

TOWN OF COLLIERVILLE

T E N N E S S E E



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2013

TOWN OF COLLIERVILLE, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

Prepared by:

Department of Finance

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INTRODUCTORY SECTION

Stan Joyner
Mayor

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



James H. Lewellen
Town Administrator

Lynn Carmack
Town Clerk

Town of Collierville

December 16, 2013

To the Board of Mayor and Aldermen
and Citizens of the Town of Collierville:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Collierville for the fiscal year ended June 30, 2013.

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

The Town of Collierville's financial statements have been audited by Dixon Hughes Goodman LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Collierville for the fiscal year ended June 30, 2013, 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 unmodified opinion that the Town of Collierville's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The Town of Collierville was first settled in 1835, incorporated in 1870, and is located in Shelby County, southeast of Memphis, Tennessee in the southwestern part of the state. Collierville is part of the most rapidly developing area of Shelby County. The Town of Collierville currently occupies a land area of 36.12 square miles and serves a population of 45,550. The Town of Collierville is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Board of Mayor and Aldermen.

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

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

The Shelby County Board of Education provides educational services to students within the jurisdiction of the Town of Collierville. The County school system is a part of the Government of Shelby County. On December 20, 2010, the Board of Education of the Memphis City Schools voted to dissolve the charter of the Memphis City Schools (MCS). On February 10, 2011, the Memphis City Council voted to approve the surrender by MCS of its charter. Voters of the City of Memphis approved the transfer of the administration of MCS to Shelby County by referendum held on March 8, 2011. The citizens voted to increase the local option sales tax by one-half percent in anticipation of funding a separate municipal school system in August 2012. The Town is in the process of creating a municipal school system to serve its citizens. The system is expected to be operational for the 2014-2015 school year beginning in August 2014.

The Memphis Light, Gas and Water Division of the City of Memphis provides electrical and natural gas distribution to the Collierville service area. These entities do not meet established criteria for inclusion in the reporting entity and are not included in the report.

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

appropriations to the town administrator. The town administrator uses these requests as the starting point for developing a proposed budget. The town administrator then presents this proposed budget to the board at least 45 days before the beginning of the fiscal year. The board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30, the close of the Town of Collierville's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The town administrator may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the board of mayor and aldermen. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 29-34 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 79.

LOCAL ECONOMY

The Town of Collierville's economy has transcended from a predominantly agricultural base into a diverse economic structure including manufacturing, distribution, service, trade, construction, finance, government and high technology. The start of 2009 found the Memphis metro economy, of which the Town is a part, embroiled in the same recessionary pressures faced by the rest of the nation. The rate of growth has slowly increased over the past year, and Collierville's economy is expected to continue to improve.

Commercial development potential in Collierville is rebounding with 12 new commercial permits valued at \$20,461,999 and another 90 permits for additions to existing buildings valued at \$25,261,789. There are several projects in the approval process that are expected to begin construction or be completed during the next fiscal year, including MCR Safety Corporate Headquarters, a new car dealership, Academy Sports & Outdoors, Gateway Tire, Panda Express, renovations to two existing car dealerships, renovations to a former car dealership, a new office building (15,000 sq. ft.) and a new professional building (4,511 sq. ft.). A new research and development facility for FedEx, approximately 29,411 square feet in size, is under construction and expected to be completed in 2014.

The 2010 federal census put the Town's population at 43,965, a decrease of 339. In December 2011, the Town annexed a portion of its reserve area, which increased the population by 1,585 to 45,550. However, from the 2002 special census to the 2008 special census the population of Collierville grew from 37,044 to 44,304, an increase of 16.4%. Growth during those years was accommodated by the construction of an average of 510 single family homes each fiscal year from 2002 to 2006. Single family permits declined to 212 in 2007, 137 in 2008 and 50 in 2009, but 2010 and 2011 showed modest increases of 55 and 63 permits respectively. There were 158 new single family permits in 2012 valued at \$50,085,160 and in 2013, 159 permits valued at \$50,100,200. Additions to existing homes remained fairly stable, averaging 239 from 2002 through 2006. In fiscal year 2007 there were 217, 212 in 2008, 198 in 2009, 181 in 2010, 220 in 2011. There were 219 additions in 2012, and 227 in 2013 valued at \$4,996,088, an increase in value of 25.3% from the prior year.

LONG-TERM FINANCIAL PLANNING

Previous to fiscal 2009, the Town had seven years of operating surpluses, increasing total General Fund balance to \$26.14 million or 67.3% of annual revenues and undesignated fund balance to

\$16.13 million or 41.5% of annual revenues. With the downturn in the national, state and local economy, the town's financial position remained strong despite decreases in General Fund fund balance in fiscal 2009 and 2010. This was accomplished with prudent financial management, solid reserves and a formalized fund balance policy which requires reserves equal to 25% of annual operating expenses. This fund balance policy has allowed the Town to maintain adequate levels of reserve funds for emergencies and cash flow management. In fiscal 2012 fund balance increased \$1,687,678, and in 2013 it increased \$6,884,112. Collierville holds the highest possible bond rating, Aaa.

Part of the Town's long-range financial plan is to provide retirement and post-employment benefits to employees. The Town provides three retirement plans to full-time employees. During fiscal year 2007, the Town created a defined benefit pension plan to be administered by the Town. The Town's actuarially determined rate for the current fiscal year was 12.1% of payroll. The other two plans include a defined contribution plan for employees employed prior to June 30, 1994, and a defined benefit plan for employees hired after June 30, 1994. The Town funds the defined contribution plan at 9% of total compensation of the employee. The Town is required to contribute at an actuarially determined rate to the defined benefit plan which is administered by the Tennessee Consolidated Retirement System (TCRS).

The Town of Collierville also provides post-employment health benefits for certain retirees and their dependents. The Town began funding this liability in FY 2008, and a trust was established during the prior year. Additional information on the Town of Collierville's pension arrangements and post-employment benefits can be found in Notes 11 and 17 in the notes to the financial statements.

Planning and review of the FY 2014 budget began in January 2013. The growth that the Town had been experiencing began to slow considerably during the 2009 fiscal year. As a result and with the national economy in turmoil, Town leaders had to make some very difficult decisions. Several positions had been eliminated in the FY 2010 and FY 2011, and no salary increases were approved except the step plan for public safety personnel. For FY 2012, the decision was made to increase the property tax rate by \$.25 per \$100 of assessed valuation in order to replenish fund balance reserves which had been used during the previous three fiscal years, to provide for employee raises and to purchase some needed capital equipment. In FY 2013, there was no tax increase and five full-time and four part-time positions were added. For the FY 2014 budget, the tax rate remained the same, and there was an increase of twelve full-time positions and a decrease of one part-time position.

MAJOR INITIATIVES

To keep pace with the transportation needs of the growing population of residents and businesses, over the past four years the Town allocated over \$6.3 million for design and construction of major road projects. These projects, along with several other intersection and roadway improvements within the Town's interior, have helped to improve traffic flow and the livability of the entire community.

The Tennessee Department of Transportation (TDOT) has started work to widen Highway 72 to a five lane section from the Town's front door on the east through to our major east west corridor, Poplar Avenue. The Town was successful in its efforts to work with TDOT to get landscaped medians installed along the project length. This \$20 million project will improve the functionality and appearance of the Highway 72 Corridor which begins at the planned interchange of the new I-269 corridor. The I-269 interchange will be a prime location when the new highway (I-269) is

ultimately completed within the next 3 years. In the fall of 2013, the final section of Nonconnah/385 loop around Memphis will be complete. Highway 72 connects to the new \$150 million intermodal facility currently under construction in the neighboring community. Spin off from the intermodal facility will create opportunities for new businesses and residents for Collierville.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Collierville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the twenty-first 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, 2012. This was the sixteenth year that the government has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Jane Bevell
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Collierville
Tennessee**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

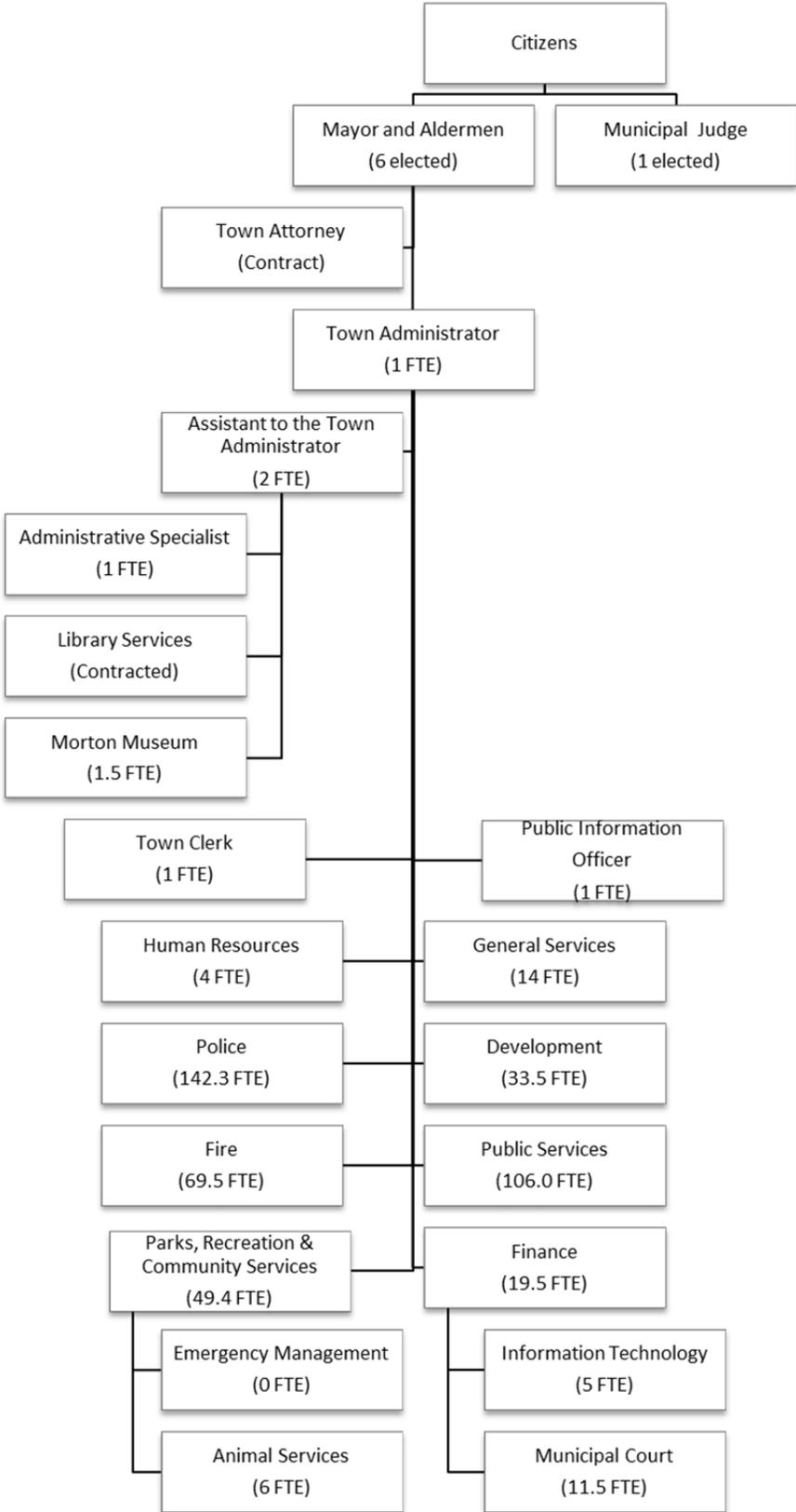
June 30, 2012

Executive Director/CEO

TOWN OF COLLIERVILLE

ORGANIZATION CHART

June 30, 2013



TOWN OF COLLIERVILLE

TOWN OFFICIALS

June 30, 2013

Mayor

Stan Joyner
(2012 - 2016*)

Aldermen

Jimmy Lott, Vice Mayor (2012 - 2016*)

Tom Allen (2010- 2014*)

Maureen Fraser (2010- 2014*)

Billy Patton (2010- 2014*)

John Worley (2012 - 2016*)

Town Attorney

Tom Cates

Town Judge

William Craig Hall

Town Administrator

James Lewellen

Department Heads

Finance Director

Jane Bevill

Director of Development

Jason Gambone

Public Services Director

William Kilp

Chief of Police

Larry Goodwin

Fire Chief

Jerry Crawford

Director of General Services

Derek Honeycutt

Parks, Recreation and Community Services Director

Chip Petersen

Town Clerk

Lynn Carmack

*Elected Term Expires

FINANCIAL SECTION



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. We have also audited each of the Town's fiduciary funds financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and each of the fiduciary funds of the Town of Collierville, Tennessee as of June 30, 2013, and the respective changes in financial position and; where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

New Accounting Pronouncements

As described in Note (1)(C) and illustrated in Note (2) to the financial statements, in 2013, the Town adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result of adopting these standards, the Town adjusted the beginning net position for the write-off of bond issuance costs, reclassified the deferred loss on bond refunding to deferred outflows of resources, and reclassified unearned tax revenues to deferred inflows of resources.

Required Supplementary Information

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

Other Information

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

analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

December 16, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of the Town of Collierville exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$286,624 (reported as *net position*). Of this amount, \$56,317 (reported as *unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$17,034. This increase is attributable to revenue exceeding expenses.
- As of the close of the current fiscal year, the Town of Collierville's governmental funds reported combined ending fund balances of \$35,217 an increase of \$5,466 in comparison with the prior year. Approximately 48 percent of this total amount, \$17,053 is *unassigned fund balance*, 14 percent is *restricted fund balance*, 31 percent is assigned fund balance, 6 percent is *committed fund balance* and less than 1 percent is *non-spendable fund balance*.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,053 or 41.9 percent of the total general fund expenditures.
- The Town of Collierville's total debt principal decreased by \$4,972 (8.2 percent) during the current fiscal year.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only

result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

The government-wide financial statements can be found on pages 23-24 of this report.

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

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

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

The Town of Collierville maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the CIP fund 321. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town of Collierville adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 25-34 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 35-38 of this report.

Fiduciary funds. The Town of Collierville maintains two fiduciary funds. *Fiduciary funds* account for assets held in a trustee capacity or as an agent for individuals. The Town of Collierville uses a fiduciary fund to account for the activities and accumulation of resources for payments to qualified participants and investments held by external organizations. The pension plan fund accounts for transactions related to the Town-sponsored defined benefit pension plan. The OPEB fund accounts for transactions related solely to retiree group medical benefits for which the Town is self-insured. The basic fiduciary fund financial statements can be found on pages 39-40 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 41-76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town of Collierville's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 77-78 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 79-87 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Collierville, assets and deferred outflows exceeded liabilities and deferred inflows by \$286,624 (*reported as net position*) at the close of the most recent fiscal year.

By far the largest portion of the Town of Collierville's net position (77.6 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 position (2.7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$56,317) represents *unrestricted net position* and may be used to meet the government's ongoing obligations to citizens and creditors.

Town of Collierville's Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
	as adjusted		as adjusted		as adjusted	
ASSETS						
Current and other assets	\$ 64,994	\$ 59,224	\$ 28,849	\$ 27,773	\$ 93,843	\$ 86,997
Capital assets	184,512	178,220	93,855	95,755	278,367	273,975
Total assets	<u>249,506</u>	<u>237,444</u>	<u>122,704</u>	<u>123,528</u>	<u>372,210</u>	<u>360,972</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>779</u>	<u>398</u>	<u>1,816</u>	<u>459</u>	<u>2,595</u>	<u>857</u>
LIABILITIES						
Long-term liabilities outstanding	26,250	28,149	27,331	27,779	53,581	55,928
Other liabilities	8,569	10,236	3,232	3,999	11,801	14,235
Total liabilities	<u>34,819</u>	<u>38,385</u>	<u>30,563</u>	<u>31,778</u>	<u>65,382</u>	<u>70,163</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,784</u>	<u>22,063</u>	<u>14</u>	<u>14</u>	<u>22,798</u>	<u>22,077</u>
NET POSITION						
Net investment in capital assets	158,108	151,471	64,339	66,108	222,447	217,579
Restricted	4,955	6,022	2,905	2,014	7,860	8,036
Unrestricted	29,618	19,902	26,699	24,073	56,317	43,975
Total net position	<u>\$ 192,681</u>	<u>\$ 177,395</u>	<u>\$ 93,943</u>	<u>\$ 92,195</u>	<u>\$ 286,624</u>	<u>\$ 269,590</u>

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

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for two new financial statement elements – deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are defined as a consumption of net assets that is applicable to a future reporting period. Deferred inflows or resources are defined as an acquisition of net assets *that is applicable to a future reporting period. This Statement also incorporates deferred outflows of resources and deferred inflows of resources into the residual measure as net position, rather than net assets.*

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify certain items (that were previously reported as assets and liabilities) as deferred outflows of resources or deferred inflows of

resources, and recognizes certain items (that were previously reported as assets and liabilities) as outflows of resources or inflows of resources. As a result, the Town adjusted the beginning net position for the adoption of this accounting pronouncement by \$304.

At the end of the current fiscal year, the Town of Collierville is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The government's net position increased by \$17,034 during the current fiscal year. This increase is attributable to revenue exceeding expenses.

Town of Collierville's Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
REVENUES						
Program Revenues:						
Charges for Services	\$ 7,508	\$ 6,507	\$ 12,980	\$ 12,406	\$ 20,488	\$ 18,913
Operating grants and contributions	2,107	2,112	-	-	2,107	2,112
Capital grants and contributions	7,875	7,462	4	275	7,879	7,737
General Revenues:						
Property taxes	21,971	20,970	-	-	21,971	20,970
Other local taxes	16,629	12,818	-	-	16,629	12,818
State sales tax	3,349	3,153	-	-	3,349	3,153
State income and other taxes	1,334	1,086	-	-	1,334	1,086
Other state revenues	104	99	-	-	104	99
Other	488	843	423	403	911	1,246
Total revenues	<u>61,365</u>	<u>55,050</u>	<u>13,407</u>	<u>13,084</u>	<u>74,772</u>	<u>68,134</u>
EXPENSES						
Legislative	197	261	-	-	197	261
General government	8,252	6,638	-	-	8,252	6,638
Roads and public works	8,891	9,219	-	-	8,891	9,219
Public safety	20,485	20,424	-	-	20,485	20,424
Sanitation	3,157	3,015	-	-	3,157	3,015
Drug fund	18	28	-	-	18	28
Culture and recreation	4,626	3,893	-	-	4,626	3,893
Interest on long-term debt	1,207	1,378	-	-	1,207	1,378
Water and sewer	-	-	10,905	10,680	10,905	10,680
Total expenses:	<u>46,833</u>	<u>44,856</u>	<u>10,905</u>	<u>10,680</u>	<u>57,738</u>	<u>55,536</u>
Increase in net position before transfers	14,532	10,194	2,502	2,404	17,034	12,598
Transfers	754	765	(754)	(765)	-	-
Increase/(Decrease) in net position	15,286	10,959	1,748	1,639	17,034	12,598
Net position-beginning of the year, as adjusted	177,395	166,436	92,195	90,556	269,590	256,992
Net position-ending	<u>\$ 192,681</u>	<u>\$ 177,395</u>	<u>\$ 93,943</u>	<u>\$ 92,195</u>	<u>\$ 286,624</u>	<u>\$ 269,590</u>

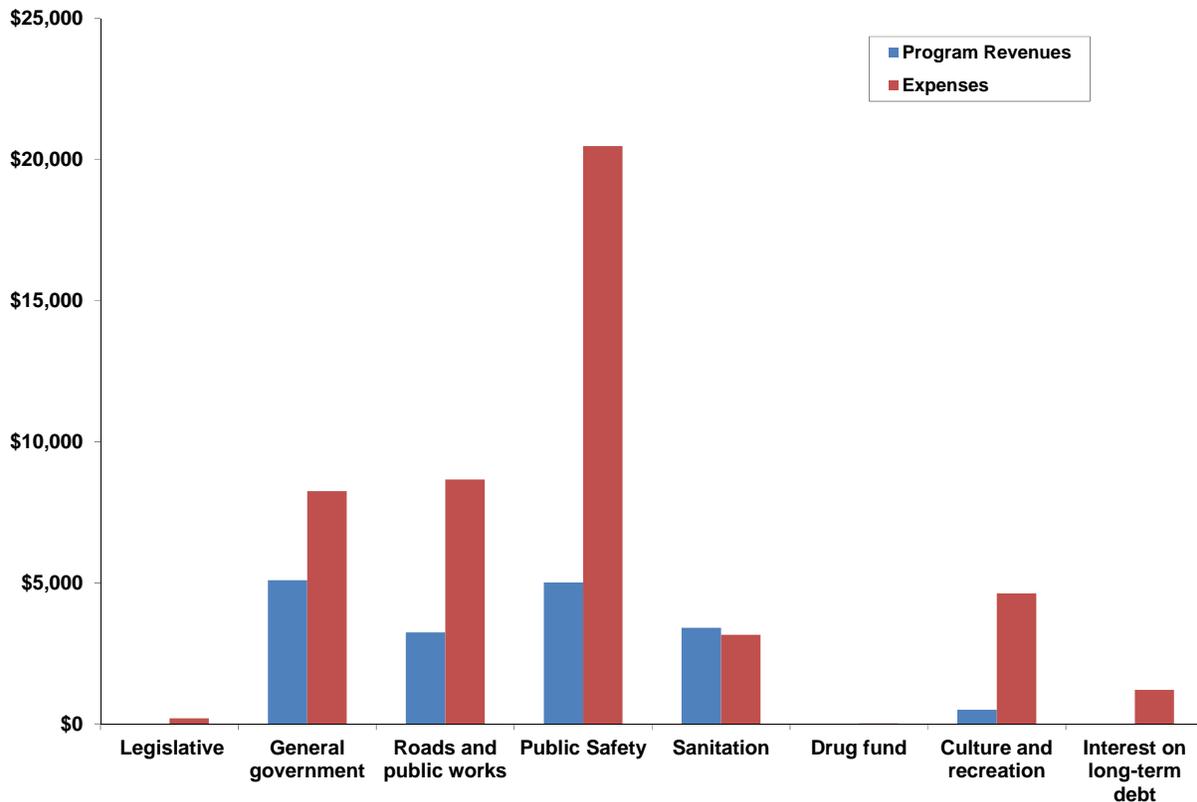
Governmental activities. Governmental activities increased the Town of Collierville's net position by \$15,286. This increase is due to revenues exceeding expenses. The main increase in revenue was other local taxes which increased \$3,811 or 29.7% percent over the prior year. These taxes include local option sales tax, wholesale beer and liquor taxes, automobile registration and business, cable TV and hotel/motel taxes. Property taxes increased \$1,001. Charges for services and contributions increased by \$1,409.

Business-type activities. Business-type activities increased the Town of Collierville’s net position by \$1,748. This increase is due to revenues exceeding expenses.

