

TOWN OF COLLIERVILLE T E N N E S S E E



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

TOWN OF COLLIERVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014

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 16, 2014

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, 2014.

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, 2014, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Collierville's financial statements for the fiscal year ended June 30, 2014, 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 an estimated population of 47,171. The Town of Collierville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

The Town of Collierville operates under a Private Acts Charter. The present charter was adopted in 2001. Collierville is a mayor-aldermanic/town administrator form of government. Policy-making and legislative authority are vested in a board consisting of the mayor and five aldermen. The board is responsible, among other things, for passing ordinances, adopting the budget, adopting the tax rate and setting fees, appointing boards and commissions, and appointing the town administrator and department heads. The town administrator is responsible for carrying out the policies and ordinances of the board and for overseeing the day-to-day operations of the Town. The board is elected on a non-partisan basis by popular vote and members serve four-year staggered terms. Elections occur every two years in November. The most recent election was in November 2014.

The Town of Collierville provides a full range of services, including police, fire, and paramedic services; the construction and maintenance of highways, streets, and other infrastructure; planning and zoning services; sanitation; recreational activities; 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. In anticipation of funding a separate municipal school system for the Town, the citizens voted to increase the local option sales tax by one-half percent in August 2012. The Town successfully created a municipal school system which became operational for the 2014-2015 school year beginning in August 2014.

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 and general purpose school fund, this comparison is presented on pages 29-37 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 86.

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 development potential in Collierville is rebounding with 9 new commercial permits valued at \$40,615,103 and another 65 permits for additions to existing buildings valued at \$5,708,906. There are several projects in the approval process that are expected to begin construction or be completed during the next fiscal year, including a new indoor sports and rehabilitation facility (D-1 Sports); Panda Express; 63 cottage homes in an initial phase of a large retirement center complex (Farms at Baily Station), 2-story 60 bed assisted living facility; a multiple bay commercial building in the Houston Levee Galleria, the reuse of a former public school site in downtown Collierville for a branch of the University of Memphis; three new gas stations/convenience stores, an O'Reilly Auto Parts store, a discount tire automotive repair facility, the Town's first bed and breakfast (Stratton House) near the Historic Square; and around 500 new apartment units (The Signature, The Carrington, and South Street Station).

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. There were 158 new permits in 2012 valued at \$50,085,160, 159 in 2013 valued at \$50,100,200, and 131 in 2014 valued at \$46,095,170. 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, 219 in 2012, and 227 in 2013. In 2014 there were 226 additions valued at \$4,735,632.

LONG-TERM FINANCIAL PLANNING

Previous to fiscal 2009, the Town had seven years of operating surpluses, increasing total General Fund balance to \$26.14 million or 67.3% of annual revenues and unassigned fund balance to \$16.13 million or 41.5% of annual revenues. With the downturn in the national, state and local economy, the Town's financial position remained strong despite decreases in General Fund fund balance in fiscal 2009 and 2010. This was accomplished with prudent financial management, solid reserves, and a formalized fund balance policy which requires reserves equal to 25% of annual operating expenses. This fund balance policy has allowed the Town to maintain adequate levels of reserve funds for emergencies and cash flow management. In fiscal 2013 fund balance increased \$6,892,779 and in 2014 it increased \$5,823,934. Collierville holds the highest possible bond rating from Moody's, Aaa.

Part of the Town's long-range financial plan is to provide retirement and post-employment benefits to employees. The Town provides three retirement plans to full-time employees. During FY 2007, the Town created a defined benefit pension plan to be administered by the Town. The Town's actuarially determined rate for the current fiscal year was 12.6% 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 in a trust. Additional information on the Town of Collierville's pension arrangements and post-employment benefits can be found in Notes 11 and 17 in the notes to the financial statements.

Planning and review of the FY 2015 budget began in January 2014. The growth that the Town had been experiencing began to slow considerably during FY 2009. 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. In FY 2014, the tax rate increased due to a reappraisal of property in Collierville, nine full-time positions were added, two part-time positions were made full-time, and two full-time positions were eliminated. For the FY 2015 budget, there was no tax increase, and there was an increase of six full-time positions and one part-time position was changed to full-time.

MAJOR INITIATIVES

To keep pace with the transportation needs of the growing population of residents and businesses, over the past four years the Town allocated over \$5.4 million for design and construction of road projects, along with several other intersection and roadway improvements within the Town's interior. These projects have helped to improve traffic flow and the livability of the entire community.

The Tennessee Department of Transportation (TDOT) has 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 Nonconnah/385 loop around Memphis was completed. 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 phase 1 of the Collierville Center Connect project and an additional award for phase 2 of \$880,000, which includes significant road and streetscape improvements to Center Street, one of the Town's more significant gateways to Downtown from Highway 72. Work on the environmental assessments has begun for the Collierville Center Connect with design and construction for both phases expected to start in 2015.


AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Collierville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty-second 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, 2013. This was the seventeenth 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 unflinching 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Collierville
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

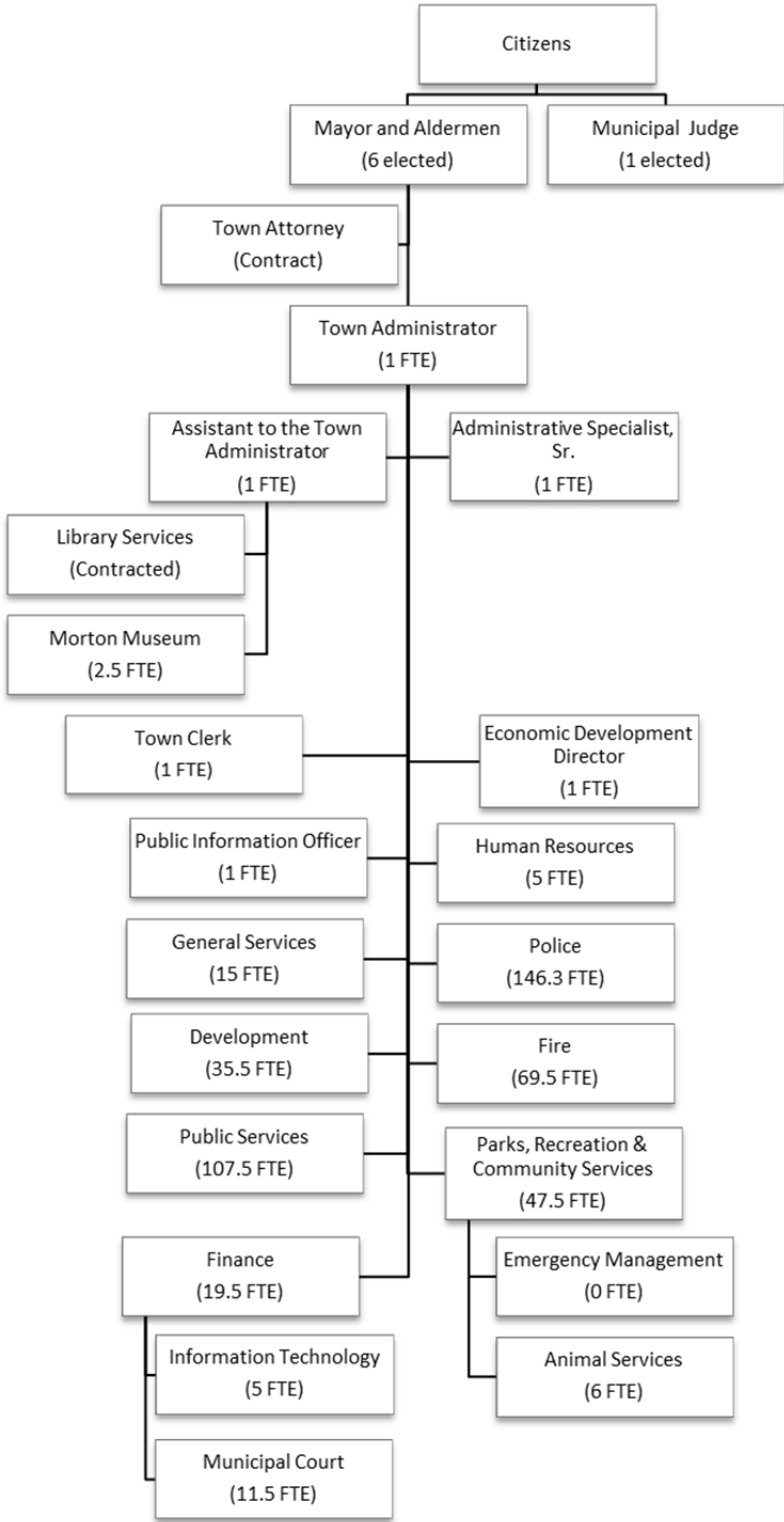
June 30, 2013

Executive Director/CEO

TOWN OF COLLIERVILLE

ORGANIZATION CHART

June 30, 2014



TOWN OF COLLIERVILLE

TOWN OFFICIALS

June 30, 2014

Mayor

Stan Joyner
(2012 - 2016*)

Aldermen

Maureen Fraser, Vice Mayor (2012 - 2014*)

Tom Allen (2010- 2014*)

Jimmy Lott (2012 - 2016*)

Billy Patton (2010- 2014*)

John Worley (2012 - 2016*)

Town Attorney

Nathan Bicks

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. We have also audited each of the Town's fiduciary funds financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and each of the fiduciary funds of the Town of Collierville, Tennessee as of June 30, 2014, and the respective changes in financial position and; where applicable, cash flows thereof and the budgetary comparison for the General Fund and General Purpose School Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 12-22) and certain pension and post-employment benefit information (pages 81-85) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and related schedules – budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards 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 Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and related schedules – budget and actual, supporting schedules, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and related schedules – budget and actual, supporting schedules, and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

December 16, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of the Town of Collierville exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$345,012 (reported as *net position*). Of this amount, \$52,153 (reported as *unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$58,388. This increase is attributable to revenue exceeding expenses and a transfer of operations to Collierville Municipal Schools from Shelby County Schools.
- As of the close of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$43,069 an increase of \$7,852 in comparison with the prior year. Approximately 40 percent of this total amount, \$17,203 is *unassigned fund balance*, 19 percent is *restricted fund balance*, 37 percent is assigned fund balance, 4 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 \$17,717 or 42 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal increased by \$2,421 (4.3 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of Collierville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Collierville include legislative, general government, education, roads and public works, public safety, sanitation, 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 23-24 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 eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general purpose school fund, and the CIP fund 321. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Collierville adopts an annual appropriated budget for its general fund and the general purpose school fund. Budgetary comparison statements have been provided for these

funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 25-37 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 38-41 of this report.

Fiduciary funds. The Town of Collierville maintains two fiduciary funds. *Fiduciary funds* account for assets held in a trustee capacity or as an agent for individuals. The Town of Collierville uses a fiduciary fund to account for the activities and accumulation of resources for payments to qualified participants and investments held by external organizations. The pension plan fund accounts for transactions related to the Town-sponsored defined benefit pension plan. The OPEB fund accounts for transactions related solely to retiree group medical benefits for which the Town is self-insured. The basic fiduciary fund financial statements can be found on pages 42-43 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 44-80 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 81-85 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 86-96 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Collierville, assets and deferred outflows exceeded liabilities and deferred inflows by \$345,012 (*reported as net position*) at the close of the most recent fiscal year.

By far the largest portion of the Town of Collierville's net position (81.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Collierville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Collierville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Collierville's net position (3.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$52,153) represents *unrestricted net position* and may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Collierville's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current and other assets	\$ 75,284	\$ 64,994	\$ 30,174	\$ 28,849	\$ 105,458	\$ 93,843
Capital assets	242,284	184,512	93,755	93,855	336,039	278,367
Total assets	<u>317,568</u>	<u>249,506</u>	<u>123,929</u>	<u>122,704</u>	<u>441,497</u>	<u>372,210</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>741</u>	<u>779</u>	<u>1,653</u>	<u>1,816</u>	<u>2,394</u>	<u>2,595</u>
LIABILITIES						
Long-term liabilities outstanding	36,001	26,250	25,073	27,331	61,074	53,581
Other liabilities	11,216	8,569	3,699	3,232	14,915	11,801
Total liabilities	<u>47,217</u>	<u>34,819</u>	<u>28,772</u>	<u>30,563</u>	<u>75,989</u>	<u>65,382</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,876</u>	<u>22,784</u>	<u>14</u>	<u>14</u>	<u>22,890</u>	<u>22,798</u>
NET POSITION						
Net investment in capital assets	214,192	158,108	66,444	64,339	280,636	222,447
Restricted	8,205	4,955	4,018	2,905	12,223	7,860
Unrestricted	25,819	29,618	26,334	26,699	52,153	56,317
Total net position	<u>\$ 248,216</u>	<u>\$ 192,681</u>	<u>\$ 96,796</u>	<u>\$ 93,943</u>	<u>\$ 345,012</u>	<u>\$ 286,624</u>

The Town implemented two new Governmental Accounting Standards Board (GASB) Statements in the current fiscal year that significantly changed the current year's presentation.

GASB Statement No. 67: This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

At the end of the current fiscal year, the Town of Collierville is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net position increased by \$58,388 during the current fiscal year. This increase is attributable to revenue exceeding expenses and the transfer of operations to Collierville Municipal Schools from Shelby County Schools.

Town of Collierville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charges for Services	\$ 7,912	\$ 7,508	\$ 13,373	\$ 12,980	\$ 21,285	\$ 20,488
Operating grants and contributions	1,634	2,107	-	-	1,634	2,107
Capital grants and contributions	2,455	7,875	351	4	2,806	7,879
General Revenues:						
Property taxes	22,422	21,971	-	-	22,422	21,971
Other local taxes	18,289	16,629	-	-	18,289	16,629
State sales tax	3,438	3,349	-	-	3,438	3,349
State income and other taxes	1,462	1,334	-	-	1,462	1,334
Other state revenues	104	104	-	-	104	104
Other	400	488	407	423	807	911
Total revenues	<u>58,116</u>	<u>61,365</u>	<u>14,131</u>	<u>13,407</u>	<u>72,247</u>	<u>74,772</u>
EXPENSES						
Legislative	283	197	-	-	283	197
General government	8,331	8,252	-	-	8,331	8,252
Education	1,493	-	-	-	1,493	-
Roads and public works	8,310	8,891	-	-	8,310	8,891
Public safety	21,767	20,485	-	-	21,767	20,485
Sanitation	3,721	3,157	-	-	3,721	3,157
Drug fund	29	18	-	-	29	18
Culture and recreation	5,121	4,626	-	-	5,121	4,626
Interest on long-term debt	1,207	1,207	-	-	1,207	1,207
Water and sewer	-	-	10,488	10,905	10,488	10,905
Total expenses:	<u>50,262</u>	<u>46,833</u>	<u>10,488</u>	<u>10,905</u>	<u>60,750</u>	<u>57,738</u>
Increase in net position before special items and transfers	7,854	14,532	3,643	2,502	11,497	17,034
Special item - litigation settlement	(5,324)	-	-	-	(5,324)	-
Special item - transfer of operations	52,215	-	-	-	52,215	-
Transfers	790	754	(790)	(754)	-	-
Increase/(Decrease) in net position	55,535	15,286	2,853	1,748	58,388	17,034
Net position-beginning of the year as adjusted	192,681	177,395	93,943	92,195	286,624	269,590
Net position-ending	<u>\$ 248,216</u>	<u>\$ 192,681</u>	<u>\$ 96,796</u>	<u>\$ 93,943</u>	<u>\$ 345,012</u>	<u>\$ 286,624</u>

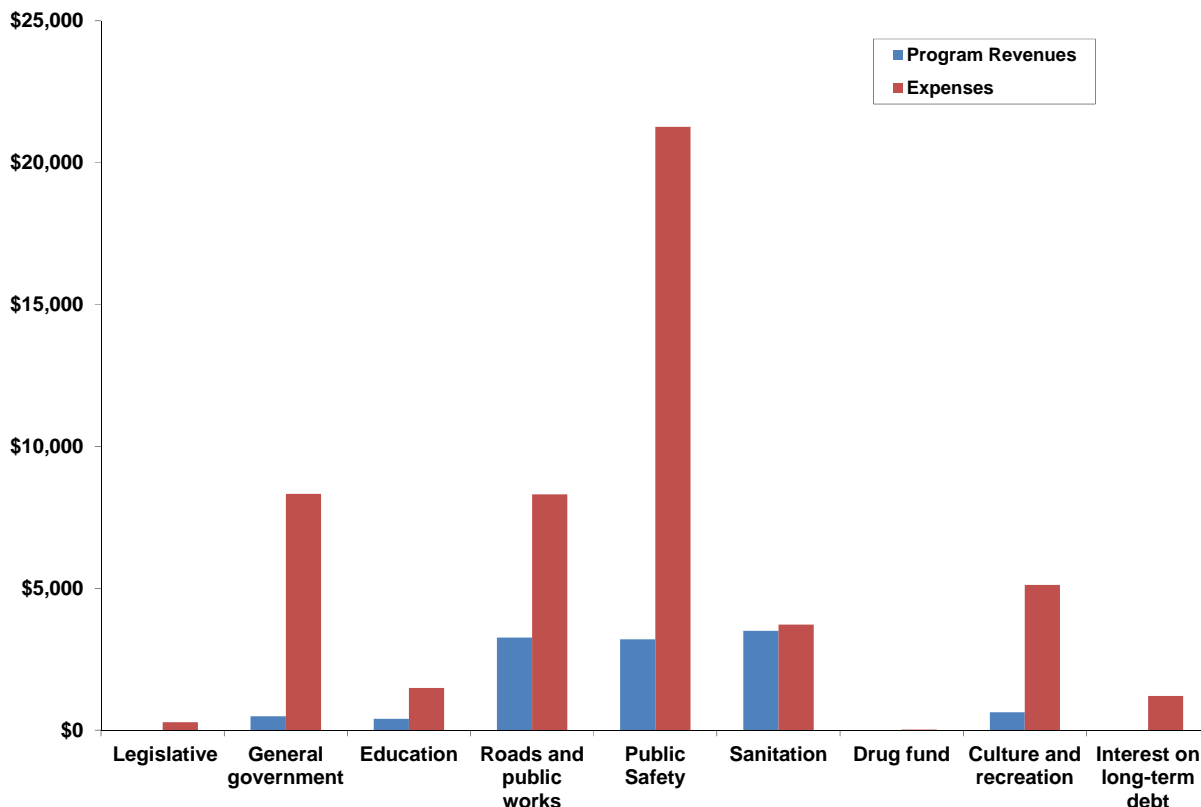
Governmental activities. Governmental activities increased the Town of Collierville's net position by \$55,535. This increase is attributable to revenue exceeding expenses and the transfer of operations to Collierville Municipal Schools from Shelby County Schools. The main increase in revenue was other local taxes which increased \$1,660 or 10% percent over the prior year. These taxes include local option sales tax, wholesale beer and liquor taxes, automobile registration and business, cable TV and hotel/motel taxes. Property taxes increased \$451. Charges for services increased by \$404. Operating grants and contributions decreased \$473, and capital grants and contributions decreased \$5,420.

Business-type activities. Business-type activities increased the Town of Collierville's net position by \$2,853. 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

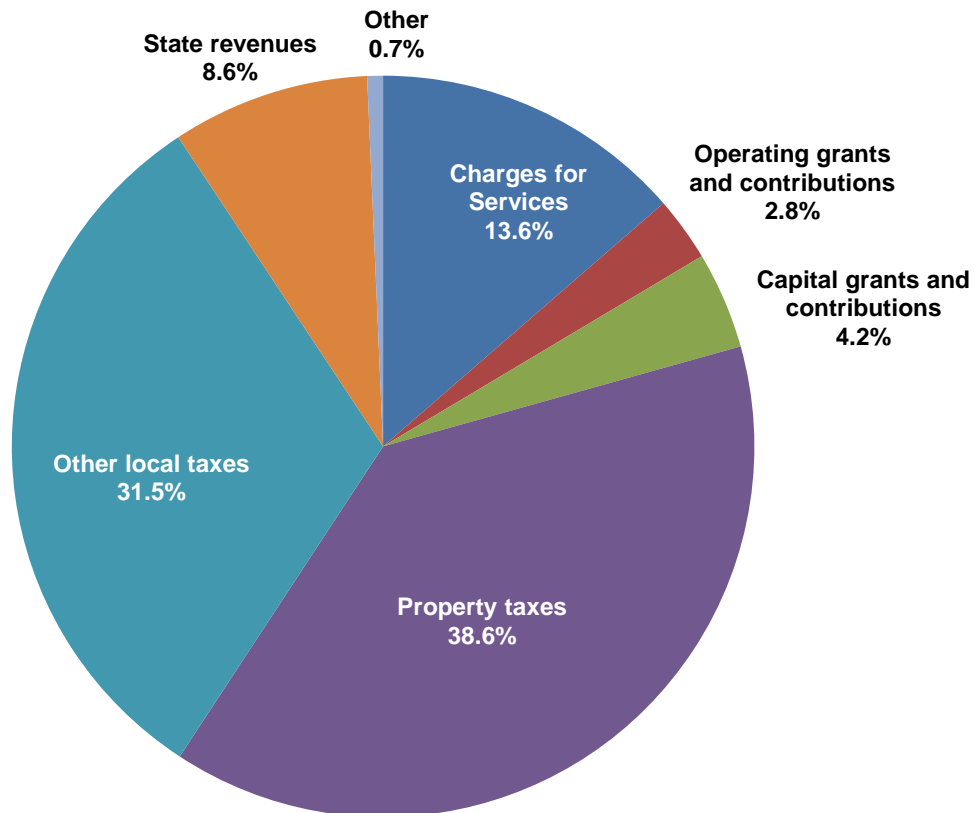


Governmental funds. The focus of the Town of Collierville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville's financing requirements. In particular, *unassigned fund 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 \$43,069 an increase of \$7,852 in comparison with the prior year. The *unassigned fund balance*, of \$17,203 is 39.9 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 \$15,833 represents funds which the Board of Mayor and Aldermen has assigned for specific purposes. The unassigned portion includes an amount equal to 25 percent of budgeted expenses in general fund to comply with a policy of the board to maintain as an operating reserve. More details of the fund balances can be found in Note 10 of this report.

