

TOWN OF NOLENSVILLE, TENNESSEE

Annual Financial Report

For the Year Ended June 30, 2021

TOWN OF NOLENSVILLE, TENNESSEE

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INTRODUCTORY SECTION

TOWN OF NOLENSVILLE, TENNESSEE

Officials of the Town of Nolensville, Tennessee

June 30, 2021

Name

Title

Elected Officials:

Derek Adams

Mayor

Wendy Cook-Mucci

Vice -Mayor

Lisa Garramone

Commissioner

Halie Gallik

Commissioner

Joel Miller

Commissioner

Management:

Victor Lay

Town Manager

Christina Merle

Finance Director, CMFO Candidate

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

Independent Auditor's Report

Mayor and Board of Aldermen of the
Town of Nolensville, Tennessee
Nolensville, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Nolensville, Tennessee as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Nolensville, Tennessee as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund, State Street Aid Fund, Drug Fund, Facilities Tax Fund, Impact Fund, and the Facilities School Tax Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters -Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, which includes the Management's Discussion and Analysis and the Schedule of Changes in Net Pension Liability (Asset), Schedule of Contributions to the Employee Pension Plan and Schedule of Changes in Total Liability and Related Ratios, 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. I 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 my inquiries, the basic financial statements and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters -Other Information

The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Introductory Section, Supplementary Information, and Management's Corrective Action Plan are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Supplementary 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 my opinion, the Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Management's Corrective Action Plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 8, 2021 on the consideration of the Town of Nolensville's internal control over financial reporting and the tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

John R Poole, CPA

November 8, 2021

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

TOWN OF NOLENSVILLE, TENNESSEE

Management's Discussion and Analysis

As management of the Town of Nolensville, Tennessee (the Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Town. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes.

Financial Highlights:

The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$36,675,850. Of this amount, \$10,703,229 (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 \$4,687,728 due to increased revenues combined with increased expenses as the Town continues to see growth. Revenues were \$1,492,310 more in the current year primarily as a result of increased tax and grant revenues. Expenses were \$1,060,564 more in the current year partly due to increased depreciation expenses of \$901,392.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$25,548,238; an increase of \$2,283,714 in comparison to the prior year. The increase was due to increased property and sales tax revenues by the Town. Expenses were higher in the current year as a result of capital asset purchases of \$3,121,719. During the year the Town repaid \$214,000 in debt related to the Town Hall and recreation center loans. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$10,785,894.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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.

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

The Statement of Net Position presents information on all the Town's assets and liabilities, with the difference between the two 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 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 tax). Both of the government-wide financial statements distinguish functions of the Town 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. The governmental activities of the Town of Nolensville include general government, personnel, finance, planning, police, fire, streets and public works. The government-wide financial statements can be found on pages 11-12 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 from specific activities or objectives. The Town, 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 are governmental funds. Governmental Funds are funds 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 resources, as well as on balances of 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 government funds with similar information presented for governmental activities in the governmental-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 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 maintains several 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.

The Town adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14-25 of this report. The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-45 of this report.

Financial Analysis of the Financial Statements -- 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, assets exceeded liabilities by \$36,675,850 at the close of the most recent fiscal year. One of the largest portion of the Town's assets reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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.

Financial Analysis of the Financial Statements --Town of Nolensville's Net Position

	<u>2020</u>	<u>2021</u>
Current assets	\$ 24,319,652	27,243,007
Capital assets	<u>13,566,808</u>	<u>15,722,324</u>
Total assets	37,886,460	42,965,331
 Deferred Outflows	 336,950	 437,900
 Long-term debt	 4,698,000	 4,484,000
Other liabilities	<u>666,250</u>	<u>589,998</u>
Total liabilities	5,364,250	5,073,998
 Deferred Inflows	 871,038	 1,653,383
 Net position:		
Net investment in capital assets	8,868,808	11,238,324
Restricted	14,360,413	14,734,297
Unrestricted	<u>8,758,901</u>	<u>10,703,229</u>
Total net position	\$ 31,988,122	36,675,850

Comparison between years 2020 and 2021

	2021 Governmental <u>Activities</u>	2020 Governmental <u>Activities</u>	Change Between <u>Years</u>
Revenues:			
Program revenues:			
Charges for services	3,798,198	4,012,846	(214,648)
Operating grants and contributions	526,367	539,094	(12,727)
Capital grants and contributions	364,060	0	364,060
General revenues:			
Property taxes	1,673,684	857,398	816,286
Sales taxes	2,858,444	2,043,374	815,070
Other local taxes	573,341	536,368	36,973
Other state shared taxes	34,304	62,427	(28,123)
Other	167,919	452,500	(284,581)
Total revenues	<u>9,996,317</u>	<u>8,504,007</u>	<u>1,492,310</u>
Expenses:			
General government	1,161,200	944,495	216,705
Police department	1,697,232	1,378,756	318,476
Fire department	577,385	289,420	287,965
Codes department	760,630	697,581	63,049
Highways and streets	1,112,142	937,773	174,369
Total expenses	<u>5,308,589</u>	<u>4,248,025</u>	<u>1,060,564</u>
Change in net position	<u>4,687,728</u>	<u>4,255,982</u>	<u>431,746</u>

Governmental Funds

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,785,894. 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 expenditures.

General Fund Budgetary Highlights

During the year, the Town maintained all of its departmental budgets. Further information is provided on pages 18-25.

Capital Asset and Debt Administration

Capital Assets

The Town of Nolensville's investment in capital assets from its governmental activities at June 30, 2021, amounts to \$15,722,324 (net of accumulated depreciation). This investment in capital assets is in land, buildings, improvements, infrastructure, machinery and equipment.

Town of Nolensville's Capital Assets-

	2020	2021
	Governmental	Governmental
	<u>Activities</u>	<u>Activities</u>
Land	\$ 278,753	278,753
Building	4,570,055	4,570,055
Furniture	31,525	61,762
Infrastructure	11,584,615	14,129,271
Machinery and equipment	<u>886,345</u>	<u>1,307,824</u>
Less accumulated depreciation	(3,784,485)	(4,625,341)
Net Capital Assets	\$ <u>13,566,808</u>	<u>15,722,324</u>

Additional information on the Town of Nolensville's capital assets can be found in the notes to the financial statements section of this report.

Debt

The Town has \$4,484,000 in long-term debt at year end. The debt was used to finance the construction of capital assets. During the year the Town reduced its outstanding debt by \$214,000.

Additional information on the Town's long-term debt can be found in the notes to the financial statements section of this report.

Economic Factors and Next Year's Budget and Rates

In the 2021-2022 budget, Non-grant revenues are budgeted to increase from the 2020-2021 budget year primarily due to increases in local revenues. This factor was considered in preparing the Town's budget for the 2021-2022 fiscal year.