Financial Analysis of the Government’s Funds

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

Expenses and Program Revenues – Governmental Activities

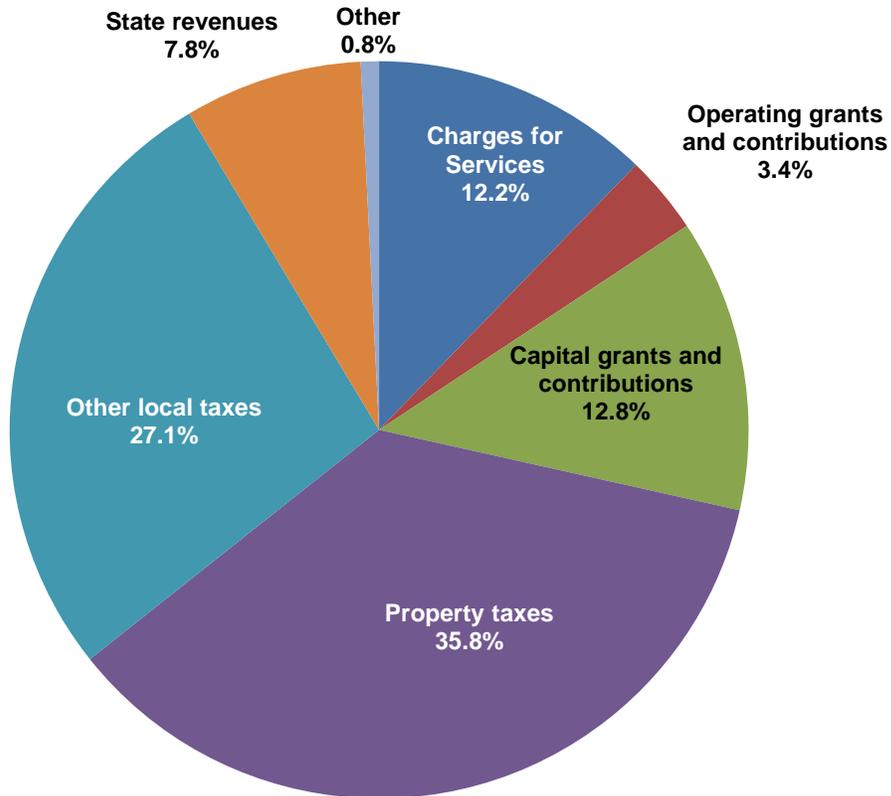


Governmental funds. The focus of the Town of Collierville’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Collierville’s financing requirements. In particular, *unassigned fund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

As of the end of the current fiscal year, the Town of Collierville’s governmental funds reported combined ending fund balances of \$35,217 an increase of \$5,466 in comparison with the prior year. The *unassigned fund balance*, of \$17,053 is 48.4 percent of the total. The remainder of fund balance is not available for new spending because it is either non-spendable or has been

restricted, committed, or assigned for certain purposes. The assigned amount of \$10,808 represents funds which the Board of Mayor and Aldermen has assigned for specific purposes. The unassigned portion includes an amount equal to 25 percent of budgeted expenses in general fund to comply with a policy of the board to maintain as an operating reserve. More details of the fund balances can be found in Note 10 of this report.

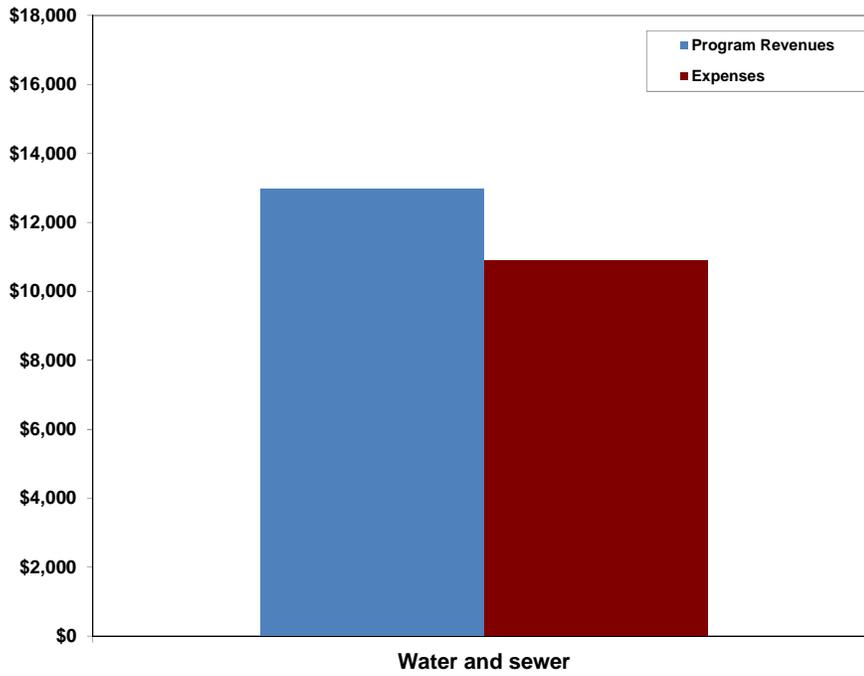
Revenues by Source – Governmental Activities



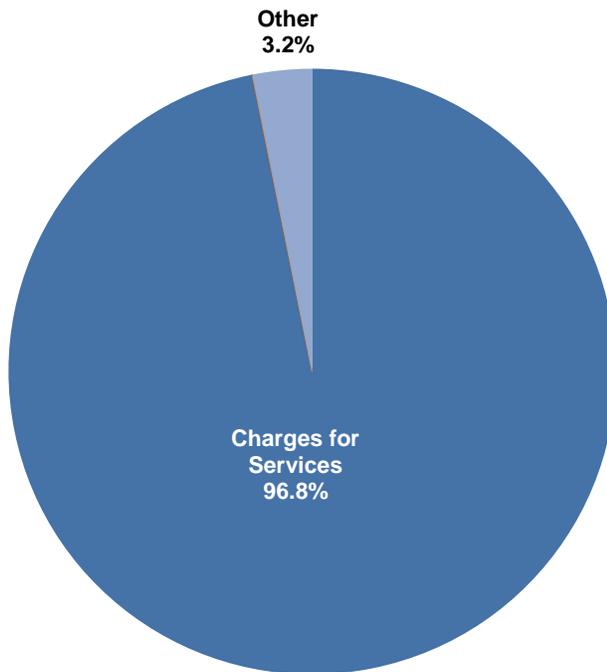
The general fund is the chief operating fund of the Town of Collierville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,053 while total fund balance was \$30,962. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 41.9 percent of total general fund expenditures, while total fund balance represents 76.1 percent of that same amount.

The fund balance of the Town of Collierville’s general fund increased by \$6,893 during the current fiscal year. This is primarily due to an excess of revenue over expenditures. Other governmental funds fund balances decreased by \$1,427 due to payments for construction on several large capital projects.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



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

Unrestricted net position of the water and sewer operation at the end of the year amounted to \$26,699. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Collierville's business-type activities.

General Fund Budgetary Highlights

The original appropriations were amended by \$1,238. The main components of the increase were:

- \$53 appropriation for consulting fees associated with the creation of a municipal school district.
- \$53 appropriation for maintenance for town facilities.
- \$400 appropriation for legal fees associated with the creation of a municipal school district.
- \$500 appropriation for the annual street overlay project.

The total positive variance of \$3,035 between final budget and actual revenues includes negative variances of \$57 in charges for services and \$400 in property tax and positive variances of \$34 in miscellaneous revenue, \$80 in federal grants, \$392 in state revenues, \$465 in fines and costs, \$535 in licenses and permits, \$573 in other local taxes, and \$1,416 in contributions.

Of the total positive variance of \$2,320 between final budget and actual expenditures, \$858 was in public safety, \$597 in general government, \$234 in roads and public works, \$342 in cultural and recreation. These variances are attributed to conservative spending.

Capital Asset and Debt Administration

Capital assets. The Town of Collierville's investment in capital assets for its governmental and business type activities as of June 30, 2013, amounts to \$278,367 (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 \$4,393 or 1.6 percent. The increase for governmental activities was \$6,293 or 3.5 percent and the decrease for business-type activities was \$1,900 or 2.0 percent.

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

- Governmental activities assets donated during the year amounted to \$6,711 of which \$5,928 was buildings and land donated by Shelby County.
- Transfers from construction-in-progress included three large projects: \$1,107 for construction and exhibits for a town museum, a large drainage project for \$1,015 and a major road for \$837.
- For governmental activities new equipment purchases totaled \$2,036.
- Additions to water and sewer infrastructure included \$839 of new water and sewer lines.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land	\$ 19,318	\$ 16,552	\$ 476	\$ 476	\$ 19,794	\$ 17,028
Buildings and improvements	28,704	24,942	12,263	12,736	40,967	37,678
Other improvements	9,329	9,390	1,207	1,244	10,536	10,634
Library materials	1,220	1,327	-	-	1,220	1,327
Equipment	7,875	7,200	1,543	1,339	9,418	8,539
Infrastructure	114,256	113,413	-	-	114,256	113,413
Distribution and collection systems	-	-	78,046	79,715	78,046	79,715
Construction in progress	3,810	5,396	320	245	4,130	5,641
Total	<u>\$ 184,512</u>	<u>\$ 178,220</u>	<u>\$ 93,855</u>	<u>\$ 95,755</u>	<u>\$ 278,367</u>	<u>\$ 273,975</u>

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

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 27,553	\$ 29,714	\$ 12	\$ 16	\$ 27,565	\$ 29,730
Notes payable	846	1,113	-	-	846	1,113
Revenue bonds	-	-	27,550	30,090	27,550	30,090
Total	<u>\$ 28,399</u>	<u>\$ 30,827</u>	<u>\$ 27,562</u>	<u>\$ 30,106</u>	<u>\$ 55,961</u>	<u>\$ 60,933</u>

Long-term debt. At the end of the current fiscal year, the Town of Collierville had total bonded debt outstanding of \$55,961. Of this amount, \$28,411 comprises debt backed by the full faith and credit of the government.

The Town's total debt principal decreased by \$4,972 (8.2 percent) during the current fiscal year. The Town has no legal debt limit. During the year, the Town refunded a portion of its outstanding debt and the current rating of Aaa on all its outstanding debt was affirmed by Moody's Investor's Service. Additional information on the Town of Collierville's long-term debt can be found in Note 8 of this report.

Economic Factors and New Year's Budget and Rates

- The unemployment rate for the Memphis metropolitan statistical area (MSA) in May 2013 was 9.5 percent compared to the national rate of 7.6 percent. Collierville's unemployment rate was considerably lower than that of the larger MSA and lower than the national rate of 7.1 percent.

- Number of permits for commercial development increased 100 percent while permits for residential development increased 1 percent in FY 2013. The value of commercial permits increased by 33 percent while the value of residential permits remained essentially the same.
- The value of real property decreased by 3.6 percent due to the reappraisal of property in Collierville.
- Local option sales tax revenue is monitored on a monthly basis. Revenue decreased the first two quarters of 2013 by 1.6 percent.
- The property tax rate increased from \$1.43 to \$1.53 per \$100 assessed valuation for the FY 2014 budget.
- The Town has considered the current economic trends while working with the FY 2014 budget. The tighter revenue projections for the new fiscal year will limit the resources of the Town until the economy rebounds.

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET POSITION

June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,732,161	\$ 2,480,460	\$ 8,212,621
Investments	28,506,576	22,152,757	50,659,333
Restricted investments	-	2,905,168	2,905,168
Receivables, net of allowance for uncollectible accounts			
Property taxes	23,413,180	-	23,413,180
Sales, income, and other taxes	4,772,361	-	4,772,361
Federal and state grants	26,880	-	26,880
Accounts	33,153	895,921	929,074
Unbilled accounts	-	800,603	800,603
Due from other governments	213,164	-	213,164
Internal balances	484,706	(484,706)	-
Inventories	164,518	83,894	248,412
Prepaid expenses	9,158	15,200	24,358
Capital assets not being depreciated	23,127,988	796,298	23,924,286
Capital assets being depreciated, net	161,383,910	93,058,418	254,442,328
Pension asset	1,637,929	-	1,637,929
Total assets	<u>249,505,684</u>	<u>122,704,013</u>	<u>372,209,697</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refundings	778,899	1,816,002	2,594,901
Total deferred outflows of resources	<u>778,899</u>	<u>1,816,002</u>	<u>2,594,901</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,900,541	684,308	4,584,849
Accrued interest	179,325	127,760	307,085
Due to other governmental entities	19,293	21,927	41,220
Due to fiduciary trusts	22,672	-	22,672
Deposits	133,305	119,520	252,825
Other postemployment benefits			
Due in more than one year	270,592	-	270,592
Compensated absences			
Expected to be paid within one year	1,035,085	79,886	1,114,971
Expected to be paid after one year	488,047	13,754	501,801
Bonds and notes payable			
Due within one year	3,008,567	2,198,662	5,207,229
Due in more than one year	25,762,047	27,317,024	53,079,071
Total liabilities	<u>34,819,474</u>	<u>30,562,841</u>	<u>65,382,315</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax	22,766,545	-	22,766,545
Other	17,453	-	17,453
Development fees	-	14,200	14,200
Total deferred inflows of resources	<u>22,783,998</u>	<u>14,200</u>	<u>22,798,198</u>
NET POSITION			
Net investment in capital assets	158,108,082	64,339,030	222,447,112
Restricted			
General government	131,649	-	131,649
Roads and public works	1,967,271	-	1,967,271
State street aid	612,316	-	612,316
Public safety	2,243,320	-	2,243,320
Water and sewer development	-	2,905,168	2,905,168
Unrestricted	29,618,473	26,698,776	56,317,249
Total net position	<u>\$ 192,681,111</u>	<u>\$ 93,942,974</u>	<u>\$ 286,624,085</u>

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

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Legislative	\$ 196,902	\$ -	\$ -	\$ -	\$ (196,902)	\$ -	\$ (196,902)
General government	8,252,288	307,958	67,992	4,713,916	(3,162,422)	-	(3,162,422)
Roads and public works	8,890,342	653,073	1,624,061	1,194,878	(5,418,330)	-	(5,418,330)
Public safety	20,485,058	2,666,688	384,409	1,965,984	(15,467,977)	-	(15,467,977)
Sanitation	3,156,642	3,407,085	4,253	-	254,696	-	254,696
Drug fund	17,798	-	-	-	(17,798)	-	(17,798)
Culture and recreation	4,626,281	473,788	25,800	-	(4,126,693)	-	(4,126,693)
Interest and fiscal charges	1,206,699	-	-	-	(1,206,699)	-	(1,206,699)
Total governmental activities	46,832,010	7,508,592	2,106,515	7,874,778	(29,342,125)	-	(29,342,125)
Business-type activities:							
Water and sewer	10,905,161	12,980,102	-	3,500	-	2,078,441	2,078,441
Total primary government	\$ 57,737,171	\$ 20,488,694	\$ 2,106,515	\$ 7,878,278	(29,342,125)	2,078,441	(27,263,684)
General revenues and transfers:							
Taxes:							
Property taxes					21,971,554	-	21,971,554
Local option sales tax					12,351,378	-	12,351,378
Business, cable tv, and hotel/motel taxes					1,601,889	-	1,601,889
Automobile registration fees					1,104,074	-	1,104,074
Wholesale beer and liquor tax					861,913	-	861,913
Other local taxes and fees					709,670	-	709,670
Intergovernmental revenues:							
State sales tax					3,348,868	-	3,348,868
State income and other taxes					1,333,631	-	1,333,631
Other state revenues					103,508	-	103,508
Interest income					36,221	281,831	318,052
Other					452,029	141,510	593,539
Transfers					753,632	(753,632)	-
Total general revenues and transfers					44,628,367	(330,291)	44,298,076
Change in net position					15,286,242	1,748,150	17,034,392
Net position - beginning, as adjusted					177,394,869	92,194,824	269,589,693
Net position - ending					\$ 192,681,111	\$ 93,942,974	\$ 286,624,085

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

TOWN OF COLLIERVILLE, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,709,843	\$ -	\$ 1,022,318	\$ 5,732,161
Investments	26,432,705	-	2,073,871	28,506,576
Receivables, net				
Property taxes	23,413,180	-	-	23,413,180
Sales, income, and other taxes	4,772,361	-	-	4,772,361
Federal and state grants	14,878	12,002	-	26,880
Accounts	67,196	-	8,935	76,131
Due from other governments	-	-	213,164	213,164
Due from other funds	489,385	950,956	753,556	2,193,897
Inventories	152,458	-	12,060	164,518
Prepaid expenses	9,158	-	-	9,158
Total assets	<u>\$ 60,061,164</u>	<u>\$ 962,958</u>	<u>\$ 4,083,904</u>	<u>\$ 65,108,026</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,773,913	\$ 449,748	\$ 322,095	\$ 3,545,756
Due to other governmental entities	19,293	-	-	19,293
Due to other funds	2,111,166	-	4,679	2,115,845
Due to fiduciary trusts	22,672	-	-	22,672
Deposits	133,305	-	-	133,305
Total liabilities	<u>5,060,349</u>	<u>449,748</u>	<u>326,774</u>	<u>5,836,871</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax	23,580,983	-	-	23,580,983
State sales and income tax	412,942	-	-	412,942
Other	45,116	-	15,315	60,431
Total deferred inflows of resources	<u>24,039,041</u>	<u>-</u>	<u>15,315</u>	<u>24,054,356</u>
FUND BALANCES				
Nonspendable	161,315	-	12,060	173,375
Restricted	1,885,530	-	3,069,023	4,954,553
Committed	1,566,727	-	660,732	2,227,459
Assigned	10,295,248	513,210	-	10,808,458
Unassigned	17,052,954	-	-	17,052,954
Total fund balances	<u>30,961,774</u>	<u>513,210</u>	<u>3,741,815</u>	<u>35,216,799</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,061,164</u>	<u>\$ 962,958</u>	<u>\$ 4,083,904</u>	<u>\$ 65,108,026</u>

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

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

June 30, 2013

Total fund balances, governmental funds	\$ 35,216,799
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	184,511,898
Deferred outflows of resources are not available to pay for current period expenditures and therefore are deferred in the funds	778,899
The internal service fund is used by management to charge costs of group medical benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	51,870
Pension assets result from the cumulative excess of pension contributions over the required contribution. These assets are included in governmental activities in the statement of net position	1,637,929
Accrued interest on long term liabilities is not due and payable in the current period and therefore is not reported in the funds	(179,325)
Deferred inflows of resources and related accounts receivable are not available to pay for current period expenditures and therefore are excluded from the governmental funds	1,227,379
Other postemployment benefits (OPEB) liabilities result from the cumulative excess of required contribution over actual contributions to the Town's OPEB fund. These liabilities are included in governmental activities in the statement of net position	(270,592)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(30,293,746)</u>
Net position of governmental activities	<u><u>\$ 192,681,111</u></u>

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

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

For the Year Ended June 30, 2013

	General Fund	Capital Projects Fund #321	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 21,613,088	\$ -	\$ -	\$ 21,613,088
Local option sales tax	12,351,378	-	-	12,351,378
Business, cable tv, and hotel/motel taxes	1,601,889	-	-	1,601,889
Automobile registration fees	1,104,074	-	-	1,104,074
Wholesale beer and liquor tax	861,913	-	-	861,913
Other local taxes and fees	551,760	-	40,443	592,203
Federal revenues	79,864	428,067	-	507,931
State sales tax	3,348,868	-	-	3,348,868
State income and other taxes	1,333,631	-	-	1,333,631
State gasoline tax revenue	-	-	1,172,378	1,172,378
Other state revenue	103,508	-	-	103,508
State grant revenue	1,600	-	-	1,600
Licenses and permits	1,343,894	-	-	1,343,894
Charges for services	1,292,317	-	3,407,085	4,699,402
Court fees	1,117,353	-	-	1,117,353
Fines and forfeits	347,943	-	141,165	489,108
Interest income	31,934	-	4,287	36,221
Contributions	1,583,959	-	4,253	1,588,212
Other	154,975	-	16,652	171,627
Total Revenues	<u>48,823,948</u>	<u>428,067</u>	<u>4,786,263</u>	<u>54,038,278</u>
Expenditures				
Current:				
Legislative	188,876	-	-	188,876
General government	7,181,603	-	-	7,181,603
Roads and public works	5,117,979	-	1,298,694	6,416,673
Public safety	19,415,850	-	-	19,415,850
Sanitation	-	-	3,024,158	3,024,158
Culture and recreation	3,953,531	-	-	3,953,531
Drug fund	-	-	17,798	17,798
Other	126,300	227,438	-	353,738
Capital expenditures	900,763	3,395,581	588,943	4,885,287
Debt service:				
Principal retirement	2,718,714	-	139,186	2,857,900
Interest and fiscal charges	1,021,512	-	14,878	1,036,390
Bond issue costs	56,018	-	-	56,018
Total expenditures	<u>40,681,146</u>	<u>3,623,019</u>	<u>5,083,657</u>	<u>49,387,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,142,802</u>	<u>(3,194,952)</u>	<u>(297,394)</u>	<u>4,650,456</u>
Other financing sources (uses)				
Refunding bond issuance	5,215,000	-	-	5,215,000
Refunding bond premium	190,265	-	-	190,265
Payments to refunded bond escrow agent	(5,343,793)	-	-	(5,343,793)
Transfers in	753,632	3,074,245	390,909	4,218,786
Transfers out	(2,065,127)	(186,569)	(1,213,458)	(3,465,154)
	<u>(1,250,023)</u>	<u>2,887,676</u>	<u>(822,549)</u>	<u>815,104</u>
Net change in fund balances	6,892,779	(307,276)	(1,119,943)	5,465,560
Fund balances - beginning	<u>24,068,995</u>	<u>820,486</u>	<u>4,861,758</u>	<u>29,751,239</u>
Fund balances - ending	<u>\$ 30,961,774</u>	<u>\$ 513,210</u>	<u>\$ 3,741,815</u>	<u>\$ 35,216,799</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, 2013

Net change in fund balance, total governmental funds	\$ 5,465,560
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>	
Capital outlays capitalized	4,965,609
Depreciation expense	(5,115,161)
Loss from the disposition of capital assets are reported net of any remaining book net value in the statement of activities	(269,452)
Capital contributions in the statement of activities are not recorded in governmental funds	6,711,172
Certain property tax revenues do not provide current financial resources and are reported as deferred inflows of resources annually in the funds. This is the net difference between the amounts deferred in the current and prior years	358,466
Certain other local tax revenues do not provide current financial resources and are reported as deferred inflows of resources annually in the funds. This is the net difference between the amounts deferred in the current and prior years	117,467
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. This is the amount of bond repayments	2,857,900
Some expenses and net financing sources (uses) reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds	(214,009)
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	391,258
Prepayment of actuarial pension costs related to the Town's other post-employment benefit plan is recorded as a decrease in expenses in the statement of activities, but does not represent a current financial expenditure and is not reported as expense in the funds	17,432
Change in net position of governmental activities	\$ 15,286,242

