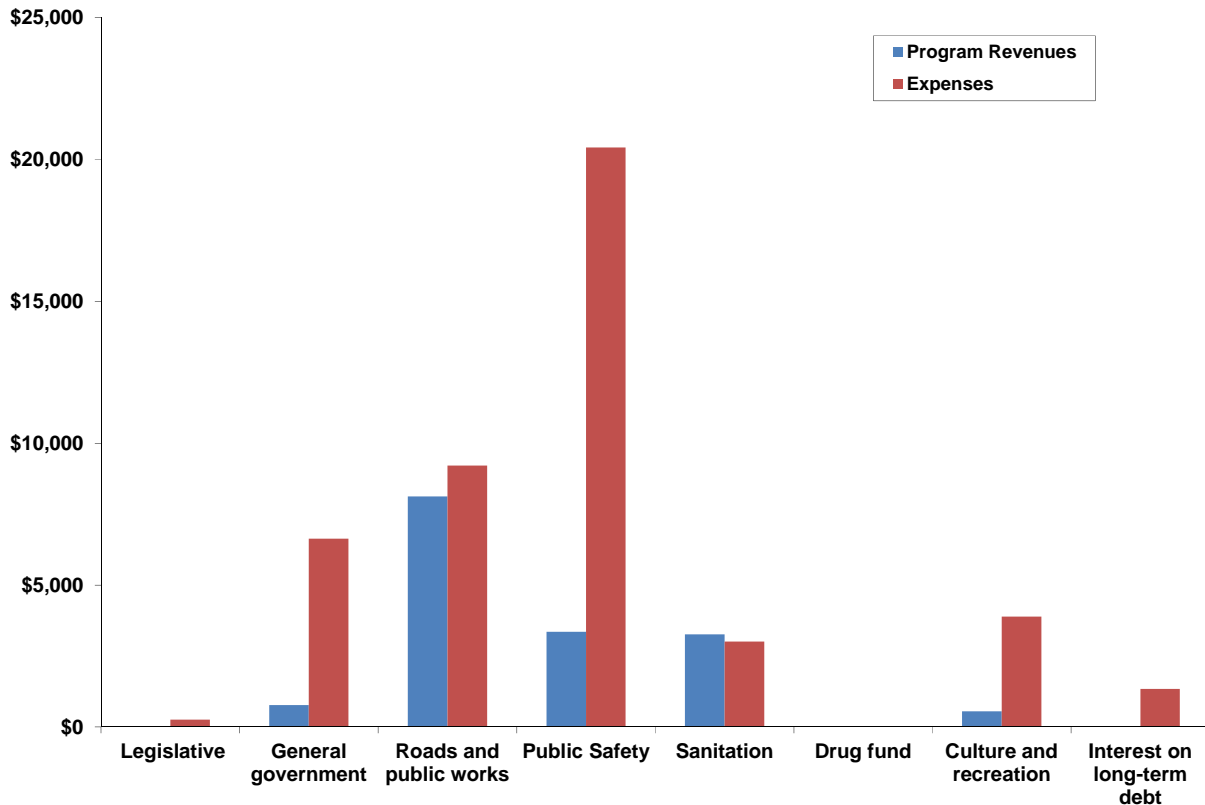
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,507	\$ 6,830	\$ 12,406	\$ 11,840	\$ 18,913	\$ 18,670
Operating grants and contributions	2,112	2,069	-	-	2,112	2,069
Capital grants and contributions	7,462	4,417	275	1,669	7,737	6,086
General Revenues:						
Property taxes	20,970	17,577	-	-	20,970	17,577
Other local taxes	12,818	12,004	-	-	12,818	12,004
State sales tax	3,153	3,087	-	-	3,153	3,087
State income and other taxes	1,086	1,032	-	-	1,086	1,032
Other state revenues	99	102	-	-	99	102
Other	843	88	403	431	1,246	519
Total revenues	<u>55,050</u>	<u>47,206</u>	<u>13,084</u>	<u>13,940</u>	<u>68,134</u>	<u>61,146</u>
Expenses:						
Legislative	261	149	-	-	261	149
General government	6,638	6,480	-	-	6,638	6,480
Roads and public works	9,219	7,762	-	-	9,219	7,762
Public safety	20,424	19,431	-	-	20,424	19,431
Sanitation	3,015	2,968	-	-	3,015	2,968
Drug fund	28	42	-	-	28	42
Culture and recreation	3,893	4,437	-	-	3,893	4,437
Interest on long-term debt	1,346	1,316	-	-	1,346	1,316
Water and sewer	-	-	10,687	12,254	10,687	12,254
Total expenses:	<u>44,824</u>	<u>42,585</u>	<u>10,687</u>	<u>12,254</u>	<u>55,511</u>	<u>54,839</u>
Increase in net assets before transfers	10,226	4,621	2,397	1,686	12,623	6,307
Transfers	765	558	(765)	(558)	-	-
Increase/(Decrease) in net assets	10,991	5,179	1,632	1,128	12,623	6,307
Net assets-beginning of the year	166,624	161,445	90,647	89,519	257,271	250,964
Net assets-ending	<u>\$ 177,615</u>	<u>\$ 166,624</u>	<u>\$ 92,279</u>	<u>\$ 90,647</u>	<u>\$ 269,894</u>	<u>\$ 257,271</u>

Business-type activities. Business-type activities increased the Town of Collierville's net assets by \$1,631. This increase is due to revenues exceeding expenses.

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

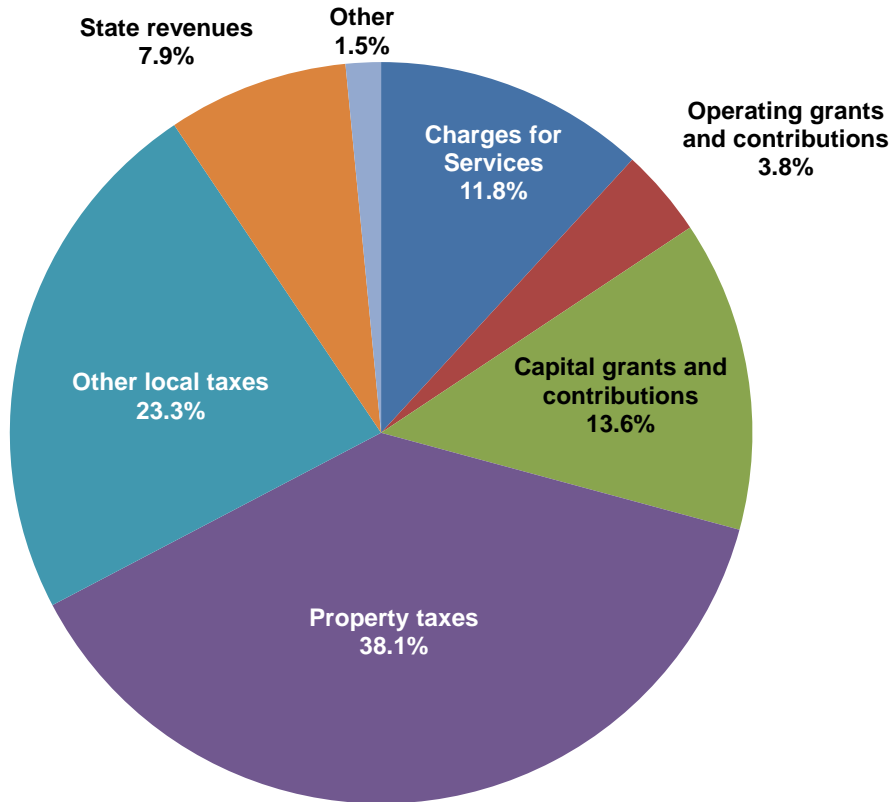


Governmental funds. The focus of the Town of Collierville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville's financing requirements. In particular, *unassigned fund 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 \$29,751 an increase of \$61 in comparison with the prior year. The *unassigned fund balance*, of \$15,214 is 51 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 \$6,613 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 8 of this report.

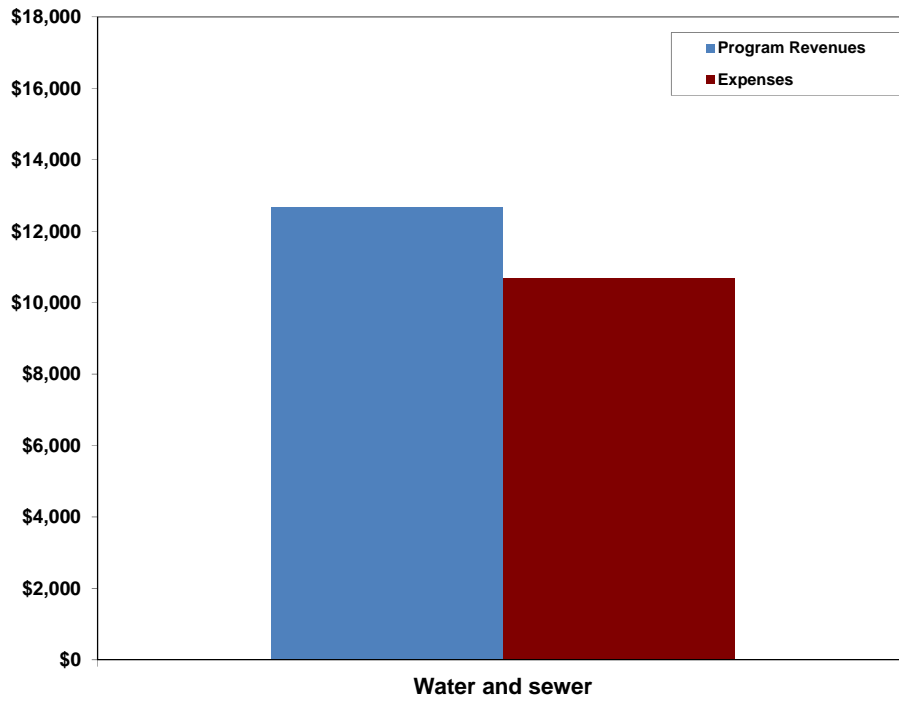
Revenues by Source – Governmental Activities



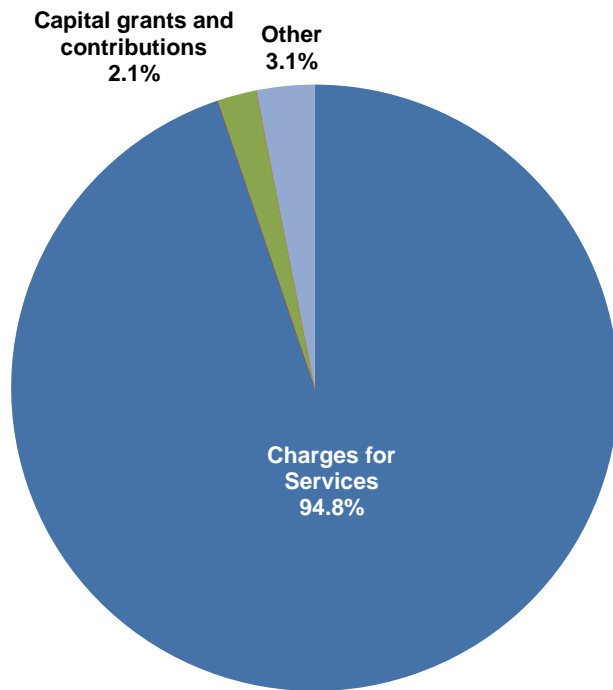
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,214 while total fund balance was \$24,069. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 38.4 percent of total general fund expenditures, while total fund balance represents 60.7 percent of that same amount.

The fund balance of the Town of Collierville's general fund increased by \$1,688 during the current fiscal year. This is primarily due to an excess of revenue over expenditures. Other governmental funds fund balances decreased by \$1,627 due to payments for construction on several large capital projects.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



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

Unrestricted net assets of the water and sewer operation at the end of the year amounted to \$24,156. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Collierville's business-type activities.

General Fund Budgetary Highlights

The original appropriations were amended by \$1,872. The main components of the increase were:

- \$162 appropriation for costs associated with the creation of a municipal school district.
- \$158 appropriation for the Fire Department funded by a grant from the Federal Emergency Management Agency (FEMA) for cardiac monitors.
- \$244 appropriation for capital purchases including hydraulic rescue tools for the Fire Department funded by an Urban Area Security Initiative grant.
- \$1,134 appropriation for street overlay projects for two major roads.

The total positive variance of \$2,948 between final budget and actual revenues includes negative variances of \$18 in state revenue, \$102 in licenses and permits, and \$8 in interest income; and positive variances of \$305 in property tax, \$568 in local option sales tax, \$170 in business, cable TV, and hotel/motel taxes, \$45 in automobile registration, \$76 in wholesale beer and liquor tax, \$86 in other local taxes, \$301 in federal revenue, \$7 in state sales tax, \$160 in state income and other taxes, \$3 in state grant revenue, \$19 in charges for services, \$205 in court fees, \$28 in fines and forfeits, \$1,091 in contributions, and \$12 in other revenue which includes donations.

Of the total positive variance of \$1,657 between final budget and actual expenditures, \$538 was in public safety, \$496 in general government, \$119 in roads and public works, \$418 in parks 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, 2012, amounts to \$273,975 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the Town of Collierville's investment in capital assets for the current fiscal year was \$6,596 or 2.5 percent. The increase for governmental activities was \$7,998 or 4.7 percent and the decrease for business-type activities was \$1,402 or 1.4 percent.

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

- Governmental activities infrastructure donated during the year amounted to \$6,241 in large part due to the annexation of property in Collierville's reserve area.
- Transfers from construction-in-progress included two large projects: a major road for \$1,118 and synthetic surface on a multi-purpose athletic field for \$950.
- Land purchased for an equipment storage facility totaled \$690.
- For governmental activities new equipment purchases totaled \$983.

- Additions to water and sewer infrastructure included \$1,100 of new sewer lines.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 16,552	\$ 15,862	\$ 476	\$ 476	\$ 17,028	\$ 16,338
Buildings and improvements	24,942	25,786	12,736	13,183	37,678	38,969
Other improvements	9,390	8,363	1,244	1,310	10,634	9,673
Library materials	1,327	1,380	-	-	1,327	1,380
Equipment	7,200	7,304	1,339	819	8,539	8,123
Infrastructure	113,413	107,477	-	-	113,413	107,477
Distribution and collection systems	-	-	79,715	80,639	79,715	80,639
Construction in progress	5,396	4,050	245	730	5,641	4,780
Total	\$ 178,220	\$ 170,222	\$ 95,755	\$ 97,157	\$ 273,975	\$ 267,379

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

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 29,714	\$ 32,235	\$ 16	\$ 20	\$ 29,730	\$ 32,255
Notes payable	1,113	1,372	-	-	1,113	1,372
Revenue bonds	-	-	30,090	31,930	30,090	31,930
Total	\$ 30,827	\$ 33,607	\$ 30,106	\$ 31,950	\$ 60,933	\$ 65,557

Long-term debt. At the end of the current fiscal year, the Town of Collierville had total bonded debt outstanding of \$60,933. Of this amount, \$30,843 comprises debt backed by the full faith and credit of the government.

The Town's total debt decreased by \$4,624 (7.1 percent) during the current fiscal year. The Town has no legal debt limit. During the year, the Town refunded a portion of its outstanding debt and the current rating of Aaa on all its outstanding debt was affirmed by Moody's Investor's Service. Additional information on the Town of Collierville's long-term debt can be found in Note 7 of this report.

Economic Factors and New Year's Budget and Rates

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in May 2012 was 8.8 percent compared to the national rate of 8.2 percent. Collierville's unemployment rate is considerably lower than that of the larger MSA and the nation, 6.1 percent.
- Number of permits for commercial development decreased 45 percent while permits for residential development increased 151 percent in FY 2012. The value of commercial permits increased by 195 percent while the value of residential permits increased by 99 percent.
- The value of real property increased by 3.4 percent due to the annexation of property in Collierville's reserve area.
- Local option sales tax revenue is monitored on a monthly basis. Revenue increased the first two quarters of 2012 by 10.3 percent.
- The property tax rate of \$1.43 per \$100 assessed valuation remained the same for the FY 2013 budget.
- The Town has considered the current economic trends while working with the FY 2013 budget. The tighter revenue projections for the new fiscal year will limit the resources of the Town until the economy rebounds.

Town staff is closely monitoring the Town's 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 ASSETS

June 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 6,312,548	\$ 2,687,274	\$ 8,999,822
Investments	24,550,883	21,184,834	45,735,717
Restricted investments	-	2,014,175	2,014,175
Receivables, net of allowance for uncollectible accounts			
Property taxes	22,698,965	-	22,698,965
Sales, income and other taxes	3,577,411	-	3,577,411
Federal and state grants	458,380	-	458,380
Accounts	31,279	936,136	967,415
Unbilled accounts	-	881,282	881,282
Due from other governments	206,096	-	206,096
Internal balances	471,331	(471,331)	-
Inventories	164,325	65,798	230,123
Prepaid expenses	6,703	3,144	9,847
Capital assets not being depreciated	21,947,846	721,337	22,669,183
Capital assets being depreciated, net	156,271,884	95,033,826	251,305,710
Deferred charges	3,526	286,149	289,675
Pension asset	1,246,671	-	1,246,671
	<u>237,947,848</u>	<u>123,342,624</u>	<u>361,290,472</u>
<u>Liabilities</u>			
Accounts payable and accrued liabilities	5,634,413	1,025,775	6,660,188
Accrued interest	207,885	139,764	347,649
Due to other governmental entities	18,535	31,931	50,466
Due to fiduciary trusts	78,249	-	78,249
Deposits	129,837	111,720	241,557
Unearned revenues	22,062,331	14,200	22,076,531
Other postemployment benefits			
Due in more than one year	288,024	-	288,024
Compensated absences			
Expected to be paid within one year	982,498	78,288	1,060,786
Expected to be paid after one year	502,389	15,319	517,708
Bonds and notes payable			
Due within one year	2,781,492	1,883,664	4,665,156
Due in more than one year	27,647,005	27,763,353	55,410,358
	<u>60,332,658</u>	<u>31,064,014</u>	<u>91,396,672</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	151,470,712	66,108,146	217,578,858
Restricted			
General government	106,047	-	106,047
Roads and public works	3,822,658	-	3,822,658
State street aid	738,126	-	738,126
Public safety	1,354,746	-	1,354,746
Water and sewer development	-	2,014,175	2,014,175
Unrestricted	20,122,901	24,156,289	44,279,190
	<u>177,615,190</u>	<u>92,278,610</u>	<u>269,893,800</u>

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

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Legislative	\$ 261,181	\$ -	\$ -	\$ -
General government	6,638,179	243,942	478,273	52,812
Roads and public works	9,218,450	503,235	1,279,660	6,345,782
Public safety	20,423,963	1,964,117	326,403	1,063,306
Sanitation	3,014,845	3,261,895	4,277	-
Drug fund	27,673	-	-	-
Culture and recreation	3,892,595	533,441	23,443	-
Interest on long-term debt	1,345,293	-	-	-
Total governmental activities	44,822,179	6,506,630	2,112,056	7,461,900
Business-type activities:				
Water and sewer	10,686,808	12,405,557	-	274,665
Total primary government	\$ 55,508,987	\$ 18,912,187	\$ 2,112,056	\$ 7,736,565

General revenues and transfers:

Taxes:

- Property taxes
- Local option sales tax
- Business, cable tv, and hotel/motel taxes
- Automobile registration fees
- Wholesale beer and liquor tax
- Other local taxes and fees

Intergovernmental revenues:

- State sales tax
- State income and other taxes
- Other state revenues

Interest income

Other

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (261,181)	\$ -	\$ (261,181)
(5,863,152)	-	(5,863,152)
(1,089,773)	-	(1,089,773)
(17,070,137)	-	(17,070,137)
251,327	-	251,327
(27,673)	-	(27,673)
(3,335,711)	-	(3,335,711)
(1,345,293)	-	(1,345,293)
(28,741,593)	-	(28,741,593)
-	1,993,414	1,993,414
(28,741,593)	1,993,414	(26,748,179)
20,970,077	-	20,970,077
9,146,314	-	9,146,314
1,535,308	-	1,535,308
1,030,078	-	1,030,078
775,664	-	775,664
330,674	-	330,674
3,152,888	-	3,152,888
1,085,542	-	1,085,542
99,185	-	99,185
33,280	273,796	307,076
809,480	129,035	938,515
764,569	(764,569)	-
39,733,059	(361,738)	39,371,321
10,991,466	1,631,676	12,623,142
166,623,724	90,646,934	257,270,658
<u>\$ 177,615,190</u>	<u>\$ 92,278,610</u>	<u>\$ 269,893,800</u>

TOWN OF COLLIERVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,642,364	\$ -	\$ 1,670,184	\$ 6,312,548
Investments	21,437,586	-	3,113,297	24,550,883
Receivables, net				
Property taxes	22,698,965	-	-	22,698,965
Sales, income and other taxes	3,577,411	-	-	3,577,411
Federal and state grants	378,545	79,835	-	458,380
Accounts	61,081	-	8,935	70,016
Due from other governments	-	-	206,096	206,096
Due from other funds	475,101	2,048,523	865,686	3,389,310
Inventories	146,342	-	17,983	164,325
Prepaid items	6,703	-	-	6,703
Total assets	<u>\$ 53,424,098</u>	<u>\$ 2,128,358</u>	<u>\$ 5,882,181</u>	<u>\$ 61,434,637</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 2,627,158	\$ 1,307,872	\$ 1,005,476	\$ 4,940,506
Due to other governmental entities	18,535	-	-	18,535
Due to other funds	3,361,186	-	3,770	3,364,956
Due to fiduciary trusts	78,249	-	-	78,249
Deposits	129,837	-	-	129,837
Deferred revenue	23,140,138	-	11,177	23,151,315
Total liabilities	<u>29,355,103</u>	<u>1,307,872</u>	<u>1,020,423</u>	<u>31,683,398</u>
<u>Fund Balances</u>				
Nonspendable	153,045	-	17,983	171,028
Restricted	1,677,931	227,438	4,116,206	6,021,575
Committed	1,004,206	-	727,569	1,731,775
Assigned	6,019,516	593,048	-	6,612,564
Unassigned	15,214,297	-	-	15,214,297
Total fund balances	<u>24,068,995</u>	<u>820,486</u>	<u>4,861,758</u>	<u>29,751,239</u>
Total liabilities and fund balances	<u>\$ 53,424,098</u>	<u>\$ 2,128,358</u>	<u>\$ 5,882,181</u>	<u>\$ 61,434,637</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 ASSETS

June 30, 2012

Total fund balances, governmental funds	\$ 29,751,239
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	178,219,730
Deferred charges are not available to pay for current period expenditures and therefore are deferred in the funds	3,526
The internal service fund is used by management to charge costs of group medical benefits to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets	51,870
Pension assets result from the cumulative excess of pension contributions over the required contribution. These assets are included in governmental activities in the statement of net assets	1,246,671
Accrued interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds	(207,885)
Accrued expenses for certain liabilities are not due and payable in the current period and therefore is not reported in the funds	(298,800)
Deferred revenues and related accounts receivable are not available to pay for current period expenditures and therefore are excluded from the governmental funds	1,050,247
Other postemployment benefits (OPEB) liabilities result from the cumulative excess of required contribution over actual contributions to the Town's OPEB fund. These liabilities are included in governmental activities in the statement of net assets	(288,024)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(31,913,384)</u>
Net assets of governmental activities	<u>\$ 177,615,190</u>

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

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

For the Year Ended June 30, 2012

	General Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 21,343,304	\$ -	\$ -	\$ 21,343,304
Local option sales tax	9,146,314	-	-	9,146,314
Business, cable tv, and hotel/motel taxes	1,535,308	-	-	1,535,308
Automobile registration fees	1,030,078	-	-	1,030,078
Wholesale beer and liquor tax	775,664	-	-	775,664
Other local taxes and fees	297,868	-	13,359	311,227
Federal grant revenues	751,179	171,747	36,204	959,130
State sales tax	3,152,888	-	-	3,152,888
State income and other taxes	1,085,542	-	-	1,085,542
State gasoline tax revenue	-	-	1,143,520	1,143,520
Other state revenue	99,185	-	-	99,185
State grant revenue	2,549	-	-	2,549
Licenses and permits	673,993	-	-	673,993
Charges for services	1,342,034	-	3,261,895	4,603,929
Court fees	934,985	-	-	934,985
Fines and forfeits	293,723	-	-	293,723
Interest income	27,042	-	6,238	33,280
Contributions	1,202,814	-	4,277	1,207,091
Other	127,752	-	225,551	353,303
Total revenues	<u>43,822,222</u>	<u>171,747</u>	<u>4,691,044</u>	<u>48,685,013</u>
Expenditures				
Current:				
Legislative	252,047	-	-	252,047
General government	5,749,669	-	-	5,749,669
Roads and public works	5,355,153	-	1,141,065	6,496,218
Public safety	19,298,206	-	-	19,298,206
Sanitation	-	-	2,850,986	2,850,986
Culture and recreation	3,810,511	-	-	3,810,511
Drug fund	-	-	27,673	27,673
Other	138,153	-	-	138,153
Capital expenditures	972,123	4,927,582	775,902	6,675,607
Debt service:				
Principal retirement	2,711,873	-	152,616	2,864,489
Interest and fiscal charges	1,302,287	-	18,064	1,320,351
Bond issue costs	70,702	-	-	70,702
Total expenditures	<u>39,660,724</u>	<u>4,927,582</u>	<u>4,966,306</u>	<u>49,554,612</u>
Excess (deficiency) of revenues over expenditures	<u>4,161,498</u>	<u>(4,755,835)</u>	<u>(275,262)</u>	<u>(869,599)</u>
Other financing sources (uses)				
Refunding bond issuance	4,985,000	-	-	4,985,000
Refunding bond premium	80,858	-	-	80,858
Payments to refunded bond escrow agent	(4,900,000)	-	-	(4,900,000)
Transfers in	764,569	4,653,738	585,219	6,003,526
Transfers out	(3,404,247)	(164,975)	(1,669,735)	(5,238,957)
	<u>(2,473,820)</u>	<u>4,488,763</u>	<u>(1,084,516)</u>	<u>930,427</u>
Net change in fund balances	1,687,678	(267,072)	(1,359,778)	60,828
Fund balances at the beginning of the year	<u>22,381,317</u>	<u>1,087,558</u>	<u>6,221,536</u>	<u>29,690,411</u>
Fund balances at the end of the year	<u>\$ 24,068,995</u>	<u>\$ 820,486</u>	<u>\$ 4,861,758</u>	<u>\$ 29,751,239</u>

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

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

For the Year Ended June 30, 2012

Net change in fund balance, total governmental funds	\$	60,828
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital outlays capitalized		5,609,927
Depreciation expense		(4,936,723)
<p>Loss from the disposition of capital assets are reported net of any remaining book net value in the statement of activities</p>		
		(137,522)
<p>Capital contributions in the statement of activities are not recorded in governmental funds</p>		
		7,461,900
<p>Certain property tax revenues do not provide current financial resources and are reported as deferred revenue annually in the funds. This is the net difference between the amounts deferred in the current and prior years</p>		
		(373,227)
<p>Certain other local tax revenues do not provide current financial resources and are reported as deferred revenue annually in the funds. This is the net difference between the amounts deferred in the current and prior years</p>		
		19,447
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets. This is the amount of bond repayments</p>		
		2,864,489
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds</p>		
		(171,353)
<p>Prepayment of actuarial pension costs related to the Town's retirement plan is recorded as a decrease in expenses in the statement of activities, but does not provide current financial resources and is not reported as revenue in the funds</p>		
		534,526
<p>Prepayment of actuarial pension costs related to the Town's other post-employment benefit plan is recorded as a decrease in expenses in the statement of activities, but does not represent a current financial expenditure and is not reported as expense in the funds</p>		
		59,174
		\$ 10,991,466

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

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 21,038,757	\$ 21,038,757	\$ 21,343,304	\$ 304,547
Local option sales tax	8,577,890	8,577,890	9,146,314	568,424
Business, cable tv, and hotel/motel taxes	1,365,000	1,365,000	1,535,308	170,308
Automobile registration fees	985,000	985,000	1,030,078	45,078
Wholesale beer and liquor tax	700,000	700,000	775,664	75,664
Other local taxes and fees	211,405	211,405	297,868	86,463
Federal revenues	82,345	450,053	751,179	301,126
State sales tax	3,145,645	3,145,645	3,152,888	7,243
State income and other taxes	925,590	925,590	1,085,542	159,952
Other state revenue	103,000	117,102	99,185	(17,917)
State grant revenue	-	-	2,549	2,549
Licenses and permits	775,501	775,501	673,993	(101,508)
Charges for services	1,323,119	1,323,119	1,342,034	18,915
Court fee	729,860	729,860	934,985	205,125
Fines and forfeits	266,000	266,000	293,723	27,723
Interest income	35,000	35,000	27,042	(7,958)
Contributions	51,747	112,073	1,202,814	1,090,741
Other	115,750	115,750	127,752	12,002
Total revenues	<u>40,431,609</u>	<u>40,873,745</u>	<u>43,822,222</u>	<u>2,948,477</u>
Expenditures:				
Current				
Legislative	149,543	311,543	252,047	59,496
General Government				
Finance	977,915	983,537	933,911	49,626
Executive	526,229	538,229	524,045	14,184
Health, welfare and insurance	716,061	717,804	679,953	37,851
Human resources	375,254	373,652	343,346	30,306
Development administration	301,534	301,534	277,148	24,386
Planning and zoning	646,938	646,938	612,437	34,501
Information technology	530,194	526,360	457,884	68,476
General services	1,276,138	1,322,400	1,120,439	201,961
Morton Museum	42,916	47,916	31,617	16,299
Library	781,428	786,965	768,889	18,076
Total general government	<u>6,174,607</u>	<u>6,245,335</u>	<u>5,749,669</u>	<u>495,666</u>
Roads and Public Works				
Public Works				
Administration	290,547	290,547	277,251	13,296
Vehicle maintenance	553,999	546,232	518,748	27,484
Total public works	<u>844,546</u>	<u>836,779</u>	<u>795,999</u>	<u>40,780</u>

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

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Highways and streets	\$ 2,752,863	\$ 3,886,588	\$ 3,882,117	\$ 4,471
Engineering	751,120	751,120	677,037	74,083
Total roads and public works	<u>4,348,529</u>	<u>5,474,487</u>	<u>5,355,153</u>	<u>119,334</u>
Public Safety				
Police	10,449,488	10,452,641	10,204,653	247,988
Fire	7,194,872	7,353,107	7,219,718	133,389
Code enforcement	780,452	780,452	708,159	72,293
City court	759,597	759,597	706,092	53,505
Animal control	480,111	490,111	459,584	30,527
Total public safety	<u>19,664,520</u>	<u>19,835,908</u>	<u>19,298,206</u>	<u>537,702</u>
Culture and Recreation				
Parks and recreation	<u>4,221,431</u>	<u>4,228,431</u>	<u>3,810,511</u>	<u>417,920</u>
Other				
Special appropriations	<u>140,900</u>	<u>141,900</u>	<u>138,153</u>	<u>3,747</u>
Capital				
Capital expenditures	<u>751,086</u>	<u>995,260</u>	<u>972,123</u>	<u>23,137</u>
Debt service				
Principal retirement	2,711,873	2,711,873	2,711,873	-
Interest and fiscal charges	1,283,915	1,302,568	1,302,287	281
Bond issue costs	-	70,702	70,702	-
Total debt service	<u>3,995,788</u>	<u>4,085,143</u>	<u>4,084,862</u>	<u>281</u>
Total expenditures	<u>39,446,404</u>	<u>41,318,007</u>	<u>39,660,724</u>	<u>1,657,283</u>
Excess revenue over (under) expenditures before transfers	<u>985,205</u>	<u>(444,262)</u>	<u>4,161,498</u>	<u>4,605,760</u>
Other financing sources (uses)				
Refunding bond issuance	-	4,985,000	4,985,000	-
Refunding bond premium	-	80,858	80,858	-
Payments to refunded bond escrow agent	-	(4,900,000)	(4,900,000)	-
Transfers in	-	764,569	764,569	-
Transfers out	-	(3,404,247)	(3,404,247)	-
Total other financing uses	<u>-</u>	<u>(2,473,820)</u>	<u>(2,473,820)</u>	<u>-</u>
Net change in fund balance	<u>\$ 985,205</u>	<u>\$ (2,918,082)</u>	<u>\$ 1,687,678</u>	<u>\$ 4,605,760</u>
Fund balance				
Fund balance at beginning of the year			<u>22,381,317</u>	
Fund balance at end of the year			<u>\$ 24,068,995</u>	

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

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2012

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,687,274	\$ -
Investments	21,184,834	-
Receivables, net	936,136	-
Federal and state grant receivables	-	-
Unbilled receivables	881,282	-
Prepaid expenses	3,144	-
Due from other funds	-	446,977
Inventories	65,798	-
Total current unrestricted assets	<u>25,758,468</u>	<u>446,977</u>
Restricted investments	2,014,175	-
Total current assets	<u>27,772,643</u>	<u>446,977</u>
Noncurrent Assets:		
Capital assets:		
Land	476,292	-
Distribution and collection systems	110,555,058	-
Buildings and improvements	19,522,118	-
Equipment	3,875,818	-
Other improvements	1,530,467	-
Construction in progress	245,045	-
Less accumulated depreciation	<u>(40,449,635)</u>	<u>-</u>
Net capital assets	95,755,163	-
Deferred charges	286,149	-
Total noncurrent assets	<u>96,041,312</u>	<u>-</u>
Total assets	<u>123,813,955</u>	<u>446,977</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	1,025,775	395,107
Due to governmental entities	31,931	-
Accrued interest	139,764	-
Due to other funds	471,331	-
Compensated absences	78,288	-
Current installment of bonds payable	1,883,664	-
Total current liabilities	<u>3,630,753</u>	<u>395,107</u>
Noncurrent liabilities:		
Customer deposits	111,720	-
Deferred revenue	14,200	-
Compensated absences	15,319	-
Bonds payable	27,763,353	-
Total noncurrent liabilities	<u>27,904,592</u>	<u>-</u>
Total liabilities	<u>31,535,345</u>	<u>395,107</u>
NET ASSETS		
Invested in capital assets, net of related debt	66,108,146	-
Restricted		
Water and sewer development	2,014,175	-
Unrestricted	24,156,289	51,870
Total net assets	<u>\$ 92,278,610</u>	<u>\$ 51,870</u>

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

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

For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services - water	\$ 4,577,488	\$ -
Charges for services - sewer	7,487,884	-
Employee premiums	-	4,193,637
Employer contributions	-	704,577
Miscellaneous	129,035	-
Total operating revenues	<u>12,194,407</u>	<u>4,898,214</u>
Operating expenses:		
Personal services	2,342,160	-
Materials, supplies, services and other	3,778,933	156,145
Insurance claims and expenses	-	4,742,069
Depreciation	3,151,320	-
Total operating expenses	<u>9,272,413</u>	<u>4,898,214</u>
Operating income	<u>2,921,994</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	273,796	-
Impact fees	188,733	-
Tap fees	151,452	-
Loss on disposal of assets	(29,666)	-
Interest expense	(1,384,729)	-
Total nonoperating expenses	<u>(800,414)</u>	<u>-</u>
Income before contributions and transfers	<u>2,121,580</u>	<u>-</u>
Capital grants and contributions	274,665	-
Transfers out	(764,569)	-
Change in net assets	1,631,676	-
Total net assets - beginning	<u>90,646,934</u>	<u>51,870</u>
Total net assets - ending	<u>\$ 92,278,610</u>	<u>\$ 51,870</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, 2012

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 12,093,950	\$ -
Payments to suppliers	(4,336,222)	(156,145)
Payments to employees	(1,514,151)	-
Contributions	-	4,829,758
Claims and fees paid	-	(4,673,613)
Other payments	4,910	-
Net cash provided by operating activities	<u>6,248,487</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers to other funds	(764,569)	-
Tap and impact fee receipts	340,184	-
Net cash used in noncapital financing activities	<u>(424,385)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,504,350)	-
Principal paid on capital debt	(1,844,511)	-
Interest paid on capital debt	(1,319,480)	-
Net cash used in capital and related financing activities	<u>(4,668,341)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(1,629,088)	-
Interest and dividends	273,796	-
Net cash used in investing activities	<u>(1,355,292)</u>	<u>-</u>
Net increase in cash and cash equivalents	(199,531)	-
Balances - beginning of the year	2,886,805	-
Balances - end of the year	<u>\$ 2,687,274</u>	<u>\$ -</u>

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

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

For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,921,994	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,151,320	-
Provision for bad debts	14,183	-
Change in assets and liabilities		
(Increase) decrease in assets:		
Receivables, net	(74,387)	-
Unbilled receivables	(61,612)	-
Prepaid expenses	356	-
Inventories	(11,335)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	244,822	68,456
Compensated absences	6,989	-
Due to governmental entities	4,910	-
Due to other funds	29,887	(68,456)
Unearned Revenue	14,200	-
Customer deposits	7,160	-
	<u>\$ 6,248,487</u>	<u>\$ -</u>
Net cash provided by operating activities	<u>\$ 6,248,487</u>	<u>\$ -</u>
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Receipt of capital assets contributions from developers	<u>\$ 274,665</u>	<u>\$ -</u>

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

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

June 30, 2012

	Fiduciary Trust Funds
ASSETS	
Savings, certificates of deposit and time deposits	\$ 2,048,071
Investments, at fair value:	
Money market funds	1,924,592
U.S. government agency bonds	667,536
Corporate and foreign bonds	1,940,100
Common stocks	3,869,011
Equity mutual funds	20,614,803
Fixed income mutual funds	9,532,427
Accrued investment income	69,007
Due from other funds	78,249
Total assets	40,743,796
LIABILITIES	
Accounts payable	26,109
Total liabilities	26,109
NET ASSETS	
Held in trust for other post employment benefits	6,479,630
Held in trust for pension benefits	34,238,057
Total net assets held in trust	\$ 40,717,687

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

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

For the Year Ended June 30, 2012

	Fiduciary Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 4,010,586
Plan member	496,826
Total contributions	4,507,412
Investment income:	
Interest and dividends	830,343
Net increase in the fair value of investments	74,033
Total investment income	904,376
Total net additions	5,411,788
DEDUCTIONS	
Benefits paid	805,177
Administrative expenses	200,340
Total deductions	1,005,517
Change in net assets	4,406,271
Total net assets - beginning	36,311,416
Total net assets - ending	\$ 40,717,687

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

TOWN OF COLLIERVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

Note (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Collierville, Tennessee (the “Town”) complies with accounting principles generally accepted in the United States of America (“US GAAP”). US GAAP includes all relevant Governmental Accounting Standards Board (“GASB”) pronouncements. In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements* (“GASB No. 62”). This pronouncement codified these elements into a single source for governmental standards. GASB No. 62 also eliminated the election to use such guidance issued after November 30, 1989 for business-type activities for new entities; however, entities that has previously made this election are allowed to continue to apply post-November 30, 1989 guidance. The Town had previous elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to business-type activities. The town has elected to early implement this guidance as recommended by GASB No. 62. The accounting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

(A) - Financial Reporting Entity

The Town is a municipal corporation governed by an elected mayor and five-member board of aldermen. In determining the financial reporting entity, the Town complies with the provisions of GASB No. 14, “The Financial Reporting Entity.” Based on this standard, there are no component units, entities for which the Town is considered to be financially accountable, to be included in the Town’s financial statements.

The Town’s officials are responsible for appointing the members of the boards of other organizations; however, the Town’s accountability for these organizations does not extend beyond making appointments. There were no material transactions with these organizations during the year ended June 30, 2012.

(B) - Basis of Presentation

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

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

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

The **Historic Preservation Fund** accounts for the receipts and expenditures of fees charged to developers for the preservation of the Town's historic town square. All assets of the fund have been expended as of June 30, 2012; however, the fund remains open pending future development.