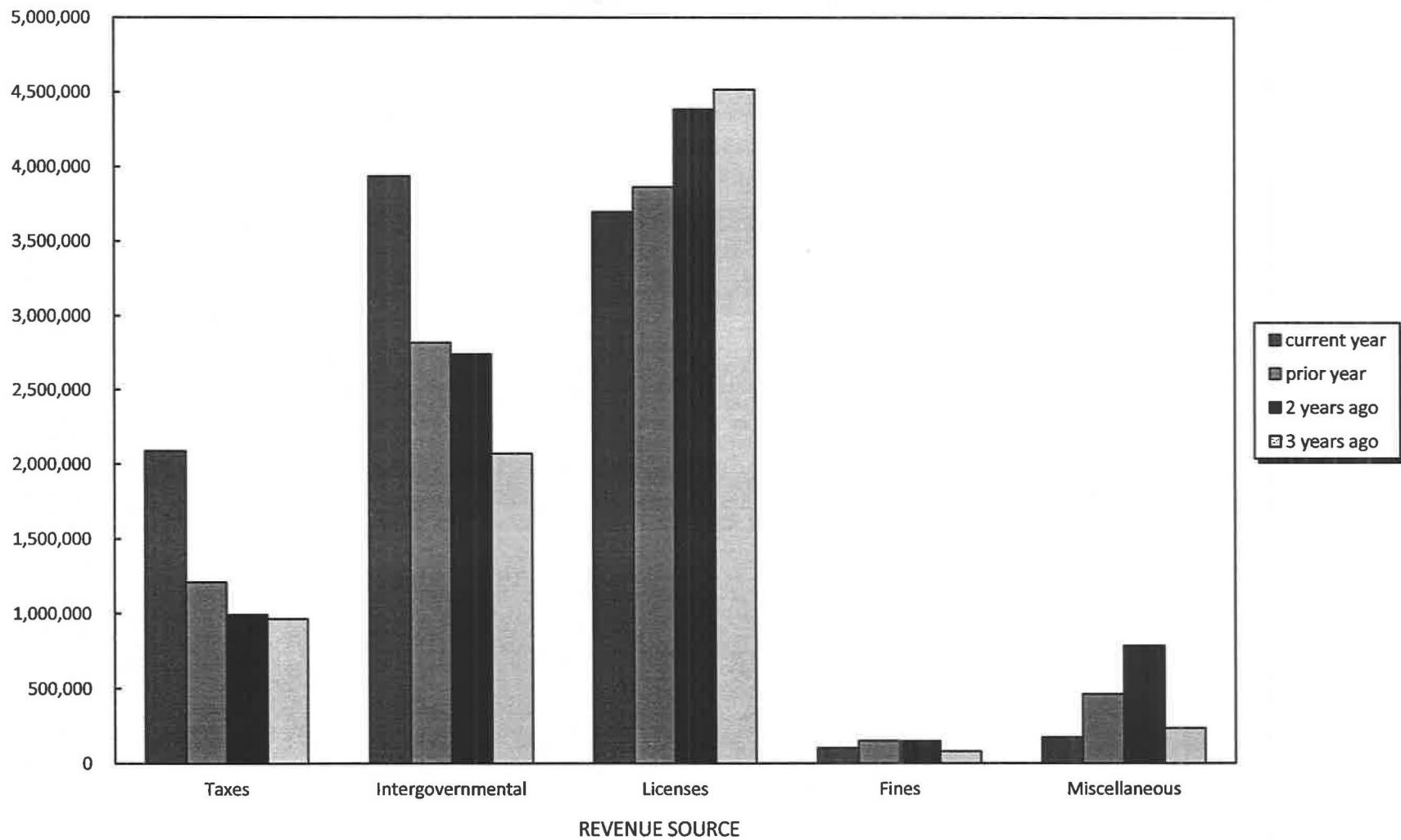
Requests for Information

This financial report is designed to provide a general overview of the Town of Nolensville, Tennessee's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Christina Merle
Town of Nolensville

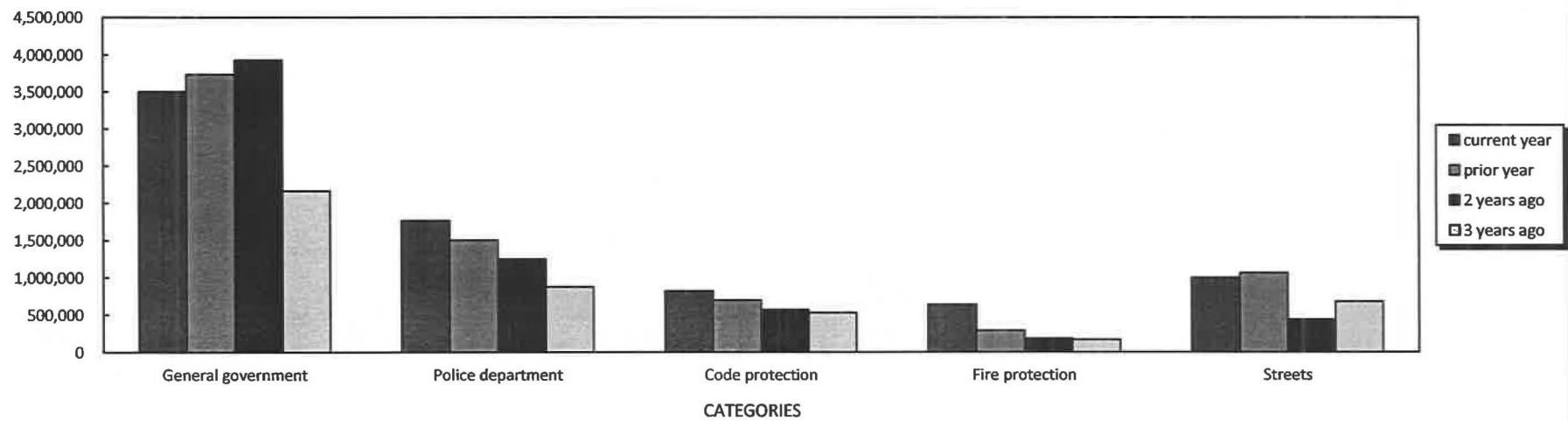
TOWN OF NOLENSVILLE, TENNESSEE

GOVERNMENTAL FUND REVENUES



TOWN OF NOLENSVILLE

GOVERNMENTAL FUND EXPENDITURES



BASIC FINANCIAL STATEMENTS

TOWN OF NOLENSVILLE, TENNESSEE

Statement of Net Position

June 30, 2021

<u>Assets</u>	<u>Governmental Activities</u>	<u>Total</u>
Cash and cash equivalents	\$24,852,525	24,852,525
Accounts receivable	2,362,435	2,362,435
Prepaid assets	28,047	28,047
Capital assets not being depreciated	278,753	278,753
Capital assets, net of accumulated depreciation	15,443,571	15,443,571
Total Assets	\$42,965,331	42,965,331
Deferred Outflows:		
Deferred outflow of resources - OPEB	4,667	4,667
Deferred outflow of resources - pension	433,233	433,233
Total Deferred Outflows	437,900	437,900
Liabilities:		
Accounts payable	\$81,609	81,609
Accrued expenses	189,063	189,063
Net pension liability	293,666	293,666
Total OPEB liability	25,660	25,660
Long-term liabilities:		
Due within one year	225,000	225,000
Due in more than one year	4,259,000	4,259,000
Total Liabilities	5,073,998	5,073,998
Deferred Inflows:		
Deferred inflow of resources - property taxes	1,528,052	1,528,052
Deferred inflow of resources - OPEB	28,082	28,082
Deferred inflow of resources - pension	97,249	97,249
Total Deferred Inflows	1,653,383	1,653,383
Net Position:		
Net investment in capital assets	11,238,324	11,238,324
Restricted - state street	539,160	539,160
Restricted - drug fund	2,432	2,432
Restricted - facilities tax	7,237,295	7,237,295
Restricted - impact	6,059,770	6,059,770
Restricted - facilities school	895,640	895,640
Unrestricted	10,703,229	10,703,229
Total Net Position	36,675,850	36,675,850

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2021

<u>Function/Programs</u>	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Government Activities:						
General government	1,161,200	3,695,714	63,565	364,060	2,962,139	2,962,139
Police department	1,697,232	102,484	41,130	0	(1,553,618)	(1,553,618)
Fire department	577,385	0	0	0	(577,385)	(577,385)
Codes, planning and engineering	760,630	0	0	0	(760,630)	(760,630)
Highways and streets	1,112,142	0	421,672	0	(690,470)	(690,470)
Total Governmental Activities	<u>5,308,589</u>	<u>3,798,198</u>	<u>526,367</u>	<u>364,060</u>	<u>(619,964)</u>	<u>(619,964)</u>
General Revenues						
Property taxes					1,545,715	1,545,715
Public property taxes					127,969	127,969
Sales taxes					2,858,444	2,858,444
Alcohol taxes					357,192	357,192
Income and excise taxes					34,304	34,304
Franchise taxes					216,149	216,149
Interest income					107,986	107,986
Other income					59,933	59,933
Total general revenues					<u>5,307,692</u>	<u>5,307,692</u>
Change in net position					4,687,728	4,687,728
Net Position - beginning of year					31,988,122	31,988,122
Net position - end of year					<u>36,675,850</u>	<u>36,675,850</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF NOLENSVILLE, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2021

