

TOWN OF COLLIERVILLE

T E N N E S S E E



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

TOWN OF COLLIERVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2009

Prepared by:

Department of Finance

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INTRODUCTORY SECTION

Stan Joyner
Mayor

Maureen Fraser, Alderman
Tony Sarwar, Alderman
Tom Allen, Alderman
Jimmy Lott, Alderman
Mike Russell, Alderman



James H. Lewellen
Town Administrator

Lynn Carmack
Town Clerk

Town of Collierville

December 3, 2009

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 generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards 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, 2009.

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, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Collierville for the fiscal year ended June 30, 2009 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Collierville's financial statements for the fiscal year ended June 30, 2009, 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 29.16 square miles and serves a population of 44,304. The Town of Collierville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

The Town of Collierville operates under a Private Acts Charter. The present charter was adopted in 2001. Collierville is a mayor-aldermanic/town administrator form of government. Policy-making and legislative authority are vested in a board consisting of the mayor and five aldermen. The board is responsible, among other things, for passing ordinances, adopting the budget, adopting the tax rate and setting fees, appointing boards and commissions, and appointing the town administrator and department heads. The town administrator is responsible for carrying out the policies and ordinances of the board and for overseeing the day-to-day operations of the Town. The board is elected on a non-partisan basis by popular vote and members serve four-year staggered terms. Elections occur every two years in November . The next election will be November 2010.

The Town of Collierville provides a full range of services, including police and fire and paramedic services; the construction and maintenance of highways, streets, and other infrastructure; planning and zoning services; sanitation and recreational activities and cultural events. In addition, the Town operates a water and sewer utility system. It is reported as a proprietary fund in the Town's financial statements.

The Shelby County Board of Education provides educational services to students within the jurisdiction of the Town of Collierville. The County school system is a part of the Government of Shelby County. The Memphis Light, Gas and Water Division of the City of Memphis provides electrical and natural gas distribution to the Collierville service area. The Memphis Area Transit Authority provides scheduled bus service throughout the Town. These entities do not meet established criteria for inclusion in the reporting entity and are not included in the report.

The annual budget serves as the foundation for the Town of Collierville's financial planning and control. All departments of the Town of Collierville are required to submit requests for appropriations to the town administrator. The town administrator uses these requests as the

starting point for developing a proposed budget. The town administrator then presents this proposed budget to the board at least 45 days before the beginning of the fiscal year. The board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Collierville's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The town administrator may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the board of mayor and aldermen. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 29 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 69.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Collierville operates.

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. Although the rate of growth has slowed over the past two years, Collierville's economy is expected to remain relatively stable.

Commercial growth was modest with 14 new commercial permits valued at \$18,595,264 and another 52 permits for additions to existing buildings valued at \$12,821,334. Commercial construction completed in the current year included several retail businesses, two banks, and a nationwide fitness facility.

The Town is permitted to conduct a special census three times in a decade. The 2008 special census population of 44,304 resulted in a 5.68% increase above the 2005 population. The 2005 special census population of 41,923 resulted in a 13.17% increase over the special census count of 2002 of 37,044. That growth was accommodated by the construction of an average of 510 single family homes each fiscal year from 2002 to 2006. Single family permits began to decline to 212 in 2007 and 137 in 2008. In the 2009 fiscal year, there were 50 new single family permits valued at \$18,599,750. This represents a decrease of 63.5% from the prior year. However, additions to existing homes valued remained fairly stable, averaging 239 from 2002 through 2006. In fiscal year 2007 there were 217 and 212 in 2008. In the 2009 fiscal year, there were 198 additions valued at \$3,285,707, a decrease of only 6.6% from the prior year.

Long-term financial planning. To keep pace with the transportation needs of the growing population of residents and businesses, over the past three years the Town has allocated over \$4.9 million for design and construction of major road projects. These projects, in various stages of design and construction, along with several other intersection and roadway improvements

within the Town's interior, will help to improve traffic flow and livability of the entire community.

In addition to the Town roadway projects, the County and the State of Tennessee continue to plan, design, and construct transportation improvements in the southeast quadrant of Shelby County. These projects include: a controlled access interstate design roadway along the Town's southeastern and eastern borders and the remaining segments to the north of Collierville; widening of an existing state and federal highway system through the southeast quadrant of town; and widening of a major arterial along the Town's northwest border.

The Town's greenbelt system is designed for the construction of over 60 miles of trails and sidewalks connecting parks, schools, and commercial districts. In addition to the more than \$900,000 invested into the greenbelt system, the five-year CIP budget plans for an additional \$1.5 million to be spent on connectors and maintenance. A new community park in the Town's southwest quadrant has been designed and will be constructed within the next five years for an estimated \$4.8 million.

A \$1.3 million Fire Administration Facility was completed in February, 2009. Construction of a new Town Courthouse, a new Police Patrol Division building, and renovation of the existing Police Headquarters building began in the current year and completion of the \$9.7 million project is planned for early fall of 2010.

Cash management policies and practices. Cash temporarily idle during the year was invested in the State Treasurer's investment pool. State statutes limit maturities of these investments to two years from the date of investment unless a greater maturity is approved by the State Director of Local Finance. Additional information about investments allowed by state statutes is found in Note 1 (H) of the financial statements.

Risk management. The Town manages exposure to risk of loss through several methods. Such methods include participation in the Tennessee Municipal League Risk Management Pool (TML) for certain general liability, worker's compensation and property and casualty insurance, commercial insurance for certain risks, and a limited risk management program for group health insurance. Additional information on the Town of Collierville's risk management activity can be found in Note 14 of the notes to the financial statements.

Pension and other post employment benefits. The Town of Collierville provides three retirement plans to full-time employees. During fiscal year 2007, the Town created a defined benefit pension plan to be administered by the Town. At that time employees were given the opportunity to participate in the new plan. All employees hired after July 1, 2007 will participate in the new plan. As of June 30, 2009, the new plan had 476 participants. The Town's actuarially determined rate for the current fiscal year was 12.15% 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. As of the end of the current fiscal year, there were 15 retired employees receiving these benefits. During fiscal year 2007, the Town adopted a change to the post-employment health benefits for employees retiring after July 1, 2007. GASB Statements 43 and 45 which require accruing a liability for other post employment benefits will apply to the Town for fiscal years beginning after December 15, 2007. The Town began funding this liability in FY 2008. A trust was established during the current year. Additional information on the Town of Collierville's pension arrangements and post-employment benefits can be found in Notes 9 and 15 in the notes to the financial statements.

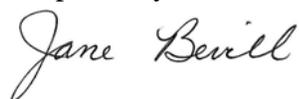
Awards and Acknowledgements

The Government Finance Officer's Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Collierville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the seventeenth 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, 2008. This was the eleventh 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 PLLC. We would like to express our appreciation to all who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Mayor and Aldermen for their unfailing support and for maintaining the highest standards of professionalism in the management of the Town of Collierville's finances.

Respectfully submitted,



Jane Bevill
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Collierville
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the title "President".

President

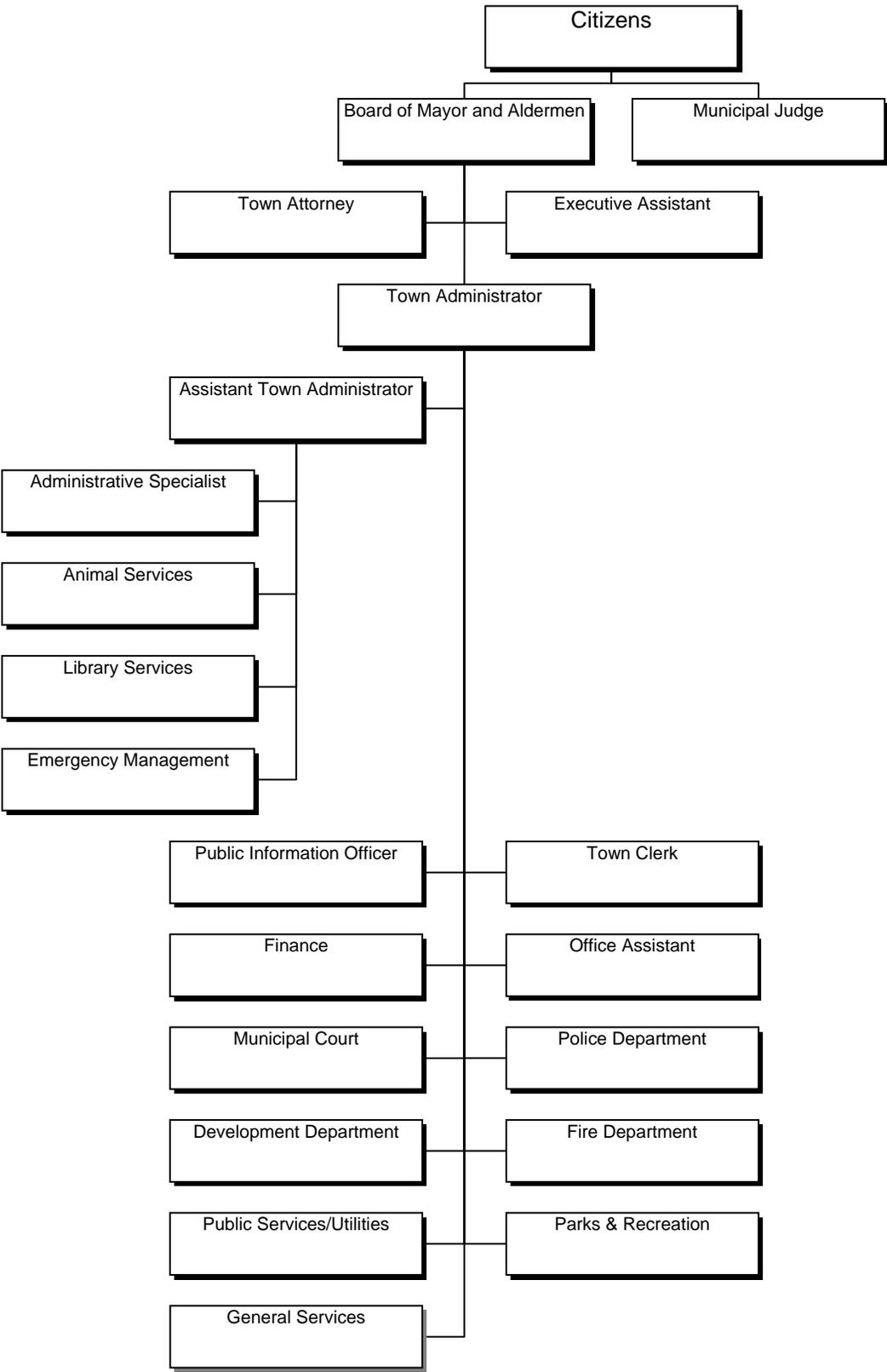
A handwritten signature in black ink, reading "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

TOWN OF COLLIERVILLE

ORGANIZATION CHART

June 30, 2009



TOWN OF COLLIERVILLE

TOWN OFFICIALS

June 30, 2009

Mayor

Stan Joyner
(2008 - 2012*)

Aldermen

Jimmy Lott, Vice Mayor (2008 - 2012*)

Tom Allen (2006- 2010*)

Maureen Fraser (2006- 2010*)

Mike Russell (2008- 2012*)

Tony Sarwar (2008 - 2012*)

Town Attorney

Tom Cates

Town Judge

William Craig Hall

Town Administrator

James Lewellen

Assistant Town Administrator

Chip Petersen

Assistant Town Administrator

David Smoak

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 and Recreation Director

Greg Clark

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

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, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the major governmental fund (General Fund) for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2009, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Accordingly, we express no opinion. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis information and the schedule of funding progress, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and related schedules - budget and actual, supporting schedules and the statistical data are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis (with the schedule of expenditures of federal and state awards being required by the State of Tennessee Department of Audit and presented in the format prescribed 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 of the Town. The combining and individual nonmajor fund financial statements and related schedules - budget and actual and the schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, supporting schedules (except for the schedule of expenditures of federal and state awards), and statistical data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Dixon Hughes PLLC

December 3, 2009

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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the Town of Collierville exceeded its liabilities at the close of the most recent fiscal year by \$244,442 (*net assets*). Of this amount, \$45,420 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$2,073. This increase is attributable to revenue exceeding expenses in business-type activities.
- As of the close of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$42,229 an increase of \$4,762 in comparison with the prior year. Approximately 96.2 percent of this total amount, \$40,631, is *unreserved fund balance*, however, a large portion (\$8,612) of this is already designated for specific purposes.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$22,753 or 58.1 percent of the total general fund expenditures.
- The Town of Collierville's total debt increased by \$6,210 (9.1 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 22-24 of this report.

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

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

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

The Town of Collierville maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and one other major fund. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

Fiduciary funds. The Town of Collierville maintains two fiduciary funds. The pension plan fund accounts for transactions related to the Town-sponsored defined benefit pension plan. *Fiduciary funds* account for assets held in a trustee capacity or as an agent for individuals. The Town of Collierville uses a fiduciary fund to account for the activities and accumulation of resources for payments to qualified participants and investments held by external organizations. The OPEB fund accounts for transactions related solely to retiree group medical benefits for which the Town is self-insured. The basic fiduciary fund financial statements can be found on pages 35-36 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-67 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Collierville's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on page 68 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 69-85 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Collierville, assets exceeded liabilities by \$244,442 at the close of the most recent fiscal year.

By far the largest portion of the Town of Collierville's net assets (79.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Collierville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town of Collierville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Collierville's net assets (1.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$45,420) may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Collierville's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 65,528	\$ 60,476	\$ 24,297	\$ 27,396	\$ 89,825	\$ 87,872
Capital assets	153,964	150,753	98,929	97,455	252,893	248,208
Total assets	219,492	211,229	123,226	124,851	342,718	336,080
Long-term liabilities outstanding	36,571	25,916	33,186	34,859	69,757	60,775
Other liabilities	26,012	27,237	2,507	5,699	28,519	32,936
Total liabilities	62,583	53,153	35,693	40,558	98,276	93,711
Net assets:						
Invested in capital assets, net of related debt	130,490	124,287	64,078	64,225	194,568	188,512
Restricted	1,597	1,843	2,857	-	4,454	1,843
Unrestricted	24,822	31,946	20,598	20,068	45,420	52,014
Total net assets	\$ 156,909	\$ 158,076	\$ 87,533	\$ 84,293	\$ 244,442	\$ 242,369

At the end of the current fiscal year, the Town of Collierville is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net assets increased by \$2,073 during the current fiscal year. This increase is attributable to revenue exceeding expenses in business-type activities.

Governmental activities. Governmental activities decreased the Town of Collierville's net assets by \$1,167. Of this decrease \$1,054 is due to expenses exceeding revenues. The main increase in revenue was property taxes which increased \$621 or 3.7 percent over the prior year due to growth of the tax base. Other revenues decreased as follows:

- Other local taxes decreased \$396. Of this amount \$176 or 44.4 percent was in local option sales tax.
- State sales tax decreased \$113.
- State income and other taxes decreased by \$222.
- Other revenue decreased \$667. Of this amount \$536 was in interest income.

Capital grants and contributions decreased by \$4,522. These contributions are made up primarily of roads within subdivisions which are dedicated to the Town by developers. Operating grants and contributions increased by \$52.

Town of Collierville's Changes in Net Assets

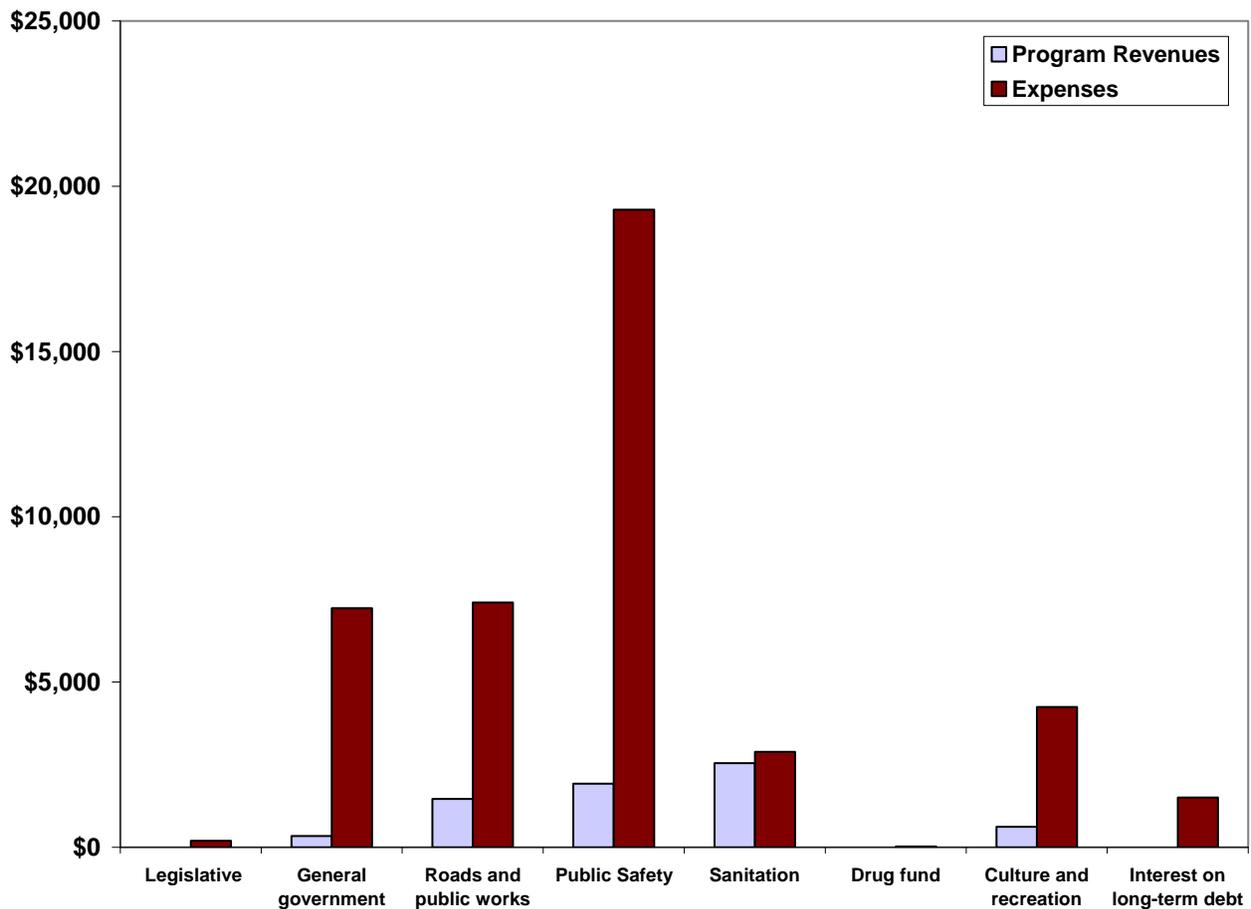
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,805	\$ 6,731	\$ 11,777	\$ 12,748	\$ 17,582	\$ 19,479
Operating grants and contributions	247	195	-	-	247	195
Capital grants and contributions	829	5,351	1,796	1,556	2,625	6,907
General Revenues:						
Property taxes	17,228	16,607	-	-	17,228	16,607
Other local taxes	11,405	11,801	-	-	11,405	11,801
State sales tax	3,039	3,152	-	-	3,039	3,152
State income and other taxes	1,192	1,414	-	-	1,192	1,414
State gasoline tax revenue	1,168	1,181	-	-	1,168	1,181
Other state revenues	116	113	-	-	116	113
Other	705	1,372	683	1,554	1,388	2,926
Total revenues	41,734	47,917	14,256	15,858	55,990	63,775
Expenses:						
Legislative	192	179	-	-	192	179
General government	7,232	6,842	-	-	7,232	6,842
Roads and public works	7,406	7,374	-	-	7,406	7,374
Public safety	19,295	17,743	-	-	19,295	17,743
Sanitation	2,890	2,774	-	-	2,890	2,774
Drug fund	22	27	-	-	22	27
Culture and recreation	4,245	2,795	-	-	4,245	2,795
Interest on long-term debt	1,506	1,288	-	-	1,506	1,288
Water and sewer	-	-	10,253	8,922	10,253	8,922
Total expenses:	42,788	39,022	10,253	8,922	53,041	47,944
Increase in net assets before transfers	(1,054)	8,895	4,003	6,936	2,949	15,831
Payment to fiduciary trusts	(876)	-	-	-	(876)	-
Transfers	763	567	(763)	(567)	-	-
Increase/(Decrease) in net assets	(1,167)	9,462	3,240	6,369	2,073	15,831
Net assets-beginning of the year	158,076	148,614	84,293	77,924	242,369	226,538
Net assets-ending	\$ 156,909	\$ 158,076	\$ 87,533	\$ 84,293	\$ 244,442	\$ 242,369

Business-type activities. Business-type activities increased the Town of Collierville’s net assets by \$3,240, accounting for all of the growth in the government’s net assets. This increase is due to revenues exceeding expenses. Revenue from rates charged to water and sewer customers increased; however, the decrease in growth resulted in a decrease in fees from developers.