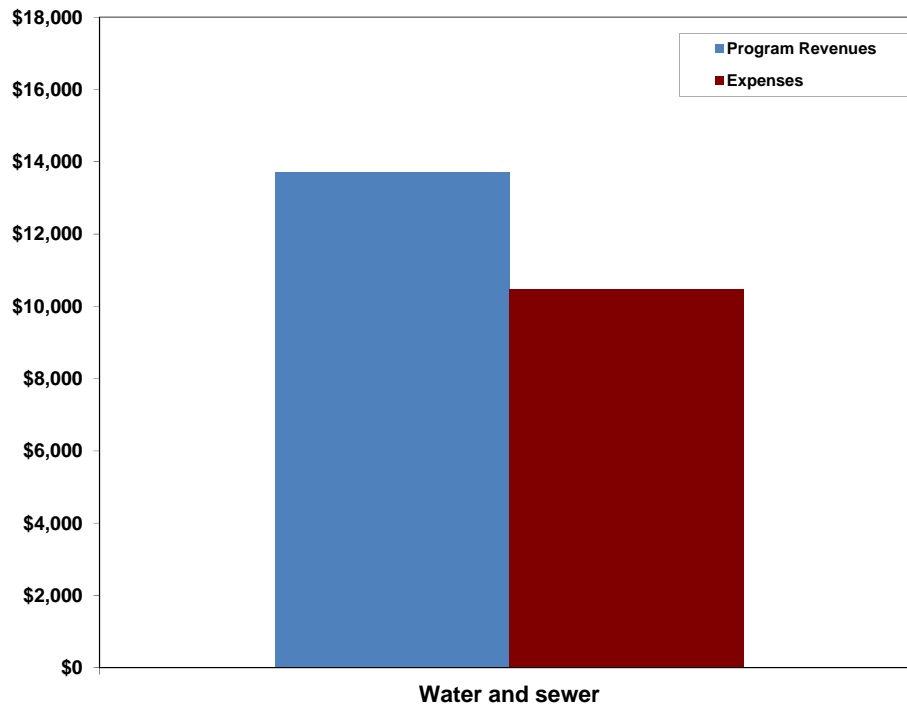
Revenues by Source – Governmental Activities



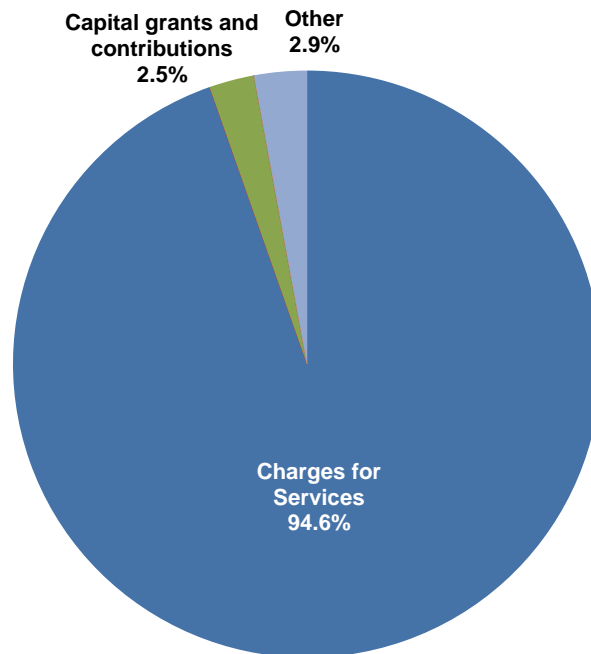
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,717 while total fund balance was \$36,786. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 42.2 percent of total general fund expenditures, while total fund balance represents 87.6 percent of that same amount.

The fund balance of the Town of Collierville's general fund increased by \$5,824 during the current fiscal year. This is primarily due to an excess of revenue over expenditures. Other governmental funds fund balances increased by \$2,450 due to bond proceeds in the capital projects fund.

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 position of the water and sewer operation at the end of the year amounted to \$26,334. 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 \$890. The main components of the increase were:

- \$108 appropriation for consulting fees associated with the creation of a municipal school district.
- \$626 appropriation for the annual street overlay project.

The total positive variance of \$2,907 between final budget and actual revenues includes negative variances of \$47 in charges for services and \$7 in interest on investments and positive variances of \$706 in property tax, \$715 in other local taxes, \$29 in federal grants, \$531 in state revenues, \$104 in licenses and permits, \$222 in fines and costs, \$633 in contributions, and \$20 in other revenue.

Of the total positive variance of \$2,181 between final budget and actual expenditures, \$626 was in general government, \$853 in roads and public works, \$176 in public safety, \$332 in culture and recreation, \$51 in special appropriations, \$123 was in capital expenditures, and \$9 in debt service. These variances are attributed to conservative spending.

General Purpose School Fund Budgetary Highlights

The original appropriations were amended by \$839. The main components of the increase were:

- \$127 appropriation for human resources.
- \$103 appropriation for operation of plant.
- \$139 appropriation for capital outlay.
- \$295 appropriation for contractual services for financial and transportation software.

Of the total positive variance of \$599 between final budget and actual expenditures, \$178 was in student services support, \$89 in regular instruction support, \$41 in maintenance of plant, \$48 in transportation and planning, \$84 in technology, and \$150 was in capital expenditures. These variances are attributed to delayed hiring of personnel.

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, 2014, amounts to \$336,039 (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 \$57,672 or 20.7 percent. The increase for governmental activities was \$57,772 or 31.3 percent and the decrease for business-type activities was \$100 or .1 percent.

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

- Governmental activities assets acquired during the year included \$52,215 in buildings, land, and equipment received from Shelby County in a transfer of operations to Collierville Schools.
- Transfers from construction-in-progress included a large drainage project for \$801, additional miscellaneous drainage projects for \$253 and an intersection widening and improvement for \$347.
- For governmental activities new equipment purchases totaled \$1,792.
- Additions to water and sewer infrastructure included \$39 of new water and sewer lines.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 24,512	\$ 19,318	\$ 939	\$ 476	\$ 25,451	\$ 19,794
Buildings and improvements	75,433	28,704	11,807	12,263	87,240	40,967
Other improvements	9,909	9,329	1,139	1,207	11,048	10,536
Library materials	1,176	1,220	-	-	1,176	1,220
Equipment	9,477	7,875	1,497	1,543	10,974	9,418
Infrastructure	113,415	114,256	-	-	113,415	114,256
Distribution and collection systems	-	-	75,609	78,046	75,609	78,046
Construction in progress	8,362	3,810	2,764	320	11,126	4,130
Total	<u>\$ 242,284</u>	<u>\$ 184,512</u>	<u>\$ 93,755</u>	<u>\$ 93,855</u>	<u>\$ 336,039</u>	<u>\$ 278,367</u>

Additional information on the Town of Collierville's capital assets can be found in Note 7 of this report.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 32,283	\$ 27,553	\$ 7	\$ 12	\$ 32,290	\$ 27,565
Notes payable	572	846	-	-	572	846
Revenue bonds	-	-	25,520	27,550	25,520	27,550
Total	<u>\$ 32,855</u>	<u>\$ 28,399</u>	<u>\$ 25,527</u>	<u>\$ 27,562</u>	<u>\$ 58,382</u>	<u>\$ 55,961</u>

Long-term debt. At the end of the current fiscal year, the Town of Collierville had total bonded debt outstanding of \$58,382. Of this amount, \$32,862 comprises debt backed by the full faith and credit of the government.

The Town's total debt principal increased by \$2,421 (4.3 percent) during the current fiscal year. The Town has no legal debt limit. During the year, the Town issued \$7.7 million in new 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 8 of this report.

Economic Factors and New Year's Budget and Rates

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in May 2014 was 7.5 percent compared to the national rate of 6.3 percent. Collierville's unemployment rate of 5.4 percent was considerably lower than that of the larger MSA and lower than the national rate as well.
- The number of permits for commercial development decreased 25 percent, and permits for residential development decreased 17.6 percent in fiscal year 2014. The value of commercial permits increased by 98.5 percent while the value of residential permits decreased by 8 percent.
- The creation of a Collierville school system is expected to have a positive impact on development within the Town in the coming years.
- The value of real property increased by .5 percent.
- Local option sales tax revenue is monitored on a monthly basis. Revenue increased the first two quarters of 2014 by 2.0 percent.
- The maintenance of effort provided to the new school system was funded from the .5% increase in the local option sales tax.
- The property tax rate remained the same at \$1.53 per \$100 assessed valuation for fiscal year 2015 budget.
- The total Town budget increased approximately \$66,000 due to the creation of the new school system.
- The Town has considered the current economic trends while working with fiscal year 2015 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 POSITION

June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,240,112	\$ 1,907,411	\$ 16,147,523
Investments	29,458,982	23,063,543	52,522,525
Restricted investments	-	4,017,819	4,017,819
Receivables, net of allowance for uncollectible accounts			
Property taxes	23,262,300	-	23,262,300
Sales, income, and other taxes	5,069,211	-	5,069,211
Federal and state grants	27,596	-	27,596
Accounts	435,619	767,565	1,203,184
Unbilled accounts	-	798,621	798,621
Due from other governments	213,590	-	213,590
Internal balances	497,820	(497,820)	-
Inventories	253,315	101,689	355,004
Prepaid expenses	14,652	14,850	29,502
Capital assets not being depreciated	32,873,791	3,702,871	36,576,662
Capital assets being depreciated, net	209,409,745	90,052,186	299,461,931
Pension asset	1,811,730	-	1,811,730
Total assets	<u>317,568,463</u>	<u>123,928,735</u>	<u>441,497,198</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refundings	740,483	1,653,663	2,394,146
Total deferred outflows of resources	<u>740,483</u>	<u>1,653,663</u>	<u>2,394,146</u>
LIABILITIES			
Accounts payable and accrued liabilities	6,175,894	1,084,790	7,260,684
Accrued interest	191,231	120,163	311,394
Due to other governmental entities	21,397	23,424	44,821
Due to fiduciary trusts	34,252	-	34,252
Deposits	223,094	126,345	349,439
Other postemployment benefits			
Due in more than one year	251,852	-	251,852
Other liabilities			
Expected to be paid within one year	1,558,433	80,917	1,639,350
Expected to be paid after one year	5,443,444	25,373	5,468,817
Bonds and notes payable			
Due within one year	3,012,056	2,263,408	5,275,464
Due in more than one year	30,305,769	25,047,319	55,353,088
Total liabilities	<u>47,217,422</u>	<u>28,771,739</u>	<u>75,989,161</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax	22,861,702	-	22,861,702
Other	14,263	-	14,263
Development fees	-	14,200	14,200
Total deferred inflows of resources	<u>22,875,965</u>	<u>14,200</u>	<u>22,890,165</u>
NET POSITION			
Net investment in capital assets	214,192,052	66,444,330	280,636,382
Restricted			
General government	4,444,997	-	4,444,997
Roads and public works	2,197,465	-	2,197,465
State street aid	634,085	-	634,085
Public safety	928,538	-	928,538
Water and sewer development	-	4,017,819	4,017,819
Unrestricted	25,818,422	26,334,310	52,152,732
Total net position	<u>\$ 248,215,559</u>	<u>\$ 96,796,459</u>	<u>\$ 345,012,018</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, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities:							
Legislative	\$ 282,947	\$ -	\$ -	\$ -	\$ (282,947)	\$ -	\$ (282,947)
General government	8,330,982	312,452	58,014	124,785	(7,835,731)	-	(7,835,731)
Education	1,492,580	397,168	-	-	(1,095,412)	-	(1,095,412)
Roads and public works	8,310,099	695,312	1,373,973	1,200,276	(5,040,538)	-	(5,040,538)
Public safety	21,767,310	2,526,556	169,891	1,008,805	(18,062,058)	-	(18,062,058)
Sanitation	3,721,153	3,497,305	4,705	-	(219,143)	-	(219,143)
Drug fund	29,003	-	-	-	(29,003)	-	(29,003)
Culture and recreation	5,120,963	483,247	27,900	120,960	(4,488,856)	-	(4,488,856)
Interest and fiscal charges	1,207,195	-	-	-	(1,207,195)	-	(1,207,195)
Total governmental activities	50,262,232	7,912,040	1,634,483	2,454,826	(38,260,883)	-	(38,260,883)
Business-type activities:							
Water and sewer	10,488,286	13,373,538	-	350,862	-	3,236,114	3,236,114
Total primary government	<u>\$ 60,750,518</u>	<u>\$ 21,285,578</u>	<u>\$ 1,634,483</u>	<u>\$ 2,805,688</u>	<u>(38,260,883)</u>	<u>3,236,114</u>	<u>(35,024,769)</u>
General revenues:							
Taxes:							
Property taxes					22,421,859	-	22,421,859
Local option sales tax					13,894,730	-	13,894,730
Business, cable tv, and hotel/motel taxes					1,631,642	-	1,631,642
Automobile registration fees					1,101,383	-	1,101,383
Wholesale beer and liquor tax					841,193	-	841,193
Other local taxes and fees					820,648	-	820,648
Intergovernmental revenues:							
State sales tax					3,437,591	-	3,437,591
State income and other taxes					1,461,550	-	1,461,550
Other state revenues					103,704	-	103,704
Interest income					35,908	249,936	285,844
Other					363,688	157,928	521,616
Special item - litigation settlement					(5,324,494)	-	(5,324,494)
Special item - transfer of operations					52,215,436	-	52,215,436
Transfers					790,493	(790,493)	-
Total general revenues, special items and transfers					93,795,331	(382,629)	93,412,702
Change in net position					55,534,448	2,853,485	58,387,933
Net position - beginning					192,681,111	93,942,974	286,624,085
Net position - ending					<u>\$ 248,215,559</u>	<u>\$ 96,796,459</u>	<u>\$ 345,012,018</u>

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

TOWN OF COLLIERVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 12,729,358	\$ 5,550	\$ -	\$ 1,505,204	\$ 14,240,112
Investments	23,049,746	-	-	6,409,236	29,458,982
Receivables, net					
Property taxes	23,262,300	-	-	-	23,262,300
Sales, income, and other taxes	5,069,211	-	-	-	5,069,211
Federal and state grants	15,324	-	12,272	-	27,596
Accounts	108,096	349,281	7,470	-	464,847
Due from other governments	-	-	-	213,590	213,590
Due from other funds	563,306	-	759,146	748,755	2,071,207
Advances to other funds	1,080,000	-	-	-	1,080,000
Inventories	163,628	-	-	89,687	253,315
Prepaid expenses	9,099	5,553	-	-	14,652
Total assets	<u>\$ 66,050,068</u>	<u>\$ 360,384</u>	<u>\$ 778,888</u>	<u>\$ 8,966,472</u>	<u>\$ 76,155,812</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 3,095,561	\$ 296,012	\$ 688,018	\$ 1,680,397	\$ 5,759,988
Due to other governmental entities	21,397	-	-	-	21,397
Due to other funds	1,975,679	64,372	-	1,114	2,041,165
Advances from other funds	-	-	-	1,080,000	1,080,000
Due to fiduciary trusts	34,252	-	-	-	34,252
Deposits	223,094	-	-	-	223,094
Total liabilities	<u>5,349,983</u>	<u>360,384</u>	<u>688,018</u>	<u>2,761,511</u>	<u>9,159,896</u>
DEFERRED INFLOWS OF RESOURCES					
Property tax	23,415,873	-	-	-	23,415,873
State sales and income tax	467,988	-	-	-	467,988
Other	30,516	-	-	12,975	43,491
Total deferred inflows of resources	<u>23,914,377</u>	<u>-</u>	<u>-</u>	<u>12,975</u>	<u>23,927,352</u>
FUND BALANCES					
Nonspendable	172,028	-	-	89,687	261,715
Restricted	1,508,576	-	80,250	6,616,259	8,205,085
Committed	1,565,296	-	-	-	1,565,296
Assigned	15,822,524	-	10,620	-	15,833,144
Unassigned	17,717,284	-	-	(513,960)	17,203,324
Total fund balances	<u>36,785,708</u>	<u>-</u>	<u>90,870</u>	<u>6,191,986</u>	<u>43,068,564</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 66,050,068</u>	<u>\$ 360,384</u>	<u>\$ 778,888</u>	<u>\$ 8,966,472</u>	<u>\$ 76,155,812</u>

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

TOWN OF COLLIERVILLE, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

June 30, 2014

Total fund balances, governmental funds	\$ 43,068,564
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	242,283,536
Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds.	740,483
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 are included in governmental activities in the statement of net position.	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 position.	1,811,730
Accrued interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds.	(191,231)
Deferred inflows of resources and related accounts receivable are not available to pay for current period expenditures and therefore are excluded from the governmental funds.	1,022,161
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 position.	(251,852)
Liabilities, including bonds payable, compensated absences, and a special item related to settlement of litigation are not due and payable in the current period and therefore are not reported in the funds.	<u>(40,319,702)</u>
Net position of governmental activities	<u><u>\$ 248,215,559</u></u>

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

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

For the Year Ended June 30, 2014

	General Fund	General Purpose School Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 22,682,126	-	\$ -	\$ -	\$ 22,682,126
Local option sales tax	13,894,730	-	-	-	13,894,730
Business, cable tv, and hotel/motel taxes	1,631,642	-	-	-	1,631,642
Automobile registration fees	1,101,383	-	-	-	1,101,383
Wholesale beer and liquor tax	841,193	-	-	-	841,193
Other local taxes and fees	749,444	-	-	16,158	765,602
Federal revenues	29,381	-	75,535	-	104,916
State sales tax	3,437,591	-	-	-	3,437,591
State income and other taxes	1,461,550	-	-	-	1,461,550
State gasoline tax revenue	-	-	-	1,182,678	1,182,678
Other state revenue	103,704	-	-	-	103,704
Licenses and permits	1,142,811	-	-	-	1,142,811
Charges for services	1,304,990	397,168	-	3,497,305	5,199,463
Court fees	1,158,302	-	-	-	1,158,302
Fines and forfeits	363,058	-	-	93,172	456,230
Interest income	28,470	-	-	7,438	35,908
Contributions	830,421	-	1,014,346	500	1,845,267
Other	155,887	-	-	48,863	204,750
Total Revenues	50,916,683	397,168	1,089,881	4,846,114	57,249,846
Expenditures					
Current:					
Legislative	273,865	-	-	-	273,865
General government	7,326,616	-	-	-	7,326,616
Roads and public works	4,905,016	-	-	1,205,563	6,110,579
Public safety	20,701,177	-	-	-	20,701,177
Sanitation	-	-	-	3,587,473	3,587,473
Culture and recreation	4,215,032	-	-	-	4,215,032
Drug fund	-	-	-	29,003	29,003
Education	-	1,294,108	-	69,407	1,363,515
Other	78,572	-	-	-	78,572
Capital expenditures	820,165	186,842	5,377,407	3,565,792	9,950,206
Debt service:					
Principal retirement	3,099,944	-	-	144,781	3,244,725
Interest and fiscal charges	1,054,552	-	-	15,647	1,070,199
Bond issue costs	-	-	-	92,448	92,448
Total expenditures	42,474,939	1,480,950	5,377,407	8,710,114	58,043,410
Excess (deficiency) of revenues over (under) expenditures	<u>8,441,744</u>	<u>(1,083,782)</u>	<u>(4,287,526)</u>	<u>(3,864,000)</u>	<u>(793,564)</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	7,700,000	7,700,000
Premium on bonds issued	-	-	-	154,836	154,836
Transfers in	1,923,689	1,083,782	5,235,385	649,509	8,892,365
Transfers out	(4,541,499)	-	(1,370,199)	(2,190,174)	(8,101,872)
	<u>(2,617,810)</u>	<u>1,083,782</u>	<u>3,865,186</u>	<u>6,314,171</u>	<u>8,645,329</u>
Net change in fund balances	5,823,934	-	(422,340)	2,450,171	7,851,765
Fund balances - beginning	<u>30,961,774</u>	<u>-</u>	<u>513,210</u>	<u>3,741,815</u>	<u>35,216,799</u>
Fund balances - ending	<u>\$ 36,785,708</u>	<u>\$ -</u>	<u>\$ 90,870</u>	<u>\$ 6,191,986</u>	<u>\$ 43,068,564</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, 2014

Net change in fund balance, total governmental funds	\$ 7,851,765
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays capitalized	10,011,606
Depreciation expense	(5,333,479)

Loss from the disposition of capital assets are reported net of any remaining book net value in the statement of activities.	(78,374)
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Capital contributions in the statement of activities are not recorded in governmental funds.	956,449
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Certain property tax revenues do not provide current financial resources and are reported as deferred inflows of resources annually in the funds. This is the net difference between the amounts deferred in the current and prior years.	(260,267)
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Certain other local tax revenues do not provide current financial resources and are reported as deferred inflows of resources annually in the funds. This is the net difference between the amounts deferred in the current and prior years.	55,046
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. This is the amount of bond repayments.	3,244,725
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Some expenses and net financing sources (uses) reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures or revenues in governmental funds. These include special items for transfer of operations and litigation settlement.	38,894,436
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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.	173,801
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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.	18,740
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Change in net position of governmental activities	\$ 55,534,448
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The accompanying notes are an integral part of the financial statements.