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, 2013

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Revenues				
Property taxes				
Real	\$ 21,076,407	\$ 21,076,407	\$ 20,970,944	\$ (105,463)
Personal	797,412	797,412	493,967	(303,445)
Penalty and interest	80,000	80,000	116,210	36,210
Payment in lieu of	59,400	59,400	31,967	(27,433)
	<u>22,013,219</u>	<u>22,013,219</u>	<u>21,613,088</u>	<u>(400,131)</u>
Other local taxes				
Sales tax	9,266,730	12,351,378	12,351,378	-
Beer and liquor tax	755,000	755,000	861,913	106,913
Business tax	636,000	636,000	732,119	96,119
Cable and telecommunications tax	528,000	528,000	558,627	30,627
Occupancy tax	310,000	310,000	324,837	14,837
Automobile tax	1,075,000	1,075,000	1,104,074	29,074
Police Privilege tax	-	-	75,600	75,600
MLGW in lieu of tax	240,000	242,700	462,466	219,766
	<u>12,810,730</u>	<u>15,898,078</u>	<u>16,471,014</u>	<u>572,936</u>
Federal grants	-	-	79,864	79,864
State revenues				
Beer and liquor tax	149,000	149,000	196,290	47,290
Sales tax	3,016,000	3,016,000	3,152,578	136,578
Income tax	600,000	600,000	797,747	197,747
TVA payments in lieu of taxes	526,990	526,990	519,443	(7,547)
City streets and transportation funding	95,000	95,000	93,330	(1,670)
Other state revenue	59,400	98,163	117,619	19,456
	<u>4,446,390</u>	<u>4,485,153</u>	<u>4,877,007</u>	<u>391,854</u>
Licenses and permits				
Beer permit and liquor licenses	28,500	28,500	38,710	10,210
Building and related permits	668,600	668,600	1,129,127	460,527
Development related reviews and fees	111,650	111,650	176,057	64,407
	<u>808,750</u>	<u>808,750</u>	<u>1,343,894</u>	<u>535,144</u>
Charges for services				
Software fees	-	-	29,791	29,791
Clerk's fees	40,600	40,600	67,490	26,890
Fire inspection fees	12,784	12,784	20,863	8,079
Fingerprinting fees	4,500	4,500	4,245	(255)
Animal adoption fees	65,000	65,000	64,964	(36)
Animal tag fees	61,000	61,000	59,512	(1,488)
Facility rental fees	74,425	74,425	70,415	(4,010)
Instructional fees	141,330	141,330	119,502	(21,828)
Athletic registration fees	361,865	361,865	270,631	(91,234)
Special event fees	13,950	13,950	13,240	(710)
Sale of reports	2,000	2,000	3,360	1,360

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, 2013

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Material and rental fees	\$ 72,950	\$ 72,950	\$ 72,828	\$ (122)
Non-resident card fees	20,200	20,200	18,460	(1,740)
Storm water fees	479,000	479,000	477,016	(1,984)
	<u>1,349,604</u>	<u>1,349,604</u>	<u>1,292,317</u>	<u>(57,287)</u>
Fines, fees, and costs				
Court costs	570,000	570,000	852,000	282,000
Court and other fees	213,000	213,000	299,606	86,606
Fines	217,450	217,450	313,690	96,240
	<u>1,000,450</u>	<u>1,000,450</u>	<u>1,465,296</u>	<u>464,846</u>
Interest on investments	35,000	35,000	31,934	(3,066)
Contributions	30,761	78,354	1,494,559	1,416,205
Other revenue	120,750	120,750	154,975	34,225
Total Revenue	<u>42,615,654</u>	<u>45,789,358</u>	<u>48,823,948</u>	<u>3,034,590</u>
Expenditures				
Current				
Legislative				
Personnel	91,695	94,758	93,344	1,414
Contractual	165,836	218,889	88,337	130,552
Supplies	9,750	7,688	7,195	493
Total legislative	<u>267,281</u>	<u>321,335</u>	<u>188,876</u>	<u>132,459</u>
General Government				
Finance				
Personnel	1,313,928	1,313,928	1,299,294	14,634
Contractual	266,089	264,516	206,909	57,607
Supplies	13,400	14,973	14,062	911
Grants, contributions, and indemnities	600	600	510	90
Expense reimbursement	(557,906)	(557,906)	(532,157)	(25,749)
	<u>1,036,111</u>	<u>1,036,111</u>	<u>988,618</u>	<u>47,493</u>
Executive				
Personnel	554,765	587,400	587,398	2
Contractual	83,456	72,186	71,926	260
Supplies	13,925	17,675	15,079	2,596
Expense reimbursement	(97,822)	(97,822)	(97,956)	134
	<u>554,324</u>	<u>579,439</u>	<u>576,447</u>	<u>2,992</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, 2013

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Health, welfare and insurance				
Personnel	\$ 140,000	\$ 94,059	\$ 94,059	\$ -
Contractual	585,893	1,100,535	1,100,535	-
Supplies	2,500	668	668	-
Fixed charges	553,651	485,906	485,906	-
Bank charges	10,000	5,175	5,175	-
Expense reimbursement	(168,806)	(34,099)	(34,099)	-
	<u>1,123,238</u>	<u>1,652,244</u>	<u>1,652,244</u>	<u>-</u>
Human resources				
Personnel	362,224	362,224	315,423	46,801
Contractual	81,508	81,508	42,539	38,969
Supplies	11,822	11,822	5,801	6,021
Grants, contributions, and indemnities	4,550	4,550	3,818	732
Expense reimbursement	(69,016)	(69,016)	(55,137)	(13,879)
	<u>391,088</u>	<u>391,088</u>	<u>312,444</u>	<u>78,644</u>
Development administration				
Personnel	244,515	244,255	235,271	8,984
Contractual	110,311	110,111	87,617	22,494
Supplies	4,650	5,110	4,251	859
Grants, contributions, and indemnities	700	700	378	322
Expense reimbursement	(54,026)	(54,026)	(48,362)	(5,664)
	<u>306,150</u>	<u>306,150</u>	<u>279,155</u>	<u>26,995</u>
Planning and zoning				
Personnel	694,987	690,938	661,726	29,212
Contractual	51,385	55,217	52,986	2,231
Supplies	23,160	23,378	21,797	1,581
Expense reimbursement	(115,430)	(115,430)	(111,241)	(4,189)
	<u>654,102</u>	<u>654,103</u>	<u>625,268</u>	<u>28,835</u>
Information technology				
Personnel	327,853	327,853	326,311	1,542
Contractual	166,042	149,626	123,866	25,760
Supplies	111,751	111,751	69,892	41,859
Fixed charges	5,000	5,000	1,344	3,656
Expense reimbursement	(49,178)	(49,178)	(48,947)	(231)
	<u>561,468</u>	<u>545,052</u>	<u>472,466</u>	<u>72,586</u>
General services				
Personnel	802,469	779,722	776,425	3,297
Contractual	567,901	614,341	602,777	11,564
Supplies	85,637	91,972	88,359	3,613
Building materials	2,000	1,640	1,143	497
Grants, contributions, and indemnities	400	400	152	248
Expense reimbursement	(120,370)	(120,370)	(116,464)	(3,906)
	<u>1,338,037</u>	<u>1,367,705</u>	<u>1,352,392</u>	<u>15,313</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, 2013

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Morton museum				
Personnel	\$ 85,537	\$ 85,537	\$ 82,601	\$ 2,936
Contractual	43,710	45,973	41,122	4,851
Supplies	19,250	23,487	22,862	625
	<u>148,497</u>	<u>154,997</u>	<u>146,585</u>	<u>8,412</u>
Library				
Contractual	1,045,287	1,061,355	752,930	308,425
Supplies	24,000	29,700	22,931	6,769
Grants, contributions, and indemnities	175	175	123	52
	<u>1,069,462</u>	<u>1,091,230</u>	<u>775,984</u>	<u>315,246</u>
Total general government	<u>7,182,477</u>	<u>7,778,119</u>	<u>7,181,603</u>	<u>596,516</u>
Roads and public works				
Public works administration				
Personnel	569,459	569,134	530,028	39,106
Contractual	59,968	59,289	49,840	9,449
Supplies	8,910	9,589	7,869	1,720
Grants, contributions, and indemnities	800	1,125	1,070	55
Expense reimbursement	(284,730)	(284,730)	(265,014)	(19,716)
	<u>354,407</u>	<u>354,407</u>	<u>323,793</u>	<u>30,614</u>
Vehicle maintenance				
Personnel	496,976	496,976	465,731	31,245
Contractual	30,487	31,988	23,999	7,989
Supplies	38,970	37,468	33,664	3,804
Fixed charges	665	665	500	165
	<u>567,098</u>	<u>567,097</u>	<u>523,894</u>	<u>43,203</u>
Total public works	<u>921,505</u>	<u>921,504</u>	<u>847,687</u>	<u>73,817</u>
Highways and streets				
Personnel	1,648,036	1,648,036	1,569,160	78,876
Contractual	1,305,717	1,820,370	1,818,278	2,092
Supplies	234,110	214,232	208,438	5,794
Building materials	7,600	5,948	5,469	479
Fixed charges	1,500	1,500	1,027	473
Grants, contributions, and indemnities	-	1,703	1,703	-
	<u>3,196,963</u>	<u>3,691,789</u>	<u>3,604,075</u>	<u>87,714</u>
Engineering				
Personnel	893,761	884,371	816,376	67,995
Contractual	76,369	76,366	58,216	18,150
Supplies	32,400	30,494	19,394	11,100
Grants, contributions, and indemnities	300	300	90	210
Expense reimbursement	(250,707)	(252,487)	(227,859)	(24,628)
	<u>752,123</u>	<u>739,044</u>	<u>666,217</u>	<u>72,827</u>
Total Roads and Public Works	<u>4,870,591</u>	<u>5,352,337</u>	<u>5,117,979</u>	<u>234,358</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, 2013

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
Public safety				
Police				
Personnel	\$ 10,063,935	\$ 10,092,707	\$ 9,768,926	\$ 323,781
Contractual	483,506	457,347	372,233	85,114
Supplies	508,203	535,716	465,245	70,471
Fixed charges	3,442	3,442	3,081	361
Grants, contributions, and indemnities	1,760	1,760	887	873
	<u>11,060,846</u>	<u>11,090,972</u>	<u>10,610,372</u>	<u>480,600</u>
Fire				
Personnel	6,651,587	6,651,587	6,464,956	186,631
Contractual	243,082	233,458	202,420	31,038
Supplies	198,282	217,223	202,633	14,590
Building materials	700	700	205	495
Fixed charges	-	700	700	-
Grants, contributions, and indemnities	850	850	845	5
	<u>7,094,501</u>	<u>7,104,518</u>	<u>6,871,759</u>	<u>232,759</u>
Code enforcement				
Personnel	674,639	716,306	715,930	376
Contractual	90,050	44,457	37,991	6,466
Supplies	24,750	28,675	25,632	3,043
	<u>789,439</u>	<u>789,438</u>	<u>779,553</u>	<u>9,885</u>
City court				
Personnel	687,253	678,253	604,775	73,478
Contractual	74,240	71,240	48,068	23,172
Supplies	16,000	17,000	16,062	938
Grants, contributions, and indmenities	200	200	75	125
	<u>777,693</u>	<u>766,693</u>	<u>668,980</u>	<u>97,713</u>
Animal control				
Personnel	387,183	365,131	338,141	26,990
Contractual	65,002	86,922	79,828	7,094
Supplies	53,535	68,668	65,987	2,681
Grants, contributions, and indmenities	1,500	1,500	1,230	270
	<u>507,220</u>	<u>522,221</u>	<u>485,186</u>	<u>37,035</u>
Total public safety	<u>20,229,699</u>	<u>20,273,842</u>	<u>19,415,850</u>	<u>857,992</u>
Culture and recreation				
Parks and recreation				
Personnel	2,718,689	2,639,009	2,515,244	123,765
Contractual	1,124,532	1,193,072	1,048,416	144,656
Supplies	390,749	388,274	335,128	53,146
Building materials	72,150	73,615	61,573	12,042
Grants, contributions, and indemenities	33,200	33,200	24,390	8,810
Expense reimbursement	(31,220)	(31,220)	(31,220)	-
Total culture and recreation	<u>4,308,100</u>	<u>4,295,950</u>	<u>3,953,531</u>	<u>342,419</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, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Special appropriations	\$ 130,300	\$ 130,300	\$ 126,300	\$ 4,000
Capital				
Capital expenditures	905,776	975,448	900,763	74,685
Debt service				
Principal retirement	2,718,714	2,718,714	2,718,714	-
Interest and fiscal charges	1,150,163	1,099,520	1,021,512	78,008
Bond issue costs	-	56,018	56,018	-
Total debt service	3,868,877	3,874,252	3,796,244	78,008
Total expenditures	41,763,101	43,001,583	40,681,146	2,320,437
Excess revenue over (under) expenditures before transfers	852,553	2,787,775	8,142,802	5,355,027
Other financing sources (uses)				
Refunding bond issuance	-	5,215,000	5,215,000	-
Refunding bond premium	-	190,265	190,265	-
Payments to refunded bond escrow agent	-	(5,343,793)	(5,343,793)	-
Transfers in	-	1,813,289	753,632	-
Transfers out	-	(3,124,784)	(2,065,127)	-
Total other financing uses	-	(1,250,023)	(1,250,023)	-
Net change in fund balance	\$ 852,553	\$ 1,537,752	6,892,779	\$ 5,355,027
Fund balance - beginning			24,068,995	
Fund balance - ending			\$ 30,961,774	

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

TOWN OF COLLIERVILLE, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,480,460	\$ -
Investments	22,152,757	-
Receivables, net	895,921	-
Unbilled receivables	800,603	-
Prepaid expenses	15,200	-
Due from other funds	-	406,654
Inventories	83,894	-
Total current unrestricted assets	<u>26,428,835</u>	<u>406,654</u>
Restricted investments	2,905,168	-
Total current assets	<u>29,334,003</u>	<u>406,654</u>
Noncurrent assets:		
Capital assets:		
Land	476,292	-
Distribution and collection systems	111,392,341	-
Buildings and improvements	19,522,118	-
Equipment	4,164,143	-
Other improvements	1,560,389	-
Construction in progress	320,006	-
Less accumulated depreciation	<u>(43,580,573)</u>	<u>-</u>
Net capital assets	<u>93,854,716</u>	<u>-</u>
Total noncurrent assets	<u>93,854,716</u>	<u>-</u>
Total assets	<u>123,188,719</u>	<u>406,654</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refundings	1,816,002	-
Total deferred outflows of resources	<u>1,816,002</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	684,308	354,784
Due to governmental entities	21,927	-
Accrued interest	127,760	-
Due to other funds	484,706	-
Compensated absences	79,886	-
Current installment of bonds payable	2,198,662	-
Total current liabilities	<u>3,597,249</u>	<u>354,784</u>
Noncurrent liabilities:		
Customer deposits	119,520	-
Compensated absences	13,754	-
Bonds payable	27,317,024	-
Total noncurrent liabilities	<u>27,450,298</u>	<u>-</u>
Total liabilities	<u>31,047,547</u>	<u>354,784</u>
DEFERRED INFLOWS OF RESOURCES		
Development fees	14,200	-
Total deferred inflows of resources	<u>14,200</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	64,339,030	-
Restricted		
Water and sewer development	2,905,168	-
Unrestricted	26,698,776	51,870
Total net position	<u>\$ 93,942,974</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 POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Operating revenues:		
Charges for services - water	\$ 4,293,777	\$ -
Charges for services - sewer	7,191,956	-
Employee premiums	-	4,959,301
Employer contributions	-	724,630
Miscellaneous	141,510	-
Total operating revenues	<u>11,627,243</u>	<u>5,683,931</u>
Operating expenses:		
Personal services	2,376,064	-
Materials, supplies, services and other	3,679,825	169,565
Insurance claims and expenses	-	5,514,366
Depreciation	3,200,212	-
Total operating expenses	<u>9,256,101</u>	<u>5,683,931</u>
Operating income	<u>2,371,142</u>	<u>-</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	281,831	-
Impact fees	1,313,091	-
Tap fees	181,278	-
Loss on disposal of assets	(388,722)	-
Interest expense	(1,083,049)	-
Bond issue costs	(177,289)	-
Total nonoperating revenues	<u>127,140</u>	<u>-</u>
Income before contributions and transfers	<u>2,498,282</u>	<u>-</u>
Capital grants and contributions	3,500	-
Transfers out	(753,632)	-
Change in net position	1,748,150	-
Total net position - beginning, as adjusted	<u>92,194,824</u>	<u>51,870</u>
Total net position - ending	<u>\$ 93,942,974</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, 2013

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 11,755,937	\$ -
Payments to suppliers	(5,278,046)	(169,565)
Payments to employees	(1,523,215)	-
Contributions	-	5,724,254
Claims and fees paid	-	(5,554,689)
Other payments	(10,004)	-
Net cash provided by operating activities	<u>4,944,672</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers to other funds	(753,632)	-
Tap and impact fee receipts	1,494,369	-
Net cash provided by noncapital financing activities	<u>740,737</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,297,826)	-
Principal paid on capital debt	(1,934,099)	-
Interest paid on capital debt	(1,083,213)	-
Net cash used in capital and related financing activities	<u>(4,315,138)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(1,858,916)	-
Interest and dividends	281,831	-
Net cash used in investing activities	<u>(1,577,085)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(206,814)	-
Balances - beginning of the year	<u>2,687,274</u>	<u>-</u>
Balances - end of the year	<u>\$ 2,480,460</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, 2013

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,371,142	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,200,212	-
Provision for bad debts	7,658	-
Change in assets and liabilities		
(Increase) decrease in assets:		
Receivables, net	32,557	-
Unbilled receivables	80,679	-
Prepaid expenses	(12,056)	-
Inventories	(18,096)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expense	(728,628)	40,323
Compensated absences	33	-
Due to governmental entities	(10,004)	-
Due to other funds	13,375	(40,323)
Customer deposits	7,800	-
	<u>\$ 4,944,672</u>	<u>\$ -</u>
Net cash provided by operating activities		
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Bond proceeds retained by escrow agent	<u>\$ 17,774,008</u>	<u>\$ -</u>
Bond to be defeased on call date by escrow agent	<u>\$ (16,265,000)</u>	<u>\$ -</u>
Bond issue costs paid from funds held by escrow agent	<u>\$ (177,289)</u>	<u>\$ -</u>
Receipt of capital assets contributions from developers	<u>\$ 3,500</u>	<u>\$ -</u>

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

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

June 30, 2013

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ASSETS			
Savings, certificates of deposit and time deposits	\$ 1,642,100	\$ -	\$ 1,642,100
Investments, at fair value:			
Money market funds	2,108,996	604,230	2,713,226
U.S. government agency bonds	647,763	-	647,763
Corporate and foreign bonds	2,607,112	-	2,607,112
Municipal obligations	544,641	-	544,641
Common stocks	4,109,941	777,554	4,887,495
Equity mutual funds	20,665,471	4,113,163	24,778,634
Fixed income mutual funds	8,250,454	2,210,454	10,460,908
Accrued investment income	74,166	5,577	79,743
Due from other funds	-	22,672	22,672
	<u>40,650,644</u>	<u>7,733,650</u>	<u>48,384,294</u>
LIABILITIES			
Accounts payable	<u>4,437</u>	<u>41,235</u>	<u>45,672</u>
	<u>4,437</u>	<u>41,235</u>	<u>45,672</u>
NET POSITION			
Held in trust for other post employment benefits	-	7,692,415	7,692,415
Held in trust for pension benefits	40,646,207	-	40,646,207
Total net position held in trust	<u>\$ 40,646,207</u>	<u>\$ 7,692,415</u>	<u>\$ 48,338,622</u>

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

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

For the Year Ended June 30, 2013

	Retiree Pension Plan	Retiree Medical Insurance	Total Fiduciary Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 2,808,052	\$ 914,241	\$ 3,722,293
Plan member	424,016	101,197	525,213
Total contributions	<u>3,232,068</u>	<u>1,015,438</u>	<u>4,247,506</u>
Investment income:			
Interest and dividends	851,953	145,793	997,746
Net increase in the fair value of investments	3,147,972	613,778	3,761,750
Total investment income	<u>3,999,925</u>	<u>759,571</u>	<u>4,759,496</u>
Total additions	<u>7,231,993</u>	<u>1,775,009</u>	<u>9,007,002</u>
DEDUCTIONS			
Benefits and claims paid	666,507	458,263	1,124,770
Administrative expenses	157,336	103,961	261,297
Total deductions	<u>823,843</u>	<u>562,224</u>	<u>1,386,067</u>
Change in net position	6,408,150	1,212,785	7,620,935
Net position - beginning	34,238,057	6,479,630	40,717,687
Net position - ending	<u>\$ 40,646,207</u>	<u>\$ 7,692,415</u>	<u>\$ 48,338,622</u>

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

TOWN OF COLLIERVILLE, TENNESSEE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013

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”) as codified by Governmental Accounting Standards Board (“GASB”) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements* (“GASB No. 62”). The accounting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

(A) - Financial Reporting Entity

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

The Town’s officials are responsible for appointing the members of the boards of other organizations; however, the Town’s accountability for these organizations does not extend beyond making appointments. There were no material transactions with these organizations during the year ended June 30, 2013.

(B) - Basis of Presentation

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

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

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

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

The **Historic Preservation Fund** accounts for the receipts and expenditures of fees charged to developers for the preservation of the Town's historic town square. All assets of the fund have been expended as of June 30, 2013; however, the fund remains open pending future development.

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

Capital Projects Funds

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

Proprietary Fund Financial Statements

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

Proprietary Types

Enterprise Funds

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

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

Internal Service Funds

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

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

Fiduciary Fund Financial Statements

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

Fiduciary Types

Pension (and Other Employee Benefit) Trust Funds

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

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

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

Major and Non-Major Funds

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

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

(C) – GASB Accounting Pronouncements

The Town implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (“GASB No. 63”) for fiscal year 2013. GASB No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, which are distinct from assets and liabilities, and net position in a statement of financial position and related disclosures. The accounting changes required by GASB No. 63 are applied retroactively by reclassifying the statement of net position and balance sheet information.

The Town has elected to early implement GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (“GASB No. 65”) for the fiscal year 2013. GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflow of resources, certain items that were previously reported as assets and liabilities. The Town historically has recognized bond issuance costs as other assets and amortized these costs over the life of the associated debt; however, due to the implementation of GASB No. 65, the Town restated prior periods presented to show the write-off of the total unamortized bond issuance costs and the additional bond issue costs of \$278,826 and \$25,282, respectively at June 30, 2012, for a total reduction of \$304,108 in total net position. Additionally, the loss on bond refunding was

reclassified as a deferred outflow of resources (deferred loss on refundings). See Note (2) for the effects of this implementation on the Town's financial statements. Included in the effects illustrated in Note (2) is the reclassification of original issue discounts and premiums from Deferred Charges (asset) to net against total debt as discussed in Note (1) (O).

(D) - Measurement Focus and Basis of Accounting

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

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

Measurement Focus

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

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

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

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred or economic asset used. The types of

transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

(E) - Budgetary Data

The revenues and expenditures accounted for in all governmental fund types are controlled by a formal integrated budgetary accounting system. The Mayor and Board of Aldermen approve annually the budgets for these funds. Budgetary control is maintained at the departmental level by line item, and expenditures may not exceed funds budgeted which constitute the legal spending limit. Unexpended appropriations lapse at year-end. Management may amend the budget within departments without approval of the governing body; however, any amendments made between departments must meet with the governing body's approval as prescribed by the Town Charter. The budget has been amended in accordance with the Town Charter resulting in budgeted expenditures and other financing uses, including transfers, increasing \$17,212,247. The same basis of accounting is used to reflect actual revenue and expenditures recognized using accounting principles generally accepted in the United States of America.

(F) - Cash and Cash Equivalents

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

(G) - Restricted Assets

The Health Insurance Fund occasionally has restricted cash which must be used for insurance claims and expenses. There was no restricted cash at June 30, 2013. Certain development fees collected by the Water and Sewer Fund represent restricted cash which must be used for projects to increase capacity and other items for future community developments. There was \$2,905,168 in restricted cash for development fees at June 30, 2013.

(H) - Deposits and Investments

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

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. Although the Town has not adopted a formal deposit policy, its policy is to fully collateralize bank deposits in excess of federally insured amounts. Note (3) summarizes the Town’s exposure to custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. The Town’s investments in the LGIP (summarized at Note (4)) are held by the State Treasury, not in the name of the Town. The Town’s fiduciary fund investments are held by a third party bank in the name of the Town. The third party bank is also a participant in the State collateral pool.