<u>Assets</u>	<u>General Fund</u>	<u>State Street Aid Fund</u>	<u>Drug Fund</u>	<u>Facilities Tax Fund</u>	<u>Impact Fund</u>	<u>Facilities School Tax</u>	<u>Total</u>
Cash and cash equivalents	\$10,184,359	\$500,875	\$2,432	\$7,237,295	\$6,059,770	\$867,794	\$24,852,525
Accounts receivable	2,260,638	73,951	0	0	0	27,846	2,362,435
Prepaid assets	28,047	0	0	0	0	0	28,047
Total Assets	\$12,473,044	\$574,826	\$2,432	\$7,237,295	\$6,059,770	\$895,640	\$27,243,007
<u>Liabilities, Deferred Inflows and Fund Balance</u>							
Liabilities:							
Accounts payable	\$45,943	\$35,666	\$0	\$0	\$0	\$0	\$81,609
Accrued expenses	75,067	0	0	0	0	0	75,067
Total Liabilities	121,010	35,666	0	0	0	0	156,676
Deferred Inflow of Resources:							
Deferred current property taxes	1,528,052	0	0	0	0	0	1,528,052
Deferred delinquent property taxes	10,041	0	0	0	0	0	10,041
Total Deferred Inflow of Resources	1,538,093	0	0	0	0	0	1,538,093
Fund balance:							
Restricted	0	539,160	2,432	7,237,295	6,059,770	895,640	14,734,297
Non-spendable	28,047	0	0	0	0	0	28,047
Unassigned	10,785,894	0	0	0	0	0	10,785,894
Total Fund Balance	10,813,941	539,160	2,432	7,237,295	6,059,770	895,640	25,548,238
Total Liabilities, Deferred Inflow and Fund Balance	\$12,473,044	\$574,826	\$2,432	\$7,237,295	\$6,059,770	\$895,640	\$27,243,007

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

TOWN OF NOLENSVILLE, TENNESSEE

**Reconciliation of the Balance Sheet to the Statement of Net Position
of Governmental Activities**

June 30, 2021

Amounts reported for fund balance - total governmental funds	\$ 25,548,238
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities, including bonds payable and accrued contingencies are not due and payable in the current period and therefore are not recorded in the funds	
Long-term debt	(4,484,000)
Accrued vacation time	(113,996)
Other long term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds	10,041
Pension related accounts - governmental funds do not record these post-benefit obligations	
Net pension liability	(293,666)
Deferred outflow - pension	433,233
Deferred inflow - pension	(97,249)
OPEB related accounts - governmental funds do not record these post-benefit obligations	
Total OPEB liability	(25,660)
Deferred outflow - OPEB	4,667
Deferred inflow - OPEB	(28,082)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	
Investment in capital assets, net of accumulated depreciation	<u>15,722,324</u>
Net position of governmental activities	\$ <u><u>36,675,850</u></u>

TOWN OF NOLENSVILLE, TENNESSEE

**Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances**

For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>State Street Aid Fund</u>	<u>Drug Fund</u>	<u>Facilities Tax Fund</u>	<u>Impact Fund</u>	<u>Facilities School Tax</u>	<u>Total Governmental Funds</u>
Revenues:							
Taxes	\$2,088,519	0	0	0	0	0	2,088,519
Intergovernmental	3,521,363	399,641	0	0	0	16,062	3,937,066
Licenses and permits	971,145	0	0	1,057,106	1,517,295	150,168	3,695,714
Fines and fees	102,104	0	380	0	0	0	102,484
Miscellaneous	105,986	2,563	10	36,398	24,152	3,425	172,534
Total Revenues	<u>6,789,117</u>	<u>402,204</u>	<u>390</u>	<u>1,093,504</u>	<u>1,541,447</u>	<u>169,655</u>	<u>9,996,317</u>
Expenditures:							
Current:							
General government	1,021,446	0	0	0	0	0	1,021,446
Police department	1,475,609	0	0	0	0	0	1,475,609
Fire department	560,924	0	0	0	0	0	560,924
Codes, planning and engineering	760,630	0	0	0	0	0	760,630
Highway and streets	483,615	20,436	0	0	0	0	504,051
Capital outlay:							
General government	75,090	0	0	0	0	0	75,090
Police department	287,544	0	0	0	0	0	287,544
Codes, planning and engineering	54,825	0	0	0	0	0	54,825
Highway and streets	82,690	410,956	0	0	0	0	493,646
Fire department	76,914	0	0	0	0	0	76,914
Facilities tax fund	0	0	0	1,529,305	0	0	1,529,305
Impact fund	0	0	0	0	604,395	0	604,395
Debt service							
Principal	0	0	0	214,000	0	0	214,000
Interest	0	0	0	54,224	0	0	54,224
Total Expenditures	<u>4,879,287</u>	<u>431,392</u>	<u>0</u>	<u>1,797,529</u>	<u>604,395</u>	<u>0</u>	<u>7,712,603</u>
Excess (deficiency) of revenues over expenditures	<u>1,909,830</u>	<u>(29,188)</u>	<u>390</u>	<u>(704,025)</u>	<u>937,052</u>	<u>169,655</u>	<u>2,283,714</u>
Fund Balance, Beginning of year	8,904,111	568,348	2,042	7,941,320	5,122,718	725,985	23,264,524
Fund Balance, End of Year	<u>10,813,941</u>	<u>539,160</u>	<u>2,432</u>	<u>7,237,295</u>	<u>6,059,770</u>	<u>895,640</u>	<u>25,548,238</u>

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, 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, 2021

Net change in fund balances - total governmental funds:	\$ 2,283,714
Amounts reported for governmental activities in the statement of net position are different because:	
Expenses in the governmental funds that decrease long-term debt	
Loan principal payments	214,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,198
Expenses reported in the statement of activities that affect accrued liabilities that are not reported as expenditures in the governmental funds	
Change in pension plan accounts	45,295
Change in OPEB plan accounts	(3,485)
Change in employee vacation accrual	(10,510)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition of capital assets	3,121,719
Depreciation expense	(901,392)
Loss on disposal of assets	<u>(64,811)</u>
Change in net position of governmental activities	\$ <u>4,687,728</u>

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget (GAAP Basis) and Actual**

General Fund

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property taxes	\$1,402,695	\$1,402,695	\$1,542,036	139,341
Wholesale beer and liquor tax	160,308	160,308	326,655	166,347
Cable and gas franchise	137,750	137,750	216,149	78,399
Penalty and interest	400	400	3,679	3,279
Total Taxes	<u>1,701,153</u>	<u>1,701,153</u>	<u>2,088,519</u>	<u>387,366</u>
Intergovernmental:				
TVA in lieu	124,397	124,397	127,969	3,572
Local sales tax	684,000	684,000	1,668,384	984,384
State sales tax	917,167	917,167	1,190,060	272,893
Grants	57,900	57,900	448,078	390,178
State income tax	0	0	34,304	34,304
State beer and alcohol tax	33,772	33,772	30,537	(3,235)
State special petroleum tax	21,084	21,084	22,031	947
Total Intergovernmental Revenue	<u>1,838,320</u>	<u>1,838,320</u>	<u>3,521,363</u>	<u>1,683,043</u>
Licenses and Permits	<u>684,905</u>	<u>684,905</u>	<u>971,145</u>	<u>286,240</u>
Fines and fees	<u>111,900</u>	<u>111,900</u>	<u>102,104</u>	<u>(9,796)</u>
Miscellaneous:				
Donations	0	0	4,615	4,615
Interest income	47,500	47,500	41,438	(6,062)
Refunds/rebates	0	0	54,914	54,914
Miscellaneous	7,590	7,590	5,019	(2,571)
Total Miscellaneous	<u>55,090</u>	<u>55,090</u>	<u>105,986</u>	<u>50,896</u>
Total Revenues	<u>4,391,368</u>	<u>4,391,368</u>	<u>6,789,117</u>	<u>2,397,749</u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:				
General Government:				
Current:				
Personnel costs	370,000	370,000	372,155	(2,155)
Payroll taxes	28,305	28,305	28,219	86
Employee benefits	76,123	76,123	61,599	14,524
Board of Mayor and Aldermen	220,493	220,493	303,523	(83,030)
Supplies	1,200	1,200	1,511	(311)
Professional services	59,190	59,190	62,177	(2,987)
Repair and maintenance	2,000	2,000	2,454	(454)
Office expense	5,100	5,100	7,371	(2,271)
Dues and subscription	10,540	10,540	4,195	6,345
Travel and auto	2,260	2,260	0	2,260
Insurance	8,645	8,645	9,476	(831)
Building	184,239	184,239	168,766	15,473
Miscellaneous	14,250	14,250	0	14,250
	<u>982,345</u>	<u>982,345</u>	<u>1,021,446</u>	<u>(39,101)</u>
Capital outlay	49,630	49,630	75,090	(25,460)
Total General Government	<u>1,031,975</u>	<u>1,031,975</u>	<u>1,096,536</u>	<u>(64,561)</u>
Public Safety:				
Police department:				
Personnel costs	870,892	870,892	853,501	17,391
Payroll taxes	66,546	66,546	60,942	5,604
Employee benefits	239,645	239,645	199,749	39,896
Contract services	52,817	52,817	66,564	(13,747)
Memberships and dues	11,103	11,103	14,124	(3,021)
Supplies	21,750	21,750	8,236	13,514
Repair and maintenance	36,560	36,560	16,711	19,849
Uniforms	10,400	10,400	12,279	(1,879)
Auto expenses	45,000	45,000	52,329	(7,329)
Utilities	21,423	21,423	21,163	260
Training and ammunition	6,500	6,500	6,911	(411)
Insurance	86,500	86,500	58,065	28,435
Court	137,348	137,348	105,035	32,313
Miscellaneous	0	0	0	0
	<u>1,606,484</u>	<u>1,606,484</u>	<u>1,475,609</u>	<u>130,875</u>
Capital outlay	153,652	153,652	287,544	(133,892)
Total Police department	<u>1,760,136</u>	<u>1,760,136</u>	<u>1,763,153</u>	<u>(3,017)</u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget (GAAP Basis) and Actual, Continued**