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Property taxes				
Real	\$ 21,076,407	\$ 21,076,407	\$ 21,732,035	\$ 655,628
Personal	785,000	785,000	812,942	27,942
Penalty and interest	80,000	80,000	105,463	25,463
Payment in lieu of	35,000	35,000	31,686	(3,314)
	<u>21,976,407</u>	<u>21,976,407</u>	<u>22,682,126</u>	<u>705,719</u>
Other local taxes				
Sales tax	13,702,065	13,702,065	13,894,730	192,665
Beer and liquor tax	755,000	755,000	841,193	86,193
Business tax	636,000	636,000	736,461	100,461
Cable and telecommunications tax	560,000	560,000	574,592	14,592
Occupancy tax	345,000	345,000	338,617	(6,383)
Automobile tax	1,075,000	1,075,000	1,101,383	26,383
Police Privilege tax	-	-	69,208	69,208
MLGW in lieu of tax	430,000	430,000	662,208	232,208
	<u>17,503,065</u>	<u>17,503,065</u>	<u>18,218,392</u>	<u>715,327</u>
Federal grants	-	-	29,381	29,381
State revenues				
Beer and liquor tax	149,000	149,000	178,568	29,568
Sales tax	3,046,135	3,046,135	3,259,023	212,888
Income tax	600,000	600,000	945,154	345,154
TVA payments in lieu of taxes	530,000	530,000	503,948	(26,052)
City streets and transportation funding	95,000	95,000	93,216	(1,784)
Other state revenue	20,000	51,538	22,936	(28,602)
	<u>4,440,135</u>	<u>4,471,673</u>	<u>5,002,845</u>	<u>531,172</u>
Licenses and permits				
Beer permit and liquor licenses	36,000	36,000	37,000	1,000
Building and related permits	862,900	862,900	947,138	84,238
Development related reviews and fees	139,745	139,745	158,673	18,928
	<u>1,038,645</u>	<u>1,038,645</u>	<u>1,142,811</u>	<u>104,166</u>
Charges for services				
Software fees	-	-	29,112	29,112
Clerk's fees	61,000	61,000	65,841	4,841
Fire inspection fees	12,471	12,471	15,826	3,355
Fingerprinting fees	4,500	4,500	5,075	575
Animal adoption fees	67,000	67,000	61,110	(5,890)
Animal tag fees	61,000	61,000	59,101	(1,899)
Facility rental fees	77,425	77,425	68,159	(9,266)
Instructional fees	141,145	141,145	118,849	(22,296)
Athletic registration fees	338,225	338,225	282,569	(55,656)
Special event fees	14,920	14,920	13,670	(1,250)
Sale of reports	3,000	3,000	3,258	258

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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Material and rental fees	\$ 72,526	\$ 72,526	\$ 71,488	\$ (1,038)
Non-resident card fees	20,200	20,200	19,694	(506)
Storm water fees	479,000	479,000	491,238	12,238
	<u>1,352,412</u>	<u>1,352,412</u>	<u>1,304,990</u>	<u>(47,422)</u>
Fines, fees, and costs				
Court costs	765,000	765,000	883,624	118,624
Court and other fees	246,000	246,000	308,684	62,684
Fines	288,750	288,750	329,052	40,302
	<u>1,299,750</u>	<u>1,299,750</u>	<u>1,521,360</u>	<u>221,610</u>
Interest on investments	<u>35,000</u>	<u>35,000</u>	<u>28,470</u>	<u>(6,530)</u>
Contributions	<u>133,461</u>	<u>197,075</u>	<u>830,421</u>	<u>633,346</u>
Other revenue	<u>136,000</u>	<u>136,000</u>	<u>155,887</u>	<u>19,887</u>
Total Revenue	<u>47,914,875</u>	<u>48,010,027</u>	<u>50,916,683</u>	<u>2,906,656</u>
Expenditures				
Current				
Legislative				
Personnel	92,603	98,239	97,552	687
Contractual	71,138	178,220	172,366	5,854
Supplies	10,000	5,631	3,947	1,684
Total legislative	<u>173,741</u>	<u>282,090</u>	<u>273,865</u>	<u>8,225</u>
General government				
Finance				
Personnel	1,343,728	1,341,728	1,327,727	14,001
Contractual	342,258	348,059	214,582	133,477
Supplies	12,900	14,025	13,656	369
Grants, contributions, and indemnities	600	750	670	80
Expense reimbursement	(597,970)	(597,970)	(547,775)	(50,195)
	<u>1,101,516</u>	<u>1,106,592</u>	<u>1,008,860</u>	<u>97,732</u>
Executive				
Personnel	648,432	664,932	621,903	43,029
Contractual	123,458	105,744	76,643	29,101
Supplies	14,825	16,339	8,253	8,086
Expense reimbursement	(121,457)	(121,457)	(109,040)	(12,417)
	<u>665,258</u>	<u>665,558</u>	<u>597,759</u>	<u>67,799</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Health, welfare and insurance				
Personnel	\$ 85,000	\$ 85,000	\$ 60,402	\$ 24,598
Contractual	1,093,000	1,005,531	884,706	120,825
Fixed charges	626,628	635,995	520,587	115,408
Bank charges	20,000	21,477	15,014	6,463
Expense reimbursement	(178,218)	(178,218)	(34,562)	(143,656)
	<u>1,646,410</u>	<u>1,569,785</u>	<u>1,446,147</u>	<u>123,638</u>
Human resources				
Personnel	415,146	415,146	386,777	28,369
Contractual	79,121	79,121	39,789	39,332
Supplies	12,090	12,090	4,018	8,072
Grants, contributions, and indemnities	5,000	5,000	4,811	189
Expense reimbursement	(77,829)	(77,829)	(65,309)	(12,520)
	<u>433,528</u>	<u>433,528</u>	<u>370,086</u>	<u>63,442</u>
Development administration				
Personnel	263,368	272,865	267,345	5,520
Contractual	104,601	95,192	85,060	10,132
Supplies	4,700	4,612	2,740	1,872
Grants, contributions, and indemnities	700	700	546	154
Expense reimbursement	(56,005)	(56,005)	(53,354)	(2,651)
	<u>317,364</u>	<u>317,364</u>	<u>302,337</u>	<u>15,027</u>
Planning and zoning				
Personnel	714,650	716,420	704,328	12,092
Contractual	62,109	58,223	46,715	11,508
Supplies	43,110	45,226	43,364	1,862
Expense reimbursement	(122,980)	(122,980)	(119,161)	(3,819)
	<u>696,889</u>	<u>696,889</u>	<u>675,246</u>	<u>21,643</u>
Information technology				
Personnel	331,421	331,421	330,963	458
Contractual	164,203	164,203	126,419	37,784
Supplies	82,815	83,682	77,972	5,710
Fixed charges	4,000	4,000	2,284	1,716
Expense reimbursement	(49,713)	(49,713)	(49,645)	(68)
	<u>532,726</u>	<u>533,593</u>	<u>487,993</u>	<u>45,600</u>
General services				
Personnel	867,606	870,106	832,285	37,821
Contractual	696,225	685,163	643,274	41,889
Supplies	98,608	96,475	89,471	7,004
Building materials	2,000	2,000	835	1,165
Grants, contributions, and indemnities	400	400	270	130
Expense reimbursement	(130,141)	(130,141)	(124,814)	(5,327)
	<u>1,534,698</u>	<u>1,524,003</u>	<u>1,441,321</u>	<u>82,682</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Morton museum				
Personnel	\$ 132,041	\$ 132,041	\$ 124,551	\$ 7,490
Contractual	56,207	59,337	55,220	4,117
Supplies	20,000	25,360	23,078	2,282
	<u>208,248</u>	<u>216,738</u>	<u>202,849</u>	<u>13,889</u>
Library				
Contractual	837,292	871,031	778,028	93,003
Supplies	18,800	17,730	15,896	1,834
Grants, contributions, and indemnities	175	175	94	81
	<u>856,267</u>	<u>888,936</u>	<u>794,018</u>	<u>94,918</u>
Total general government	<u>7,992,904</u>	<u>7,952,986</u>	<u>7,326,616</u>	<u>626,370</u>
Roads and public works				
Public works administration				
Personnel	582,501	583,101	570,806	12,295
Contractual	56,343	54,952	53,084	1,868
Supplies	12,690	13,481	12,130	1,351
Grants, contributions, and indemnities	800	800	743	57
Expense reimbursement	(291,251)	(291,251)	(285,403)	(5,848)
	<u>361,083</u>	<u>361,083</u>	<u>351,360</u>	<u>9,723</u>
Vehicle maintenance				
Personnel	560,731	552,990	532,924	20,066
Contractual	37,900	45,559	25,209	20,350
Supplies	42,740	42,822	28,400	14,422
Fixed charges	665	665	250	415
	<u>642,036</u>	<u>642,036</u>	<u>586,783</u>	<u>55,253</u>
Total public works	<u>1,003,119</u>	<u>1,003,119</u>	<u>938,143</u>	<u>64,976</u>
Highways and streets				
Personnel	1,671,538	1,671,538	1,658,438	13,100
Contractual	1,399,000	2,029,375	1,338,385	690,990
Supplies	244,188	246,896	215,968	30,928
Building materials	7,600	406	-	406
Fixed charges	1,500	1,500	-	1,500
	<u>3,323,826</u>	<u>3,949,715</u>	<u>3,212,791</u>	<u>736,924</u>
Engineering				
Personnel	865,495	865,495	862,530	2,965
Contractual	176,734	181,134	130,433	50,701
Supplies	32,640	27,380	14,199	13,181
Grants, contributions, and indemnities	300	300	-	300
Expense reimbursement	(268,792)	(268,792)	(253,080)	(15,712)
	<u>806,377</u>	<u>805,517</u>	<u>754,082</u>	<u>51,435</u>
Total Roads and Public Works	<u>5,133,322</u>	<u>5,758,351</u>	<u>4,905,016</u>	<u>853,335</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Public safety				
Police				
Personnel	\$ 10,388,017	\$ 10,418,754	\$ 10,164,263	\$ 254,491
Contractual	511,196	497,706	385,446	112,260
Supplies	498,879	511,109	464,230	46,879
Fixed charges	3,382	3,382	3,291	91
Grants, contributions, and indemnities	1,760	1,760	1,316	444
	<u>11,403,234</u>	<u>11,432,711</u>	<u>11,018,546</u>	<u>414,165</u>
Fire				
Personnel	6,745,273	6,745,273	6,655,135	90,138
Contractual	232,886	209,719	205,588	4,131
Supplies	196,082	211,914	205,012	6,902
Building materials	700	606	414	192
Grants, contributions, and indemnities	850	850	775	75
	<u>7,175,791</u>	<u>7,168,362</u>	<u>7,066,924</u>	<u>101,438</u>
Code enforcement				
Personnel	911,506	910,359	859,956	50,403
Contractual	50,225	48,271	33,280	14,991
Supplies	38,140	39,120	28,983	10,137
	<u>999,871</u>	<u>997,750</u>	<u>922,219</u>	<u>75,531</u>
City court				
Personnel	665,329	665,199	651,260	13,939
Contractual	69,615	69,615	44,762	24,853
Supplies	16,000	15,930	11,784	4,146
Grants, contributions, and indmenities	200	400	158	242
	<u>751,144</u>	<u>751,144</u>	<u>707,964</u>	<u>43,180</u>
Animal control				
Personnel	368,510	347,510	330,357	17,153
Contractual	87,361	101,694	83,979	17,715
Supplies	56,940	76,670	69,829	6,841
Refund of prior year contribution	-	-	500,000	(500,000)
Grants, contributions, and indmenities	1,500	1,500	1,359	141
	<u>514,311</u>	<u>527,374</u>	<u>985,524</u>	<u>(458,150)</u>
Total public safety	<u>20,844,351</u>	<u>20,877,341</u>	<u>20,701,177</u>	<u>176,164</u>
Culture and recreation				
Parks and recreation				
Personnel	2,775,919	2,775,919	2,685,815	90,104
Contractual	1,312,204	1,305,104	1,119,484	185,620
Supplies	393,986	386,200	355,054	31,146
Building materials	77,750	79,400	67,727	11,673
Grants, contributions, and indemenities	33,200	32,000	18,172	13,828
Expense reimbursement	(31,220)	(31,220)	(31,220)	-
Total culture and recreation	<u>4,561,839</u>	<u>4,547,403</u>	<u>4,215,032</u>	<u>332,371</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Special appropriations	\$ 129,800	\$ 129,993	\$ 78,572	\$ 51,421
Capital				
Capital expenditures	842,829	944,134	820,165	123,969
Debt service				
Principal retirement	3,024,944	3,099,944	3,099,944	-
Interest and fiscal charges	1,062,555	1,063,933	1,054,552	9,381
Total debt service	4,087,499	4,163,877	4,154,496	9,381
Total expenditures	43,766,285	44,656,175	42,474,939	2,181,236
Excess revenue over expenditures before transfers	4,148,590	3,353,852	8,441,744	5,087,892
Other financing sources (uses)				
Transfers in	-	1,923,689	1,923,689	-
Transfers out	(139,822)	(4,541,499)	(4,541,499)	-
Total other financing sources (uses)	(139,822)	(2,617,810)	(2,617,810)	-
Net change in fund balance	\$ 4,008,768	\$ 736,042	5,823,934	\$ 5,087,892
Fund balance - beginning			30,961,774	
Fund balance - ending			\$ 36,785,708	

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

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Tuition	\$ -	\$ 5,550	\$ 5,550	\$ -
Other charges for services-shared	-	391,618	391,618	-
Total revenue	-	397,168	397,168	-
Expenditures				
Current				
Attendance				
Personnel	-	62,535	62,535	-
Contractual	-	13,052	13,052	-
Supplies	-	202	202	-
Total attendance	-	75,789	75,789	-
Support - student services				
Personnel	177,731	177,731	-	177,731
Total Support-student services	177,731	177,731	-	177,731
Support - regular instruction				
Personnel	147,384	147,384	58,037	89,347
Total Support - regular instruction	147,384	147,384	58,037	89,347
Special education				
Personnel	-	24,264	24,264	-
Contractual	-	4,800	4,800	-
Supplies	-	193	193	-
Total Special education	-	29,257	29,257	-
Support - career and technology education				
Contractual	-	8,636	8,636	-
Total Support - career and technology education	-	8,636	8,636	-
Board of education				
Personnel	7,536	7,573	7,573	-
Contractual	36,000	68,672	68,672	-
Supplies	42,465	1,284	1,284	-
Insurance	1,123	13,108	13,108	-
In-service/staff development	-	3,875	3,875	-
Total board of education	87,124	94,512	94,512	-
Office of the superintendent				
Personnel	167,625	147,949	147,639	310
Contractual	-	17,286	17,286	-
Supplies	-	1,284	1,284	-
In-service/staff development	-	236	236	-
Other charges	-	870	870	-
Total office of the superintendent	167,625	167,625	167,315	310

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Office of the principal				
Personnel	-	20,189	20,189	-
Total office of the principal	-	20,189	20,189	-
Fiscal services				
Personnel	120,095	84,275	75,165	9,110
Contractual	-	34,499	34,499	-
Supplies	-	1,321	1,321	-
Total fiscal services	120,095	120,095	110,985	9,110
Human resources				
Personnel	-	100,375	100,375	-
Contractual	-	6,357	6,357	-
Supplies	-	16,395	16,395	-
In-service/staff development	-	135	135	-
Other charges	-	3,652	3,652	-
Total human resources	-	126,914	126,914	-
Operation of plant				
Personnel	-	52,750	52,750	-
Contractual	-	50,697	50,697	-
Supplies	-	343	343	-
Total operation of plant	-	103,790	103,790	-
Maintenance of plant				
Personnel	45,529	45,497	4,730	40,767
Supplies	-	32	32	-
Total maintenance of plant	45,529	45,529	4,762	40,767
Transportation/planning				
Personnel	93,151	69,201	21,309	47,892
Contractual	-	113,365	113,365	-
Total transportation/planning	93,151	182,566	134,674	47,892
Central and other				
Personnel	119,979	113,682	113,682	-
Contractual	-	181,833	181,833	-
Supplies	-	63,658	63,658	-
Total central and other	119,979	359,173	359,173	-
Technology				
Personnel	84,058	83,984	-	83,984
Supplies	-	75	75	-
Total technology	84,058	84,059	75	83,984
Capital outlay	198,000	336,842	186,842	150,000
Total expenditures	1,240,676	2,080,091	1,480,950	599,141

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Deficiency of revenues under expenditures before transfers	<u>(1,240,676)</u>	<u>(1,682,923)</u>	<u>(1,083,782)</u>	<u>599,141</u>
Other financing sources Transfers in	<u>-</u>	<u>1,083,782</u>	<u>1,083,782</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (1,240,676)</u></u>	<u><u>\$ (599,141)</u></u>	-	<u><u>\$ 599,141</u></u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u><u>\$ -</u></u>	

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2014

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,907,411	\$ -
Investments	23,063,543	-
Receivables, net	767,565	-
Unbilled receivables	798,621	-
Prepaid expenses	14,850	-
Due from other funds	-	467,778
Inventories	101,689	-
Total current unrestricted assets	26,653,679	467,778
Restricted investments	4,017,819	-
Total current assets	30,671,498	467,778
Noncurrent assets:		
Capital assets:		
Land	939,148	-
Distribution and collection systems	111,503,297	-
Buildings and improvements	19,522,118	-
Equipment	4,091,749	-
Other improvements	1,560,389	-
Construction in progress	2,763,723	-
Less accumulated depreciation	(46,625,367)	-
Net capital assets	93,755,057	-
Total noncurrent assets	93,755,057	-
Total assets	124,426,555	467,778
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	1,653,663	-
Total deferred outflows of resources	1,653,663	-
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	1,084,790	415,908
Due to governmental entities	23,424	-
Accrued interest	120,163	-
Due to other funds	497,820	-
Compensated absences	80,917	-
Current installment of bonds payable	2,263,408	-
Total current liabilities	4,070,522	415,908
Noncurrent liabilities:		
Customer deposits	126,345	-
Compensated absences	25,373	-
Bonds payable	25,047,319	-
Total noncurrent liabilities	25,199,037	-
Total liabilities	29,269,559	415,908
DEFERRED INFLOWS OF RESOURCES		
Development fees	14,200	-
Total deferred inflows of resources	14,200	-
NET POSITION		
Net investment in capital assets	66,444,330	-
Restricted		
Water and sewer development	4,017,819	-
Unrestricted	26,334,310	51,870
Total net position	\$ 96,796,459	\$ 51,870

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

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

For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services - water	\$ 4,370,128	\$ -
Charges for services - sewer	7,303,053	-
Employee premiums	-	5,664,152
Employer contributions	-	847,858
Miscellaneous	157,928	-
Total operating revenues	<u>11,831,109</u>	<u>6,512,010</u>
Operating expenses:		
Personal services	2,460,401	-
Materials, supplies, services and other	3,799,444	163,518
Insurance claims and expenses	-	6,348,492
Depreciation	3,252,335	-
Total operating expenses	<u>9,512,180</u>	<u>6,512,010</u>
Operating income	<u>2,318,929</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	249,936	-
Impact fees	1,495,816	-
Tap fees	204,541	-
Loss on disposal of assets	(32,697)	-
Interest expense	(943,409)	-
Total nonoperating revenues	<u>974,187</u>	<u>-</u>
Income before contributions and transfers	<u>3,293,116</u>	<u>-</u>
Capital grants and contributions	350,862	-
Transfers out	(790,493)	-
Change in net position	2,853,485	-
Total net position - beginning	93,942,974	51,870
Total net position - ending	<u>\$ 96,796,459</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, 2014

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 11,968,272	\$ -
Payments to suppliers	(4,286,207)	(163,518)
Payments to employees	(1,564,837)	-
Contributions	-	6,450,886
Claims and fees paid	-	(6,287,368)
Other payments	1,497	-
Net cash provided by operating activities	<u>6,118,725</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers to other funds	(790,493)	-
Tap and impact fee receipts	1,700,357	-
Net cash provided by noncapital financing activities	<u>909,864</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,834,511)	-
Principal paid on capital debt	(2,034,275)	-
Interest paid on capital debt	(959,351)	-
Net cash used in capital and related financing activities	<u>(5,828,137)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(2,023,437)	-
Interest and dividends	249,936	-
Net cash used in investing activities	<u>(1,773,501)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(573,049)	-
Balances - beginning of the year	<u>2,480,460</u>	<u>-</u>
Balances - end of the year	<u><u>\$ 1,907,411</u></u>	<u><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, 2014

	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	\$ 2,318,929	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,252,335	-
Provision for bad debts	17,238	-
Change in assets and liabilities		
(Increase) decrease in assets:		
Receivables, net	111,118	-
Unbilled receivables	1,982	-
Prepaid expenses	350	-
Inventories	(17,795)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	400,482	61,124
Compensated absences	12,650	-
Due to governmental entities	1,497	-
Due to other funds	13,114	(61,124)
Customer deposits	6,825	-
Net cash provided by operating activities	<u>\$ 6,118,725</u>	<u>\$ -</u>
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Receipt of capital assets contributions from developers	<u>\$ 350,862</u>	<u>\$ -</u>

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

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

June 30, 2014

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ASSETS			
Savings, certificates of deposit and time deposits	\$ 1,165,778	\$ -	\$ 1,165,778
Investments, at fair value:			
Money market funds	1,435,105	685,701	2,120,806
U.S. government agency bonds	828,634	-	828,634
Corporate and foreign bonds	4,081,654	-	4,081,654
Municipal obligations	652,280	-	652,280
Common stocks	5,422,771	1,019,130	6,441,901
Equity mutual funds	24,574,709	5,080,928	29,655,637
Fixed income mutual funds	11,298,511	2,879,896	14,178,407
Accrued investment income	94,924	7,353	102,277
Due from other funds	-	34,252	34,252
	<u>49,554,366</u>	<u>9,707,260</u>	<u>59,261,626</u>
LIABILITIES			
Accounts payable	<u>16,356</u>	<u>28,718</u>	<u>45,074</u>
	<u>16,356</u>	<u>28,718</u>	<u>45,074</u>
NET POSITION			
Restricted for other post employment benefits	-	9,678,542	9,678,542
Restricted for pension benefits	49,538,010	-	49,538,010
Total net position held in trust	<u>\$ 49,538,010</u>	<u>\$ 9,678,542</u>	<u>\$ 59,216,552</u>

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

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

For the Year Ended June 30, 2014

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 2,758,239	\$ 914,241	\$ 3,672,480
Plan member	435,026	103,112	538,138
Total contributions	<u>3,193,265</u>	<u>1,017,353</u>	<u>4,210,618</u>
Net investment income:			
Interest and dividends	972,221	171,114	1,143,335
Net increase in the fair value of investments	5,649,666	1,158,238	6,807,904
Less: investment expenses	<u>(120,308)</u>	<u>(21,851)</u>	<u>(142,159)</u>
Net investment income	<u>6,501,579</u>	<u>1,307,501</u>	<u>7,809,080</u>
Total additions	<u>9,694,844</u>	<u>2,324,854</u>	<u>12,019,698</u>
DEDUCTIONS			
Benefits and claims paid	773,677	241,589	1,015,266
Administrative expenses	<u>29,364</u>	<u>97,138</u>	<u>126,502</u>
Total deductions	<u>803,041</u>	<u>338,727</u>	<u>1,141,768</u>
Change in net position	8,891,803	1,986,127	10,877,930
Net position - beginning	<u>40,646,207</u>	<u>7,692,415</u>	<u>48,338,622</u>
Net position - ending	<u><u>\$ 49,538,010</u></u>	<u><u>\$ 9,678,542</u></u>	<u><u>\$ 59,216,552</u></u>

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

TOWN OF COLLIERVILLE, TENNESSEE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

Note (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Collierville, Tennessee (the “Town”) complies with accounting principles generally accepted in the United States of America (“GAAP”) as codified by Governmental Accounting Standards Board (“GASB”) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The accounting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

(A) - Financial Reporting Entity

The Town is a municipal corporation governed by an elected mayor and five-member board of aldermen. In determining the financial reporting entity, the Town complies with the provisions of GASB No. 14, *The Financial Reporting Entity*. Based on this standard, there are no component units, entities for which the Town is considered to be financially accountable, to be included in the Town’s financial statements. During 2014, the Town established the general purpose schools fund and the schools nutrition fund to account for the activities of the new Collierville Municipal School District. These funds are reported as special revenue funds within the primary government. See further discussion in Note (2).

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, 2014.

(B) - Basis of Presentation

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

Governmental fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures/expenses. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances 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 position and changes in net position 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, 2014; 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.

The **General Purpose Schools Fund** accounts for the receipts and expenditures of the Town's public school system that are not required to be maintained in a separate fund. Although the school system did not have significant operations in the current fiscal year, the Town's management has elected to classify this fund as a major fund due to its significance to the Town's citizens and in anticipation of significant operations in the upcoming fiscal year in which the first school year will be conducted by the system.