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

Capital Projects Funds

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

Proprietary Fund Financial Statements

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

Proprietary Types

Enterprise Funds

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

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

Internal Service Funds

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

The **Health Insurance Fund** accounts for transactions related to group medical benefits (including claims incurred but not reported) for which the Town is self-insured.

Fiduciary Fund Financial Statements

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

Fiduciary Types

Pension (and Other Employee Benefit) Trust Funds

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

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

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

Major and Non-Major Funds

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

Fund	Description
Major:	
General	See above for description
Capital Project Fund #321	Accounts for capital improvements for various projects
Enterprise	See above for description
Non-Major:	
Special Revenues	See above for individual funds and descriptions
Capital Projects	
#333	Accounts for capital improvements for various Town projects
#334	Accounts for capital improvements for various Town projects

(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.

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Revenues in the fiduciary funds are those additions to the benefit plan that are generated from contributions from the Town and participants and investment related income. Expenses are those deductions to the assets of the benefit plan that arise from the payment of benefits and administrative expenses.

(D) - Budgetary Data

The revenues and expenditures accounted for in all governmental fund types are controlled by a formal integrated budgetary accounting system. The Mayor and Board of Aldermen approve annually the budgets for these funds. Budgetary control is maintained at the departmental level by line item, and expenditures may not exceed funds budgeted which constitute the legal spending limit. Unexpended appropriations lapse at year-end. Management may amend the budget within departments without approval of the governing body; however, any amendments made between departments must meet with the governing body's approval as prescribed by the Town Charter. The budget has been amended in accordance with the Town Charter resulting in budgeted expenditures and other financing uses, including transfers, increasing \$18,549,185. The same basis of accounting is used to reflect actual revenue and expenditures recognized using accounting principles generally accepted in the United States of America.

(E) - Cash and Cash Equivalents

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

(F) - Restricted Assets

The Health Insurance Fund occasionally has restricted cash which must be used for insurance claims and expenses. There was no restricted cash at June 30, 2012. Certain development fees collected by the Water and Sewer Fund represented restricted cash which must be used for projects to increase capacity and other items for future community developments. There was \$2,014,175 in restricted cash for development fees at June 30, 2012.

(G) - Deposits and Investments

Investments are limited to those authorized by Tennessee State Law. State statutes authorize the Town to invest in Treasury bonds, notes or bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the Student Loan Marketing Association; other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies; certificates of deposit and other evidences of deposit at State and Federal chartered banks; obligations of the United States or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local

Finance and made in accordance with procedures established by the State Funding Board; the Local Government Investment Pool (“LGIP”); obligations of the Public Housing Authority; and bonds of the Tennessee Valley Authority. State statutes limit maturities of the above investments to two years from the date of investment unless a greater maturity is approved by the State Director of Local Finance. Investments are recorded at fair value. The Town has not adopted a formal investment policy that limits its interest rate or credit risks.

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. Although the Town has not adopted a formal deposit policy, its policy is to fully collateralize bank deposits in excess of federally insured amounts. Note (2) summarizes the Town’s exposure to custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. The Town’s investments in the LGIP (summarized at Note (3)) are held by the State Treasury, not in the name of the Town. The Town’s fiduciary fund investments are held by a third party bank in the name of the Town. The third party bank is also a participant in the State collateral pool.

(H) - Property Taxes

Property taxes are recorded as revenues in the fiscal year of the levy if collected within two months (by August 31) following the end of the fiscal year, in accordance with US GAAP. Property tax receivables are recorded in the period when an enforceable legal claim has arisen or when resources are received, whichever is first. Deferred revenues are recorded if the related revenue is not available. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and deferred revenues to reflect amounts that were not available as revenues at June 30, 2012.

(I) - Inventories

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

(J) - Interfund Transactions

Interfund Receivables and Payables

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

Interfund Transfers

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

(K) - Capital Assets

Capital assets, which include property, plant, equipment, certain infrastructure assets (roads, bridges, sidewalks and similar items), and certain intangible assets (easements, right-of-ways and similar intangible assets) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial individual cost of at least \$1,000 and an estimated useful life in excess of three years. The Town’s assets are capitalized at historical cost or estimated historical cost. Gifts or contributions of capital assets, including intangible assets, are recorded at fair value when received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest income on unspent bond funds, is included as part of the capitalized value of the assets constructed.

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

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

(L) – Deferred/Unearned Revenues

Deferred revenues represent amounts that were received or receivable and measurable at June 30, 2012, but were not available to finance expenditures for the year ended June 30, 2013.

Unearned revenues primarily include unavailable revenues from property taxes, state shared taxes, local option sales taxes and operating subsidies received in advance.

(M) - Compensated Absences

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

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

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

The Town's contingent liability for the unused, accumulated portions of sick leave as of June 30, 2012 approximates \$4,337,000.

(N) - Retirement Plans

As discussed in Note (9), the Town maintains three retirement plans. One is a defined contribution plan and the other two are defined benefit plans, one sponsored by the State of Tennessee and the other sponsored by the Town.

(O) - Prepaid Expenses

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

(P) - Unbilled Utility Receivable

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

(Q) – Application of Restricted Resources

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

(R) – Net Assets and Fund Balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments.

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

NONSPENDABLE

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

RESTRICTED

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

COMMITTED

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

ASSIGNED

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

UNASSIGNED

Unassigned fund balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

When expenditures involve funds in more than one fund balance classification, the Town's policy is to spend amounts from the expenditure's most restricted source first. Amounts classified as noted above are further discussed in Note (8).

Stabilization Policy

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

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

Note (2) - DEPOSITS

Deposits of the primary government at June 30, 2012, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 10,028,438	\$ 8,999,822

A summary of the primary government’s bank deposits as of June 30, 2012, is as follows:

Insured	\$ 2,766,039	
Collateralized by securities held by the Town or their agent in the Town’s name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee	7,262,399	
	<u>\$ 10,028,438</u>	<u>\$ 8,999,822</u>

Deposits of the Town’s fiduciary funds at June 30, 2012, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 2,048,071	\$ 2,048,071

A summary of the Town’s fiduciary bank deposits as of June 30, 2012, is as follows:

Insured	\$ 2,048,071	\$ 2,048,071
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Note (3) – INVESTMENTS

The Tennessee Local Government Investment Pool (the “Pool”) represents 100% of the primary government’s investments at June 30, 2012. The responsibility for conducting the State of Tennessee investment program resides with the State Treasurer and is exercised in accordance with the investment policy and resolutions of the State Funding Board.

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

	Fair Value
Investments in Local Government Investment Pool (“LGIP”):	
Governmental funds.....	\$ 24,550,883
Proprietary funds.....	<u>\$ 23,199,009</u>
	<u>\$ 47,749,892</u>

Fiduciary Investments

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

	Cost	Fair Value
Investments held by trustee:		
Money market funds	\$ 1,924,592	\$ 1,924,592
Savings, CD, and time deposits	1,960,911	2,048,071
U.S. government agency bonds	636,164	667,536
Corporate and foreign bonds.....	1,823,222	1,940,100
Common stocks.....	3,288,143	3,869,011
Equity mutual funds.....	19,460,008	20,614,803
Fixed income mutual funds.....	<u>9,268,294</u>	<u>9,532,427</u>
	<u>\$ 38,361,334</u>	<u>\$ 40,596,540</u>

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

The Town's investment policy allows for the following allocation of investments:

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

Individual investments representing 5 percent or more of total assets held by the trustee as of June 30, 2012 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
American Beacon L/C Value	Equity Mutual Fund	\$ 2,313,177
American Europacific Growth	Equity Mutual Fund	\$ 2,180,272
Harbor International Fund #11	Equity Mutual Fund	\$ 2,250,473
Vanguard Intermediate Term Bond	Fixed Income Mutual Fund	\$ 3,946,146

Approximately 93 percent of all investments are in money market accounts, certificates of deposits, common stocks, or mutual funds that are not rated by a national credit rating agency. The remaining 7 percent of investments are in United States government agency and corporate bonds (2 and 5 percent, respectively); however, no rating information was available on these investments.

Note (4) - PROPERTY TAXES

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

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

Current tax collections for the year, after adjustments, were approximately 98% of the tax levy.

Property taxes receivable as of June 30, 2012 include:

Real and personal property taxes	\$ 22,387,864
Ad valorem taxes	550,000
Pilot taxes	<u>39,585</u>
	22,977,449
Less allowance for uncollectible amounts	<u>(278,484)</u>
	<u>\$ 22,698,965</u>

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

Note (5) - INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2012 is as follows:

MAJOR FUNDS	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund		
State Street Aid.....	\$ 18	\$ -
Sanitation.....	-	852,722
Special Drug Fund.....	3,752	12,964
Capital Project Fund #321	-	2,048,523
Health Insurance.....	-	446,977 (1)
Water and Sewer Fund	<u>471,331</u>	<u>-</u>
	<u>475,101</u>	<u>3,361,186</u>
Capital Project Fund #321		
General Fund	<u>2,048,523</u>	<u>-</u>
Water and Sewer Fund		
General Fund.....	<u>-</u>	<u>471,331</u>

NON-MAJOR FUNDS

State Street Aid		
General Fund	-	18
Special Drug Fund		
General Fund	12,964	3,752
Sanitation		
General Fund	852,722	-
Health Insurance Fund		
General Fund	446,977 (1)	-
TOTALS	<u>\$ 3,836,287</u>	<u>\$ 3,836,287</u>

(1) These represent amounts owed to the Health Insurance fund to provide monies for health insurance expenditures, and are expected to be repaid upon payment of health insurance benefits.

Interfund balances other than those identified in (1) above are related to goods and service transactions arising in the normal course of operations. All interfund balances are expected to be repaid within one year.

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

	<u>INTERFUND BALANCES - ASSETS</u>	<u>INTERFUND BALANCES - LIABILITIES</u>
Governmental Funds		
Due from other funds	\$ 3,836,287	\$ -
Due to other funds	-	3,364,956
Proprietary Funds		
Due from other funds	-	
Due to other funds	-	471,331
	<u>\$ 3,836,287</u>	<u>\$ 3,836,287</u>

The composition of interfund transfers for the year ended June 30, 2012 is as shown on the following page:

	<u>TRANSFERS FROM OTHER FUNDS</u>	<u>TRANSFERS TO OTHER FUNDS</u>
MAJOR FUNDS		
General Fund		
Historic Preservation Fund	\$ -	\$ 81,364
Special Drug Fund	-	12,291
Capital Project Fund #321	-	3,283,580
Capital Project Fund #334	-	27,012
Water and Sewer Fund	<u>764,569</u> (1)	<u>-</u>
	<u>764,569</u>	<u>3,404,247</u>
Capital Project Fund #321		
General Fund	3,283,580	-
Capital Project Fund #333	292,115	-
Capital Project Fund #334	<u>1,078,043</u>	<u>164,975</u>
	<u>4,653,738</u>	<u>164,975</u>
Water and Sewer Fund		
General Fund	<u>-</u>	<u>764,569</u> (1)
NON-MAJOR FUNDS		
Historic Preservation Fund		
General Fund	<u>81,364</u>	<u>-</u>
Special Drug Fund		
General Fund	<u>12,291</u>	<u>-</u>
Capital Project Fund #333		
Capital Project Fund #321	-	292,115
Capital Project Fund #334	<u>299,577</u>	<u>-</u>
	<u>299,577</u>	<u>292,115</u>
Capital Project Fund #334		
General Fund	27,012	-
Capital Project Fund #321	164,975	1,078,043
Capital Project Fund #333	<u>-</u>	<u>299,577</u>
	<u>191,987</u>	<u>1,377,620</u>
TOTALS	<u>\$ 6,003,526</u>	<u>\$ 6,003,526</u>

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

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

Note (6) - CAPITAL ASSETS

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

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2012</u>
Governmental activities:					
Capital assets not being depreciated					
Land, easements, right-of-ways	\$ 15,862,090	\$ 689,634	\$ -	\$ -	\$ 16,551,724
Construction in progress	<u>4,050,462</u>	<u>5,587,787</u>	<u>(2,392)</u>	<u>(4,239,735)</u>	<u>5,396,122</u>
Total capital assets not being depreciated	<u>19,912,552</u>	<u>6,277,421</u>	<u>(2,392)</u>	<u>(4,239,735)</u>	<u>21,947,846</u>
Other capital assets:					
Buildings and improvements	33,325,688	17,300	(28,875)	28,328	33,342,441
Other improvements	15,011,100	33,309	(4,800)	1,575,677	16,615,286
Library materials	2,543,419	210,251	(34,554)	-	2,719,116
Equipment	20,692,260	982,573	(705,848)	437,083	21,406,068
Infrastructure	<u>136,359,105</u>	<u>5,550,973</u>	<u>-</u>	<u>2,260,356</u>	<u>144,170,434</u>
Total other capital assets at historical cost	<u>207,931,572</u>	<u>6,794,406</u>	<u>(774,077)</u>	<u>4,301,444</u>	<u>218,253,345</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,539,198)	(861,031)	198	-	(8,400,031)
Other improvements	(6,648,527)	(581,951)	4,800	-	(7,225,678)
Library materials	(1,163,773)	(254,342)	26,491	-	(1,391,624)
Equipment	(13,388,484)	(1,362,972)	607,458	(61,709)	(14,205,707)
Infrastructure	<u>(28,881,994)</u>	<u>(1,876,427)</u>	<u>-</u>	<u>-</u>	<u>(30,758,421)</u>
Total accumulated depreciation	<u>(57,621,976)</u>	<u>(4,936,723)</u>	<u>638,947</u>	<u>(61,709)</u>	<u>(61,981,461)</u>
Other capital assets, net	<u>150,309,596</u>	<u>1,857,683</u>	<u>(135,130)</u>	<u>4,239,735</u>	<u>156,271,884</u>
Governmental activities capital assets, net	<u>\$ 170,222,148</u>	<u>\$ 8,135,104</u>	<u>\$ (137,522)</u>	<u>\$ -</u>	<u>\$ 178,219,730</u>

Depreciation expense was charged to functions as follows:

Legislative.....	<u>\$ 9,134</u>
General Government:	
Finance	12,765
General services	24,750
Information technology	85,428
Executive	216,327
Town administration.....	4,822
Library	415,119
Development administration	2,014
Development engineering.....	18,645
General government	9,894
Human resources	872
Development planning	<u>11,805</u>
	<u>802,441</u>
Public Safety:	
Animal control.....	22,175
Police	659,650
Fire.....	391,342
Code enforcement.....	13,781
City court	<u>25,197</u>
	<u>1,112,145</u>
Roads and Public Works:	
Public services administration.....	83,355
Fleet services	24,158
Highways and streets.....	<u>2,005,797</u>
	<u>2,113,310</u>
Sanitation	<u>158,210</u>
Culture and Recreation:	
Parks and recreation	<u>707,702</u>
Development of historic	
town square	<u>33,781</u>
Total governmental activities	
depreciation expense.....	<u>\$ 4,936,723</u>

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

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2012</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 476,292	\$ -	\$ -	\$ -	\$ 476,292
Construction in progress	<u>730,057</u>	<u>1,365,675</u>	<u>(29,124)</u>	<u>(1,821,563)</u>	<u>245,045</u>
Total capital assets- not being depreciated	<u>1,206,349</u>	<u>1,365,675</u>	<u>(29,124)</u>	<u>(1,821,563)</u>	<u>721,337</u>
Other capital assets:					
Buildings and improvements	19,496,204	25,914	-	-	19,522,118
Other improvements	1,530,467	-	-	-	1,530,467
Equipment	3,384,645	157,415	(89,515)	423,273	3,875,818
Distribution and collection systems	<u>108,990,535</u>	<u>371,455</u>	<u>(2,070)</u>	<u>1,195,138</u>	<u>110,555,058</u>
Total other capital assets at historical cost	<u>133,401,851</u>	<u>554,784</u>	<u>(91,585)</u>	<u>1,618,411</u>	<u>135,483,461</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,313,716)	(472,360)	-	-	(6,786,076)
Other improvements	(220,637)	(66,174)	-	-	(286,811)
Equipment	(2,565,204)	(122,521)	88,975	61,708	(2,537,042)
Distribution and collection systems	<u>(28,351,509)</u>	<u>(2,490,265)</u>	<u>2,068</u>	<u>-</u>	<u>(30,839,706)</u>
Total accumulated depreciation	<u>(37,451,066)</u>	<u>(3,151,320)</u>	<u>91,043</u>	<u>61,708</u>	<u>(40,449,635)</u>
Other capital assets, net	<u>95,950,785</u>	<u>(2,596,536)</u>	<u>(542)</u>	<u>1,680,119</u>	<u>95,033,826</u>
Business-type activities capital assets, net	<u>\$ 97,157,134</u>	<u>\$ (1,230,861)</u>	<u>\$ (29,666)</u>	<u>\$ (141,444)</u>	<u>\$ 95,755,163</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

 Water and sewer.....\$ 3,151,320

Total business-type activities depreciation expense.....\$ 3,151,320

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

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

Note (7) - DEBT

A summary of debt activity for the year ended June 30, 2012, is as follows. Additional detailed information is available on the following pages.

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Defeasance</u>	<u>Reductions</u>	<u>Balance June 30, 2012</u>	<u>Due within One Year</u>
Governmental Activities:						
General Obligation						
Bonds	\$ 32,234,702	\$ 4,985,000	\$(4,900,000)	\$ (2,605,489)	\$ 29,714,213	\$ 2,590,901
Notes payable	1,372,000	-	-	(259,000)	1,113,000	267,000
Compensated absences	1,433,633	982,498	-	(931,244)	1,484,887	982,498
Unamortized deferred loss on refundings	<u>(430,619)</u>	<u>(44,506)</u>	<u>-</u>	<u>76,409</u>	<u>(398,716)</u>	<u>(76,409)</u>
	<u>34,609,716</u>	<u>5,922,992</u>	<u>(4,900,000)</u>	<u>(3,719,324)</u>	<u>31,913,384</u>	<u>3,763,990</u>
Business-type Activities:						
General Obligation						
Bonds	20,298	-	-	(4,511)	15,787	4,099
Revenue Bonds	31,930,000	-	-	(1,840,000)	30,090,000	1,930,000
Compensated absences	86,618	78,288	-	(71,299)	93,607	78,288
Unamortized deferred loss on refundings	<u>(509,205)</u>	<u>-</u>	<u>-</u>	<u>50,435</u>	<u>(458,770)</u>	<u>(50,435)</u>
	<u>31,527,711</u>	<u>78,288</u>	<u>-</u>	<u>(1,865,375)</u>	<u>29,740,624</u>	<u>1,961,952</u>
	<u>\$ 66,137,427</u>	<u>\$ 6,001,280</u>	<u>\$(4,900,000)</u>	<u>\$ (5,584,699)</u>	<u>\$ 61,654,008</u>	<u>\$ 5,725,942</u>

Debt outstanding as of June 30, 2012 consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Issued</u>	<u>Debts Outstanding</u>
Governmental Activities				
General Obligation Bonds:				
Serial Bonds	3.50% - 5.00%	2029	\$ 13,000,000	\$ 11,660,000
Serial Bonds	2.00% - 2.50%	2021	4,985,000	4,985,000
Serial Bonds	2.00% - 3.00%	2017	5,154,702	4,009,213
Serial Bonds	3.50% - 4.38%	2025	8,000,000	6,200,000
Serial Bonds	3.50% - 4.13%	2020	<u>5,290,000</u>	<u>2,860,000</u>
			<u>\$ 36,429,702</u>	<u>\$ 29,714,213</u>
Amount due within one year				<u>\$ 2,590,901</u>
Notes payable:				
Term note	2.80%	2016	<u>\$ 3,000,000</u>	<u>\$ 1,113,000</u>
Amount due within one year				<u>\$ 267,000</u>

Business-Type Activities

General Obligation Bonds:

Serial Bonds.....	2.00% - 3.00%	2017	\$ 20,298	\$ 15,787
Amount due within one year.....				\$ 4,099

Revenue Bonds:

Revenue Bonds	3.00% - 4.70%	2022	\$ 10,090,000	\$ 7,500,000
Revenue Bonds	3.50% - 4.13%	2020	3,755,000	2,315,000
Revenue Bonds	4.00% - 4.38%	2026	<u>26,000,000</u>	<u>20,275,000</u>
			<u>\$ 39,845,000</u>	<u>\$ 30,090,000</u>
Amount due within one year				\$ 1,930,000

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

Governmental activities' debt and compensated absences are to be repaid from revenue sources of the General Fund. Long-term debt and compensated absences of the Business-type activities are to be repaid from the operating revenues of the Water and Sewer Fund. Revenue bonds issued in the amount of \$39,845,000 are secured by net revenues to be derived from the operations of the Water and Sewer Fund.