General Fund

For the Year Ended June 30, 2021

Continued,	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Codes, Planning and Engineering department:				
Personnel costs	425,000	425,000	426,015	(1,015)
Payroll taxes	32,513	32,513	32,115	398
Employee benefits	102,196	102,196	92,382	9,814
Memberships	9,725	9,725	7,767	1,958
Professional services	137,134	137,134	151,921	(14,787)
Supplies and maintenance	19,507	19,507	22,762	(3,255)
Vehicle expense	4,600	4,600	1,675	2,925
Insurance	32,971	32,971	25,993	6,978
Miscellaneous	500	500	0	500
	<u>764,146</u>	<u>764,146</u>	<u>760,630</u>	<u>3,516</u>
Capital outlay	74,708	74,708	54,825	19,883
Total Codes, Planning and Engineering	<u>838,854</u>	<u>838,854</u>	<u>815,455</u>	<u>23,399</u>
Street department:				
Personnel costs	268,000	268,000	245,659	22,341
Payroll taxes	20,502	20,502	18,675	1,827
Employee benefits	94,537	94,537	75,657	18,880
Repair and maintenance	38,100	38,100	83,222	(45,122)
Supplies	18,540	18,540	16,669	1,871
Street lighting and utilities	6,490	6,490	5,150	1,340
Insurance	20,650	20,650	11,734	8,916
Vehicle expense	13,800	13,800	7,630	6,170
Contractual services	19,071	19,071	19,071	0
Miscellaneous	1,250	1,250	148	1,102
	<u>500,940</u>	<u>500,940</u>	<u>483,615</u>	<u>17,325</u>
Capital outlay	97,400	97,400	82,690	14,710
Total Street department	<u>598,340</u>	<u>598,340</u>	<u>566,305</u>	<u>32,035</u>
Fire department:				
Personnel costs	536,500	536,500	146,477	390,023
Payroll taxes	39,512	39,512	9,183	30,329
Employee benefits	111,050	111,050	27,451	83,599
Repair and maintenance	0	0	28,109	(28,109)
Supplies	17,583	17,583	86,977	(69,394)
Uniforms	26,052	26,052	44,359	(18,307)
Insurance	27,160	27,160	886	26,274
Vehicle expense	0	0	3,557	(3,557)
Contractual services	131,690	131,690	213,925	(82,235)
Miscellaneous	0	0	0	0
	<u>889,547</u>	<u>889,547</u>	<u>560,924</u>	<u>328,623</u>
Capital outlay	0	0	76,914	(76,914)
Total Fire department	<u>889,547</u>	<u>889,547</u>	<u>637,838</u>	<u>251,709</u>
Total Expenditures	<u>5,118,852</u>	<u>5,118,852</u>	<u>4,879,287</u>	<u>239,565</u>
Excess (deficiency) of Revenues over Expenditures	(727,484)	(727,484)	1,909,830	2,637,314
Fund Balance, July 1, 2020	8,904,111	8,904,111	8,904,111	0
Fund Balance, June 30, 2021	<u>\$8,176,627</u>	<u>\$8,176,627</u>	<u>\$10,813,941</u>	<u>\$2,637,314</u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**

State Street Aid Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
Gasoline .03 tax	58,259	58,259	58,235	(24)
Gasoline 1989 tax	31,072	31,072	31,429	357
Gasoline 2017 tax	97,099	97,099	101,554	4,455
Gasoline and motor fuel	<u>201,965</u>	<u>201,965</u>	<u>208,423</u>	<u>6,458</u>
	388,395	388,395	399,641	11,246
Miscellaneous				
Interest	<u>5,000</u>	<u>5,000</u>	<u>2,563</u>	<u>2,437</u>
Total Revenues	<u>393,395</u>	<u>393,395</u>	<u>402,204</u>	<u>13,683</u>
Expenditures:				
Streets:				
Street lighting	15,000	15,000	12,289	2,711
Repair and maintenance	10,000	10,000	8,147	1,853
Capital outlay	<u>475,000</u>	<u>475,000</u>	<u>410,956</u>	<u>64,044</u>
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>431,392</u>	<u>68,608</u>
Excess (deficiency) of revenues over expenditures	(106,605)	(106,605)	(29,188)	77,417
 Fund Balance, July 1, 2020	<u>568,348</u>	<u>568,348</u>	<u>568,348</u>	<u>-</u>
Fund Balance, June 30, 2021	<u><u>461,743</u></u>	<u><u>461,743</u></u>	<u><u>539,160</u></u>	<u><u>77,417</u></u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**

Drug Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous				
Fines	\$500	\$500	\$380	(120)
Interest	<u>20</u>	<u>20</u>	<u>10</u>	<u>(10)</u>
Total Revenues	<u>520</u>	<u>520</u>	<u>390</u>	<u>130</u>
Expenditures:				
Supplies	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	520	520	390	130
Fund Balance, July 1, 2020	<u>2,042</u>	<u>2,042</u>	<u>2,042</u>	<u>-</u>
Fund Balance, June 30, 2021	<u><u>\$2,562</u></u>	<u><u>\$2,562</u></u>	<u><u>2,432</u></u>	<u><u>130</u></u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**

Facilities Tax Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous				
Licenses and permits	\$816,014	\$816,014	\$1,057,106	241,092
Interest	37,000	37,000	36,398	(602)
Total Revenues	<u>853,014</u>	<u>853,014</u>	<u>1,093,504</u>	<u>240,490</u>
Expenditures:				
Debt Service	370,000	370,000	268,224	101,776
Capital outlay	<u>3,800,000</u>	<u>3,800,000</u>	<u>1,529,305</u>	<u>2,270,695</u>
Total Expenditures	<u>4,170,000</u>	<u>4,170,000</u>	<u>1,797,529</u>	<u>2,372,471</u>
Excess (deficiency) of revenues over expenditures	(3,316,986)	(3,316,986)	(704,025)	2,612,961
Fund Balance, July 1, 2020	<u>7,941,320</u>	<u>7,941,320</u>	<u>7,941,320</u>	<u>-</u>
Fund Balance, June 30, 2021	<u><u>4,624,334</u></u>	<u><u>4,624,334</u></u>	<u><u>7,237,295</u></u>	<u><u>2,612,961</u></u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**