(I) - Property Taxes

Property taxes are recorded as revenues in the fiscal year of the levy if collected within two months (by August 31) following the end of the fiscal year, in accordance with US GAAP. Property tax receivables are recorded in the period when an enforceable legal claim has arisen or when resources are received, whichever is first. Deferred inflows of resources are recorded if the related revenue is not available. Delinquent taxes estimated to be collected subsequent to August 31 are included in the balance sheet as property taxes receivable and deferred inflows of resources to reflect amounts that were not available as revenues at June 30, 2013.

(J) - Inventories

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

(K) - Interfund Transactions

Interfund Receivables and Payables

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

Interfund Transfers

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

(L) - Capital Assets

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

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

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

(M) – Deferred Outflows/Inflows of Resources

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

(N) - Compensated Absences

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

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

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

The Town's contingent liability for the unused, accumulated portions of sick leave as of June 30, 2013 approximates \$4,540,000.

(O) - Original Issue Discount/Premium

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

(P) - Grants and Contributions

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

(Q) - Retirement Plans

As discussed in Note (11), the Town maintains three retirement plans. One is a defined contribution plan and the other two are defined benefit plans, one sponsored by the State of Tennessee and the other sponsored by the Town.

(R) - Prepaid Expenses

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

(S) - Unbilled Utility Receivable

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

(T) – Application of Restricted Resources

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

(U) – Net Position

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

NET INVESTMENT IN CAPITAL ASSETS

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

RESTRICTED

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

UNRESTRICTED

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

(V) – Fund Balances

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

NONSPENDABLE

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

RESTRICTED

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

COMMITTED

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

ASSIGNED

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

UNASSIGNED

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

When expenditures involve funds in more than one fund balance classification, the Town's policy is to spend amounts from the expenditure's most restricted source first. Amounts classified as noted above are further discussed in Note (10).

Stabilization Policy

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

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

Note (2) – RETROSPECTIVE APPLICATION OF A CHANGE IN ACCOUNTING PRINCIPLE

The following table summarizes the effects of the implementation of GASB No.’s 63 and 65 in the government-wide statement of net assets as of June 30, 2012:

	As Previously Reported June 30, 2012	Adjustments		As Adjusted June 30, 2012
		Reclass to Deferred Inflows/ Outflows	Write-off of Bond Issue Costs	
Total assets	\$361,290,472	\$ (14,433)	\$ (304,107)	\$ 360,971,932
Deferred outflows of resources	-	857,486	-	857,486
Total liabilities	91,396,672	(21,233,478)	-	70,163,194
Deferred inflows of resources	-	22,076,531	-	22,076,531
Net position:				
Net investment in capital assets	217,578,858	-	-	217,578,858
Restricted	8,035,752	-	-	8,035,752
Unrestricted	44,279,190	-	(304,107)	43,975,083
Total net position	\$269,893,800	\$ -	\$ (304,107)	\$ 269,589,693

The following table summarizes the effects of the implementation of GASB No.'s 63 and 65 in the government-wide statement of activities as of June 30, 2012:

	As Previously Reported June 30, 2012	Adjustments		As Adjusted June 30, 2012
		Reclass to Deferred Inflows/ Outflows	Write-off of Bond Issue Costs	
Total governmental expenses	\$ 44,822,179	\$ -	\$ 32,451	\$ 44,854,630
Total governmental revenues	16,080,586	-	-	16,080,586
Total governmental activities	(28,741,593)	-	(32,451)	(28,774,044)
Total business-type expenses	10,686,808	-	(7,170)	10,679,638
Total business-type revenues	12,680,222	-	-	12,680,222
Total business-type activities	1,993,414	-	7,170	2,000,584
Total general revenues and transfers				
Governmental	39,733,059	-	-	39,733,059
Business-type	(361,738)	-	-	(361,738)
Change in net position	12,623,142	-	(25,281)	12,597,861
Net position - beginning	257,270,658	-	(278,826)	256,991,832
Net position - ending	\$269,893,800	\$ -	\$ (304,107)	\$ 269,589,693

The following table summarizes the effects of the implementation of GASB No.'s 63 and 65 in the proprietary fund statement of net assets as of June 30, 2012 for the business-type activities:

	As Previously Reported June 30, 2012	Adjustments		As Adjusted June 30, 2012
		Reclass to Deferred Inflows/ Outflows	Write-off of Bond Issue Costs	
Total assets	\$123,813,955	\$ (202,362)	\$ (83,786)	\$123,527,807
Deferred outflows of resources	-	458,770	-	458,770
Total liabilities	31,535,345	242,208	-	31,777,553
Deferred inflows of resources	-	14,200	-	14,200
Net position:				
Net investment in capital assets	66,108,146	-	-	66,108,146
Restricted	2,014,175	-	-	2,014,175
Unrestricted	24,156,289	-	(83,786)	24,072,503
Total net position	\$ 92,278,610	\$ -	\$ (83,786)	\$ 92,194,824

The following table summarizes the effects of the implementation of GASB No.'s 63 and 65 in the statement of revenues, expenditures, and changes in net assets – propriety funds for the business-type activities:

	As Previously Reported June 30, 2012	Adjustments		As Adjusted June 30, 2012
		Reclass to Deferred Inflows/ Outflows	Write-off of Bond Issue Costs	
Total operating revenues	\$ 12,194,407	\$ -	\$ -	\$ 12,194,407
Total operating expenses	9,272,413	-	-	9,272,413
Operating income	2,921,994	-	-	2,921,994
Total non-operating expense, net	800,414	-	(7,170)	793,244
Income before contributions and transfers	2,121,580	-	7,170	2,128,750
Capital grants and contributions	274,665	-	-	274,665
Transfers out	(764,569)	-	-	(764,569)
Change in net position	1,631,676	-	7,170	1,638,846
Net position - beginning	90,646,934	-	(90,956)	90,555,978
Net position – ending	\$ 92,278,610	\$ -	\$ (83,786)	\$ 92,194,824

Note (3) - DEPOSITS

Deposits of the primary government at June 30, 2013, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 9,544,458	\$ 8,212,621

A summary of the primary government’s bank deposits as of June 30, 2013, is as follows:

Insured	\$ 750,000	
Collateralized by securities held by the Town or their agent in the Town’s name or covered by collateral held by the Bank Collateral Pool of the State of Tennessee	<u>8,794,458</u>	
	<u>\$ 9,544,458</u>	<u>\$ 8,212,621</u>

Deposits of the Town’s fiduciary funds at June 30, 2013, consist of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
Accounts at banks.....	\$ 1,642,100	\$ 1,642,100

A summary of the Town’s fiduciary bank deposits as of June 30, 2013, is as follows:

Insured	<u>\$ 1,642,100</u>	<u>\$ 1,642,100</u>
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Note (4) – INVESTMENTS

The Tennessee Local Government Investment Pool (the “Pool”) represents 100% of the primary government’s investments at June 30, 2013. The responsibility for conducting the State of Tennessee investment program resides with the State Treasurer and is exercised in accordance with the investment policy and resolutions of the State Funding Board.

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

	<u>Fair Value</u>
Investments in Local Government Investment Pool (“LGIP”):	
Governmental funds.....	\$ 28,506,576
Proprietary funds.....	<u>\$ 25,057,925</u>
	<u>\$ 53,564,501</u>

Fiduciary Investments

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

	<u>Cost</u>	<u>Fair Value</u>
Investments held by trustee:		
Money market funds	\$ 2,713,226	\$ 2,713,226
U.S. government agency bonds	624,335	647,763
Corporate and foreign bonds.....	2,524,367	2,607,112
Municipal obligations	568,758	544,641
Common stocks.....	3,419,881	4,887,495
Equity mutual funds.....	21,348,999	24,778,634
Fixed income mutual funds.....	<u>10,728,846</u>	<u>10,460,908</u>
	<u>\$ 41,928,412</u>	<u>\$ 46,639,779</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, 2013 include the following:

<u>Investment Name</u>	<u>Investment Type</u>	<u>Market Value</u>
Goldman Sachs Fin SQ Govt-Instl	Money Market Mutual Fund	\$ 2,713,226
American Beacon L/C Value	Equity Mutual Fund	\$ 2,946,685
American Europacific Growth	Equity Mutual Fund	\$ 2,615,333
Harbor International Fund #11	Equity Mutual Fund	\$ 2,656,462
Vanguard Intermediate Term Bond	Fixed Income Mutual Fund	\$ 4,041,880

Approximately 92 percent of all investments are in money market accounts, common stocks, or mutual funds that are not rated by a national credit rating agency. The remaining 8 percent of investments are in United States government agency, municipal, and corporate bonds (1, 1, and 6 percent, respectively); however, no rating information was available on these investments.

Note (5) - PROPERTY TAXES

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

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

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

Property taxes receivable as of June 30, 2013 include:

Real and personal property taxes	\$ 23,008,807
Ad valorem taxes	600,000
Pilot taxes	<u>31,135</u>
	23,639,942
Less allowance for uncollectible amounts	<u>(226,762)</u>
	<u>\$ 23,413,180</u>

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

Note (6) - INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2013 is as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
MAJOR FUNDS		
General Fund		
State Street Aid.....	\$ 4,105	\$ -
Special Drug Fund.....	574	690
Capital Project Fund #321	-	950,956
Sanitation Fund	-	752,866
Health Insurance.....	-	406,654 (1)
Water and Sewer Fund	484,706	-
Retirement Medical Fund.....	-	22,672
	<u>489,385</u>	<u>2,133,838</u>
Capital Project Fund #321		
General Fund.....	<u>950,956</u>	<u>-</u>
Water and Sewer Fund		
General Fund	<u>-</u>	<u>484,706</u>
NON-MAJOR FUNDS		
State Street Aid		
General Fund	<u>-</u>	<u>4,105</u>
Special Drug Fund		
General Fund	<u>690</u>	<u>574</u>
Health Insurance Fund		
General Fund.....	<u>406,654 (1)</u>	<u>-</u>
Retirement Medical Fund		
General Fund	<u>22,672</u>	<u>-</u>
Sanitation Fund		
General Fund	<u>752,866</u>	<u>-</u>
TOTALS	<u>\$ 2,623,223</u>	<u>\$ 2,623,223</u>

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

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

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

	<u>INTERFUND BALANCES - ASSETS</u>	<u>INTERFUND BALANCES - LIABILITIES</u>
Governmental Funds		
Due from other funds	\$ 2,193,897	\$ -
Due to other funds	-	2,115,845
Due to fiduciary trusts	-	22,672
Proprietary Funds		
Due from other funds	406,654	-
Due to other funds	-	484,706
Fiduciary Funds		
Due from other funds	22,672	-
Due to other funds	-	-
	<u>\$ 2,623,223</u>	<u>\$ 2,623,223</u>

The composition of interfund transfers for the year ended June 30, 2013 is as shown on the following page:

	<u>TRANSFERS FROM OTHER FUNDS</u>	<u>TRANSFERS TO OTHER FUNDS</u>
MAJOR FUNDS		
General Fund		
Historic Preservation Fund.....	\$ -	\$ 44,741
Special Drug Fund.....	-	8,080
Capital Project Fund #321.....	-	2,012,306
Water and Sewer Fund.....	<u>753,632 (1)</u>	<u>-</u>
	<u>753,632</u>	<u>2,065,127</u>
Capital Project Fund #321		
General Fund.....	2,012,306	-
Capital Project Fund #333.....	34,501	-
Capital Project Fund #334.....	<u>1,027,438</u>	<u>186,569</u>
	<u>3,074,245</u>	<u>186,569</u>
Water and Sewer Fund		
General Fund.....	<u>-</u>	<u>753,632 (1)</u>
NON-MAJOR FUNDS		
Historic Preservation Fund		
General Fund.....	<u>44,741</u>	<u>-</u>
Special Drug Fund		
General Fund.....	<u>8,080</u>	<u>-</u>
Capital Project Fund #333		
Capital Project Fund #321.....	-	34,501
Capital Project Fund #334.....	<u>151,519</u>	<u>-</u>
	<u>151,519</u>	<u>34,501</u>
Capital Project Fund #334		
General Fund.....	-	-
Capital Project Fund #321.....	186,569	1,027,438
Capital Project Fund #333.....	<u>-</u>	<u>151,519</u>
	<u>186,569</u>	<u>1,178,957</u>
TOTALS	<u>\$ 4,218,786</u>	<u>\$ 4,218,786</u>

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

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

Note (7) - CAPITAL ASSETS

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

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2013</u>
Governmental activities:					
Capital assets not being depreciated					
Land, easements, right-of-ways	\$ 16,551,724	\$ 2,211,139	\$ -	\$ 555,155	\$ 19,318,018
Construction in progress	<u>5,396,122</u>	<u>3,573,472</u>	<u>(2,541)</u>	<u>(5,157,083)</u>	<u>3,809,970</u>
Total capital assets not being depreciated	<u>21,947,846</u>	<u>5,784,611</u>	<u>(2,541)</u>	<u>(4,601,928)</u>	<u>23,127,988</u>
Other capital assets:					
Buildings and improvements	33,342,441	4,394,424	-	311,169	38,048,034
Other improvements	16,615,286	13,697	(58,743)	622,614	17,192,854
Library materials	2,719,116	211,896	(357,345)	-	2,573,667
Equipment	21,406,068	1,251,440	(729,105)	784,902	22,713,305
Infrastructure	<u>144,170,434</u>	<u>20,713</u>	<u>(128,105)</u>	<u>2,883,243</u>	<u>146,946,285</u>
Total other capital assets at historical cost	<u>218,253,345</u>	<u>5,892,170</u>	<u>(1,273,298)</u>	<u>4,601,928</u>	<u>227,474,145</u>
Less accumulated depreciation for:					
Buildings and improvements	(8,400,031)	(944,356)	-	-	(9,344,387)
Other improvements	(7,225,678)	(696,965)	58,743	-	(7,863,900)
Library materials	(1,391,624)	(271,912)	309,699	-	(1,353,837)
Equipment	(14,205,707)	(1,252,595)	620,790	-	(14,837,512)
Infrastructure	<u>(30,758,421)</u>	<u>(1,949,333)</u>	<u>17,155</u>	<u>-</u>	<u>(32,690,599)</u>
Total accumulated depreciation	<u>(61,981,461)</u>	<u>(5,115,161)</u>	<u>1,006,387</u>	<u>-</u>	<u>(66,090,235)</u>
Other capital assets, net	<u>156,271,884</u>	<u>777,009</u>	<u>(266,911)</u>	<u>4,601,928</u>	<u>161,383,910</u>
Governmental activities capital assets, net	<u>\$ 178,219,730</u>	<u>\$ 6,561,620</u>	<u>\$ (269,452)</u>	<u>\$ -</u>	<u>\$ 184,511,898</u>

Depreciation expense was charged to functions as follows:

Legislative.....	<u>\$ 9,032</u>
General Government:	
Finance	12,403
General services	28,020
Information technology	91,391
Executive	210,143
Town administration.....	51,872
Library	431,915
Development administration	2,003
Development engineering.....	17,867
General government	10,022
Human resources	774
Development planning	<u>8,966</u>
	<u>865,376</u>
Public Safety:	
Animal control.....	20,870
Police	626,088
Fire.....	362,640
Code enforcement.....	13,095
City court.....	<u>24,833</u>
	<u>1,047,526</u>
Roads and Public Works:	
Public services administration.....	84,591
Fleet services	24,386
Highways and streets.....	<u>2,088,087</u>
	<u>2,197,064</u>
Sanitation	<u>123,932</u>
Culture and Recreation:	
Parks and recreation	<u>829,156</u>
Development of historic town square	<u>43,075</u>
Total governmental activities depreciation expense.....	<u>\$ 5,115,161</u>

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

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2013</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 476,292	\$ -	\$ -	\$ -	\$ 476,292
Construction in progress	<u>245,045</u>	<u>1,127,136</u>	<u>(47)</u>	<u>(1,052,128)</u>	<u>320,006</u>
Total capital assets-not being depreciated	<u>721,337</u>	<u>1,127,136</u>	<u>(47)</u>	<u>(1,052,128)</u>	<u>796,298</u>
Other capital assets:					
Buildings and improvements	19,522,118	-	-	-	19,522,118
Other improvements	1,530,467	-	-	29,922	1,560,389
Equipment	3,875,818	170,690	(68,788)	186,423	4,164,143
Distribution and collection systems	<u>110,555,058</u>	<u>3,500</u>	<u>(2,000)</u>	<u>835,783</u>	<u>111,392,341</u>
Total other capital assets at historical cost	<u>135,483,461</u>	<u>174,190</u>	<u>(70,788)</u>	<u>1,052,128</u>	<u>136,638,991</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,786,076)	(473,223)	-	-	(7,259,299)
Other improvements	(286,811)	(66,174)	-	-	(352,985)
Equipment	(2,537,042)	(153,183)	68,618	-	(2,621,607)
Distribution and collection systems	<u>(30,839,706)</u>	<u>(2,507,632)</u>	<u>656</u>	<u>-</u>	<u>(33,346,682)</u>
Total accumulated depreciation	<u>(40,449,635)</u>	<u>(3,200,212)</u>	<u>69,274</u>	<u>-</u>	<u>(43,580,573)</u>
Other capital assets, net	<u>95,033,826</u>	<u>(3,026,022)</u>	<u>(1,514)</u>	<u>1,052,128</u>	<u>93,058,418</u>
Business-type activities capital assets, net	<u>\$ 95,755,163</u>	<u>\$ (1,898,886)</u>	<u>\$ (1,561)</u>	<u>\$ -</u>	<u>\$ 93,854,716</u>

Depreciation expense was charged to functions as follows:

Business-type activities:

 Water and sewer..... \$ 3,200,212

Total business-type activities depreciation expense..... \$ 3,200,212

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

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

In December 2010 (fiscal 2011), the State of Tennessee approved a closure plan for one of the Town's wastewater lagoons and work began to reclaim the land. For the year ended June 30, 2013, the Town incurred approximately \$387,000 in additional expense related to the ongoing reclamation project. This amount is recorded in the loss on disposal of assets in the accompanying statement of revenues, expenses, and changes in fund net position – proprietary funds.

Note (8) - DEBT

A summary of debt activity for the year ended June 30, 2013, is as follows. Additional detailed information is available on the following pages.

	Balance July 1, 2012 (as adjusted)	Additions	Defeasance	Reductions and Amortizations	Balance June 30, 2013	Due within One Year
Governmental Activities:						
General Obligation						
Bonds	\$ 29,714,213	\$ 5,215,000	\$(4,785,000)	\$ (2,590,901)	\$ 27,553,312	\$ 2,675,725
Notes payable	1,113,000	-	-	(267,000)	846,000	274,000
Compensated absences	1,484,887	1,035,085	-	(996,840)	1,523,132	1,035,085
Unamortized premiums (discounts), net	<u>216,795</u>	<u>190,265</u>	<u>16,037</u>	<u>(51,795)</u>	<u>371,302</u>	<u>58,842</u>
	<u>32,528,895</u>	<u>6,440,350</u>	<u>(4,768,963)</u>	<u>(3,906,536)</u>	<u>30,293,746</u>	<u>4,043,652</u>
Business-type Activities:						
General Obligation						
Bonds	15,787	-	-	(4,099)	11,688	4,275
Revenue Bonds	30,090,000	15,655,000	(16,265,000)	(1,930,000)	27,550,000	2,030,000
Compensated absences	93,607	79,886	-	(79,853)	93,640	79,886
Unamortized premiums (discounts), net	<u>(202,362)</u>	<u>2,119,008</u>	<u>113,447</u>	<u>(76,095)</u>	<u>1,953,998</u>	<u>164,387</u>
	<u>29,997,032</u>	<u>17,853,894</u>	<u>(16,151,553)</u>	<u>(2,090,047)</u>	<u>29,609,326</u>	<u>2,278,548</u>
	<u>\$ 62,525,927</u>	<u>\$ 24,294,244</u>	<u>\$(20,920,516)</u>	<u>\$ (5,996,583)</u>	<u>\$ 59,903,072</u>	<u>\$ 6,322,200</u>

Debt outstanding as of June 30, 2013 consisted of the following:

	Interest Rate	Maturity Date	Issued	Debts Outstanding
Governmental Activities				
General Obligation Bonds:				
Serial Bonds	3.50% - 5.00%	2029	\$ 13,000,000	\$ 11,190,000
Serial Bonds	2.00% - 2.50%	2021	4,985,000	4,535,000
Serial Bonds	2.00% - 3.00%	2017	5,154,702	2,968,312
Serial Bonds	3.50% - 4.38%	2025	8,000,000	1,080,000
Serial Bonds	1.50% - 2.00%	2026	5,215,000	5,215,000
Serial Bonds	3.50% - 4.13%	2020	<u>5,290,000</u>	<u>2,565,000</u>
			<u>\$ 41,644,702</u>	<u>\$ 27,553,312</u>
Amount due within one year				<u>\$ 2,675,725</u>
Notes payable:				
Term note	2.80%	2016	<u>\$ 3,000,000</u>	<u>\$ 846,000</u>
Amount due within one year				<u>\$ 274,000</u>

Business-Type Activities

General Obligation Bonds:

Serial Bonds	2.00% - 3.00%	2017	\$ 20,298	\$ 11,688
Amount due within one year				<u>\$ 4,275</u>

Revenue Bonds:

Revenue Bonds	3.50% - 4.13%	2020	\$ 3,755,000	\$ 2,065,000
Revenue Bonds	1.50% - 4.00%	2026	15,655,000	15,655,000
Revenue Bonds	4.00% - 4.38%	2026	<u>26,000,000</u>	<u>9,830,000</u>
			<u>\$ 45,410,000</u>	<u>\$ 27,550,000</u>
Amount due within one year				<u>\$ 2,030,000</u>

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

Governmental activities' debt 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 \$45,410,000 are secured by net revenues to be derived from the operations of the Water and Sewer Fund.

The Town has a \$3,000,000 variable-rate loan from the Tennessee Municipal Bond Fund Pooled Loan Program for use in funding the Wolf River Boulevard Project. At June 30, 2013, \$846,000 was due under this loan.

In November 2012, the Town issued \$5,215,000 in General Obligation Refunding Bonds, Series 2012 at a \$190,265 premium. The bonds have fixed interest rates ranging from 1.50 percent to 2.00 percent. Maturity dates range from November 1, 2016 to November 1, 2025. Certain net proceeds of \$5,405,265 were used to advance refund most of the remaining General Improvement Bonds Series 2005, (\$4,785,000) plus accrued interest and costs thereon at their earliest call date, which is November 1, 2015. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$558,793 that will be charged over 13.5 years using the straight-line method. The refunding decreased the Town's total debt service payments by \$535,662 and resulted in an economic gain (difference between the present value of the old debt and the new debt service payments) of \$510,352.

The Town also issued \$15,655,000 in Water and Sewer Revenue Refunding Bonds Series 2012 at a \$2,119,008 premium. The bonds have fixed interest rates ranging from 1.50 percent to 4.00 percent. Maturity dates range from November 1, 2013 to November 1, 2023. Certain net proceeds of \$17,774,008 were used to defease all of the remaining Water and Sewer System Revenue and Tax Refunding Bonds, Series 2002, (\$6,890,000), plus accrued interest and costs, and to advance refund a portion of the Water and Sewer System Revenue and Tax Bonds, Series 2006, (\$9,375,000) plus accrued interest thereon at their earliest call date of June 1, 2016. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded debt of \$1,827,200 that will be charged over 12.0 years using the straight-line method. The refunding decreased the Town's total debt service payments by \$2,313,833 and resulted in an economic gain

(difference between the present value of the old debt and the new debt service payments) of \$2,096,274.