The unamortized deferred loss on refundings relates to Water and Sewer Revenue Refunding Bonds Series 2002, Water and Sewer Revenue Refunding Bonds Series 2005, General Obligation Refunding Bonds Series 2005, General Obligation Refunding Bonds Series 2010, and General Obligation Refunding Bonds Series 2011. At June 30, 2012, the unamortized loss on each refunding was \$382,414, \$76,356, \$117,500, \$239,888 and \$41,328, respectively.

The Town has a \$3,000,000 variable-rate loan from the Tennessee Municipal Bond Fund Pooled Loan Program for use in funding the Wolf River Boulevard Project. At June 30, 2012, \$1,113,000 was due under this loan.

In October 2011, the Town issued \$4,985,000 in General Obligation Refunding Bonds, Series 2011 at an \$80,858 premium. The bonds have fixed interest rates ranging from 2.00 percent to 2.50 percent. Maturity dates range from April 1, 2013 to April 1, 2022. Certain net proceeds of \$5,065,858 were used to defease all of the remaining General Obligation Bonds Series 2003, (\$4,900,000) plus accrued interest and costs thereon. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$44,506 that will be charged over 10.5 years using the straight-line method. The refunding decreased the Town's total debt service payments by \$570,383 and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of \$503,034.

In November 2012, the Town issued \$5,215,000 in General Obligation Refunding Bonds, Series 2012, for the purpose of refunding \$4,785,000 of the General Obligation Bonds Series 2005. The Town also issued \$15,655,000 in Water and Sewer Revenue Refunding Bonds Series 2012, for the purpose of refunding \$6,890,000 of Water and Sewer Revenue Refunding Bonds Series 2002 and

\$9,375,000 of Water and Sewer Revenue Tax Bonds Series 2006. The effects of this subsequent event are not reflected in the future maturity schedules.

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

<u>Year Ending</u> <u>June 30</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,595,000	\$ 1,077,163	\$ 1,930,000	\$ 1,245,692	\$ 267,000	\$ 31,164
2014	2,680,000	996,682	2,015,000	1,169,170	274,000	23,688
2015	2,360,000	922,776	2,085,000	1,088,987	282,000	16,016
2016	2,450,000	853,376	2,160,000	1,004,641	290,000	8,120
2017	2,400,000	769,101	2,270,000	916,076	-	-
2018 - 2022	9,095,000	2,792,376	12,410,000	3,081,079	-	-
2023 - 2027	5,330,000	1,072,476	7,220,000	805,042	-	-
2028 - 2031	2,820,000	216,500	-	-	-	-
	<u>\$ 29,730,000</u>	<u>\$ 8,700,450</u>	<u>\$ 30,090,000</u>	<u>\$ 9,310,687</u>	<u>\$ 1,113,000</u>	<u>\$ 78,988</u>

The total interest incurred for the year was \$2,730,022. There was no interest capitalized during the year ended June 30, 2012.

Note (8) - FUND BALANCES

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

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Project</u> <u>Fund #321</u>	<u>Non-Major</u> <u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Non-Major</u> <u>Capital</u> <u>Project</u> <u>Funds</u>	<u>Totals</u>
Nonspendable:					
Prepaid expenses	\$ 6,703	\$ -	\$ -	\$ -	\$ 6,703
Inventories	146,342	-	17,983	-	164,325
Total nonspendable:	<u>153,045</u>	<u>-</u>	<u>17,983</u>	<u>-</u>	<u>171,028</u>
Restricted:					
Animal shelter projects	807,438	-	-	-	807,438
Public Services	660,544	-	-	-	660,544
Public safety	19,180	-	266,384	-	285,564
Community development	14,650	-	-	-	14,650
Parks and recreation	31,922	-	-	-	31,922
Capital projects	144,197	227,438	-	3,111,697	3,483,332
Road maintenance and improvements	-	-	738,125	-	738,125
Total restricted:	<u>1,677,931</u>	<u>227,438</u>	<u>1,004,509</u>	<u>3,111,697</u>	<u>6,021,575</u>
Committed:					
Public safety	947,490	-	-	-	947,490
Parks and recreation	56,716	-	-	-	56,716
Sanitation	-	-	727,569	-	727,569
Total committed:	<u>1,004,206</u>	<u>-</u>	<u>727,569</u>	<u>-</u>	<u>1,731,775</u>

	<u>General Fund</u>	<u>Capital Project Fund #321</u>	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Project Funds</u>	<u>Totals</u>
Assigned:					
Public safety	58,831	-	-	-	58,831
General administration	69,429	-	-	-	69,429
Parks and recreation	3,121,530	-	-	-	3,121,530
Capital projects	1,535,856	593,048	-	-	2,128,904
Other purposes	<u>1,233,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,233,870</u>
Total assigned:	<u>6,019,516</u>	<u>593,048</u>	<u>-</u>	<u>-</u>	<u>6,612,564</u>
Unassigned:					
Total unassigned:	<u>15,214,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,214,297</u>
Total fund balance:	<u>\$ 24,068,995</u>	<u>\$ 820,486</u>	<u>\$ 1,750,061</u>	<u>\$ 3,111,397</u>	<u>\$ 29,751,239</u>

Note (9) - RETIREMENT PLANS

The Town maintains three retirement plans for its employees as follows:

(A) - Defined Contribution Plan

The Town provides pension benefits to full-time employees employed prior to June 30, 1994, through the Town of Collierville, Tennessee Money Purchase Pension Plan, a defined contribution plan administered by Securian Financial Group. The Town contributes 9% of total compensation and employees may contribute up to 10% of compensation. For the year ended June 30, 2012, contributions from the Town and employees were \$30,513 and \$600, respectively. The plan consists of two separate agreements, one for the police and fire departments for retirement at age 55 and another for the remainder of employees with retirement at age 65. At June 30, 2012, there were 7 plan members. Plan provisions and contribution requirements as established and may be amended by the Town's Board of Mayor and Aldermen.

(B) - Defined Benefit Plan – TCRS Administered

As of July 1, 1994, the Town began participating in the Tennessee Consolidated Retirement System ("TCRS") described as follows:

1. Plan Description

Certain employees of the Town, who elected to remain participants in this plan, are members of the Political Subdivision Pension Plan ("PSPP"), an agent multiple-employer defined pension plan administered by the Tennessee Consolidated Retirement System ("TCRS"). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's highest five-year average salary and years of service. Members become eligible to retire at age 60 with 5 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become

disabled and cannot engage in gainful employment. There is no service requirement for disability that is a result of an accident or injury occurring while the member was in the performance of duty. Members joining the system on or after July 1, 1979 become vested after 5 years of service and members joining prior to July 1, 1979, were vested after 4 years of service. Benefit provisions are established in state statutes found in Title 8, Chapters 34-37 of the Tennessee Code Annotated (“TCA”). State statutes are amended by the Tennessee General Assembly. Political subdivisions, such as the Town, participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements must be approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the State of Tennessee Treasury Department, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230, by calling (615) 741-7063, or can be accessed at <http://www.treasury.state.tn.us>.

2. Funding Policy

The contribution requirement of plan members is established and may be amended by state statute; whereas, the contribution requirement for the Town is established and may be amended by the TCRS Board of Trustees. The Town has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.00 percent of annual covered payroll. The Town is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2012, was zero percent of annual covered payroll.

3. Annual Pension Cost and Net Pension Obligation

The Town’s annual pension cost to TCRS of zero for the year ended June 30, 2012, was equal to the Town’s required contributions.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Obligation</u>
06/30/12	\$ -	100.00%	\$ -
06/30/11	-	100.00%	-
06/30/10	-	100.00%	-

The required contribution was determined as part of the July 1, 2009 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.50 percent annual increase in the Social Security wage base, (d) projected cost of living increases of 3.00 percent annually, and (e) projected post retirement increases of 2.50 percent annually. The actuarial value of assets was determined using

techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The Town’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 18 years. A biennial actuarial valuation was performed as of July 1, 2011, which establishes contribution rates effective July 1, 2012 for fiscal 2012 and 2013.

As of July 1, 2011, the most recent biennial actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was approximately \$4,410,000, and the actuarial value of assets was approximately \$4,410,000, resulting in an unfunded actuarial accrued liability (“UAAL”) of zero. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$520,000, and the ratio of the UAAL to the covered payroll was 0 percent.

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

(C) – Defined Benefit Plan – Town Administered

1. Plan Description

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

As June 30, 2012, the Plan’s membership consisted of:

Retirees receiving benefits	33
Terminated plan members entitled to but not yet receiving benefits	35
Active plan members	<u>435</u>
Total	<u><u>503</u></u>

2. Significant Accounting Policies

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

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

3. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted two plan options for the retirement plan for its employees. Plan A is noncontributory; whereas, Plan B requires employee contributions of 5.00 percent of their gross pay. The choice of plan is irrevocable by the participant. The Town is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2012, was 12.05 percent of annual covered payroll.

4. Annual Pension Cost and Net Pension Obligation

The Town's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 2,289,002
Interest on net pension obligation	(53,411)
Adjustment to ARC	<u>96,511</u>
Annual pension cost	2,332,102
Contributions remitted	<u>2,866,628</u>
Increase in net pension asset	534,526
Net pension asset – beginning of year	<u>712,145</u>
Net pension asset – end of year	<u>\$1,246,671</u>

Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Asset
06/30/12	\$ 2,332,102	123%	\$ 1,246,671
06/30/11	\$ 2,499,875	107%	\$ 712,145
06/30/10	\$ 2,421,542	111%	\$ 547,940

5. Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the plan was 78.1 percent funded. The actuarial accrued liability for benefits was \$44,127,111, and the actuarial value of assets was \$34,460,437, resulting in an unfunded actuarial accrued liability ("UAAL") of \$9,666,674. The covered payroll (annual payroll of active employees covered by the plan) was \$18,997,573, and the ratio of the UAAL to the covered payroll was 50.9 percent.

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

6. Actuarial Methods and Assumptions

The required contribution was determined as part of the July 1, 2011 actuarial valuation using the frozen initial liability, also known as frozen entry age, actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually, (b) projected salary increases of 4.00 percent annual rate, and (c) projected inflation of 2.50 percent annually applicable to both items (a) and (b). The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The Town's initial unfunded actuarial accrued liability is being amortized over 26 years (as of July 1, 2012) as a level dollar amount on a closed basis.

Note (10) - DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is available to all Town employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. These assets are required to be placed in trust, thus eliminating the requirement that assets be reflected in the statement of net assets of the Town. The Plan and related contribution requirements are established and may be amended by the Town's Board of Mayor and Aldermen.

Note (11) - ACCRUED LIABILITIES

Accrued liabilities, including unearned revenues, reported in the statement of net assets consist of the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Accounts payable and accrued expenses:			
Accounts payable	\$ 3,264,397	\$ 663,158	\$ 3,927,555
Accrued payroll	939,540	57,916	997,456
Medical insurance reserves	395,107	-	395,107
Other accrued expenses	<u>1,035,369</u>	<u>304,701</u>	<u>1,340,070</u>
	<u>\$ 5,634,413</u>	<u>\$ 1,025,775</u>	<u>\$ 6,660,188</u>
Unearned Revenues:			
Property taxes	\$ 21,713,935	\$ -	\$ 21,713,935
State sales and Income taxes	298,482	-	298,482
Other	<u>49,914</u>	<u>14,200</u>	<u>64,114</u>
	<u>\$ 22,062,331</u>	<u>\$ 14,200</u>	<u>\$ 22,076,531</u>

Note (12) – NET ASSESTS

Net assets invested in capital assets net of related debt is comprised of the following:

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 178,219,730
Total outstanding balance of capital debt	(30,428,497)
Portion of debt related to unspent bond proceeds	<u>3,679,479</u>
Total governmental activities	<u>\$ 151,470,712</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 95,755,163
Total outstanding balance of capital debt	<u>(29,647,017)</u>
Total business-type activities	<u>\$ 66,108,146</u>

Note (13) - COMMITMENTS AND CONTINGENCIES

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

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

At June 30, 2012, the Town was obligated under uncompleted contracts for approximately \$90,000, \$351,000, and \$1,908,000 in the General Fund, Water and Sewer Fund, and Capital Project Funds, respectively. Included in the above uncompleted contracts for the General Fund is approximately \$155,000 related to resurfacing of a major roadway, and included in the uncompleted contracts for the Capital Projects Funds is approximately \$824,000 related to contracts for construction of a detention basin and approximately \$302,000 related to contracts for the closure of a wastewater lagoon.

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, 2012, such amount totaled \$355,693.

Note (14) - RISK MANAGEMENT

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

The Town continues to carry commercial insurance for all other risks of loss, including certain general liability, and property and casualty insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

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

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

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

	<u>Year Ended June 30, 2012</u>	<u>Year Ended June 30, 2011</u>
Unpaid claims, beginning of fiscal year	\$ 326,651	\$ 367,051
Incurred claims (including IBNRs)	4,742,069	4,251,135
Claim payments	<u>(4,673,613)</u>	<u>(4,291,535)</u>
Unpaid claims, end of fiscal year	<u>\$ 395,107</u>	<u>\$ 326,651</u>

Amounts reported represent health claims incurred prior to year end that are expected to be paid by the Town in the next fiscal year. As such, these claims are considered to be current liabilities.

Note (15) - POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Notes (9) and (10), Town resolution allows the Town to make available health care benefits to certain employees and elected officials. In fiscal 2007, the Town amended the plan from a “pay-as-you-go” plan, whereby the Town would establish a trust to deposit funds necessary to cover current and future retiree benefits. Beginning with the year ended June 30, 2009, the Town accounts for these benefits using the provisions of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

1. Plan Description

During fiscal 2007, the Town passed a resolution to establish the Town of Collierville Postemployment Benefit Plan (the “OPEB plan”) to be administered by the Town. The OPEB plan is a single-employer, defined benefit healthcare plan. Certain employees and elected officials who have at least ten years of continuous and creditable service and who have attained the age of sixty; or who have completed thirty years of continuous and creditable service are eligible to participate in the OPEB plan.

As June 30, 2012, the OPEB plan’s membership consisted of:

Retirees receiving benefits	31
Active plan members	<u>435</u>
Total	<u><u>466</u></u>

2. Significant Accounting Policies

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

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

3. Funding Policy

The contribution requirements of OPEB plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted a contributory OPEB plan for its employees requiring employee contributions to be made in accordance with the employee’s age and employment status. The Town is required to contribute the remaining amounts to meet the minimum funding requirement, which is calculated at an actuarially determined rate; the rate for the fiscal year ending June 30, 2012, was 6.92 percent of annual covered payroll.

4. Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost and net OPEB obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 1,314,652
Interest on net OPEB obligation	17,360
Adjustment to ARC	<u>(47,053)</u>
Annual OPEB cost	1,284,959
Contributions remitted	<u>1,344,133</u>
Decrease in net pension position	(59,174)
Net OPEB obligation – beginning of year	<u>347,198</u>
Net OPEB obligation – end of year	<u>\$ 288,024</u>

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/12	\$ 1,284,959	105%	\$ 288,024
06/30/11	\$ 1,296,926	103%	\$ 347,198
06/30/10	\$ 1,478,139	92%	\$ 385,799

5. Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 54.2 percent funded. The actuarial accrued liability for benefits was \$11,975,295, and the actuarial value of assets was \$6,491,148, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$5,484,147. The covered payroll (annual payroll of active employees covered by the plan) was \$18,997,573, and the ratio of the UAAL to the covered payroll was 29 percent.

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

6. Actuarial Methods and Assumptions

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

The required contribution was determined as part of the July 1, 2011 actuarial valuation using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually and (b) health care cost trend rates including (1) initial rate of 9.00 percent, (2) ultimate rate of 5.00 percent, and (3) a grading period of 9 years. The actuarial value of assets equals the fair market value of the net assets held by the OPEB plan. The Town's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2012, was 26 years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2012

(In thousands of dollars)

Tennessee Consolidated Retirement System

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	\$ 4,415	\$ 4,415	\$ -	100.00%	\$ 520	0.00%
7/1/2009	3,769	3,769	-	100.00%	742	0.00%
7/1/2007	12,842	12,842	-	100.00%	1,097	0.00%
7/1/2005	8,559	9,586	1,027	89.29%	12,430	8.26%
7/1/2003	5,333	6,511	1,178	81.91%	11,458	10.28%
7/1/2001	2,975	3,993	1,018	74.51%	7,921	12.85%

Town of Collierville, Tennessee Defined Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ 34,460	\$ 44,127	\$ 9,667	78.09%	\$ 18,998	50.88%
7/1/2011	29,798	40,108	10,310	74.29%	18,498	55.74%
7/1/2010	25,439	38,213	12,774	66.57%	18,602	68.67%
7/1/2009	21,784	33,228	11,444	65.56%	19,033	60.13%
7/1/2008	18,735	29,860	11,125	62.74%	17,786	62.55%

Town of Collierville Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ 6,491	\$ 11,975	\$ 5,484	54.20%	\$ 18,998	28.87%
7/1/2011	5,184	14,920	9,736	34.75%	18,498	52.63%
7/1/2010	3,331	13,160	9,829	25.31%	18,602	52.84%
7/1/2009	1,878	13,631	11,753	13.78%	19,033	61.75%

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2012

Town of Collierville, Tennessee Defined Benefit Pension Plan

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2012	\$2,289,002	125.23%
6/30/2011	\$2,466,713	108.00%
6/30/2010	\$2,421,542	110.82%
6/30/2009	\$2,313,324	112.36%
6/30/2008	\$2,222,368	100.00%

*

Town of Collierville Postemployment Benefit Plan

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2012	\$1,314,652	102.24%
6/30/2011	\$1,320,275	101.16%
6/30/2010	\$1,458,343	93.00%
6/30/2009	\$1,458,343	81.90%
6/30/2008	\$1,091,097	100.00%

*

* The plan was effective for the year ending June 30, 2008. Therefore, there are only 5 years of data to report for the year ending June 30, 2012.