Financial Analysis of the Government’s Funds

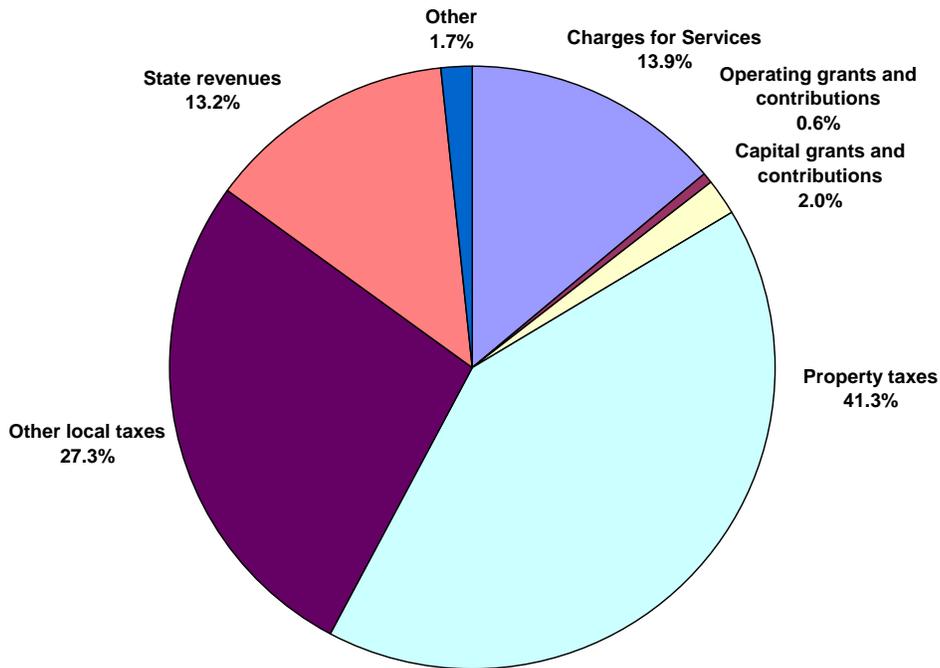
As noted earlier, the Town of Collierville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, *unreserved fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Revenues by Source – Governmental Activities

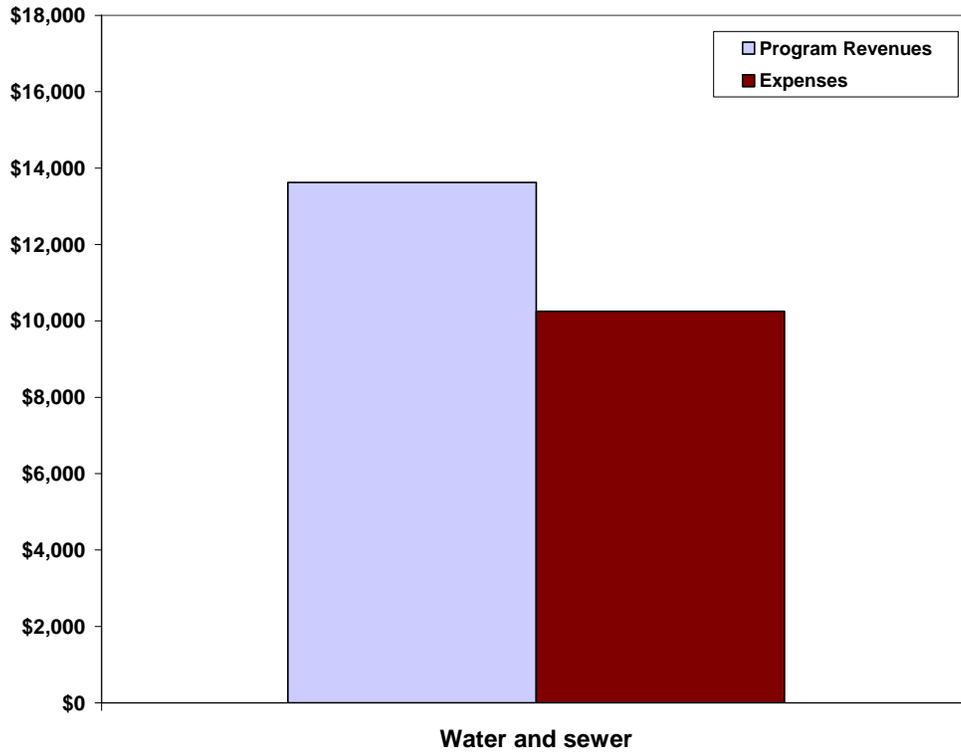


As of the end of the current fiscal year, the Town of Collierville’s governmental funds reported combined ending fund balances of \$42,229 an increase of \$4,762 in comparison with the prior year. The *unreserved fund balance*, of \$40,631 is 96 percent of the total. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed. Unreserved fund balance includes designated and undesignated amounts. The designated amount of \$8,612 represents funds which the Board of Mayor and Aldermen has committed for specific purposes. The undesignated 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 designated funds can be found in Note 8 of this report.

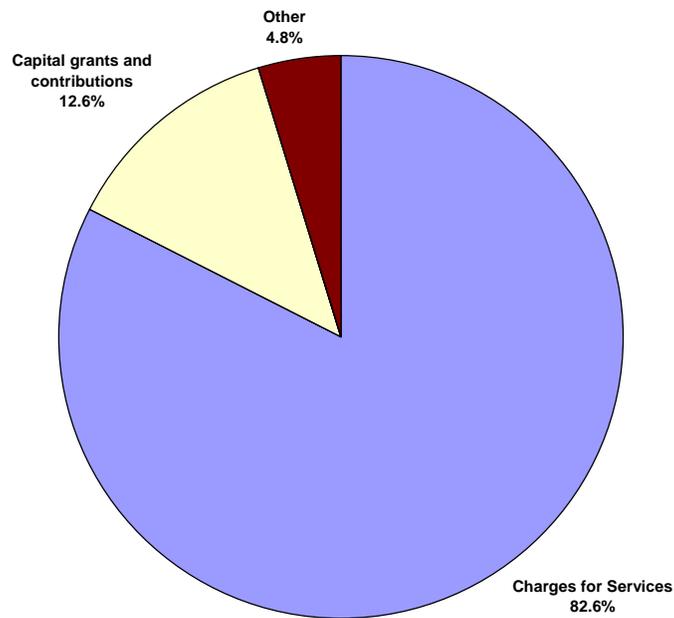
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unreserved fund balance of the general fund was \$22,753 while total fund balance was \$23,228. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditure. Unreserved fund balance represents 58.1 percent of total general fund expenditures, while total fund balance represents 59.3 percent of that same amount.

The fund balance of the Town of Collierville’s general fund decreased by \$2,911 during the current fiscal year. A planned drawdown of fund balance for capital projects decreased total fund balance. The majority of these projects, or \$2,771, were funded from revenue designated in fund balance.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



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

Unrestricted net assets of the water and sewer operation at the end of the year amounted to \$20,598. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Collierville's business-type activities.

General Fund Budgetary Highlights

The original appropriations were amended by \$2,847. The main components of the increase were:

- \$2,630 adjustment for principal retirement of bond anticipation notes. This amount for debt service included in bond proceeds received during the current year. The Town issued short-term financing in the prior year to award a contract on a major road project. The BANS were rolled into a bond issue in the current year.
- \$104 appropriation of designated revenue for installation of upgraded electrical distribution poles. The Town pays the difference between the standard and upgraded poles and is reimbursed by developers. The \$104 for the distribution poles was developer contributions.

The total negative variance of \$1,168 between final budget and actual revenues includes \$563 in local option sales tax, \$329 in state sales tax, \$452 in license and permit fees, and \$302 in interest income. These variances are due to the economic downturn in the local and national economy. However, there was a positive variance of \$624 in several revenues. These include \$232 in state income and other state taxes and \$194 in charges for services.

Of the total negative variance of \$2,590 between final budget and actual expenditures, \$1,285 was in public safety, \$626 in general government, and \$141 in parks and recreation. These variances are attributed to position vacancies in these functions. The \$164 variance in debt service interest is due to timing of the issuance of bonds.

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, 2009, amounts to \$252,893 (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 \$4,685 or 1.9 percent (\$3,211 or 2.1 percent increase for governmental activities and \$1,474 or 1.5 percent increase for business-type activities).

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

- Various road projects during the year amounted to \$2,073.
- Various Parks and Recreation projects totaled \$1,045.
- Construction of the new fire administration facility was completed for \$1,017.
- Upgrades to the two waste water treatment plants were completed in the current year. The total investment in the two plants amounted to \$29,387.

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 12,709	\$ 12,471	\$ 476	\$ 476	\$ 13,185	\$ 12,947
Buildings and improvements	21,094	20,710	14,119	1,467	35,213	22,177
Other improvements	8,799	8,084	1,409	147	10,208	8,231
Library materials	1,397	1,386	-	-	1,397	1,386
Equipment	7,929	8,182	794	826	8,723	9,008
Infrastructure	97,640	98,187	-	-	97,640	98,187
Distribution and collection systems	-	-	81,943	66,812	81,943	66,812
Construction in progress	4,396	1,733	188	27,727	4,584	29,460
Total	<u>\$ 153,964</u>	<u>\$ 150,753</u>	<u>\$ 98,929</u>	<u>\$ 97,455</u>	<u>\$ 252,893</u>	<u>\$ 248,208</u>

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

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 37,393	\$ 26,421	\$ 27	\$ 29	\$ 37,420	\$ 26,450
Notes payable	1,869	1,819	-	-	1,869	1,819
Bond anticipation notes	-	2,980	-	-	-	2,980
Revenue bonds	-	-	35,435	37,265	35,435	37,265
Total	<u>\$ 39,262</u>	<u>\$ 31,220</u>	<u>\$ 35,462</u>	<u>\$ 37,294</u>	<u>\$ 74,724</u>	<u>\$ 68,514</u>

Long-term debt. At the end of the current fiscal year, the Town of Collierville had total bonded debt outstanding of \$74,724. Of this amount, \$39,289 comprises debt backed by the full faith and credit of the government. During the current year, the Town issued \$13,000 in general obligation bonds to construct a new courthouse and police patrol building and renovate the existing police headquarters and, in partnership with the state, to widen a major north-south road. The remainder of the Town of Collierville's debt represents bonds secured by specified revenue sources (i.e., revenue bonds).

The Town's total debt increased by \$6,210 (9.1 percent) during the current fiscal year. The Town has no legal debt limit. During the year, the Town's rating on its new and outstanding general obligation bonds was Aa1 from Moody's Investor's Service. Additional information on the Town of Collierville's long-term debt can be found in Note 7 of this report.

Economic Factors and New Year's Budget and Rates

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in January 2009 was 8.7 percent compared to 7.6 percent for the nation. While the rate for Collierville is unreported except in the years of the federal census, the Town's unemployment is considerably lower than that of the larger MSA. In 2000, the Memphis MSA unemployment rate was 5.4 percent while Collierville's was 2.0 percent.
- Commercial development decreased 61.0 percent and residential development decreased 64.0 percent in FY 2009.
- With the 2009 reappraisal, the value of real property increased by 4.2 percent.
- Local option sales tax revenue is monitored on a monthly basis. Revenue decreased the first two quarters of 2009 by 3.3 percent.
- The Town eliminated eighteen positions, the majority of which were in the development department.
- The Town has considered the current economic trends while working with the FY 2010 budget. The tighter revenue projections for the new fiscal year will limit the resources of the Town until the economy rebounds.

Town staff is closely monitoring the Town's budget, as well as the local and national economies, to ensure that the Town takes appropriate corrective action to maintain service levels, meet Board goals, which include ensuring long-term financial stability and compliance with all laws and regulation.

Requests for Information

This financial report is designed to provide a general overview of the Town of Collierville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 500 Poplar View Parkway, Collierville, Tennessee, 38017.

BASIC FINANCIAL STATEMENTS

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET ASSETS

June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 5,368,559	\$ 2,618,494	\$ 7,987,053
Investments	36,183,164	18,191,158	54,374,322
Restricted Investments	-	2,857,366	2,857,366
Receivables, net of allowance for uncollectible accounts			
Property taxes	17,943,704	-	17,943,704
Sales, income and other taxes	3,789,070	-	3,789,070
Federal and state grants	7,854	-	7,854
Accounts	24,992	733,356	758,348
Unbilled accounts	-	791,020	791,020
Due from other governments	211,969	-	211,969
Internal balances	1,341,882	(1,341,882)	-
Inventories	129,130	86,901	216,031
Prepaid expenses	7,375	4,200	11,575
Capital assets not being depreciated	17,105,303	663,967	17,769,270
Capital assets being depreciated, net	136,858,988	98,265,232	235,124,220
Deferred charges	234,435	356,158	590,593
Pension asset	286,013	-	286,013
Total assets	219,492,438	123,225,970	342,718,408
<u>Liabilities</u>			
Accounts payable and accrued liabilities	3,196,211	466,227	3,662,438
Accrued interest	298,875	164,153	463,028
Due to other governmental entities	51,935	19,085	71,020
Due to fiduciary trusts	260,429	21,592	282,021
Deposits	330,343	86,265	416,608
Unearned revenues	17,939,649	-	17,939,649
Other postemployment benefits	263,948	-	263,948
Compensated absences			
Expected to be paid within one year	951,886	72,967	1,024,853
Expected to be paid after one year	458,589	10,985	469,574
Bonds and notes payable			
Due within one year	2,718,883	1,676,285	4,395,168
Due in more than one year	36,112,876	33,175,258	69,288,134
Total liabilities	62,583,624	35,692,817	98,276,441
<u>Net Assets</u>			
Invested in capital assets, net of related debt	130,489,559	64,077,656	194,567,215
Restricted			
Special revenues	1,122,104	-	1,122,104
Other	475,191	2,857,366	3,332,557
Unrestricted	24,821,960	20,598,131	45,420,091
Total net assets	\$ 156,908,814	\$ 87,533,153	\$ 244,441,967

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

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Legislative	\$ 192,200	\$ -	\$ -	\$ -
General government	7,232,361	293,344	47,018	-
Roads and public works	7,405,925	627,109	-	829,254
Public safety	19,294,804	1,836,723	90,979	-
Sanitation	2,889,911	2,539,834	-	-
Drug fund	22,285	-	-	-
Culture and recreation	4,244,899	507,646	108,616	-
Interest on long-term debt	1,506,072	-	-	-
Total governmental activities	42,788,457	5,804,656	246,613	829,254
Business-type activities:				
Water and sewer	10,252,913	11,776,773	-	1,796,272
Total primary government	\$ 53,041,370	\$ 17,581,429	\$ 246,613	\$ 2,625,526

General revenues and transfers:

Taxes:

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

Intergovernmental revenues:

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

Interest income

Other

Contribution to fiduciary trust

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

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

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (192,200)	\$ -	\$ (192,200)
(6,891,999)	-	(6,891,999)
(5,949,562)	-	(5,949,562)
(17,367,102)	-	(17,367,102)
(350,077)	-	(350,077)
(22,285)	-	(22,285)
(3,628,637)	-	(3,628,637)
(1,506,072)	-	(1,506,072)
(35,907,934)	-	(35,907,934)
-	3,320,132	3,320,132
(35,907,934)	3,320,132	(32,587,802)
17,228,395	-	17,228,395
8,210,238	-	8,210,238
1,349,847	-	1,349,847
733,046	-	733,046
694,603	-	694,603
416,853	-	416,853
3,039,360	-	3,039,360
1,191,749	-	1,191,749
1,168,449	-	1,168,449
115,699	-	115,699
514,218	596,892	1,111,110
191,278	86,122	277,400
(875,759)	-	(875,759)
762,562	(762,562)	-
34,740,538	(79,548)	34,660,990
(1,167,396)	3,240,584	2,073,188
158,076,210	84,292,569	242,368,779
<u>\$ 156,908,814</u>	<u>\$ 87,533,153</u>	<u>\$ 244,441,967</u>

TOWN OF COLLIERVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Capital Project Fund #334	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,253,340	\$ -	\$ 1,115,219	\$ 5,368,559
Investments	18,305,487	10,026,466	7,851,211	36,183,164
Receivables, net				
Property taxes	17,943,704	-	-	17,943,704
Sales, income and other taxes	3,789,070	-	-	3,789,070
Federal and state grants	7,854	-	-	7,854
Accounts	94,324	-	-	94,324
Due from other governments	-	-	211,969	211,969
Due from other funds	1,513,462	72,500	606,214	2,192,176
Inventories	108,784	-	20,346	129,130
Prepaid items	7,375	-	-	7,375
Total assets	<u>\$ 46,023,400</u>	<u>\$ 10,098,966</u>	<u>\$ 9,804,959</u>	<u>\$ 65,927,325</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 2,024,404	\$ -	\$ 867,938	\$ 2,892,342
Due to other governmental entities	51,935	-	-	51,935
Due to other funds	1,170,424	30,000	5,612	1,206,036
Due to fiduciary trusts	260,429	-	-	260,429
Deposits	330,343	-	-	330,343
Deferred revenue	18,957,411	-	-	18,957,411
Total liabilities	<u>22,794,946</u>	<u>30,000</u>	<u>873,550</u>	<u>23,698,496</u>
<u>Fund Balances</u>				
Reserved	475,191	-	-	475,191
Unreserved				
Designated	8,611,919	-	-	8,611,919
Undesignated	14,141,344	-	-	14,141,344
Reserved, reported in nonmajor funds				
Special revenue funds	-	-	1,122,104	1,122,104
Unreserved, reported in nonmajor funds				
Special revenue funds	-	-	226,536	226,536
Capital projects funds	-	10,068,966	7,582,769	17,651,735
Total fund balances	<u>23,228,454</u>	<u>10,068,966</u>	<u>8,931,409</u>	<u>42,228,829</u>
Total liabilities and fund balances	<u>\$ 46,023,400</u>	<u>\$ 10,098,966</u>	<u>\$ 9,804,959</u>	<u>\$ 65,927,325</u>

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

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

June 30, 2009

Total fund balances, governmental funds	\$ 42,228,829
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	153,964,291
Deferred charges are not available to pay for current period expenditures and therefore are deferred in the funds	234,435
The internal service fund is used by management to charge costs of group medical benefits to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets	51,870
Pension assets result from the cumulative excess of pension contributions over the required contribution. These assets are included in governmental activities in the statement of net assets	286,013
Accrued interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds	(298,875)
Deferred revenues and related accounts receivable are not available to pay for current period expenditures and therefore are excluded from the governmental funds	948,433
Other postemployment benefits (OPEB) liabilities result from the cumulative excess of required contribution over actual contributions to the Town's OPEB fund. These liabilities are included in governmental activities in the statement of net assets	(263,948)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(40,242,234)</u>
Net assets of governmental activities	<u>\$ 156,908,814</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, 2009

	General Fund	Capital Project Fund #334	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 17,138,004	\$ -	\$ -	\$ 17,138,004
Local option sales tax	8,210,238	-	-	8,210,238
Business, cable tv, and hotel/motel taxes	1,349,847	-	-	1,349,847
Automobile registration fees	733,046	-	-	733,046
Wholesale beer and liquor tax	694,603	-	-	694,603
Other local taxes and fees	492,305	-	46,465	538,770
Federal revenues	25,466	-	103,616	129,082
State sales tax	3,039,360	-	-	3,039,360
State income and other taxes	1,191,749	-	-	1,191,749
State gasoline tax revenue	-	-	1,168,449	1,168,449
Other state revenue	107,326	-	8,373	115,699
State grant revenue	11,000	-	-	11,000
Licenses and permits	783,060	-	-	783,060
Charges for services	1,293,097	-	2,629,646	3,922,743
Court fees	812,974	-	-	812,974
Fines and forfeits	285,880	-	-	285,880
Interest income	297,540	79,504	137,174	514,218
Contributions	68,230	-	220,798	289,028
Other	119,696	-	127,492	247,188
Total revenues	<u>36,653,421</u>	<u>79,504</u>	<u>4,442,013</u>	<u>41,174,938</u>
Expenditures				
Current:				
Legislative	196,908	-	-	196,908
General government	5,151,451	-	843,802	5,995,253
Roads and public works	4,495,927	-	1,387,113	5,883,040
Public safety	18,848,929	-	-	18,848,929
Sanitation	-	-	2,711,465	2,711,465
Culture and recreation	3,763,974	-	9,460	3,773,434
Drug fund	-	-	22,285	22,285
Other	392,042	-	-	392,042
Capital projects	-	-	5,983,483	5,983,483
Debt service:				
Principal retirement	4,967,732	-	279,122	5,246,854
Interest and fiscal charges	1,328,505	-	85,529	1,414,034
Bond issue costs	-	30,538	-	30,538
Total expenditures	<u>39,145,468</u>	<u>30,538</u>	<u>11,322,259</u>	<u>50,498,265</u>
Excess (deficiency) of revenues over expenditures	<u>(2,492,047)</u>	<u>48,966</u>	<u>(6,880,246)</u>	<u>(9,323,327)</u>
Other financing sources (uses)				
Issuance of debt	3,269,500	10,020,000	-	13,289,500
Insurance reimbursement	-	-	33,185	33,185
Transfers in	747,156	-	4,713,698	5,460,854
Transfers out	(4,435,550)	-	(262,742)	(4,698,292)
	<u>(418,894)</u>	<u>10,020,000</u>	<u>4,484,141</u>	<u>14,085,247</u>
Net change in fund balances	(2,910,941)	10,068,966	(2,396,105)	4,761,920
Fund balances at the beginning of the year	<u>26,139,395</u>	<u>-</u>	<u>11,327,514</u>	<u>37,466,909</u>
Fund balances at the end of the year	<u>\$ 23,228,454</u>	<u>\$ 10,068,966</u>	<u>\$ 8,931,409</u>	<u>\$ 42,228,829</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, 2009