The **School Nutrition Fund** accounts for the receipts and expenditures of the Town's public school system related to the system's cafeteria operations. These funds are required to be maintained in a separate fund.

Capital Projects Funds

The Town has four 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 position, a statement of revenues, expenses and changes in fund net position, 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 position and a statement of changes in fiduciary net position. Fiduciary fund balances and activities are excluded from the government-wide financial statements as they do not represent amounts available to the primary government.

Fiduciary Types

Pension (and Other Employee Benefit) Trust Funds

Pension Trust Funds account for the activities and accumulation of resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. The Pension 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
Gen. Purpose Schools Fund	See above for description
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
#335	Accounts for capital improvements for various Town projects

(C) – GASB Accounting Pronouncements

The Town implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* (“GASB No. 67”) for fiscal year 2014. GASB No. 67 revises existing guidance for the financial reports of most pension plans for state and local governments and replaces the requirements of Statement No. 25 and Statement No. 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB No. 67 enhances note disclosures and Required Supplementary Information (RSI) and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

The Town has elected to early implement GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* (“GASB No. 69”) for the fiscal year 2014. GASB No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. For the Town, GASB No. 69 provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. GASB No. 69 defines the term *operations* and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. GASB No. 69 also requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. See Note (2) to the financial statements.

(D) - Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

Proprietary and fiduciary funds utilize the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses. Revenues in the fiduciary funds are those additions to the plan that are generated from contributions from the Town and participants and investment related income. Expenses are those deductions to the assets of the plan that arise from the payment of benefits and administrative expenses.

(E) - Budgetary Data

The revenues and expenditures accounted for in all governmental fund types are controlled by a formal integrated budgetary accounting system. The 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 budgets have been amended in accordance with the Town Charter resulting in budgeted expenditures and other financing uses, including transfers, increasing \$24,441,429. The same basis of accounting is used to reflect actual revenue and expenditures recognized using accounting principles generally accepted in the United States of America.

(F) - Cash and Cash Equivalents

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

(G) - Restricted Assets

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, 2014. Certain development fees collected by the Water and Sewer Fund represent restricted cash which must be used for projects to increase capacity and other items for future community developments. There was \$4,017,819 in restricted cash for development fees at June 30, 2014.

(H) - Deposits and Investments

Investments are limited to those authorized by Tennessee State Law. State statutes authorize the Town to invest in Treasury bonds, notes or bills of the United States; nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the Federal Home Loan Mortgage Corporation; other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies; certificates of deposit and other evidences of deposit at State and Federal chartered banks; obligations of the United States or its agencies under a repurchase agreement and money market funds whose portfolios consist of any of the foregoing investments if approved by the State Director of Local Finance and made in accordance with procedures established by the State Funding Board; the Local Government Investment Pool ("LGIP"); obligations of the Public Housing Authority; and bonds of the Tennessee Valley Authority. State statutes limit maturities of the above investments to four years from the date of investment unless a greater maturity is approved by the State Director of Local Finance. Investments are recorded at fair value. The Town has not adopted a formal investment policy that limits its interest rate or credit risks.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Although the Town has not adopted a formal deposit policy, its policy is to fully collateralize bank deposits in excess of federally insured amounts. Note (3) 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 (4)) are held by the State Treasury, not in the name of the Town. The Town's fiduciary fund investments are held by a third party bank in the name of the Town. The third party bank is also a participant in the State collateral pool.

(I) - 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 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 inflows of resources are recorded if the related revenue is not available. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and deferred inflows of resources to reflect amounts that were not available as revenues at June 30, 2014.

(J) - Inventories

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

(K) - Interfund Transactions

Interfund Receivables and Payables

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

Interfund Transfers

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

(L) - 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 (\$5,000 for Board of Education assets) 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

(M) – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(N) - 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, 2014 approximates \$4,768,000.

(O) - Original Issue Discount/Premium

Original issue discounts and premiums are netted against the bond payable account and amortized over the lives of respective bond issues using the interest method.

(P) - Grants and Contributions

Grants and contributions from Federal, State and local governments and private individuals and enterprises are received for payment of costs related to various property acquisitions, construction projects, and operating costs. Grants are recorded when all applicable eligibility requirements are met. Contributions are recorded when received.

(Q) - Retirement Plans

As discussed in Note (11), 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.

(R) - Prepaid Expenses

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

(S) - 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.

(T) – Application of Restricted Resources

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

(U) – Net Position

The Town recognizes the difference between its assets plus deferred outflows of resources less liabilities and deferred inflows of resources as net position in government-wide and proprietary fund financial statements. Net position categories include:

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets is comprised of the Town's capital assets, net of depreciation, reduced by the outstanding balances of bonds and notes that are attributable to the acquisition, construction or improvement of those assets. Applicable deferred outflows of resources and deferred inflows of resources, if any, should also be included in this component of net position. Net investment in capital assets is further discussed in Note (14).

RESTRICTED

Restricted net position is comprised of the Town's assets, mainly cash and investments, bound by constraints on resources that are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments.

UNRESTRICTED

The remaining balance of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital or the restricted components of net position.

(V) – Fund Balances

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

NONSPENDABLE

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

RESTRICTED

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

COMMITTED

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

ASSIGNED

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

UNASSIGNED

Unassigned fund balance consists of excess funds that have not been classified in the previous four categories. 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 (10).

Stabilization Policy

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

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

Deficit Fund Balance

The Solid Waste and Sanitation fund incurred a deficit balance in 2014 as a result of incurring capital expenditures for recycling equipment. The expenditures were funded by an advance from the General Fund of \$1,080,000 that is due on demand within 3 years, unless extended. Future recycling revenues will be used to repay the advance and thereby reduce the deficit.

Note (2) – SPECIAL ITEMS

Litigation Settlement

In April 2013, the Tennessee state legislature approved a bill, signed by the Governor, allowing municipalities to create new municipal school districts beginning no earlier than August 1, 2014. In July 2013, Collierville citizens approved a referendum authorizing the creation of a Collierville Municipal School District. A Collierville School Board was elected in November 2013, and sworn into office at the beginning of December 2013. The County Commission of Shelby County, Tennessee sued the Town and other municipalities alleging that the Town's effort to create its own municipal school district was illegal, whereas, the Town denied the allegation. In January 2014, the parties entered a settlement agreement to resolve all claims and contentions between the parties. As a condition of the settlement, the Town agreed to pay the Shelby County Board of Education twelve annual payments of \$507,819 for total of \$6,093,828. The Town has recorded this settlement

obligation as a special item in the statement of activities in the amount of \$5,324,494, reflecting the present value of the obligation using an imputed interest rate of 2.2%.

Transfer of Operations

In conjunction with the above mention settlement, the Shelby County Board of Education transferred the operations of all eight schools operating within the Town. The Town has record the transfer of operations as a special item in the statement of activities in the amount of \$52,215,436, reflecting the carrying amount of the assets transferred in accordance with GASB No. 69. The transfer, effective June 2014, consisted of the following:

Transferred Assets (Net)	<u>Carrying Value</u>
Land, easement, right-of-ways	\$ 4,375,730
Building	47,291,211
Equipment	548,495
Total capital assets	<u>\$ 52,215,436</u>
 Net Position of Transferred Operations	
Net investment in capital assets	<u>\$ 52,215,436</u>

Note (3) - DEPOSITS

Deposits of the primary government at June 30, 2014, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 17,413,084	\$ 16,144,579

A summary of the primary government's bank deposits as of June 30, 2014, is as follows:

Insured	\$ 508,939	
Collateralized by securities held by the Town or their agent in the Town's name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee	<u>16,904,145</u>	
	<u>\$ 17,413,084</u>	\$ 16,144,579
Petty cash.....		<u>2,944</u>
Total cash and cash equivalents		<u>\$ 16,147,523</u>

Deposits of the Town's fiduciary funds at June 30, 2014, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 1,165,778	\$ 1,165,778

A summary of the Town's fiduciary bank deposits as of June 30, 2014, is as follows:

Insured	<u>\$ 1,165,778</u>	<u>\$ 1,165,778</u>
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Note (4) – INVESTMENTS

The Tennessee Local Government Investment Pool (the “Pool”) represents 100% of the primary government’s investments at June 30, 2014. 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 position to compute share prices. Accordingly, the fair value of the position in the Pool is the same as the value of Pool shares.

	<u>Fair Value</u>
Investments in Local Government Investment Pool (“LGIP”):	
Governmental funds.....	\$ 29,458,982
Proprietary funds.....	<u>\$ 27,081,362</u>
	<u>\$ 56,540,344</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:

	<u>Cost</u>	<u>Fair Value</u>
Investments held by trustee:		
Money market funds	\$ 2,120,806	\$ 2,120,806
U.S. government agency bonds	811,699	828,634
Corporate and foreign bonds.....	3,928,984	4,081,654
Municipal obligations	662,134	652,280
Common stocks.....	3,830,421	6,441,901
Equity mutual funds.....	22,614,274	29,655,637
Fixed income mutual funds.....	<u>14,164,598</u>	<u>14,178,407</u>
	<u>\$ 48,132,916</u>	<u>\$ 57,959,319</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 seeks the following target 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		100%	100%

Individual investments representing 5 percent or more of total assets held by the trustee as of June 30, 2014 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
MFS International Value	Equity Mutual Fund	\$ 3,463,111
American Beacon L/C Value	Equity Mutual Fund	\$ 2,967,957
Oppenheimer International Growth	Equity Mutual Fund	\$ 3,379,396
Lord Abbett Investment Trust	Fixed Income Mutual Fund	\$ 2,992,958
Lord Abbett Investment Trust (Short)	Fixed Income Mutual Fund	\$ 2,971,402
Western Asset Core Plus Bond	Fixed Income Mutual Fund	\$ 2,978,643

Approximately 90 percent of all investments are in money market accounts, common stocks, or mutual funds that are not rated by a national credit rating agency. The remaining 10 percent of investments are in United States government agency, municipal, and corporate bonds (2, 1, and 7 percent, respectively); however, no rating information was available on these investments.

Note (5) - PROPERTY TAXES

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

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

Current tax collections for the year, after adjustments, were approximately 99% of the tax levy.

Property taxes receivable as of June 30, 2014 include:

Real and personal property taxes	\$ 22,932,744
Ad valorem taxes	609,000
Pilot taxes	<u>30,687</u>
	23,572,431
Less allowance for uncollectible amounts	<u>(310,131)</u>
	<u>\$ 23,262,300</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 (6) - INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2014 is as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
MAJOR FUNDS		
General Fund		
Special Drug Fund.....	\$ 1,114	\$ -
Capital Project Fund #321	-	759,146
Sanitation Fund	-	718,512
Health Insurance.....	-	467,778 (1)
Water and Sewer Fund	497,820	-
Retirement Medical Fund.....	-	34,252
School Nutrition Fund.....	-	30,243
General Purpose School Fund.....	<u>64,372</u>	<u>-</u>
	<u>563,306</u>	<u>2,009,931</u>
Capital Project Fund #321		
General Fund.....	<u>759,146</u>	<u>-</u>
General Purpose School Fund		
General Fund	<u>-</u>	<u>64,372</u>
Water and Sewer Fund		
General Fund	<u>-</u>	<u>497,820</u>
NON-MAJOR FUNDS		
Special Drug Fund		
General Fund	<u>-</u>	<u>1,114</u>
Health Insurance Fund		
General Fund.....	<u>467,778 (1)</u>	<u>-</u>
Retirement Medical Fund		
General Fund	<u>34,252</u>	<u>-</u>
Sanitation Fund		
General Fund	<u>718,512</u>	<u>-</u>
School Nutrition Fund		
General Fund	<u>30,243</u>	<u>-</u>
TOTALS	<u>\$ 2,573,237</u>	<u>\$ 2,573,237</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	\$ 2,071,207	\$ -
Due to other funds	-	2,041,165
Due to fiduciary trusts	-	34,252
Proprietary Funds		
Due from other funds	467,778	-
Due to other funds	-	497,820
Fiduciary Funds		
Due from other funds	<u>34,252</u>	<u>-</u>
	<u>\$ 2,573,237</u>	<u>\$ 2,573,237</u>

Advances To and From Other Funds

In 2014, the General Fund advanced \$1,080,000 to the Solid Waste and Sanitation Fund for the purpose of purchasing recycling equipment. The advance is payable on demand within three years, unless extended, and accrues interest at a rate of 2.00 percent per annum.

Interfund transfers for the year ended June 30, 2014 were as follows:

	<u>TRANSFERS FROM OTHER FUNDS</u>	<u>TRANSFERS TO OTHER FUNDS</u>
MAJOR FUNDS		
General Fund		
Historic Preservation Fund.....	\$ -	\$ 70,044
Special Drug Fund	-	12,716
General Purpose School Fund	-	1,083,782
School Nutrition Fund.....	-	69,407
Capital Project Fund #321	942,323	3,305,550
Capital Project Fund #333.....	190,873	-
Water and Sewer Fund	790,493 (1)	-
	<u>1,923,689</u>	<u>4,541,499</u>
General Purpose School Fund		
General Fund.....	<u>1,083,782</u>	<u>-</u>
Capital Project Fund #321		
General Fund.....	3,305,550	942,323
Capital Project Fund #334.....	<u>1,929,835</u>	<u>427,876</u>
	<u>5,235,385</u>	<u>1,370,199</u>
Water and Sewer Fund		
General Fund.....	<u>-</u>	<u>790,493 (1)</u>
NON-MAJOR FUNDS		
Historic Preservation Fund		
General Fund.....	<u>70,044</u>	<u>-</u>
Special Drug Fund		
General Fund.....	<u>12,716</u>	<u>-</u>
School Nutrition Fund		
General Fund.....	<u>69,407</u>	<u>-</u>
Capital Project Fund #333		
General Fund.....	-	190,873
Capital Project Fund #334.....	<u>27,367</u>	<u>-</u>
	<u>27,367</u>	<u>190,873</u>
Capital Project Fund #334		
Capital Project Fund #321	427,876	1,929,835
Capital Project Fund #333.....	-	27,367
Capital Project Fund #335.....	-	42,099
	<u>427,876</u>	<u>1,999,301</u>
Capital Project Fund #335		
Capital Project Fund #334.....	<u>42,099</u>	<u>-</u>
TOTALS.....	<u>\$ 8,892,365</u>	<u>\$ 8,892,365</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 (7) - CAPITAL ASSETS

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

	<u>July 1, 2013</u>	<u>Transfer of Operations</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Governmental activities:						
Capital assets not being depreciated						
Land, easements, right-of-ways	\$ 19,318,018	\$ 4,375,730	\$ 776,402	\$ -	\$ 41,371	\$ 24,511,521
Construction in progress	<u>3,809,970</u>	<u>-</u>	<u>7,949,812</u>	<u>-</u>	<u>(3,397,512)</u>	<u>8,362,270</u>
Total capital assets not being depreciated	<u>23,127,988</u>	<u>4,375,730</u>	<u>8,726,214</u>	<u>-</u>	<u>(3,356,141)</u>	<u>32,873,791</u>
Other capital assets:						
Buildings and improvements	38,048,034	68,339,044	31,409	(12,803)	503,306	106,908,990
Other improvements	17,192,854	-	123,682	-	1,168,541	18,485,077
Library materials	2,573,667	-	213,393	-	-	2,787,060
Equipment	22,713,305	1,330,833	1,791,815	(1,105,393)	558,018	25,288,578
Infrastructure	<u>146,946,285</u>	<u>-</u>	<u>81,542</u>	<u>-</u>	<u>1,126,276</u>	<u>148,154,103</u>
Total other capital assets at historical cost	<u>227,474,145</u>	<u>69,669,877</u>	<u>2,241,841</u>	<u>(1,118,196)</u>	<u>3,356,141</u>	<u>301,623,808</u>
Less accumulated depreciation for:						
Buildings and improvements	(9,344,387)	(21,047,833)	(1,089,726)	11,251	(5,181)	(31,475,876)
Other improvements	(7,863,900)	-	(721,213)	-	9,003	(8,576,110)
Library materials	(1,353,837)	-	(257,367)	-	-	(1,611,204)
Equipment	(14,837,512)	(782,338)	(1,216,360)	1,028,571	(3,822)	(15,811,461)
Infrastructure	<u>(32,690,599)</u>	<u>-</u>	<u>(2,048,813)</u>	<u>-</u>	<u>-</u>	<u>(34,739,412)</u>
Total accumulated depreciation	<u>(66,090,235)</u>	<u>(21,830,171)</u>	<u>(5,333,479)</u>	<u>1,039,822</u>	<u>-</u>	<u>(92,214,063)</u>
Other capital assets, net	<u>161,383,910</u>	<u>47,839,706</u>	<u>(3,091,638)</u>	<u>(78,374)</u>	<u>3,356,141</u>	<u>209,409,745</u>
Governmental activities capital assets, net	<u>\$ 184,511,898</u>	<u>\$ 52,215,436</u>	<u>\$ 5,634,576</u>	<u>\$ (78,374)</u>	<u>\$ -</u>	<u>\$ 242,283,536</u>

Depreciation expense was charged to functions as follows:

Legislative	\$ <u>9,082</u>
General Government:	
Finance	11,730
General services	32,471
Information technology	120,012
Executive	183,796
Town administration.....	73,526
Library	413,859
Development administration	1,618
Development engineering.....	16,829
General government	9,842
Human resources	694
Development planning	<u>7,220</u>
	<u>871,597</u>
Public Safety:	
Animal control.....	16,762
Police	530,354
Fire.....	397,928
Code enforcement.....	13,063
City court.....	<u>25,246</u>
	<u>983,353</u>
Roads and Public Works:	
Public services administration.....	82,662
Fleet services	18,567
Highways and streets.....	<u>2,188,027</u>
	<u>2,289,256</u>
Education	<u>129,065</u>
Sanitation	<u>134,354</u>
Culture and Recreation:	
Parks and recreation	<u>888,909</u>
Development of historic town square	<u>27,863</u>
Total governmental activities depreciation expense.....	\$ <u>5,333,479</u>

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

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2014</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 476,292	\$ 317,261	\$ -	\$ 145,595	\$ 939,148
Construction in progress	<u>320,006</u>	<u>2,666,258</u>	<u>-</u>	<u>(222,541)</u>	<u>2,763,723</u>
Total capital assets-not being depreciated	<u>796,298</u>	<u>2,983,519</u>	<u>-</u>	<u>(76,946)</u>	<u>3,702,871</u>
Other capital assets:					
Buildings and improvements	19,522,118	-	-	-	19,522,118
Other improvements	1,560,389	-	-	-	1,560,389
Equipment	4,164,143	131,847	(204,241)	-	4,091,749
Distribution and collection systems	<u>111,392,341</u>	<u>39,192</u>	<u>(5,182)</u>	<u>76,946</u>	<u>111,503,297</u>
Total other capital assets at historical cost	<u>136,638,991</u>	<u>171,039</u>	<u>(209,423)</u>	<u>76,946</u>	<u>136,677,553</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,259,299)	(456,017)	-	-	(7,715,316)
Other improvements	(352,985)	(68,169)	-	-	(421,154)
Equipment	(2,621,607)	(176,728)	203,916	-	(2,594,419)
Distribution and collection systems	<u>(33,346,682)</u>	<u>(2,551,421)</u>	<u>3,625</u>	<u>-</u>	<u>(35,894,478)</u>
Total accumulated depreciation	<u>(43,580,573)</u>	<u>(3,252,335)</u>	<u>207,541</u>	<u>-</u>	<u>(46,625,367)</u>
Other capital assets, net	<u>93,058,418</u>	<u>(3,081,296)</u>	<u>(1,882)</u>	<u>76,946</u>	<u>90,052,186</u>
Business-type activities capital assets, net	<u>\$ 93,854,716</u>	<u>\$ (97,777)</u>	<u>\$ (1,882)</u>	<u>\$ -</u>	<u>\$ 93,755,057</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

Water and sewer.....\$ 3,252,335

Total business-type activities depreciation expense.....\$ 3,252,335

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

In December 2010 (fiscal 2011), the State of Tennessee approved a closure plan for one of the Town's wastewater lagoons and work began to reclaim the land. For the year ended June 30, 2014, the Town incurred approximately \$37,000 in additional expense related to the ongoing reclamation project. This amount is recorded in the loss on disposal of assets in the accompanying statement of revenues, expenses, and changes in fund net position – proprietary funds.

Note (8) - DEBT

A summary of debt activity for the year ended June 30, 2014, is as follows. Additional detailed information is available on the following pages.

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Defeasance</u>	<u>Reductions and Amortizations</u>	<u>Balance June 30, 2014</u>	<u>Due within One Year</u>
Governmental Activities:						
General Obligation						
Bonds	\$ 27,553,312	\$ 7,700,000	\$ -	\$ (2,970,725)	\$ 32,282,587	\$ 2,662,274
Notes payable	846,000	-	-	(274,000)	572,000	282,000
Compensated absences	1,523,132	1,090,730	-	(993,606)	1,620,256	1,090,730
Settlement obligation	-	5,324,494	-	57,125	5,381,619	467,703
Unamortized premiums (discounts), net	<u>371,302</u>	<u>154,836</u>	<u>-</u>	<u>(62,900)</u>	<u>463,238</u>	<u>67,782</u>
	<u>30,293,746</u>	<u>14,270,060</u>	<u>-</u>	<u>(4,244,106)</u>	<u>40,319,700</u>	<u>4,570,489</u>
Business-type Activities:						
General Obligation						
Bonds	11,688	-	-	(4,275)	7,413	2,726
Revenue Bonds	27,550,000	-	-	(2,030,000)	25,520,000	2,090,000
Compensated absences	93,640	80,917	-	(68,267)	106,290	80,917
Unamortized premiums (discounts), net	<u>1,953,998</u>	<u>-</u>	<u>-</u>	<u>(170,684)</u>	<u>1,783,314</u>	<u>170,682</u>
	<u>29,609,326</u>	<u>80,917</u>	<u>-</u>	<u>(2,273,226)</u>	<u>27,417,017</u>	<u>2,344,325</u>
	<u>\$ 59,903,072</u>	<u>\$ 14,350,977</u>	<u>\$ -</u>	<u>\$ (6,517,332)</u>	<u>\$ 67,736,717</u>	<u>\$ 6,914,814</u>

Debt outstanding as of June 30, 2014 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	\$ 10,700,000
Serial Bonds.....	2.00% - 2.50%	2022	4,985,000	4,070,000
Serial Bonds.....	2.00% - 3.00%	2017	5,154,702	1,882,587
Serial Bonds.....	3.50% - 4.38%	2016	8,000,000	735,000
Serial Bonds.....	1.50% - 2.00%	2026	5,215,000	5,215,000
Serial Bonds.....	3.50% - 4.13%	2020	5,290,000	2,275,000
Serial Bonds.....	2.00% - 4.00%	2033	7,700,000	7,405,000
			<u>\$ 49,344,702</u>	<u>\$ 32,282,587</u>
Amount due within one year.....				<u>\$ 2,662,274</u>
Notes payable:				
Term note.....	2.80%	2016	<u>\$ 3,000,000</u>	<u>\$ 572,000</u>
Amount due within one year.....				<u>\$ 282,000</u>

Business-Type Activities

General Obligation Bonds:

Serial Bonds	2.00% - 3.00%	2017	\$ 20,298	\$ 7,413
Amount due within one year				<u>\$ 2,726</u>

Revenue Bonds:

Revenue Bonds	3.50% - 4.13%	2020	\$ 3,755,000	\$ 1,790,000
Revenue Bonds	1.50% - 4.00%	2026	15,655,000	8,720,000
Revenue Bonds	4.00% - 4.38%	2026	<u>26,000,000</u>	<u>15,010,000</u>
			<u>\$ 45,410,000</u>	<u>\$ 25,520,000</u>
Amount due within one year				<u>\$ 2,090,000</u>

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

Governmental activities' debt, compensated absences, and settlement obligation are to be repaid from revenue sources of the General Fund. Long-term debt and compensated absences of the Business-type activities are to be repaid from the operating revenues of the Water and Sewer Fund. Revenue bonds issued in the amount of \$45,410,000 are secured by net revenues to be derived from the operations of the Water and Sewer Fund.