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

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

June 30, 2012

	Special Revenue Funds			
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug
<u>Assets</u>				
Cash and cash equivalents	\$ 1,387,468	\$ -	\$ -	\$ 282,716
Investments	-	-	-	-
Receivables, net				
Federal and state grants	-	-	-	-
Accounts	8,935	-	-	-
Due from other governments	206,096	-	-	-
Due from other funds	-	852,722	-	12,964
Inventories	-	17,983	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,602,499</u>	<u>\$ 870,705</u>	<u>\$ -</u>	<u>\$ 295,680</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 864,356	\$ 125,153	\$ -	\$ 14,367
Deferred revenue	-	-	-	11,177
Due to other funds	18	-	-	3,752
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>864,374</u>	<u>125,153</u>	<u>-</u>	<u>29,296</u>
<u>Fund balances</u>				
Nonspendable	-	17,983	-	-
Restricted	738,125	-	-	266,384
Committed	-	727,569	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>738,125</u>	<u>745,552</u>	<u>-</u>	<u>266,384</u>
Total liabilities and fund balances	<u>\$ 1,602,499</u>	<u>\$ 870,705</u>	<u>\$ -</u>	<u>\$ 295,680</u>

<u>Capital Project Funds</u>		<u>Total Non-Major Governmental Funds</u>
<u>#333</u>	<u>#334</u>	
\$ -	\$ -	\$ 1,670,184
226,580	2,886,717	3,113,297
-	-	-
-	-	8,935
-	-	206,096
-	-	865,686
-	-	17,983
<u>\$ 226,580</u>	<u>\$ 2,886,717</u>	<u>\$ 5,882,181</u>
\$ 1,600	\$ -	\$ 1,005,476
-	-	11,177
-	-	3,770
<u>1,600</u>	<u>-</u>	<u>1,020,423</u>
-	-	17,983
224,980	2,886,717	4,116,206
-	-	727,569
-	-	-
-	-	-
<u>224,980</u>	<u>2,886,717</u>	<u>4,861,758</u>
<u>\$ 226,580</u>	<u>\$ 2,886,717</u>	<u>\$ 5,882,181</u>

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

For the Year Ended June 30, 2012

	Special Revenue Funds			
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug
Revenues				
Other local taxes	\$ -	\$ -	\$ 13,359	\$ -
Federal revenues	36,204	-	-	-
State revenues	1,143,520	-	-	-
Charges for services	-	3,261,895	-	-
Interest income	505	-	-	153
Contributions	-	4,277	-	-
Other	1,493	41,623	-	182,435
Total revenues	1,181,722	3,307,795	13,359	182,588
Expenditures				
Current:				
Roads and public works	1,141,065	-	-	-
Sanitation	-	2,850,986	-	-
Drug fund	-	-	-	27,673
Capital projects	-	139,750	-	96,321
Debt service:				
Principal retirement	-	66,914	85,702	-
Interest and fiscal charges	-	9,043	9,021	-
Total expenditures	1,141,065	3,066,693	94,723	123,994
Excess revenue over (under) expenditures	40,657	241,102	(81,364)	58,594
Other financing sources (uses)				
Transfers in	-	-	81,364	12,291
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	81,364	12,291
Net change in fund balances	40,657	241,102	-	70,885
Fund balances at the beginning of the year	697,468	504,450	-	195,499
Fund balances at the end of the year	\$ 738,125	\$ 745,552	\$ -	\$ 266,384

<u>Capital Project Funds</u>		<u>Non-Major Governmental Funds</u>
<u>#333</u>	<u>#334</u>	
\$ -	\$ -	\$ 13,359
-	-	36,204
-	-	1,143,520
-	-	3,261,895
652	4,928	6,238
-	-	4,277
-	-	225,551
<u>652</u>	<u>4,928</u>	<u>4,691,044</u>
-	-	1,141,065
-	-	2,850,986
-	-	27,673
299,577	240,254	775,902
-	-	152,616
-	-	18,064
<u>299,577</u>	<u>240,254</u>	<u>4,966,306</u>
<u>(298,925)</u>	<u>(235,326)</u>	<u>(275,262)</u>
299,577	191,987	585,219
<u>(292,115)</u>	<u>(1,377,620)</u>	<u>(1,669,735)</u>
<u>7,462</u>	<u>(1,185,633)</u>	<u>(1,084,516)</u>
(291,463)	(1,420,959)	(1,359,778)
<u>516,443</u>	<u>4,307,676</u>	<u>6,221,536</u>
<u>\$ 224,980</u>	<u>\$ 2,886,717</u>	<u>\$ 4,861,758</u>

TOWN OF COLLIERVILLE, TENNESSEE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS

June 30, 2012

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ASSETS			
Savings, certificates of deposit and time deposits	\$ 2,048,071	\$ -	\$ 2,048,071
Investments, at fair value:			
Money market funds	753,998	1,170,594	1,924,592
U.S. government agency bonds	667,536	-	667,536
Corporate and foreign bonds	1,940,100	-	1,940,100
Common stocks	3,342,115	526,896	3,869,011
Equity mutual funds	17,732,031	2,882,772	20,614,803
Fixed income mutual funds	7,692,088	1,840,339	9,532,427
Accrued investment income	63,489	5,518	69,007
Due from other funds	-	78,249	78,249
Total assets	<u>34,239,428</u>	<u>6,504,368</u>	<u>40,743,796</u>
LIABILITIES			
Accounts payable	<u>1,371</u>	<u>24,738</u>	<u>26,109</u>
Total liabilities	<u>1,371</u>	<u>24,738</u>	<u>26,109</u>
NET ASSETS			
Held in trust for other post employment benefits	-	6,479,630	6,479,630
Held in trust for pension benefits	<u>34,238,057</u>	<u>-</u>	<u>34,238,057</u>
Total net assets held in trust	<u>\$ 34,238,057</u>	<u>\$ 6,479,630</u>	<u>\$ 40,717,687</u>

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

For the Year Ended June 30, 2012

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ADDITIONS:			
Contributions:			
Employer	\$ 2,666,453	\$ 1,344,133	\$ 4,010,586
Plan member	412,031	84,795	496,826
Total contributions	<u>3,078,484</u>	<u>1,428,928</u>	<u>4,507,412</u>
Investment income:			
Interest and dividends	724,559	105,784	830,343
Net increase (decrease) in the fair value of investments	<u>(21,476)</u>	<u>95,509</u>	<u>74,033</u>
Total investment income	<u>703,083</u>	<u>201,293</u>	<u>904,376</u>
Total additions	<u>3,781,567</u>	<u>1,630,221</u>	<u>5,411,788</u>
DEDUCTIONS:			
Benefit and claim payments	553,345	251,832	805,177
Administrative expenses	117,883	82,457	200,340
Total deductions	<u>671,228</u>	<u>334,289</u>	<u>1,005,517</u>
Change in net assets	<u>3,110,339</u>	<u>1,295,932</u>	<u>4,406,271</u>
Total net assets - beginning	31,127,718	5,183,698	36,311,416
Total net assets - ending	<u>\$ 34,238,057</u>	<u>\$ 6,479,630</u>	<u>\$ 40,717,687</u>

INDIVIDUAL FUNDS – BUDGET AND ACTUAL COMPARISON

SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
State gasoline tax	\$ 1,080,000	\$ 1,080,000	\$ 1,143,520	\$ 63,520
Federal grant	-	-	36,204	36,204
Interest income	100	100	505	405
Other	-	-	1,493	1,493
Total revenues	<u>1,080,100</u>	<u>1,080,100</u>	<u>1,181,722</u>	<u>101,622</u>
Expenditures				
Postage	30	30	-	30
Contractual services	400	10,304	10,304	-
Traffic signal repair	30,000	33,952	33,952	-
Paving	1,000,000	949,062	867,446	81,616
Street repair	196,000	233,081	229,363	3,718
Total expenditures	<u>1,226,430</u>	<u>1,226,429</u>	<u>1,141,065</u>	<u>85,364</u>
Excess revenues over (under) expenditures	<u>\$ (146,330)</u>	<u>\$ (146,329)</u>	40,657	<u>\$ 186,986</u>
Fund balance				
Fund balance at beginning of the year			<u>697,468</u>	
Fund balance at end of the year			<u>\$ 738,125</u>	

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 3,224,585	\$ 3,224,585	\$ 3,261,895	\$ 37,310
Contributions	-	-	4,277	4,277
Other				
Recycling revenue	-	-	41,623	41,623
Total revenue	<u>3,224,585</u>	<u>3,224,585</u>	<u>3,307,795</u>	<u>83,210</u>
Expenditures				
Sanitation	<u>2,950,003</u>	<u>2,950,003</u>	<u>2,850,986</u>	<u>99,017</u>
Capital Outlay	<u>35,000</u>	<u>139,748</u>	<u>139,750</u>	<u>(2)</u>
Debt service				
Bond principal	66,914	66,914	66,914	-
Bond interest	<u>9,043</u>	<u>9,043</u>	<u>9,043</u>	-
Total debt service	<u>75,957</u>	<u>75,957</u>	<u>75,957</u>	-
Total expenditures	<u>3,060,960</u>	<u>3,165,708</u>	<u>3,066,693</u>	<u>99,015</u>
Net change in fund balance	<u>\$ 163,625</u>	<u>\$ 58,877</u>	241,102	<u>\$ 182,225</u>
Fund balance				
Fund balance at beginning of the year			<u>504,450</u>	
Fund balance at end of the year			<u>\$ 745,552</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, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Historic preservation fee	\$ 5,000	\$ 5,000	\$ 13,359	\$ 8,359
Debt service				
Bond principal	85,703	85,703	85,702	1
Bond interest	9,021	9,021	9,021	-
Total debt service	<u>94,724</u>	<u>94,724</u>	<u>94,723</u>	<u>1</u>
Total expenditures	<u>94,724</u>	<u>94,724</u>	<u>94,723</u>	<u>1</u>
Excess revenues under expenditures before transfers	(89,724)	(89,724)	(81,364)	8,360
Other financing sources				
Transfers in	<u>-</u>	<u>81,364</u>	<u>81,364</u>	<u>-</u>
Net change in fund balance	<u>\$ (89,724)</u>	<u>\$ (8,360)</u>	-	<u>\$ 8,360</u>
Fund balance				
Fund balance at beginning of the year			<u>-</u>	
Fund balance at end of the year			<u>\$ -</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, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ -	\$ 153	\$ 153
Other				
Fines and seizures	32,500	32,500	182,435	149,935
Total revenues	32,500	32,500	182,588	150,088
Expenditures				
Contractual services	32,500	32,369	9,987	22,382
Supplies and materials	30,100	29,816	17,686	12,130
Capital outlay	67,914	125,914	96,321	29,593
Total expenditures	130,514	188,099	123,994	64,105
Excess revenues over (under) expenditures before transfers	(98,014)	(155,599)	58,594	214,193
Other financing sources				
Transfers in	-	12,291	12,291	-
Net change in fund balance	<u>\$ (98,014)</u>	<u>\$ (143,308)</u>	70,885	<u>\$ 214,193</u>
Fund balance				
Fund balance at beginning of the year			195,499	
Fund balance at end of the year			<u>\$ 266,384</u>	

CAPITAL PROJECTS FUNDS

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 176,181	\$ 171,747	\$ (4,434)
Charges for services (fee in lieu of construction)	-	-	-	-
Total revenues	<u>-</u>	<u>176,181</u>	<u>171,747</u>	<u>(4,434)</u>
Expenditures				
Capital projects	<u>4,019,000</u>	<u>8,205,018</u>	<u>4,927,582</u>	<u>3,277,436</u>
Excess revenues under expenditures before transfers	<u>(4,019,000)</u>	<u>(8,028,837)</u>	<u>(4,755,835)</u>	<u>3,273,002</u>
Other financing sources (uses)				
Transfers in	-	4,653,738	4,653,738	-
Transfers out	-	(164,975)	(164,975)	-
Total other financing sources	<u>-</u>	<u>4,488,763</u>	<u>4,488,763</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,019,000)</u>	<u>\$ (3,540,074)</u>	(267,072)	<u>\$ 3,273,002</u>
Fund balance				
Fund balance at beginning of the year			<u>1,087,558</u>	
Fund balance at end of the year			<u>\$ 820,486</u>	

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECT #333

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ 652	\$ 652	\$ -
Expenditures				
Capital projects	-	299,577	299,577	-
Excess revenues under expenditures before transfers	-	(298,925)	(298,925)	-
Other financing sources (uses)				
Transfers in	-	299,577	299,577	-
Transfers out	-	(292,115)	(292,115)	-
Total other financing sources	-	7,462	7,462	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (291,463)</u>	(291,463)	<u>\$ -</u>
Fund balance				
Fund balance at beginning of the year			<u>516,443</u>	
Fund balance at end of the year			<u>\$ 224,980</u>	

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest income	\$ -	\$ 4,928	\$ 4,928	\$ -
Expenditures				
Capital Outlays	-	240,254	240,254	-
Excess revenue under expenditures before transfers	-	(235,326)	(235,326)	-
Other financing sources (uses)				
Transfers in	-	191,987	191,987	-
Transfers out	-	(1,377,620)	(1,377,620)	-
Total other financing uses	-	(1,185,633)	(1,185,633)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,420,959)</u>	(1,420,959)	<u>\$ -</u>
Fund balance				
Fund balance at beginning of the year			<u>4,307,676</u>	
Fund balance at end of the year			<u>\$ 2,886,717</u>	

SUPPORTING SCHEDULES

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

June 30, 2012

	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>
Mayor and Board	\$ -	\$ -	\$ -
General Government:			
Finance	-	-	-
Information technology	-	56,284	-
Executive	1,782,850	-	5,871,909
Town administrator	-	859,895	-
Development administration	-	-	-
Development engineering	633,244	-	-
Development planning	-	-	-
General government	1,755,439	-	213,876
Library	305,068	-	4,116,562
Human resources	-	-	-
General services	-	488,106	20,415
	<u>4,476,601</u>	<u>1,404,285</u>	<u>10,222,762</u>
Public Safety:			
Animal control	8,099	24,023	383,403
Police	206,588	380,336	8,353,609
Fire	591,284	481,288	4,466,613
Code enforcement	-	-	-
City court	-	944	203,291
	<u>805,971</u>	<u>886,591</u>	<u>13,406,916</u>
Roads and Public Works:			
Public services administration	441,607	-	2,405,064
Fleet services	-	-	-
Streets and drainage	2,565,542	2,984,171	-
	<u>3,007,149</u>	<u>2,984,171</u>	<u>2,405,064</u>
Sanitation	<u>53,650</u>	<u>-</u>	<u>550,320</u>
Culture and Recreation:			
Parks and recreation	<u>8,012,853</u>	<u>118,534</u>	<u>6,030,307</u>
Development of historic town square	<u>195,500</u>	<u>2,541</u>	<u>727,072</u>
Total capital assets	<u>\$ 16,551,724</u>	<u>\$ 5,396,122</u>	<u>\$ 33,342,441</u>

<u>Other Improvements</u>	<u>Library Materials</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,377</u>	<u>\$ -</u>	<u>\$ 160,377</u>
-	-	501,121	-	501,121
-	-	698,382	-	754,666
407,911	-	476,114	-	8,538,784
-	-	64,672	-	924,567
-	-	24,362	-	24,362
-	-	248,299	-	881,543
-	-	156,683	-	156,683
34,396	-	4,354	-	2,008,065
128,452	2,719,116	680,938	-	7,950,136
-	-	12,920	-	12,920
-	-	396,834	-	905,355
<u>570,759</u>	<u>2,719,116</u>	<u>3,264,679</u>	<u>-</u>	<u>22,658,202</u>
33,014	-	153,515	-	602,054
901,319	-	4,791,377	-	14,633,229
142,030	-	4,731,537	-	10,412,752
-	-	236,962	-	236,962
-	-	147,549	-	351,784
<u>1,076,363</u>	<u>-</u>	<u>10,060,940</u>	<u>-</u>	<u>26,236,781</u>
252,261	-	170,054	-	3,268,986
-	-	475,569	-	475,569
228,680	-	2,322,659	144,170,434	152,271,486
<u>480,941</u>	<u>-</u>	<u>2,968,282</u>	<u>144,170,434</u>	<u>156,016,041</u>
27,087	-	2,869,608	-	3,500,665
12,921,311	-	2,049,510	-	29,132,515
1,538,825	-	32,672	-	2,496,610
<u>\$ 16,615,286</u>	<u>\$ 2,719,116</u>	<u>\$ 21,406,068</u>	<u>\$ 144,170,434</u>	<u>\$ 240,201,191</u>

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

For the Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deletions	Transfers and Other	Balance June 30, 2012
Mayor and Board	\$ 160,377	\$ -	\$ -	\$ -	\$ 160,377
General Government:					
Finance	499,071	6,363	(4,313)	-	501,121
Information technology	708,048	84,718	(38,100)	-	754,666
Executive	8,538,784	-	-	-	8,538,784
Town administrator	68,311	859,895	(5,423)	1,784	924,567
Development administration	27,381	-	(1,235)	(1,784)	24,362
Development engineering	847,352	35,962	(1,771)	-	881,543
Development planning	157,263	-	(580)	-	156,683
General government	2,008,764	-	(699)	-	2,008,065
Library	7,774,017	212,926	(35,878)	(929)	7,950,136
Human resources	14,542	-	(1,622)	-	12,920
General services	337,628	557,548	-	10,179	905,355
	<u>20,981,161</u>	<u>1,757,412</u>	<u>(89,621)</u>	<u>9,250</u>	<u>22,658,202</u>
Public Safety:					
Animal control	585,090	17,050	(662)	576	602,054
Police	14,180,134	772,016	(318,921)	-	14,633,229
Fire	9,746,650	697,722	(28,406)	(3,214)	10,412,752
Code enforcement	251,550	-	(1,238)	(13,350)	236,962
City court	369,614	944	(18,198)	(576)	351,784
	<u>25,133,038</u>	<u>1,487,732</u>	<u>(367,425)</u>	<u>(16,564)</u>	<u>26,236,781</u>
Roads and Public Works:					
Public services administration	3,235,401	-	(2,473)	36,058	3,268,986
Fleet services	421,101	12,608	(1,666)	43,526	475,569
Streets and drainage	144,871,383	7,581,267	(128,682)	(52,482)	152,271,486
	<u>148,527,885</u>	<u>7,593,875</u>	<u>(132,821)</u>	<u>27,102</u>	<u>156,016,041</u>
Sanitation	<u>3,527,320</u>	<u>139,749</u>	<u>(102,859)</u>	<u>(63,545)</u>	<u>3,500,665</u>
Culture and Recreation:					
Parks and recreation	<u>27,017,733</u>	<u>2,093,059</u>	<u>(83,743)</u>	<u>105,466</u>	<u>29,132,515</u>
Development of historic town square	<u>2,496,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,496,610</u>
Total capital assets	<u>\$ 227,844,124</u>	<u>\$ 13,071,827</u>	<u>\$ (776,469)</u>	<u>\$ 61,709</u>	<u>\$ 240,201,191</u>

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF CHANGES IN REAL AND PERSONAL PROPERTY TAX RECEIVABLES

For the Year Ended June 30, 2012

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2012	\$ 1.43	\$ 1,500,598,775
2011	1.43	1,455,713,724
2010	1.18	1,464,640,545
2009	1.18	1,475,696,365
2008	1.28	1,320,421,340
2007	1.28	1,270,975,865
2006	1.28	1,229,378,925
2005	1.28	1,124,545,815
2004	1.45	904,912,430
2003	1.45	863,672,027

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE JUNE 30, 2011</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE JUNE 30, 2012</u>
2012	\$ -	\$ 21,458,562	\$ -	\$ -	\$ 21,458,562
2011	20,816,706	-	(278,821)	20,081,479	456,406
2010	487,443	-	(12,298)	267,304	207,841
2009	208,291	-	(28,921)	65,217	114,153
2008	74,506	-	68	32,619	41,955
2007	38,332	-	5,452	18,119	25,665
2006	17,496	-	(1,484)	1,686	14,326
2005	15,799	-	(332)	325	15,142
2004	9,812	-	(337)	345	9,130
2003 & prior	46,516	-	(1,532)	300	44,684
Totals	<u>21,714,901</u>	<u>\$ 21,458,562</u>	<u>\$ (318,205)</u>	<u>\$ 20,467,394</u>	<u>22,387,864</u>
Allowance for uncollectible property taxes	<u>(241,422)</u>				<u>(278,484)</u>
Net receivables	<u>\$ 21,473,479</u>				<u>\$ 22,109,380</u>

Uncollected taxes for years prior to 2001 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to 2011 have been turned over to Chancery Court for collection. Property taxes in 2012 are included in deferred revenue in accordance with GASB No.'s 33 and 36.