The net proceeds from advance refunding bonds have been placed in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and the liability on the defeased bonds are not included in the Town's financial statements. At June 30, 2013, \$14,160,000 of defeased bonds remain outstanding.

In August 2013, the Town issued \$7,700,000 in General Obligation Bonds, Series 2013, for the purpose of: financing all or a portion of certain public works projects, relating to certain education facilities (see Note (18)); financing all or a portion of certain roads and highway projects; and to pay costs of the bond issuance. The effects of this subsequent event are not reflected in the future maturity schedules below.

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

<u>Year Ending</u> <u>June 30</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 2,680,000	\$ 892,176	\$ 2,030,000	\$ 958,138	\$ 274,000	\$ 23,688
2015	2,360,000	818,269	2,090,000	890,132	282,000	16,016
2016	2,450,000	748,869	2,145,000	821,369	290,000	8,120
2017	2,485,000	667,644	2,240,000	751,832	-	-
2018	1,915,000	599,444	2,290,000	679,545	-	-
2019 - 2023	8,740,000	2,124,720	11,355,000	1,981,552	-	-
2024 - 2028	5,945,000	844,760	5,400,000	440,288	-	-
2029	990,000	24,750	-	-	-	-
	<u>\$ 27,565,000</u>	<u>\$ 6,720,632</u>	<u>\$ 27,550,000</u>	<u>\$ 6,522,856</u>	<u>\$ 846,000</u>	<u>\$ 47,824</u>

The total interest incurred for the year was \$2,289,748. There was no interest capitalized during the year ended June 30, 2013.

Note (9) - DEFERRED LOSS ON REFUNDINGS

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Series 2005	\$ 20,269	\$ -	\$ 20,269
Series 2006	-	66,175	66,175
Series 2010	183,444	-	183,444
Series 2011	37,089	-	37,089
Series 2012	538,097	1,749,827	2,287,924
	<u>\$ 778,899</u>	<u>\$ 1,816,002</u>	<u>\$ 2,594,901</u>

Note (10) - FUND BALANCES

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

	<u>General Fund</u>	<u>Capital Projects Fund #321</u>	<u>Non-Major Special Revenue Funds</u>	<u>Non-Major Capital Project Funds</u>	<u>Totals</u>
Nonspendable:					
Prepaid expenses	\$ 8,858	\$ -	\$ -	\$ -	\$ 8,858
Inventories	152,457	-	12,060	-	164,517
Total nonspendable:	<u>161,315</u>	<u>-</u>	<u>12,060</u>	<u>-</u>	<u>173,375</u>
Restricted:					
Animal shelter projects	977,400	-	-	-	977,400
Public Services	671,928	-	-	-	671,928
Public safety	15,833	-	394,576	-	410,409
Community development	20,198	-	-	-	20,198
Parks and recreation	55,972	-	-	-	55,972
Capital projects	144,199	-	-	2,062,132	2,206,331
Road maintenance and improvements	-	-	612,315	-	612,315
Total restricted:	<u>1,885,530</u>	<u>-</u>	<u>1,006,891</u>	<u>2,062,132</u>	<u>4,954,553</u>
Committed:					
Public safety	1,122,166	-	-	-	1,122,166
Parks and recreation	444,561	-	-	-	444,561
Sanitation	-	-	660,732	-	660,732
Total committed:	<u>1,566,727</u>	<u>-</u>	<u>660,732</u>	<u>-</u>	<u>2,227,459</u>
Assigned:					
Public safety	83,755	-	-	-	83,755
General administration	2,612,341	-	-	-	2,612,341
Capital projects	2,076,290	513,210	-	-	2,589,500
Parks and recreation	3,343,307	-	-	-	3,343,307
Other purposes	2,179,555	-	-	-	2,179,555
Total assigned:	<u>10,295,248</u>	<u>513,210</u>	<u>-</u>	<u>-</u>	<u>10,808,458</u>
Unassigned:					
Total unassigned:	<u>17,052,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,052,954</u>
Total fund balance:	<u>\$ 30,961,774</u>	<u>\$ 513,210</u>	<u>\$ 1,679,683</u>	<u>\$ 2,062,132</u>	<u>\$ 35,216,799</u>

Note (11) - RETIREMENT PLANS

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

(A) - Defined Contribution Plan

The Town provides pension benefits to full-time employees employed prior to June 30, 1994, through the Town of Collierville, Tennessee Money Purchase Pension Plan, a defined contribution plan administered by Securian Financial Group. The Town contributes 9% of total compensation and employees may contribute up to 10% of compensation. For the year ended

June 30, 2013, contributions from the Town and employees were \$26,178 and \$600, respectively. The plan consists of two separate agreements, one for the police and fire departments for retirement at age 55 and another for the remainder of employees with retirement at age 65. At June 30, 2013, 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.tn.gov/treasury/tcrs/ps/>.

2. Funding Policy

The contribution requirement of plan members is established and may be amended by state statute; whereas, the contribution requirement for the Town is established and may be amended by the TCRS Board of Trustees. The Town has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.00 percent of annual covered payroll. The Town is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013, 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, 2013, was equal to the Town's required contributions.

Three-Year Trend Information			
<u>Annual Pension</u>	<u>Annual</u>	<u>Percentage of</u>	<u></u>
<u>Fiscal Year Ending</u>	<u>Pension</u>	<u>APC Contributed</u>	<u>Obligation</u>
	<u>Cost (APC)</u>		
06/30/13	\$ -	100.00%	\$ -
06/30/12	-	100.00%	-
06/30/11	-	100.00%	-

The required contribution was determined as part of the most recent biennial actuarial valuation date of July 1, 2011 using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.50 percent annual increase in the Social Security wage base, (d) projected cost of living increases of 3.00 percent annually, and (e) projected post retirement increases of 2.50 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The Town's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was 1 year.

As of July 1, 2011, the actuarial accrued liability for benefits was approximately \$4,415,000, and the actuarial value of assets was approximately \$4,415,000, resulting in an unfunded actuarial accrued liability ("UAAL") of zero. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$520,000, and the ratio of the UAAL to the covered payroll was 0 percent.

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

(C) – Defined Benefit Plan – Town Administered

1. Plan Description

During fiscal 2007, the Town passed a resolution to establish the Town of Collierville, Tennessee Defined Benefit Pension Plan (the "Plan"), a single-employer defined benefit plan, to be administered by the Town. Then current employees were given the opportunity to make an irrevocable election whether to participate in the new plan. The Plan allows current employees to carry over years of service from date of hire and has a higher payout percentage than the Town's other defined benefit pension plan (administered by TCRS). The Plan

became effective July 1, 2007. As of July 1, 2007, new employees who qualify for retirement will participate in this retirement plan. As June 30, 2013, the Plan's membership consisted of:

Retirees currently receiving benefits	41
Terminated plan members entitled to but not yet receiving benefits	47
Active plan members	<u>449</u>
Total	<u><u>537</u></u>

2. Significant Accounting Policies

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

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

3. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Board of Mayor and Aldermen. The Town has adopted two plan options for the retirement plan for its employees. Plan A is noncontributory; whereas, Plan B requires employee contributions of 5.00 percent of their gross pay. The choice of plan is irrevocable by the participant. The Town is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013, was 12.40 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)	\$ 2,358,195
Interest on net pension obligation	(93,461)
Adjustment to ARC	<u>168,951</u>
Annual pension cost	2,433,685
Contributions remitted	<u>2,824,943</u>
Increase in net pension asset	(391,258)
Net pension asset – beginning of year	<u>(1,246,671)</u>
Net pension asset – end of year	<u><u>\$(1,637,929)</u></u>

Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Asset
06/30/13	\$ 2,433,685	116%	\$ 1,637,929
06/30/12	\$ 2,332,102	123%	\$ 1,246,671
06/30/11	\$ 2,499,875	107%	\$ 712,145

5. Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 80.4 percent funded. The actuarial accrued liability for benefits was \$49,088,874, and the actuarial value of assets was \$39,443,951, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$9,644,923. The covered payroll (annual payroll of active employees covered by the plan) was \$19,771,885, and the ratio of the UAAL to the covered payroll was 48.8 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, 2012 actuarial valuation using the frozen initial liability, also known as frozen entry age, actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year compounded annually, (b) projected salary increases of 4.00 percent annual rate, and (c) projected inflation of 2.50 percent annually applicable to both items (a) and (b). The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The Town’s initial unfunded actuarial accrued liability is being amortized over 25 years (as of July 1, 2013) as a level dollar amount on a closed basis.

Note (12) - DEFERRED COMPENSATION PLAN

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

Note (13) - ACCRUED LIABILITIES

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

Accounts payable and accrued expenses:	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Accounts payable	\$ 1,796,753	\$ 624,851	\$ 2,421,604
Accrued payroll	948,234	59,457	1,007,691
Medical insurance reserves	354,784	-	354,784
Other accrued expenses	<u>800,770</u>	<u>-</u>	<u>800,770</u>
	<u>\$ 3,900,541</u>	<u>\$ 684,308</u>	<u>\$ 4,584,849</u>

Note (14) – NET INVESTMENT IN CAPITAL ASSESTS

Net investment in capital assets is comprised of the following:

Governmental activities:	
Capital assets, net of accumulated depreciation	\$ 184,511,898
Total outstanding balance of capital debt	(28,770,614)
Portion of debt related to unspent bond proceeds	<u>2,366,798</u>
Total governmental activities	<u>\$ 158,108,082</u>
Business-type activities:	
Capital assets, net of accumulated depreciation	\$ 93,854,716
Total outstanding balance of capital debt	<u>(29,515,686)</u>
Total business-type activities	<u>\$ 64,339,030</u>

Note (15) - COMMITMENTS AND CONTINGENCIES

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

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

At June 30, 2013, the Town was obligated under uncompleted contracts for approximately \$133,000, \$1,189,000, and \$2,214,000 in the General Fund, Water and Sewer Fund, and Capital Project Funds, respectively. Included in the above uncompleted contracts for the General Fund is approximately \$105,000 related to draining improvements; included in the uncompleted contracts for the Capital Projects Funds is approximately \$863,000 related to contracts for software and data

conversion and approximately \$700,000 related to contracts for road improvements; and included in the uncompleted contracts for the Water and Sewer Fund is approximately \$846,000 for a waterline.

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, 2013, such amount totaled \$398,919.

Note (16) - RISK MANAGEMENT

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

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

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

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

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

	<u>Year Ended June 30, 2013</u>	<u>Year Ended June 30, 2012</u>
Unpaid claims, beginning of fiscal year	\$ 395,107	\$ 326,651
Incurred claims (including IBNRs)	5,514,366	4,742,069
Claim payments	<u>(5,554,689)</u>	<u>(4,673,613)</u>
Unpaid claims, end of fiscal year	<u>\$ 354,784</u>	<u>\$ 395,107</u>

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

Note (17) - POSTEMPLOYMENT BENEFITS

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

1. Plan Description

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

GASB No. 45 requires a biennial valuation at minimum for the Town’s plan. Actuarial liabilities were rolled forward from the June 30, 2012 actuarial valuation. As of June 30, 2012, the OPEB plan’s membership consisted of:

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

2. Significant Accounting Policies

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

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

3. Funding Policy

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

4. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 914,241
Interest on net OPEB obligation	21,602
Adjustment to ARC	<u>(39,034)</u>
Annual OPEB cost	896,809
Contributions remitted	<u>914,241</u>
Decrease in net pension position	(17,432)
Net OPEB obligation – beginning of year	<u>288,024</u>
Net OPEB obligation – end of year	<u>\$ 270,592</u>

Three-Year Trend Information

Annual Pension Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/13	\$ 896,809	102%	\$ 270,592
06/30/12	\$ 1,284,959	105%	\$ 288,024
06/30/11	\$ 1,296,926	103%	\$ 347,198

5. Funded Status and Funding Progress

As of July 1, 2013, the plan was 58.8 percent funded. The actuarial accrued liability for benefits was \$13,117,958, and the actuarial value of assets was \$7,707,845, resulting in an unfunded actuarial accrued liability ("UAAL") of \$5,410,113. The covered payroll (annual payroll of active employees covered by the plan) was \$19,771,885, and the ratio of the UAAL to the covered payroll was 27.4 percent.

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

6. Actuarial Methods and Assumptions

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

The required contribution rate was determined as part of the July 1, 2012 actuarial valuation using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.50 percent a year (inclusive of 2.50 percent inflation) compounded annually and (b) health care cost trend rates including (1) initial rate of 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 position held by the OPEB plan. The Town's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2013, was 25 years.

Note (18) – SUBSEQUENT EVENTS

Collierville Municipal School District

In April 2013, the Tennessee state legislature approved a bill, signed by the Governor, allowing municipalities to create new municipal school districts beginning no earlier than August 1, 2014. In July 2013, Collierville citizens approved a referendum authorizing the creation of a Collierville Municipal School District. A Collierville School Board was elected in November 2013, and sworn into office at the beginning of December 2013. An agreement with Shelby County and the Shelby County Unified School Board for the purchase of the school buildings for twelve annual payments of \$507,819 (total of \$6,093,828) was approved by the Board of Mayor and Aldermen in November 2013, and by the Collierville School Board in December 2013.

In anticipation of the creation of the school system, Collierville voters approved a referendum in August 2012 to increase the local option sales tax by 0.50 percent. The State of Tennessee began collecting the tax in October 2012 and the first payment was distributed to the Town in December 2012. This revenue is intended to cover the Town's "maintenance of effort" which is equal to \$0.15 of the property tax rate.

University of Memphis Satellite Campus Lease

In June 2011, the Town entered into a multi-party agreement between the Town, a private donor, and Shelby County Board of Education. The Shelby County Board of Education received 5 acres from the Town, which had previously been given by the private donor, and 10 acres directly from the private donor. In the agreement the Town received the Collierville Middle School known as the Historic High School. Some buildings on the site will be demolished, but the Historic High School building will be renovated for use by the Town. In July 2013, the Town entered into a 20-year lease agreement with the University of Memphis for building space and an adjacent parking lot for a satellite campus to be constructed on the grounds. The annual lease payment is \$324,000.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2013

(In thousands of dollars)

Tennessee Consolidated Retirement System

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

Town of Collierville, Tennessee Defined Benefit Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2013	\$ 39,444	\$ 49,089	\$ 9,645	80.35%	\$ 19,772	48.78%
7/1/2012	34,460	44,127	9,667	78.09%	18,998	50.88%
7/1/2011	29,798	40,108	10,310	74.29%	18,498	55.74%
7/1/2010	25,439	38,213	12,774	66.57%	18,602	68.67%
7/1/2009	21,784	33,228	11,444	65.56%	19,033	60.13%
7/1/2008	18,735	29,860	11,125	62.74%	17,786	62.55%

Town of Collierville Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2013	\$ 7,708	\$ 13,118	\$ 5,410	58.76%	\$ 19,772	27.36%
7/1/2012	6,491	11,975	5,484	54.20%	18,998	28.87%
7/1/2011	5,184	14,920	9,736	34.75%	18,498	52.63%
7/1/2010	3,331	13,160	9,829	25.31%	18,602	52.84%
7/1/2009	1,878	13,631	11,753	13.78%	19,033	61.75%

TOWN OF COLLIERVILLE, TENNESSEE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Year Ended June 30, 2013

Town of Collierville, Tennessee Defined Benefit Pension Plan

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2013	\$2,358,195	119.79%
6/30/2012	\$2,289,002	125.23%
6/30/2011	\$2,466,713	108.00%
6/30/2010	\$2,421,542	110.82%
6/30/2009	\$2,313,324	112.36%
6/30/2008	\$2,222,368	100.00%

Town of Collierville Postemployment Benefit Plan

Annual Pension Fiscal Year Ending	Annual Required Contribution (ARC)	Contribution as a Percentage of ARC
6/30/2013	\$914,241	100.00%
6/30/2012	\$1,314,652	102.24%
6/30/2011	\$1,320,275	101.16%
6/30/2010	\$1,458,343	93.00%
6/30/2009	\$1,458,343	81.90%
6/30/2008	\$1,091,097	100.00%

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

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

June 30, 2013

	Special Revenue Funds				Capital Project Funds		Total Non-Major Governmental Funds
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug	#333	#334	
ASSETS							
Cash and cash equivalents	\$ 612,231	\$ -	\$ -	\$ 410,087	\$ -	\$ -	\$ 1,022,318
Investments	-	-	-	-	202,492	1,871,379	2,073,871
Accounts receivable, net	8,935	-	-	-	-	-	8,935
Due from other governments	213,164	-	-	-	-	-	213,164
Due from other funds	-	752,866	-	690	-	-	753,556
Inventories	-	12,060	-	-	-	-	12,060
Total assets	<u>\$ 834,330</u>	<u>\$ 764,926</u>	<u>\$ -</u>	<u>\$ 410,777</u>	<u>\$ 202,492</u>	<u>\$ 1,871,379</u>	<u>\$ 4,083,904</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 217,910	\$ 92,134	\$ -	\$ 312	\$ 11,739	\$ -	\$ 322,095
Due to other funds	4,105	-	-	574	-	-	4,679
Total liabilities	<u>222,015</u>	<u>92,134</u>	<u>-</u>	<u>886</u>	<u>11,739</u>	<u>-</u>	<u>326,774</u>
DEFERRED INFLOWS OF RESOURCES							
Seizures escrow	-	-	-	15,315	-	-	15,315
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,315</u>	<u>-</u>	<u>-</u>	<u>15,315</u>
FUND BALANCES							
Nonspendable	-	12,060	-	-	-	-	12,060
Restricted	612,315	-	-	394,576	190,753	1,871,379	3,069,023
Committed	-	660,732	-	-	-	-	660,732
Total fund balances	<u>612,315</u>	<u>672,792</u>	<u>-</u>	<u>394,576</u>	<u>190,753</u>	<u>1,871,379</u>	<u>3,741,815</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 834,330</u>	<u>\$ 764,926</u>	<u>\$ -</u>	<u>\$ 410,777</u>	<u>\$ 202,492</u>	<u>\$ 1,871,379</u>	<u>\$ 4,083,904</u>

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

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

For the Year Ended June 30, 2013

	Special Revenue Funds				Capital Project Funds		Non-Major Governmental Funds
	State Street Aid	Solid Waste and Sanitation	Historic Preservation	Special Drug	#333	#334	
Revenues							
Other local taxes	\$ -	\$ -	\$ 40,443	\$ -	\$ -	\$ -	\$ 40,443
State revenues	1,172,378	-	-	-	-	-	1,172,378
Public auction sales	-	14,778	-	1,874	-	-	16,652
Charges for services	-	3,407,085	-	-	-	-	3,407,085
Interest income	506	-	-	82	274	3,425	4,287
Contributions	-	4,253	-	-	-	-	4,253
Seizures and fines	-	-	-	141,165	-	-	141,165
Total revenues	<u>1,172,884</u>	<u>3,426,116</u>	<u>40,443</u>	<u>143,121</u>	<u>274</u>	<u>3,425</u>	<u>4,786,263</u>
Expenditures							
Current:							
Roads and public works	1,298,694	-	-	-	-	-	1,298,694
Sanitation	-	3,024,158	-	-	-	-	3,024,158
Drug fund	-	-	-	17,798	-	-	17,798
Capital projects	-	405,838	-	5,211	151,519	26,375	588,943
Debt service:							
Principal retirement	-	61,309	77,877	-	-	-	139,186
Interest and fiscal charges	-	7,571	7,307	-	-	-	14,878
Total expenditures	<u>1,298,694</u>	<u>3,498,876</u>	<u>85,184</u>	<u>23,009</u>	<u>151,519</u>	<u>26,375</u>	<u>5,083,657</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(125,810)</u>	<u>(72,760)</u>	<u>(44,741)</u>	<u>120,112</u>	<u>(151,245)</u>	<u>(22,950)</u>	<u>(297,394)</u>
Other financing sources (uses)							
Transfers in	-	-	44,741	8,080	151,519	186,569	390,909
Transfers out	-	-	-	-	(34,501)	(1,178,957)	(1,213,458)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>44,741</u>	<u>8,080</u>	<u>117,018</u>	<u>(992,388)</u>	<u>(822,549)</u>
Net change in fund balances	(125,810)	(72,760)	-	128,192	(34,227)	(1,015,338)	(1,119,943)
Fund balances - beginning	<u>738,125</u>	<u>745,552</u>	<u>-</u>	<u>266,384</u>	<u>224,980</u>	<u>2,886,717</u>	<u>4,861,758</u>
Fund balances - ending	<u>\$ 612,315</u>	<u>\$ 672,792</u>	<u>\$ -</u>	<u>\$ 394,576</u>	<u>\$ 190,753</u>	<u>\$ 1,871,379</u>	<u>\$ 3,741,815</u>

The accompanying notes are an integral part of the financial statements

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, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
State 3 Cent, 1989, and Street Gas Tax	\$ 1,190,000	\$ 1,190,000	\$ 1,172,378	\$ (17,622)
Interest income	300	300	506	206
Total revenues	<u>1,190,300</u>	<u>1,190,300</u>	<u>1,172,884</u>	<u>(17,416)</u>
Expenditures				
Postage	30	-	-	-
Contractual services	400	188	188	-
Traffic signal repair	46,000	76,868	76,868	-
Paving	1,000,000	1,000,000	1,000,000	-
Street repair	211,000	221,638	221,638	-
Total expenditures	<u>1,257,430</u>	<u>1,298,694</u>	<u>1,298,694</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>\$ (67,130)</u>	<u>\$ (108,394)</u>	(125,810)	<u>\$ (17,416)</u>
Fund balance - beginning			<u>738,125</u>	
Fund balance - ending			<u>\$ 612,315</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, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 3,345,482	\$ 3,345,482	\$ 3,407,085	\$ 61,603
Contributions	-	-	4,253	4,253
Public auction sales	-	-	14,778	14,778
Total revenue	<u>3,345,482</u>	<u>3,345,482</u>	<u>3,426,116</u>	<u>80,634</u>
Expenditures				
Personnel	1,585,373	1,585,373	1,529,637	55,736
Contractual	1,107,447	1,117,070	1,001,392	115,678
Supplies	508,853	495,395	459,975	35,420
Building materials	12,700	15,383	15,383	-
Fixed charges	1,500	2,652	2,652	-
Grants, contributions, and indemnities	16,500	16,500	15,119	1,381
	<u>3,232,373</u>	<u>3,232,373</u>	<u>3,024,158</u>	<u>208,215</u>
Capital outlay	<u>461,000</u>	<u>461,000</u>	<u>405,838</u>	<u>55,162</u>
Debt service				
Bond principal	61,309	61,309	61,309	-
Bond interest	7,571	7,571	7,571	-
Total debt service	<u>68,880</u>	<u>68,880</u>	<u>68,880</u>	<u>-</u>
Total expenditures	<u>3,762,253</u>	<u>3,762,253</u>	<u>3,498,876</u>	<u>263,377</u>
Deficiency of revenues under expenditures	<u>(416,771)</u>	<u>(416,771)</u>	<u>(72,760)</u>	<u>344,011</u>
Net change in fund balance	<u>\$ (416,771)</u>	<u>\$ (416,771)</u>	<u>(72,760)</u>	<u>\$ 344,011</u>
Fund balance - beginning			<u>745,552</u>	
Fund balance - ending			<u>\$ 672,792</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, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Historic preservation fee	\$ 5,000	\$ 5,000	\$ 40,443	\$ 35,443
Expenditures				
Debt service				
Bond principal	77,877	77,877	77,877	-
Bond interest	7,307	7,307	7,307	-
Total debt service	85,184	85,184	85,184	-
Total expenditures	85,184	85,184	85,184	-
Deficiency of revenues under expenditures before transfers	(80,184)	(80,184)	(44,741)	35,443
Other financing sources				
Transfers in	-	44,741	44,741	-
Net change in fund balance	<u>\$ (80,184)</u>	<u>\$ (35,443)</u>	-	<u>\$ 35,443</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ -</u>	