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, 2014, \$572,000 was due under this loan.

In prior years, the Town issued certain bonds to advance refund outstanding indebtedness. The net proceeds from advance refunding bonds have been placed in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and the liability on the defeased bonds are not included in the Town's financial statements. At June 30, 2014, \$14,175,000 of defeased bonds remained outstanding.

In August 2013, the Town issued \$7,700,000, at a premium of \$154,836, in General Obligation Bonds Series 2013. Net proceeds of \$7,854,836 were used to: finance all or a portion of certain public works projects, relating to certain educational facilities; finance all or a portion of certain roads and highway projects; and to pay costs of the bond issuance of \$92,448.

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>
2015	\$ 2,665,000	\$ 1,033,394	\$ 2,090,000	\$ 890,131	\$ 282,000	\$ 16,016
2016	2,760,000	957,844	2,145,000	821,369	290,000	8,120
2017	2,800,000	870,369	2,240,000	751,831	-	-
2018	2,240,000	795,769	2,290,000	679,544	-	-
2019	2,310,000	728,069	2,445,000	577,906	-	-
2020 - 2024	9,895,000	2,634,401	10,525,000	1,593,463	-	-
2025 - 2029	7,690,000	1,119,618	3,785,000	250,474	-	-
Thereafter	1,930,000	147,557	-	-	-	-
	<u>\$ 32,290,000</u>	<u>\$ 8,287,021</u>	<u>\$ 25,520,000</u>	<u>\$ 5,564,718</u>	<u>\$ 572,000</u>	<u>\$ 24,136</u>

Future payments under the litigation settlement discussed in Note (2) are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 507,819
2016	507,819
2017	507,819
2018	507,819
2019	507,819
2020 – 2024	2,539,095
2025 – 2026	<u>1,015,638</u>
Total payments	6,093,828
Less amount representing interest	<u>(712,209)</u>
Net litigation settlement obligation	<u>\$ 5,381,619</u>

The total interest expense incurred for the year was \$2,150,604. There was no interest capitalized during the year ended June 30, 2014.

Note (9) - DEFERRED LOSS ON REFUNDINGS

The unamortized deferred loss on refundings relates to Water and Sewer Revenue Refunding Bonds for business-type activities and General Obligation Refunding Bonds for governmental activities. Deferred loss on refundings reported in the statement of net position consist of the following:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Series 2005	\$ 83,928	\$ -	\$ 83,928
Series 2006	-	55,995	55,995
Series 2010	127,000	-	127,000
Series 2011	32,850	-	32,850
Series 2012	<u>496,705</u>	<u>1,597,668</u>	<u>2,094,373</u>
	<u>\$ 740,483</u>	<u>\$ 1,653,663</u>	<u>\$ 2,394,146</u>

Note (10) - FUND BALANCES

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

	General Fund	Capital Projects Fund #321	Non-Major Special Revenue Funds	Non-Major Capital Project Funds	Totals
Nonspendable:					
Prepaid expenses	\$ 8,400	\$ -	\$ -	\$ -	\$ 8,400
Inventories	163,628	-	89,687	-	253,315
Total nonspendable:	<u>172,028</u>	<u>-</u>	<u>89,687</u>	<u>-</u>	<u>261,715</u>
Restricted:					
Sidewalks	144,198	-	-	-	144,198
Buildings	-	-	-	5,264,982	5,264,982
Community development	47,692	-	-	-	47,692
Fees in lieu of construction	782,169	-	-	-	782,169
Road and drainage	-	80,250	-	301,252	381,502
Road maintenance and improvements	-	-	634,085	-	634,085
Law enforcement	17,237	-	-	-	17,237
Drug enforcement	-	-	415,940	-	415,940
Animal shelter	492,861	-	-	-	492,861
Parks program	2,626	-	-	-	2,626
Museum	21,793	-	-	-	21,793
Total restricted:	<u>1,508,576</u>	<u>80,250</u>	<u>1,050,025</u>	<u>5,566,234</u>	<u>8,205,085</u>
Committed:					
Fire facilities	448,706	-	-	-	448,706
Police privilege tax	546,909	-	-	-	546,909
Alternate transportation	38,464	-	-	-	38,464
Parkland dedication	531,217	-	-	-	531,217
Total committed:	<u>1,565,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,565,296</u>
Assigned:					
Court personnel	44,200	-	-	-	44,200
Codes software	102,937	-	-	-	102,937
Drainage and other improvements	638,606	10,620	-	-	649,226
Median lights	110,576	-	-	-	110,576
Street lights	1,595,874	-	-	-	1,595,874
Contractual services	671,126	-	-	-	671,126
Public relations	5,750	-	-	-	5,750
Education	5,373,055	-	-	-	5,373,055
Planning – electronic equipment	13,500	-	-	-	13,500
Athletic field maintenance	67,521	-	-	-	67,521
Parks improvement	3,457,373	-	-	-	3,457,373
Tree Replacement	29,389	-	-	-	29,389
Capital improvements	3,459,956	-	-	-	3,459,956
Equipment replacement	252,661	-	-	-	252,661
Total assigned:	<u>15,822,524</u>	<u>10,620</u>	<u>-</u>	<u>-</u>	<u>15,833,144</u>
Unassigned:					
Total unassigned:	<u>17,717,284</u>	<u>-</u>	<u>(513,960)</u>	<u>-</u>	<u>17,203,324</u>
Total fund balance:	<u>\$ 36,785,708</u>	<u>\$ 90,870</u>	<u>\$ 625,752</u>	<u>\$ 5,566,234</u>	<u>\$ 43,068,564</u>

Note (11) - 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, 2014, contributions from the Town and employees were \$28,805 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, 2014, there were 6 plan members. Plan provisions and contribution requirements are established, and may be amended by, the Town's Board of Mayor and Aldermen. These assets are required to be placed in trust, thus eliminating the requirement that assets be reflected in the statement of net position of the Town.

(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 or can be accessed at <http://www.tn.gov/treasury/tcrs/ps/>.

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, 2014, 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, 2014, was equal to the Town's required contributions.

Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Obligation
06/30/14	\$ -	100.00%	\$ -
06/30/13	-	100.00%	-
06/30/12	-	100.00%	-

The required contribution was determined as part of the most recent biennial actuarial valuation date of July 1, 2013 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 was fully amortized using a level dollar amount on a closed basis.

As of July 1, 2013, the actuarial accrued liability for benefits was approximately \$4,780,000, and the actuarial value of assets was approximately \$4,780,000, resulting in an unfunded actuarial accrued liability ("UAAL") of zero. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$385,000, and the ratio of the UAAL to the covered payroll was zero percent.

The schedule of funding progress, presented as RSI following these notes, 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

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

1. Significant Accounting Policies

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

Method used to value investments. Plan investments are valued at fair market value based on quoted market prices as obtained by the trustee of the Plan’s assets.

2. Plan Description

Plan administration. The Plan is administered by the Board of Mayor and Aldermen of the Town.

Plan membership. At June 30, 2014, the Plan’s membership consisted of:

Retirees currently receiving benefits	48
Terminated plan members entitled to but not yet receiving benefits	53
Active plan members	<u>465</u>
Total	<u>566</u>

Benefits provided. The Plan provides retirement and death benefits. Retirement benefits are calculated as 2.05% or 2.50% of Final Average Compensation, defined as the average compensation for the 5 consecutive calendar years of highest compensation during the 10 completed calendar years immediately preceding termination of employment, times credited services up to 30 years for participants in Plans A or B, respectively. Early retirement is available at an actuarially reduced benefit when a participant has both attained aged 55 and completed at least 10 years of credited service (5 years if hired prior to July 1, 2007). Death benefits for active employees at the time of death are payable to a Surviving Spouse or child, as defined by the Plan, of 50% of the joint and 50% annuity income credited to the participant at the date of death. Death benefits commence at the participant’s Normal or Early Retirement Age. The normal form of retirement income is a life annuity. Participants are zero percent

vested until the date 10 years of vesting service are completed (5 year if hired prior to July 1, 2007).

Contributions. The contribution requirements of plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted two plan options for the retirement plan for its employees. Plan A is noncontributory; whereas, Plan B requires employee contributions of 5.00 percent of their gross pay. The choice of plan is irrevocable by the participant. The Town's recommended contributions are at an actuarially determined rate; the rate for the fiscal year ending June 30, 2014, was 12.60 percent of annual covered payroll based on the July 1, 2013 valuation.

3. Investments

Investment policy. As described more fully in Note (4), the Town has developed a flexible investment policy statement based on modern portfolio theory. The investment policy does not specifically limit the amount of investment in individual or aggregate investments based on the credit rating of the investment. The investment policy seeks to earn an average annual return of 7.5 percent over a minimum of a 10 year period.

The Town's investment policy seeks the following target allocation of investments:

<u>Category</u>	<u>Pct</u>
Cash	2%
Bonds	38%
Stocks	55%
Real Estate	5%
Total	100%

Concentrations. Individual investments representing 5 percent or more of net position as of June 30, 2014 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
MFS International Value	Equity Mutual Fund	\$ 2,913,708
American Beacon L/C Value	Equity Mutual Fund	\$ 2,501,708
Oppenheimer Intl Growth	Equity Mutual Fund	\$ 2,849,161

Rate of return. For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.86 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2014, were as follows:

Total pension liability	\$ 53,145,731
Plan fiduciary net position	<u>(49,538,010)</u>
Town's net pension liability	<u>\$ 3,607,721</u>

Plan fiduciary net position as a percentage of the total pension liability	93.21%
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Actuarial assumptions. The recommended contribution was determined as part of the July 1, 2014 actuarial valuation using the frozen initial liability, also known as frozen entry age, actuarial cost method. Significant actuarial assumptions used in the valuation include:

Inflation	2.5 percent
Salary increases	4.0 percent
Investment rate of return	7.5 percent, net of investment expenses
Mortality rates	T-3 of the Actuary's Pension Handbook

The long-term expected rate of return on pension plan investments was determined based on the historical market returns of the targeted asset classes. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the Plan's investment policy) are summarized as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0.0%
Bonds	3.6%
Stocks - domestic	5.7%
Stocks - international	3.8%
Real Estate	2.9%

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Town, calculated using the discount rate of 7.50 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentagepoint higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Town's net pension liability (asset)	\$11,524,026	\$3,607,721	\$(3,071,672)

5. 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)	\$ 2,485,308
Interest on net pension obligation	(122,845)
Adjustment to ARC	<u>221,975</u>
Annual pension cost	2,584,438
Contributions remitted	<u>2,758,239</u>
Increase in net pension asset	(173,801)
Net pension asset – beginning of year	<u>(1,637,929)</u>
Net pension asset – end of year	<u><u>\$(1,811,730)</u></u>

Three-Year Trend Information

<u>Annual Pension Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Asset</u>
06/30/14	\$ 2,584,438	107%	\$ 1,811,730
06/30/13	\$ 2,433,685	116%	\$ 1,637,929
06/30/12	\$ 2,332,102	123%	\$ 1,246,671

Note (12) - DEFERRED COMPENSATION PLAN

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

Note (13) - ACCRUED LIABILITIES

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

	Governmental Activities	Business- Type Activities	Total
Accounts payable and accrued expenses:			
Accounts payable	\$ 3,864,634	\$ 1,017,593	\$ 4,882,227
Accrued payroll	902,041	67,197	969,238
Medical insurance reserves	415,908	-	415,908
Other accrued expenses	993,311	-	993,311
	<u>\$ 6,175,894</u>	<u>\$ 1,084,790</u>	<u>\$ 7,260,684</u>

Note (14) – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets is comprised of the following:

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 242,283,536
Total outstanding balance of capital debt	(33,317,825)
Portion of debt related to unspent bond proceeds	5,226,341
Total governmental activities	<u>\$ 214,192,052</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 93,755,057
Total outstanding balance of capital debt	(27,310,727)
Total business-type activities	<u>\$ 66,444,330</u>

Note (15) - 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, 2014, the Town was obligated under uncompleted contracts for approximately \$89,000, \$687,000, and \$5,896,000 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 \$39,000 related to a lateral stabilization project; included in the uncompleted contracts for the Capital Projects Funds is approximately \$3,218,000 related to educational facilities, \$663,000 for

equipment and installation, and approximately \$2,015,000 related to contracts for road improvements; and included in the uncompleted contracts for the Water and Sewer Fund is approximately \$560,000 for treatment plant equipment, design, and installation.

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, 2014, such amount totaled \$438,010.

In July 2013, the Town approved the form of a 20-year lease agreement with the University of Memphis for building space and an adjacent parking lot for a satellite campus to be constructed by the Town. The construction was funded with the General Obligation Bonds, Series 2013, as discussed in Note (8). The lease is expected to be executed with an annual lease payment of \$324,000 upon obtaining a certificate of occupancy, which is expected to occur in fiscal 2015.

Note (16) - 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, 2014</u>	<u>Year Ended June 30, 2013</u>
Unpaid claims, beginning of fiscal year	\$ 354,784	\$ 395,107
Incurred claims (including IBNRs)	5,854,815	5,514,366
Claim payments	<u>(5,793,691)</u>	<u>(5,554,689)</u>
Unpaid claims, end of fiscal year	<u>\$ 415,908</u>	<u>\$ 354,784</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 (17) - POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Notes (11) and (12), Town resolution allows the Town to make available health care benefits to certain employees and elected officials. In fiscal 2007, the Town amended the plan from a “pay-as-you-go” plan, whereby the Town would establish a trust to deposit funds necessary to cover current and future retiree benefits. Beginning with the year ended June 30, 2009, the Town accounts for these benefits using the provisions of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

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.

GASB No. 45 requires a biennial valuation at minimum for the Town’s plan. Actuarial liabilities were determined by the July 1, 2014 actuarial valuation. As of July 1, 2014, the OPEB plan’s membership consisted of:

Retirees receiving benefits	44
Active plan members	<u>465</u>
Total	<u>509</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 at 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, 2014, was 3.0 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)	\$ 914,241
Interest on net OPEB obligation	20,294
Adjustment to ARC	<u>(39,034)</u>
Annual OPEB cost	895,501
Contributions remitted	<u>914,241</u>
Decrease in net pension position	(18,740)
Net OPEB obligation – beginning of year	<u>270,592</u>
Net OPEB obligation – end of year	<u>\$ 251,852</u>

Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/14	\$ 895,501	102%	\$ 251,852
06/30/13	\$ 896,809	102%	\$ 270,592
06/30/12	\$ 1,284,959	105%	\$ 288,024

5. Funded Status and Funding Progress

As of July 1, 2014, the plan was 89.0 percent funded. The actuarial accrued liability for benefits was \$10,873,182, and the actuarial value of assets was \$9,678,543, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$1,194,639. The covered payroll (annual payroll of active employees covered by the plan) was \$20,820,026, and the ratio of the UAAL to the covered payroll was 5.7 percent.

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

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 rate was determined as part of the July 1, 2012 actuarial valuation using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year (inclusive of 2.50 percent inflation) compounded annually and (b) health care cost trend rates including (1) initial rate of 8.00 percent (9.00 percent in prior valuation), (2) ultimate rate of 4.00 percent (5.00 percent in prior valuation), and (3) a grading period of 9 years. The actuarial value of assets equals the fair market value of the net position held by the OPEB plan. The Town’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2014, was 23 years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2014

(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)
7/1/2013	\$ 4,780	\$ 4,780	\$ -	100.00%	\$ 385	0.00%
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%

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)
7/1/2014	\$ 9,679	\$ 10,874	\$ 1,195	89.01%	\$ 20,820	5.74%
7/1/2013	7,708	13,118	5,410	58.76%	19,772	27.36%
7/1/2012	6,491	11,975	5,484	54.20%	18,998	28.87%
7/1/2011	5,184	14,920	9,736	34.75%	18,498	52.63%
7/1/2010	3,331	13,160	9,829	25.31%	18,602	52.84%
7/1/2009	1,878	13,631	11,753	13.78%	19,033	61.75%

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2014

Town of Collierville Postemployment Benefit Plan

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2014	\$ 914,241	100.00%
6/30/2013	914,241	100.00%
6/30/2012	1,314,652	102.24%
6/30/2011	1,320,275	101.16%
6/30/2010	1,458,343	93.00%
6/30/2009	1,458,343	81.90%

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
Last Seven Fiscal Years

	2014	2013	2012	2011	2010	2009	2008 ⁽¹⁾
Total pension liability							
Service cost	\$ 1,774,861	\$ 1,744,070	\$ 1,708,412	\$ 1,774,880	\$ 1,797,504	\$ 1,682,158	\$ 1,593,134
Interest	3,681,666	3,309,553	3,008,114	2,866,011	2,492,124	2,239,510	n/a
Differences between expected and actual experience	(608,973)	586,940	(122,560)	(2,274,160)	1,060,581	(245,327)	n/a
Benefit payments, including refunds of member contributions	(790,697)	(678,800)	(575,037)	(472,023)	(365,053)	(308,152)	(101,694)
Net change in total pension liability	4,056,857	4,961,763	4,018,929	1,894,708	4,985,156	3,368,189	n/a
Total pension liability—beginning	49,088,874	44,127,111	40,108,182	38,213,474	33,228,318	29,860,129	n/a
Total pension liability—ending (a)	<u>\$ 53,145,731</u>	<u>\$ 49,088,874</u>	<u>\$ 44,127,111</u>	<u>\$ 40,108,182</u>	<u>\$ 38,213,474</u>	<u>\$ 33,228,318</u>	<u>\$ 29,860,129</u>
Plan fiduciary net position							
Contributions—employer	\$ 2,758,239	\$ 2,808,052	\$ 2,666,453	\$ 2,659,183	\$ 2,688,600	\$ 2,572,766	\$ 2,402,710
Contributions—member	435,026	424,016	412,031	390,268	379,667	386,463	365,374
Net investment income	6,501,579	3,869,346	703,083	4,699,952	2,928,794	(3,186,713)	(664,692)
Benefit payments	(773,677)	(666,507)	(553,345)	(451,404)	(333,297)	(296,296)	(99,886)
Administrative expense	(29,364)	(26,757)	(117,883)	(99,038)	(76,512)	(90,565)	(41,246)
Net change in plan fiduciary net position	8,891,803	6,408,150	3,110,339	7,198,961	5,587,252	(614,345)	1,962,260
Plan fiduciary net position—beginning	40,646,207	34,238,057	31,127,718	23,928,757	18,341,505	18,955,850	16,993,590
Plan fiduciary net position—ending (b)	<u>\$ 49,538,010</u>	<u>\$ 40,646,207</u>	<u>\$ 34,238,057</u>	<u>\$ 31,127,718</u>	<u>\$ 23,928,757</u>	<u>\$ 18,341,505</u>	<u>\$ 18,955,850</u>
Town's net pension liability—ending (a) – (b)	<u>\$ 3,607,721</u>	<u>\$ 8,442,667</u>	<u>\$ 9,889,054</u>	<u>\$ 8,980,464</u>	<u>\$ 14,284,717</u>	<u>\$ 14,886,813</u>	<u>\$ 10,904,279</u>
Plan fiduciary net position as a percentage of the total pension liability	93.21%	82.80%	77.59%	77.61%	62.62%	55.20%	63.48%
Covered-employee payroll	\$ 19,771,885	\$ 18,997,573	\$ 18,497,575	\$ 18,602,084	\$ 19,033,125	\$ 17,785,928	\$ 16,759,818
Town's net pension liability as a percentage of covered-employee payroll	18.25%	44.44%	53.46%	48.28%	75.05%	83.70%	65.06%

Notes to Schedule:

(1) Fiscal 2008 was the first year in which the trust for the Town's defined benefit pension plan was established. Fiscal years will continue to be added until a rolling 10 years are available for presentation.