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

June 30, 2012

	Water Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Bonds	
Date Issued	08/01/02		11/01/05		06/01/06	
Interest Rate %	3.00% - 4.70%		3.50% - 4.125%		4.00% - 4.375%	
Maturities	Principal	Interest	Principal	Interest	Principal	Interest
2013	610,000	309,718	250,000	87,350	1,070,000	848,624
2014	630,000	286,152	275,000	77,194	1,110,000	805,824
2015	655,000	260,925	270,000	66,638	1,160,000	761,424
2016	690,000	233,680	265,000	55,937	1,205,000	715,024
2017	720,000	204,415	290,000	44,838	1,260,000	666,823
2018	750,000	173,170	285,000	33,338	1,310,000	616,423
2019	785,000	139,775	330,000	21,038	1,380,000	564,023
2020	825,000	103,942	350,000	7,219	1,445,000	507,099
2021	865,000	65,485	-	-	1,520,000	445,686
2022	970,000	22,795	-	-	1,595,000	381,086
2023	-	-	-	-	1,675,000	313,299
2024	-	-	-	-	1,760,000	241,274
2025	-	-	-	-	1,845,000	165,594
2026	-	-	-	-	1,940,000	84,875
	<u>\$ 7,500,000</u>	<u>\$ 1,800,057</u>	<u>\$ 2,315,000</u>	<u>\$ 393,552</u>	<u>\$ 20,275,000</u>	<u>\$ 7,117,078</u>

General Improvement Refunding Bonds		Total		
9/1/10				
2.00% - 3.00%				
Principal	Interest	Principal	Interest	Total
4,099	385	1,934,099	1,246,077	3,180,176
4,275	262	2,019,275	1,169,432	3,188,707
2,726	176	2,087,726	1,089,163	3,176,889
2,785	122	2,162,785	1,004,763	3,167,548
1,902	38	2,271,902	916,114	3,188,016
-	-	2,345,000	822,931	3,167,931
-	-	2,495,000	724,836	3,219,836
-	-	2,620,000	618,260	3,238,260
-	-	2,385,000	511,171	2,896,171
-	-	2,565,000	403,881	2,968,881
-	-	1,675,000	313,299	1,988,299
-	-	1,760,000	241,274	2,001,274
-	-	1,845,000	165,594	2,010,594
-	-	1,940,000	84,875	2,024,875
<u>\$ 15,787</u>	<u>\$ 983</u>	<u>\$ 30,105,787</u>	<u>\$ 9,311,670</u>	<u>\$ 39,417,457</u>

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

June 30, 2012

	General Improvement Bonds		General Improvement Refunding Bonds		Note Payable		General Improvement Bonds	
Date Issued	11/1/05		11/1/05		8/11/04		11/25/08	
Interest Rate %	3.50% - 4.375%		3.50% - 4.125%		2.80%		3.50% - 5.00%	
Maturities	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	335,000	250,344	295,000	108,256	267,000	31,164	470,000	514,075
2014	345,000	237,175	290,000	96,919	274,000	23,688	490,000	498,450
2015	360,000	223,506	310,000	85,281	282,000	16,016	510,000	480,950
2016	375,000	208,806	335,000	72,381	290,000	8,120	530,000	462,750
2017	390,000	193,506	535,000	54,981	-	-	550,000	442,475
2018	405,000	177,606	345,000	37,381	-	-	575,000	419,975
2019	420,000	161,106	365,000	23,181	-	-	600,000	393,475
2020	440,000	143,631	385,000	7,941	-	-	625,000	365,194
2021	460,000	125,069	-	-	-	-	660,000	337,063
2022	480,000	105,382	-	-	-	-	690,000	306,256
2023	505,000	84,450	-	-	-	-	725,000	273,534
2024	535,000	62,015	-	-	-	-	765,000	238,600
2025	560,000	38,062	-	-	-	-	805,000	201,313
2026	590,000	12,906	-	-	-	-	845,000	161,597
2027	-	-	-	-	-	-	890,000	118,750
2028	-	-	-	-	-	-	940,000	73,000
2029	-	-	-	-	-	-	990,000	24,750
	<u>\$ 6,200,000</u>	<u>\$ 2,023,564</u>	<u>\$ 2,860,000</u>	<u>\$ 486,321</u>	<u>\$ 1,113,000</u>	<u>\$ 78,988</u>	<u>\$ 11,660,000</u>	<u>\$ 5,312,207</u>

General Improvement Refunding Bonds		General Improvement Refunding Bonds		Total		
9/1/10		10/25/11				
2.00% - 3.00%		2.00% - 2.50%				
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1,040,901	97,665	450,000	106,438	2,857,901	1,107,942	3,965,843
1,085,725	66,438	465,000	97,438	2,949,725	1,020,108	3,969,833
692,274	44,724	485,000	88,138	2,639,274	938,615	3,577,889
707,215	30,878	500,000	78,438	2,737,215	861,373	3,598,588
483,098	9,662	440,000	68,438	2,398,098	769,062	3,167,160
		510,000	59,638	1,835,000	694,600	2,529,600
		520,000	49,438	1,905,000	627,200	2,532,200
		535,000	39,038	1,985,000	555,804	2,540,804
		520,000	27,000	1,640,000	489,132	2,129,132
		560,000	14,000	1,730,000	425,638	2,155,638
				1,230,000	357,984	1,587,984
				1,300,000	300,615	1,600,615
				1,365,000	239,375	1,604,375
				1,435,000	174,503	1,609,503
				890,000	118,750	1,008,750
				940,000	73,000	1,013,000
				990,000	24,750	1,014,750
<u>\$ 4,009,213</u>	<u>\$ 249,367</u>	<u>\$ 4,985,000</u>	<u>\$ 628,004</u>	<u>\$ 30,827,213</u>	<u>\$ 8,778,451</u>	<u>\$ 39,605,664</u>

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF INVESTMENTS

June 30, 2012

Governmental Funds

General Fund	
Local government investment pool	\$ 21,437,586
Capital Projects Fund	
Local government investment pool	<u>3,113,297</u>
	<u>\$ 24,550,883</u>

Proprietary Fund

Water and Sewer Fund	
Local government investment pool	<u>\$ 23,199,009</u>

Fiduciary Funds

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 753,998
U.S. government agency bonds	667,536
Corporate and foreign bonds	1,940,100
Common stocks	3,342,115
Equity mutual funds	17,732,031
Fixed income mutual funds	<u>7,692,088</u>
	<u>\$ 32,127,868</u>

Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 1,170,594
Common stocks	526,896
Equity mutual funds	2,882,772
Fixed income mutual funds	<u>1,840,339</u>
	<u>\$ 6,420,601</u>

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends (Schedules 1, 2, 3, 4, 5) These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	93
Revenue Capacity (Schedules 6, 7, 8, 9, 10, 11) These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales tax.	100
Debt Capacity (Schedules 12, 13, 14, 15) 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.	106
Demographic and Economic Information (Schedules 16, 17) These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	110
Operating Information (Schedules 18, 19, 20, 21, 22, 23, 24) These schedules contain information about the Town's operations and resources to help the reader understand how the town's financial information relates to the services the town provides and the activities it performs.	112

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 Assets by Component, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 49,697,211	\$ 86,472,131	\$ 103,333,213	\$ 110,245,903	\$ 108,468,398	\$ 124,286,702	\$ 130,489,559	\$ 136,692,649	\$ 140,702,628	\$ 151,470,712
Restricted ^a	557,881	258,081	266,116	336,941	1,043,670	1,843,247	1,597,295	1,674,640	7,616,519	6,021,577
Unrestricted	<u>21,619,000</u>	<u>19,260,000</u>	<u>18,992,131</u>	<u>26,832,831</u>	<u>39,101,813</u>	<u>31,946,261</u>	<u>24,821,960</u>	<u>23,078,426</u>	<u>18,304,577</u>	<u>20,122,901</u>
Total government activities net assets	<u>\$ 71,874,092</u>	<u>\$ 105,990,212</u>	<u>\$ 122,591,460</u>	<u>\$ 137,415,675</u>	<u>\$ 148,613,881</u>	<u>\$ 158,076,210</u>	<u>\$ 156,908,814</u>	<u>\$ 161,445,715</u>	<u>\$ 166,623,724</u>	<u>\$ 177,615,190</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 48,224,869	\$ 50,239,747	\$ 53,407,507	\$ 29,714,522	\$ 57,961,221	\$ 64,224,620	\$ 64,077,656	\$ 65,792,383	\$ 65,716,041	\$ 66,108,146
Restricted	-	-	-	-	-	-	2,857,366	2,639,558	2,170,938	2,014,175
Unrestricted	<u>9,086,878</u>	<u>8,166,285</u>	<u>8,419,148</u>	<u>38,322,536</u>	<u>19,963,143</u>	<u>20,067,949</u>	<u>20,598,131</u>	<u>21,086,683</u>	<u>22,759,955</u>	<u>24,156,289</u>
Total business-type activities net assets	<u>\$ 57,311,747</u>	<u>\$ 58,406,032</u>	<u>\$ 61,826,655</u>	<u>\$ 68,037,058</u>	<u>\$ 77,924,364</u>	<u>\$ 84,292,569</u>	<u>\$ 87,533,153</u>	<u>\$ 89,518,624</u>	<u>\$ 90,646,934</u>	<u>\$ 92,278,610</u>
Primary government										
Invested in capital assets, net of related debt	\$ 97,922,080	\$ 136,711,878	\$ 156,740,720	\$ 139,960,425	\$ 166,429,619	\$ 188,511,322	\$ 194,567,215	\$ 202,485,032	\$ 206,418,669	\$ 217,578,858
Restricted	557,881	258,081	266,116	336,941	1,043,670	1,843,247	4,454,661	4,314,198	9,787,457	8,035,752
Unrestricted	<u>30,705,878</u>	<u>27,426,285</u>	<u>27,411,279</u>	<u>65,155,367</u>	<u>59,064,956</u>	<u>52,014,210</u>	<u>45,420,091</u>	<u>44,165,109</u>	<u>41,064,532</u>	<u>44,279,190</u>
Total primary government net assets	<u>\$ 129,185,839</u>	<u>\$ 164,396,244</u>	<u>\$ 184,418,115</u>	<u>\$ 205,452,733</u>	<u>\$ 226,538,245</u>	<u>\$ 242,368,779</u>	<u>\$ 244,441,967</u>	<u>\$ 250,964,339</u>	<u>\$ 257,270,658</u>	<u>\$ 269,893,800</u>

^aIn 2007 Restricted Net Assets in governmental activities increased due to an increase in fund balance in the State Street Aid Fund.

Schedule 2
Town of Collierville
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses										
Governmental activities:										
Legislative	\$ 113,508	\$ 137,981	\$ 149,683	\$ 133,928	\$ 181,343	\$ 179,470	\$ 192,200	\$ 138,580	\$ 149,268	\$ 261,181
General government	3,579,757	4,138,841	3,718,953	5,804,643	6,063,357	6,841,654	7,232,361	6,946,178	6,480,409	6,638,179
Roads and public works	4,289,769	5,595,378	6,334,686	6,689,264	6,818,489	7,374,540	7,405,925	7,422,320	7,762,474	9,218,450
Public Safety	13,201,535	14,833,508	14,557,364	15,158,699	16,512,210	17,742,544	19,294,804	19,396,949	19,431,374	20,423,963
Sanitation	1,858,410	2,619,916	2,067,263	2,305,789	2,689,552	2,773,509	2,889,911	2,644,151	2,968,315	3,014,845
Drug fund	20,954	13,992	24,003	42,871	44,155	26,845	22,285	20,721	41,757	27,673
Special census	-	-	52,743	-	-	-	-	-	-	-
Culture and recreation	3,297,971	3,295,093	3,046,145	3,251,372	3,235,008	2,794,702	4,244,899	4,119,768	4,437,125	3,892,595
Interest on long-term debt	1,011,427	1,147,590	1,120,295	1,187,731	1,281,362	1,288,383	1,506,072	1,625,212	1,315,638	1,345,293
Total government activities expenses	<u>\$ 27,373,331</u>	<u>\$ 31,782,299</u>	<u>\$ 31,071,135</u>	<u>\$ 34,574,297</u>	<u>\$ 36,825,476</u>	<u>\$ 39,021,647</u>	<u>\$ 42,788,457</u>	<u>\$ 42,313,879</u>	<u>\$ 42,586,360</u>	<u>\$ 44,822,179</u>
Business-type activities:										
Water and sewer	6,175,106	6,937,545	7,079,594	7,241,129	7,700,172	8,922,991	10,252,913	10,149,940	12,254,310	10,686,808
Total business-type activities expenses	<u>6,175,106</u>	<u>6,937,545</u>	<u>7,079,594</u>	<u>7,241,129</u>	<u>7,700,172</u>	<u>8,922,991</u>	<u>10,252,913</u>	<u>10,149,940</u>	<u>12,254,310</u>	<u>10,686,808</u>
Total primary government expenses	<u>\$ 33,548,437</u>	<u>\$ 38,719,844</u>	<u>\$ 38,150,729</u>	<u>\$ 41,815,426</u>	<u>\$ 44,525,648</u>	<u>\$ 47,944,638</u>	<u>\$ 53,041,370</u>	<u>\$ 52,463,819</u>	<u>\$ 54,840,670</u>	<u>\$ 55,508,987</u>
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 715,150	\$ 132,562	\$ 537,123	\$ 558,254	\$ 524,079	\$ 480,888	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942
Roads and public works	-	975,160	475,242	561,963	566,298	1,264,991	627,109	491,002	1,101,149	503,235
Public safety	2,689,073	2,520,053	3,225,957	2,607,977	2,341,159	2,126,291	1,836,723	1,838,830	1,728,898	1,964,117
Sanitation	2,123,380	2,234,605	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834	3,173,045	3,254,316	3,261,895
Culture and recreation	170,336	132,567	193,725	325,638	293,648	324,183	507,646	515,021	545,418	533,441
Operating grants and contributions	99,375	1,121,164	1,154,538	985,678	1,394,711	1,375,961	1,415,062	1,538,690	2,068,717	2,112,056
Capital grants and contributions	2,761,675	5,049,336	5,944,524	9,526,266	6,196,487	5,351,308	829,254	5,157,989	4,416,497	7,461,900
Total governmental activities program revenues	<u>8,558,989</u>	<u>12,165,447</u>	<u>13,879,739</u>	<u>16,987,738</u>	<u>13,802,375</u>	<u>13,457,933</u>	<u>8,048,972</u>	<u>12,987,130</u>	<u>13,315,515</u>	<u>16,080,586</u>
Business-type activities:										
Charges for services	5,752,852	6,491,716	7,581,608	11,344,352	13,473,709	12,748,464	11,776,773	11,263,853	11,840,445	12,405,557
Operating grants and contributions	-	19,914	-	-	-	-	-	18,767	-	-
Capital grants and contributions	1,378,092	1,638,943	3,102,627	1,897,795	2,312,450	1,555,946	1,796,272	1,026,656	1,669,411	274,665
Total business-type activities program revenues	<u>7,130,944</u>	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>
Total primary government program revenues	<u>\$ 15,689,933</u>	<u>\$ 20,316,020</u>	<u>\$ 24,563,974</u>	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 27,762,343</u>	<u>\$ 21,622,017</u>	<u>\$ 25,296,406</u>	<u>\$ 26,825,371</u>	<u>\$ 28,760,808</u>
Net (Expense)/Revenue										
Governmental activities	\$ (18,814,342)	\$ (19,616,852)	\$ (17,191,396)	\$ (17,586,559)	\$ (23,023,101)	\$ (25,563,714)	\$ (34,739,485)	\$ (29,326,749)	\$ (29,270,845)	\$ (28,741,593)
Business-type activities	955,838	1,213,028	3,604,641	6,001,018	8,085,987	5,381,419	3,320,132	2,159,336	1,255,546	1,993,414
Total primary government net expense	<u>\$ (17,858,504)</u>	<u>\$ (18,403,824)</u>	<u>\$ (13,586,755)</u>	<u>\$ (11,585,541)</u>	<u>\$ (14,937,114)</u>	<u>\$ (20,182,295)</u>	<u>\$ (31,419,353)</u>	<u>\$ (27,167,413)</u>	<u>\$ (28,015,299)</u>	<u>\$ (26,748,179)</u>

(Continued)

Schedule 2 - Continued

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 12,798,023	\$ 12,787,627	\$ 13,472,499	\$ 14,649,001	\$ 16,047,793	\$ 16,607,351	\$ 17,228,395	\$ 17,623,045	\$ 17,577,135	\$ 20,970,077
Other local taxes	6,990,008	7,767,306	8,589,361	10,540,041	11,291,175	11,801,336	11,404,587	11,047,089	12,003,559	12,818,038
Intergovernmental revenues:										
State sales tax ^a	4,107,448	3,652,508	4,048,482	5,123,426	3,160,775	3,151,594	3,039,360	2,973,859	3,087,223	3,152,888
State income and other taxes ^a	-	-	-	-	1,251,777	1,413,975	1,191,749	1,022,266	1,032,463	1,085,542
Other state revenue	-	-	-	-	-	112,674	115,699	103,113	102,478	99,185
Unrestricted grants and contributions	67,645	-	-	-	-	-	-	-	-	-
Investment earnings	289,907	183,111	351,207	821,752	1,305,477	1,190,266	514,218	115,891	53,902	33,280
Miscellaneous	259,282	466,156	396,362	795,462	672,714	181,730	191,278	326,715	34,321	809,480
Payment to fiduciary trust	-	-	-	-	-	-	(875,759)	-	-	-
Transfers	251,674	397,826	527,075	481,092	491,596	567,117	762,562	651,672	557,773	764,569
Special item - capital asset impairment loss	-	-	(1,225,005)	-	-	-	-	-	-	-
Total government activities	<u>24,763,987</u>	<u>25,254,534</u>	<u>26,159,981</u>	<u>32,410,774</u>	<u>34,221,307</u>	<u>35,026,043</u>	<u>33,572,089</u>	<u>33,863,650</u>	<u>34,448,854</u>	<u>39,733,059</u>
Business-type activities:										
Investment earnings	268,250	217,741	291,957	626,562	2,243,989	1,490,542	596,892	338,739	304,158	273,796
Miscellaneous	179,590	61,342	51,100	63,915	48,926	63,361	86,122	139,068	126,379	129,035
Transfers	(251,674)	(397,826)	(527,075)	(481,092)	(491,596)	(567,117)	(762,562)	(651,672)	(557,773)	(764,569)
Total business-type activities	<u>196,166</u>	<u>(118,743)</u>	<u>(184,018)</u>	<u>209,385</u>	<u>1,801,319</u>	<u>986,786</u>	<u>(79,548)</u>	<u>(173,865)</u>	<u>(127,236)</u>	<u>(361,738)</u>
Total primary government	<u>\$ 24,960,153</u>	<u>\$ 25,135,791</u>	<u>\$ 25,975,963</u>	<u>\$ 32,620,159</u>	<u>\$ 36,022,626</u>	<u>\$ 36,012,829</u>	<u>\$ 33,492,541</u>	<u>\$ 33,689,785</u>	<u>\$ 34,321,618</u>	<u>\$ 39,371,321</u>
Change in Net Assets										
Governmental activities	\$ 5,949,645	\$ 5,637,682	\$ 8,968,585	\$ 14,824,215	\$ 11,198,206	\$ 9,462,329	\$ (1,167,396)	\$ 4,536,901	\$ 5,178,009	\$ 10,991,466
Business-type activities	1,152,004	1,094,285	3,420,623	6,210,403	9,887,306	6,368,205	3,240,584	1,985,471	1,128,310	1,631,676
Total primary government	<u>\$ 7,101,649</u>	<u>\$ 6,731,967</u>	<u>\$ 12,389,208</u>	<u>\$ 21,034,618</u>	<u>\$ 21,085,512</u>	<u>\$ 15,830,534</u>	<u>\$ 2,073,188</u>	<u>\$ 6,522,372</u>	<u>\$ 6,306,319</u>	<u>\$ 12,623,142</u>

^aIn 2007 "State Sales Tax" and "State Income and other taxes" were separated.