Net change in fund balance, total governmental funds	\$ 4,761,920
Amounts reported for governmental activities in the statement of activities are different because:	
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital outlays capitalized	6,890,299
Depreciation expense	(4,427,199)
Loss from the disposition of capital assets are reported net of any remaining book net value in the statement of activities	(81,456)
Capital contributions in the statement of activities are not recorded in governmental funds	829,254
Certain property tax revenues do not provide current financial resources and are reported as deferred revenue annually in the funds. This is the net difference between the amounts deferred in the current and prior years	90,391
Certain other local tax revenues do not provide current financial resources and are reported as deferred revenue annually in the funds. This is the net difference between the amounts deferred in the current and prior years	(121,917)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets. This is the amount of bond repayments	5,246,854
Issuance of debt is a financial resource in the governmental funds, but the proceeds increase long-term liabilities in the statement of net assets. This is the amount of debt issued	(13,289,500)
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds	(212,348)
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	286,013
Accrual of underpaid actuarial pension costs related to the Town's other post-employment benefit plan is recorded as a increase in expenses in the statement of activities, but does not represent a current financial expenditure and is not reported as expense in the funds	(263,948)
Transfer of assets to a fiduciary trust was a result of amounts accumulated in the prior year. This transfer represents an expenditure per the statement of activities, but does not represent a current financial expenditure and is not reported as as expense in the funds	(875,759)
Change in net assets of governmental activities	<u>\$ (1,167,396)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 17,165,552	\$ 17,165,552	\$ 17,138,004	\$ (27,548)
Local option sales tax	8,773,418	8,773,418	8,210,238	(563,180)
Business, cable tv, and hotel/motel taxes	1,309,430	1,309,430	1,349,847	40,417
Automobile registration fees	760,520	760,520	733,046	(27,474)
Wholesale beer and liquor tax	699,550	699,550	694,603	(4,947)
Other local taxes and fees	560,888	560,888	492,305	(68,583)
Federal revenues	-	-	25,466	25,466
State sales tax	3,368,425	3,368,425	3,039,360	(329,065)
State income and other taxes	959,538	959,538	1,191,749	232,211
Other state revenue	105,868	105,868	107,326	1,458
State grant revenue	-	17,316	11,000	(6,316)
Licenses and permits	1,234,587	1,234,587	783,060	(451,527)
Charges for services	1,060,299	1,099,299	1,293,097	193,798
Court fee	738,525	738,525	812,974	74,449
Fines and forfeits	296,600	296,600	285,880	(10,720)
Interest income	600,000	600,000	297,540	(302,460)
Contributions	26,700	36,843	68,230	31,387
Other	94,858	94,858	119,696	24,838
Total revenues	<u>37,754,758</u>	<u>37,821,217</u>	<u>36,653,421</u>	<u>(1,167,796)</u>
Expenditures:				
Legislative	225,520	226,520	196,908	29,612
General Government				
Finance	932,458	932,458	871,775	60,683
Executive	657,218	657,218	609,875	47,343
Health, welfare and insurance	829,593	826,412	740,119	86,293
Human resources	408,643	408,643	341,159	67,484
Development administration	330,772	330,772	233,505	97,267
Planning and zoning	722,647	722,647	674,743	47,904
Information technology	581,615	581,615	512,423	69,192
General services	1,252,587	1,317,587	1,167,852	149,735
Total general government	<u>5,715,533</u>	<u>5,777,352</u>	<u>5,151,451</u>	<u>625,901</u>
Roads and Public Works				
Public Works				
Administration	271,013	271,013	257,277	13,736
Vehicle maintenance	702,435	702,435	630,768	71,667
Total public works	<u>973,448</u>	<u>973,448</u>	<u>888,045</u>	<u>85,403</u>
Highways and streets	2,792,349	2,898,793	2,765,166	133,627
Engineering	940,630	940,630	842,716	97,914
Total roads and public works	<u>4,706,427</u>	<u>4,812,871</u>	<u>4,495,927</u>	<u>316,944</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, 2009

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Public Safety				
Police	\$ 10,507,769	\$ 10,528,740	\$ 9,657,651	\$ 871,089
Fire	7,216,338	7,217,338	6,956,605	260,733
Code enforcement	1,221,114	1,221,114	1,133,402	87,712
City court	670,312	670,312	641,512	28,800
Animal control	492,528	496,128	459,759	36,369
Total public safety	<u>20,108,061</u>	<u>20,133,632</u>	<u>18,848,929</u>	<u>1,284,703</u>
Culture and Recreation				
Parks and recreation	<u>3,906,242</u>	<u>3,905,022</u>	<u>3,763,974</u>	<u>141,048</u>
Other				
Grants	393,200	413,200	385,861	27,339
Main Street	<u>3,000</u>	<u>6,181</u>	<u>6,181</u>	<u>-</u>
Total other	<u>396,200</u>	<u>419,381</u>	<u>392,042</u>	<u>27,339</u>
Debt service				
Principal retirement	2,337,733	4,967,732	4,967,732	-
Interest and fiscal charges	<u>1,492,913</u>	<u>1,492,914</u>	<u>1,328,505</u>	<u>164,409</u>
Total debt service	<u>3,830,646</u>	<u>6,460,646</u>	<u>6,296,237</u>	<u>164,409</u>
Total expenditures	<u>38,888,629</u>	<u>41,735,424</u>	<u>39,145,468</u>	<u>2,589,956</u>
Excess revenue over expenditures before transfers	<u>(1,133,871)</u>	<u>(3,914,207)</u>	<u>(2,492,047)</u>	<u>1,422,160</u>
Other financing sources (uses)				
Issuance of Debt	-	3,269,500	3,269,500	-
Transfers in	-	747,156	747,156	-
Transfers out	<u>-</u>	<u>(4,435,550)</u>	<u>(4,435,550)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(418,894)</u>	<u>(418,894)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,133,871)</u>	<u>\$ (4,333,101)</u>	<u>\$ (2,910,941)</u>	<u>\$ 1,422,160</u>
Fund balance				
Fund balance at beginning of the year			<u>26,139,395</u>	
Fund balance at end of the year			<u>\$ 23,228,454</u>	

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

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2009

	Business-type Activities - <u>Enterprise Fund</u> Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,618,494	\$ -
Investments	18,191,158	-
Receivables, net	733,356	-
Unbilled receivables	791,020	-
Prepaid expenses	4,200	-
Due from other funds	139,551	355,742
Inventories	86,901	-
Total current unrestricted assets	<u>22,564,680</u>	<u>355,742</u>
Restricted Investments	2,857,366	-
Total current assets	<u>25,422,046</u>	<u>355,742</u>
Noncurrent Assets:		
Capital assets:		
Land	476,292	-
Distribution and collection systems	105,907,617	-
Buildings and improvements	19,488,704	-
Equipment	3,234,717	-
Other improvements	1,500,009	-
Construction in progress	187,675	-
Less accumulated depreciation	<u>(31,865,815)</u>	<u>-</u>
Net capital assets	98,929,199	-
Deferred charges	356,158	-
Total noncurrent assets	<u>99,285,357</u>	<u>-</u>
Total assets	<u>124,707,403</u>	<u>355,742</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	466,227	303,872
Due to governmental entities	19,085	-
Accrued interest	164,153	-
Due to other funds	1,481,433	-
Due to fiduciary trust	21,592	-
Compensated absences	72,967	-
Current installment of bonds payable	1,676,285	-
Total current liabilities	<u>3,901,742</u>	<u>303,872</u>
Noncurrent liabilities:		
Customer deposits	86,265	-
Compensated absences	10,985	-
Bonds payable	33,175,258	-
Total noncurrent liabilities	<u>33,272,508</u>	<u>-</u>
Total liabilities	<u>37,174,250</u>	<u>303,872</u>
NET ASSETS		
Invested in capital assets, net of related debt	64,077,656	-
Restricted	2,857,366	-
Unrestricted	20,598,131	51,870
Total net assets	<u>\$ 87,533,153</u>	<u>\$ 51,870</u>

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

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

For the Year Ended June 30, 2009

	Business-type Activities - <u>Enterprise Fund</u> Water and Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services - water	\$ 4,062,077	\$ -
Charges for services - sewer	7,402,878	-
Employee premiums	-	3,290,764
Employer contributions	-	628,221
Miscellaneous	86,122	-
Total operating revenues	<u>11,551,077</u>	<u>3,918,985</u>
Operating expenses:		
Personal services	2,155,701	-
Materials, supplies, services and other	3,466,907	147,716
Insurance claims and expenses	-	3,771,269
Depreciation	3,042,717	-
Total operating expenses	<u>8,665,325</u>	<u>3,918,985</u>
Operating income	<u>2,885,752</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	596,892	-
Impact fees	212,010	-
Tap fees	99,808	-
Loss on disposal of assets	(1,557)	-
Interest expense	(1,586,031)	-
Total nonoperating revenues	<u>(678,878)</u>	<u>-</u>
Income before contributions and transfers	<u>2,206,874</u>	<u>-</u>
Capital contributions	1,796,272	-
Transfers out	(762,562)	(875,759)
Change in net assets	<u>3,240,584</u>	<u>(875,759)</u>
Total net assets - beginning	84,292,569	927,629
Total net assets - ending	<u>\$ 87,533,153</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, 2009

	Business-type Activities - <u>Enterprise Fund</u> Water and Sewer	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 11,716,348	\$ -
Payments to suppliers	(7,201,809)	(147,809)
Payments to employees	(1,198,773)	-
Contributions	-	4,115,206
Claims and fees paid	-	(3,967,397)
Other payments	(3,747)	-
Net cash provided by operating activities	<u>3,312,019</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers to other funds	(762,562)	-
Tap and impact fee receipts	311,818	-
Net cash used in noncapital financing activities	<u>(450,744)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,722,328)	-
Principal paid on capital debt	(1,832,149)	-
Interest paid on capital debt	(1,520,267)	-
Net cash used in capital and related financing activities	<u>(6,074,744)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments, net	1,727,353	-
Interest and dividends	596,892	-
Net cash provided by investing activities	<u>2,324,245</u>	<u>-</u>
Net decrease in cash and cash equivalents	(889,224)	-
Balances - beginning of the year	<u>3,507,718</u>	<u>-</u>
Balances - end of the year	<u>\$ 2,618,494</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, 2009

	<u>Business-type Activities - Enterprise Fund Water and Sewer</u>	<u>Governmental Activities - Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,885,752	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,042,717	-
Provision for bad debts	15,525	-
Change in assets and liabilities		
(Increase) decrease in assets:		
Receivables, net	127,296	-
Unbilled receivables	15,936	-
Prepaid expenses	350	-
Due from other funds	-	196,221
Inventories	(17,711)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	(3,082,014)	(196,221)
Compensated absences	(4,538)	-
Due to governmental entities	(3,747)	-
Due to other funds	318,415	-
Due to fiduciary trusts	7,523	-
Customer deposits	6,515	-
Net cash provided by operating activities	<u>\$ 3,312,019</u>	<u>\$ -</u>
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Receipt of capital assets contributions from developers	<u>\$ 1,796,272</u>	<u>\$ -</u>
Transfer out of interfund receivable to create the OPEB trust fund	<u>\$ -</u>	<u>\$ (875,759)</u>

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

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

June 30, 2009

	Fiduciary Trust Funds
ASSETS	
Savings, certificates of deposit and time deposits	\$ 1,980,648
Investments, at fair value:	
Money market funds	1,437,992
U.S. government agency bonds	256,212
Corporate and foreign bonds	1,797,322
Common stocks	2,131,365
Equity mutual funds	9,926,285
Fixed income mutual funds	2,370,840
Accrued investment income	52,331
Due from other funds	282,021
Total assets	20,235,016
LIABILITIES	
Accounts payable	15,735
Total liabilities	15,735
NET ASSETS	
Held in trust for other post employment benefits	1,877,776
Held in trust for pension benefits	18,341,505
Total net assets held in trust	\$ 20,219,281

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

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

For the Year Ended June 30, 2009

	<u>Fiduciary Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,767,161
Plan member	452,641
Total contributions	<u>4,219,802</u>
Investment income (loss):	
Interest and dividends	519,269
Net decrease in the fair value of investments	<u>(3,685,735)</u>
Total investment loss	<u>(3,166,466)</u>
Contribution from internal service fund	<u>875,759</u>
Total net additions	<u>1,929,095</u>
DEDUCTIONS	
Benefits paid	521,613
Administrative expenses	<u>144,051</u>
Total deductions	<u>665,664</u>
Change in net assets	1,263,431
Total net assets - beginning	<u>18,955,850</u>
Total net assets - ending	<u><u>\$ 20,219,281</u></u>

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

TOWN OF COLLIERVILLE, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2009

Note (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Collierville, Tennessee (the “Town”) complies with accounting principles generally accepted in the United States of America (“US GAAP”). US GAAP includes all relevant Governmental Accounting Standards Board (“GASB”) pronouncements. The Town applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board (“APB”) Opinions, and Accounting Research Bulletins (“ARB”) of the Committee on Accounting Procedure. The Town has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 to business-type activities. 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 Statement No. 14, “The Financial Reporting Entity.” Based on this standard, there are no component units, entities for which the Town is considered to be financially accountable, to be included in the Town’s financial statements.

The Town’s officials are responsible for appointing the members of the boards of other organizations; however, the Town’s accountability for these organizations does not extend beyond making appointments. There were no material transactions with these organizations during the year ended June 30, 2009.

(B) - Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements include a statement of net assets and a statement of activities and changes in net assets. They include all funds of the financial reporting entity with the exception of any fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 is considered to be separate accounting entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

The **Library Fund** accounts for the receipts and expenditures of the Town's Lucius E. and Elsie C. Burch, Jr. Library.

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

Capital Projects Funds

The **Capital Improvements Program Funds** account for all the Town's capital improvement projects.

Proprietary Fund Financial Statements

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

Proprietary Types

Enterprise Funds

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

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

Internal Service Funds

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

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

Fiduciary Fund Financial Statements

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

Fiduciary Types

Pension (and Other Employee Benefit) Trust Funds

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

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

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

Major and Non-Major Funds

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

Fund	Description
Major:	
General	See above for description
Enterprise	See above for description
Capital Project Fund #334	Accounts for capital improvements for various Town projects
Non-Major:	
Special Revenues	See above for individual funds and descriptions
Capital Projects	
#321	Accounts for capital improvements for various projects
#322	Accounts for capital improvements for the Town Hall project
#331	Accounts for various capital improvements for the Community Center and related projects
#332	Accounts for capital improvements for various Town projects
#333	Accounts for capital improvements for various Town projects

(C) - Measurement Focus and Basis of Accounting

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

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

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating

expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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

(D) - Budgetary Data

The revenues and expenditures accounted for in all governmental fund types are controlled by a formal integrated budgetary accounting system. The Mayor and Board of Aldermen approve annually the budgets for these funds. Budgetary control is maintained at the departmental level by line item, and expenditures may not exceed funds budgeted which constitute the legal spending limit. Unexpended appropriations lapse at year-end. Management may amend the budget within departments without approval of the governing body; however, any amendments made between departments must meet with the governing body's approval as prescribed by the Town Charter. The budget has been amended in accordance with the Town Charter resulting in budgeted expenditures and other financing uses, including transfers, increasing \$15,661,864. The same basis of accounting is used to reflect actual revenue and expenditures recognized using accounting principles generally accepted in the United States of America.

(E) - Encumbrances

Encumbrance accounting is not used since it is not legally required.

(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, 2009. Certain development fees collected by the Water and Sewer Fund represented restricted cash which must be used for projects to increase capacity and other items for future community developments. There was \$2,857,366 in restricted cash for development fees at June 30, 2009.

(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 Student Loan Marketing Association; other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies; certificates of deposit and other evidences of deposit at State and Federal chartered banks; obligations of the

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

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

(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 generally accepted accounting principles in the United States of America. Property tax receivables are recorded in the period when an enforceable legal claim has arisen or when resources are received, whichever is first. Deferred revenues are recorded if the related revenue is not available. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and deferred revenues to reflect amounts that were not available as revenues at June 30, 2009.

(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 Assets.

Interfund Transfers

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

(L) - Capital Assets

Capital assets, which include property, plant, equipment, and certain infrastructure assets (roads, bridges, sidewalks and similar items) 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 \$500 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 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 is not depreciated. Buildings, improvements, equipment, and infrastructure of the Town is 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/Unearned Revenues

Deferred revenues represent amounts that were received or receivable and measurable at June 30, 2009, but were not available to finance expenditures for the year ended June 30, 2009.

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

(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, 2009 approximates \$4,018,000.

(O) - Retirement Plans

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

(P) - Prepaid Expenses

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

(Q) - 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.

(R) – Application of Restricted Resources

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

(S) – Net Assets/Fund Balances

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

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

The governmental fund type classifies fund balances as follows:

RESERVED

Reserved amounts represent portion of fund balance that is reserved based on reservations due to local ordinance, reservation of prepaid expenses and inventories, and/or reservations of amounts donated for donor-specific purposes.

RESERVED – Special Revenue Funds

State Street Aid –fund balance for the State Street Aid fund that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the total amount of unspent state gasoline tax funds.

Library – fund balance for the Library fund is available for use solely by the Town’s public library system.

UNRESERVED

Designated for subsequent year’s expenditures – portion of the general fund and non-major special revenue fund balances available for appropriation that has been designated for the adopted 2009-2010 budget ordinance.

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year end.

Amounts reserved are further discussed in Note 8.

Note (2) - DEPOSITS

Deposits of the primary government at June 30, 2009, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 8,751,287	\$ 7,987,053

A summary of the primary government’s bank deposits as of June 30, 2009, is as follows:

Insured	\$ 1,416,634	
Collateralized by securities held by the Town or their agent in the Town’s name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee	7,334,653	
	<u>\$ 8,751,287</u>	
		<u>\$ 7,987,053</u>

Deposits of the Town’s fiduciary funds at June 30, 2009, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ <u>1,903,038</u>	\$ <u>1,980,648</u>

A summary of the Town’s fiduciary bank deposits as of June 30, 2009, is as follows:

Insured	\$ <u>1,903,038</u>	\$ <u>1,980,648</u>
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Note (3) – INVESTMENTS

Local Government Investment Pool investments as of June 30, 2009, were in Tennessee’s Local Government Investment Pool (the “Pool”) and represent 100% of the Town’s investments. 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 market value to report net assets to compute share prices. Accordingly, the fair value of the position in the Pool is the same as the value of Pool shares.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments in Local Government Investment Pool (“LGIP”):		
Governmental funds.....	\$ 36,183,164	\$ 36,183,164
Proprietary funds.....	\$ <u>21,048,524</u>	\$ <u>21,048,524</u>
	<u>\$ 57,231,688</u>	<u>\$ 57,231,688</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>Carrying Amount</u>	<u>Fair Value</u>
Investments held by trustee:		
Money market funds	\$ 1,437,992	\$ 1,437,992
U.S. government agency bonds	250,126	256,212
Corporate and foreign bonds.....	1,989,157	1,797,322
Common stocks.....	2,524,211	2,131,365
Equity mutual funds.....	12,179,500	9,926,285
Fixed income mutual funds.....	<u>2,388,728</u>	<u>2,370,840</u>
	<u>\$ 20,769,714</u>	<u>\$ 17,920,016</u>

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

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

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

Individual investments representing 5 percent or more of total assets held by the trustee as of June 30, 2009 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
Goldman Sachs Fin Sq Govt-Instl	Money Market Fund	\$ 1,437,992
American Beacon L/C Value	Equity Mutual Fund	1,839,405
Aston, Montag and Caldwell Growth	Equity Mutual Fund	1,867,457
Harbor International Fund	Equity Mutual Fund	1,001,029
Munder M/C Core Growth Fund	Equity Mutual Fund	1,110,528
Vanguard Inflation Protected Bond	Fixed Income Mutual Fund	1,744,636

Approximately 90 percent of all investments are in money market accounts, certificates of deposits, common stocks, or mutual funds that are noted rated by a national credit rating agency. The remaining 10 percent of investments are in United States government agency and corporate bonds (8.75 and 1.25 percent, respectively); however, no rating information was available on these investments.