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF ACTUARIALLY DETERMINED AND ACTUAL PENSION PLAN EMPLOYER CONTRIBUTIONS
Last Seven Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined employer contribution	\$ 2,485,308	\$ 2,358,195	\$ 2,289,002	\$ 2,466,713	\$ 2,421,542	\$ 2,313,324	\$ 2,222,368
Contributions in relation to the actuarially determined contribution	<u>2,758,239</u>	<u>2,824,943</u>	<u>2,866,628</u>	<u>2,664,080</u>	<u>2,683,469</u>	<u>2,599,337</u>	<u>2,222,368</u>
Contribution deficiency (excess)	<u>\$ (272,931)</u>	<u>\$ (466,748)</u>	<u>\$ (577,626)</u>	<u>\$ (197,367)</u>	<u>\$ (261,927)</u>	<u>\$ (286,013)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 19,771,885	\$ 18,997,573	\$ 18,497,575	\$ 18,602,084	\$ 19,033,125	\$ 17,785,928	\$ 16,759,818
Contributions as a percentage of covered-employee payroll	13.95%	14.87%	15.50%	14.32%	14.10%	14.61%	13.26%

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age with frozen initial liability
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	5-year smoothed market value
Inflation	2.5%
Salary increases	4.0%, average, including inflation
Investment rate of return	7.5%, net of plan investment expense, including inflation
Retirement age	Age 62 or the completion of 10 years of service if later
Mortality	T-3 The Actuary's Pension Handbook

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN
Last Seven Fiscal Years

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual money-weighted rate of return, net of investment expense	15.86%	11.24%	2.14%	18.76%	15.05%	(15.83%)	(3.63%)

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

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

June 30, 2014

	Special Revenue Funds					Capital Project Funds			Total Non-Major Governmental Funds
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug	School Nutrition	#333	#334	#335	
ASSETS									
Cash and cash equivalents	\$ 1,033,552	\$ -	\$ -	\$ 471,652	\$ -	\$ -	\$ -	\$ -	\$ 1,505,204
Investments	-	-	-	-	-	-	301,253	6,107,983	6,409,236
Due from other governments	213,590	-	-	-	-	-	-	-	213,590
Due from other funds	-	718,512	-	-	30,243	-	-	-	748,755
Inventories	-	89,687	-	-	-	-	-	-	89,687
Total assets	<u>\$ 1,247,142</u>	<u>\$ 808,199</u>	<u>\$ -</u>	<u>\$ 471,652</u>	<u>\$ 30,243</u>	<u>\$ -</u>	<u>\$ 301,253</u>	<u>\$ 6,107,983</u>	<u>\$ 8,966,472</u>
LIABILITIES									
Accounts payable and accrued liabilities	\$ 613,058	\$ 152,472	\$ -	\$ 41,622	\$ 30,243	\$ -	\$ -	\$ 843,002	\$ 1,680,397
Due to other funds	-	-	-	1,114	-	-	-	-	1,114
Advances from other funds	-	1,080,000	-	-	-	-	-	-	1,080,000
Total liabilities	<u>613,058</u>	<u>1,232,472</u>	<u>-</u>	<u>42,736</u>	<u>30,243</u>	<u>-</u>	<u>-</u>	<u>843,002</u>	<u>2,761,511</u>
DEFERRED INFLOWS OF RESOURCES									
Seizures escrow	-	-	-	12,975	-	-	-	-	12,975
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,975</u>
FUND BALANCES									
Nonspendable	-	89,687	-	-	-	-	-	-	89,687
Restricted	634,084	-	-	415,941	-	-	301,253	5,264,981	6,616,259
Unassigned	-	(513,960)	-	-	-	-	-	-	(513,960)
Total fund balances	<u>634,084</u>	<u>(424,273)</u>	<u>-</u>	<u>415,941</u>	<u>-</u>	<u>-</u>	<u>301,253</u>	<u>5,264,981</u>	<u>6,191,986</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,247,142</u>	<u>\$ 808,199</u>	<u>\$ -</u>	<u>\$ 471,652</u>	<u>\$ 30,243</u>	<u>\$ -</u>	<u>\$ 301,253</u>	<u>\$ 6,107,983</u>	<u>\$ 8,966,472</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, 2014

	Special Revenue Funds					Capital Project Funds			Non-Major Governmental Funds
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug	School Nutrition	#333	#334	#335	
Revenues									
Other local taxes	\$ -	\$ -	\$ 16,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,158
State revenues	1,178,473	4,205	-	-	-	-	-	-	1,182,678
Public auction sales	-	462	-	-	-	-	-	-	462
Charges for services	-	3,497,305	-	-	-	-	-	-	3,497,305
Interest income	458	-	-	29	-	120	1,299	5,532	7,438
Contributions	-	500	-	-	-	-	-	-	500
Seizures and fines	-	-	-	93,172	-	-	-	-	93,172
Other	48,401	-	-	-	-	-	-	-	48,401
Total revenues	<u>1,227,332</u>	<u>3,502,472</u>	<u>16,158</u>	<u>93,201</u>	<u>-</u>	<u>120</u>	<u>1,299</u>	<u>5,532</u>	<u>4,846,114</u>
Expenditures									
Current:									
Roads and public works	1,205,563	-	-	-	-	-	-	-	1,205,563
Sanitation	-	3,587,473	-	-	-	-	-	-	3,587,473
Drug fund	-	-	-	29,003	-	-	-	-	29,003
Education	-	-	-	-	69,407	-	-	-	69,407
Capital projects	-	937,838	-	55,549	-	27,367	-	2,545,038	3,565,792
Debt service:									
Principal retirement	-	63,550	81,231	-	-	-	-	-	144,781
Interest and fiscal charges	-	10,676	4,971	-	-	-	-	-	15,647
Bond issue costs	-	-	-	-	-	-	-	92,448	92,448
Total expenditures	<u>1,205,563</u>	<u>4,599,537</u>	<u>86,202</u>	<u>84,552</u>	<u>69,407</u>	<u>27,367</u>	<u>-</u>	<u>2,637,486</u>	<u>8,710,114</u>
Excess (deficiency) of revenue over (under) expenditures	<u>21,769</u>	<u>(1,097,065)</u>	<u>(70,044)</u>	<u>8,649</u>	<u>(69,407)</u>	<u>(27,247)</u>	<u>1,299</u>	<u>(2,631,954)</u>	<u>(3,864,000)</u>
Other financing sources (uses)									
Issuance of debt	-	-	-	-	-	-	-	7,700,000	7,700,000
Premium on bonds issued	-	-	-	-	-	-	-	154,836	154,836
Transfers in	-	-	70,044	12,716	69,407	27,367	427,876	42,099	649,509
Transfers out	-	-	-	-	-	(190,873)	(1,999,301)	-	(2,190,174)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>70,044</u>	<u>12,716</u>	<u>69,407</u>	<u>(163,506)</u>	<u>(1,571,425)</u>	<u>7,896,935</u>	<u>6,314,171</u>
Net change in fund balances	<u>21,769</u>	<u>(1,097,065)</u>	<u>-</u>	<u>21,365</u>	<u>-</u>	<u>(190,753)</u>	<u>(1,570,126)</u>	<u>5,264,981</u>	<u>2,450,171</u>
Fund balances - beginning	<u>612,315</u>	<u>672,792</u>	<u>-</u>	<u>394,576</u>	<u>-</u>	<u>190,753</u>	<u>1,871,379</u>	<u>-</u>	<u>3,741,815</u>
Fund balances - ending	<u>\$ 634,084</u>	<u>\$ (424,273)</u>	<u>\$ -</u>	<u>\$ 415,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 301,253</u>	<u>\$ 5,264,981</u>	<u>\$ 6,191,986</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, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
State 3 Cent, 1989, and Street Gas Tax	\$ 1,200,000	\$ 1,200,000	\$ 1,178,473	\$ (21,527)
Interest income	500	500	458	(42)
Miscellaneous refunds	-	-	48,401	48,401
Total revenues	<u>1,200,500</u>	<u>1,200,500</u>	<u>1,227,332</u>	<u>26,832</u>
Expenditures				
Postage	30	30	-	30
Contractual services	400	400	137	263
Traffic signal repair	46,000	43,160	40,576	2,584
Paving	1,000,000	1,000,000	931,949	68,051
Street repair	231,000	233,840	232,901	939
Total expenditures	<u>1,277,430</u>	<u>1,277,430</u>	<u>1,205,563</u>	<u>71,867</u>
Net change in fund balance	<u>\$ (76,930)</u>	<u>\$ (76,930)</u>	21,769	<u>\$ 98,699</u>
Fund balance - beginning			<u>612,315</u>	
Fund balance - ending			<u>\$ 634,084</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, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 3,400,500	\$ 3,400,500	\$ 3,497,305	\$ 96,805
Contributions	-	500	4,705	4,205
Public auction sales	-	-	462	462
Total revenue	<u>3,400,500</u>	<u>3,401,000</u>	<u>3,502,472</u>	<u>101,472</u>
Expenditures				
Personnel	1,579,712	1,588,586	1,588,496	90
Contractual	1,181,610	1,166,834	1,059,135	107,699
Supplies	501,700	1,017,538	912,207	105,331
Building materials	11,000	11,000	10,392	608
Fixed charges	2,500	2,500	2,170	330
Grants, contributions, and indemnities	16,500	16,500	15,073	1,427
	<u>3,293,022</u>	<u>3,802,958</u>	<u>3,587,473</u>	<u>215,485</u>
Capital outlay	<u>398,000</u>	<u>962,028</u>	<u>937,838</u>	<u>24,190</u>
Debt service				
Bond principal	63,550	63,550	63,550	-
Bond interest	5,676	5,676	5,676	-
Debt service charges	-	5,000	5,000	-
Total debt service	<u>69,226</u>	<u>74,226</u>	<u>74,226</u>	<u>-</u>
Total expenditures	<u>3,760,248</u>	<u>4,839,212</u>	<u>4,599,537</u>	<u>239,675</u>
Net change in fund balance	<u>\$ (359,748)</u>	<u>\$ (1,438,212)</u>	<u>(1,097,065)</u>	<u>\$ 341,147</u>
Fund balance - beginning			<u>672,792</u>	
Fund balance - ending			<u>\$ (424,273)</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, 2014

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Historic preservation fee	\$ 15,000	\$ 15,000	\$ 16,158	\$ 1,158
Expenditures				
Debt service				
Bond principal	81,231	81,231	81,231	-
Bond interest	4,971	4,971	4,971	-
Total debt service	86,202	86,202	86,202	-
Total expenditures	86,202	86,202	86,202	-
Deficiency of revenues under expenditures before transfers	(71,202)	(71,202)	(70,044)	1,158
Other financing sources				
Transfers in	71,202	71,202	70,044	(1,158)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Seizures	\$ 50,000	\$ 50,000	\$ 80,456	\$ 30,456
Fines	3,750	3,750	12,716	8,966
Interest income	-	-	29	29
Total revenues	<u>53,750</u>	<u>53,750</u>	<u>93,201</u>	<u>39,451</u>
Expenditures				
Contractual services	31,790	31,790	9,027	22,763
Supplies and materials	<u>37,600</u>	<u>37,600</u>	<u>19,976</u>	<u>17,624</u>
	<u>69,390</u>	<u>69,390</u>	<u>29,003</u>	<u>40,387</u>
Capital outlay	<u>53,878</u>	<u>57,114</u>	<u>55,549</u>	<u>1,565</u>
Total expenditures	<u>123,268</u>	<u>126,504</u>	<u>84,552</u>	<u>41,952</u>
Excess of revenues over expenditures before transfers	<u>(69,518)</u>	<u>(72,754)</u>	<u>8,649</u>	<u>81,403</u>
Other financing sources				
Transfers in	<u>3,750</u>	<u>12,716</u>	<u>12,716</u>	<u>-</u>
Net change in fund balance	<u>\$ (65,768)</u>	<u>\$ (60,038)</u>	<u>21,365</u>	<u>\$ 81,403</u>
Fund balance - beginning			<u>394,576</u>	
Fund balance - ending			<u>\$ 415,941</u>	

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SCHOOL NUTRITION FUND

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Personnel	-	49,143	49,143	-
Travel	-	236	236	-
Office supplies	-	3	3	-
Charges	-	20,025	20,025	-
Total expenditures	-	69,407	69,407	-
Deficiency of revenues under expenditures before transfers	-	(69,407)	(69,407)	-
Other financing sources				
Transfers in	-	69,407	69,407	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

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, 2014

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ -	\$ -	\$ 75,535	\$ 75,535
Contributions	-	1,014,346	1,014,346	-
Total revenues	-	1,014,346	1,089,881	75,535
Expenditures				
Capital projects	5,530,300	12,082,085	5,377,407	6,704,678
Deficiency of revenues under expenditures before transfers	(5,530,300)	(11,067,739)	(4,287,526)	6,780,213
Other financing sources (uses)				
Transfers in	-	5,235,385	5,235,385	-
Transfers out	-	(1,370,199)	(1,370,199)	-
Total other financing sources	-	3,865,186	3,865,186	-
Net change in fund balance	<u>\$ (5,530,300)</u>	<u>\$ (7,202,553)</u>	(422,340)	<u>\$ 6,780,213</u>
Fund balance - beginning			<u>513,210</u>	
Fund balance - ending			<u>\$ 90,870</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, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest income	\$ -	\$ -	\$ 120	\$ 120
Expenditures				
Capital projects	-	27,367	27,367	-
Deficiency of revenues under expenditures before transfers	-	(27,367)	(27,247)	120
Other financing sources (uses)				
Transfers in	-	27,367	27,367	-
Transfers out	-	(190,873)	(190,873)	-
Total other financing sources	-	(163,506)	(163,506)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (190,873)</u>	(190,753)	<u>\$ 120</u>
Fund balance - beginning			<u>190,753</u>	
Fund balance - ending			<u>\$ -</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, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Interest income	\$ -	\$ -	\$ 1,299	\$ 1,299
Expenditures				
Capital projects	-	-	-	-
Excess of revenues over expenditures before transfers	-	-	1,299	1,299
Other financing sources (uses)				
Transfers in	-	427,876	427,876	-
Transfers out	-	(1,999,301)	(1,999,301)	-
Total other financing uses	-	(1,571,425)	(1,571,425)	-
Net change in fund balance	\$ -	\$ (1,571,425)	(1,570,126)	\$ 1,299
Fund balance - beginning			1,871,379	
Fund balance - ending			\$ 301,253	

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECT #335

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Interest income	\$ -	\$ -	\$ 5,532	\$ 5,532
Expenditures				
Capital projects	-	6,920,424	2,545,038	4,375,386
Debt service				
Bond issue costs	-	98,891	92,448	6,443
Total expenditures	-	7,019,315	2,637,486	4,381,829
Deficiency of revenues under expenditures before transfers	-	(7,019,315)	(2,631,954)	4,387,361
Other financing sources (uses)				
Issuance of debt	-	7,700,000	7,700,000	-
Premium on bonds issued	-	154,836	154,836	-
Transfers in	-	42,099	42,099	-
Total other financing uses	-	7,896,935	7,896,935	-
Net change in fund balance	\$ -	\$ 877,620	5,264,981	\$ 4,387,361
Fund balance - beginning			-	
Fund balance - ending			\$ 5,264,981	

SUPPORTING SCHEDULES

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

June 30, 2014

	Land	Construction in Progress	Buildings and Improvements	Other Improvements	Library Materials	Equipment	Infrastructure	Total
Mayor and Board	\$ -	\$ -	\$ -	\$ 3,988	\$ -	\$ 160,472	\$ -	\$ 164,460
General Government:								
Finance	-	-	-	-	-	192,379	-	192,379
Information technology	-	61,372	2,657	-	-	920,512	-	984,541
Executive	1,782,850	-	5,871,910	407,911	-	475,601	-	8,538,272
Town administrator	2,094,155	383,396	3,376,723	-	-	79,659	-	5,933,933
Development administration	-	-	-	-	-	25,713	-	25,713
Development engineering	859,269	-	-	-	-	249,059	5,683	1,114,011
Development planning	-	-	-	-	-	123,429	-	123,429
General government	1,755,439	-	213,877	34,396	-	2,344	-	2,006,056
Library	305,068	-	4,116,562	128,452	2,787,060	669,273	-	8,006,415
Human resources	-	-	-	-	-	11,380	-	11,380
General services	-	2,545,037	45,172	-	-	441,595	-	3,031,804
	6,796,781	2,989,805	13,626,901	570,759	2,787,060	3,190,944	5,683	29,967,933
Public Safety:								
Animal control	8,099	101,815	383,403	37,013	-	129,329	-	659,659
Police	206,588	2,717,650	8,458,127	1,249,878	-	4,836,524	-	17,468,767
Fire	591,284	8,500	4,469,412	139,231	-	5,223,894	-	10,432,321
Code enforcement	-	-	-	-	-	218,227	-	218,227
City court	-	-	203,291	-	-	141,325	-	344,616
	805,971	2,827,965	13,514,233	1,426,122	-	10,549,299	-	29,123,590
Roads and Public Works:								
Public services administration	441,607	-	2,405,064	252,261	-	141,179	-	3,240,111
Fleet services	-	45,852	-	-	-	482,309	-	528,161
Streets and drainage	3,829,429	2,005,917	-	1,134,201	-	2,614,811	148,130,096	157,714,454
	4,271,036	2,051,769	2,405,064	1,386,462	-	3,238,299	148,130,096	161,482,726
Education	4,375,730	-	68,339,044	-	-	1,517,674	-	74,232,448
Sanitation	53,650	-	552,756	27,087	-	4,166,758	-	4,800,251
Culture and Recreation	8,144,753	492,731	8,316,355	13,569,498	-	2,432,460	18,324	32,974,121
Development of historic town square	63,600	-	154,637	1,501,161	-	32,672	-	1,752,070
Total capital assets	\$ 24,511,521	\$ 8,362,270	\$ 106,908,990	\$ 18,485,077	\$ 2,787,060	\$ 25,288,578	\$ 148,154,103	\$ 334,497,599

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

For the Year Ended June 30, 2014

	Balance July 1, 2013	Transfer of Operations	Additions	Deletions	Transfers	Balance June 30, 2014
Mayor and Board	\$ 159,235	\$ -	\$ 5,225	\$ -	\$ -	\$ 164,460
General Government:		-				
Finance	495,738	-	8,477	(311,836)	-	192,379
Information technology	840,975	-	151,225	(7,659)	-	984,541
Executive	8,538,272	-	-	-	-	8,538,272
Town administrator	5,641,284	-	295,841	(2,679)	(513)	5,933,933
Development administration	25,713	-	-	-	-	25,713
Development engineering	997,095	-	129,944	(13,028)	-	1,114,011
Development planning	158,076	-	-	(34,647)	-	123,429
General government	2,007,406	-	-	(1,350)	-	2,006,056
Library	7,801,919	-	216,512	(12,016)	-	8,006,415
Human resources	12,273	-	-	(893)	-	11,380
General services	445,954	-	2,616,525	(30,675)	-	3,031,804
	<u>26,964,705</u>	<u>-</u>	<u>3,418,524</u>	<u>(414,783)</u>	<u>(513)</u>	<u>29,967,933</u>
Public Safety:						
Animal control	672,955	-	28,329	(20,469)	(21,156)	659,659
Police	14,799,111	-	2,978,492	(323,832)	14,996	17,468,767
Fire	10,642,764	-	24,721	(220,168)	(14,996)	10,432,321
Code enforcement	220,177	-	2,120	(4,070)	-	218,227
City court	359,895	-	-	(15,279)	-	344,616
	<u>26,694,902</u>	<u>-</u>	<u>3,033,662</u>	<u>(583,818)</u>	<u>(21,156)</u>	<u>29,123,590</u>
Roads and Public Works:						
Public services administration	3,246,375	-	-	(6,264)	-	3,240,111
Fleet services	455,277	-	51,728	-	21,156	528,161
Streets and drainage	155,116,147	-	2,600,877	(2,570)	-	157,714,454
	<u>158,817,799</u>	<u>-</u>	<u>2,652,605</u>	<u>(8,834)</u>	<u>21,156</u>	<u>161,482,726</u>
Education	-	74,045,607	186,841	-	-	74,232,448
Sanitation	3,862,414	-	937,837	-	-	4,800,251
Culture and Recreation	32,238,108	-	733,361	(110,761)	113,413	32,974,121
Development of historic town square	1,864,970	-	-	-	(112,900)	1,752,070
Total capital assets	<u>\$ 250,602,133</u>	<u>\$ 74,045,607</u>	<u>\$ 10,968,055</u>	<u>\$ (1,118,196)</u>	<u>\$ -</u>	<u>\$ 334,497,599</u>

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

For the Year Ended June 30, 2014

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2014	\$1.53	\$ 1,452,527,470
2013	1.53	1,446,885,170
2012	1.43	1,500,598,775
2011	1.43	1,455,713,724
2010	1.18	1,464,640,545
2009	1.18	1,475,696,365
2008	1.28	1,320,421,340
2007	1.28	1,270,975,865
2006	1.28	1,229,378,925
2005	1.28	1,124,545,815

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE July 1, 2013</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE June 30, 2014</u>
2014		\$ 22,223,670			\$ 22,223,670
2013	\$ 22,137,343		\$ 253,258	\$ 21,576,099	307,986
2012	456,705		43,014	230,044	183,647
2011	178,452		39,975	58,909	79,568
2010	88,283		26,193	29,109	32,981
2009	47,784		6	27,758	20,020
2008	28,201		19	9,853	18,329
2007	15,113		328	1,706	13,079
2006	9,965		241	-	9,724
2005 & PRIOR	46,961		3,221	-	43,740
	<u>23,008,807</u>	<u>22,223,670</u>	<u>366,255</u>	<u>21,933,478</u>	<u>22,932,744</u>
Allowance for uncollectible property taxes	<u>(226,762)</u>				<u>(310,131)</u>
Net receivables	<u>\$ 22,782,045</u>				<u>\$ 22,622,613</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 2013 have been turned over to Chancery Court for collection. Property taxes in 2014 are included in deferred inflow of resources in accordance with GASB No.'s 33 and 36, as amended by GASB No. 63.