Impact Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous				
Licenses and permits	1,109,639	1,109,639	1,517,295	407,656
Interest	50,000	50,000	24,152	(25,848)
Total Revenues	<u>1,159,639</u>	<u>1,159,639</u>	<u>1,541,447</u>	<u>381,808</u>
Expenditures:				
Capital outlay	<u>5,000,000</u>	<u>5,000,000</u>	<u>604,395</u>	<u>4,395,605</u>
Total Expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>604,395</u>	<u>4,395,605</u>
Excess (deficiency) of revenues over expenditures	(3,840,361)	(3,840,361)	937,052	4,777,413
Fund Balance, July 1, 2020	<u>5,122,718</u>	<u>5,122,718</u>	<u>5,122,718</u>	<u>-</u>
Fund Balance, June 30, 2021	<u><u>1,282,357</u></u>	<u><u>1,282,357</u></u>	<u><u>6,059,770</u></u>	<u><u>4,777,413</u></u>

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

TOWN OF NOLENSVILLE, TENNESSEE

**Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual**

Facilities School Tax Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous				
Licenses and permits	84,000	84,000	150,168	66,168
Grants	0	0	16,062	16,062
Interest	<u>6,000</u>	<u>6,000</u>	<u>3,425</u>	<u>(2,575)</u>
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>169,655</u>	<u>79,655</u>
Expenditures:				
Repair and maintenance	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	90,000	90,000	169,655	79,655
 Fund Balance, July 1, 2020	 725,985	 725,985	 725,985	 0
Fund Balance, June 30, 2021	<u>815,985</u>	<u>815,985</u>	<u>895,640</u>	<u>79,655</u>

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies

The Town of Nolensville, Tennessee, was incorporated under the Private Act of the Tennessee General Assembly. The Town provides the following services, as authorized by its charter and duly passed ordinances: public safety, streets, public improvements, and general administrative services. The accounting policies of the Town of Nolensville, Tennessee conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity:

In evaluating the Town as a reporting entity, management follows all applicable GASB statements and has addressed all potential component units (traditionally separate reporting entities) for which the Town may be financially accountable and, as such, should be included within the Town's financial statements. The Town (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the Town. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has no component units at yearend.

Accounting Pronouncements:

The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and the economic measurement focus for all funds. The fund financial statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in one column. The reporting includes the reporting of capital assets, infrastructure and depreciation, the elimination of account groups, and the inclusion of management's discussion and analysis.

Government -Wide and Fund Financial Statements

The Government-wide financial statements, the statement of Net Position and the statement of changes in Net Position, report information on all of the nonfiduciary activities of the primary government. For the most part the effect of the interfund activity has been removed from these statements. Government activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies, Continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund revenues are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers most governmental revenues as available if received within 60 days of years end. Expenditures are recorded generally when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, state shared revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

State Street Aid Fund - To account for the receipt and usage of the Town's share of State gasoline taxes.

Drug Fund - To account for the activity in the Town's Drug fund.

Facilities Tax Fund – To account for the Town Facility Tax and the expenditures related to the tax.

Impact Fund – To account for the Impact fee assessed on new developments.

Facilities School Tax – To account for the Town facility Tax to be used on future school infrastructure improvements.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of savings accounts and amounts held by the State Local Government Investment Pool. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted funds are used the Town uses committed, assigned then unassigned funds.

Receivables and Payables

Activity between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as either due from/ due to other funds (i.e. the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Property Tax

The Town's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the Town's legal boundaries. All Town taxes on real estate are declared to be a lien on such realty from January 1 of the year assessments are made.

Assessed values are established by the State of Tennessee at the following rates of appraised market value:

Public Utility Property	55%
Industrial and Commercial Property	
- Real	40%
- Personal	30%
Farm and Residential Property	25%

Taxes were levied at a rate of \$0.29 per \$100 of assessed valuation for the fiscal year ended June 30, 2021. Payments may be made during the period from October 1 through February 28. Current tax collections of \$1,519,600 for the fiscal year ended June 30, 2021 were approximately 65 percent of the tax levy.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies, Continued

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, streets and sidewalks, and drainage systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of \$5,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Infrastructure	40-50 years
Buildings	10-50 years
Furniture and Equipment	5-10 years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist principally of cash and accounts receivable. The Town places its cash with federally-insured financial institutions, institutions participating in the State collateral pool. With respect to accounts receivable, credit risk is dispersed across a large number of customers concentrated within one area of service.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental fund.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies, Continued

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by Council vote on an annual basis for the General and Special Revenue Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- b. The Town Council approves, by ordinance, total budget appropriations by department only. The Mayor is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the Town Council.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 an outflow of resources (expense/expenditure) until then. The government has deferred outflows related to its pension and OPEB plan reporting.

In addition to liabilities, the Statement of Net 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. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for intergovernmental shared revenues, which do not meet the availability criteria in governmental funds. The Town has deferred inflows related to pension plan and OPEB plan reporting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Other Post-Employment Benefit Plan- (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and OPEB expense, information about the fiduciary net position of the Town of Nolensville's participation in the Local Government OPEB Plan (LGOP), and additions to/deductions from the Town of Nolensville fiduciary net position have been determined on the same basis as they are reported by the LGOP. For this purpose, benefits are recognized when due and payable in accordance with benefit terms of the LGOP.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies, Continued

Fund Balance

The Town implemented GASB 54 which addresses issues related to how fund balances are reported. Fund balances are now reported in the following manner:

Nonspendable Fund Balance - This classification includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes terms that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - This classification includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

Committed Fund Balance - This classification includes amounts that can only be used for the specific purposes determined by a formal action of the Town's highest level of decision-making authority, the Town Council of the Town of Nolensville, Tennessee. Commitments may be changed or lifted only by the Town taking the same formal action that imposed the constraint originally (for example: ordinance).

Assigned Fund Balance - This classification included amounts intended to be used by the Town for specific purposes that are neither restricted nor committed. The Town Council and its designee, the Recorder, have the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(1) Summary of Significant Accounting Policies, Continued

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Nolensville's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Nolensville's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Government Wide – Net Position

Net position is a component of equity and is displayed in the following three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

Restricted – Consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities. The restrictions are evident from the classification titles.

Unrestricted – All other net position that does not meet the description of the above categories.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(2) Cash and Cash Equivalents

The Town is authorized to invest funds in Federal treasury bills and notes, State of Tennessee Local Government Investment Pool and financial institution demand deposit accounts. During the year, the Town invested funds that were not immediately needed in savings accounts and investments in the State of Tennessee Local Government Investment Pool. Deposits in financial institutions are required by State Statute to be secured and collateralized by the institutions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the town. Cash and cash equivalents were adequately covered by federal depository insurance, insured by the depository bank's participation in the State of Tennessee Bank Collateral Pool or collateralized by securities, pledged for deposits, held by an independent third-party financial institution under the terms of a safekeeping collateral agreement in the Town's name. Investment policies of the Town follow state law and bond requirements prohibiting investments that are not secured or insured by the U.S. Government.

(3) Accounts Receivable

Accounts receivable at June 30, 2021, consist of the following:

<u>Fund</u>	<u>Other Government</u>	<u>Property Taxes</u>	<u>Total</u>
General Fund	\$ 722,545	1,538,093	2,260,638
Facilities School Tax	27,846	-	27,846
State Street Aid	<u>73,951</u>	<u>-</u>	<u>73,951</u>
Total	\$ <u>824,342</u>	<u>1,538,093</u>	<u>2,362,435</u>

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(4) Capital Assets

A summary of changes in general capital assets as presented in the governmental activities column of the government-wide financial statement is as follows:

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2021</u>
Land	\$ 278,753	-	-	278,753
Building	4,570,055	-	-	4,570,055
Furniture	31,525	30,237	-	61,762
Infrastructure	11,584,615	2,544,656	-	14,129,271
Equipment	886,345	546,826	125,347	1,307,824
Total	<u>\$17,351,293</u>	<u>3,121,719</u>	<u>125,347</u>	<u>20,347,665</u>
Accumulated depreciation	<u>(3,784,485)</u>			<u>(4,625,341)</u>
Capital Assets, net	<u>\$13,566,808</u>			<u>15,722,324</u>

All assets are being depreciated except land of \$278,753.

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

General Fund:	
Police department	156,812
Fire department	16,461
General government	120,028
Highways and streets	<u>608,091</u>
Total	<u>901,392</u>

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(5) Risk Management

The Town is exposed to various risks to general liability and property and casualty losses. The Town has decided it is more economically feasible to be in a public entity risk pool as opposed to purchasing commercial insurance for general liability and property and casualty coverage. The Town participates in the Public Entity Partners (formerly TML Insurance Pool), which is a public entity risk pool established by the Tennessee Municipal League, an association of member cities. The Town pays an annual premium to the PEP for its general liability and property and casualty insurance coverage. The pool reinsures through commercial insurance companies.