Note (4) - PROPERTY TAXES

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

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

Current tax collections for the year were 97% of the tax levy.

Property taxes are reported net of an allowance for uncollectible amounts of \$169,605.

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

Note (5) - INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2009 is as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
MAJOR FUNDS		
General Fund		
Historic Preservation	\$ -	\$ 42,794
State Street Aid.....	2,408	-
Library.....	-	38,036
Solid Waste/Sanitation	-	78,710
Special Drug Fund.....	3,151	-
Capital Project Fund #321.....	-	446,674
Capital Project Fund #334.....	30,000	72,500
Water and Sewer Fund	1,477,903 (2)	139,498
Health Insurance Fund	-	352,212 (1)
	<u>1,513,462</u>	<u>1,170,424</u>
Water and Sewer Fund		
General Fund.....	139,498	1,477,903 (2)
Health Insurance Fund	-	3,530
Capital Project Fund #321.....	53	-
	<u>139,551</u>	<u>1,481,433</u>
Capital Project Fund #334		
General Fund	<u>72,500</u>	<u>30,000</u>
NONMAJOR FUNDS		
Historic Preservation		
General Fund	<u>42,794</u>	<u>-</u>
State Street Aid		
General Fund.....	<u>-</u>	<u>2,408</u>
Library		
General Fund.....	<u>38,036</u>	<u>-</u>
Solid Waste/Sanitation		
General Fund.....	<u>78,710</u>	<u>-</u>
Special Drug Fund		
General Fund.....	<u>-</u>	<u>3,151</u>
Health Insurance Fund		
General Fund	352,212 (1)	-
Water and Sewer Fund.....	3,530	-
	<u>355,742</u>	<u>-</u>
Capital Project Fund #321		
General Fund	<u>446,674</u>	<u>53</u>
TOTALS	<u><u>\$ 2,687,469</u></u>	<u><u>\$ 2,687,469</u></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.
- (2) This amount includes the amount charged to the Water and Sewer fund for in-lieu-of tax that has been designated for use in Library operations.

Interfund balances other than those identified in (1) or (2) 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	\$ 2,192,176	\$ -
Due to other funds	-	1,206,036
Proprietary Funds		
Due from other funds	495,293	-
Due to other funds	<u>-</u>	<u>1,481,433</u>
	<u>\$ 2,687,469</u>	<u>\$ 2,687,469</u>

The composition of interfund transfers for the year ended June 30, 2009 is as follows:

	<u>TRANSFERS FROM OTHER FUNDS</u>	<u>TRANSFERS TO OTHER FUNDS</u>
MAJOR FUNDS		
General Fund		
Library	\$ -	\$ 1,189,692 (1)
Sanitation Fund.....	-	9,843
Special Drug Fund.....	-	13,476
Capital Project Fund #321	60,587	2,678,739
Capital Project Fund #333	-	543,800
Water and Sewer Fund	<u>686,569 (2)</u>	<u>-</u>
	<u>747,156</u>	<u>4,435,550</u>
Water and Sewer Fund		
General Fund	-	686,569 (2)
Capital Project Fund #333	<u>-</u>	<u>75,993</u>
	<u>-</u>	<u>762,562</u>

NONMAJOR FUNDS

Historic Preservation Fund		
Capital Project Fund #321	-	<u>20,961</u>
Library		
General Fund	<u>1,189,692</u> (1)	-
Sanitation Fund		
General Fund	9,843	-
Capital Project Fund #321	<u>73,853</u>	-
	<u>83,696</u>	-
Special Drug Fund		
General Fund	<u>13,476</u>	-
Capital Project Fund #321		
General Fund	2,678,739	60,587
Historic Preservation Fund	20,961	-
Sanitation Fund	-	73,853
Capital Project Fund #331	84,723	-
Capital Project Fund #332	<u>22,618</u>	-
	<u>2,807,041</u>	<u>134,440</u>
Capital Project Fund #331		
Capital Project Fund #321	-	<u>84,723</u>
Capital Project Fund #332		
Capital Project Fund #321	-	<u>22,618</u>
Capital Project Fund #333		
General Fund	543,800	-
Water and Sewer Fund	<u>75,993</u>	-
	<u>619,793</u>	-
TOTALS	<u>\$ 5,460,854</u>	<u>\$ 5,460,854</u>

(1) These represent amounts held in reserve or provided by the General Fund in current and prior years for Library operations.

(2) 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) or (2) above are related to goods and service transactions arising in the normal course of operations.

Note (6) - CAPITAL ASSETS

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

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Transfers/ Deletions/ Other *</u>	<u>June 30, 2009</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 12,471,056	\$ 238,038	\$ -	\$ 12,709,094
Construction in progress	<u>1,733,420</u>	<u>2,937,519</u>	<u>(274,730)</u>	<u>4,396,209</u>
Total capital assets not being depreciated	<u>14,204,476</u>	<u>3,175,557</u>	<u>(274,730)</u>	<u>17,105,303</u>
Other capital assets:				
Buildings and improvements	26,486,185	919,931	18,678	27,424,794
Other improvements.....	13,111,047	1,120,503	94,031	14,325,581
Library materials.....	1,913,354	203,057	-	2,116,411
Equipment.....	19,014,668	1,252,445	(361,164)	19,905,949
Infrastructure.....	<u>122,069,784</u>	<u>1,048,060</u>	<u>-</u>	<u>123,117,844</u>
Total other capital assets at historical cost	<u>182,595,038</u>	<u>4,543,996</u>	<u>(248,455)</u>	<u>186,890,579</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,775,918)	(669,085)	114,247	(6,330,756)
Other improvements.....	(5,026,797)	(499,381)	-	(5,526,178)
Library materials.....	(527,719)	(191,335)	-	(719,054)
Equipment.....	(10,833,160)	(1,471,673)	327,482	(11,977,351)
Infrastructure.....	<u>(23,882,527)</u>	<u>(1,595,725)</u>	<u>-</u>	<u>(25,478,252)</u>
Total accumulated depreciation.....	<u>(46,046,121)</u>	<u>(4,427,199)</u>	<u>441,729</u>	<u>(50,031,591)</u>
Other capital assets, net	<u>136,548,917</u>	<u>116,797</u>	<u>193,274</u>	<u>136,858,988</u>
Governmental activities capital assets, net.....	<u>\$ 150,753,393</u>	<u>\$ 3,292,354</u>	<u>\$ (81,456)</u>	<u>\$ 153,964,291</u>

* Deletions are reported net of transfers primarily from construction in progress to the completed project's functional asset category.

Depreciation expense was charged to functions as follows:

Legislative.....	<u>\$ 1,317</u>
General Government:	
Finance	8,121
General services	13,195
Information technology	32,925
Executive	247,955
Town administration.....	2,201
Library	357,023
Development administration	995
Development engineering.....	17,895
General government	8,336
Human resources	614
Development planning	<u>11,129</u>
	<u>700,389</u>
Public Safety:	
Animal control.....	18,896
Emergency management	18,165
Police	641,241
Fire.....	358,442
Code enforcement.....	15,892
City court.....	<u>5,687</u>
	<u>1,058,323</u>
Roads and Public Works:	
Public services administration.....	87,676
Fleet services	14,378
Highways and streets.....	<u>1,734,002</u>
	<u>1,836,056</u>
Sanitation	<u>174,191</u>
Culture and Recreation:	
Parks and recreation	<u>640,109</u>
Development of historic town square	<u>16,814</u>
Total governmental activities depreciation expense.....	<u><u>\$ 4,427,199</u></u>

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

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Transfers/ Deletions *</u>	<u>June 30, 2009</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 476,292	\$ -	\$ -	\$ 476,292
Construction in progress	<u>27,727,308</u>	<u>2,621,792</u>	<u>(30,161,425)</u>	<u>187,675</u>
Total capital assets- not being depreciated	<u>28,203,600</u>	<u>2,621,792</u>	<u>(30,161,425)</u>	<u>663,967</u>
Other capital assets:				
Buildings and improvements	6,329,925	-	13,158,779	19,488,704
Other improvements	176,351	11,800	1,311,858	1,500,009
Equipment.....	3,165,878	84,859	(16,020)	3,234,717
Distribution and collection systems	<u>88,428,663</u>	<u>1,800,149</u>	<u>15,678,805</u>	<u>105,907,617</u>
Total other capital assets	<u>98,100,817</u>	<u>1,896,808</u>	<u>30,133,422</u>	<u>130,131,047</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,863,505)	(506,403)	-	(5,369,908)
Other improvements	(29,904)	(60,347)	-	(90,251)
Equipment.....	(2,339,584)	(127,821)	26,446	(2,440,959)
Distribution and collection systems	<u>(21,616,551)</u>	<u>(2,348,146)</u>	<u>-</u>	<u>(23,964,697)</u>
Total accumulated depreciation.....	<u>(28,849,544)</u>	<u>(3,042,717)</u>	<u>26,446</u>	<u>(31,865,815)</u>
Other capital assets, net	<u>69,251,273</u>	<u>(1,145,909)</u>	<u>30,159,868</u>	<u>98,265,232</u>
Business-type activities capital assets, net.....	<u>\$ 97,454,873</u>	<u>\$ 1,475,883</u>	<u>\$ (1,557)</u>	<u>\$ 98,929,199</u>

* Deletions are reported net of transfers primarily from construction in progress to the completed project's functional asset category.

Depreciation expense was charged to functions as follows:

Business-type activities:

Water and sewer..... \$ 3,042,717

Total business-type activities depreciation expense..... \$ 3,042,717

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

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

Note (7) - DEBT

A summary of debt activity for the year ended June 30, 2009, is as follows. Additional detailed information is available on the following pages.

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>	<u>Due within One Year</u>
Governmental Activities:					
General Obligation					
Bonds	\$ 26,421,235	\$ 13,000,000	\$ (2,027,854)	\$ 37,393,381	\$ 2,533,279
Notes payable.....	1,818,500	289,500	(239,000)	1,869,000	245,000
Bond anticipation.....					
notes	2,980,000	-	(2,980,000)	-	-
Compensated.....					
absences	1,289,322	951,886	(830,733)	1,410,475	951,886
Unamortized deferred					
loss on refundings	(490,018)	-	59,396	(430,622)	(59,396)
	<u>32,019,039</u>	<u>14,241,386</u>	<u>(6,018,191)</u>	<u>40,242,234</u>	<u>3,670,769</u>
Business-type Activities:					
General Obligation					
Bonds	28,764	-	(2,148)	26,616	1,721
Revenue Bonds	37,265,000	-	(1,830,000)	35,435,000	1,725,000
Compensated					
absences	88,490	72,967	(77,505)	83,952	72,967
Unamortized deferred					
loss on refundings	(660,509)	-	50,436	(610,073)	(50,436)
	<u>36,721,745</u>	<u>72,967</u>	<u>(1,859,217)</u>	<u>34,935,495</u>	<u>1,749,252</u>
	<u>\$ 68,740,784</u>	<u>\$ 14,314,353</u>	<u>\$ (7,877,408)</u>	<u>\$ 75,177,729</u>	<u>\$ 5,420,021</u>

Debt outstanding as of June 30, 2009 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	\$ 13,000,000
Serial Bonds	3.00% - 4.40%	2022	8,025,000	6,225,000
Serial Bonds	3.00% - 4.30%	2017	8,267,877	5,928,381
Serial Bonds	3.75% - 4.20%	2014	2,200,000	1,040,000
Serial Bonds	3.50% - 4.38%	2025	8,000,000	7,145,000
Serial Bonds	3.50% - 4.13%	2020	5,290,000	4,055,000
			<u>\$ 44,782,877</u>	<u>\$ 37,393,381</u>
Amount due within one year.....				<u>\$ 2,533,279</u>

Notes payable:					
Term note	2.80%	2014	\$ 3,000,000	\$ 1,869,000	
Bond anticipate notes	3.50%	2009	<u>\$ 2,980,000</u>	<u>\$ -</u>	
			<u>\$ 5,980,000</u>	<u>\$ 1,869,000</u>	
Amount due within one year				<u>\$ 245,000</u>	

Business-Type Activities

General Obligation Bonds:

Serial Bonds	3.00% - 4.30%	2017	<u>\$ 37,123</u>	<u>\$ 26,616</u>	
Amount due within one year				<u>\$ 1,721</u>	

Revenue Bonds:

Revenue Bonds	3.00% - 4.70%	2022	\$ 10,090,000	\$ 9,185,000	
Revenue Bonds	3.50% - 4.13%	2020	3,755,000	3,000,000	
Revenue Bonds	4.00% - 4.38%	2026	<u>26,000,000</u>	<u>23,250,000</u>	
			<u>\$ 39,845,000</u>	<u>\$ 35,435,000</u>	

Amount due within one year				<u>\$ 1,725,000</u>	
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The Town has no legal debt limit. Each debt issuance above was made for the purpose of funding the acquisition of various capital assets.

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

The unamortized deferred loss on refundings relates to General Improvement Refunding Bonds Series 2006, Water and Sewer Revenue Refunding Bonds Series 2006, General Obligation Refunding Bonds Series 2003, and Water and Sewer Revenue Refunding Bonds Series 2006. At June 30, 2009, the unamortized loss on each refunding was \$167,857, \$106,897, \$262,765, and \$503,176, respectively.

The Town has a \$3,000,000 variable-rate loan from the Tennessee Municipal Bond Fund Pooled Loan Program for use in funding the Wolf River Boulevard Project. At June 30, 2009, \$1,869,000 was due under this loan.

In December 2007, the Town issued \$2,980,000 of bond anticipation notes to provide short-term financing for a major road project. These notes were issued in order to bid the project at an optimal time and were repaid in November 2008 with the issuance of the \$13,000,000 Series 2008 General Obligation Bonds, which will be used for the expansion and construction of the police/court facility and certain major road projects.

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

Government - Wide						
Year Ending June 30	General Obligation Bonds		Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,535,000	\$ 1,239,554	\$ 1,725,000	\$ 1,453,182	\$ 245,000	\$ 52,332
2011	2,500,000	1,439,648	1,780,000	1,387,394	252,000	45,472
2012	2,595,000	1,345,959	1,840,000	1,318,505	259,000	38,416
2013	2,550,000	1,250,352	1,930,000	1,245,692	267,000	31,164
2014	2,655,000	1,155,683	2,015,000	1,169,170	274,000	23,688
2015 - 2019	10,994,997	4,335,929	11,355,000	4,557,471	572,000	16,031
2020 - 2024	7,970,000	2,279,134	11,005,000	2,087,885	-	-
2025 - 2029	5,620,000	740,593	3,785,000	250,469	-	-
	<u>\$ 37,419,997</u>	<u>\$13,786,852</u>	<u>\$ 35,435,000</u>	<u>\$ 13,469,768</u>	<u>\$ 1,869,000</u>	<u>\$ 207,103</u>

The total interest incurred for the year was \$3,092,103. There was no interest capitalized during the year ended June 30, 2009.

Note (8) - FUND BALANCE RESERVES AND DESIGNATIONS

The Town's equity reserves and designations are as follows:

Governmental Activities:

General fund

Designated

Grant.....	\$ 1,600
Parkland dedication	23,616
Fees in lieu of construction.....	831,532
Drainage improvements.....	224,000
Fire facility fee	439,143
Street and median lighting and distribution pole fees.....	1,536,667
Carryover of amount budgeted in for capital projects	2,528,543
Alternate transportation	46,729
Parks improvement tax	2,160,164
Police privilege tax	729,721
Other	90,204
	<u>\$ 8,611,919</u>

Reserved

Reserved donations.....	\$ 206,939
Town beautiful donations	3,939
Reserved for sidewalks	64,948
Prepays	7,375
Inventories	108,784
Other	83,206
	<u>\$ 475,191</u>

Special Revenue Funds

Reserved

State Street Aid.....	1,101,884
Library	20,220
	<u>\$ 1,122,104</u>

Note (9) - RETIREMENT PLANS

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

(A) - Defined Contribution Plan

The Town provides pension benefits to full-time employees employed prior to June 30, 1994, through the Town of Collierville, Tennessee Money Purchase Pension Plan, a defined contribution plan administered by Securian Financial Group. The Town contributes 9% of total compensation and employees may contribute up to 10% of compensation. 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, 2009, there were 7 plan members. Plan provisions and contribution requirements as established and may be amended by the Town's Board of Mayor and Aldermen.

(B) - Defined Benefit Plan – TCRS Administered

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

1. Plan Description

Certain employees of the Town, who elected to remain participants in this plan, are members of the Political Subdivision Pension Plan ("PSPP"), an agent multiple-employer defined pension plan administered by the Tennessee Consolidated Retirement System ("TCRS"). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's highest five-year average salary and years of service. Members become eligible to retire at age 60 with 5 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is a result of an accident or injury occurring while the member was in the performance of duty. Members joining the system on or after July 1, 1979 become vested after 5 years of service and members joining prior to July 1, 1979, were vested after 4 years of service. Benefit provisions are established in state statutes found in Title 8, Chapters 34-37 of the Tennessee Code Annotated ("TCA"). State statutes are amended by the Tennessee General Assembly. Political subdivisions, such as the Town, participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements must be approved by the chief governing body.

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

2. Funding Policy

The contribution requirement of plan members is established and may be amended by state statute; whereas, the contribution requirement for the Town is established and may be amended by the TCRS Board of Trustees. The Town has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.00 percent of annual covered payroll. The Town is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009, 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, 2009, 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
06/30/09	\$ -	100.00%	\$ 0
06/30/08	113,988	100.00%	0
06/30/07	1,757,683	100.00%	0

The required contribution was determined as part of the July 1, 2007 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.50 percent annual increase in the Social Security wage base, and (d) projected cost of living increases of 3.00 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 five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 7 years. A biennial actuarial valuation was performed as of July 1, 2007, which establishes contribution rates effective July 1, 2008 for fiscal 2008 and 2009.

As of July 1, 2007, the most recent biennial actuarial valuation date, the plan was 585.59 percent funded. The actuarial accrued liability for benefits was approximately \$2,193,000, and the actuarial value of assets was approximately \$12,842,000, resulting in an unfunded actuarial accrued liability ("UAAL") of approximately \$(10,649,000). The covered payroll (annual payroll of active employees covered by the plan) was \$1,096,598, and the ratio of the UAAL to the covered payroll was (970.74) percent.

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

(C) – Defined Benefit Plan – Town Administered

1. Plan Description

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

As June 30, 2009, the Plan’s membership consisted of:

Retirees receiving benefits	12
Terminated plan members entitled to but not yet receiving benefits	18
Active plan members	<u>446</u>
Total	<u>476</u>

2. Significant Accounting Policies

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

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

3. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted a contributory retirement plan for its employees requiring employee contributions of 5.00 percent of their gross pay. The Town is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009, was 12.15 percent of annual covered payroll.

4. Annual Pension Cost and Net Pension Obligation

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

Annual required contribution (ARC)	\$ 2,313,324
Interest on net pension obligation	-
Adjustment to ARC	-
Annual pension cost	<u>2,313,324</u>
Contributions remitted	<u>2,599,337</u>
Increase (decrease) in net pension position	(286,013)
Net pension asset – beginning of year	-
Net pension asset – end of year	<u>\$ (286,013)</u>

Three-Year Trend Information*

Annual Pension Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	(Asset) Obligation
06/30/09	\$ 2,313,324	112.36%	\$ (286,013)
06/30/08	\$ 2,222,368	100.00%	-

* As the plan was effective beginning July 1, 2007, only two years of previous trend information is available.

5. Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 65.6 percent funded. The actuarial accrued liability for benefits was \$33,228,318, and the actuarial value of assets was \$21,784,348, resulting in an unfunded actuarial accrued liability ("UAAL") of \$11,443,970. The covered payroll (annual payroll of active employees covered by the plan) was \$19,033,125, and the ratio of the UAAL to the covered payroll was 60.1 percent.

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

6. Actuarial Methods and Assumptions

The required contribution was determined as part of the July 1, 2008 actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually, (b) projected salary increases of 4.00 percent annual rate, and (c) projected cost of living increases of 2.50 percent annually applicable to both items (a) and (b). The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The Town's initial unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 29 years.

Note (10) - DEFERRED COMPENSATION PLAN

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

Note (11) - DEFERRED REVENUE

Deferred revenues for the General Fund consist of the following:

Property taxes	\$ 18,505,655
State sales and income taxes	382,424
Other	<u>69,332</u>
	<u>\$ 18,957,411</u>

Note (12) – NET ASSESTS

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

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 153,964,291
Total outstanding balance of capital debt	(38,831,759)
Portion of debt related to unspent bond proceeds	<u>15,357,027</u>
Total governmental activities	<u>\$ 130,489,559</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 98,929,199
Total outstanding balance of capital debt	(34,851,543)
Portion of debt related to unspent bond proceeds	<u>-</u>
Total business-type activities	<u>\$ 64,077,656</u>

Note (13) - COMMITMENTS AND CONTINGENCIES

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

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

At June 30, 2009, the Town was obligated under uncompleted contracts for approximately \$688,000, \$455,000, and \$7,758,000 in the General Fund, Water and Sewer Fund, and Capital Project Funds, respectively. Included in the above uncompleted contracts for the Capital Projects Funds is approximately \$2,589,000 relating to the contract for construction related to the expansion of Houston Levee Road and approximately \$4,898,000 relating to the renovation and construction of the Police and Court facilities.