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Seizures	\$ 45,000	\$ 45,000	\$ 130,393	\$ 85,393
Fines	5,450	5,450	8,080	2,630
Interest income	-	-	82	82
Public auction	-	-	1,874	1,874
Miscellaneous reimbursement	-	-	2,692	2,692
Total revenues	<u>50,450</u>	<u>50,450</u>	<u>143,121</u>	<u>92,671</u>
Expenditures				
Contractual services	20,600	20,600	8,347	12,253
Supplies and materials	25,500	25,500	9,371	16,129
Bank charges	-	80	80	-
Capital outlay	8,900	8,900	5,211	3,689
Total expenditures	<u>55,000</u>	<u>55,080</u>	<u>23,009</u>	<u>32,071</u>
Excess of revenues over expenditures before transfers	<u>(4,550)</u>	<u>(4,630)</u>	<u>120,112</u>	<u>124,742</u>
Other financing sources				
Transfers in	<u>-</u>	<u>8,080</u>	<u>8,080</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,550)</u>	<u>\$ 3,450</u>	128,192	<u>\$ 124,742</u>
Fund balance - beginning			<u>266,384</u>	
Fund balance - ending			<u>\$ 394,576</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, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 428,067	\$ 428,067	\$ -
Expenditures				
Capital projects	11,463,600	16,797,191	3,395,581	13,401,610
Other	-	-	227,438	(227,438)
Total expenditures	11,463,600	16,797,191	3,623,019	13,174,172
Deficiency of revenues under expenditures before transfers	(11,463,600)	(16,369,124)	(3,194,952)	13,174,172
Other financing sources (uses)				
Transfers in	-	3,074,245	3,074,245	-
Transfers out	-	(186,569)	(186,569)	-
Total other financing sources	-	2,887,676	2,887,676	-
Net change in fund balance	<u>\$ (11,463,600)</u>	<u>\$ (13,481,448)</u>	(307,276)	<u>\$ 13,174,172</u>
Fund balance - beginning			820,486	
Fund balance - ending			<u>\$ 513,210</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, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ 274	\$ 274	\$ -
Expenditures				
Capital projects	-	151,519	151,519	-
Deficiency of revenues under expenditures before transfers	-	(151,245)	(151,245)	-
Other financing sources (uses)				
Transfers in	-	151,519	151,519	-
Transfers out	-	(34,501)	(34,501)	-
Total other financing sources	-	117,018	117,018	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (34,227)</u>	(34,227)	<u>\$ -</u>
Fund balance - beginning			<u>224,980</u>	
Fund balance - ending			<u>\$ 190,753</u>	

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

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest income	\$ -	\$ 3,425	\$ 3,425	\$ -
Expenditures				
Capital outlays	-	26,375	26,375	-
Deficiency of revenues under expenditures before transfers	-	(22,950)	(22,950)	-
Other financing sources (uses)				
Transfers in	-	186,569	186,569	-
Transfers out	-	(1,178,957)	(1,178,957)	-
Total other financing uses	-	(992,388)	(992,388)	-
Net change in fund balance	\$ -	\$ (1,015,338)	(1,015,338)	\$ -
Fund balance - beginning			2,886,717	
Fund balance - ending			\$ 1,871,379	

SUPPORTING SCHEDULES

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

June 30, 2013

	Land	Construction in Progress	Buildings and Improvements	Other Improvements	Library Materials	Equipment	Infrastructure	Total
Mayor and Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,235	\$ -	\$ 159,235
General Government:								
Finance	-	-	-	-	-	495,738	-	495,738
Information technology	-	677	-	-	-	840,298	-	840,975
Executive	1,782,850	-	5,871,910	407,911	-	475,601	-	8,538,272
Town administrator	2,094,155	107,276	3,376,723	-	-	63,130	-	5,641,284
Development administration	-	-	-	-	-	25,713	-	25,713
Development engineering	735,684	-	-	-	-	255,728	5,683	997,095
Development planning	-	-	-	-	-	158,076	-	158,076
General government	1,755,439	-	213,877	34,396	-	3,694	-	2,007,406
Library	305,068	-	4,116,562	128,452	2,573,667	678,170	-	7,801,919
Human resources	-	-	-	-	-	12,273	-	12,273
General services	-	-	20,415	-	-	425,539	-	445,954
	<u>6,673,196</u>	<u>107,953</u>	<u>13,599,487</u>	<u>570,759</u>	<u>2,573,667</u>	<u>3,433,960</u>	<u>5,683</u>	<u>26,964,705</u>
Public Safety:								
Animal control	8,099	84,403	383,403	37,013	-	160,037	-	672,955
Police	206,588	555,013	8,357,990	902,998	-	4,776,522	-	14,799,111
Fire	591,284	-	4,466,613	142,030	-	5,442,837	-	10,642,764
Code enforcement	-	-	-	-	-	220,177	-	220,177
City court	-	944	203,291	-	-	155,660	-	359,895
	<u>805,971</u>	<u>640,360</u>	<u>13,411,297</u>	<u>1,082,041</u>	<u>-</u>	<u>10,755,233</u>	<u>-</u>	<u>26,694,902</u>
Roads and Public Works:								
Public services administration	441,607	-	2,405,064	252,261	-	147,443	-	3,246,375
Fleet services	-	62	-	-	-	455,215	-	455,277
Streets and drainage	3,135,241	2,474,832	-	228,680	-	2,346,487	146,930,907	155,116,147
	<u>3,576,848</u>	<u>2,474,894</u>	<u>2,405,064</u>	<u>480,941</u>	<u>-</u>	<u>2,949,145</u>	<u>146,930,907</u>	<u>158,817,799</u>
Sanitation	<u>53,650</u>	<u>-</u>	<u>552,756</u>	<u>27,087</u>	<u>-</u>	<u>3,228,921</u>	<u>-</u>	<u>3,862,414</u>
Culture and Recreation:								
Parks and recreation	8,144,753	586,763	7,811,893	13,530,865	-	2,154,139	9,695	32,238,108
Development of historic town square	<u>63,600</u>	<u>-</u>	<u>267,537</u>	<u>1,501,161</u>	<u>-</u>	<u>32,672</u>	<u>-</u>	<u>1,864,970</u>
Total capital assets	<u>\$ 19,318,018</u>	<u>\$ 3,809,970</u>	<u>\$ 38,048,034</u>	<u>\$ 17,192,854</u>	<u>\$ 2,573,667</u>	<u>\$ 22,713,305</u>	<u>\$ 146,946,285</u>	<u>\$ 250,602,133</u>

The accompanying notes are an integral part of the financial statements

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

For the Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Mayor and Board					
Subtotal	160,377	1,006	(714)	(1,434)	159,235
General Government:					
Finance	501,121	-	(5,383)	-	495,738
Information Technology	754,666	124,576	(57,476)	19,209	840,975
Executive	8,538,784	-	-	(512)	8,538,272
Town administrator	924,567	4,717,734	(660)	(357)	5,641,284
Development administration	24,362	-	(1,070)	2,421	25,713
Development engineering	881,543	119,802	(4,250)	-	997,095
Development planning	156,683	-	-	1,393	158,076
General government	2,008,065	-	(659)	-	2,007,406
Library	7,950,136	215,813	(365,464)	1,434	7,801,919
Human resources	12,920	-	(647)	-	12,273
General services	905,355	17,601	(1,939)	(475,063)	445,954
	<u>22,658,202</u>	<u>5,195,526</u>	<u>(437,548)</u>	<u>(451,475)</u>	<u>26,964,705</u>
Public Safety:					
Animal control	602,054	64,379	(14,634)	21,156	672,955
Police	14,633,229	468,836	(301,348)	(1,606)	14,799,111
Fire	10,412,752	311,845	(41,468)	(40,365)	10,642,764
Code enforcement	236,962	-	(1,321)	(15,464)	220,177
City court	351,784	10,798	(2,687)	-	359,895
	<u>26,236,781</u>	<u>855,858</u>	<u>(361,458)</u>	<u>(36,279)</u>	<u>26,694,902</u>
Roads and Public Works:					
Public services administration	3,268,986	-	(22,611)	-	3,246,375
Fleet services	475,569	5,784	(26,076)	-	455,277
Streets and drainage	152,271,486	3,111,353	(266,692)	-	155,116,147
	<u>156,016,041</u>	<u>3,117,137</u>	<u>(315,379)</u>	<u>-</u>	<u>158,817,799</u>
Sanitation	3,500,665	405,838	(44,089)	-	3,862,414
Culture and Recreation:					
Parks and recreation	29,132,515	2,101,416	(114,110)	1,118,287	32,238,108
Development of historic town square	2,496,610	-	(2,541)	(629,099)	1,864,970
Total capital assets	<u>\$ 240,201,191</u>	<u>\$ 11,676,781</u>	<u>\$ (1,275,839)</u>	<u>\$ -</u>	<u>\$ 250,602,133</u>

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

For the Year Ended June 30, 2013

Property tax rates for the ten most recent years follow:

<u>YEAR OF LEVY</u>	<u>TAX RATE</u>	<u>TOTAL ASSESSED VALUES</u>
2013	\$1.53	\$ 1,446,885,170
2012	1.43	1,500,598,775
2011	1.43	1,455,713,724
2010	1.18	1,464,640,545
2009	1.18	1,475,696,365
2008	1.28	1,320,421,340
2007	1.28	1,270,975,865
2006	1.28	1,229,378,925
2005	1.28	1,124,545,815
2004	1.45	904,912,430

Following is a schedule of changes in property taxes receivable:

<u>YEAR OF LEVY</u>	<u>BALANCE June 30, 2012</u>	<u>TAX LEVY</u>	<u>ADJUSTMENTS/ ABATEMENTS</u>	<u>COLLECTIONS</u>	<u>BALANCE June 30, 2013</u>
2013		\$ 22,137,343			\$ 22,137,343
2012	\$ 21,458,562		\$ (181,000)	\$ 20,820,857	456,705
2011	456,406		9,183	287,137	178,452
2010	207,841		(11,575)	107,983	88,283
2009	114,153		(18,919)	47,450	47,784
2008	41,955		(5,806)	7,948	28,201
2007	25,665		(1,648)	8,904	15,113
2006	14,326		(300)	4,061	9,965
2005	15,142		(338)	4,868	9,936
2004 & PRIOR	53,814		(9,615)	7,174	37,025
	<u>22,387,864</u>	<u>22,137,343</u>	<u>(220,018)</u>	<u>21,296,382</u>	<u>23,008,807</u>
Allowance for uncollectible property taxes	<u>(278,484)</u>				<u>(226,762)</u>
Net receivables	<u>\$ 22,109,380</u>				<u>\$ 22,782,045</u>

Uncollected taxes for years prior to 2001 have been charged off for financial reporting purposes. Such amounts are not significant. Uncollected taxes for tax years prior to 2012 have been turned over to Chancery Court for collection. Property taxes in 2013 are included in deferred inflow of resources in accordance with GASB No.'s 33 and 36, as amended by GASB No. 63.

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

June 30, 2013

	Water & Sewer Revenue & Tax Refunding Bonds		Water & Sewer Revenue & Tax Bonds		General Improvement Refunding Bonds		Water & Sewer Revenue & Tax Refunding Bonds		Total		
Date Issued	11/01/05		06/01/06		9/1/10		11/1/12				
Interest Rate %	3.50% - 4.125%		4.00% - 4.375%		2.00% - 3.00%		1.50% - 4.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2014	\$ 275,000	\$ 77,194	\$ 1,110,000	\$ 407,394	\$ 4,275	\$ 262	\$ 645,000	\$ 473,550	\$ 2,034,275	\$ 958,400	\$ 2,992,675
2015	270,000	66,638	1,160,000	362,994	2,726	176	660,000	460,500	2,092,726	890,308	2,983,034
2016	265,000	55,937	1,205,000	316,594	2,785	122	675,000	448,838	2,147,785	821,491	2,969,276
2017	290,000	44,838	1,260,000	268,394	1,902	38	690,000	438,600	2,241,902	751,870	2,993,772
2018	285,000	33,338	1,310,000	217,994	-	-	695,000	428,213	2,290,000	679,545	2,969,545
2019	330,000	21,038	-	165,594	-	-	2,115,000	391,275	2,445,000	577,907	3,022,907
2020	350,000	7,219	-	165,594	-	-	2,205,000	315,450	2,555,000	488,263	3,043,263
2021	-	-	-	165,594	-	-	2,310,000	225,150	2,310,000	390,744	2,700,744
2022	-	-	-	165,594	-	-	2,480,000	129,350	2,480,000	294,944	2,774,944
2023	-	-	-	165,594	-	-	1,565,000	64,100	1,565,000	229,694	1,794,694
2024	-	-	-	165,594	-	-	1,615,000	24,225	1,615,000	189,819	1,804,819
2025	-	-	1,845,000	165,594	-	-	-	-	1,845,000	165,594	2,010,594
2026	-	-	1,940,000	84,875	-	-	-	-	1,940,000	84,875	2,024,875
	<u>\$ 2,065,000</u>	<u>\$ 306,202</u>	<u>\$ 9,830,000</u>	<u>\$ 2,817,403</u>	<u>\$ 11,688</u>	<u>\$ 598</u>	<u>\$ 15,655,000</u>	<u>\$ 3,399,251</u>	<u>\$ 27,561,688</u>	<u>\$ 6,523,454</u>	<u>\$ 34,085,142</u>

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

June 30, 2013

	General Improvement Bonds		General Improvement Refunding Bonds		Note Payable		General Improvement Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		General Improvement Refunding Bonds		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
Date Issued	11/1/05		11/1/05		8/11/04		11/25/08		9/1/10		10/25/11		11/1/12				
Interest Rate %	3.50% - 4.375%		3.50% - 4.125%		2.80%		3.50% - 5.00%		2.00% - 3.00%		2.00% - 2.50%		1.50% - 2.00%				
Maturities	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
2014	\$ 345,000	\$ 35,869	\$ 290,000	\$ 96,919	\$ 274,000	\$ 23,688	\$ 490,000	\$ 498,450	\$ 1,085,725	\$ 66,438	\$ 465,000	\$ 97,438	\$ -	\$ 96,800	\$ 2,949,725	\$ 915,602	\$ 3,865,327
2015	360,000	22,200	310,000	85,281	282,000	16,016	510,000	480,950	692,274	44,724	485,000	88,138	-	96,800	2,639,274	834,109	3,473,383
2016	375,000	7,500	335,000	72,381	290,000	8,120	530,000	462,750	707,215	30,878	500,000	78,438	-	96,800	2,737,215	756,867	3,494,082
2017	-	-	535,000	54,981	-	-	550,000	442,475	483,098	9,662	440,000	68,438	475,000	92,050	2,483,098	667,606	3,150,704
2018	-	-	345,000	37,381	-	-	575,000	419,975	-	-	510,000	59,638	485,000	82,450	1,915,000	599,444	2,514,444
2019	-	-	365,000	23,181	-	-	600,000	393,475	-	-	520,000	49,438	490,000	73,925	1,975,000	540,019	2,515,019
2020	-	-	385,000	7,941	-	-	625,000	365,194	-	-	535,000	39,038	500,000	66,500	2,045,000	478,673	2,523,673
2021	-	-	-	-	-	-	660,000	337,063	-	-	520,000	27,000	510,000	58,925	1,690,000	422,988	2,112,988
2022	-	-	-	-	-	-	690,000	306,256	-	-	560,000	14,000	520,000	49,900	1,770,000	370,156	2,140,156
2023	-	-	-	-	-	-	725,000	273,534	-	-	-	-	535,000	39,350	1,260,000	312,884	1,572,884
2024	-	-	-	-	-	-	765,000	238,600	-	-	-	-	555,000	28,450	1,320,000	267,050	1,587,050
2025	-	-	-	-	-	-	805,000	201,313	-	-	-	-	565,000	17,250	1,370,000	218,563	1,588,563
2026	-	-	-	-	-	-	845,000	161,597	-	-	-	-	580,000	5,800	1,425,000	167,397	1,592,397
2027	-	-	-	-	-	-	890,000	118,750	-	-	-	-	-	-	890,000	118,750	1,008,750
2028	-	-	-	-	-	-	940,000	73,000	-	-	-	-	-	-	940,000	73,000	1,013,000
2029	-	-	-	-	-	-	990,000	24,750	-	-	-	-	-	-	990,000	24,750	1,014,750
	<u>\$ 1,080,000</u>	<u>\$ 65,569</u>	<u>\$ 2,565,000</u>	<u>\$ 378,065</u>	<u>\$ 846,000</u>	<u>\$ 47,824</u>	<u>\$ 11,190,000</u>	<u>\$ 4,798,132</u>	<u>\$ 2,968,312</u>	<u>\$ 151,702</u>	<u>\$ 4,535,000</u>	<u>\$ 521,566</u>	<u>\$ 5,215,000</u>	<u>\$ 805,000</u>	<u>\$ 28,399,312</u>	<u>\$ 6,767,858</u>	<u>\$ 35,167,170</u>

TOWN OF COLLIERVILLE, TENNESSEE
SCHEDULE OF INVESTMENTS

June 30, 2013

Governmental Funds

General Fund		
Local government investment pool		\$ 26,432,705
Capital Projects Fund		
Local government investment pool		<u>2,073,871</u>
		<u>\$ 28,506,576</u>

Proprietary Fund

Water and Sewer Fund		
Local government investment pool		<u>\$ 25,057,925</u>

Fiduciary Funds

Retirement Pension Fund		
Trustee bank (member of State of Tennessee collateral pool)		
Money market funds		\$ 2,108,996
U.S. government agency bonds		647,763
Corporate and foreign bonds		2,607,112
Municipal obligations		544,641
Common stocks		4,109,941
Equity mutual funds		20,665,471
Fixed income mutual funds		<u>8,250,454</u>
		<u>\$ 38,934,378</u>

Retirement Medical Insurance Fund		
Trustee bank (member of State of Tennessee collateral pool)		
Money market funds		\$ 604,230
Common stocks		777,554
Equity mutual funds		4,113,163
Fixed income mutual funds		<u>2,210,454</u>
		<u>\$ 7,705,401</u>

STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends (Schedules 1, 2, 3, 4, 5) These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	95
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.	102
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.	108
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.	112
Operating Information (Schedules 18, 19, 20, 21, 22, 23, 24) These schedules contain information about the Town's operations and resources to help the reader understand how the town's financial information relates to the services the town provides and the activities it performs.	114

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

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities										
Net investment in capital assets	\$ 86,472,131	\$ 103,333,213	\$ 110,245,903	\$ 108,468,398	\$ 124,286,702	\$ 130,489,559	\$ 136,692,649	\$ 140,702,628	\$ 151,470,712	\$ 158,108,082
Restricted ^a	258,081	266,116	336,941	1,043,670	1,843,247	1,597,295	1,674,640	7,616,519	6,021,577	4,954,556
Unrestricted	<u>19,260,000</u>	<u>18,992,131</u>	<u>26,832,831</u>	<u>39,101,813</u>	<u>31,946,261</u>	<u>24,821,960</u>	<u>23,078,426</u>	<u>18,304,577</u>	<u>19,902,580</u>	<u>29,618,473</u>
Total government activities net position	<u>\$ 105,990,212</u>	<u>\$ 122,591,460</u>	<u>\$ 137,415,675</u>	<u>\$ 148,613,881</u>	<u>\$ 158,076,210</u>	<u>\$ 156,908,814</u>	<u>\$ 161,445,715</u>	<u>\$ 166,623,724</u>	<u>\$ 177,394,869</u>	<u>\$ 192,681,111</u>
Business-type activities										
Net investment in capital assets	\$ 50,239,747	\$ 53,407,507	\$ 29,714,522	\$ 57,961,221	\$ 64,224,620	\$ 64,077,656	\$ 65,792,383	\$ 65,716,041	\$ 66,108,146	\$ 64,339,030
Restricted	-	-	-	-	-	2,857,366	2,639,558	2,170,938	2,014,175	2,905,168
Unrestricted	<u>8,166,285</u>	<u>8,419,148</u>	<u>38,322,536</u>	<u>19,963,143</u>	<u>20,067,949</u>	<u>20,598,131</u>	<u>21,086,683</u>	<u>22,759,955</u>	<u>24,072,503</u>	<u>26,698,776</u>
Total business-type activities net position	<u>\$ 58,406,032</u>	<u>\$ 61,826,655</u>	<u>\$ 68,037,058</u>	<u>\$ 77,924,364</u>	<u>\$ 84,292,569</u>	<u>\$ 87,533,153</u>	<u>\$ 89,518,624</u>	<u>\$ 90,646,934</u>	<u>\$ 92,194,824</u>	<u>\$ 93,942,974</u>
Primary government										
Net investment in capital assets	\$ 136,711,878	\$ 156,740,720	\$ 139,960,425	\$ 166,429,619	\$ 188,511,322	\$ 194,567,215	\$ 202,485,032	\$ 206,418,669	\$ 217,578,858	\$ 222,447,112
Restricted	258,081	266,116	336,941	1,043,670	1,843,247	4,454,661	4,314,198	9,787,457	8,035,752	7,859,724
Unrestricted	<u>27,426,285</u>	<u>27,411,279</u>	<u>65,155,367</u>	<u>59,064,956</u>	<u>52,014,210</u>	<u>45,420,091</u>	<u>44,165,109</u>	<u>41,064,532</u>	<u>43,975,083</u>	<u>56,317,249</u>
Total primary government net position	<u>\$ 164,396,244</u>	<u>\$ 184,418,115</u>	<u>\$ 205,452,733</u>	<u>\$ 226,538,245</u>	<u>\$ 242,368,779</u>	<u>\$ 244,441,967</u>	<u>\$ 250,964,339</u>	<u>\$ 257,270,658</u>	<u>\$ 269,589,693</u>	<u>\$ 286,624,085</u>