The Town has not had claims in excess of insurance coverage during the last three years.

(6) Long-Term Debt

Direct Borrowings

The following schedule reflects the changes in general long-term debt, for the fiscal year ending June 30, 2021.

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Recreation center loan	1,608,000	-	82,000	1,526,000
Building construction loan	3,090,000	-	132,000	2,958,000
Total	4,698,000	-	214,000	4,484,000

Principal and interest requirements to maturity on all outstanding bonds, loans and obligations as of June 30, 2021 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2022	225,000	37,275
2023	235,000	35,186
2024	248,000	32,981
2025	260,000	30,667
2026	273,000	28,236
2027-2031	1,573,000	100,299
2032-2036	1,670,000	26,229
Total	4,484,000	290,873

The above bonds payable contain provisions that in the event of default, the lender can use any remedy allowed by state or federal law.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(7) Pension Plan

General Information about the Pension Plan

Plan description. Employees of Nolensville are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at <http://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated Title 8, Chapter 34-37 established the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms. At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	28
Active employees	<u>30</u>
Total	<u>61</u>

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(7) Pension Plan, Continued

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be charged by the Tennessee General Assembly. Employees contribute 5 percent of salary. Nolensville makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, actuarially determined contribution (ADC) for Nolensville were (\$135,185) based on a rate of (6.83%) percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Nolensville's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Nolensville's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<i>Inflation</i>	2.5 percent
<i>Salary increases</i>	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation averaging 4.00 percent.
<i>Investment rate of return</i>	7.25 percent, net of pension plan investment expenses, including inflation.
<i>Cost-of-Living Adjustment</i>	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(7) Pension Plan, Continued

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates by return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real Estate	4.32%	10%
Short-term securities	0.00%	1%
Total		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Town will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(7) Pension, Continued

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (Asset)	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 6/30/19	\$1,619,851	\$1,413,675	\$206,176
Changes for the Year:			
Service Cost	88,128	-	88,128
Interest	122,505	-	122,505
Differences between expected and actual experience	127,343	-	127,343
Changes of Benefit Terms	-	-	-
Changes in Assumptions	-	-	-
Contributions-employer	-	104,658	(104,658)
Contributions-employees	-	74,756	(74,756)
Net investment income	-	73,601	(73,601)
Benefit payments, including refunds of employee contributions	(36,517)	(36,517)	-
Administrative expense	-	(2,529)	2,529
Other changes	-	-	-
Net changes	301,459	213,969	87,490
Balance at 6/30/20	\$ 1,921,310	\$ 1,627,644	\$ 293,666

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Nolensville calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Nolensville's net pension Liability (asset)	578,098	293,666	71,604

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(7) Pension, Continued

Pension Expense (income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense (negative pension expense). For the year ended June 30, 2021, Nolensville recognized negative pension expense of \$89,732.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2021, Nolensville reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and Actual experience	272,468	97,249
Net difference between projected and Actual earning on pension plan		
Investments	14,183	-
Changes in Assumptions	11,397	-
Contributions subsequent to the Measurement date of June 30, 2020	<u>135,185</u>	<u>-</u>
Total	<u>433,233</u>	<u>97,249</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2020," will be recognized as a reduction (increase) to net position liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	50,849
2023	47,999
2024	47,910
2025	14,501
2026	7,705

Thereafter 31,836

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

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(8) Other Postemployment Benefits For Retiree Health Insurance

Plan description – Employees of the Town, who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government OEB Plan (LGOP administered by the Tennessee Department of Finance and Administration). This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who chose coverage, participate in the LGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided -The Town offers the LGOP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health-savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGOP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The Town does not directly subsidize and are only subject to the implicit. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement NO. 75.

Employees covered by benefit terms. At July 1, 2020, the following employees were covered by the benefit terms of the LGOP:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	0
Active employees	<u>29</u>
Total	<u>28</u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to established premium rates. For the fiscal year ended June 30, 2021, the Town paid \$338 to the LGOP for OPEB benefits as they came due.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(8) Other Postemployment Benefits For Retiree Health Insurance, Continued

Total OPEB Liability

Actuarial assumptions-The total OPEB liability on the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all the periods included in the measurement, unless otherwise specified.

Inflation -	2.10%
Salary increases -	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates –	9.02% for pre-65 in 2020, decreasing annually over a 10-year period to an ultimate rate of 4.50%. 7.56% for post-65 in 2020, decreasing annually over a 4-year period to an ultimate rate of 4.50%
Retiree's share of benefit-related costs –	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distributions of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2019, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012- June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables were used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2% load for males and a -3% load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

Discount rate-The discount rate used to measure the total OPEB liability was 2.21 percent. This rate reflects the interest rate derived from yields on a 20-year, tax exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-year Municipal GO AA index.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(8) Other Postemployment Benefits For Retiree Health Insurance, Continued

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Total OPEB liability - beginning balance	\$ 18,847
Changes for the year:	
Service cost	\$ 6,824
Interest	\$ 897
Changes of benefit terms	\$ -
Differences between expected and actual experience	\$ (3,224)
Change in assumptions	\$ 2,553
Benefit payments	\$ (237)
Net changes	\$ 6,813
Total OPEB liability - ending balance	\$ 25,660

Changes in assumptions-The discount rate was changed from 3.51% as of the beginning of the measurement period to 2.21% as of June 30, 2020. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

Sensitivity of total OPEB liability to changes in the discount rate-The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage higher than the current discount rate.

1% Decrease	Current Discount Rate Assumption	1% Increase
<u>(1.21%)</u>	<u>(2.21%)</u>	<u>(3.21%)</u>
\$28,269	\$25,660	\$23,344

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate – The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-lower or 1-percentage-point-higher than the current healthcare cost trend rate.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
<u>(8.02/6.56% Decreasing to 3.50%)</u>	<u>(9.02/7.56% decreasing to 4.50%)</u>	<u>(10.02/8.56% decreasing to 5.50%)</u>
\$ 21,955	\$ 25,660	\$ 30,342

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(8) Other Postemployment Benefits For Retiree Health Insurance, Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB Expense - For the fiscal year ended June 30, 2021, the Town of Nolensville recognized OPEB expense of \$4,060.

Deferred Outflows of Resources and Deferred Inflows of Resources - For the year ended June 30, 2021, the Town of Nolensville reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and Actual experience	-	26,984
Changes in assumptions	4,329	1,098
Employer payments subsequent to The measurement date	338	-
Total	<u>4,667</u>	<u>28,082</u>

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in employee benefit expense as follows:

Year Ended June 30:

2022	(3,661)
2023	(3,661)
2024	(3,661)
2025	(3,661)
2026	(3,661)

Thereafter (5,448)

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

Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

TOWN OF NOLENSVILLE, TENNESSEE

Notes to Financial Statements

June 30, 2021

(9) Commitments and Contingencies

Grants:

Amounts received from Grantor agencies are subject to audit and adjustment by Grantor agencies, principally the Federal government. Any disallowed claims including amounts already collected, could become a liability of the applicable fund.

Litigation:

The Town has no lawsuits in which the outcome would be material to the financial statements.

(10) Compensated Absences

The Town has accrued a liability for unused sick and vacation pay which is earned, but not taken by Town employees.