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, 2009, such amount totaled \$293,511.

Note (14) - RISK MANAGEMENT

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

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

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not

reported (“IBNRs”). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

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

	<u>Year Ended June 30, 2009</u>	<u>Year Ended June 30, 2008</u>
Unpaid claims, beginning of fiscal year	\$ 500,000	\$ 500,000
Incurred claims (including IBNRs)	3,771,269	3,481,066
Claim payments	<u>(3,967,397)</u>	<u>(3,481,066)</u>
 Unpaid claims, end of fiscal year	 <u>\$ 303,872</u>	 <u>\$ 500,000</u>

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

Note (15) - POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Notes (9) and (10), Town resolution allows the Town to make available health care benefits to certain employees and elected officials. In fiscal 2007, the Town amended the plan from a “pay-as-you-go” plan, whereby the Town would establish a trust to deposit funds necessary to cover current and future retiree benefits. The trust for these benefits had not been created as of June 30, 2008. As a result, the Town elected not to collect these contributions from the other funds and were therefore shown as due from other fund amounts in the 2008 financial statements as an Internal Service Fund. In fiscal 2009, the related trust was created and all applicable contributions were remitted to the plan, which is shown as a Fiduciary Fund in the accompanying financial statements. For the year ended June 30, 2009, the Town implemented the provisions of GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

1. Plan Description

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

As June 30, 2009, the OPEB plan’s membership consisted of:

Retirees receiving benefits	15
Active plan members	<u>446</u>
Total	<u><u>461</u></u>

2. Significant Accounting Policies

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

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

3. Funding Policy

The contribution requirements of OPEB plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted a contributory OPEB plan for its employees requiring employee contributions to be made in accordance with the employee's age and employment status. The Town is required to contribute the remaining amounts to meet the minimum funding requirement, which is calculated at an actuarially determined rate; the rate for the fiscal year ending June 30, 2009, was 7.66 percent of annual covered payroll.

4. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 1,458,343
Interest on net pension obligation	-
Adjustment to ARC	-
Annual pension cost	<u>1,458,343</u>
Contributions remitted	<u>1,194,395</u>
Increase (decrease) in net pension position	263,948
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	<u>\$ 263,948</u>

Three-Year Trend Information*

Annual Pension Fiscal Year Ending	Annual OPEB Cost (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
06/30/09	\$ 1,458,343	81.90%	\$ 263,948

* GASB 45 was effective beginning July 1, 2008, and did not require retrospective application; therefore, only one year of trend information is presented.

5. Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 13.8 percent funded. The actuarial accrued liability for benefits was \$13,630,805, and the actuarial value of assets was \$1,877,838, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$11,752,967. The covered payroll (annual payroll of active employees covered by the plan) was \$19,033,125, and the ratio of the UAAL to the covered payroll was 61.8 percent.

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

6. Actuarial Methods and Assumptions

The required contribution was determined as part of the July 1, 2008 actuarial valuation using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually and (b) health care cost trend rates including (1) initial rate of 9.00 percent, (2) ultimate rate of 5.00 percent, and (3) a grading period of 9 years. The actuarial value of assets equals the fair market value of the net assets held by the OPEB plan. The Town’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 29 years.

Note (16) - NEW GASB PRONOUNCEMENTS TO BE IMPLEMENTED IN FUTURE YEARS

The GASB has issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. GASB 54 will be effective for the Town for fiscal 2011.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2009

(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)
07/01/07	\$ 12,842	\$ 2,193	\$ (10,649)	585.59%	\$ 1,097	-970.74%
07/01/05	8,559	9,586	1,027	89.29%	12,430	8.26%
07/01/03	5,333	6,511	1,178	81.91%	11,458	10.28%
07/01/01	2,975	3,993	1,018	74.51%	7,921	12.85%

Town of Collierville, Tennessee Defined Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	\$ 21,784	\$ 33,228	\$ 11,444	65.56%	\$ 19,033	60.13%
7/1/2008	18,735	29,860	11,125	62.74%	17,786	62.55%

Town of Collierville Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2009	\$ 1,878	\$ 13,631	\$ 11,753	13.78%	\$ 19,033	61.75%

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

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

June 30, 2009

	Special Revenue Funds				
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug	Library
<u>Assets</u>					
Cash and cash equivalents	\$ 921,077	\$ -	\$ -	\$ 194,142	\$ -
Investments	-	-	-	-	-
Receivables, net					
Federal and state grants	-	-	-	-	-
Accounts	-	-	-	-	-
Due from other governments	211,969	-	-	-	-
Due from other funds	-	78,710	42,794	-	38,036
Other	-	20,346	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,133,046</u>	<u>\$ 99,056</u>	<u>\$ 42,794</u>	<u>\$ 194,142</u>	<u>\$ 38,036</u>
<u>Liabilities</u>					
Accounts payable and accrued liabilities	\$ 28,754	\$ 99,056	\$ 5,339	\$ 1,910	\$ 17,816
Due to other funds	2,408	-	-	3,151	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>31,162</u>	<u>99,056</u>	<u>5,339</u>	<u>5,061</u>	<u>17,816</u>
<u>Fund balances</u>					
Reserved - special revenue funds	1,101,884	-	-	-	20,220
Unreserved	-	-	37,455	189,081	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,101,884</u>	<u>-</u>	<u>37,455</u>	<u>189,081</u>	<u>20,220</u>
Total liabilities and fund balances	<u>\$ 1,133,046</u>	<u>\$ 99,056</u>	<u>\$ 42,794</u>	<u>\$ 194,142</u>	<u>\$ 38,036</u>

Capital Project Funds					Total Non-Major Governmental Funds
#321	#322	#331	#332	#333	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,115,219
-	391,129	-	98,582	7,361,500	7,851,211
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	211,969
446,674	-	-	-	-	606,214
-	-	-	-	-	20,346
<u>\$ 446,674</u>	<u>\$ 391,129</u>	<u>\$ -</u>	<u>\$ 98,582</u>	<u>\$ 7,361,500</u>	<u>\$ 9,804,959</u>
\$ 135,442	\$ -	\$ -	\$ -	\$ 579,621	\$ 867,938
53	-	-	-	-	5,612
<u>135,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,621</u>	<u>873,550</u>
-	-	-	-	-	1,122,104
<u>311,179</u>	<u>391,129</u>	<u>-</u>	<u>98,582</u>	<u>6,781,879</u>	<u>7,809,305</u>
<u>311,179</u>	<u>391,129</u>	<u>-</u>	<u>98,582</u>	<u>6,781,879</u>	<u>8,931,409</u>
<u>\$ 446,674</u>	<u>\$ 391,129</u>	<u>\$ -</u>	<u>\$ 98,582</u>	<u>\$ 7,361,500</u>	<u>\$ 9,804,959</u>

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

For the Year Ended June 30, 2009

	Special Revenue Funds				
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug	Library
Revenues					
Other local taxes	\$ -	\$ -	\$ 34,540	\$ 11,925	\$ -
Federal revenues	-	-	-	-	-
State revenues	1,168,449	8,373	-	-	-
Charges for services	-	2,539,835	-	-	89,811
Interest income	739	-	-	156	-
Contributions	-	-	-	-	38,301
Other	-	34,343	-	93,149	-
Total revenues	<u>1,169,188</u>	<u>2,582,551</u>	<u>34,540</u>	<u>105,230</u>	<u>128,112</u>
Expenditures					
Current:					
General government	-	-	-	-	843,802
Roads and public works	1,387,113	-	-	-	-
Sanitation	-	2,711,465	-	-	-
Culture and recreation	-	-	9,460	-	-
Drug fund	-	-	-	22,285	-
Capital projects	-	-	18,966	47,356	224,008
Debt service:					
Principal retirement	-	44,860	40,766	-	193,496
Interest and fiscal charges	-	18,621	21,051	-	45,857
Total expenditures	<u>1,387,113</u>	<u>2,774,946</u>	<u>90,243</u>	<u>69,641</u>	<u>1,307,163</u>
Excess revenue over (under) expenditures	<u>(217,925)</u>	<u>(192,395)</u>	<u>(55,703)</u>	<u>35,589</u>	<u>(1,179,051)</u>
Other financing sources (uses)					
Insurance reimbursement	-	-	-	-	-
Transfers in	-	83,696	-	13,476	1,189,692
Transfers out	-	-	(20,961)	-	-
Total other financing sources (uses)	<u>-</u>	<u>83,696</u>	<u>(20,961)</u>	<u>13,476</u>	<u>1,189,692</u>
Net change in fund balances	(217,925)	(108,699)	(76,664)	49,065	10,641
Fund balances at the beginning of the year	<u>1,319,809</u>	<u>108,699</u>	<u>114,119</u>	<u>140,016</u>	<u>9,579</u>
Fund balances at the end of the year	<u>\$ 1,101,884</u>	<u>\$ -</u>	<u>\$ 37,455</u>	<u>\$ 189,081</u>	<u>\$ 20,220</u>

Capital Project Funds					Total Non-Major Governmental Funds
#321	#322	#331	#332	#333	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,465
103,616	-	-	-	-	103,616
-	-	-	-	-	1,176,822
-	-	-	-	-	2,629,646
-	6,214	497	1,926	127,642	137,174
182,497	-	-	-	-	220,798
-	-	-	-	-	127,492
<u>286,113</u>	<u>6,214</u>	<u>497</u>	<u>1,926</u>	<u>127,642</u>	<u>4,442,013</u>
-	-	-	-	-	843,802
-	-	-	-	-	1,387,113
-	-	-	-	-	2,711,465
-	-	-	-	-	9,460
-	-	-	-	-	22,285
3,048,817	-	-	-	2,644,336	5,983,483
-	-	-	-	-	279,122
-	-	-	-	-	85,529
<u>3,048,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,644,336</u>	<u>11,322,259</u>
<u>(2,762,704)</u>	<u>6,214</u>	<u>497</u>	<u>1,926</u>	<u>(2,516,694)</u>	<u>(6,880,246)</u>
33,185	-	-	-	-	33,185
2,807,041	-	-	-	619,793	4,713,698
(134,440)	-	(84,723)	(22,618)	-	(262,742)
<u>2,705,786</u>	<u>-</u>	<u>(84,723)</u>	<u>(22,618)</u>	<u>619,793</u>	<u>4,484,141</u>
(56,918)	6,214	(84,226)	(20,692)	(1,896,901)	(2,396,105)
<u>368,097</u>	<u>384,915</u>	<u>84,226</u>	<u>119,274</u>	<u>8,678,780</u>	<u>11,327,514</u>
<u>\$ 311,179</u>	<u>\$ 391,129</u>	<u>\$ -</u>	<u>\$ 98,582</u>	<u>\$ 6,781,879</u>	<u>\$ 8,931,409</u>

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

June 30, 2009

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ASSETS			
Savings, certificates of deposit and time deposits	\$ 1,980,648	\$ -	\$ 1,980,648
Investments, at fair value:			
Money market funds	289,592	1,148,400	1,437,992
U.S. government agency bonds	256,212	-	256,212
Corporate and foreign bonds	1,797,322	-	1,797,322
Common stocks	2,131,365	-	2,131,365
Equity mutual funds	9,553,333	372,952	9,926,285
Fixed income mutual funds	2,093,250	277,590	2,370,840
Accrued investment income	51,901	430	52,331
Due from other funds	194,358	87,663	282,021
Total assets	<u>18,347,981</u>	<u>1,887,035</u>	<u>20,235,016</u>
LIABILITIES			
Accounts payable	<u>6,476</u>	<u>9,259</u>	<u>15,735</u>
Total liabilities	<u>6,476</u>	<u>9,259</u>	<u>15,735</u>
NET ASSETS			
Held in trust for OPEB benefits	-	1,877,776	1,877,776
Held in trust for pension benefits	<u>18,341,505</u>	<u>-</u>	<u>18,341,505</u>
Total net assets held in trust	<u>\$ 18,341,505</u>	<u>\$ 1,877,776</u>	<u>\$ 20,219,281</u>

TOWN OF COLLIERVILLE, TENNESSEE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended June 30, 2009

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ADDITIONS:			
Contributions:			
Employer	\$ 2,572,766	\$ 1,194,395	\$ 3,767,161
Plan member	386,463	66,178	452,641
Total contributions	<u>2,959,229</u>	<u>1,260,573</u>	<u>4,219,802</u>
Investment income (loss):			
Interest and dividends	497,965	21,304	519,269
Net decrease in the fair value of investments	(3,684,678)	(1,057)	(3,685,735)
Total investment loss	<u>(3,186,713)</u>	<u>20,247</u>	<u>(3,166,466)</u>
Contribution from internal service fund	<u>-</u>	<u>875,759</u>	<u>875,759</u>
Total net additions (reductions)	<u>(227,484)</u>	<u>2,156,579</u>	<u>1,929,095</u>
DEDUCTIONS:			
Benefit and claim payments	296,296	225,317	521,613
Administrative expenses	90,565	53,486	144,051
Total deductions	<u>386,861</u>	<u>278,803</u>	<u>665,664</u>
Change in net assets	<u>(614,345)</u>	<u>1,877,776</u>	<u>1,263,431</u>
Total net assets - beginning	18,955,850	-	18,955,850
Total net assets - ending	<u>\$ 18,341,505</u>	<u>\$ 1,877,776</u>	<u>\$ 20,219,281</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
State gasoline tax	\$ 1,280,000	\$ 1,168,449	\$ (111,551)
Interest income	300	739	439
Total revenues	<u>1,280,300</u>	<u>1,169,188</u>	<u>(111,112)</u>
Expenditures			
Roads and Public Works	<u>2,403,951</u>	<u>1,387,113</u>	<u>1,016,838</u>
Excess revenues under expenditures	<u>\$ (1,123,651)</u>	(217,925)	<u>\$ 905,726</u>
Fund balance			
Fund balance at beginning of the year		<u>1,319,809</u>	
Fund balance at end of the year		<u>\$ 1,101,884</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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Charges for services	\$ 2,651,208	\$ 2,539,835	\$ (111,373)
State revenues	8,000	8,373	373
Other			
Recycling revenue	<u>65,000</u>	<u>34,343</u>	<u>(30,657)</u>
Total revenue	<u>2,724,208</u>	<u>2,582,551</u>	<u>(141,657)</u>
Expenditures			
Sanitation	<u>3,109,743</u>	<u>2,711,465</u>	<u>398,278</u>
Debt service			
Bond principal	44,860	44,860	-
Bond interest	18,621	18,621	-
Total debt service	<u>63,481</u>	<u>63,481</u>	<u>-</u>
Total expenditures	<u>3,173,224</u>	<u>2,774,946</u>	<u>398,278</u>
Excess revenues under expenditures before transfers	<u>(449,016)</u>	<u>(192,395)</u>	<u>256,621</u>
Other financing sources			
Transfers in	<u>(27,337)</u>	<u>83,696</u>	<u>111,033</u>
Net change in fund balance	<u>\$ (476,353)</u>	<u>(108,699)</u>	<u>\$ 367,654</u>
Fund balance			
Fund balance at beginning of the year		<u>108,699</u>	
Fund balance at end of the year		<u>\$ -</u>	

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Historic preservation fee	\$ 40,000	\$ 34,540	\$ (5,460)
Expenditures			
Culture and recreation	11,500	9,460	2,040
Capital outlay	20,600	18,966	1,634
Debt service			
Bond principal	40,766	40,766	-
Bond interest	21,051	21,051	-
Total debt service	61,817	61,817	-
Total expenditures	93,917	90,243	3,674
Excess revenues under expenditures before transfers	(53,917)	(55,703)	(1,786)
Other financing uses			
Transfers out	(20,961)	(20,961)	-
Net change in fund balance	<u>\$ (74,878)</u>	(76,664)	<u>\$ (1,786)</u>
Fund balance			
Fund balance at beginning of the year		114,119	
Fund balance at end of the year		<u>\$ 37,455</u>	

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL DRUG FUND

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Interest income	\$ -	\$ 156	\$ 156
Other			
Fines and seizures	69,925	93,149	23,224
Substance tax	-	11,925	11,925
Total other	<u>69,925</u>	<u>105,074</u>	<u>35,149</u>
Total revenues	<u>69,925</u>	<u>105,230</u>	<u>35,305</u>
Expenditures			
Drug fund	<u>74,475</u>	<u>22,285</u>	<u>52,190</u>
Capital outlay	<u>79,500</u>	<u>47,356</u>	<u>32,144</u>
Total expenditures	<u>153,975</u>	<u>69,641</u>	<u>84,334</u>
Excess revenues over (under) expenditures before transfers	(84,050)	35,589	119,639
Other financing sources			
Transfers in	<u>13,476</u>	<u>13,476</u>	-
Net change in fund balance	<u>\$ (70,574)</u>	49,065	<u>\$ 119,639</u>
Fund balance			
Fund balance at beginning of the year		<u>140,016</u>	
Fund balance at end of the year		<u>\$ 189,081</u>	

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LIBRARY FUND

For the Year Ended June 30, 2009

	Budget	Actual	Variance Positive (Negative)
Revenues			
Library donations	\$ 27,660	\$ 38,301	\$ 10,641
Charges for services	80,050	89,811	9,761
Total revenues	<u>107,710</u>	<u>128,112</u>	<u>20,402</u>
Expenditures			
Library	<u>901,315</u>	<u>843,802</u>	<u>57,513</u>
Capital outlay	<u>229,896</u>	<u>224,008</u>	<u>5,888</u>
Debt service			
Bond principal	193,496	193,496	-
Bond interest	45,857	45,857	-
Total debt service	<u>239,353</u>	<u>239,353</u>	<u>-</u>
Total expenditures	<u>1,370,564</u>	<u>1,307,163</u>	<u>63,401</u>
Excess revenues under expenditures before transfers	<u>(1,262,854)</u>	<u>(1,179,051)</u>	<u>83,803</u>
Other financing sources			
Transfers in	<u>1,189,692</u>	<u>1,189,692</u>	<u>-</u>
Net change in fund balance	<u>\$ (73,162)</u>	10,641	<u>\$ 83,803</u>
Fund balance			
Fund balance at beginning of the year		<u>9,579</u>	
Fund balance at end of the year		<u>\$ 20,220</u>	

CAPITAL PROJECTS FUNDS

TOWN OF COLLIERVILLE, TENNESSEE

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

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Federal grants	\$ 71,897	\$ 103,616	\$ 31,719
Charges for services (fee in lieu of construction)	182,497	-	(182,497)
Contributions	182,497	182,497	-
Total revenues	<u>436,891</u>	<u>286,113</u>	<u>(150,778)</u>
Expenditures			
Capital projects	<u>7,095,799</u>	<u>3,048,817</u>	<u>4,046,982</u>
Excess revenues under expenditures before transfers	<u>(6,658,908)</u>	<u>(2,762,704)</u>	<u>3,896,204</u>
Other financing sources (uses)			
Other	32,185	33,185	1,000
Transfers in	2,807,041	2,807,041	-
Transfers out	(134,440)	(134,440)	-
Total other financing sources	<u>2,704,786</u>	<u>2,705,786</u>	<u>1,000</u>
Net change in fund balance	<u>\$ (3,954,122)</u>	(56,918)	<u>\$ 3,897,204</u>
Fund balance			
Fund balance at beginning of the year		<u>368,097</u>	
Fund balance at end of the year		<u>\$ 311,179</u>	

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECT #322

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Interest income	<u>\$ -</u>	<u>\$ 6,214</u>	<u>\$ 6,214</u>
Expenditures			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>\$ -</u>	6,214	<u>\$ 6,214</u>
Fund balance at beginning of the year		<u>384,915</u>	
Fund balance at end of the year		<u>\$ 391,129</u>	

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECT #331

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Interest income	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 497</u>
Expenditures			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures before transfers	<u>-</u>	<u>497</u>	<u>497</u>
Other financing uses			
Transfers out	<u>(84,723)</u>	<u>(84,723)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (84,723)</u></u>	<u>(84,226)</u>	<u><u>\$ 497</u></u>
Fund balance at beginning of the year		<u>84,226</u>	
Fund balance at end of the year		<u><u>\$ -</u></u>	

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECT #332

For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Interest income	<u>\$ -</u>	<u>\$ 1,926</u>	<u>\$ 1,926</u>
Expenditures			
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures before transfers	<u>-</u>	<u>1,926</u>	<u>1,926</u>
Other financing uses			
Transfers out	<u>(22,618)</u>	<u>(22,618)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (22,618)</u></u>	<u>(20,692)</u>	<u><u>\$ 1,926</u></u>
Fund balance at beginning of the year		<u>119,274</u>	
Fund balance at end of the year		<u><u>\$ 98,582</u></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, 2009