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

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses										
Governmental activities:										
Legislative	\$ 137,981	\$ 149,683	\$ 133,928	\$ 181,343	\$ 179,470	\$ 192,200	\$ 138,580	\$ 149,268	\$ 261,181	\$ 196,902
General government	4,138,841	3,718,953	5,804,643	6,063,357	6,841,654	7,232,361	6,946,178	6,480,409	6,638,179	8,252,288
Roads and public works	5,595,378	6,334,686	6,689,264	6,818,489	7,374,540	7,405,925	7,422,320	7,762,474	9,218,450	8,890,342
Public Safety	14,833,508	14,557,364	15,158,699	16,512,210	17,742,544	19,294,804	19,396,949	19,431,374	20,423,963	20,485,058
Sanitation	2,619,916	2,067,263	2,305,789	2,689,552	2,773,509	2,889,911	2,644,151	2,968,315	3,014,845	3,156,642
Drug fund	13,992	24,003	42,871	44,155	26,845	22,285	20,721	41,757	27,673	17,798
Special census	-	52,743	-	-	-	-	-	-	-	-
Culture and recreation	3,295,093	3,046,145	3,251,372	3,235,008	2,794,702	4,244,899	4,119,768	4,437,125	3,892,595	4,626,281
Interest on long-term debt	1,147,590	1,120,295	1,187,731	1,281,362	1,288,383	1,506,072	1,625,212	1,315,638	1,377,744	1,206,699
Total government activities expenses	<u>31,782,299</u>	<u>31,071,135</u>	<u>34,574,297</u>	<u>36,825,476</u>	<u>39,021,647</u>	<u>42,788,457</u>	<u>42,313,879</u>	<u>42,586,360</u>	<u>44,854,630</u>	<u>46,832,010</u>
Business-type activities:										
Water and sewer	6,937,545	7,079,594	7,241,129	7,700,172	8,922,991	10,252,913	10,149,940	12,254,310	10,679,638	10,905,161
Total business-type activities expenses	<u>6,937,545</u>	<u>7,079,594</u>	<u>7,241,129</u>	<u>7,700,172</u>	<u>8,922,991</u>	<u>10,252,913</u>	<u>10,149,940</u>	<u>12,254,310</u>	<u>10,679,638</u>	<u>10,905,161</u>
Total primary government expenses	<u>\$ 38,719,844</u>	<u>\$ 38,150,729</u>	<u>\$ 41,815,426</u>	<u>\$ 44,525,648</u>	<u>\$ 47,944,638</u>	<u>\$ 53,041,370</u>	<u>\$ 52,463,819</u>	<u>\$ 54,840,670</u>	<u>\$ 55,534,268</u>	<u>\$ 57,737,171</u>
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General government	\$ 132,562	\$ 537,123	\$ 558,254	\$ 524,079	\$ 480,888	\$ 293,344	\$ 272,553	\$ 200,520	\$ 243,942	\$ 307,958
Roads and public works	975,160	475,242	561,963	566,298	1,264,991	627,109	491,002	1,101,149	503,235	653,073
Public safety	2,520,053	3,225,957	2,607,977	2,341,159	2,126,291	1,836,723	1,838,830	1,728,898	1,964,117	2,666,688
Sanitation	2,234,605	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834	3,173,045	3,254,316	3,261,895	3,407,085
Culture and recreation	132,567	193,725	325,638	293,648	324,183	507,646	515,021	545,418	533,441	473,788
Operating grants and contributions	1,121,164	1,154,538	985,678	1,394,711	1,375,961	1,415,062	1,538,690	2,068,717	2,112,056	2,106,515
Capital grants and contributions	5,049,336	5,944,524	9,526,266	6,196,487	5,351,308	829,254	5,157,989	4,416,497	7,461,900	7,874,778
Total governmental activities program revenues	<u>12,165,447</u>	<u>13,879,739</u>	<u>16,987,738</u>	<u>13,802,375</u>	<u>13,457,933</u>	<u>8,048,972</u>	<u>12,987,130</u>	<u>13,315,515</u>	<u>16,080,586</u>	<u>17,489,885</u>
Business-type activities:										
Charges for services	6,491,716	7,581,608	11,344,352	13,473,709	12,748,464	11,776,773	11,263,853	11,840,445	12,405,557	12,980,102
Operating grants and contributions	19,914	-	-	-	-	-	18,767	-	-	-
Capital grants and contributions	1,638,943	3,102,627	1,897,795	2,312,450	1,555,946	1,796,272	1,026,656	1,669,411	274,665	3,500
Total business-type activities program revenues	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>	<u>12,983,602</u>
Total primary government program revenues	<u>\$ 20,316,020</u>	<u>\$ 24,563,974</u>	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 27,762,343</u>	<u>\$ 21,622,017</u>	<u>\$ 25,296,406</u>	<u>\$ 26,825,371</u>	<u>\$ 28,760,808</u>	<u>\$ 30,473,487</u>
Net (Expense)/Revenue										
Governmental activities	\$ (19,616,852)	\$ (17,191,396)	\$ (17,586,559)	\$ (23,023,101)	\$ (25,563,714)	\$ (34,739,485)	\$ (29,326,749)	\$ (29,270,845)	\$ (28,774,044)	\$ (29,342,125)
Business-type activities	1,213,028	3,604,641	6,001,018	8,085,987	5,381,419	3,320,132	2,159,336	1,255,546	2,000,584	2,078,441
Total primary government net expense	<u>\$ (18,403,824)</u>	<u>\$ (13,586,755)</u>	<u>\$ (11,585,541)</u>	<u>\$ (14,937,114)</u>	<u>\$ (20,182,295)</u>	<u>\$ (31,419,353)</u>	<u>\$ (27,167,413)</u>	<u>\$ (28,015,299)</u>	<u>\$ (26,773,460)</u>	<u>\$ (27,263,684)</u>

(Continued)

Schedule 2 – Continued

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 12,787,627	\$ 13,472,499	\$ 14,649,001	\$ 16,047,793	\$ 16,607,351	\$ 17,228,395	\$ 17,623,045	\$ 17,577,135	\$ 20,970,077	\$ 21,971,554
Other local taxes	7,767,306	8,589,361	10,540,041	11,291,175	11,801,336	11,404,587	11,047,089	12,003,559	12,818,038	16,628,924
Intergovernmental revenues:										
State sales tax ^a	3,652,508	4,048,482	5,123,426	3,160,775	3,151,594	3,039,360	2,973,859	3,087,223	3,152,888	3,348,868
State income and other taxes ^a	-	-	-	1,251,777	1,413,975	1,191,749	1,022,266	1,032,463	1,085,542	1,333,631
Other state revenue	-	-	-	-	112,674	115,699	103,113	102,478	99,185	103,508
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	183,111	351,207	821,752	1,305,477	1,190,266	514,218	115,891	53,902	33,280	36,221
Miscellaneous	466,156	396,362	795,462	672,714	181,730	191,278	326,715	34,321	809,480	452,029
Payment to fiduciary trust	-	-	-	-	-	(875,759)	-	-	-	-
Transfers	397,826	527,075	481,092	491,596	567,117	762,562	651,672	557,773	764,569	753,632
Special item - capital asset impairment loss	-	(1,225,005)	-	-	-	-	-	-	-	-
Total governmental activities	<u>25,254,534</u>	<u>26,159,981</u>	<u>32,410,774</u>	<u>34,221,307</u>	<u>35,026,043</u>	<u>33,572,089</u>	<u>33,863,650</u>	<u>34,448,854</u>	<u>39,733,059</u>	<u>44,628,367</u>
Business-type activities:										
Investment earnings	217,741	291,957	626,562	2,243,989	1,490,542	596,892	338,739	304,158	273,796	281,831
Miscellaneous	61,342	51,100	63,915	48,926	63,361	86,122	139,068	126,379	129,035	141,510
Transfers	(397,826)	(527,075)	(481,092)	(491,596)	(567,117)	(762,562)	(651,672)	(557,773)	(764,569)	(753,632)
Total business-type activities	<u>(118,743)</u>	<u>(184,018)</u>	<u>209,385</u>	<u>1,801,319</u>	<u>986,786</u>	<u>(79,548)</u>	<u>(173,865)</u>	<u>(127,236)</u>	<u>(361,738)</u>	<u>(330,291)</u>
Total primary government	<u>\$ 25,135,791</u>	<u>\$ 25,975,963</u>	<u>\$ 32,620,159</u>	<u>\$ 36,022,626</u>	<u>\$ 36,012,829</u>	<u>\$ 33,492,541</u>	<u>\$ 33,689,785</u>	<u>\$ 34,321,618</u>	<u>\$ 39,371,321</u>	<u>\$ 44,298,076</u>
Change in Net Position										
Governmental activities	\$ 5,637,682	\$ 8,968,585	\$ 14,824,215	\$ 11,198,206	\$ 9,462,329	\$ (1,167,396)	\$ 4,536,901	\$ 5,178,009	\$ 10,959,015	\$ 15,286,242
Business-type activities	1,094,285	3,420,623	6,210,403	9,887,306	6,368,205	3,240,584	1,985,471	1,128,310	1,638,846	1,748,150
Total primary government	<u>\$ 6,731,967</u>	<u>\$ 12,389,208</u>	<u>\$ 21,034,618</u>	<u>\$ 21,085,512</u>	<u>\$ 15,830,534</u>	<u>\$ 2,073,188</u>	<u>\$ 6,522,372</u>	<u>\$ 6,306,319</u>	<u>\$ 12,597,861</u>	<u>\$ 17,034,392</u>

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

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities:										
General government	\$ 773,939	\$ 1,100,471	\$ 855,005	\$ 594,982	\$ 510,481	\$ 340,362	\$ 306,034	\$ 281,393	\$ 775,027	\$ 5,089,866
Roads and public works	4,582,249	6,039,605	9,418,311	6,693,309	6,356,978	1,456,363	6,249,872	7,072,133	8,128,677	3,472,012
Public safety	3,257,515	4,070,699	3,234,808	2,943,481	2,519,290	1,927,702	2,116,691	2,004,015	3,353,826	5,017,081
Sanitation	2,564,454	2,348,630	2,421,962	2,485,993	2,534,311	2,539,834	3,215,108	3,259,069	3,266,172	3,411,338
Culture and recreation ^a	<u>987,290</u>	<u>320,334</u>	<u>1,057,652</u>	<u>1,084,610</u>	<u>355,437</u>	<u>616,262</u>	<u>1,099,425</u>	<u>698,905</u>	<u>556,884</u>	<u>499,588</u>
Subtotal governmental activities	<u>12,165,447</u>	<u>13,879,739</u>	<u>16,987,738</u>	<u>13,802,375</u>	<u>12,276,497</u>	<u>6,880,523</u>	<u>12,987,130</u>	<u>13,315,515</u>	<u>16,080,586</u>	<u>17,489,885</u>
Business-type activities:										
Water and Sewer ^b	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>	<u>12,983,602</u>
Subtotal business-type activities	<u>8,150,573</u>	<u>10,684,235</u>	<u>13,242,147</u>	<u>15,786,159</u>	<u>14,304,410</u>	<u>13,573,045</u>	<u>12,309,276</u>	<u>13,509,856</u>	<u>12,680,222</u>	<u>12,983,602</u>
Total primary government	<u>\$ 20,316,020</u>	<u>\$ 24,563,974</u>	<u>\$ 30,229,885</u>	<u>\$ 29,588,534</u>	<u>\$ 26,580,907</u>	<u>\$ 20,453,568</u>	<u>\$ 25,296,406</u>	<u>\$ 26,825,371</u>	<u>\$ 28,760,808</u>	<u>\$ 30,473,487</u>

^aThe increase in revenue in years 2004, 2006, 2007, and 2010 resulted from grants and contributions.

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

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011^a</u>	<u>2012</u>	<u>2013</u>
General Fund										
Reserved	\$ 131,062	\$ 142,925	\$ 159,784	\$ 228,758	\$ 476,853	\$ 475,191	\$ 572,982	\$ -	\$ -	\$ -
Unreserved	15,123,581	16,958,851	18,563,072	23,547,928	25,662,542	22,753,263	21,547,026	-	-	-
Nonspendable	-	-	-	-	-	-	-	154,091	153,045	161,315
Restricted	-	-	-	-	-	-	-	1,369,227	1,677,931	1,885,530
Committed	-	-	-	-	-	-	-	1,188,831	1,004,206	1,566,727
Assigned	-	-	-	-	-	-	-	6,877,687	6,019,516	10,295,248
Unassigned	-	-	-	-	-	-	-	12,791,481	15,181,846	17,052,954
Total general fund	<u>\$ 15,254,643</u>	<u>\$ 17,101,776</u>	<u>\$ 18,722,856</u>	<u>\$ 23,776,686</u>	<u>\$ 26,139,395</u>	<u>\$ 23,228,454</u>	<u>\$ 22,120,008</u>	<u>\$ 22,381,317</u>	<u>\$ 24,036,544</u>	<u>\$ 30,961,774</u>
All Other Governmental Funds										
Reserved	\$ 127,019	\$ 123,191	\$ 177,157	\$ 814,912	\$ 1,366,394	\$ 1,122,104	\$ 1,101,658	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	519,839	1,057,511	664,708	655,355	325,828	226,536	247,508	-	-	-
Capital projects funds	3,913,980	1,424,453	7,836,383	7,418,832	9,635,292	17,651,735	11,217,468	-	-	-
Nonspendable	-	-	-	-	-	-	-	15,331	17,983	12,060
Restricted	-	-	-	-	-	-	-	6,077,870	4,343,644	3,069,023
Committed	-	-	-	-	-	-	-	489,119	727,569	660,732
Assigned	-	-	-	-	-	-	-	726,774	593,048	513,210
Total all other governmental funds	<u>\$ 4,560,838</u>	<u>\$ 2,605,155</u>	<u>\$ 8,678,248</u>	<u>\$ 8,889,099</u>	<u>\$ 11,327,514</u>	<u>\$ 19,000,375</u>	<u>\$ 12,566,634</u>	<u>\$ 7,309,094</u>	<u>\$ 5,682,244</u>	<u>\$ 4,255,025</u>

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

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues										
Property taxes	\$ 12,843,599	\$ 13,574,550	\$ 14,517,719	\$ 16,122,511	\$ 16,652,124	\$ 17,138,004	\$ 17,387,901	\$ 17,552,246	\$ 21,343,304	\$ 21,613,088
Other local taxes	8,628,964	8,778,793	10,852,627	11,564,823	11,693,472	11,526,504	11,161,690	11,992,194	12,798,591	16,511,457
Federal revenues	978,689	454,301	676,509	467,144	303,726	129,082	377,170	1,157,242	959,130	507,931
State revenues	3,806,065	4,262,868	5,183,578	5,960,493	5,888,072	5,526,257	5,366,745	6,083,218	5,483,684	5,959,985
Licenses and permits	2,658,103	2,719,515	2,233,259	2,166,469	1,719,735	783,060	616,926	488,437	673,993	1,343,894
Charges for services	2,842,852	3,186,631	3,364,545	3,256,828	4,032,191	3,922,743	4,528,357	5,252,524	4,603,929	4,699,402
Court fees	975,698	949,370	821,763	838,253	724,866	812,974	863,247	795,641	934,985	1,117,353
Fines and forfeitures	335,632	357,625	312,009	320,054	253,872	285,880	281,921	293,699	293,723	489,108
Interest income	182,856	350,939	821,521	1,305,470	1,173,193	514,218	115,891	53,902	33,280	36,221
Contributions	63,104	540,187	309,169	152,034	164,195	289,028	167,668	212,163	1,207,091	1,588,212
Other revenues	625,813	546,424	757,345	731,006	244,577	247,188	367,057	269,505	353,303	171,627
Total revenues	33,941,375	35,721,203	39,850,044	42,885,085	42,850,023	41,174,938	41,234,573	44,150,771	48,685,013	54,038,278
Expenditures										
Legislative	137,021	148,343	133,757	183,567	195,028	196,908	135,668	143,270	252,047	188,876
General government	3,248,456	4,287,711	4,891,873	5,215,476	5,679,846	5,995,253	5,832,232	5,622,841	5,749,669	7,181,603
Roads and public works	3,946,003	3,915,137	4,548,047	4,714,915	4,822,997	5,883,040	5,088,190	5,703,949	6,496,218	6,416,673
Public safety	14,083,395	13,888,924	15,116,998	16,595,601	17,839,584	18,848,929	18,694,163	18,373,562	19,298,206	19,415,850
Sanitation	2,385,250	2,056,677	2,223,822	2,440,786	2,717,880	2,711,465	2,644,151	2,794,347	2,850,986	3,024,158
Special census	-	52,743	-	-	-	-	-	-	-	-
Culture and recreation	3,094,794	2,609,118	2,819,924	2,996,782	3,335,335	3,773,434	3,831,920	3,789,515	3,810,511	3,953,531
Drug fund	13,992	24,003	42,871	44,155	26,845	22,285	20,721	41,757	27,673	17,798
Other	397,692	454,827	439,684	472,953	472,266	392,042	184,994	153,125	138,153	353,738
Capital projects ^a	6,436,286	7,737,309	6,365,178	3,632,884	2,759,704	5,983,483	8,676,565	8,942,435	6,675,607	4,885,287
Debt service										
Principal	1,773,933	1,981,989	3,777,120	2,388,743	2,489,832	5,246,854	2,778,279	2,747,910	2,864,489	2,857,900
Interest and fiscal charges	1,162,652	1,134,522	1,150,343	1,281,766	1,271,390	1,414,034	1,541,549	1,401,615	1,320,351	1,036,390
Bond Issue costs	-	-	98,781	-	(14,691)	30,538	-	91,333	103,153	56,018
Total expenditures	36,679,474	38,291,303	41,608,398	39,967,628	41,596,016	50,498,265	49,428,432	49,805,659	49,587,063	49,387,822

(Continued)

Schedule 5 - Continued

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Excess (deficiency) of revenues over (under) expenditures	(2,738,099)	(2,570,100)	(1,758,354)	2,917,457	1,254,007	(9,323,327)	(8,193,859)	(5,654,888)	(902,050)	4,650,456
Other Financing Sources (Uses)										
Bonds issued	-	1,934,475	8,890,000	1,600,000	2,980,000	13,289,500	-	-	-	-
Refunding bonds issued	-	-	5,290,000	-	-	-	-	5,154,702	4,985,000	5,215,000
Refunding bonds premium ^c	-	-	-	-	-	-	-	230,373	80,858	190,265
Bond discounts	-	-	-	-	-	-	-	-	-	-
Refunded bond payments	-	-	(5,264,155)	-	-	-	-	(5,284,191)	(4,900,000)	(5,343,793)
Issuance proceeds	-	-	55,590	255,627	-	33,185	-	-	-	-
Transfers in	4,002,610	6,834,426	7,875,640	3,371,640	3,078,477	5,460,854	6,244,871	7,622,647	6,003,526	4,218,786
Transfers out	(3,605,455)	(6,307,351)	(7,394,548)	(2,880,043)	(2,511,360)	(4,698,292)	(5,593,199)	(7,064,874)	(5,238,957)	(3,465,154)
Total other financing sources (uses)	<u>397,155</u>	<u>2,461,550</u>	<u>9,452,527</u>	<u>2,347,224</u>	<u>3,547,117</u>	<u>14,085,247</u>	<u>651,672</u>	<u>658,657</u>	<u>930,427</u>	<u>815,104</u>
Net change in fund balances	<u>\$ (2,340,944)</u>	<u>\$ (108,550)</u>	<u>\$ 7,694,173</u>	<u>\$ 5,264,681</u>	<u>\$ 4,801,124</u>	<u>\$ 4,761,920</u>	<u>\$ (7,542,187)</u>	<u>\$ (4,996,231)</u>	<u>\$ 28,377</u>	<u>\$ 5,465,560</u>
Debt service as a percentage of noncapital expenditures ^b	9.7%	10.2%	14.0%	10.5%	9.9%	15.3%	10.6%	9.9%	9.5%	8.8%

^aCapital projects amount consists of major capital projects.

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

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

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

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

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

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

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

Fiscal Year	Property	In Lieu of	Local Option Sales	Beer & Liquor	Business & Privilege	Motor Vehicle	Park Land Dedication	Historic Preservation	Substance	Total
2004	\$ 12,843,599	\$ 290,166	\$ 5,255,480	\$ 519,392	\$ 1,289,911	\$ 637,132	\$ 478,732	\$ 158,151	\$ -	\$ 21,472,563
2005	13,574,550	277,507	5,626,968	548,729	1,271,703	669,379	67,549	316,958	-	22,353,343
2006	14,517,719	286,864	7,474,750	594,020	1,376,257	700,121	340,200	74,336	6,079	25,370,346
2007	16,122,511	383,550	8,190,271	645,788	1,302,011	722,460	199,660	108,062	13,021	27,687,334
2008	16,652,124	392,133	8,386,611	658,674	1,394,007	742,574	63,330	53,349	2,794	28,345,596
2009	17,138,004	379,133	8,210,238	694,603	1,442,859	733,046	20,160	34,540	11,925	28,664,508
2010	17,387,901	413,562	8,085,485	717,806	1,330,509	765,022	5,040	66,300	3,454	28,775,079
2011	17,552,246	207,470	8,650,793	743,716	1,431,981	967,211	-	7,724	-	29,561,141
2012	21,343,304	273,984	9,146,314	775,664	1,559,193	1,030,078	-	13,360	-	34,141,897
2013	21,613,088	462,466	12,351,378	861,913	1,691,183	1,104,074	384,470	40,443	-	38,509,015
Change 2004-2013	68.3%	59.4%	135.0%	65.9%	31.1%	73.3%	-19.7%	-74.4%	0.0%	79.3%

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>
2004	\$ 8,093	\$ 635,116	\$ 152,631	\$ 16,274	\$ 6,328	\$ 45,230	\$ 863,672	\$ 1.45	\$ 3,197,079	27.014%
2005	7,100	678,747	151,839	15,712	6,690	44,824	904,912	1.45	3,365,547	26.888
2006	12,867	801,778	225,886	26,784	7,148	50,083	1,124,546	1.28	4,109,255	27.366
2007	12,278	854,761	264,897	30,963	6,649	59,831	1,229,379	1.28	4,457,830	27.578
2008	9,986	900,127	268,386	33,094	6,546	52,837	1,270,976	1.28	4,619,977	27.510
2009	10,235	930,251	281,384	34,324	7,321	56,907	1,320,422	1.28	4,792,998	27.549
2010	11,523	1,030,379	320,676	44,203	6,172	62,744	1,475,697	1.18	5,342,040	27.624
2011	9,920	1,026,505	319,265	45,897	5,240	57,814	1,464,641	1.18	5,298,096	27.645
2012	9,094	1,024,955	314,227	46,149	5,407	55,882	1,455,714	1.43	5,273,787	27.603
2013	12,553	1,075,944	305,564	45,164	4,968	56,406	1,500,599	1.43	5,467,621	27.445

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Source: Shelby County Assessor's Office

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

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

Fiscal Year	Town Direct Rates			Total Direct Rate	Overlapping Rate ^a
	Basic Rate	Parks Improvement ^b	Shelby County		
2004	\$ 1.35	\$ 0.10	\$ 1.45	\$ 4.09	
2005	1.35	0.10	1.45	4.09	
2006	1.18	0.10	1.28	4.09	
2007	1.18	0.10	1.28	4.09	
2008	1.18	0.10	1.28	4.09	
2009	1.18	0.10	1.28	4.06	
2010	1.08	0.10	1.18	4.06	
2011	1.10	0.08	1.18	4.06	
2012	1.43	-	1.43	4.06	
2013	1.43	-	1.43	4.06	

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

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

^bThe Parks Improvement portion of the direct rate is an assignment of funds by the Board of Mayor and Aldermen and not a legal restriction on taxes levied.