	July 1, <u>2020</u>	Addi- <u>tions</u>	Retire- <u>ments</u>	June 30, <u>2021</u>
Governmental activities	<u>103,486</u>	<u>10,510</u>	<u>-</u>	<u>113,996</u>

REQUIRED
SUPPLEMENTARY
INFORMATION

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Required Supplementary Information

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS

Last Fiscal Year ending June 30

	2014	2015	2016	2017	2018	2019	2020
Total pension liability (asset)							
Service cost	\$ 42,778	\$ 44,681	\$ 68,656	\$ 79,198	\$ 90,337	\$ 106,756	\$ 88,128
Interest	\$ 45,363	\$ 57,205	\$ 67,215	\$ 87,572	\$ 102,794	\$ 120,871	\$ 122,505
Changes in benefit terms	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Differences between actual & expected experience	\$ 78,351	\$ 18,960	\$ 150,790	\$ 78,819	\$ 89,897	\$ (136,149)	\$ 127,343
Change of assumptions	-	-	-	\$ 26,589	\$ -	\$ -	\$ -
Benefit payments, including refunds of employee contributions	\$ (19,734)	\$ (1,259)	\$ (21,455)	\$ (30,099)	\$ (36,111)	\$ (64,104)	\$ (36,517)
Net change in total pension liability (asset)	\$ 146,758	\$ 119,587	\$ 265,206	\$ 242,079	\$ 246,917	\$ 27,374	\$ 301,459
Total pension liability (asset)-beginning	\$ 571,930	\$ 718,688	\$ 838,275	\$ 1,103,481	\$ 1,345,560	\$ 1,592,477	\$ 1,619,851
Total pension liability (asset)-ending (a)	\$ 718,688	\$ 838,275	\$ 1,103,481	\$ 1,345,560	\$ 1,592,477	\$ 1,619,851	\$ 1,921,310
Plan fiduciary net position							
Contributions-employer	\$ 24,710	\$ 16,345	\$ 22,272	\$ 45,436	\$ 77,149	\$ 98,195	\$ 104,658
Contributions-employee	\$ 28,079	\$ 32,955	\$ 44,902	\$ 46,939	\$ 54,868	\$ 64,687	\$ 74,756
Net investment income	\$ 102,339	\$ 23,459	\$ 22,047	\$ 102,643	\$ 90,106	\$ 94,625	\$ 73,601
Benefit payments, including refunds of employee contributions	\$ (19,734)	\$ (1,259)	\$ (21,455)	\$ (30,099)	\$ (36,111)	\$ (64,104)	\$ (36,517)
Administrative expense	\$ (474)	\$ (689)	\$ (1,320)	\$ (1,565)	\$ (2,099)	\$ (2,287)	\$ (2,529)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ 134,920	\$ 70,811	\$ 66,446	\$ 163,354	\$ 183,913	\$ 191,116	\$ 213,969
Plan fiduciary net position-beginning	\$ 603,115	\$ 738,035	\$ 808,846	\$ 875,292	\$ 1,038,646	\$ 1,222,559	\$ 1,413,675
Plan fiduciary net position-ending (b)	\$ 738,035	\$ 808,846	\$ 875,292	\$ 1,038,646	\$ 1,222,559	\$ 1,413,675	\$ 1,627,644
Net Pension Liability (asset)-ending (a) - (b)	\$ (19,347)	\$ 29,429	\$ 228,189	\$ 306,914	\$ 369,918	\$ 206,176	\$ 293,666
Plan fiduciary net position as a percentage of total pension liability	102.69%	96.49%	79.32%	77.19%	76.77%	87.27%	84.72%
Covered payroll	\$ 561,578	\$ 659,088	\$ 898,048	\$ 938,764	\$ 1,091,821	\$ 1,293,748	\$ 1,495,115
Net pension liability (asset) as a percentage of covered payroll	-3.45%	4.47%	25.41%	32.69%	33.88%	15.94%	19.64%

Changes of assumptions. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, in needed.

TOWN OF NOLENSVILLE, TENNESSEE

**Schedule of Contributions Based on Participation in the
Public Employee Pension Plan of TCRS**

For the Year Ended June 30, 2021

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	<u>24,710</u>	<u>16,345</u>	<u>22,272</u>	<u>45,436</u>	<u>72,169</u>	<u>98,195</u>	<u>102,116</u>	<u>135,185</u>
Contributions in relation to the actuarially determined contribution	<u>24,710</u>	<u>16,345</u>	<u>22,272</u>	<u>45,436</u>	<u>77,149</u>	<u>98,195</u>	<u>104,658</u>	<u>135,185</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$4,980)</u>	<u>\$0</u>	<u>(\$2,542)</u>	<u>\$0</u>
Covered-employee payroll	<u>561,578</u>	<u>659,088</u>	<u>898,048</u>	<u>938,764</u>	<u>1,091,821</u>	<u>1,293,748</u>	<u>1,495,115</u>	<u>1,144,257</u>
Contributions as a percentage covered-employee payroll	<u>4.40%</u>	<u>2.48%</u>	<u>2.48%</u>	<u>4.84%</u>	<u>7.07%</u>	<u>7.59%</u>	<u>7.00%</u>	<u>6.83%</u>

GASB 68 requires 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, in needed.

Notes to Schedule

Valuation date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.25 percent

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

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Required Supplementary Information- OPEB

Schedule of Changes in Total OPEB Liability and Related Ratios

Measurement Year ending June 30

Amounts reported for each fiscal year were determined as of the prior fiscal year.

	2018	2019	2020	2021
Total OPEB Liability				
Service Cost	\$ 3,368	\$ 3,234	\$ 6,390	\$ 6,824
Interest on the Total OPEB Liability	\$ 1,053	\$ 1,371	\$ 1,632	\$ 897
Change In Benefit Terms	\$ -	\$ -	\$ -	\$ -
Difference between expected and actual experience of the Total OPEB Liability	\$ -	\$ (2,962)	\$ (28,887)	\$ (224)
Changes In assumptions and other inputs	\$ (1,782)	\$ 1,845	\$ 1,015	\$ 2,553
Benefit payments	\$ -	\$ (127)	\$ (6)	\$ (237)
Net change in Total OPEB Liability	\$ 2,639	\$ 3,361	\$ (19,856)	\$ 9,813
Total OPEB Liability - Beginning	\$ 32,703	\$ 35,342	\$ 38,703	\$ 18,847
Total OPEB Liability - Ending	\$ 35,342	\$ 38,703	\$ 18,847	\$ 28,660
 Estimated Covered -Employee Payroll	 N/A	 N/A	 \$ 1,293,748	 \$ 1,144,257
 Total OPEB Liability as a Percentage of Covered- Employee Payroll	 N/A	 N/A	 1.46%	 2.50%

Notes to Schedule

Note: There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan. The amounts reported for each fiscal year were determined as of the prior fiscal year-end. The amounts reported for each fiscal year were determined as of the prior fiscal year-end. This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

SUPPLEMENTAL INFORMATION

TOWN OF NOLENSVILLE, TENNESSEE

Capital Assets Used in the Operation of the Governmental Funds:

Schedule of Changes in Capital Assets

June 30, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance</u>
Land	278,753	0	0	\$278,753
Building	4,570,055	0	0	4,570,055
Furniture	31,525	30,237	0	61,762
Infrastructure	11,584,615	2,544,656	0	14,129,271
Equipment	<u>886,345</u>	<u>546,826</u>	<u>125,347</u>	<u>1,307,824</u>
Total capital assets	<u>17,351,293</u>	<u>3,121,719</u>	<u>125,347</u>	<u>20,347,665</u>

TOWN OF NOLENSVILLE, TENNESSEE

Capital Assets Used in the Operation of the Governmental Funds:

Schedule of Capital Assets by Function and Activity

June 30, 2021

	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Total</u>
Land	278,753	0	0	\$278,753
Building	4,474,881	0	95,174	4,570,055
Furniture	61,762	0	0	61,762
Infrastructure	14,129,271	0	0	14,129,271
Equipment	<u>138,271</u>	<u>898,371</u>	<u>271,182</u>	<u>1,307,824</u>
Total capital assets	<u>19,082,938</u>	<u>898,371</u>	<u>366,356</u>	<u>20,347,665</u>

TOWN OF NOLENSVILLE, TENNESSEE

**Schedule of Cash and Cash Equivalents
All Funds**

June 30, 2021

	<u>Carrying Value</u>
General Fund:	
Demand deposits	\$10,167,008
State Investment Pool	17,351
Total General Fund	<u>10,184,359</u>
Special Revenue Funds	
State Street Aid Fund:	
Demand deposits	494,942
State Investment Pool	5,933
Total State Street Aid Fund	<u>500,875</u>
Drug Fund:	
Demand deposits	2,432
Total Drug Fund	<u>2,432</u>
Facilities Tax Fund:	
Demand deposits	7,237,295
Total Facilities Tax Fund	<u>7,237,295</u>
Impact Fund:	
Demand deposits	6,059,770
Total Facilities Tax Fund	<u>6,059,770</u>
Facilities School Tax Fund:	
Demand deposits	867,794
Total Facilities Tax Fund	<u>867,794</u>
Total Special Revenue Funds	<u>14,668,166</u>
Total - All funds	<u>\$24,852,525</u>