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Interest income	<u>\$ 127,642</u>	<u>\$ 127,642</u>	<u>\$ -</u>
Expenditures			
Capital projects	<u>8,929,280</u>	<u>2,644,336</u>	<u>6,284,944</u>
Excess revenues under expenditures before transfers	<u>(8,801,638)</u>	<u>(2,516,694)</u>	<u>6,284,944</u>
Other financing sources (uses)			
Transfers in	<u>619,793</u>	<u>619,793</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (8,181,845)</u></u>	<u>(1,896,901)</u>	<u><u>\$ 6,284,944</u></u>
Fund balance			
Fund balance at beginning of the year		<u>8,678,780</u>	
Fund balance at end of the year		<u><u>\$ 6,781,879</u></u>	

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

For the Year Ended June 30, 2009

	Budget	Actual Amounts	Variance Final Budget Positive (Negative)
Revenues:			
Interest income	79,504	79,504	-
Expenditures			
Bond issue costs	30,538	30,538	-
Excess revenue over expenditures before transfers	48,966	48,966	-
Other financing sources			
Issuance of Debt	10,020,000	10,020,000	-
Net change in fund balance	<u>\$ 10,068,966</u>	<u>\$ 10,068,966</u>	<u>\$ -</u>
Fund balance			
Fund balance at beginning of the year		-	
Fund balance at end of the year		<u>\$ 10,068,966</u>	

SUPPORTING SCHEDULES

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

June 30, 2009

	Land	Construction in Progress	Buildings and Improvements
Mayor and Board	\$ -	\$ -	\$ -
General Government:			
Finance	-	-	-
Information technology	-	-	-
Executive	1,782,850	8,264	5,937,486
Town administrator	-	-	-
Development administration	-	-	-
Development engineering	-	-	-
Development planning	-	-	-
General government	1,755,439	500	145,570
Library	305,068	-	4,116,562
Human resources	-	-	-
General services	-	9,200	5,045
	<u>3,843,357</u>	<u>17,964</u>	<u>10,204,663</u>
Public Safety:			
Animal control	8,099	-	378,134
Emergency management	-	-	-
Police	206,588	825,644	3,445,703
Fire	591,284	-	4,408,137
Code enforcement	-	-	-
City court	-	-	-
	<u>805,971</u>	<u>825,644</u>	<u>8,231,974</u>
Roads and Public Works:			
Public services administration	441,607	-	2,405,064
Fleet services	-	-	-
Streets and drainage	661,582	3,256,788	-
	<u>1,103,189</u>	<u>3,256,788</u>	<u>2,405,064</u>
Sanitation	<u>53,650</u>	<u>280</u>	<u>550,320</u>
Culture and Recreation:			
Parks and recreation	<u>6,707,427</u>	<u>103,228</u>	<u>5,844,661</u>
Development of historic town square	<u>195,500</u>	<u>192,305</u>	<u>188,112</u>
Total capital assets	<u>\$ 12,709,094</u>	<u>\$ 4,396,209</u>	<u>\$ 27,424,794</u>

<u>Other Improvements</u>	<u>Library Materials</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
\$ -	\$ -	\$ 24,861	\$ -	\$ 24,861
-	-	429,485	-	429,485
-	-	296,026	-	296,026
407,911	-	882,293	-	9,018,804
-	-	17,522	-	17,522
-	-	14,708	-	14,708
-	-	256,681	-	256,681
-	-	148,152	-	148,152
34,396	-	5,672	-	1,941,577
128,452	2,116,411	683,267	-	7,349,760
-	-	6,300	-	6,300
-	-	253,741	-	267,986
<u>570,759</u>	<u>2,116,411</u>	<u>2,993,847</u>	<u>-</u>	<u>19,747,001</u>
27,676	-	150,117	-	564,026
-	-	363,303	-	363,303
412,933	-	4,719,928	-	9,610,796
129,062	-	4,257,341	-	9,385,824
-	-	269,581	-	269,581
-	-	97,350	-	97,350
<u>569,671</u>	<u>-</u>	<u>9,857,620</u>	<u>-</u>	<u>20,290,880</u>
252,261	-	217,287	-	3,316,219
-	-	238,114	-	238,114
178,642	-	1,958,629	123,117,844	129,173,485
<u>430,903</u>	<u>-</u>	<u>2,414,030</u>	<u>123,117,844</u>	<u>132,727,818</u>
22,432	-	2,647,350	-	3,274,032
<u>11,389,856</u>	<u>-</u>	<u>1,927,513</u>	<u>-</u>	<u>25,972,685</u>
<u>1,341,960</u>	<u>-</u>	<u>40,728</u>	<u>-</u>	<u>1,958,605</u>
<u>\$ 14,325,581</u>	<u>\$ 2,116,411</u>	<u>\$ 19,905,949</u>	<u>\$ 123,117,844</u>	<u>\$ 203,995,882</u>

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF CHANGES IN CAPITAL ASSETS -
BY FUNCTION AND ACTIVITY

For the Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deletions	Transfers and Other	Balance June 30, 2009
Mayor and Board	\$ 19,827	\$ 5,034	\$ -	\$ -	\$ 24,861
General Government:					
Finance	422,443	10,274	(3,232)	-	429,485
Information technology	262,605	19,325	(13,294)	27,390	296,026
Executive	9,011,053	8,264	-	(513)	9,018,804
Town administrator	15,798	2,399	-	(675)	17,522
Development administration	17,985	1,399	(2,639)	(2,037)	14,708
Development engineering	280,237	8,538	(3,434)	(28,660)	256,681
Development planning	146,349	6,569	(4,106)	(660)	148,152
General government	2,103,533	-	(161,956)	-	1,941,577
Library	7,112,595	257,703	(20,538)	-	7,349,760
Human resources	6,300	-	-	-	6,300
General services	201,384	47,790	-	18,812	267,986
	<u>19,580,282</u>	<u>362,261</u>	<u>(209,199)</u>	<u>13,657</u>	<u>19,747,001</u>
Public Safety:					
Animal control	523,498	38,491	-	2,037	564,026
Emergency management	363,303	-	-	-	363,303
Police	8,740,126	953,637	(101,558)	18,591	9,610,796
Fire	8,094,928	1,351,736	(17,946)	(42,894)	9,385,824
Code enforcement	309,429	16,104	(40,645)	(15,307)	269,581
City court	98,274	1,738	(2,662)	-	97,350
	<u>18,129,558</u>	<u>2,361,706</u>	<u>(162,811)</u>	<u>(37,573)</u>	<u>20,290,880</u>
Roads and Public Works:					
Public services administration	3,332,950	1,764	(16,592)	(1,903)	3,316,219
Fleet services	276,533	22,644	-	(61,063)	238,114
Streets and drainage	125,866,692	3,341,906	(98,079)	62,966	129,173,485
	<u>129,476,175</u>	<u>3,366,314</u>	<u>(114,671)</u>	<u>-</u>	<u>132,727,818</u>
Sanitation	3,153,132	106,352	-	14,548	3,274,032
Culture and Recreation:					
Parks and recreation	24,675,263	1,324,558	(55,318)	28,182	25,972,685
Development of historic town square	1,765,277	193,328	-	-	1,958,605
Total capital assets	<u>\$ 196,799,514</u>	<u>\$ 7,719,553</u>	<u>\$ (541,999)</u>	<u>\$ 18,814</u>	<u>\$ 203,995,882</u>

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAX RECEIVABLES

For the Year Ended June 30, 2009

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2009	\$ 1.18	\$ 1,475,696,365
2008	1.28	1,320,421,340
2007	1.28	1,270,975,865
2006	1.28	1,229,378,925
2005	1.28	1,124,545,815
2004	1.45	904,912,430
2003	1.45	863,672,027
2002	1.45	826,214,361
2001	1.45	766,678,361
2000	1.47	623,460,370

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE JUNE 30, 2008</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE JUNE 30, 2009</u>
2009	\$ -	\$ 17,413,217	\$ -	\$ -	\$ 17,413,217
2008	16,901,393	-	(55,400)	16,394,703	451,290
2007	432,041	-	67,562	381,030	118,573
2006	147,759	-	46,126	144,399	49,486
2005	49,514	-	14,887	47,312	17,089
2004	17,458	-	5,255	11,232	11,481
2003	10,613	-	(621)	823	9,169
2002	17,115	-	368	823	16,660
2001	25,859	-	1,516	1,031	26,344
2000	-	-	805	805	-
1999	(544)	-	544	-	-
Totals	<u>17,601,208</u>	<u>\$ 17,413,217</u>	<u>\$ 81,042</u>	<u>\$ 16,982,158</u>	<u>18,113,309</u>
Allowance for uncollectible property taxes	<u>(175,114)</u>				<u>(169,605)</u>
Net receivables	<u>\$ 17,426,094</u>				<u>\$ 17,943,704</u>

Uncollected taxes for years prior to 2008 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to 2008 have been turned over to Chancery Court for collection. Property taxes in 2009 are included in deferred revenue in accordance with GASB No.'s 33 and 36.

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF LONG TERM DEBT - PROPRIETARY FUND

June 30, 2009

	General Improvement Refunding Bonds		Water Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Refunding Bonds	
Date Issued	08/01/02		08/01/02		11/01/05	
Interest Rate %	3.00% - 4.30%		3.00% - 4.70%		3.50% - 4.13%	
Maturities	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,721	\$ 1,037	\$ 540,000	\$ 371,558	\$ 230,000	\$ 114,000
2011	4,090	977	560,000	352,307	230,000	105,663
2012	4,135	830	585,000	331,831	225,000	96,850
2013	3,732	677	610,000	309,718	250,000	87,350
2014	3,934	535	630,000	286,152	275,000	77,194
2015	3,218	378	655,000	260,925	270,000	66,638
2016	3,375	246	690,000	233,680	265,000	55,937
2017	2,411	104	720,000	204,415	290,000	44,838
2018	-	-	750,000	173,170	285,000	33,338
2019	-	-	785,000	139,775	330,000	21,038
2020	-	-	825,000	103,942	350,000	7,219
2021	-	-	865,000	65,485	-	-
2022	-	-	970,000	22,795	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
	<u>\$ 26,616</u>	<u>\$ 4,784</u>	<u>\$ 9,185,000</u>	<u>\$ 2,855,753</u>	<u>\$ 3,000,000</u>	<u>\$ 710,065</u>

Water & Sewer Revenue & Tax Bonds		Total		
06/01/06				
4.00% - 4.375%				
Principal	Interest	Principal	Interest	Total
\$ 955,000	\$ 967,624	\$ 1,726,721	\$ 1,454,219	\$ 3,180,940
990,000	929,424	1,784,090	1,388,371	3,172,461
1,030,000	889,824	1,844,135	1,319,335	3,163,470
1,070,000	848,624	1,933,732	1,246,369	3,180,101
1,110,000	805,824	2,018,934	1,169,705	3,188,639
1,160,000	761,424	2,088,218	1,089,365	3,177,583
1,205,000	715,024	2,163,375	1,004,887	3,168,262
1,260,000	666,823	2,272,411	916,180	3,188,591
1,310,000	616,423	2,345,000	822,931	3,167,931
1,380,000	564,023	2,495,000	724,836	3,219,836
1,445,000	507,099	2,620,000	618,260	3,238,260
1,520,000	445,686	2,385,000	511,171	2,896,171
1,595,000	381,086	2,565,000	403,881	2,968,881
1,675,000	313,299	1,675,000	313,299	1,988,299
1,760,000	241,274	1,760,000	241,274	2,001,274
1,845,000	165,594	1,845,000	165,594	2,010,594
1,940,000	84,875	1,940,000	84,875	2,024,875
<u>\$ 23,250,000</u>	<u>\$ 9,903,950</u>	<u>\$ 35,461,616</u>	<u>\$ 13,474,552</u>	<u>\$ 48,936,168</u>

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF LONG TERM DEBT - GOVERNMENTAL FUNDS

June 30, 2009

	Capital Outlay Note		Refunding Bonds		General Improvement Bonds		General Improvement Refunding Bonds	
Date Issued	9/1/01		8/1/02		1/1/03		11/1/05	
Interest Rate %	3.75% - 4.20%		3.00% - 4.30%		3.50% - 4.40%		3.50% - 4.375%	
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 190,000	\$ 38,247	\$ 383,279	\$ 230,982	\$ 550,000	\$ 252,912	\$ 305,000	\$ 287,194
2011	200,000	30,616	910,910	217,568	400,000	233,662	315,000	275,950
2012	210,000	22,466	920,865	184,776	375,000	219,262	325,000	263,544
2013	215,000	13,858	831,268	150,704	400,000	205,388	335,000	250,344
2014	225,000	4,725	876,066	119,116	425,000	190,188	345,000	237,175
2015	-	-	716,782	84,072	450,000	173,612	360,000	223,506
2016	-	-	751,625	54,684	475,000	155,612	375,000	208,806
2017	-	-	537,586	23,116	425,000	136,138	390,000	193,506
2018	-	-	-	-	500,000	118,076	405,000	177,606
2019	-	-	-	-	525,000	96,826	420,000	161,106
2020	-	-	-	-	550,000	74,250	440,000	143,631
2021	-	-	-	-	550,000	50,326	460,000	125,069
2022	-	-	-	-	600,000	26,400	480,000	105,382
2023	-	-	-	-	-	-	505,000	84,450
2024	-	-	-	-	-	-	535,000	62,015
2025	-	-	-	-	-	-	560,000	38,062
2026	-	-	-	-	-	-	590,000	12,906
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
	<u>\$ 1,040,000</u>	<u>\$ 109,912</u>	<u>\$ 5,928,381</u>	<u>\$ 1,065,018</u>	<u>\$ 6,225,000</u>	<u>\$ 1,932,652</u>	<u>\$ 7,145,000</u>	<u>\$ 2,850,252</u>

General Improvement Refunding Bonds		Note Payable	General Improvement Bonds		Total			
11/1/05		8/11/04	11/25/08					
3.50% - 4.125%		2.80%	3.50% - 5.00%					
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
\$ 670,000	\$ 146,319	\$ 245,000	\$ 52,332	\$ 435,000	\$ 282,863	\$ 2,778,279	\$ 1,290,849	\$ 4,069,128
225,000	130,375	252,000	45,472	445,000	550,500	2,747,910	1,484,143	4,232,053
300,000	120,156	259,000	38,416	460,000	534,925	2,849,865	1,383,545	4,233,410
295,000	108,256	267,000	31,164	470,000	521,125	2,813,268	1,280,839	4,094,107
290,000	96,919	274,000	23,688	490,000	507,025	2,925,066	1,178,836	4,103,902
310,000	85,282	282,000	16,016	510,000	489,875	2,628,782	1,072,363	3,701,145
335,000	72,382	290,000	15	530,000	472,025	2,756,625	963,524	3,720,149
535,000	54,982	-	-	550,000	453,475	2,437,586	861,217	3,298,803
345,000	37,382	-	-	575,000	431,475	1,825,000	764,539	2,589,539
365,000	23,182	-	-	600,000	408,475	1,910,000	689,589	2,599,589
385,000	7,941	-	-	625,000	378,475	2,000,000	604,297	2,604,297
-	-	-	-	660,000	351,913	1,670,000	527,308	2,197,308
-	-	-	-	690,000	322,213	1,770,000	453,995	2,223,995
-	-	-	-	725,000	290,300	1,230,000	374,750	1,604,750
-	-	-	-	765,000	256,769	1,300,000	318,784	1,618,784
-	-	-	-	805,000	220,431	1,365,000	258,493	1,623,493
-	-	-	-	845,000	182,194	1,435,000	195,100	1,630,100
-	-	-	-	890,000	141,000	890,000	141,000	1,031,000
-	-	-	-	940,000	96,500	940,000	96,500	1,036,500
-	-	-	-	990,000	49,500	990,000	49,500	1,039,500
<u>\$ 4,055,000</u>	<u>\$ 883,176</u>	<u>\$ 1,869,000</u>	<u>\$ 207,103</u>	<u>\$ 13,000,000</u>	<u>\$ 6,941,058</u>	<u>\$ 39,262,381</u>	<u>\$ 13,989,171</u>	<u>\$ 53,251,552</u>

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2009

CFDA Number	Grant Number	Program Name	Grantor Agency
Federal Awards			
16.607	16.607	Bulletproof Vest Partnership Program	Department of Justice
16.607	16.607 fy08	Bulletproof Vest Partnership Program	Department of Justice
20.601	Z-07-03751-00 (1)	High Visibility Law Enforcement Campaigns (Radars)	Department of Transportation
20.607	Z-09-214297-00 (1)	High Visibility Law Enforcement Campaigns (Radars)	Department of Transportation
97.044	EMW-2007-FO-05597	2007 AFG (Assistance to Firefighters Grant)	Department of Homeland Security
14.219	CA086348	Community Development Block Grant/ Small Cities Program	Department of Housing and Urban Development
			Total Federal Awards
State Awards			
-	Z-06-026193-00	Spay/Neuter Program	State of Tennessee Department of Agriculture
-	GG-07-22392-00	Fasttrack Infrastructure Development Project Grant	State of Tennessee Community and Economic Development
-	n/a	Tennessee Tourism Partnership Marketing Program	State of Tennessee Department of Tourist Development
-	GG-08-24792-00	Tennessee Wars Commission 2008 - 2009	State of Tennessee Wars Commission
			Total State Awards
			Total Federal and State Awards

Note A - Basis of Presentation

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

(1) Grant represents a federal award that has been passed through the State of Tennessee and bears a state grant number.

See independent auditors' report.

See independent auditors' report.

<u>Grants Receivable June 30, 2008</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Grants Receivable June 30, 2009</u>
\$ 5,727	\$ 5,727	\$ -	\$ -
-	4,846	4,846	-
26,881	35,214	8,333	-
-	4,433	12,287	7,854
147,539	147,539	-	-
5,290	108,906	103,616	-
<u>185,437</u>	<u>306,665</u>	<u>129,082</u>	<u>7,854</u>
2,500	2,500	-	-
49,671	49,671	-	-
-	6,000	6,000	-
-	5,000	5,000	-
<u>52,171</u>	<u>63,171</u>	<u>11,000</u>	<u>-</u>
<u>\$ 237,608</u>	<u>\$ 369,836</u>	<u>\$ 140,082</u>	<u>\$ 7,854</u>

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF INVESTMENTS

June 30, 2009

Governmental Funds

General Fund	
Local government investment pool	\$ 18,305,487
Capital Projects Fund	
Local government investment pool	<u>17,877,677</u>
	<u><u>\$ 36,183,164</u></u>

Proprietary Fund

Water and Sewer Fund	
Local government investment pool	<u><u>\$ 21,048,524</u></u>

Fiduciary Funds

Retirement Pension Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 289,592
U.S. government agency bonds	256,212
Corporate and foreign bonds	1,797,322
Common stocks	2,131,365
Equity mutual funds	9,553,333
Fixed income mutual funds	<u>2,093,250</u>
	<u><u>\$ 16,121,074</u></u>
Retirement Medical Insurance Fund	
Trustee bank (member of State of Tennessee collateral pool)	
Money market funds	\$ 1,148,400
Equity mutual funds	372,952
Fixed income mutual funds	<u>277,590</u>
	<u><u>\$ 1,798,942</u></u>

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF INSURANCE COVERAGE

June 30, 2009

TML TMP - 7718-09	Property Insurance	\$106,606,678, Building & Personal Property; \$751,303 Electronic Data; \$840,359 Mobile Equipment, \$107,447,037 Equipment Breakdown; \$1,000 Deductible Buildings, Personal Property, Equipment Breakdown; \$250 Deductible Mobile Equipment \$250 Deductible Electronic Data Processing Equipment
TML - 0070-09	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 Payment; \$5,000,000 Each Other Loss; \$1,000,000 Catastrophic Medical
	Automobile Liability	\$300,000 / \$700,000 Bodily Injury; \$100,000 Property Damage; \$5,000,000 Each Other Loss; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$1,000,000 Catastrophic Medical
	Uninsured Motorists	\$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; \$5,000 Deductible

(Continued)

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF INSURANCE COVERAGE

June 30, 2009

TWC - 0032-05	Workman's Compensation	\$300,000 Bodily Injury Each Accident; \$700,000 Bodily Injury by Policy Limit; \$300,000 Each Employee by Disease
TML Insurance Pool TWC 0-0032-05	Special Risk Volunteer Auxiliary Police Medical	Unlimited
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
Notary Public Underwriters, Inc.	Notary Bonds	\$10,000
Surety Bonding Co. of America	Notary Bonds	\$10,000
Surety Bonding Co. of America	Notary Bonds	\$10,000
TML - 7718-09	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; \$100,000 Public Official Bond (James Lewellen)
SCVP	Town of Collierville Volunteers	\$2,500 Principal Sum; \$2,500 Capital Sum; \$25,000 Medical Indemnity