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

June 30, 2014

	Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Bonds		General Improvement Refunding Bonds		Water & Sewer Revenue & Tax Refunding Bonds		Total		
Date Issued	11/01/05		06/01/06		9/1/10		11/1/12				
Interest Rate %	3.50% - 4.125%		4.00% - 4.375%		2.00% - 3.00%		1.50% - 4.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	\$ 270,000	\$ 66,638	\$ 1,160,000	\$ 362,994	\$ 2,726	\$ 176	\$ 660,000	\$ 460,500	\$ 2,092,726	\$ 890,308	\$ 2,983,034
2016	265,000	55,937	1,205,000	316,594	2,785	122	675,000	448,838	2,147,785	821,491	2,969,276
2017	290,000	44,838	1,260,000	268,394	1,902	38	690,000	438,600	2,241,902	751,870	2,993,772
2018	285,000	33,338	1,310,000	217,994	-	-	695,000	428,213	2,290,000	679,545	2,969,545
2019	330,000	21,038	-	165,594	-	-	2,115,000	391,275	2,445,000	577,907	3,022,907
2020	350,000	7,219	-	165,594	-	-	2,205,000	315,450	2,555,000	488,263	3,043,263
2021	-	-	-	165,594	-	-	2,310,000	225,150	2,310,000	390,744	2,700,744
2022	-	-	-	165,594	-	-	2,480,000	129,350	2,480,000	294,944	2,774,944
2023	-	-	-	165,594	-	-	1,565,000	64,100	1,565,000	229,694	1,794,694
2024	-	-	-	165,594	-	-	1,615,000	24,225	1,615,000	189,819	1,804,819
2025	-	-	1,845,000	165,594	-	-	-	-	1,845,000	165,594	2,010,594
2026	-	-	1,940,000	84,875	-	-	-	-	1,940,000	84,875	2,024,875
	<u>\$ 1,790,000</u>	<u>\$ 229,008</u>	<u>\$ 8,720,000</u>	<u>\$ 2,410,009</u>	<u>\$ 7,413</u>	<u>\$ 336</u>	<u>\$ 15,010,000</u>	<u>\$ 2,925,701</u>	<u>\$ 25,527,413</u>	<u>\$ 5,565,054</u>	<u>\$ 31,092,467</u>

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

June 30, 2014

	General Improvement Bonds		General Improvement Refunding Bonds		Note Payable		General Improvement Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		Total		
Date Issued	11/1/05		11/1/05		8/11/04		11/25/08		9/1/10		10/25/11		11/1/12		8/22/13				
Interest Rate %	3.50% - 4.375%		3.50% - 4.125%		2.80%		3.50% - 5.00%		2.00% - 3.00%		2.00% - 2.50%		1.50% - 2.00%		2.00% - 4.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	\$ 360,000	\$ 22,200	\$ 310,000	\$ 85,281	\$ 282,000	\$ 16,016	\$ 510,000	\$ 480,950	\$ 692,274	\$ 44,724	\$ 485,000	\$ 88,138	\$ -	\$ 96,800	\$ 305,000	\$ 215,125	\$ 2,944,274	\$ 1,049,234	\$ 3,993,508
2016	375,000	7,500	335,000	72,381	290,000	8,120	530,000	462,750	707,215	30,878	500,000	78,438	-	96,800	310,000	208,975	3,047,215	965,842	4,013,057
2017	-	-	535,000	54,981	-	-	550,000	442,475	483,098	9,662	440,000	68,438	475,000	92,050	315,000	202,725	2,798,098	870,331	3,668,429
2018	-	-	345,000	37,381	-	-	575,000	419,975	-	-	510,000	59,638	485,000	82,450	325,000	196,325	2,240,000	795,769	3,035,769
2019	-	-	365,000	23,181	-	-	600,000	393,475	-	-	520,000	49,438	490,000	73,925	335,000	188,050	2,310,000	728,069	3,038,069
2020	-	-	385,000	7,941	-	-	625,000	365,194	-	-	535,000	39,038	500,000	66,500	340,000	177,925	2,385,000	656,598	3,041,598
2021	-	-	-	-	-	-	660,000	337,063	-	-	520,000	27,000	510,000	58,925	355,000	165,725	2,045,000	588,713	2,633,713
2022	-	-	-	-	-	-	690,000	306,256	-	-	560,000	14,000	520,000	49,900	365,000	154,975	2,135,000	525,131	2,660,131
2023	-	-	-	-	-	-	725,000	273,534	-	-	-	-	535,000	39,350	370,000	146,700	1,630,000	459,584	2,089,584
2024	-	-	-	-	-	-	765,000	238,600	-	-	-	-	555,000	28,450	380,000	137,325	1,700,000	404,375	2,104,375
2025	-	-	-	-	-	-	805,000	201,313	-	-	-	-	565,000	17,250	390,000	127,456	1,760,000	346,019	2,106,019
2026	-	-	-	-	-	-	845,000	161,597	-	-	-	-	580,000	5,800	405,000	116,263	1,830,000	283,660	2,113,660
2027	-	-	-	-	-	-	890,000	118,750	-	-	-	-	-	-	415,000	103,963	1,305,000	222,713	1,527,713
2028	-	-	-	-	-	-	940,000	73,000	-	-	-	-	-	-	425,000	91,363	1,365,000	164,363	1,529,363
2029	-	-	-	-	-	-	990,000	24,750	-	-	-	-	-	-	440,000	78,113	1,430,000	102,863	1,532,863
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	455,000	63,275	455,000	63,275	518,275
2031	-	-	-	-	-	-	-	-	-	-	-	-	-	-	475,000	46,406	475,000	46,406	521,406
2032	-	-	-	-	-	-	-	-	-	-	-	-	-	-	490,000	28,313	490,000	28,313	518,313
2033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	510,000	9,563	510,000	9,563	519,563
	<u>\$ 735,000</u>	<u>\$ 29,700</u>	<u>\$ 2,275,000</u>	<u>\$ 281,146</u>	<u>\$ 572,000</u>	<u>\$ 24,136</u>	<u>\$ 10,700,000</u>	<u>\$ 4,299,682</u>	<u>\$ 1,882,587</u>	<u>\$ 85,264</u>	<u>\$ 4,070,000</u>	<u>\$ 424,128</u>	<u>\$ 5,215,000</u>	<u>\$ 708,200</u>	<u>\$ 7,405,000</u>	<u>\$ 2,458,565</u>	<u>\$ 32,854,587</u>	<u>\$ 8,310,821</u>	<u>\$ 41,165,408</u>

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

For the Year Ended June 30, 2014

CFDA Number	Grant Number	Program Name	Grantor Agency	Grants Receivable (Deferred)	Cash Receipts	Expenditures	Grants Receivable (Deferred)
				June 30, 2013			June 30, 2014
Federal Awards							
16.607	16. 607	Bulletproof Vest Partnership Grant FY 11	Department of Justice	\$ 941	\$ 941	\$ -	\$ -
16.607	16. 607	Bulletproof Vest Partnership Grant FY 12	Department of Justice	5,486	5,856	370	-
16.607	16. 607	Bulletproof Vest Partnership Grant FY 13	Department of Justice	-	3,774	4,613	839
20.607	Z-13-GHSO68	GHSO MVP-DUI 2012	Governor's Highway Safety Office	6,852	13,629	6,777	-
20.607	Z-12-GHSO71	GHSO MVP-DUI 2014	Governor's Highway Safety Office	-	6,136	17,621	11,485
14.228	2012D Edison #34918	CDBG-D 2012	Department of Housing and Urban Development	12,001	75,264	72,385	9,122
20.205	State Agreement No. CRR070003 Fed. Proj. #HSIP-R00S(53)	Statewide Transportation Improvement Program	Department of Transportation	-	-	3,150	3,150
			Total Federal Awards	25,280	105,600	104,916	24,596
State Awards							
	C13-0512A	TN Civil Wars National Heritage Area Grant	Middle Tennessee State University/TN Civil War National Heritage Area	-	5,706	5,706	-
0.000	No grant # issued for marketing program agreements	Tennessee Tourism Partnership Marketing Program 2012-2013		1,600	1,600	-	-
0.000	No grant # issued for marketing program agreements	Tennessee Tourism Partnership Marketing Program 2013-2014		-	-	3,000	3,000
			Total State Awards	1,600	7,306	8,706	3,000
			Total Federal and State Awards	\$ 26,880	\$ 112,906	\$ 113,622	\$ 27,596

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.

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF INVESTMENTS

June 30, 2014

Governmental Funds

General Fund	
Local government investment pool	\$ 23,049,746
Capital Projects Fund	
Local government investment pool	<u>6,409,236</u>
	<u><u>\$ 29,458,982</u></u>

Proprietary Fund

Water and Sewer Fund	
Local government investment pool	<u><u>\$ 27,081,362</u></u>

Fiduciary Funds

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 1,435,105
U.S. government agency bonds	828,634
Corporate and foreign bonds	4,081,654
Municipal obligations	652,280
Common stocks	5,422,771
Equity mutual funds	24,574,709
Fixed income mutual funds	<u>11,298,511</u>
	<u><u>\$ 48,293,664</u></u>
Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 685,701
Common stocks	1,019,130
Equity mutual funds	5,080,928
Fixed income mutual funds	<u>2,879,896</u>
	<u><u>\$ 9,665,655</u></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)	105
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity (Schedules 6, 7, 8, 9, 10, 11)	112
These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales tax.	
Debt Capacity (Schedules 12, 13, 14, 15)	118
These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. The Town has no legal debt limit.	
Demographic and Economic Information (Schedules 16, 17)	122
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information (Schedules 18, 19, 20, 21, 22, 23, 24)	124
These schedules contain information about the Town's operations and resources to help the reader understand how the town's financial information relates to the services the town provides and the activities it performs.	

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

Schedule 1
Town of Collierville
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities										
Net investment in capital assets	\$ 103,333,213	\$ 110,245,903	\$ 108,468,398	\$ 124,286,702	\$ 130,489,559	\$ 136,692,649	\$ 140,702,628	\$ 151,470,712	\$ 158,108,082	\$ 214,192,052
Restricted ^a	266,116	336,941	1,043,670	1,843,247	1,597,295	1,674,640	7,616,519	6,021,577	4,954,556	8,205,085
Unrestricted	18,992,131	26,832,831	39,101,813	31,946,261	24,821,960	23,078,426	18,304,577	19,902,580	29,618,473	25,818,422
Total government activities net position	<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>\$ 177,394,869</u>	<u>\$ 192,681,111</u>	<u>\$ 248,215,559</u>
Business-type activities										
Net investment in capital assets	\$ 53,407,507	\$ 29,714,522	\$ 57,961,221	\$ 64,224,620	\$ 64,077,656	\$ 65,792,383	\$ 65,716,041	\$ 66,108,146	\$ 64,339,030	\$ 66,444,330
Restricted	-	-	-	-	2,857,366	2,639,558	2,170,938	2,014,175	2,905,168	4,017,819
Unrestricted	8,419,148	38,322,536	19,963,143	20,067,949	20,598,131	21,086,683	22,759,955	24,072,503	26,698,776	26,334,310
Total business-type activities net position	<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>\$ 92,194,824</u>	<u>\$ 93,942,974</u>	<u>\$ 96,796,459</u>
Primary government										
Net investment in capital assets	\$ 156,740,720	\$ 139,960,425	\$ 166,429,619	\$ 188,511,322	\$ 194,567,215	\$ 202,485,032	\$ 206,418,669	\$ 217,578,858	\$ 222,447,112	\$ 280,636,382
Restricted	266,116	336,941	1,043,670	1,843,247	4,454,661	4,314,198	9,787,457	8,035,752	7,859,724	12,222,904
Unrestricted	27,411,279	65,155,367	59,064,956	52,014,210	45,420,091	44,165,109	41,064,532	43,975,083	56,317,249	52,152,732
Total primary government net position	<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>\$ 269,589,693</u>	<u>\$ 286,624,085</u>	<u>\$ 345,012,018</u>

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

^bIn June 2014, the Town received 8 schools from Shelby County Schools, with a net carrying amount of \$52,215,436 through a transfer of operations to the Collierville municipal school district.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
Legislative	\$ 149,683	\$ 133,928	\$ 181,343	\$ 179,470	\$ 192,200	\$ 138,580	\$ 149,268	\$ 261,181	\$ 196,902	\$ 282,947
General government	3,718,953	5,804,643	6,063,357	6,841,654	7,232,361	6,946,178	6,480,409	6,638,179	8,252,288	8,330,982
Education	-	-	-	-	-	-	-	-	-	1,492,580
Roads and public works	6,334,686	6,689,264	6,818,489	7,374,540	7,405,925	7,422,320	7,762,474	9,218,450	8,890,342	8,310,099
Public Safety	14,557,364	15,158,699	16,512,210	17,742,544	19,294,804	19,396,949	19,431,374	20,423,963	20,485,058	21,767,310
Sanitation	2,067,263	2,305,789	2,689,552	2,773,509	2,889,911	2,644,151	2,968,315	3,014,845	3,156,642	3,721,153
Drug fund	24,003	42,871	44,155	26,845	22,285	20,721	41,757	27,673	17,798	29,003
Special census	52,743	-	-	-	-	-	-	-	-	-
Culture and recreation	3,046,145	3,251,372	3,235,008	2,794,702	4,244,899	4,119,768	4,437,125	3,892,595	4,626,281	5,120,963
Interest on long-term debt	1,120,295	1,187,731	1,281,362	1,288,383	1,506,072	1,625,212	1,315,638	1,377,744	1,206,699	1,207,195
Total governmental activities expenses	<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>44,854,630</u>	<u>46,832,010</u>	<u>50,262,232</u>
Business-type activities:										
Water and sewer	7,079,594	7,241,129	7,700,172	8,922,991	10,252,913	10,149,940	12,254,310	10,679,638	10,905,161	10,488,286
Total business-type activities expenses	<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>10,679,638</u>	<u>10,905,161</u>	<u>10,488,286</u>
Total primary government expenses	<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>\$ 55,534,268</u>	<u>\$ 57,737,171</u>	<u>\$ 60,750,518</u>
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 537,123	\$ 558,254	\$ 524,079	\$ 480,888	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958	\$ 312,452
Education	-	-	-	-	-	-	-	-	-	397,168
Roads and public works	475,242	561,963	566,298	1,264,991	627,109	491,002	1,101,149	503,235	653,073	695,312
Public safety	3,225,957	2,607,977	2,341,159	2,126,291	1,836,723	1,838,830	1,728,898	1,964,117	2,666,688	2,526,556
Sanitation	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834	3,173,045	3,254,316	3,261,895	3,407,085	3,497,305
Culture and recreation	193,725	325,638	293,648	324,183	507,646	515,021	545,418	533,441	473,788	483,247
Operating grants and contributions	1,154,538	985,678	1,394,711	1,375,961	1,415,062	1,538,690	2,068,717	2,112,056	2,106,515	1,634,483
Capital grants and contributions	5,944,524	9,526,266	6,196,487	5,351,308	829,254	5,157,989	4,416,497	7,461,900	7,874,778	2,454,826
Total governmental activities program revenues	<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>	<u>17,489,885</u>	<u>12,001,349</u>
Business-type activities:										
Charges for services	7,581,608	11,344,352	13,473,709	12,748,464	11,776,773	11,263,853	11,840,445	12,405,557	12,980,102	13,373,538
Operating grants and contributions	-	-	-	-	-	18,767	-	-	-	-
Capital grants and contributions	3,102,627	1,897,795	2,312,450	1,555,946	1,796,272	1,026,656	1,669,411	274,665	3,500	350,862
Total business-type activities program revenues	<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>	<u>12,983,602</u>	<u>13,724,400</u>
Total primary government program revenues	<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>	<u>\$ 30,473,487</u>	<u>\$ 25,725,749</u>
Net (Expense)/Revenue										
Governmental activities	\$ (17,191,396)	\$ (17,586,559)	\$ (23,023,101)	\$ (25,563,714)	\$ (34,739,485)	\$ (29,326,749)	\$ (29,270,845)	\$ (28,774,044)	\$ (29,342,125)	\$ (38,260,883)
Business-type activities	3,604,641	6,001,018	8,085,987	5,381,419	3,320,132	2,159,336	1,255,546	2,000,584	2,078,441	3,236,114
Total primary government net expense	<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>\$ (26,773,460)</u>	<u>\$ (27,263,684)</u>	<u>\$ (35,024,769)</u>

(Continued)

Schedule 2 – Continued

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 13,472,499	\$ 14,649,001	\$ 16,047,793	\$ 16,607,351	\$ 17,228,395	\$ 17,623,045	\$ 17,577,135	\$ 20,970,077	\$ 21,971,554	\$ 22,421,859
Other local taxes	8,589,361	10,540,041	11,291,175	11,801,336	11,404,587	11,047,089	12,003,559	12,818,038	16,628,924	18,289,596
Intergovernmental revenues:										
State sales tax ^a	4,048,482	5,123,426	3,160,775	3,151,594	3,039,360	2,973,859	3,087,223	3,152,888	3,348,868	3,437,591
State income and other taxes ^a	-	-	1,251,777	1,413,975	1,191,749	1,022,266	1,032,463	1,085,542	1,333,631	1,461,550
Other state revenue	-	-	-	112,674	115,699	103,113	102,478	99,185	103,508	103,704
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	351,207	821,752	1,305,477	1,190,266	514,218	115,891	53,902	33,280	36,221	35,908
Miscellaneous	396,362	795,462	672,714	181,730	191,278	326,715	34,321	809,480	452,029	363,688
Payment to fiduciary trust	-	-	-	-	(875,759)	-	-	-	-	-
Transfers	527,075	481,092	491,596	567,117	762,562	651,672	557,773	764,569	753,632	790,493
Special item - capital asset impairment loss	(1,225,005)	-	-	-	-	-	-	-	-	-
Special item - litigation settlement	-	-	-	-	-	-	-	-	-	(5,324,494)
Special item - transfer of operations	-	-	-	-	-	-	-	-	-	52,215,436
Total government activities	26,159,981	32,410,774	34,221,307	35,026,043	33,572,089	33,863,650	34,448,854	39,733,059	44,628,367	93,795,331
Business-type activities:										
Investment earnings	291,957	626,562	2,243,989	1,490,542	596,892	338,739	304,158	273,796	281,831	249,936
Miscellaneous	51,100	63,915	48,926	63,361	86,122	139,068	126,379	129,035	141,510	157,928
Transfers	(527,075)	(481,092)	(491,596)	(567,117)	(762,562)	(651,672)	(557,773)	(764,569)	(753,632)	(790,493)
Total business-type activities	(184,018)	209,385	1,801,319	986,786	(79,548)	(173,865)	(127,236)	(361,738)	(330,291)	(382,629)
Total primary government	<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>	<u>\$ 44,298,076</u>	<u>\$ 93,412,702</u>
Change in Net Position										
Governmental activities	\$ 8,968,585	\$ 14,824,215	\$ 11,198,206	\$ 9,462,329	\$ (1,167,396)	\$ 4,536,901	\$ 5,178,009	\$ 10,959,015	\$ 15,286,242	\$ 55,534,448
Business-type activities	3,420,623	6,210,403	9,887,306	6,368,205	3,240,584	1,985,471	1,128,310	1,638,846	1,748,150	2,853,485
Total primary government	<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>\$ 12,597,861</u>	<u>\$ 17,034,392</u>	<u>\$ 58,387,933</u>

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

^bIn June 2014, the Town received 8 schools from Shelby County Schools, with a net carrying amount of \$52,215,436 through a transfer of operations to the Collierville municipal school district.

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:										
General government	\$ 1,100,471	\$ 855,005	\$ 594,982	\$ 510,481	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866	\$ 495,251
Education	-	-	-	-	-	-	-	-	-	397,168
Roads and public works	6,039,605	9,418,311	6,693,309	6,356,978	1,456,363	6,249,872	7,072,133	8,128,677	3,472,012	3,269,561
Public safety	4,070,699	3,234,808	2,943,481	2,519,290	1,927,702	2,116,691	2,004,015	3,353,826	5,017,081	3,705,252
Sanitation	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834	3,215,108	3,259,069	3,266,172	3,411,338	3,502,010
Culture and recreation ^a	320,334	1,057,652	1,084,610	355,437	616,262	1,099,425	698,905	556,884	499,588	632,107
Subtotal governmental activities	<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>	<u>17,489,885</u>	<u>12,001,349</u>
Business-type activities:										
Water and Sewer ^b	10,684,235	13,242,147	15,786,159	14,304,410	13,573,045	12,309,276	13,509,856	12,680,222	12,983,602	13,724,400
Subtotal business-type activities	<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>	<u>12,983,602</u>	<u>13,724,400</u>
Total primary government	<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>	<u>\$ 30,473,487</u>	<u>\$ 25,725,749</u>

^aThe increase in revenue in years 2006, 2007, and 2010 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 of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<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>	<u>2013</u>	<u>2014</u>
General Fund										
Reserved	\$ 142,925	\$ 159,784	\$ 228,758	\$ 476,853	\$ 475,191	\$ 572,982	\$ -	\$ -	\$ -	\$ -
Unreserved	16,958,851	18,563,072	23,547,928	25,662,542	22,753,263	21,547,026	-	-	-	-
Nonspendable	-	-	-	-	-	-	154,091	153,045	161,315	172,028
Restricted	-	-	-	-	-	-	1,369,227	1,677,931	1,885,530	1,508,576
Committed	-	-	-	-	-	-	1,188,831	1,004,206	1,566,727	1,565,296
Assigned	-	-	-	-	-	-	6,877,687	6,019,516	10,295,248	15,822,524
Unassigned	-	-	-	-	-	-	12,791,481	15,181,846	17,052,954	17,717,284
Total general fund	<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>\$ 24,036,544</u>	<u>\$ 30,961,774</u>	<u>\$ 36,785,708</u>
All Other Governmental Funds										
Reserved	\$ 123,191	\$ 177,157	\$ 814,912	\$ 1,366,394	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,057,511	664,708	655,355	325,828	226,536	247,508	-	-	-	-
Capital projects funds	1,424,453	7,836,383	7,418,832	9,635,292	17,651,735	11,217,468	-	-	-	-
Nonspendable	-	-	-	-	-	-	15,331	17,983	12,060	89,687
Restricted	-	-	-	-	-	-	6,077,870	4,343,644	3,069,023	6,696,509
Committed	-	-	-	-	-	-	489,119	727,569	660,732	-
Assigned	-	-	-	-	-	-	726,774	593,048	513,210	10,620
Unassigned	-	-	-	-	-	-	-	-	-	(513,960)
Total all other governmental funds	<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>	<u>\$ 4,255,025</u>	<u>\$ 6,282,856</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 of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues										
Property taxes	\$ 13,574,550	\$ 14,517,719	\$ 16,122,511	\$ 16,652,124	\$ 17,138,004	\$ 17,387,901	\$ 17,552,246	\$ 21,343,304	\$ 21,613,088	\$ 22,682,126
Other local taxes	8,778,793	10,852,627	11,564,823	11,693,472	11,526,504	11,161,690	11,992,194	12,798,591	16,511,457	18,234,550
Federal revenues	454,301	676,509	467,144	303,726	129,082	377,170	1,157,242	959,130	507,931	104,916
State revenues	4,262,868	5,183,578	5,960,493	5,888,072	5,526,257	5,366,745	6,083,218	5,483,684	5,959,985	6,185,523
Licenses and permits	2,719,515	2,233,259	2,166,469	1,719,735	783,060	616,926	488,437	673,993	1,343,894	1,142,811
Charges for services	3,186,631	3,364,545	3,256,828	4,032,191	3,922,743	4,528,357	5,252,524	4,603,929	4,699,402	5,199,463
Court fees	949,370	821,763	838,253	724,866	812,974	863,247	795,641	934,985	1,117,353	1,158,302
Fines and forfeitures	357,625	312,009	320,054	253,872	285,880	281,921	293,699	293,723	489,108	456,230
Interest income	350,939	821,521	1,305,470	1,173,193	514,218	115,891	53,902	33,280	36,221	35,908
Contributions	540,187	309,169	152,034	164,195	289,028	167,668	212,163	1,207,091	1,588,212	1,845,267
Other revenues	546,424	757,345	731,006	244,577	247,188	367,057	269,505	353,303	171,627	204,750
Total revenues	<u>35,721,203</u>	<u>39,850,044</u>	<u>42,885,085</u>	<u>42,850,023</u>	<u>41,174,938</u>	<u>41,234,573</u>	<u>44,150,771</u>	<u>48,685,013</u>	<u>54,038,278</u>	<u>57,249,846</u>
Expenditures										
Legislative	148,343	133,757	183,567	195,028	196,908	135,668	143,270	252,047	188,876	273,865
General government	4,287,711	4,891,873	5,215,476	5,679,846	5,995,253	5,832,232	5,622,841	5,749,669	7,181,603	7,326,616
Roads and public works	3,915,137	4,548,047	4,714,915	4,822,997	5,883,040	5,088,190	5,703,949	6,496,218	6,416,673	6,110,579
Public safety	13,888,924	15,116,998	16,595,601	17,839,584	18,848,929	18,694,163	18,373,562	19,298,206	19,415,850	20,701,177
Sanitation	2,056,677	2,223,822	2,440,786	2,717,880	2,711,465	2,644,151	2,794,347	2,850,986	3,024,158	3,587,473
Special census	52,743	-	-	-	-	-	-	-	-	-
Culture and recreation	2,609,118	2,819,924	2,996,782	3,335,335	3,773,434	3,831,920	3,789,515	3,810,511	3,953,531	4,215,032
Drug fund	24,003	42,871	44,155	26,845	22,285	20,721	41,757	27,673	17,798	29,003
Education	-	-	-	-	-	-	-	-	-	1,363,515
Other	454,827	439,684	472,953	472,266	392,042	184,994	153,125	138,153	353,738	78,572
Capital projects ^a	7,737,309	6,365,178	3,632,884	2,759,704	5,983,483	8,676,565	8,942,435	6,675,607	4,885,287	9,950,206
Debt service										
Principal	1,981,989	3,777,120	2,388,743	2,489,832	5,246,854	2,778,279	2,747,910	2,864,489	2,857,900	3,244,725
Interest and fiscal charges	1,134,522	1,150,343	1,281,766	1,271,390	1,414,034	1,541,549	1,401,615	1,320,351	1,036,390	1,070,199
Bond Issue costs	-	98,781	-	(14,691)	30,538	-	91,333	103,153	56,018	92,448
Total expenditures	<u>38,291,303</u>	<u>41,608,398</u>	<u>39,967,628</u>	<u>41,596,016</u>	<u>50,498,265</u>	<u>49,428,432</u>	<u>49,805,659</u>	<u>49,587,063</u>	<u>49,387,822</u>	<u>58,043,410</u>