Schedule 3
Town of Collierville
Program Revenues by Function/Program,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities:										
General government	\$ 763,069	\$ 773,939	\$ 1,100,471	\$ 855,005	\$ 594,982	\$ 510,481	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027
Roads and public works	2,761,675	4,582,249	6,039,605	9,418,311	6,693,309	6,356,978	1,456,363	6,249,872	7,072,133	8,128,677
Public safety	2,730,159	3,257,515	4,070,699	3,234,808	2,943,481	2,519,290	1,927,702	2,116,691	2,004,015	3,353,826
Sanitation	2,123,380	2,564,454	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834	3,215,108	3,259,069	3,266,172
Culture and recreation ^a	<u>180,706</u>	<u>987,290</u>	<u>320,334</u>	<u>1,057,652</u>	<u>1,084,610</u>	<u>355,437</u>	<u>616,262</u>	<u>1,099,425</u>	<u>698,905</u>	<u>556,884</u>
Subtotal governmental activities	<u>8,558,989</u>	<u>12,165,447</u>	<u>13,879,739</u>	<u>16,987,738</u>	<u>13,802,375</u>	<u>12,276,497</u>	<u>6,880,523</u>	<u>12,987,130</u>	<u>13,315,515</u>	<u>16,080,586</u>
Business-type activities:										
Water and Sewer ^b	<u>8,150,573</u>	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>
Subtotal business-type activities	<u>8,150,573</u>	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>
Total primary government	<u>\$ 16,709,562</u>	<u>\$ 20,316,020</u>	<u>\$ 24,563,974</u>	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 26,580,907</u>	<u>\$ 20,453,568</u>	<u>\$ 25,296,406</u>	<u>\$ 26,825,371</u>	<u>\$ 28,760,808</u>

^aThe increase in revenue in years 2004 and 2006 resulted from grants and contributions.

^bAn increase to the water and sewer charges was adopted in late 2005.

Schedule 4
Town of Collierville
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011^a</u>	<u>2012</u>
General Fund										
Reserved	\$ 106,401	\$ 131,062	\$ 142,925	\$ 159,784	\$ 228,758	\$ 476,853	\$ 475,191	\$ 572,982	\$ -	\$ -
Unreserved	14,606,764	15,123,581	16,958,851	18,563,072	23,547,928	25,662,542	22,753,263	21,547,026	-	-
Nonspendable	-	-	-	-	-	-	-	-	154,091	153,045
Restricted	-	-	-	-	-	-	-	-	1,369,227	1,677,931
Committed	-	-	-	-	-	-	-	-	1,188,831	1,004,206
Assigned	-	-	-	-	-	-	-	-	6,877,687	6,019,516
Unassigned	-	-	-	-	-	-	-	-	12,791,481	15,214,297
Total general fund	<u>\$ 14,713,165</u>	<u>\$ 15,254,643</u>	<u>\$ 17,101,776</u>	<u>\$ 18,722,856</u>	<u>\$ 23,776,686</u>	<u>\$ 26,139,395</u>	<u>\$ 23,228,454</u>	<u>\$ 22,120,008</u>	<u>\$ 22,381,317</u>	<u>\$ 24,068,995</u>
All Other Governmental Funds										
Reserved	\$ 451,480	\$ 127,019	\$ 123,191	\$ 177,157	\$ 814,912	\$ 1,366,394	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	361,184	519,839	1,057,511	664,708	655,355	325,828	226,536	247,508	-	-
Capital projects funds	6,630,596	3,913,980	1,424,453	7,836,383	7,418,832	9,635,292	17,651,735	11,217,468	-	-
Nonspendable	-	-	-	-	-	-	-	-	15,331	17,983
Restricted	-	-	-	-	-	-	-	-	6,077,870	4,343,644
Committed	-	-	-	-	-	-	-	-	489,119	727,569
Assigned	-	-	-	-	-	-	-	-	726,774	593,048
Total all other governmental funds	<u>\$ 7,443,260</u>	<u>\$ 4,560,838</u>	<u>\$ 2,605,155</u>	<u>\$ 8,678,248</u>	<u>\$ 8,889,099</u>	<u>\$ 11,327,514</u>	<u>\$ 19,000,375</u>	<u>\$ 12,566,634</u>	<u>\$ 7,309,094</u>	<u>\$ 5,682,244</u>

^aIn fiscal year 2011, the Town implemented fund balance classifications in accordance with GASB Statement no. 54. This new fund balance classification will be applied to 2011 and future years.

Schedule 5
Town of Collierville
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Property taxes	\$ 12,016,898	\$ 12,843,599	\$ 13,574,550	\$ 14,517,719	\$ 16,122,511	\$ 16,652,124	\$ 17,138,004	\$ 17,387,901	\$ 17,552,246	\$ 21,343,304
Other local taxes	7,028,341	8,628,964	8,778,793	10,852,627	11,564,823	11,693,472	11,526,504	11,161,690	11,992,194	12,798,591
Federal revenues	-	978,689	454,301	676,509	467,144	303,726	129,082	377,170	1,157,242	959,130
State revenues	4,206,823	3,806,065	4,262,868	5,183,578	5,960,493	5,888,072	5,526,257	5,366,745	6,083,218	5,483,684
Licenses and permits	1,728,679	2,658,103	2,719,515	2,233,259	2,166,469	1,719,735	783,060	616,926	488,437	673,993
Charges for services	2,773,124	2,842,852	3,186,631	3,364,545	3,256,828	4,032,191	3,922,743	4,528,357	5,252,524	4,603,929
Court fees	868,367	975,698	949,370	821,763	838,253	724,866	812,974	863,247	795,641	934,985
Fines and forfeitures	327,772	335,632	357,625	312,009	320,054	253,872	285,880	281,921	293,699	293,723
Interest income	289,481	182,856	350,939	821,521	1,305,470	1,173,193	514,218	115,891	53,902	33,280
Contributions	67,645	63,104	540,187	309,169	152,034	164,195	289,028	167,668	212,163	1,207,091
Other revenues	248,606	625,813	546,424	757,345	731,006	244,577	247,188	367,057	269,505	353,303
Total revenues	29,555,736	33,941,375	35,721,203	39,850,044	42,885,085	42,850,023	41,174,938	41,234,573	44,150,771	48,685,013
Expenditures										
Legislative	111,092	137,021	148,343	133,757	183,567	195,028	196,908	135,668	143,270	252,047
General government	2,843,700	3,248,456	4,287,711	4,891,873	5,215,476	5,679,846	5,995,253	5,832,232	5,622,841	5,749,669
Roads and public works	3,855,004	3,946,003	3,915,137	4,548,047	4,714,915	4,822,997	5,883,040	5,088,190	5,703,949	6,496,218
Public safety	12,755,404	14,083,395	13,888,924	15,116,998	16,595,601	17,839,584	18,848,929	18,694,163	18,373,562	19,298,206
Sanitation	1,896,384	2,385,250	2,056,677	2,223,822	2,440,786	2,717,880	2,711,465	2,644,151	2,794,347	2,850,986
Special census	-	-	52,743	-	-	-	-	-	-	-
Culture and recreation	3,011,123	3,094,794	2,609,118	2,819,924	2,996,782	3,335,335	3,773,434	3,831,920	3,789,515	3,810,511
Drug fund	20,954	13,992	24,003	42,871	44,155	26,845	22,285	20,721	41,757	27,673
Other	282,534	397,692	454,827	439,684	472,953	472,266	392,042	184,994	153,125	138,153
Capital projects ^a	9,987,202	6,436,286	7,737,309	6,365,178	3,632,884	2,759,704	5,983,483	8,676,565	8,942,435	6,675,607
Debt service										
Principal	1,497,423	1,773,933	1,981,989	3,777,120	2,388,743	2,489,832	5,246,854	2,778,279	2,747,910	2,864,489
Interest and fiscal charges	912,771	1,162,652	1,134,522	1,150,343	1,281,766	1,271,390	1,414,034	1,541,549	1,401,615	1,320,351
Bond Issue costs	-	-	-	98,781	-	(14,691)	30,538	-	91,333	70,702
Total expenditures	37,173,591	36,679,474	38,291,303	41,608,398	39,967,628	41,596,016	50,498,265	49,428,432	49,805,659	49,554,612

(Continued)

Schedule 5 - Continued

Excess of revenues over (under) expenditures	(7,617,855)	(2,738,099)	(2,570,100)	(1,758,354)	2,917,457	1,254,007	(9,323,327)	(8,193,859)	(5,654,888)	(869,599)
Other Financing Sources (Uses)										
Bonds issued	-	1,934,475	8,890,000	1,600,000	2,980,000	13,289,500	-	-	-	-
Refunding bonds issued	16,292,877	-	5,290,000	-	-	-	-	5,154,702	4,985,000	
Refunding bonds premium ^c	-	-	-	-	-	-	-	230,373	80,858	
Bond discounts	(104,733)	-	-	-	-	-	-	-	-	
Refunded bond payments	(8,133,224)	-	(5,264,155)	-	-	-	-	(5,284,191)	(4,900,000)	
Issuance proceeds	-	-	55,590	255,627	-	33,185	-	-	-	
Transfers in	5,146,095	4,002,610	6,834,426	7,875,640	3,371,640	3,078,477	5,460,854	6,244,871	7,622,647	6,003,526
Transfers out	(4,894,421)	(3,605,455)	(6,307,351)	(7,394,548)	(2,880,043)	(2,511,360)	(4,698,292)	(5,593,199)	(7,064,874)	(5,238,957)
Total other financing sources (uses)	<u>8,306,594</u>	<u>397,155</u>	<u>2,461,550</u>	<u>9,452,527</u>	<u>2,347,224</u>	<u>3,547,117</u>	<u>14,085,247</u>	<u>651,672</u>	<u>658,657</u>	<u>930,427</u>
Net change in fund balances	<u>\$ 688,739</u>	<u>\$ (2,340,944)</u>	<u>\$ (108,550)</u>	<u>\$ 7,694,173</u>	<u>\$ 5,264,681</u>	<u>\$ 4,801,124</u>	<u>\$ 4,761,920</u>	<u>\$ (7,542,187)</u>	<u>\$ (4,996,231)</u>	<u>\$ 60,828</u>
Debt service as a percentage of noncapital expenditures ^b	8.9%	9.7%	10.2%	14.0%	10.5%	9.9%	15.3%	10.6%	9.9%	9.5%

^aCapital projects amount consists of major capital projects.

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

^bFor fiscal years 2003 through 2011 the calculation ratio of total debt services expenditures to noncapital expenditures was revised to include only the principal and interest components of debt service expenditures as of the 2012 report.

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

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

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

^cFor fiscal years 2011 and 2012 bond premium costs are reported as a separate line item.

Schedule 6
Town of Collierville
Tax Revenue by Source, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property</u>	<u>In Lieu of</u>	<u>Local Option Sales</u>	<u>Beer & Liquor</u>	<u>Business & Privilege</u>	<u>Motor Vehicle</u>	<u>Park Land Dedication</u>	<u>Historic Preservation</u>	<u>Substance</u>	<u>Total</u>
2003	\$ 12,016,898	\$ 229,114	\$ 4,480,530	\$ 498,502	\$ 932,191	\$ 610,562	\$ 235,944	\$ 41,498	\$ -	\$ 19,045,239
2004	12,843,599	290,166	5,255,480	519,392	1,289,911	637,132	478,732	158,151	-	21,472,563
2005	13,574,550	277,507	5,626,968	548,729	1,271,703	669,379	67,549	316,958	-	22,353,343
2006	14,517,719	286,864	7,474,750	594,020	1,376,257	700,121	340,200	74,336	6,079	25,370,346
2007	16,122,511	383,550	8,190,271	645,788	1,302,011	722,460	199,660	108,062	13,021	27,687,334
2008	16,652,124	392,133	8,386,611	658,674	1,394,007	742,574	63,330	53,349	2,794	28,345,596
2009	17,138,004	379,133	8,210,238	694,603	1,442,859	733,046	20,160	34,540	11,925	28,664,508
2010	17,387,901	413,562	8,085,485	717,806	1,330,509	765,022	5,040	66,300	3,454	28,775,079
2011	17,552,246	207,470	8,650,793	743,716	1,431,981	967,211	-	7,724	-	29,561,141
2012	21,343,304	273,984	9,146,314	775,664	1,559,193	1,030,078	-	13,360	-	34,141,897
Change 2003-2012	77.6%	19.6%	104.1%	55.6%	67.3%	68.7%	-100.0%	-67.8%	0.0%	79.3%

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Schedule 7
Town of Collierville
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
(in thousands of dollars)

<u>Fiscal Year</u>	<u>Farm Property</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Multiple Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2003	\$ 7,834	\$ 596,349	\$ 152,355	\$ 16,754	\$ 6,330	\$ 46,594	\$ 826,216	\$ 1.45	\$ 3,045,696	27.127%
2004	8,093	635,116	152,631	16,274	6,328	45,230	863,672	1.45	3,197,079	27.014
2005	7,100	678,747	151,839	15,712	6,690	44,824	904,912	1.45	3,365,547	26.888
2006	12,867	801,778	225,886	26,784	7,148	50,083	1,124,546	1.28	4,109,255	27.366
2007	12,278	854,761	264,897	30,963	6,649	59,831	1,229,379	1.28	4,457,830	27.578
2008	9,986	900,127	268,386	33,094	6,546	52,837	1,270,976	1.28	4,619,977	27.510
2009	10,235	930,251	281,384	34,324	7,321	56,907	1,320,422	1.28	4,792,998	27.549
2010	11,523	1,030,379	320,676	44,203	6,172	62,744	1,475,697	1.18	5,342,040	27.624
2011	9,920	1,026,505	319,265	45,897	5,240	57,814	1,464,641	1.18	5,298,096	27.645
2012	9,094	1,024,955	314,227	46,149	5,407	55,882	1,455,714	1.43	5,273,787	27.603

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Source: Shelby County Assessor's Office

Notes: Property in Shelby County is reassessed every three 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		
2003	\$ 1.35	\$ 0.10	\$ 1.45	\$ 3.79	
2004	1.35	0.10	1.45	4.09	
2005	1.35	0.10	1.45	4.09	
2006	1.18	0.10	1.28	4.09	
2007	1.18	0.10	1.28	4.09	
2008	1.18	0.10	1.28	4.09	
2009	1.18	0.10	1.28	4.06	
2010	1.08	0.10	1.18	4.06	
2011	1.10	0.08	1.18	4.06	
2012	1.43	-	1.43	4.06	

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.

^aThe overlapping rate is that of the county government that applies to property owners in the Town of Collierville. Source: Shelby County Assessor's office.

^bThe 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>2012</u>			<u>2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
AT&T Mobility, LLC	\$ 29,432,946	1	2.02%	\$ -		- %
Carriage Avenue, LLC	25,619,840	2	1.76	-		-
Carrier Corporation	18,425,430	3	1.27	12,962,650	1	1.57
Legacy Farm, LLC	11,400,000	4	0.78	-		-
Madison 324, LLC	9,881,880	5	0.68	-		-
Dogwood Creek Assoc, LLC	8,324,160	6	0.57	5,965,520	9	0.72
Delta Beverage Group, Inc.	7,750,430	7	0.53	7,515,780	5	0.91
Alan & Susan Kosten	7,421,680	8	0.51	-		-
Bailey Creek Associates, LLC	7,205,160	9	0.49	-		-
LTF Real Estate Company	7,118,920	10	0.49	-		-
Schilling Farms. LLC	-		-	10,330,955	2	1.25
North Western Mutual Life	-		-	8,672,880	3	1.05
Bell South Communications	-		-	8,004,553	4	0.97
Wingo Properties	-		-	6,580,265	6	0.80
Gallina Centro	-		-	6,305,560	7	0.76
Cartwright Properties	-		-	6,215,510	8	0.75
The Orchards	-		-	5,519,000	10	0.67
Total	<u>\$ 132,580,446</u>		9.11%	<u>\$ 78,072,673</u>		<u>9.45%</u>

Source: Shelby County Assessor's Office

**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
2003	\$ 11,980,114	\$ 9,262	\$ 11,989,376	\$ 11,564,003	96.45%	\$ 414,015	\$ 11,978,018	99.91%
2004	12,523,244	16,485	12,539,729	12,077,997	96.32	435,833	12,513,830	99.79
2005	13,121,230	220,332	13,341,562	12,946,680	97.04	364,613	13,311,293	99.77
2006	14,394,186	(95,386)	14,298,800	13,888,702	97.13	376,401	14,265,103	99.76
2007	15,736,050	(30,359)	15,705,691	15,304,741	97.45	369,799	15,674,540	99.80
2008	16,268,491	46,670	16,315,161	15,837,483	97.07	444,528	16,282,011	99.80
2009	16,901,393	(151,144)	16,750,249	16,284,182	97.22	422,237	16,706,419	99.74
2010	17,413,217	(439,956)	16,973,261	16,460,339	96.98	383,692	16,844,031	99.24
2011	17,282,758	(228,576)	17,054,182	16,579,268	97.22	267,304	16,846,572	98.78
2012	20,816,706	(259,844)	20,556,862	20,081,479	97.69	-	20,081,479	97.69

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Source: Shelby County Assessor's Office

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

^bAdjustments include change orders and new bills.

^cBeginning 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
2003	2.25%	6.00%
2004	2.25	7.00
2005	2.25	7.00
2006	2.25	7.00
2007	2.25	7.00
2008	2.25	7.00
2009	2.25	7.00
2010	2.25	7.00
2011	2.25	7.00
2012	2.25	7.00

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

^aThe 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 additional 1% applies to non-food items.

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 ^b
	General Obligation Bonds	Capital Outlay Notes	Notes Payable	Bond Anticipation Notes	Water & Sewer Revenue & Tax Bonds	Notes Payable	General Obligation Bonds			
2003	\$ 27,992	\$ 2,075	\$ -	\$ -	\$ 17,385	\$ -	\$ 48	\$ 47,500	4.08%	\$1,234
2004	26,218	1,895	-	-	16,460	-	37	44,610	3.69	1,115
2005	24,450	1,735	1,720	-	15,500	-	35	43,440	3.43	1,036 ^c
2006 ^a	30,842	-	676	-	40,790	-	33	72,341	5.46	1,651
2007	28,679	-	2,051	-	39,015	-	31	69,776	5.11	1,546
2008	26,421	-	1,819	2,980	37,265	-	29	68,514	4.74	1,546 ^d
2009	37,393	-	1,869	-	35,435	-	27	74,724	5.17	1,687 ^d
2010	34,860	-	1,624	-	33,710	-	25	70,219	4.19	1,585 ^d
2011	32,235	-	1,372	-	31,930	-	20	65,557	3.85	1,491 ^e
2012	29,714	-	1,113	-	30,090	-	16	60,933	3.58	1,386 ^e

^aThe Town issued \$26 million in water & sewer revenue and tax bonds in FY 2006 for expansion and upgrade of its two waste water treatment plants.

^bThe population is estimated unless otherwise noted.

^cPopulation according to the 2005 Special Census.

^dPopulation according to the 2008 Special Census.

^ePopulation according to the 2010 Census Economic Data.

Schedule 13
Town of Collierville
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands except per capita)

Fiscal Year	General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property	Per Capita ^a
	General Obligation Bonds ^e	Capital Outlay Notes	Notes Payable	Bond Anticipation Notes	Total		
2003	\$ 28,040	\$ 2,075	\$ -	\$ -	\$ 30,115	0.99%	\$782
2004	26,255	1,895	-	-	28,150	0.88	704
2005	24,485	1,735	1,720	-	27,940	0.83	666 ^b
2006	30,875	-	676	-	31,551	0.77	720
2007	28,710	-	2,051	-	30,761	0.69	681
2008	26,450	-	1,819	2,980	31,249	0.68	705 ^c
2009	37,420	-	1,869	-	39,289	0.82	887 ^c
2010	34,885	-	1,624	-	36,509	0.68	824 ^c
2011	32,255	-	1,372	-	33,627	0.63	765 ^d
2012	29,730	-	1,113	-	30,843	0.58	702 ^d

^aThe population is estimated unless otherwise noted.

^bPopulation according to the 2005 Special Census.

^cPopulation according to the 2008 Special Census.

^dPopulation according to the 2010 Census Redistricting Data.