TOWN OF COLLIERVILLE, TENNESSEE

WATER AND SEWER FUND
SCHEDULE OF UTILITY RATES IN FORCE

Rates from July 2008 to December 2008

Water				Sewer			
Inside city (volume charge is per 1,000 gal):							
Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$ 2.25	\$ 3.45	\$ 1.35	3/4"	\$ 3.50	\$ 10.90	\$ 2.90
1"	2.25	8.63	1.35	1"	3.50	27.25	2.90
2"	2.25	27.60	1.35	2"	3.50	87.20	2.90
3"	2.25	51.75	1.35	3"	3.50	163.50	2.90
4"	2.25	86.25	1.35	4"	3.50	272.50	2.90
6"	2.25	172.50	1.35	6"	3.50	545.00	2.90
8"	2.25	276.00	1.35	8"	3.50	872.00	2.90
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"	\$ 2.25	\$ 5.18	\$ 2.03	3/4"	\$ 3.50	\$ 16.35	\$ 4.35
1"	2.25	12.95	2.03	1"	3.50	40.88	4.35
2"	2.25	41.44	2.03	2"	3.50	130.80	4.35
				3"	3.50	245.25	4.35
				4"	3.50	408.75	4.35
				6"	3.50	817.50	4.35
				8"	3.50	1,308.00	4.35
Piperton (volume charge is per 1,000 gal):				Carrier Special Charge:			
Meter Size	Customer Service Charge	Base Charge	Volume Charge	Volume Charge (per 1,000 gal):	\$		1.45
2"	\$ 2.25	\$ 31.74	\$ 1.55				
6"	2.25	198.38	1.55				
8"	2.25	317.40	1.55				
10"	2.25	456.26	1.55				

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

TOWN OF COLLIERVILLE, TENNESSEE

WATER AND SEWER FUND
SCHEDULE OF UTILITY RATES IN FORCE

Rates from January 2009 to June 2009

Water				Sewer			
Inside city (volume charge is per 1,000 gal):							
Meter Size	Customer Service Charge	Base Charge	Volume Charge	Meter Size	Customer Service Charge	Base Charge	Volume Charge
3/4"	\$ 2.25	\$ 3.45	\$ 1.35	3/4"	\$ 3.50	\$ 10.90	\$ 2.60
1"	2.25	8.63	1.35	1"	3.50	27.25	2.60
2"	2.25	27.60	1.35	2"	3.50	87.20	2.60
3"	2.25	51.75	1.35	3"	3.50	163.50	2.60
4"	2.25	86.25	1.35	4"	3.50	272.50	2.60
6"	2.25	172.50	1.35	6"	3.50	545.00	2.60
8"	2.25	276.00	1.35	8"	3.50	872.00	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"	\$ 2.25	\$ 5.18	\$ 2.01	3/4"	\$ 3.50	\$ 16.35	\$ 3.90
1"	2.25	12.95	2.01	1"	3.50	40.88	3.90
2"	2.25	41.44	2.01	2"	3.50	130.80	3.90
				3"	3.50	245.25	3.90
				4"	3.50	408.75	3.90
				6"	3.50	817.50	3.90
				8"	3.50	1,308.00	3.90

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

Meter Size	Customer Service Charge	Base Charge	Volume Charge
2"	\$ 2.25	\$ 31.74	\$ 1.55
6"	2.25	198.38	1.55
8"	2.25	317.40	1.55
10"	2.25	456.26	1.55

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

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

Number of Customers at Year-end:

Water	15,494
Sewer	14,482
Sanitation	13,788

TOWN OF COLLIERVILLE, TENNESSEE

WATER AND SEWER FUND
 SCHEDULE OF UNACCOUNTED FOR WATER

June 30, 2009

(All Amounts in Gallons)

A Water Treated and Purchased:

B	Water Pumped	2,267,652,000	
C	Water Purchased	3,329,000	
D	Total Water Treated and Purchased		2,270,981,000

E Accounted for Water:

F	Water Sold	2,179,300,100	
G	Metered for Consumption (in house usage)	-	
H	Fire Department(s) Usage	-	
I	Flushing	-	
J	Tank Cleaning/Filling	6,750,000	
K	Street Cleaning	-	
L	Bulk Sales	-	
M	Water Bill Adjustments		
N	Total Accounted for Water (Sum Lines F thru M)		2,186,050,100
O	Unaccounted for Water (Line D minus Line N)		84,930,900
P	Percent Unaccounted for Water (Line O divided by Line D times 100)		3.74

Q Other (explain)

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

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends (Schedules 1, 2, 3, 4, 5) These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	103
Revenue Capacity (Schedules 6, 7, 8, 9, 10, 11) These schedules contain information to help the reader assess the factors affecting the Town's ability to generate its property and sales tax.	110
Debt Capacity (Schedules 12, 13, 14, 15) These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future. The Town has no legal debt limit.	116
Demographic and Economic Information (Schedules 16, 17) These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	120
Operating Information (Schedules 18, 19, 20) 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.	122

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

Schedule 1
Town of Collierville
Net Assets by Component, Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$ 49,697,211	\$ 86,472,131	\$ 103,333,213	\$ 110,245,903	\$ 108,468,398	\$ 124,286,702	\$ 130,489,559
Restricted ^a	557,881	258,081	266,116	336,941	1,043,670	1,843,247	1,597,295
Unrestricted	<u>21,619,000</u>	<u>19,260,000</u>	<u>18,992,131</u>	<u>26,832,831</u>	<u>39,101,813</u>	<u>31,946,261</u>	<u>24,821,960</u>
Total government activities net assets	<u>\$ 71,874,092</u>	<u>\$ 105,990,212</u>	<u>\$ 122,591,460</u>	<u>\$ 137,415,675</u>	<u>\$ 148,613,881</u>	<u>\$ 158,076,210</u>	<u>\$ 156,908,814</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 48,224,869	\$ 50,239,747	\$ 53,407,507	\$ 29,714,522	\$ 57,961,221	\$ 64,224,620	\$ 64,077,656
Restricted	-	-	-	-	-	-	2,857,366
Unrestricted	<u>9,086,878</u>	<u>8,166,285</u>	<u>8,419,148</u>	<u>38,322,536</u>	<u>19,963,143</u>	<u>20,067,949</u>	<u>20,598,131</u>
Total business-type activities net assets	<u>\$ 57,311,747</u>	<u>\$ 58,406,032</u>	<u>\$ 61,826,655</u>	<u>\$ 68,037,058</u>	<u>\$ 77,924,364</u>	<u>\$ 84,292,569</u>	<u>\$ 87,533,153</u>
Primary government							
Invested in capital assets, net of related debt	\$ 97,922,080	\$ 136,711,878	\$ 156,740,720	\$ 139,960,425	\$ 166,429,619	\$ 188,511,322	\$ 194,567,215
Restricted	557,881	258,081	266,116	336,941	1,043,670	1,843,247	4,454,661
Unrestricted	<u>30,705,878</u>	<u>27,426,285</u>	<u>27,411,279</u>	<u>65,155,367</u>	<u>59,064,956</u>	<u>52,014,210</u>	<u>45,420,091</u>
Total primary government net assets	<u>\$ 129,185,839</u>	<u>\$ 164,396,244</u>	<u>\$ 184,418,115</u>	<u>\$ 205,452,733</u>	<u>\$ 226,538,245</u>	<u>\$ 242,368,779</u>	<u>\$ 244,441,967</u>

Note: The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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

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

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Governmental activities:							
Legislative	\$ 113,508	\$ 137,981	\$ 149,683	\$ 133,928	\$ 181,343	\$ 179,470	\$ 192,200
General government	3,579,757	4,138,841	3,718,953	5,804,643	6,063,357	6,841,654	7,232,361
Roads and public works	4,289,769	5,595,378	6,334,686	6,689,264	6,818,489	7,374,540	7,405,925
Public Safety	13,201,535	14,833,508	14,557,364	15,158,699	16,512,210	17,742,544	19,294,804
Sanitation	1,858,410	2,619,916	2,067,263	2,305,789	2,689,552	2,773,509	2,889,911
Drug fund	20,954	13,992	24,003	42,871	44,155	26,845	22,285
Special census	-	-	52,743	-	-	-	-
Culture and recreation	3,297,971	3,295,093	3,046,145	3,251,372	3,235,008	2,794,702	4,244,899
Interest on long-term debt	1,011,427	1,147,590	1,120,295	1,187,731	1,281,362	1,288,383	1,506,072
Total government activities expenses	<u>\$ 27,373,331</u>	<u>\$ 31,782,299</u>	<u>\$ 31,071,135</u>	<u>\$ 34,574,297</u>	<u>\$ 36,825,476</u>	<u>\$ 39,021,647</u>	<u>\$ 42,788,457</u>
Business-type activities:							
Water and sewer	<u>6,175,106</u>	<u>6,937,545</u>	<u>7,079,594</u>	<u>7,241,129</u>	<u>7,700,172</u>	<u>8,922,991</u>	<u>10,252,913</u>
Total business-type activities	<u>6,175,106</u>	<u>6,937,545</u>	<u>7,079,594</u>	<u>7,241,129</u>	<u>7,700,172</u>	<u>8,922,991</u>	<u>10,252,913</u>
Total primary government expenses	<u>\$ 33,548,437</u>	<u>\$ 38,719,844</u>	<u>\$ 38,150,729</u>	<u>\$ 41,815,426</u>	<u>\$ 44,525,648</u>	<u>\$ 47,944,638</u>	<u>\$ 53,041,370</u>
Program Revenues (see Schedule 3)							
Governmental activities:							
Charges for services:							
General government	\$ 715,150	\$ 132,562	\$ 537,123	\$ 558,254	\$ 524,079	\$ 480,888	\$ 293,344
Roads and public works	-	975,160	475,242	561,963	566,298	1,264,991	627,109
Public safety	2,689,073	2,520,053	3,225,957	2,607,977	2,341,159	2,126,291	1,836,723
Sanitation	2,123,380	2,234,605	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834
Culture and recreation	170,336	132,567	193,725	325,638	293,648	324,183	507,646
Operating grants and contributions	99,375	1,121,164	1,154,538	985,678	1,394,711	194,525	246,613
Capital grants and contributions	2,761,675	5,049,336	5,944,524	9,526,266	6,196,487	5,351,308	829,254
Total governmental activities program revenues	<u>8,558,989</u>	<u>12,165,447</u>	<u>13,879,739</u>	<u>16,987,738</u>	<u>13,802,375</u>	<u>12,276,497</u>	<u>6,880,523</u>
Business-type activities:							
Charges for services	5,752,852	6,491,716	7,581,608	11,344,352	13,473,709	12,748,464	11,776,773
Operating grants and contributions	-	19,914	-	-	-	-	-
Capital grants and contributions	1,378,092	1,638,943	3,102,627	1,897,795	2,312,450	1,555,946	1,796,272
Total business-type activities program revenues	<u>7,130,944</u>	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>
Total primary government program revenues	<u>\$ 15,689,933</u>	<u>\$ 20,316,020</u>	<u>\$ 24,563,974</u>	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 26,580,907</u>	<u>\$ 20,453,568</u>
Net (Expense)/Revenue							
Governmental activities	\$ (18,814,342)	\$ (19,616,852)	\$ (17,191,396)	\$ (17,586,559)	\$ (23,023,101)	\$ (26,745,150)	\$ (35,907,934)
Business-type activities	955,838	1,213,028	3,604,641	6,001,018	8,085,987	5,381,419	3,320,132
Total primary government net expense	<u>\$ (17,858,504)</u>	<u>\$ (18,403,824)</u>	<u>\$ (13,586,755)</u>	<u>\$ (11,585,541)</u>	<u>\$ (14,937,114)</u>	<u>\$ (21,363,731)</u>	<u>\$ (32,587,802)</u>

(Continued)

Schedule 2 - Continued

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 12,798,023	\$ 12,787,627	\$ 13,472,499	\$ 14,649,001	\$ 16,047,793	\$ 16,607,351	\$ 17,228,395
Other local taxes	6,990,008	7,767,306	8,589,361	10,540,041	11,291,175	11,801,336	11,404,587
Intergovernmental revenues:							
State sales tax ^a	4,107,448	3,652,508	4,048,482	5,123,426	3,160,775	3,151,594	3,039,360
State income and other taxes ^a	-	-	-	-	1,251,777	1,413,975	1,191,749
State gasoline tax ^b	-	-	-	-	-	1,181,436	1,168,449
Other state revenue	-	-	-	-	-	112,674	115,699
Unrestricted grants and contributions	67,645	-	-	-	-	-	-
Investment earnings	289,907	183,111	351,207	821,752	1,305,477	1,190,266	514,218
Miscellaneous	259,282	466,156	396,362	795,462	672,714	181,730	191,278
Payment to fiduciary trust	-	-	-	-	-	-	(875,759)
Transfers	251,674	397,826	527,075	481,092	491,596	567,117	762,562
Special item - capital asset impairment loss	-	-	(1,225,005)	-	-	-	-
Total government activities	<u>24,763,987</u>	<u>25,254,534</u>	<u>26,159,981</u>	<u>32,410,774</u>	<u>34,221,307</u>	<u>36,207,479</u>	<u>34,740,538</u>
Business-type activities:							
Investment earnings	268,250	217,741	291,957	626,562	2,243,989	1,490,542	596,892
Miscellaneous	179,590	61,342	51,100	63,915	48,926	63,361	86,122
Transfers	(251,674)	(397,826)	(527,075)	(481,092)	(491,596)	(567,117)	(762,562)
Total business-type activities	<u>196,166</u>	<u>(118,743)</u>	<u>(184,018)</u>	<u>209,385</u>	<u>1,801,319</u>	<u>986,786</u>	<u>(79,548)</u>
Total primary government	<u>\$ 24,960,153</u>	<u>\$ 25,135,791</u>	<u>\$ 25,975,963</u>	<u>\$ 32,620,159</u>	<u>\$ 36,022,626</u>	<u>\$ 37,194,265</u>	<u>\$ 34,660,990</u>
Change in Net Assets							
Governmental activities	\$ 5,949,645	\$ 5,637,682	\$ 8,968,585	\$ 14,824,215	\$ 11,198,206	\$ 9,462,329	\$ (1,167,396)
Business-type activities	1,152,004	1,094,285	3,420,623	6,210,403	9,887,306	6,368,205	3,240,584
Total primary government	<u>\$ 7,101,649</u>	<u>\$ 6,731,967</u>	<u>\$ 12,389,208</u>	<u>\$ 21,034,618</u>	<u>\$ 21,085,512</u>	<u>\$ 15,830,534</u>	<u>\$ 2,073,188</u>

Note: The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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

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

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:							
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	763,069	773,939	1,100,471	855,005	594,982	510,481	340,362
Roads and public works	2,761,675	4,582,249	6,039,605	9,418,311	6,693,309	6,356,978	1,456,363
Public safety	2,730,159	3,257,515	4,070,699	3,234,808	2,943,481	2,519,290	1,927,702
Sanitation	2,123,380	2,564,454	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834
Drug fund	-	-	-	-	-	-	-
Special census	-	-	-	-	-	-	-
Culture and recreation ^a	180,706	987,290	320,334	1,057,652	1,084,610	355,437	616,262
Subtotal governmental activities	<u>8,558,989</u>	<u>12,165,447</u>	<u>13,879,739</u>	<u>16,987,738</u>	<u>13,802,375</u>	<u>12,276,497</u>	<u>6,880,523</u>
Business-type activities:							
Water and Sewer ^b	<u>8,150,573</u>	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>
Subtotal business-type activities	<u>8,150,573</u>	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>
Total primary government	<u>\$ 16,709,562</u>	<u>\$ 20,316,020</u>	<u>\$ 24,563,974</u>	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 26,580,907</u>	<u>\$ 20,453,568</u>

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

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

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

	Fiscal Year									
	<u>2000</u>	<u>2001^a</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund										
Reserved	\$ 176,945	\$ 173,388	\$ 213,751	\$ 106,401	\$ 131,062	\$ 142,925	\$ 159,784	\$ 228,758	\$ 476,853	\$ 475,191
Unreserved	<u>16,215,146</u>	<u>11,544,412</u>	<u>12,994,291</u>	<u>14,606,764</u>	<u>15,123,581</u>	<u>16,958,851</u>	<u>18,563,072</u>	<u>23,547,928</u>	<u>25,662,542</u>	<u>22,753,263</u>
Total general fund	<u>\$ 16,392,091</u>	<u>\$ 11,717,800</u>	<u>\$ 13,208,042</u>	<u>\$ 14,713,165</u>	<u>\$ 15,254,643</u>	<u>\$ 17,101,776</u>	<u>\$ 18,722,856</u>	<u>\$ 23,776,686</u>	<u>\$ 26,139,395</u>	<u>\$ 23,228,454</u>
All Other Governmental Funds										
Reserved	\$ 15,125	\$ 239,953	\$ 446,467	\$ 451,480	\$ 127,019	\$ 123,191	\$ 177,157	\$ 814,912	\$ 1,366,394	\$ 1,122,104
Unreserved, reported in:										
Special revenue funds	301,835	474,040	223,771	361,184	519,839	1,057,511	664,708	655,355	325,828	226,536
Capital projects funds	<u>7,550,622</u>	<u>8,950,098</u>	<u>7,589,406</u>	<u>6,630,596</u>	<u>3,913,980</u>	<u>1,424,453</u>	<u>7,836,383</u>	<u>7,418,832</u>	<u>9,635,292</u>	<u>17,651,735</u>
Total all other governmental funds	<u>\$ 7,867,582</u>	<u>\$ 9,664,091</u>	<u>\$ 8,259,644</u>	<u>\$ 7,443,260</u>	<u>\$ 4,560,838</u>	<u>\$ 2,605,155</u>	<u>\$ 8,678,248</u>	<u>\$ 8,889,099</u>	<u>\$ 11,327,514</u>	<u>\$ 19,000,375</u>

^aIn fiscal year 2001, the Town transferred \$8 million to the Capital Investment Fund for construction of its New Town Hall from funds accumulated for that purpose.

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

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Property Taxes	\$ 8,429,927	\$ 9,305,577	\$ 11,582,563	\$ 12,016,898	\$ 12,843,599	\$ 13,574,550	\$ 14,517,719	\$ 16,122,511	\$ 16,652,124	\$ 17,138,004
Other Local Taxes	6,172,562	6,711,396	6,876,612	7,028,341	8,628,964	8,778,793	10,852,627	11,564,823	11,693,472	11,526,504
Federal revenues	-	-	-	-	978,689	454,301	676,509	467,144	303,726	129,082
State Revenues	3,987,109	3,776,396	3,996,951	4,206,823	3,806,065	4,262,868	5,183,578	5,960,493	5,888,072	5,526,257
Licenses and Permits	1,771,079	1,231,800	1,668,796	1,728,679	2,658,103	2,719,515	2,233,259	2,166,469	1,719,735	783,060
Charges for Services	1,945,175	2,308,098	2,535,856	2,773,124	2,842,852	3,186,631	3,364,545	3,256,828	4,032,191	3,922,743
Court Fees	468,844	592,220	865,768	868,367	975,698	949,370	821,763	838,253	724,866	812,974
Fines and Forfeitures	241,383	266,096	340,856	327,772	335,632	357,625	312,009	320,054	253,872	285,880
Interest income	1,015,932	1,096,372	454,126	289,481	182,856	350,939	821,521	1,305,470	1,173,193	514,218
Contributions ^a	-	1,355,220	137,192	67,645	63,104	540,187	309,169	152,034	164,195	289,028
Other Revenues	1,726,412	1,197,833	1,372,506	248,606	625,813	546,424	757,345	731,006	244,577	247,188
Total revenues	25,758,423	27,841,008	29,831,226	29,555,736	33,941,375	35,721,203	39,850,044	42,885,085	42,850,023	41,174,938
Expenditures										
Legislative	92,064	109,745	121,879	111,092	137,021	148,343	133,757	183,567	195,028	196,908
General government	3,102,958	3,580,135	3,875,595	2,843,700	3,248,456	4,287,711	4,891,873	5,215,476	5,679,846	5,995,253
Roads and public works	2,801,030	3,162,503	3,401,209	3,855,004	3,946,003	3,915,137	4,548,047	4,714,915	4,822,997	5,883,040
Public safety	8,945,321	10,174,462	11,489,186	12,755,404	14,083,395	13,888,924	15,116,998	16,595,601	17,839,584	18,848,929
Sanitation	1,442,174	1,560,266	1,873,194	1,896,384	2,385,250	2,056,677	2,223,822	2,440,786	2,717,880	2,711,465
Special census	-	-	56,002	-	-	52,743	-	-	-	-
Culture and recreation	1,822,178	2,055,803	2,346,644	3,011,123	3,094,794	2,609,118	2,819,924	2,996,782	3,335,335	3,773,434
Economic development ^b	40,353	-	-	-	-	-	-	-	-	-
Drug fund	7,926	18,015	32,390	20,954	13,992	24,003	42,871	44,155	26,845	22,285
Other	356,417	355,671	303,284	282,534	397,692	454,827	439,684	472,953	472,266	392,042
Capital projects ^c	4,229,473	7,895,411	6,235,219	9,987,202	6,436,286	7,737,309	6,365,178	3,632,884	2,759,704	5,983,483
Bond Issue costs			30,737	-	-	-	98,781	-	(14,691)	30,538

(Continued)

Schedule 5 - Continued

Debt service										
Principal	1,265,250	1,395,500	1,361,000	1,497,423	1,773,933	1,981,989	3,777,120	2,388,743	2,489,832	5,246,854
Interest and fiscal charges	<u>898,702</u>	<u>1,075,288</u>	<u>1,061,375</u>	<u>912,771</u>	<u>1,162,652</u>	<u>1,134,522</u>	<u>1,150,343</u>	<u>1,281,766</u>	<u>1,271,390</u>	<u>1,414,034</u>
Total expenditures	<u>25,003,846</u>	<u>31,382,799</u>	<u>32,187,714</u>	<u>37,173,591</u>	<u>36,679,474</u>	<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>
Excess of revenues over (under) expenditures	754,577	(3,541,791)	(2,356,488)	(7,617,855)	(2,738,099)	(2,570,100)	(1,758,354)	2,917,457	1,254,007	(9,323,327)
Other Financing Sources (Uses)										
Bonds issued	4,925,837	-	2,200,000	-	-	1,934,475	8,890,000	1,600,000	2,980,000	13,289,500
Refunding bonds issued	-	-	-	16,292,877	-	-	5,290,000	-	-	-
Bond discounts	-	-	-	(104,733)	-	-	-	-	-	-
Refunded bond payments	-	-	-	(8,133,224)	-	-	(5,264,155)	-	-	-
Issuance proceeds	-	-	-	-	-	-	55,590	255,627	-	33,185
Transfers in	3,162,245	11,340,685	6,568,168	5,146,095	4,002,610	6,834,426	7,875,640	3,371,640	3,078,477	5,460,854
Transfers out	<u>(3,162,245)</u>	<u>(11,340,685)</u>	<u>(6,568,168)</u>	<u>(4,894,421)</u>	<u>(3,605,455)</u>	<u>(6,307,351)</u>	<u>(7,394,548)</u>	<u>(2,880,043)</u>	<u>(2,511,360)</u>	<u>(4,698,292)</u>
Total other financing sources (uses)	<u>4,925,837</u>	<u>-</u>	<u>2,200,000</u>	<u>8,306,594</u>	<u>397,155</u>	<u>2,461,550</u>	<u>9,452,527</u>	<u>2,347,224</u>	<u>3,547,117</u>	<u>14,085,247</u>
Net change in fund balances	<u>\$ 5,680,414</u>	<u>\$ (3,541,791)</u>	<u>\$ (156,488)</u>	<u>\$ 688,739</u>	<u>\$ (2,340,944)</u>	<u>\$ (108,550)</u>	<u>\$ 7,694,173</u>	<u>\$ 5,264,681</u>	<u>\$ 4,801,124</u>	<u>\$ 4,761,920</u>
Debt service as a percentage of noncapital expenditures ^d	10.4%	10.5%	9.3%	8.9%	9.7%	10.2%	14.0%	10.5%	9.9%	15.3%

^aContributions increase in 2001 was for construction of a library.