(Continued)

Schedule 5 - Continued

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Excess (deficiency) of revenues over (under) expenditures	(2,570,100)	(1,758,354)	2,917,457	1,254,007	(9,323,327)	(8,193,859)	(5,654,888)	(902,050)	4,650,456	(793,564)
Other Financing Sources										
(Uses)										
Bonds issued	1,934,475	8,890,000	1,600,000	2,980,000	13,289,500	-	-	-	-	-
Refunding bonds issued	-	5,290,000	-	-	-	-	5,154,702	4,985,000	5,215,000	-
Refunding bonds premium ^c	-	-	-	-	-	-	230,373	80,858	190,265	-
Bond discounts	-	-	-	-	-	-	-	-	-	-
Refunded bond payments	-	(5,264,155)	-	-	-	-	(5,284,191)	(4,900,000)	(5,343,793)	-
Issuance proceeds	-	55,590	255,627	-	33,185	-	-	-	-	7,700,000
Bond premium	-	-	-	-	-	-	-	-	-	154,836
Transfers in	6,834,426	7,875,640	3,371,640	3,078,477	5,460,854	6,244,871	7,622,647	6,003,526	4,218,786	8,892,365
Transfers out	(6,307,351)	(7,394,548)	(2,880,043)	(2,511,360)	(4,698,292)	(5,593,199)	(7,064,874)	(5,238,957)	(3,465,154)	(8,101,872)
Total other financing sources (uses)	<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>	<u>815,104</u>	<u>8,645,329</u>
Net change in fund balances	<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>\$ 28,377</u>	<u>\$ 5,465,560</u>	<u>\$ 7,851,765</u>
Debt service as a percentage of noncapital expenditures	10.2%	14.0%	10.5%	9.9%	15.3%	10.6%	9.9%	9.5%	8.8%	9.0%

^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 after 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)

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Fiscal Year	Property	In Lieu of	Local Option Sales	Beer & Liquor	Business & Privilege	Motor Vehicle	Park Land Dedication	Historic Preservation	Substance	Total
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
2013	21,613,088	462,466	12,351,378	861,913	1,691,183	1,104,074	384,470	40,443	-	38,509,015
2014	22,682,126	662,208	13,894,730	841,193	1,718,878	1,101,383	3,800	16,158	-	40,920,476
Change 2005-2014	67.1%	138.6%	146.9%	53.3%	35.2%	64.5%	-94.4%	-94.9%	0.0%	83.1%

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

Fiscal Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Multiple Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
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
2013	12,553	1,075,944	305,564	45,164	4,968	56,406	1,500,599	1.43	5,467,621	27.445
2014	11,213	1,009,343	323,547	43,304	4,953	54,525	1,446,885	1.53	5,229,589	27.667

Source: Shelby County Assessor's Office

Notes: Property in Shelby County is reassessed every four years. The county assesses property at 25 percent of actual value for residential and farm property, 40 percent for commercial and industrial property, 0 to 40 percent for multiple property and 30 percent for personal property. Tax rates are per \$100 of assessed value.

Schedule 8
Town of Collierville
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of assessed value)

Fiscal Year	Town Direct Rates		Total Direct Rate	Overlapping Rate^a	
	Basic Rate	Parks Improvement^b		Shelby County	
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	
2013	1.43	-	1.43	4.06	
2014	1.53	-	1.53	4.42	

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>	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
AT&T Mobility, LLC	\$ 31,020,821	1	2.09%	\$ -		- %
G&I VII (Carriage Crossing)	27,787,120	2	1.87	-		-
Carrier Corporation	19,434,620	3	1.31	12,018,400	1	1.31
Legacy Farm LLC	13,233,880	4	0.89			-
Madison 324 LLC	12,457,680	5	0.84			-
Dogwood Creek Associates	9,613,520	6	0.65	5,970,620	7	0.65
Bailey Creek Associates	8,898,240	7	0.60			-
Cole MT (Gallina Centro)	8,637,640	8	0.58			-
Baptist Memorial Hospital	8,356,960	9	0.56			-
Wingo Properties	7,536,140	10	0.51	6,499,530	6	0.71
BellSouth Communications				8,666,793	2	0.95
Delta Beverage Group				8,075,430	3	0.88
G&I IV Madison				7,803,660	4	0.85
Northwestern Mutual (Legacy Farms)				7,746,040	5	0.85
Gallina Centro				5,832,440	8	0.64
G&I IV Bailey Creek LP				4,976,480	9	0.54
Cartwright Properties				4,921,255	10	0.54
						-
Total	<u>\$ 146,976,621</u>		9.90%	<u>\$ 72,510,648</u>		7.92%

Sources: Shelby County Assessor's Office and State of Tennessee

Schedule 10
Town of Collierville
Property Tax Levies and Collections
Last Ten Fiscal Years

911

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
2005	\$ 13,121,230	\$ 220,332	\$ 13,341,562	\$ 12,946,680	97.04%	\$ 367,599	\$ 13,314,279	99.80%
2006	14,394,186	(95,386)	14,298,800	13,888,702	97.13	381,269	14,269,972	99.80
2007	15,736,050	(30,638)	15,705,412	15,304,741	97.45	373,860	15,678,602	99.83
2008	16,268,491	46,209	16,314,700	15,837,483	97.07	455,137	16,292,620	99.86
2009	16,901,393	(156,844)	16,744,549	16,284,182	97.25	440,038	16,724,220	99.88
2010	17,413,217	(455,751)	16,957,466	16,460,339	97.07	458,901	16,919,239	99.77
2011	17,282,758	(265,731)	17,017,027	16,579,268	97.43	404,395	16,983,663	99.80
2012	20,816,706	(290,301)	20,526,405	20,081,479	97.83	346,046	20,427,525	99.52
2013	21,458,562	(204,555)	21,254,007	20,820,857	97.96	230,044	21,050,901	99.04
2014	22,137,343	(238,065)	21,899,278	21,576,099	98.52	-	21,576,099	98.52

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
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
2013	2.75	7.00
2014	2.75	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 rate on food items has had several incremental adjustments, and as of July 1, 2013 is 5%.

Schedule 12

Town of Collierville

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands except per capita)

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita ^b
	General Obligation Bonds	Capital Outlay	Notes Payable	Bond Anticipation Notes	Settlement Obligation	Water & Sewer Revenue & Tax Bonds	Notes Payable	General Obligation Bonds			
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	29,315	-	1,113	-	-	29,631	-	16	60,075	3.53	1,366 ^e
2013	27,924	-	846	-	-	29,504	-	12	58,286	3.33	1,326 ^e
2014	32,746	-	572	-	5,381	27,303	-	7	66,009	3.84	1,501 ^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	Bond Anticipation Notes	Total		
2005	\$ 24,485	\$ 1,735	\$ -	\$ 26,220	0.78%	\$ 625 ^b
2006	30,875	-	-	30,875	0.75	705
2007	28,710	-	-	28,710	0.64	636
2008	26,450	-	2,980	29,430	0.64	664 ^c
2009	37,420	-	-	37,420	0.78	845 ^c
2010	34,885	-	-	34,885	0.65	787 ^c
2011	32,255	-	-	32,255	0.61	734 ^d
2012	29,331	-	-	29,331	0.56	667 ^d
2013	27,936	-	-	27,936	0.51	635 ^d
2014	32,753	-	-	32,753	0.63	745 ^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, 2014
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Shelby County	\$ 1,291,562	8.49%	\$ 109,654
Town direct debt	33,318	100%	<u>33,318</u>
Total direct and overlapping debt			<u><u>\$ 142,972</u></u>

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

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

Schedule 15
Town of Collierville
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water & Sewer Tax & Revenue Bonds			Debt Service		Coverage
	Total	Less:	Net			
	Revenue and Other Sources	Operating Expenses	Available Revenue	Principal	Interest	
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
2013	11,909	6,810	5,099	1,934	1,083	1.69
2014	12,081	7,050	5,031	2,034	959	1.68

Schedule 16
Town of Collierville
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate^b
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
2013	43,965 ^e	1,749,279	39,788 ^e	9,062	6.6
2014	43,965 ^e	1,719,119	39,102 ^e	8,572	6.3

^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 U. S. Census Economic Data.

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

<u>Employer</u>	2014			2005		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>
FedEx	2,542	1	0.64%	2,504	2	0.58%
Carrier Corporation	1,400	2	0.35	2,564	1	0.59
Shelby County Schools	700	3	0.18			-
Town of Collierville	527	4	0.13	395	3	0.09
Kroger	443	5	0.11			-
Baptist Memorial Hospital	321	6	0.08	260	5	0.06
Walmart	300	7	0.08			-
Helena Chemical	250	8	0.06	217	8	0.05
Central Church	232	9	0.06			-
NSA	226	10	0.06			-
Pepsi Americas		-	-	300	4	0.07
AIMS Logistics		-	-	228	6	0.05
Bodine		-	-	220	7	0.05
Central Woodwork		-	-	165	9	0.04
ConStar Plastics		-	-	160	10	0.04
Total	<u>6,941</u>		1.75	<u>7,013</u>		1.62

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

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

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

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Legislative	7	7	7	7	7	6	6	6	6	6
General Government										
Administration	5	7	7	6	6	6	6	6	7	6
Morton Museum ^a	-	-	-	-	-	-	-	1	1	2
Financial Administration	17	17	18	18	19	19	19	19	19	19
Human Resources	4	4	4	4	4	4	4	4	4	5
Information Technology	3	4	5	5	5	5	5	5	5	5
General Services	9	8	9	11	13	13	13	13	14	15
Development										
Administration	2	1	1	2	2	3	2	2	2	3
Office of Planning	10	11	11	11	11	9	9	9	9	9
Code Enforcement	17	18	19	19	18	12	12	10	11	13
Office of Engineer	11	12	13	14	14	11	12	11	11	11
Education ^c	-	-	-	-	-	-	-	-	-	52
Public Safety										
Animal Services	4	4	6	6	6	6	5	5	4	4
Municipal Court	8	8	9	9	9	9	9	9	9	9
Police Department	119	127	133	140	139	138	137	137	138	141
Fire Department	66	66	67	70	70	68	68	69	69	69
Public Services										
Administration	5	5	5	5	5	5	5	5	7	7
Vehicle Maintenance	8	9	9	9	9	9	8	7	7	9
Streets and Drainage	21	23	25	25	25	24	25	25	29	29
Sanitation	32	33	34	36	36	34	32	27	28	30
Parks and Recreation	41	43	44	44	46	45	44	44	44	46
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water Distribution System	11	11	12	12	13	13	13	13	12	14
Wastewater Collection	10	10	10	10	10	10	10	10	10	8
Wastewater Treatment	8	8	8	8	7	7	7	7	7	7
Total	<u>423</u>	<u>441</u>	<u>461</u>	<u>476</u>	<u>479</u>	<u>461</u>	<u>456</u>	<u>449</u>	<u>458</u>	<u>524</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.

^cAdministrative employees for the schools were hired in FY 2014 in preparation for the opening of Collierville Schools in August, 2014.

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

<i>Function/Program</i>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Development										
Permits issued	3,830	5,047	3,648	3,242	2,434	2,438	2,610	3,130	4,050	3,893
Inspections conducted	24,063	20,161	15,932	14,917	13,523	6,470	7,280	9,163	12,652	12,395
Police ^a										
Physical arrests	1,633	1,777	1,573	1,781	2,764	2,704	2,392	2,591	2,424	N/A
Traffic citations	8,499	11,444	9,805	9,166	10,901	9,075	9,978	12,001	11,643	N/A
DUI arrests	140	120	135	103	169	150	138	152	125	N/A
Fire										
Emergency responses	2,175	2,485	2,551	2,624	2,446	2,633	2,785	2,799	3,011	3,066
Fires extinguished	110	138	159	116	105	96	105	94	102	93
Inspections	2,518	1,803	2,948	2,300	1,609	1,740	2,659	2,637	2,615	2,789
Sanitation										
Refuse collected (tons) ^b	14,575	14,893	15,000	15,091	14,838	14,295	14,124	13,993	14,344	14,812
Recyclables collected (tons)	1,813	1,819	1,810	1,776	1,867	1,809	1,900	1,927	1,835	1,872
Other public works										
Street resurfacing (miles)	23	17	19	11	13	20	12	33	27	24
Sidewalk replacement (linear feet)	100	250	420	150	100	132	240	401	223	235
Pavement repairs	350	500	500	550	600	450	300	238	220	380
Parks and Recreation										
Adult/youth sports participants	5,420	5,737	5,844	6,019	6,250	6,452	5,790	5,546	5,879	5,872
Community center admissions ^c	135,924	143,424	143,901	145,340	135,166	136,500	139,450	140,211	140,536	140,548
Harrell Theatre attendance	38,036	39,938	41,023	41,733	39,646	36,500	32,836	30,112	22,857	22,922
Library										
Volumes in collection	80,809	85,209	88,733	93,796	101,694	106,049	113,785	117,057	122,209	129,452
Total volumes circulated	246,339	266,049	324,185	351,133	349,731	344,280	345,914	350,044	362,498	348,300
Water										
New connections	724	520	386	312	169	139	182	154	212	264
Water main breaks	15	8	9	33	6	21	32	15	39	25
Average daily consumption (thousands of gallons)	6,182	6,883	7,342	6,996	6,222	5,950	6,821	6,803	6,006	5,933
Peak day consumption (thousands of gallons)	12,739	14,999	16,142	16,791	13,484	12,710	11,898	15,472	14,543	10,862
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,753	4,910	4,471	4,241	4,290	4,318	3,868	3,937	4,144	4,233

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.

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

<i>Function/Program</i>	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Education ^c										
Schools	-	-	-	-	-	-	-	-	-	8
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	1	-	1	-	-	-	-	-	-	-
Patrol units	59	66	72	76	80	75	75	75	79	79
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	21	22	22	22	22	22	24	24	26	26
Recycle trucks ^{a c}	4	4	5	5	5	5	-	-	-	2
Other public works										
Streets (miles)	228	248	260	264	261	268	278	311	336	340
Streetlights	5,489	5,775	5,920	6,200	6,291	6,515	6,576	6,599	6,599	6,599
Traffic Signals (intersections)	32	32	33	34	34	35	38	39	39	40
Parks and Recreation										
Parks	15	15	15	15	15	18	18	18	18	18
Acreage	487	487	487	487	496	625	750	750	750	775
Playgrounds	12	12	12	12	13	13	13	13	13	13
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	11	11	12	12	11	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	225	228	230	232	232	240	240	240	240	242
Fire hydrants	NA	2,832	2,860	3,010	3,010	3,010	3,103	3,103	3,103	3,366
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	4,250	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	213	216	218	220	220	228	228	228	228	230
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	6,500	6,500	6,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500

Sources: Various town departments.

Notes:

^{a c}Recycled operations were contracted out during 2011, and were resumed by the Town in 2014.

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

^cIn June, 2014, the Town received 8 schools from Shelby County Schools in a transfer of operations. The Collierville Schools will open to students August, 2014.

Schedule 21
Town of Collierville
Insurance Coverage
June 30, 2014

TML		
TMP – 7718-12	Property Insurance	\$172,342,128 Buildings & Personal Property; \$809,284 Electronic Data; \$1,607,936 Mobile Equipment, \$173,950,064 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, 2014

Official	Position	Official Bond
Stan Joyner	Mayor	
Maureen Fraser	Vice Mayor	
Tom Allen	Alderman	
Jimmy Lott	Alderman	
Billy Patton	Alderman	
John Worley	Alderman	
Lynn Carmack	Town Clerk	(1)
James Lewellen	Town Administrator	
Jane Bevill	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	
Dale Perryman	Town Engineer	
Tim Pendleton	Building Official	
John Aitken	Superintendent of Schools	
(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 2013 - December 2013

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	41.40	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

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.

(Continued)

Schedule 23 – Continued

Rates from January 2014 - June 2014

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

Water				Sewer			
Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$ 2.60	\$3.45	\$1.50	3/4"	\$3.50	\$11.20	\$2.60
1"	2.60	8.63	1.50	1"	3.50	28.00	2.60
2"	2.60	27.60	1.50	2"	3.50	89.60	2.60
3"	2.60	51.75	1.50	3"	3.50	168.00	2.60
4"	2.60	86.25	1.50	4"	3.50	280.00	2.60
6"	2.60	172.50	1.50	6"	3.50	560.00	2.60
8"	2.60	276.00	1.50	8"	3.50	896.00	2.60

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$2.60	\$5.18	\$2.25	3/4"	\$3.50	\$16.80	\$3.90
1"	2.60	12.95	2.25	1"	3.50	42.00	3.90
2"	2.60	41.40	2.25	2"	3.50	134.40	3.90
				3"	3.50	252.00	3.90
				4"	3.50	420.00	3.90
				6"	3.50	840.00	3.90
				8"	3.50	1,344.00	3.90

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge
2"	\$2.60	\$31.74	\$1.73
6"	2.60	198.38	1.73
8"	2.60	317.40	1.73
10"	2.60	456.26	1.73

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

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

Unmetered Cotton Creek customers: \$55.40

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

Number of Customers at Year-end:

Water	16,654
Sewer	15,115
Sanitation	14,951

Schedule 24
Town of Collierville
Unaccounted for Water
June 30, 2014

AWWA WLCC Free Water Audit Software: Reporting Worksheet									
Copyright © 2010, American Water Works Association. All Rights Reserved. WAS v4.2									
Back to Instructions									
Water Audit Report for: Town of Collierville									
Reporting Year: 2014 7/2013 - 6/2014									
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades									
All volumes to be entered as: MILLION GALLONS (US) PER YEAR									
WATER SUPPLIED									
<< Enter grading in column 'E'									
Volume from own sources: 7 2,169.105 Million gallons (US)/yr (MG/Yr)									
Master meter error adjustment (enter positive value): 7 10.845 over-registered MG/Yr									
Water imported: 7 3.377 MG/Yr									
Water exported: 7 66.246 MG/Yr									
WATER SUPPLIED: 2,095.391 MG/Yr									
AUTHORIZED CONSUMPTION									
Billed metered: 8 1,998.254 MG/Yr									
Billed unmetered: n/a 0.000 MG/Yr									
Unbilled metered: 8 20.376 MG/Yr									
Unbilled unmetered: 7 26.192 MG/Yr									
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed									
AUTHORIZED CONSUMPTION: 2,044.822 MG/Yr									
WATER LOSSES (Water Supplied - Authorized Consumption) 50.569 MG/Yr									
Apparent Losses									
Unauthorized consumption: 5 5.238 MG/Yr									
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed									
Customer metering inaccuracies: 6 20.390 MG/Yr									
Systematic data handling errors: 6 0.500 MG/Yr									
Apparent Losses: 26.129									
Real Losses (Current Annual Real Losses or CARL)									
Real Losses = Water Losses - Apparent Losses: 24.440 MG/Yr									
WATER LOSSES: 50.569 MG/Yr									
NON-REVENUE WATER									
NON-REVENUE WATER: 97.137 MG/Yr									
= Total Water Loss + Unbilled Metered + Unbilled Unmetered									
SYSTEM DATA									
Length of mains: 7 240.0 miles									
Number of active AND inactive service connections: 8 16,652									
Connection density: 69 conn./mile main									
Average length of customer service line: 10 0.0 ft (pipe length between curbstop and customer meter or property boundary)									
Average operating pressure: 7 75.0 psi									
COST DATA									
Total annual cost of operating water system: 10 \$4,068,402 \$/Year									
Customer retail unit cost (applied to Apparent Losses): 10 \$1.50 \$/1000 gallons (US)									
Variable production cost (applied to Real Losses): 10 \$333.09 \$/Million gallons									
PERFORMANCE INDICATORS									
Financial Indicators									
Non-revenue water as percent by volume of Water Supplied: 4.6%									
Non-revenue water as percent by cost of operating system: 1.5%									
Annual cost of Apparent Losses: \$39,193									
Annual cost of Real Losses: \$8,141									
Operational Efficiency Indicators									
Apparent Losses per service connection per day: 4.30 gallons/connection/day									
Real Losses per service connection per day*: 4.02 gallons/connection/day									
Real Losses per length of main per day*: N/A									
Real Losses per service connection per day per psi pressure: 0.05 gallons/connection/day/psi									
Unavoidable Annual Real Losses (UARL): 103.92 million gallons/year									
From Above, Real Losses = Current Annual Real Losses (CARL): 24.44 million gallons/year									
Infrastructure Leakage Index (ILI) [CARL/UARL]: 0.24									
* only the most applicable of these two indicators will be calculated									
WATER AUDIT DATA VALIDITY SCORE:									
*** YOUR SCORE IS: 75 out of 100 ***									
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score									
PRIORITY AREAS FOR ATTENTION:									
Based on the information provided, audit accuracy can be improved by addressing the following components:									
1: Volume from own sources									
2: Master meter error adjustment									
3: Water Imported									
For more information, click here to see the Grading Matrix worksheet									

GOVERNMENTAL AUDITING STANDARDS SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town") as of and the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dixon Hughes Goodman LLP

December 16, 2014