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

Schedule 14
Town of Collierville
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Shelby County	\$ 1,493,946	8.12%	\$ 121,308
Town direct debt	30,827	100%	<u>30,827</u>
Total direct and overlapping debt			<u>\$ 152,135</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)

<u>Fiscal Year</u>	<u>Water & Sewer Tax & Revenue Bonds</u>			<u>Debt Service</u>		<u>Coverage</u>
	<u>Total</u>	<u>Less:</u>	<u>Net</u>	<u>Principal</u>	<u>Interest</u>	
	<u>Revenue and Other Sources</u>	<u>Operating Expenses</u>	<u>Available Revenue</u>			
2003	\$ 4,939	\$ 4,007	\$ 932	\$ 931	\$ 1,005	0.48 %
2004	5,021	4,528	493	936	829	0.28
2005	6,693	4,741	1,952	962	783	1.12
2006	10,177	4,781	5,396	882	814	3.18
2007	13,306	5,047	8,259	1,777	1,049	2.92
2008	13,509	5,601	7,908	1,752	1,596	2.36
2009	12,148	6,385	5,763	1,832	1,520	1.72
2010	11,461	6,190	5,271	1,727	1,455	1.66
2011	12,269	6,369	5,900	1,784	1,389	1.86
2012	12,468	6,886	5,582	1,845	1,319	1.76

**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	Unemployment Rate^b
2003	37,044	\$ 1,120,655	\$ 30,252 ^a	7,414	5.8%
2004	37,044	1,120,655	30,252	7,590	5.9
2005	41,923	1,268,255	30,252	7,600	6.2
2006	41,923	1,268,255	30,252	7,887	6.2
2007	41,923	1,268,255	30,252	8,322	4.1
2008	44,304 ^c	1,445,418	32,625 ^d	8,604	6.5
2009	44,304 ^c	1,445,418	32,625	8,535	7.7
2010	44,304 ^c	1,445,418	32,625	8,562	7.0
2011	43,965 ^e	1,703,424	38,745 ^e	8,516	7.4
2012	43,965 ^e	1,703,424	38,745 ^e	8,639	6.5

^aInformation is available through the 2000 Federal Census. Mid-decade information is unavailable for the Town.

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

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

^dPer capita income is provided by the Collierville Chamber of Commerce.

^ePopulation and per capita income according to the 2010 Census Economic Data.

**Schedule 17
Town of Collierville
Principal Employers,
Current year and Nine Years Ago**

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<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 Corporation	2,961	1	0.66%	4,000	1	0.90%
Carrier Corporation	1,428	2	0.32	2,141	2	0.48
Shelby County Schools	684	3	0.15	512	4	0.12
Kroger	470	4	0.10	220	8	0.05
Town of Collierville	449	5	0.10	407	5	0.09
Baptist Memorial Hospital	409	6	0.09	328	6	0.07
Wal-Mart	400	7	0.09	525	3	0.12
Pepsi Beverages Company	300	8	0.07	299	7	0.07
Helena Chemical Company	250	9	0.06	-	-	-
Central Church	225	10	0.05	-	-	-
AE Clevite	-	-	-	160	9	0.04
ConStar Plastics	-	-	-	150	10	0.03
Total	<u>7,576</u>		1.69%	<u>8,742</u>		1.97%

Sources: Collierville Chamber of Commerce, U. S. Census Bureau.

¹Percentage of total Shelby County employment. (TN Dept of Labor & Workforce)

Schedule 18
Town of Collierville
Full-time City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Legislative	7	7	7	7	7	7	7	6	6	6
General Government										
Administration	5	5	5	7	7	6	6	6	6	6
Morton Museum ^a	0	0	0	0	0	0	0	0	0	1
Financial Administration	21	21	17	17	18	18	19	19	19	19
Human Resources	4	4	4	4	4	4	4	4	4	4
Information Technology	3	3	3	4	5	5	5	5	5	5
	0	0	9	8	9	11	13	13	13	13
Development										
Administration	2	2	2	1	1	2	2	3	2	2
Office of Planning	9	9	10	11	11	11	11	9	9	9
Code Enforcement	17	17	17	18	19	19	18	12	12	10
Office of Engineer	11	11	11	12	13	14	14	11	12	11
Public Safety										
Animal Services	4	4	4	4	6	6	6	6	5	5
Municipal Court	8	8	8	8	9	9	9	9	9	9
Police Department	115	118	119	127	133	140	139	138	137	137
Fire Department	66	66	66	66	67	70	70	68	68	69
Public Services										
Administration	5	5	5	5	5	5	5	5	5	5
Vehicle Maintenance	8	8	8	9	9	9	9	9	8	7
Streets and Drainage	22	22	21	23	25	25	25	24	25	25
Sanitation	33	32	32	33	34	36	36	34	32	27
Parks and Recreation	49	49	41	43	44	44	46	45	44	44
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water Distribution System	11	11	11	11	12	12	13	13	13	13
Wastewater Collection	10	10	10	10	10	10	10	10	10	10
Wastewater Treatment	8	8	8	8	8	8	7	7	7	7
Total	<u>423</u>	<u>425</u>	<u>423</u>	<u>441</u>	<u>461</u>	<u>476</u>	<u>479</u>	<u>461</u>	<u>456</u>	<u>449</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).

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

^bThe General Services department was created in FY 2005 to combine the functions of purchasing and building maintenance.

Schedule 19
Town of Collierville
Operating Indicators by Function/Program,
Last Ten Fiscal Years

<i>Function/Program</i>	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Development										
Permits issued	4,874	4,636	3,830	5,047	3,648	3,242	2,434	2,438	2,610	3,130
Inspections conducted	19,427	21,319	24,063	20,161	15,932	14,917	13,523	6,470	7,280	9,163
Police ^a										
Physical arrests	2,489	2,100	1,633	1,777	1,573	1,781	2,764	2,704	2,392	N/A
Traffic citations	16,565	9,158	8,499	11,444	9,805	9,166	10,901	9,075	9,978	N/A
DUI arrests	255	240	140	120	135	103	169	150	138	N/A
Fire										
Emergency responses	2,056	2,124	2,175	2,485	2,551	2,624	2,446	2,633	2,785	2,799
Fires extinguished	126	113	110	138	159	116	105	96	105	94
Inspections	1,986	2,201	2,518	1,803	2,948	2,300	1,609	1,740	2,659	2,637
Sanitation										
Refuse collected (tons) ^b	13,087	14,094	14,575	14,893	15,000	15,091	14,838	14,295	14,124	13,993
Recyclables collected (tons)	1,200	1,784	1,813	1,819	1,810	1,776	1,867	1,809	1,900	1,927
Other public works										
Street resurfacing (miles)	20	24	23	17	19	11	13	20	12	33
Sidewalk replacement (linear feet)	100	100	100	250	420	150	100	132	240	401
Pavement repairs ^d	525	530	350	500	500	1,044	1,057	1,909	1,138	2,889
Parks and Recreation										
Adult/youth sports participants	5,980	5,306	5,420	5,737	5,844	6,019	6,250	6,452	5,790	5,546
Community center admissions ^c	46,483	46,767	135,924	143,424	143,901	145,340	135,166	136,500	139,450	140,211
Harrell Theatre attendance	48,300	36,225	38,036	39,938	41,023	41,733	39,646	36,500	32,836	30,112
Library										
Volumes in collection	72,530	74,720	80,809	85,209	88,733	93,796	101,694	106,049	113,785	117,057
Total volumes circulated	256,207	267,225	246,339	266,049	324,185	351,133	349,731	344,280	345,914	350,044
Water										
New connections	642	508	724	520	386	312	169	139	182	154
Water main breaks	18	26	15	8	9	33	6	21	32	15
Average daily consumption (thousands of gallons)	5,038	5,522	6,182	6,883	7,342	6,996	6,222	5,950	6,821	6,803
Peak day consumption (thousands of gallons)	9,802	9,762	12,739	14,999	16,142	16,791	13,484	12,710	11,898	15,472
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,499	4,347	4,753	4,910	4,471	4,241	4,290	4,318	3,868	3,937

Sources: Various town departments.

Notes:

^aThe Police Department measures are by calendar year.

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

^cCommunity Center admissions decreased during expansion construction in FY 2003.

^dPavement repairs consists of 802 potholes and 242 major pavement repairs in FY 2008.

Schedule 20
Town of Collierville
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

<i>Function/Program</i>	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	1	1	1	0	1	0	0	0	0	0
Patrol units	52	59	59	66	72	76	80	75	75	75
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	20	21	21	22	22	22	22	22	24	24
Recycle Trucks ^a	4	4	4	4	5	5	5	5	0	0
Other public works										
Streets (miles)	299	311	228	248	260	264	261	268	278	311
Streetlights	5,088	5,290	5,489	5,775	5,920	6,200	6,291	6,515	6,576	6,599
Traffic Signals (intersections)	24	28	32	32	33	34	34	35	38	39
Parks and Recreation										
Parks	12	12	15	15	15	15	15	18	18	18
Acreage	346	385	487	487	487	487	496	625	750	750
Playgrounds	12	12	12	12	12	12	13	13	13	13
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	11	11	11	11	12	12	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	213	220	225	228	230	232	232	240	240	240
Fire hydrants	NA	NA	NA	2,832	2,860	3,010	3,010	3,010	3,103	3,103
Water treatment plants	5	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons) ^b	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	4,250	4,250
Wastewater										
Sewer mains (miles)	198	204	213	216	218	220	220	228	228	228
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	6,500	6,500	6,500	6,500	6,500	9,500	9,500	9,500	9,500	9,500

Sources: Various town departments.

Notes:

^aRecycled operations were contracted out during 2011.

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

**Schedule 21
Town of Collierville
Insurance Coverage
June 30, 2012**

TML TMP – 7718-12	Property Insurance	\$148,488,435 Buildings & Personal Property; \$984,700 Electronic Data; \$1,183,468 Mobile Equipment, \$149,671,903 Equipment Breakdown; \$5,000 Deductible Buildings, Personal Property, Equipment Breakdown; \$250 Deductible Mobile Equipment; \$250 Deductible Electronic Data Processing Equipment
TML – 0070-12	General Liability and Personal Injury	\$300,000 / \$700,000 Bodily Injury Tort Liability; \$100,000 Property Damage Tort Liability; \$100,000 Fire Damage; \$100,000 Each Impounded Property; \$100,000 Non-Monetary Defense; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$5,000,000 Each Other Loss; \$1,000,000 Catastrophic Medical
	Automobile Liability	\$300,000 / \$700,000 Bodily Injury Tort Liability; \$100,000 Property Damage Tort Liability; \$5,000,000 Each Other Loss; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$1,000,000 Catastrophic Medical
	Uninsured Motorist	\$300,000 Per Occurrence Bodily Injury; \$100,000 Property Damage
	Comprehensive, Collision	\$250 Deductible Per Occurrence; \$500 Deductible per Occurrence
	Errors or Omissions Liability	\$5,000,000 Per Occurrence; \$100,000 Non-Monetary Defense; \$1,000,000 Employee Benefits Liability; \$5,000 Deductible
TWC – 0032-11	Workman's Compensation	\$300,000 Bodily Injury Each Accident; \$700,000 Bodily Injury by Policy Limit; \$300,000 Each Employee by Disease

(Continued)

Schedule 21 – Continued

TML Insurance Pool TWC 0-0032-05	Special Risk Volunteer Auxiliary Police Medical	Unlimited
AIG Life Insurance Company SRG8051362	Special Risk Volunteer Policemen's Accidental Death, Medical and Disability	\$25,000 / \$25,000 / \$200 Weekly Benefit: \$200 Maximum: \$125,000/Accident
Brown & Associates Acct # COLPO	Sheriff's Deputy Bonds	\$50,000
RLI Insurance Co.	Notary Bonds	\$ 10,000
RLI Insurance Co.	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
Surety Bonding Co. of America	Notary Bonds	\$ 10,000
TML – 7718-12	Crime Coverage	\$250,000 Employee Dishonesty; \$250,000 Forgery or Alteration; \$250,000 Theft, Disappearance, Destruction; \$250,000 Computer Fraud; \$250,000 Other - Money Order & Counterfeit Paper Currency \$1,000 Deductible
SCVP	Town of Collierville Volunteers	\$2,500 Principal Sum; \$2,500 Capital Sum; \$25,000 Medical Indemnity

Schedule 22
Town of Collierville
Schedule of Official Bonds and Principal Officials
June 30, 2012

Official	Position	Official Bond
Stan Joyner	Mayor	
Tony Sarwar	Vice Mayor	
Tom Allen	Alderman	
Maureen Fraser	Alderman	
Jimmy Lott	Alderman	
Billy Patton	Alderman	
Lynn Carmack	Town Clerk	(1)
James Lewellen	Town Administrator	
Jane Bevill, CPA, CMFO	Finance Director	
Larry Goodwin	Police Chief	
William Kilp	Director Public Services	
Jerry Crawford	Fire Chief	
Chip Petersen	Recreation Director	
Derek Honeycutt	Director General Services	
Jason Gambone	Director Development	
Jaime Groce	Town Planner	
Phillip Lynn	Town Engineer	
(1) Lynn Carmack	Notary Bond	\$10,000
(2) All Commissioned Patrolmen	Sheriff's Deputy Bond	\$50,000

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

Schedule 23
Town of Collierville
Utility Rates in Force

Rates from July 2011 - June 2012

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

Water				Sewer			
Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$2.30	\$3.45	\$1.45	3/4"	\$3.50	\$11.20	\$2.60
1"	2.30	8.63	1.45	1"	3.50	28.00	2.60
2"	2.30	27.60	1.45	2"	3.50	89.60	2.60
3"	2.30	51.75	1.45	3"	3.50	168.00	2.60
4"	2.30	86.25	1.45	4"	3.50	280.00	2.60
6"	2.30	172.50	1.45	6"	3.50	560.00	2.60
8"	2.30	276.00	1.45	8"	3.50	896.00	2.60

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$2.30	\$5.18	\$2.18	3/4"	\$3.50	\$16.80	\$3.90
1"	2.30	12.95	2.18	1"	3.50	42.00	3.90
2"	2.30	41.44	2.18	2"	3.50	134.40	3.90
				3"	3.50	252.00	3.90
				4"	3.50	420.00	3.90
				6"	3.50	840.00	3.90
				8"	3.50	1,344.00	3.90

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge
2"	\$2.30	\$31.74	\$1.67
6"	2.30	198.38	1.67
8"	2.30	317.40	1.67
10"	2.30	456.26	1.67

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

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

Unmetered Cotton Creek customers: \$55.40

Carrier Special Charge:

Volume Charge (per 1,000 gal): \$1.30

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

Number of Customers at Year-end:

Water	16,075
Sewer	14,727
Sanitation	14,072

Schedule 24
 Town of Collierville
 Unaccounted for Water
 June 30, 2012

(All Amounts in Gallons)

A Water Treated and Purchased:

B	Water Pumped	2,486,643,000	
C	Water Purchased	3,333,000	
D	Total Water Treated and Purchased		2,489,976,000

E Accounted for Water:

F	Water Sold	2,302,870,500	
G	Metered for Consumption (in house usage)	0	
H	Fire Department(s) Usage	0	
I	Flushing	0	
J	Tank Cleaning/Filling	0	
K	Street Cleaning	0	
L	Bulk Sales	0	
M	Water Bill Adjustments		
N	Total Accounted for Water (Sum Lines F thru M)		2,302,870,500
O	Unaccounted for Water (Line D minus Line N)		187,105,500
P	Percent Unaccounted for Water (Line O divided by Line D times 100)		7.51

Q Other (explain)

NONE.

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a zero is shown.

COMPLIANCE SECTION

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

For the Year Ended June 30, 2012

CFDA Number	Grant Number	Program Name	Grantor Agency
Federal Awards			
16.607	16.607 FY '09	Bulletproof Vest Partnership Grant	Department of Justice
16.607	16.607 FY '11	Bulletproof Vest Partnership Grant	Department of Justice
20.607	Z-12-GHS066 (1)	GHSO MVP-DUI 2011	Department of Transportation
97.036	FEMA-1851-DR-TN	Presidential Disaster Recovery (June 2009)	Department of Homeland Security
97.036	FEMA-1909-DR-TN	Presidential Disaster Recovery (May 2010)	Department of Homeland Security
97.044	EMW-2011-FO-08631	Assistance to Firefighters Grant 2011	FEMA/Department of Homeland Security
97.067	09UASI-COLL	Urban Area Security Initiative 2009	FEMA/Department of Homeland Security
97.067	10UASI-COLL	Urban Area Security Initiative 2010	FEMA/Department of Homeland Security
20.205	TDOT #090195 (1)	Highway Planning and Construction	Department of Transportation
20.205	TDOT #090197 (1)	Highway Planning and Construction	Department of Transportation
20.205	TDOT #090201 (1)	Highway Planning and Construction	Department of Transportation
20.205	TDOT #090232 (1)	Highway Planning and Construction	Department of Transportation
20.205	HSIP-R00S(53) (1)	Highway Planning and Construction	Department of Transportation
20.205	TDOT #110124 (1)	Highway Planning and Construction	Department of Transportation
20.205	TDOT #7687 Project # 79469-2102-44 (1)	Utility Relocation Program	Department of Transportation
14.218 (3)	11 11352 (1)	Community Development Block Grant/ Small Cities Program	Department of Housing and Urban Development
A.R.R.A. Funded Projects			
20.205	ARRA-STP-M-811(112) TDOT #090083 (1)(2)	Highway Planning and Construction (A.R.R.A.)	Department of Transportation
14.253 (3)	CA108197 (2)	Community Development Block Grant/ Small Cities Program (A.R.R.A.)	Department of Housing and Urban Development
81.128	DE-DD000308 (2)	Energy Efficiency and Conservation Block Grant Program (A.R.R.A.)	Department of Energy
			Total Federal Awards
State Awards			
n/a	n/a	Tennessee Tourism Partnership Marketing Program 2011-2012	State of Tennessee Department of Tourist Development
			Total State Awards
			Total Federal and State Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Town of Collierville and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

- (1) Grant represents a federal award that has been passed through the State of Tennessee and bears a state grant number
- (2) Funds were granted through the American Recovery and Reinvestment Act ("A.R.R.A.")
- (3) This community development block grant is part of a program cluster

See independent auditors' report.

Grants Receivable (Deferred) June 30, 2011	Cash Receipts	Expenditures	Grants Receivable (Deferred) June 30, 2012
\$ 463	\$ 463	\$ -	\$ -
-	-	2,343	2,343
-	4,176	8,426	4,250
38,527	38,527	-	-
270	336	66	-
-	171,261	171,261	-
-	82,300	82,300	-
-	-	82,345	82,345
-	4,082	28,783	24,701
-	(9,744)	(9,744)	-
557,032	593,236	36,204	-
-	3,413	58,546	55,133
130	4,040	3,910	-
-	2,728	290,403	287,675
13,836	13,836	-	-
-	22,530	22,530	-
8,773	28,484	19,711	-
7,642	55,586	47,944	-
(114,102)	-	114,102	-
<u>512,571</u>	<u>1,015,254</u>	<u>959,130</u>	<u>456,447</u>
-	616	2,549	1,933
-	616	2,549	1,933
<u>\$ 512,571</u>	<u>\$ 1,015,870</u>	<u>\$ 961,679</u>	<u>\$ 458,380</u>



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town"), as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 17, 2012. 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.

Internal Control Over Financial Reporting

Management of the Town is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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*.

This report is intended solely for the information and use of the Mayor and Board of Aldermen, Town management, others within the entity, the State of Tennessee Comptroller's Office - Division of Municipal Audit, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

December 17, 2012



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the Town of Collierville, Tennessee (the "Town"), with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2012. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contract and grants applicable to its federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on

internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Mayor and Board of Aldermen, Town management, others within the entity, the State of Tennessee Comptroller's Office - Division of Municipal Audit, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

December 17, 2012

Town of Collierville, Tennessee

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2012

PART I – SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report on the financial statements of the Town of Collierville, Tennessee (the "Town"), dated December 17, 2012, expressed an unqualified opinion.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the 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* (report dated December 17, 2012)
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 (report dated December 17, 2012).
5. The Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133, dated December 17, 2012, expressed an unqualified opinion.
6. There were no audit findings relative to the major federal awards programs that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Town's major programs were the Highway Planning and Construction Program (CFDA 20.205) and the Urban Area Security Initiative (CFDA 97.067).
8. A threshold of \$300,000 was used to distinguish between Type A and Type B Programs as those terms are defined in OMB Circular A-133.
9. The Town does not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II – FINDINGS – FINANCIAL STATEMENTS AUDIT

N/A

PART III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS

N/A