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

<u>Taxpayer</u>	<u>2013</u>			<u>2004</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>
AT&T Mobility, LLC	\$ 30,366,838	1	2.02%	\$ -		- %
Carriage Avenue, LLC	26,883,640	2	1.79	-		-
Carrier Corporation	20,113,680	3	1.34	13,524,640	1	1.57
Legacy Farm, LLC	11,410,080	4	0.76	-		-
Madison 324, LLC	9,891,030	5	0.66	-		-
Dogwood Creek Assoc, LLC	8,331,630	6	0.56	5,965,520	7	0.69
Baptist Memorial Hospital	7,745,840	7	0.52	-		-
LTF Real Estate Company	7,733,350	8	0.52	-		-
Wingo Properties	7,611,245	9	0.51	5,784,275	8	0.67
Gallina Centro	7,428,280	10	0.50	7,616,000	4	0.88
Schilling Farms, LLC				7,801,740	2	0.90
North Western Mutual Life				7,757,350	3	0.90
Delta Beverage Group, Inc.				7,070,560	5	0.82
Bell South Communications				6,934,324	6	0.80
Federal Station Apartments				4,974,560	9	0.58
Christian Mission Concerns				4,705,520	10	0.54
Total	\$ 137,515,613		9.18%	\$ 72,134,489		8.35%

Source: Shelby County Assessor's Office

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ^a	Adjustments to Initial Levy ^b	Final Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^c	Total Collections to Date	
				Amount ^c	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 12,523,244	\$ 16,485	\$ 12,539,729	\$ 12,077,997	96.32%	\$ 437,038	\$ 12,515,035	99.80%
2005	13,121,230	220,332	13,341,562	12,946,680	97.04	367,599	13,314,279	99.80
2006	14,394,186	(95,386)	14,298,800	13,888,702	97.13	381,269	14,269,971	99.80
2007	15,736,050	(30,638)	15,705,412	15,304,741	97.45	373,860	15,678,601	99.83
2008	16,268,491	46,209	16,314,700	15,837,483	97.07	453,431	16,290,914	99.85
2009	16,901,393	(156,844)	16,744,549	16,284,182	97.25	430,186	16,714,368	99.82
2010	17,413,217	(455,751)	16,957,466	16,460,339	97.07	431,142	16,891,481	99.61
2011	17,282,758	(239,730)	17,043,028	16,579,268	97.28	375,286	16,954,554	99.48
2012	20,816,706	(250,533)	20,566,173	20,081,479	97.64	287,137	20,368,616	99.04
2013	21,458,562	(167,512)	21,291,050	20,820,857	97.79	-	20,820,857	97.79

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Source: Shelby County Assessor's Office

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

^bAdjustments include change orders and new bills.

^cBeginning with the CAFR for the year ended June 30, 2012, this schedule has been revised to net refunds and returned checks from collections.

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

Fiscal Year	Town Direct Rate	State of Tennessee^a
2004	2.25%	7.00%
2005	2.25	7.00
2006	2.25	7.00
2007	2.25	7.00
2008	2.25	7.00
2009	2.25	7.00
2010	2.25	7.00
2011	2.25	7.00
2012	2.25	7.00
2013	2.75	7.00

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

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

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

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita ^b
	General Obligation Bonds	Capital Outlay Notes	Notes Payable	Bond Anticipation Notes	Water & Sewer Revenue & Tax Bonds	Notes Payable	General Obligation Bonds			
2004	\$ 26,218	\$ 1,895	\$ -	\$ -	\$ 16,460	\$ -	\$ 37	\$ 44,610	3.69%	\$1,115
2005	24,450	1,735	1,720	-	15,500	-	35	43,440	3.43	1,036 ^c
2006 ^a	30,842	-	676	-	40,790	-	33	72,341	5.46	1,651
2007	28,679	-	2,051	-	39,015	-	31	69,776	5.11	1,546
2008	26,421	-	1,819	2,980	37,265	-	29	68,514	4.74	1,546 ^d
2009	37,393	-	1,869	-	35,435	-	27	74,724	5.17	1,687 ^d
2010	34,860	-	1,624	-	33,710	-	25	70,219	4.19	1,585 ^d
2011	32,235	-	1,372	-	31,930	-	20	65,557	3.85	1,491 ^e
2012	29,315	-	1,113	-	29,631	-	16	60,075	3.53	1,366 ^e
2013	27,924	-	846	-	29,504	-	12	58,286	3.33	1,326 ^e

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

^bThe population is estimated unless otherwise noted.

^cPopulation according to the 2005 Special Census.

^dPopulation according to the 2008 Special Census.

^ePopulation according to the 2010 Census Economic Data.

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

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita ^a
	General Obligation Bonds ^e	Capital Outlay Notes	Bond Anticipation Notes	Total		
2004	\$ 26,255	\$ 1,895	\$ -	\$ 28,150	0.88%	\$704
2005	24,485	1,735	-	26,220	0.78	625 ^b
2006	30,875	-	-	30,875	0.75	705
2007	28,710	-	-	28,710	0.64	636
2008	26,450	-	2,980	29,430	0.64	664 ^c
2009	37,420	-	-	37,420	0.78	845 ^c
2010	34,885	-	-	34,885	0.65	787 ^c
2011	32,255	-	-	32,255	0.61	734 ^d
2012	29,331	-	-	29,331	0.56	667 ^d
2013	27,936	-	-	27,936	0.51	635 ^d

^aThe population is estimated unless otherwise noted.

^bPopulation according to the 2005 Special Census.

^cPopulation according to the 2008 Special Census.

^dPopulation according to the 2010 Census Redistricting Data.

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

Schedule 14
Town of Collierville
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013
(dollars in thousands)

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Shelby County	\$ 1,374,036	8.45%	\$ 116,106
Town direct debt	28,770	100%	<u>28,770</u>
Total direct and overlapping debt			<u><u>\$ 144,876</u></u>

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

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

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

<u>Fiscal Year</u>	<u>Water & Sewer Tax & Revenue Bonds</u>			<u>Debt Service</u>		<u>Coverage</u>
	<u>Total</u>	<u>Less:</u>	<u>Net</u>	<u>Principal</u>	<u>Interest</u>	
	<u>Revenue and Other Sources</u>	<u>Operating Expenses</u>	<u>Available Revenue</u>			
2004	\$ 5,021	\$ 4,528	\$ 493	\$ 936	\$ 829	0.28 %
2005	6,693	4,741	1,952	962	783	1.12
2006	10,177	4,781	5,396	882	814	3.18
2007	13,306	5,047	8,259	1,777	1,049	2.92
2008	13,509	5,601	7,908	1,752	1,596	2.36
2009	12,148	6,385	5,763	1,832	1,520	1.72
2010	11,461	6,190	5,271	1,727	1,455	1.66
2011	12,269	6,369	5,900	1,784	1,389	1.86
2012	12,468	6,886	5,582	1,845	1,319	1.76
2013	11,909	6,810	5,099	1,934	1,083	1.69

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

Fiscal Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	School Enrollment	Unemployment Rate^b
2004	37,044	\$ 1,120,655	\$ 30,252 ^a	7,590	5.9%
2005	41,923	1,268,255	30,252	7,600	6.2
2006	41,923	1,268,255	30,252	7,887	6.2
2007	41,923	1,268,255	30,252	8,322	4.1
2008	44,304 ^c	1,445,418	32,625 ^d	8,604	6.5
2009	44,304 ^c	1,445,418	32,625	8,535	7.7
2010	44,304 ^c	1,445,418	32,625	8,562	7.0
2011	43,965 ^e	1,703,424	38,745 ^e	8,516	7.4
2012	43,965 ^e	1,703,424	38,745 ^e	8,639	6.5
2013	43,965 ^e	1,749,279	39,788 ^e	9,062	6.6

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

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

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

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

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

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

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>
FedEx Corporation	4,000	1	1.01%	2,504	2	0.58%
Carrier Corporation	1,540	2	0.39	2,564	1	0.59
Shelby County Schools	556	3	0.14	-	-	-
Town of Collierville	489	4	0.12	395	3	0.09
Kroger	447	5	0.11	-	-	-
Baptist Memorial Hospital	400	6	0.10	260	5	0.06
Wal-Mart	330	7	0.08	-	-	-
Central Church	240	8	0.06	-	-	-
NSA	220	9	0.06	-	-	-
Helena Chemical Company	212	10	0.05	217	8	0.05
Pepsi Beverages Company	-	-	-	300	4	0.07
AIMS Logistics	-	-	-	228	6	0.05
Bodine	-	-	-	220	7	0.05
Central Woodwork	-	-	-	165	9	0.04
ConStar Plastics	-	-	-	160	10	0.04
Total	<u>8,434</u>		2.12%	<u>7,013</u>		1.62%

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

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

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Legislative	7	7	7	7	7	7	6	6	6	6
General Government										
Administration	5	5	7	7	6	6	6	6	6	7
Morton Museum ^a	0	0	0	0	0	0	0	0	1	1
Financial Administration	21	17	17	18	18	19	19	19	19	19
Human Resources	4	4	4	4	4	4	4	4	4	4
Information Technology	3	3	4	5	5	5	5	5	5	5
General Services	0	9	8	9	11	13	13	13	13	14
Development										
Administration	2	2	1	1	2	2	3	2	2	2
Office of Planning	9	10	11	11	11	11	9	9	9	9
Code Enforcement	17	17	18	19	19	18	12	12	10	11
Office of Engineer	11	11	12	13	14	14	11	12	11	11
Public Safety										
Animal Services	4	4	4	6	6	6	6	5	5	4
Municipal Court	8	8	8	9	9	9	9	9	9	9
Police Department	118	119	127	133	140	139	138	137	137	138
Fire Department	66	66	66	67	70	70	68	68	69	69
Public Services										
Administration	5	5	5	5	5	5	5	5	5	7
Vehicle Maintenance	8	8	9	9	9	9	9	8	7	7
Streets and Drainage	22	21	23	25	25	25	24	25	25	29
Sanitation	32	32	33	34	36	36	34	32	27	28
Parks and Recreation	49	41	43	44	44	46	45	44	44	44
Public Utilities										
Water Treatment Plant	5	5	5	5	5	5	5	5	5	5
Water Distribution System	11	11	11	12	12	13	13	13	13	12
Wastewater Collection	10	10	10	10	10	10	10	10	10	10
Wastewater Treatment	8	8	8	8	8	7	7	7	7	7
Total	<u>425</u>	<u>423</u>	<u>441</u>	<u>461</u>	<u>476</u>	<u>479</u>	<u>461</u>	<u>456</u>	<u>449</u>	<u>458</u>

Sources: Town of Collierville Human Resources Department.

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

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

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

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

<i>Function/Program</i>	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Development										
Permits issued	4,636	3,830	5,047	3,648	3,242	2,434	2,438	2,610	3,130	4,050
Inspections conducted	21,319	24,063	20,161	15,932	14,917	13,523	6,470	7,280	9,163	12,652
Police ^a										
Physical arrests	2,100	1,633	1,777	1,573	1,781	2,764	2,704	2,392	2,591	N/A
Traffic citations	9,158	8,499	11,444	9,805	9,166	10,901	9,075	9,978	12,001	N/A
DUI arrests	240	140	120	135	103	169	150	138	152	N/A
Fire										
Emergency responses	2,124	2,175	2,485	2,551	2,624	2,446	2,633	2,785	2,799	3,011
Fires extinguished	113	110	138	159	116	105	96	105	94	102
Inspections	2,201	2,518	1,803	2,948	2,300	1,609	1,740	2,659	2,637	2,615
Sanitation										
Refuse collected (tons) ^b	14,094	14,575	14,893	15,000	15,091	14,838	14,295	14,124	13,993	14,344
Recyclables collected (tons)	1,784	1,813	1,819	1,810	1,776	1,867	1,809	1,900	1,927	1,835
Other public works										
Street resurfacing (miles)	24	23	17	19	11	13	20	12	33	27
Sidewalk replacement (linear feet)	100	100	250	420	150	100	132	240	401	223
Pavement repairs ^d	530	350	500	500	1,044	1,057	1,909	1,138	2,889	2,599
Parks and Recreation										
Adult/youth sports participants	5,306	5,420	5,737	5,844	6,019	6,250	6,452	5,790	5,546	5,879
Community center admissions ^c	46,767	135,924	143,424	143,901	145,340	135,166	136,500	139,450	140,211	140,536
Harrell Theatre attendance	36,225	38,036	39,938	41,023	41,733	39,646	36,500	32,836	30,112	22,857
Library										
Volumes in collection	74,720	80,809	85,209	88,733	93,796	101,694	106,049	113,785	117,057	122,209
Total volumes circulated	267,225	246,339	266,049	324,185	351,133	349,731	344,280	345,914	350,044	362,498
Water										
New connections	508	724	520	386	312	169	139	182	154	212
Water main breaks	26	15	8	9	33	6	21	32	15	39
Average daily consumption (thousands of gallons)	5,522	6,182	6,883	7,342	6,996	6,222	5,950	6,821	6,803	6,006
Peak day consumption (thousands of gallons)	9,762	12,739	14,999	16,142	16,791	13,484	12,710	11,898	15,472	14,543
Wastewater										
Average daily sewage treatment (thousands of gallons)	4,347	4,753	4,910	4,471	4,241	4,290	4,318	3,868	3,937	4,144

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Satellite offices	1	1	0	1	0	0	0	0	0	0
Patrol units	59	59	66	72	76	80	75	75	75	79
Fire stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Refuse collection trucks	21	21	22	22	22	22	22	24	24	26
Recycle Trucks ^a	4	4	4	5	5	5	5	0	0	0
Other public works										
Streets (miles)	208	228	248	260	264	261	268	278	311	336
Streetlights	5,290	5,489	5,775	5,920	6,200	6,291	6,515	6,576	6,599	6,599
Traffic Signals (intersections)	28	32	32	33	34	34	35	38	39	39
Parks and Recreation										
Parks	12	15	15	15	15	15	18	18	18	18
Acreage	385	487	487	487	487	496	625	750	750	750
Playgrounds	12	12	12	12	12	13	13	13	13	13
Baseball/softball diamonds	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	11	11	11	12	12	11	11	11	11	11
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	220	225	228	230	232	232	240	240	240	240
Fire hydrants	NA	NA	2,832	2,860	3,010	3,010	3,010	3,103	3,103	3,103
Water treatment plants	5	5	5	5	5	5	5	5	5	5
Storage capacity (thousands of gallons) ^b	3,500	3,500	3,500	3,500	3,500	3,500	3,500	4,250	4,250	4,250
Wastewater										
Sewer mains (miles)	204	213	216	218	220	220	228	228	228	228
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Treatment capacity (thousands of gallons)	6,500	6,500	6,500	6,500	9,500	9,500	9,500	9,500	9,500	9,500

Sources: Various town departments.

Notes:

^aRecycled operations were contracted out during 2011.

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

**Schedule 21
Town of Collierville
Insurance Coverage
June 30, 2013**

TML TMP – 7718-12	Property Insurance	\$166,550,453 Buildings & Personal Property; \$1,017,361 Electronic Data; \$1,606,422 Mobile Equipment, \$168,156,875 Equipment Breakdown; \$5,000 Deductible Buildings, Personal Property, Equipment Breakdown; \$250 Deductible Mobile Equipment; \$250 Deductible Electronic Data Processing Equipment
TML – 0070-12	General Liability and Personal Injury	\$300,000 / \$700,000 Bodily Injury Tort Liability; \$100,000 Property Damage Tort Liability; \$100,000 Fire Damage; \$100,000 Each Impounded Property; \$100,000 Non-Monetary Defense; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$5,000,000 Each Other Loss; \$1,000,000 Catastrophic Medical
	Automobile Liability	\$300,000 / \$700,000 Bodily Injury Tort Liability; \$100,000 Property Damage Tort Liability; \$5,000,000 Each Other Loss; \$1,000 per Person, \$10,000 per Accident Medical Payments; \$1,000,000 Catastrophic Medical
	Uninsured Motorist	\$300,000 Per Occurrence Bodily Injury; \$100,000 Property Damage
	Comprehensive, Collision	\$250 Deductible Per Occurrence; \$500 Deductible per Occurrence
	Errors or Omissions Liability	\$5,000,000 Per Occurrence; \$100,000 Non-Monetary Defense; \$1,000,000 Employee Benefits Liability; \$5,000 Deductible
TWC – 0032-11	Workman's Compensation	\$300,000 Bodily Injury Each Accident; \$700,000 Bodily Injury by Policy Limit; \$300,000 Each Employee by Disease

(Continued)

Schedule 21 – Continued

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

Schedule 22
Town of Collierville
Schedule of Official Bonds and Principal Officials
June 30, 2013

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

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

Schedule 23
 Town of Collierville
 Utility Rates in Force

Rates from July 2012 - June 2013

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

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

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

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

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

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

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

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

Unmetered Cotton Creek customers: \$55.40

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

Number of Customers at Year-end:

Water	16,460
Sewer	14,908
Sanitation	14,863

AWWA WLCC Free Water Audit Software: Reporting Worksheet						Back to Instructions
Copyright © 2010, American Water Works Association. All Rights Reserved.						WAS v4.2
Water Audit Report for: Town Of Collierville						
Reporting Year: 2013 / 7/2012 - 6/2013						
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades						
All volumes to be entered as: MILLION GALLONS (US) PER YEAR						
WATER SUPPLIED						
<< Enter grading in column 'E'						
Volume from own sources:	7	7	2,190.050	Million gallons (US)/yr (MG/Yr)		
Master meter error adjustment (enter positive value):	7	7	10.950	over-registered	MG/Yr	
Water imported:	7	7	2.244	MG/Yr		
Water exported:	7	7	73.613	MG/Yr		
WATER SUPPLIED:			2,107.731	MG/Yr		
AUTHORIZED CONSUMPTION						
Billed metered:	7	8	1,998.298	MG/Yr		
Billed unmetered:	7	n/a	0.000	MG/Yr		
Unbilled metered:	7	8	21.162	MG/Yr		
Unbilled unmetered:	7		26.347	MG/Yr		
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed						
AUTHORIZED CONSUMPTION:			2,045.807	MG/Yr		
WATER LOSSES (Water Supplied - Authorized Consumption)						
			61.924	MG/Yr		
Apparent Losses						
Unauthorized consumption:	7		5.269	MG/Yr		
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed						
Customer metering inaccuracies:	7	6	20.399	MG/Yr		
Systematic data handling errors:	7	6	0.500	MG/Yr		
Apparent Losses:	7		26.168			
Real Losses (Current Annual Real Losses or CARL)						
Real Losses = Water Losses - Apparent Losses:	7		35.757	MG/Yr		
WATER LOSSES:			61.924	MG/Yr		
NON-REVENUE WATER						
NON-REVENUE WATER:	7		109.433	MG/Yr		
= Total Water Loss + Unbilled Metered + Unbilled Unmetered						
SYSTEM DATA						
Length of mains:	7	7	230.0	miles		
Number of active AND inactive service connections:	7	8	16,431			
Connection density:			71	conn./mile main		
Average length of customer service line:	7	10	0.0	ft	(pipe length between curbspot and customer meter or property boundary)	
Average operating pressure:	7	7	75.0	psi		
COST DATA						
Total annual cost of operating water system:	7	10	\$3,794,485	\$/Year		
Customer retail unit cost (applied to Apparent Losses):	7	10	\$1.45	\$/1000 gallons (US)		
Variable production cost (applied to Real Losses):	7	10	\$339.67	\$/Million gallons		
PERFORMANCE INDICATORS						
Financial Indicators						
Non-revenue water as percent by volume of Water Supplied:			5.2%			
Non-revenue water as percent by cost of operating system:			1.7%			
Annual cost of Apparent Losses:			\$37,943			
Annual cost of Real Losses:			\$12,145			
Operational Efficiency Indicators						
Apparent Losses per service connection per day:			4.36	gallons/connection/day		
Real Losses per service connection per day*:			5.96	gallons/connection/day		
Real Losses per length of main per day*:			N/A			
Real Losses per service connection per day per psi pressure:			0.08	gallons/connection/day/psi		
Unavoidable Annual Real Losses (UARL):	7		101.53	million gallons/year		
From Above, Real Losses = Current Annual Real Losses (CARL):			35.76	million gallons/year		
Infrastructure Leakage Index (ILI) [CARL/UARL]:	7		0.35			
* only the most applicable of these two indicators will be calculated						
WATER AUDIT DATA VALIDITY SCORE:						
*** YOUR SCORE IS: 75 out of 100 ***						
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score						
PRIORITY AREAS FOR ATTENTION:						
Based on the information provided, audit accuracy can be improved by addressing the following components:						
1: Volume from own sources						
2: Master meter error adjustment						
3: Water imported						
For more information, click here to see the Grading Matrix worksheet						

COMPLIANCE SECTION

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

For the Year Ended June 30, 2013

CFDA Number	Grant Number	Program Name	Grantor Agency	Grants Receivable (Deferred) June 30, 2012	Cash Receipts	Expenditures	Grants Receivable (Deferred) June 30, 2013
Federal Awards							
16.607	16. 607	Bulletproof Vest Partnership Grant FY 11	Department of Justice	\$ 2,343	\$ 1,874	\$ 472	\$ 941
16.607	16. 607	Bulletproof Vest Partnership Grant FY 12	Department of Justice	-	-	5,486	5,486
20.607	Z-12-GHS066	GHSO MVP-DUI 2011	Governor's Highway Safety Office	4,250	8,357	4,107	-
20.607	Z-13-GHS068	GHSO MVP-DUI 2012	Governor's Highway Safety Office	-	22,973	29,825	6,852
14.228	2012D Edison #34918	CDBG-D 2012	Department of Housing and Urban Development	-	64,332	76,333	12,001
14.218	CA127607	Community Development Block Grant/Small Cities Program	Department of Housing and Urban Development	-	96,500	96,500	-
14.218	CA128197	Community Development Block Grant/Small Cities Program	Department of Housing and Urban Development	-	70,000	70,000	-
14.218	CA128197-2	Community Development Block Grant/Small Cities Program	Department of Housing and Urban Development	-	78,500	78,500	-
98.067	10UASI-COLL	Urban Area Security Initiative (UASI) 10 Grant	FEMA/Department of Homeland Security	82,345	82,345	-	-
20.205	TDOT #090195	Statewide Transportation Improvement Program	Department of Transportation	24,701	130,384	105,683	-
20.205	TDOT #090232	Statewide Transportation Improvement Program	Department of Transportation	55,133	56,184	1,051	-
20.205	State Agreement No. CRR070003 Fed. Proj. #HSIP-R00S(53)	Statewide Transportation Improvement Program	Department of Transportation	-	-	-	-
20.205	TDOT #110124	Statewide Transportation Improvement Program	Department of Transportation	287,675	327,660	39,985	-
Total Federal Awards				<u>456,447</u>	<u>939,109</u>	<u>507,942</u>	<u>25,280</u>
State Awards							
-	No grant # issued for marketing program agreements	Tennessee Tourism Partnership Marketing Program 2011-2012	State of Tennessee, Dept of Tourism Development	1,933	1,933	-	-
-	No grant # issued for marketing program agreements	Tennessee Tourism Partnership Marketing Program 2012-2013	Parks & Recreation	-	-	1,600	1,600
Total State Awards				<u>1,933</u>	<u>1,933</u>	<u>1,600</u>	<u>1,600</u>
Total Federal and State Awards				<u>\$ 458,380</u>	<u>\$ 941,042</u>	<u>\$ 509,542</u>	<u>\$ 26,880</u>

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.

See independent auditors' report.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collierville, Tennessee (the "Town") as of and the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 16, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dixon Hughes Goodman LLP

December 16, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Collierville, Tennessee's (the "Town") compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2013. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program has occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dixon Hughes Goodman LLP

December 16, 2013

Town of Collierville, Tennessee

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2013

PART I – SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report on the financial statements of the Town of Collierville, Tennessee (the "Town"), dated December 16, 2013, expressed an unmodified opinion.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (report dated December 16, 2013).
3. No instances of noncompliance considered material to the financial statements were disclosed by the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditors' Report on Compliance for the Major Program and Internal Control Over Compliance Required by OMB Circular A-133 (report dated December 16, 2013).
5. The Independent Auditors' Report on Compliance for the Major Program and On Internal Control Over Compliance Required by OMB Circular A-133, dated December 16, 2013, expressed an unmodified opinion.
6. There were no audit findings relative to the major federal awards program that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Town's major program was the Highway Planning and Construction Program (CFDA 20.205).
8. A threshold of \$300,000 was used to distinguish between Type A and Type B Programs as those terms are defined in OMB Circular A-133.
9. The Town qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II – FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported.

PART III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS

None reported.