^bThe economic development function has been reassigned to the Chamber of Commerce.

^cCapital projects amount consists of major capital projects.

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

^dYears 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.

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

<u>Fiscal Year</u>	<u>Property</u>	<u>In Lieu of</u>	<u>Local Option Sales</u>	<u>Beer & Liquor</u>	<u>Business & Privilege</u>	<u>Motor Vehicle</u>	<u>Park Land Dedication</u>	<u>Historic Preservation</u>	<u>Substance</u>	<u>Total</u>
2000	8,429,927	342,590	3,937,323	469,835	702,526	513,555	162,210	44,523	-	14,602,489
2001	9,305,577	408,968	4,208,076	474,667	781,809	535,445	231,556	70,875	-	16,016,973
2002	11,582,563	456,627	4,259,546	491,532	899,772	574,782	122,352	72,001	-	18,459,175
2003	12,016,898	229,114	4,480,530	498,502	932,191	610,562	235,944	41,498	-	19,045,239
2004	12,843,599	290,166	5,255,480	519,392	1,289,911	637,132	478,732	158,151	-	21,472,563
2005	13,574,550	277,507	5,626,968	548,729	1,271,703	669,379	67,549	316,958	-	22,353,343
2006	14,517,719	286,864	7,474,750	594,020	1,376,257	700,121	340,200	74,336	6,079	25,370,346
2007	16,122,511	383,550	8,190,271	645,788	1,302,011	722,460	199,660	108,062	13,021	27,687,334
2008	16,652,124	392,133	8,386,611	658,674	1,394,007	742,574	63,330	53,349	2,794	28,345,596
2009	17,138,004	379,133	8,210,238	694,603	1,442,859	733,046	20,160	34,540	11,925	28,664,508
Change 2000-2009	103.3%	10.7%	108.5%	47.8%	105.4%	42.7%	-87.6%	-22.4%	96.2%	96.3%

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

<u>Fiscal Year</u>	<u>Farm Property</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Multiple Property</u>	<u>Personal Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Taxable Value</u>
2000	\$7,069	\$402,820	\$101,745	\$13,605	\$3,210	\$37,402	\$565,851	\$1.47	\$2,064,144	27.413%
2001	6,537	453,853	108,554	12,589	4,829	37,098	623,460	1.47	2,309,701	26.993
2002	9,122	547,406	150,391	14,635	6,330	38,795	766,679	1.45	2,819,125	27.196
2003	7,834	596,349	152,355	16,754	6,330	46,594	826,216	1.45	3,045,696	27.127
2004	8,093	635,116	152,631	16,274	6,328	45,230	863,672	1.45	3,197,079	27.014
2005	7,100	678,747	151,839	15,712	6,690	44,824	904,912	1.45	3,365,547	26.888
2006	12,867	801,778	225,886	26,784	7,148	50,083	1,124,546	1.28	4,109,255	27.366
2007	12,278	854,761	264,897	30,963	6,649	59,831	1,229,379	1.28	4,457,830	27.578
2008	9,986	900,127	268,386	33,094	6,546	52,837	1,270,976	1.28	4,619,977	27.510
2009	10,235	930,251	281,384	34,324	7,321	56,907	1,320,422	1.28	4,792,998	27.549

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Source: Shelby County Assessor's Office

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

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

Fiscal Year	Town Direct Rates			Total Direct Rate	Overlapping Rate ^a
	Basic Rate	Parks Improvement	Shelby County		
2000	\$ 1.47	\$ -	\$ 1.47	\$ 3.54	
2001	1.47	-	1.47	3.54	
2002	1.35	0.10	1.45	3.79	
2003	1.35	0.10	1.45	3.79	
2004	1.35	0.10	1.45	4.09	
2005	1.35	0.10	1.45	4.09	
2006	1.18	0.10	1.28	4.09	
2007	1.18	0.10	1.28	4.09	
2008	1.18	0.10	1.28	4.09	
2009	1.18	0.10	1.28	4.09	

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.

**Schedule 9
Town of Collierville
Principal Property Tax Payers,
Current year and Nine Years Ago**

<u>Taxpayer</u>	<u>2009</u>			<u>2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
Philip M. Brabyn	\$ 31,192,560	1	2.36%	\$ -		- %
AT&T Mobility, LLC	17,889,496	2	1.35	-		-
Carrier Corporation	17,481,550	3	1.32	12,305,810	1	2.17
Legacy Farm, LLC	10,030,880	4	0.76	-		-
G & I IV Madison Apartments	8,498,720	5	0.64	-		-
Delta Beverage Group, Inc.	6,887,650	6	0.52	4,679,310	7	0.83
Dogwood Creek Apartments	6,853,040	7	0.52	-		-
Baptist Hospital	6,850,080	8	0.52	-		-
Cole MT Collierville TN	6,724,760	9	0.51			
Bailey Creek Apartments	5,862,840	10	0.44			
Federal Station Apartments	-		-	6,888,480	2	1.22
Constar/Sewell Plastics	-		-	5,995,530	3	1.06
Wingo Properties	-		-	5,965,865	4	1.05
United Dominion Realty	-		-	5,383,040	5	0.95
Bell South Communications	-		-	4,969,896	6	0.88
Wal-Mart	-		-	4,547,000	8	0.80
Market on Poplar LLC	-		-	3,593,600	9	0.64
Schilling Farms/Southeast	-		-	3,411,230	10	0.60
Total	\$ 118,271,576		8.94%	\$ 57,739,761		10.20%

Source: Shelby County Assessor's Office

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ^a	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$8,318,009	\$8,110,406	97.50%	\$245,469	\$8,355,875	100.46%
2001	9,164,867	8,818,128	96.22	346,739	9,164,867	100.00
2002	11,116,836	10,621,958	95.55	434,544	11,056,502	99.46
2003	11,980,114	11,570,522	96.58	414,111	11,984,633	100.04
2004	12,523,244	12,027,520	96.04	437,311	12,464,831	99.53
2005	13,121,230	12,889,426	98.23	359,542	13,248,968	100.97
2006	14,394,186	13,888,702	96.49	384,559	14,273,261	99.16
2007	15,736,050	15,310,271	97.29	323,782	15,634,053	99.35
2008	16,268,491	15,971,929	98.18	381,030	16,352,959	100.52
2009	16,901,393	16,394,703	97.00	-	16,394,703	97.00

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Source: Shelby County Assessor's Office

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

**Schedule 11
Town of Collierville
Direct and Overlapping Sales Tax Rates,
Last Ten Fiscal Years**

Fiscal Year	Town Direct Rate	State of Tennessee^a
2000	2.25%	6.00%
2001	2.25	6.00
2002	2.25	6.00
2003	2.25	6.00
2004	2.25	7.00
2005	2.25	7.00
2006	2.25	7.00
2007	2.25	7.00
2008	2.25	7.00
2009	2.25	7.00

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

^aThe overlapping rate is that of the state government that applies to sales within the Town. The state rate was increased by 1% in FY 2004. The additional 1% applies to non-food items.

Schedule 12
Town of Collierville
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
(dollars in thousands except per capita)

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita ^b
	General Obligation Bonds	Capital Outlay	Notes Payable	Bond Anticipation Notes	Water & Sewer Revenue & Tax Bonds	Notes Payable	General Obligation Bonds			
2000	\$ 21,115	\$ 150	\$ -	\$ -	\$ 18,665	\$ 249	\$ 85	\$ 40,264	3.79%	\$1,146
2001	19,770	100	-	-	17,930	189	70	38,059	3.45	1,043
2002	18,459	2,250	-	-	17,170	182	56	38,117	3.40	1,029 ^c
2003	25,917	2,075	-	-	17,396	-	37	45,425	3.90	1,180
2004	24,323	1,895	-	-	16,460	-	37	42,715	3.53	1,068
2005	22,715	1,735	1,720	-	15,500	-	35	41,705	3.29	995 ^d
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 ^e
2009	37,393	-	1,869	-	35,435	-	27	74,724	5.17	1,687 ^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 2002 Special Census.

^dPopulation according to the 2005 Special Census.

^ePopulation according to the 2008 Special Census.

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	Capital Outlay	Notes Payable	Bond Anticipation Notes	Total		
2000	\$ 21,115	\$ 150	\$ -	\$ -	\$ 21,265	1.03%	\$605
2001	19,770	100	-	-	19,870	0.86	545
2002	18,459	2,250	-	-	20,709	0.73	559 ^b
2003	25,917	2,075	-	-	27,992	0.92	727
2004	24,323	1,895	-	-	26,218	0.82	655
2005	22,715	1,735	1,720	-	26,170	0.78	624 ^c
2006	30,842	-	676	-	31,518	0.77	719
2007	28,679	-	2,051	-	30,730	0.69	681
2008	26,421	-	1,819	2,980	31,220	0.68	705 ^d
2009	37,393	-	1,869	-	39,262	0.82	886 ^d

^aThe population is estimated unless otherwise noted.

^bPopulation according to the 2002 Special Census.

^cPopulation according to the 2005 Special Census.

^dPopulation according to the 2008 Special Census.

Schedule 14
Town of Collierville
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Shelby County	\$ 1,586,905	7.68%	\$ 121,875
Town direct debt	39,262	100%	<u>39,262</u>
Total direct and overlapping debt			<u>\$ 161,137</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 Revenue and Other Sources	Less: Operating Expenses	Net Available Revenue	Principal	Interest	
2000	\$ 5,070	\$ 2,842	\$ 2,228	\$ 654	\$ 838	1.49%
2001	5,471	3,444	2,027	809	1,019	1.11
2002	4,900	3,808	1,092	840	978	0.60
2003	4,939	4,007	932	931	1,005	0.48
2004	5,021	4,528	493	936	829	0.28
2005	6,693	4,741	1,952	962	783	1.12
2006	10,177	4,781	5,396	882	814	3.18
2007	13,306	5,047	8,259	1,777	1,049	2.92
2008	13,509	5,601	7,908	1,752	1,596	2.36
2009	12,148	6,385	5,763	1,832	1,520	1.72

**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^a	School Enrollment	Unemployment Rate^b
2000	29,295	\$ 886,232	\$ 30,252	6,717	3.8
2001	32,824	992,992	30,252	7,194	4.3
2002	37,044	1,120,655	30,252	7,252	5.3
2003	37,044	1,120,655	30,252	7,414	5.8
2004	37,044	1,120,655	30,252	7,590	5.9
2005	41,923	1,268,255	30,252	7,600	6.2
2006	41,923	1,268,255	30,252	7,887	6.2
2007	41,923	1,268,255	30,252	8,322	4.1
2008 ^c	44,304	1,445,418	32,625	8,604	6.5
2009 ^c	44,304	1,445,418	32,625	8,535	7.7

^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.

^c2008 and 2009 Population information was obtained by special census conducted by the Town of Collierville. Per capita income is provided by the Collierville Chamber of Commerce.

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

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>
FedEx World Technology Center	2,700	1	0.62%	3,020	1	0.68%
Carrier Corporation	1,600	2	0.37	1,905	2	0.43
Shelby County Schools	585	3	0.13	591	5	0.13
Town of Collierville	479	4	0.11	323	6	0.07
Wal-Mart	450	5	0.10	633	4	0.14
Baptist Memorial Hospital	417	6	0.10	-	-	-
Alpha Corporation	350	7	0.08	650	3	0.15
Pepsi Americas	325	8	0.07	297	7	0.07
Kroger	260	9	0.06	188	10	0.04
Helena Chemical	212	10	0.05	-	-	-
AE Clevite	-	-	-	270	8	0.06
ConStar Plastics	-	-	-	240	9	0.05
Total	<u>7,378</u>		1.69%	<u>8,117</u>		1.82%

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

¹Percentage of total Shelby County employment.

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

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Legislative	6	6	6	7	7	7	7	7	7	7
General government										
Administration	7	7	6	5	5	5	7	7	6	6
Financial Administration	19	21	23	21	21	17	17	18	18	19
Human Resources	4	4	4	4	4	4	4	4	4	4
Information Technology ^a	0	0	0	3	3	3	4	5	5	5
General Services ^b	0	0	0	0	0	9	8	9	11	13
Development										
Administration	3	3	2	2	2	2	1	1	2	2
Office of Planning	11	12	12	9	9	10	11	11	11	11
Code Enforcement	14	14	14	17	17	17	18	19	19	18
Office of Engineer	9	10	10	11	11	11	12	13	14	14
Public Safety										
Animal Services	3	4	4	4	4	4	4	6	6	6
Municipal Court	7	7	8	8	8	8	8	9	9	9
Police Department	94	100	107	115	118	119	127	133	140	139
Fire Department	52	53	65	66	66	66	66	67	70	70
Emergency Management ^c	1	1	0	0	0	0	0	0	0	0
Public Services										
Administration	2	3	5	5	5	5	5	5	5	5
Vehicle Maintenance	4	5	5	8	8	8	9	9	9	9
Streets and Drainage	20	21	21	22	22	21	23	25	25	25
Sanitation	24	25	33	33	32	32	33	34	36	36
General Government Buildings ^d	7	8	8	0	0	0	0	0	0	0
Parks and Recreation	32	38	40	49	49	41	43	44	44	46
Economic Development ^e	1	0	0	0	0	0	0	0	0	0
Public Utilities										
Water Treatment Plant	3	5	5	5	5	5	5	5	5	5
Water Distribution System	9	11	11	11	11	11	11	12	12	13
Wastewater Collection	7	8	10	10	10	10	10	10	10	10
Wastewater Treatment	7	8	8	8	8	8	8	8	8	7
Total	<u>346</u>	<u>374</u>	<u>407</u>	<u>423</u>	<u>425</u>	<u>423</u>	<u>441</u>	<u>461</u>	<u>476</u>	<u>479</u>

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

^aThe Information Technology department was created in FY 2003.

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

^cThe office of Emergency Management was eliminated in FY 2002 and the function was moved to Administration.

^dGeneral Government Buildings function was relocated to Parks and Recreation in FY 2003, then to General Services in FY 2005.

^eThe economic development function was begun in FY 1998 and eliminated in FY 2001. The Chamber of Commerce now handles this function.

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

<i>Function/Program</i>	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Development										
Permits issued	4,436	3,156	4,308	4,874	4,636	3,830	5,047	3,648	3,242	2,434
Inspections conducted	24,060	22,616	18,806	19,427	21,319	24,063	20,161	15,932	14,917	13,523
Police ^a										
Physical arrests	2,363	3,550	3,826	2,489	2,100	1,633	1,777	1,573	1,781	N/A
Traffic citations	11,056	17,307	17,879	16,565	9,158	8,499	11,444	9,805	9,166	N/A
DUI arrests	275	311	350	255	240	140	120	135	103	N/A
Fire										
Emergency responses	1,718	1,789	1,883	2,056	2,124	2,175	2,485	2,551	2,624	2,446
Fires extinguished	139	131	144	126	113	110	138	159	116	105
Inspections	1,518	1,904	1,691	1,986	2,201	2,518	1,803	2,948	2,300	1,609
Sanitation										
Refuse collected (tons) ^b	11,512	11,883	12,833	13,087	14,094	14,575	14,893	15,000	15,091	14,838
Recyclables collected (tons)	1,108	1,119	1,153	1,200	1,784	1,813	1,819	1,810	1,776	1,867
Other public works										
Street resurfacing (miles)	8	8	16	20	24	23	17	19	11	13
Sidewalk replacement (linear feet)	500	500	500	100	100	100	250	420	150	100
Pavement repairs ^d	475	475	520	525	530	350	500	500	1,044	1,057
Parks and Recreation										
Adult/youth sports participants	5,215	5,425	5,695	5,980	5,306	5,420	5,737	5,844	6,019	6,250
Community center admissions ^c	51,500	54,800	78,079	46,483	46,767	135,924	143,424	143,901	145,340	135,166
Harrell Theatre attendance	49,000	44,500	46,000	48,300	36,225	38,036	39,938	41,023	41,733	39,646
Library										
Volumes in collection	57,008	62,420	66,992	72,530	74,720	80,809	85,209	88,733	93,796	101,694
Total volumes circulated	178,581	201,818	243,943	256,207	267,225	246,339	266,049	324,185	351,133	349,731
Water										
New connections	441	462	624	642	508	724	520	386	312	169
Water main breaks	14	41	29	18	26	15	8	9	33	6
Average daily consumption (thousands of gallons)	5,035	5,146	4,969	5,038	5,522	6,182	6,883	7,342	6,996	6,222
Peak day consumption (thousands of gallons)	10,470	12,736	10,291	9,802	9,762	12,739	14,999	16,142	16,791	13,484
Wastewater										
Average daily sewage treatment (thousands of gallons)	3,769	3,983	4,160	4,499	4,347	4,753	4,910	4,471	4,241	4,290

Sources: Various town departments.

Notes:

^aThe Police Department measures are by calendar year.

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

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

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

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

<i>Function/Program</i>	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	0	0	1	1	1	1	0	1	0	0
Patrol units	37	41	52	52	59	59	66	72	76	80
Fire stations	4	4	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	13	15	19	20	21	21	22	22	22	22
Recycle trucks	3	3	4	4	4	4	4	5	5	5
Other public works										
Streets (miles)	189	189	248	299	311	228	248	260	264	261
Streetlights	3,985	3,985	4,923	5,088	5,290	5,489	5,775	5,920	6,200	6291
Traffic Signals	NA	NA	NA	24	28	32	32	33	34	34
Parks and Recreation										
Parks	11	11	12	12	12	15	15	15	15	15
Acreage	289	289	346	346	385	487	487	487	487	496
Playgrounds	10	11	11	12	12	12	12	12	12	13
Baseball/softball diamonds	11	11	11	15	15	15	15	15	15	15
Soccer/football fields	11	11	11	11	11	11	11	12	12	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	210	210	213	213	220	225	228	230	232	232
Fire hydrants	NA	NA	NA	NA	NA	NA	2,832	2,860	3,010	3010
Water treatment plants	4	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons)	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3500
Wastewater										
Sewer mains (miles)	190	195	198	198	204	213	216	218	220	220
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	9,500	9500

Sources: Various town departments.

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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town"), as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

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

Compliance and Other Matters

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

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

Dixon Hughes PLLC

December 3, 2009