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Changes in Property Taxes Receivable

For the Year Ended June 30, 2021

<u>Tax Year</u>	<u>Balance July 1, 2020</u>	<u>Levy</u>	<u>Collections and Changes in Assessment</u>	<u>Balance June 30, 2021</u>
2021	\$ -	1,528,052	0	1,528,052
2020	710,544	817,508	1,519,600	8,452
2019	4,698	0	4,116	582
2018	1,411	0	924	487
2017	256	0	86	170
2016	140	0	13	127
2015	82	0	12	70
2014	10	0	0	10
2013	30	0	0	30
2012	48	0	0	48
2011	65	0	0	65
2010	103	0	103	0
	<u>\$717,387</u>	<u>2,345,560</u>	<u>1,524,854</u>	<u>1,538,093</u>

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Tax Collections and Adjustments</u>	<u>Outstanding Taxes</u>
2021	0.29	1,528,052	0	1,528,052
2020	0.29	1,528,052	1,519,600	8,452
2019	0.29	709,180	708,598	582
2018	0.29	626,909	626,422	487
2017	0.15	575,314	575,144	170
2016	0.15	498,479	498,352	127
2015	0.15	372,915	372,845	70
2014	0.15	337,915	337,905	10
2013	0.15	320,342	320,312	30
2012	0.15	292,845	292,797	48
2011	0.15	273,574	273,509	65

All delinquent taxes have been filed with the County Trustee.

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Debt Service Requirements

June 30, 2021

Year	TENNESSEE MUNICIPAL BOND FUND		TENNESSEE MUNICIPAL BOND FUND		TOTALS	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 139,000	20,797	86,000	16,478	225,000	37,275
2023	145,000	19,738	90,000	15,448	235,000	35,186
2024	153,000	18,620	95,000	14,361	248,000	32,981
2025	160,000	17,450	100,000	13,217	260,000	30,667
2026	168,000	16,221	105,000	12,015	273,000	28,236
2027	176,000	14,933	110,000	10,756	286,000	25,689
2028	183,000	13,578	116,000	9,429	299,000	23,007
2029	192,000	12,157	121,000	8,044	313,000	20,201
2030	202,000	10,661	127,000	6,591	329,000	17,252
2031	212,000	9,092	134,000	5,058	346,000	14,150
2032	222,000	7,448	140,000	3,456	362,000	10,904
2033	234,000	5,716	147,000	1,774	381,000	7,490
2034	245,000	3,902	155,000	918	400,000	4,820
2035	257,000	1,999			257,000	1,999
2036	270,000	1,016			270,000	1,016
	\$ 2,958,000	173,328	1,526,000	117,545	4,484,000	290,873

Both loans have variable interest rates.

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Changes in Long-term Debt by Individual Issue

June 30, 2021

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2021
Governmental Activities									
NOTES PAYABLE									
Series 2017 Recreation Loan	\$ 2,025,000	2.00%	2017	12/31/2034	\$ 1,608,000	-	\$ 82,000	-	\$1,526,000
Series 2017 Building Loan	4,000,000	2.00%	2017	12/31/2036	\$ 3,090,000	-	\$ 132,000	-	\$2,958,000
Total Notes Payable					\$ 4,698,000	\$ -	\$ 214,000	\$ -	\$ 4,484,000

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of State and Federal Financial Assistance

For the Year Ended June 30, 2021

<u>CFDA Number</u>	<u>State Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Receivable (Deferred) Balance July 1, 2020</u>	<u>Grant Receipts</u>	<u>Other Receipts</u>	<u>Grant Expenditures</u>	<u>Receivable (Deferred) Balance June 30, 2021</u>
State Program:								
N/A	Z20THS191	Highway Safety Police Grant	Tennessee Department of Transportation	<u>0</u>	<u>329</u>	<u>0</u>	<u>329</u>	<u>0</u>
N/A	Z21THS220	Highway Safety Police Grant	Tennessee Department of Transportation	<u>0</u>	<u>18,776</u>	<u>0</u>	<u>41,130</u>	<u>22,354</u>
N/A	N/A	Trees and Trails	Tennessee Department of Wildlife Resources	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>	<u>0</u>
N/A	N/A	TN CARES	Tennessee Department of Finance and Administration	<u>0</u>	<u>135,180</u>	<u>0</u>	<u>135,180</u>	<u>0</u>
N/A	N/A	Governors Appropriation	Tennessee Department of Finance and Administration	<u>0</u>	<u>228,880</u>	<u>0</u>	<u>228,880</u>	<u>0</u>
N/A	SRTS-9400(58) SRTS-9329(10)	Safe routes to Schools	Tennessee Department of Transportation	<u>0</u>	<u>16,062</u>	<u>0</u>	<u>16,062</u>	<u>0</u>
20.205	PIN#128638	Historic District Street Improvement	Tennessee Department of Transportation	<u>0</u>	<u>41,888</u>	<u>0</u>	<u>41,888</u>	<u>0</u>
Total				<u>0</u>	<u>442,115</u>	<u>0</u>	<u>464,469</u>	<u>22,354</u>

This schedule prepared on the modified accrual basis of accounting.

COMPLIANCE AND INTERNAL CONTROL

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

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

Mayor and Board of Aldermen
Town of Nolensville, Tennessee
Nolensville, Tennessee

I have audited 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, the financial statements of the governmental activities and each major fund as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Nolensville's basic financial statements, and have issued a report thereon dated November 8, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Nolensville's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Nolensville's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Nolensville'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001, that I consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Nolensville's financial statements are free of material misstatement, I 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 the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

The Town of Nolensville's response to the finding identified in the audit is described in the Schedule of Findings and Responses. The Town of Nolensville's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of the testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

John R Poole, CPA

November 8, 2021

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Findings and Responses

June 30, 2021

2021-001 - Separation of Duties

Condition: The Town of Nolensville currently has two employees that work in performing the majority of the accounting functions for the Town. Due to only having two employees performing the accounting transactions there is currently an inadequate segregation of duties.

Criteria: Generally accepted accounting principles require that accounting functions be adequately segregated to ensure that the internal accounting controls are effective.

Cause: The Town has a limited number of office employees to provide for a proper division of duties.

Effect: The risk of errors and irregularities occurring and not being detected in a timely manner along with the possibility of fraud or misappropriation of assets increases when accounting functions are not adequately segregated.

Recommendation: For adequate separation of duties, the employee who writes receipts, prepares and makes bank deposits, or writes checks should neither reconcile bank statements nor post to the cash receipts and disbursements journals.

Response: "We agree that the current staff does not allow the Town to segregate all duties to the optimum level desired. This past year, however, we were able to hire another full time employee totaling three employees working throughout the entire Fiscal Year in the Finance department, and an additional part-time hired for cashiering in the Codes department. This allowed the department to ensure that the employees who write receipts, prepares and makes bank deposits or write checks, are neither reconciling bank statements nor posting to the cash receipts and disbursements journals. The Town is seeking to request additional staff in the next budget cycle and will reevaluate and continue to seek additional staffing needs to satisfy optimum level of segregated duties across all departments."

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Disposition of Prior Year Comments

June 30, 2021

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2020-001	Separation of Duties	Repeated

The original finding number was 1998-001. The current finding number is 2021-001.

Derek Adams
Mayor

Wendy Cook-Mucci
Vice Mayor

Hallie Gallik
Commissioner



Lisa Garramone
Commissioner

Joel Miller
Commissioner

Montique Luster
Town Recorder

Town of Nolensville

Management's Corrective Action Plan

Audit period: June 30, 2021

The findings from the June 30, 2021, *Schedule of Findings and Responses* are discussed below.

2021-001 Segregation of Duties (Internal Control)

Contact person: Victor Lay

Planned Corrective Action: The Town is seeking to request additional staff in the next budget cycle and will reevaluate and continue to seek additional staffing needs to satisfy optimum level of segregated duties across all departments.

Anticipated Completion Date: We will continue to improve and strengthen our internal controls, but we cannot give a definite date.

Signature: