



Town of Nolensville, Tennessee
Annual Financial Report
For the Fiscal Year Ended June 30, 2023

Town of Nolensville, Tennessee
Annual Financial Report
For the Fiscal Year Ended June 30, 2023

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Introductory Section

Town of Nolensville, Tennessee

Directory of Town Officials

As of June 30, 2023

Elected Officials

Mayor	Halie Gallik
Vice Mayor	Jessica Salamida
Commissioner	Derek Adams
Commissioner	Kate Cortner
Commissioner	Joel Miller

Management

Town Manager	Victor Lay
Finance Director	Christina Merle, CMFO

Financial Section



Independent Auditor's Report

Honorable Mayor and Board of Commissioners
Town of Nolensville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Nolensville, Tennessee (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund, capital improvements fund, facilities tax fund, and impact fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 and the schedules of changes in net pension and OPEB liability and related ratios and employer contributions on pages 38-40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedules on pages 41-45 and other schedules on pages 46-49 (including the schedule of expenditures of federal awards and state financial assistance as required by the State of Tennessee, on page 49) 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 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules on pages 41-45 and other schedules on pages 46-49 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on page i, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Murfreesboro, Tennessee
April 17, 2024

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

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, 2023. 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 \$44.8 million.
- Of this amount, \$11.5 million (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 \$2.0 million due to increased revenues combined with increased expenses as the Town continues to see growth.
- Revenues were \$2.8 million less in the current year primarily as a result of decreased tax and grant revenues, and expenses were \$1.1 million more in the current year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$29.2 million; an increase of \$0.2 million in comparison to the prior year. The increase was due to increased property and sales tax revenues by the Town.
- Expenditures were higher in the current year as a result of capital asset purchases of \$2.8 million. During the year the Town repaid \$235 thousand 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 \$9.7 million

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.

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

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 13-21 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 22-37 of this report.

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

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 \$44,825,000 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.

Statement of Net Position (In Thousands)

	Governmental Activities	
	2023	2022
Assets		
Capital assets	\$ 19,652	\$ 18,098
Other assets	34,496	31,540
Total Assets	54,148	49,638
Deferred Outflows of Resources		
Deferred outflows	1,260	1,020
Liabilities		
Long-term liabilities	4,791	4,603
Other liabilities	3,439	779
Total Liabilities	8,230	5,382
Deferred Inflows of Resources		
Deferred inflows	2,353	2,544
Net Position		
Net Investment in capital assets	14,579	13,839
Restricted	18,689	19,374
Unrestricted	11,557	9,519
Total net position	\$ 44,825	\$ 42,732

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

Change in Net Position (In Thousands)

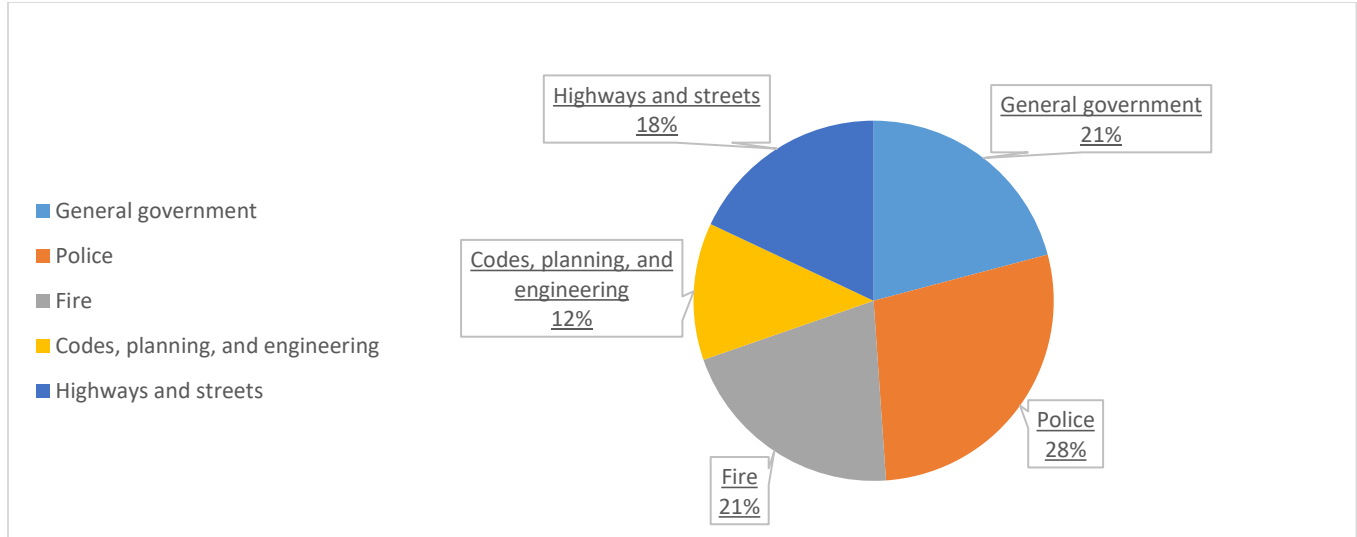
	Primary Government	
	Governmental	
	Activities	
	2023	2022
Program Revenues		
Charges for services	\$ 2,530	\$ 4,760
Operating grants and contributions	604	709
General Revenues		
Property taxes	2,379	2,187
Sales taxes	4,281	3,904
Grants and contributions	-	1,343
Alcohol taxes	341	390
Other	702	346
Total Revenues	10,837	13,639
Expenses		
General government	1,825	1,419
Public safety	4,268	3,215
Codes, planning, and engineering	1,077	1,315
Highways and streets	1,574	1,634
Total Expenses	8,744	7,583
Change in net position	2,093	6,056
Net Position - Beginning	42,732	36,676
Net Position - Ending	<u>\$ 44,825</u>	<u>\$ 42,732</u>

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

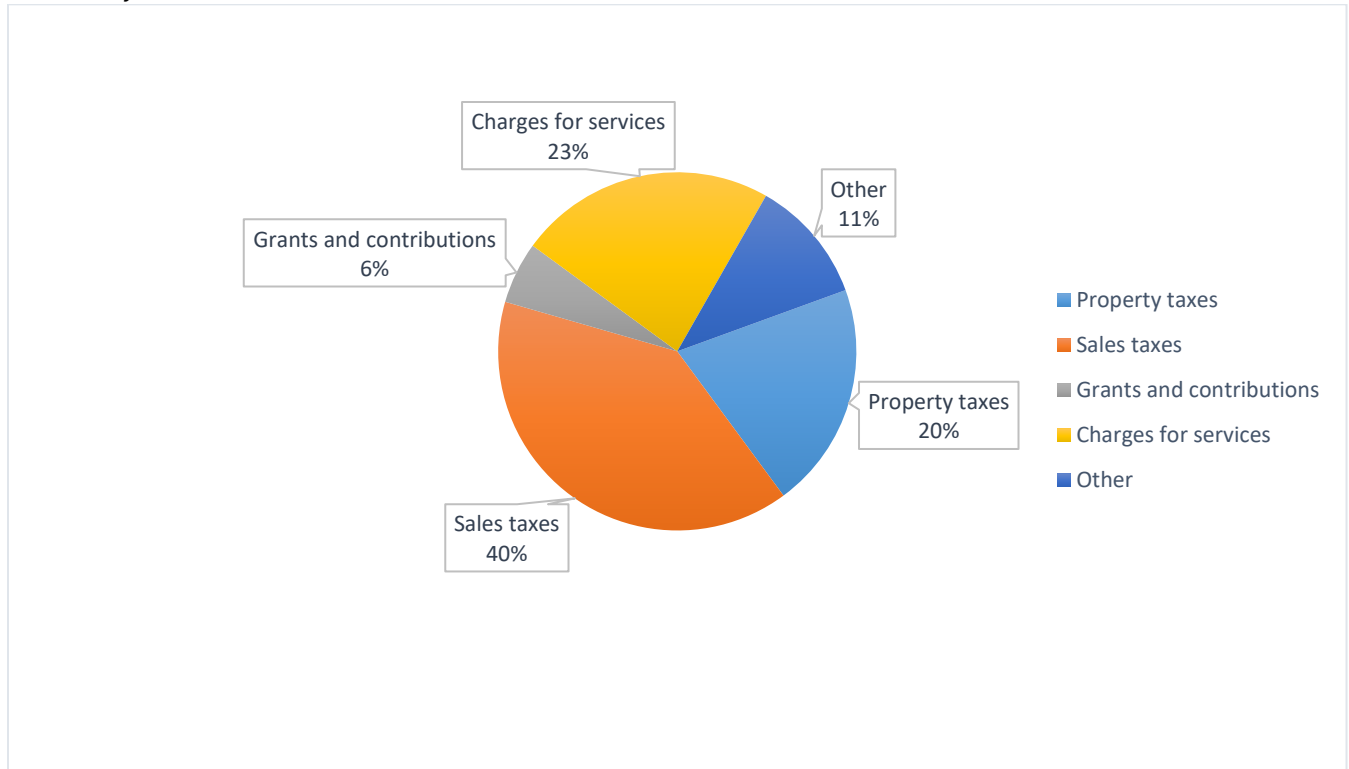
Expenses and Program Revenues – Governmental Activities

The graphs below shows a breakdown of the Town's expenses and revenues.

Expenses by Program –Governmental Activities



Revenue by Source – Governmental Activities



Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

Financial Analysis of the Government's 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 \$8.8 million. 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 17-21.

Capital Asset and Debt Administration

Capital Assets

The Town of Nolensville's investment in capital assets from its governmental activities at June 30, 2023, amounts to \$19.7 million (net of accumulated depreciation). This investment in capital assets is in land, construction in progress, buildings, improvements, infrastructure, machinery, and equipment.

Summary of the Town's Capital Assets (In Thousands)

	Governmental Activities	
	2023	2022
Land	\$ 1,692	\$ 1,679
Construction in progress	2,418	168
Buildings	4,610	4,475
Furniture	61	61
Machinery and equipment	2,851	2,435
Infrastructure	15,004	15,004
	26,636	23,822
Less: accumulated depreciation	(6,984)	(5,724)
	<u>\$ 19,652</u>	<u>\$ 18,098</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.

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

Long-term Debt

The Town has \$4.0 million in long-term debt at year end. The debt was used to finance the construction of two capital assets – Town Hall and a portion of the Recreation Center. During the year the Town reduced its outstanding debt by \$235 thousand.

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

Economic Factors and Next Year's Budgets and Rates

Town staff considered historical economic performance, new home occupancy and published state-wide economic growth information in preparing the Town Budget for fiscal year 2022-2023.

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 information should be addressed to:

Victor Lay, Town Manager
Town of Nolensville
7218 Nolensville Road
Nolensville, TN 37135

Town of Nolensville, Tennessee

Statement of Net Position

June 30, 2023

	Governmental Activities	Total
Assets		
Cash and cash equivalents	\$ 31,250,083	\$ 31,250,083
Accounts receivable	3,196,264	3,196,264
Prepaid assets	50,167	50,167
Capital assets not being depreciated	4,109,357	4,109,357
Capital assets, net of accumulated depreciation	<u>15,542,740</u>	<u>15,542,740</u>
Total assets	54,148,611	54,148,611
Deferred Outflows of Resources		
Deferred outflows of resources, pension	<u>1,259,791</u>	<u>1,259,791</u>
Total deferred outflows of resources	1,259,791	1,259,791
Liabilities		
Accounts payable	1,153,748	1,153,748
Accrued expenses	394,865	394,865
Unearned revenues	1,642,765	1,642,765
Net pension liability	1,014,910	1,014,910
Long-term liabilities, current portion	248,000	248,000
Long-term liabilities, net of current portion	<u>3,776,000</u>	<u>3,776,000</u>
Total liabilities	8,230,288	8,230,288
Deferred Inflows of Resources		
Deferred inflows of resources, property taxes	2,294,997	2,294,997
Deferred inflows of resources, pension	<u>58,349</u>	<u>58,349</u>
Total deferred inflows of resources	2,353,345	2,353,345
Net Position		
Net investment in capital assets	14,578,895	14,578,895
Restricted for		
Capital improvements	1,603,871	1,603,871
State street	918,197	918,197
Facilities tax	6,724,750	6,724,750
Impact	8,437,010	8,437,010
Facilities school tax	1,005,058	1,005,058
Unrestricted	<u>11,556,988</u>	<u>11,556,988</u>
Total net position	\$ 44,824,769	\$ 44,824,769

Town of Nolensville, Tennessee
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program revenues			Net (expenses) revenues and changes in net position	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Total
Primary Government						
General government	\$ 1,825,411	\$ 2,261,225	\$ -	-	\$ 435,814	\$ 435,814
Police department	2,451,326	268,479	57,230	-	(2,125,617)	(2,125,617)
Fire department	1,816,570	-	12,200	-	(1,804,370)	(1,804,370)
Codes, planning, and engineering	1,077,231	-	-	-	(1,077,231)	(1,077,231)
Highways and streets	1,574,179	-	534,309	-	(1,039,870)	(1,039,870)
Total governmental activities	\$ 8,744,717	\$ 2,529,704	\$ 603,739	\$ -	(5,611,274)	(5,611,274)
General Revenues						
Property taxes					2,212,315	2,212,315
Public property taxes					167,030	167,030
Sales taxes					4,280,679	4,280,679
Alcohol taxes					340,544	340,544
Income taxes					1,167	1,167
Franchise tax					266,842	266,842
Interest income					422,294	422,294
Other income					13,151	13,151
Total general revenues					7,704,022	7,704,022
Change in net position					2,092,748	2,092,748
Net position, beginning of year					42,732,021	42,732,021
Net position, end of year					\$ 44,824,769	\$ 44,824,769

Town of Nolensville, Tennessee

Balance Sheet Governmental Funds June 30, 2023

	General	Capital improvements	Facilities tax fund	Impact fund	Other governmental	Total governmental
Assets						
Cash and cash equivalents	\$ 9,197,649	\$ 5,045,838	\$ 6,731,510	\$ 8,444,176	\$ 1,830,910	\$ 31,250,083
Receivables, net	3,104,212	-	-	-	97,888	3,202,100
Prepaid assets	50,167	-	-	-	-	50,167
Total assets	\$ 12,352,028	\$ 5,045,838	\$ 6,731,510	\$ 8,444,176	\$ 1,928,798	\$ 34,502,350
Liabilities						
Accounts payable	\$ 90,593	\$ 1,049,202	\$ 6,760	\$ 7,166	\$ 28	\$ 1,153,749
Accrued expenses	193,893	-	-	-	-	193,893
Unearned revenues	-	1,642,765	-	-	-	1,642,765
Total liabilities	284,486	2,691,967	6,760	7,166	28	2,990,407
Deferred Inflows of Resources						
Deferred property taxes	2,310,874	-	-	-	-	2,310,874
Total deferred inflows of resources	2,310,874	-	-	-	-	2,310,874
Fund Balances						
Nonspendable	50,167	-	-	-	-	50,167
Restricted	-	1,603,871	6,724,750	8,437,010	1,928,770	18,694,401
Committed	-	750,000	-	-	-	750,000
Unassigned	9,706,501	-	-	-	-	9,706,501
Total fund balances	9,756,668	2,353,871	6,724,750	8,437,010	1,928,770	29,201,069
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,352,028	\$ 5,045,838	\$ 6,731,510	\$ 8,444,176	\$ 1,928,798	\$ 34,502,350

Town of Nolensville, Tennessee
Reconciliation of Balance Sheet, Governmental Funds to
Statement of Net Position, Governmental Activities
June 30, 2023

Amounts reported for fund balance, total governmental funds			\$ 29,201,069
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 reported in the funds.			
Notes payable			(4,024,000)
Compensated absences payable			(200,971)
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-employment benefit obligations			
Net pension liability	\$ (1,014,910)		
Deferred outflows - pension	1,259,791		
Deferred inflows - pension	<u>(58,349)</u>		186,532
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			19,652,097
Net position of governmental activities			\$ 44,824,769

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Capital improvements	Facilities tax fund	Impact fund	Other governmental	Total governmental
Revenues						
Taxes	\$ 2,782,948	\$ -	\$ -	\$ -	\$ -	\$ 2,782,948
Intergovernmental	4,608,957	-	-	-	480,411	5,089,368
Licenses and permits	791,800	-	516,458	793,288	94,967	2,196,513
Fines and fees	124,348	142,718	-	-	1,413	268,479
Miscellaneous	<u>200,552</u>	<u>59,252</u>	<u>102,771</u>	<u>114,240</u>	<u>23,342</u>	<u>500,157</u>
Total revenues	8,508,605	201,970	619,229	907,528	600,133	10,837,465
Expenditures						
Current						
General government	1,576,300	-	-	-	-	1,576,300
Police department	2,241,666	-	-	-	-	2,241,666
Fire department	1,716,395	-	-	-	-	1,716,395
Codes, planning, and engineering	1,038,753	-	-	-	-	1,038,753
Highways and streets	688,266	-	-	-	94,607	782,873
Capital outlay						
Police department	201,204	-	-	-	-	201,204
Fire department	52,597	-	-	-	-	52,597
Highways and streets	65,645	-	-	-	201,803	267,448
Capital improvements	-	1,848,700	-	-	-	1,848,700
Facilities tax fund	-	-	74,815	-	-	74,815
Impact fund	-	-	-	414,247	-	414,247
Debt service	<u>-</u>	<u>-</u>	<u>378,436</u>	<u>-</u>	<u>-</u>	<u>378,436</u>
Total expenditures	7,580,826	1,848,700	453,251	414,247	296,410	10,593,434
Other Financing Sources (Uses)						
Transfers in	-	1,000,000	-	-	-	1,000,000
Transfers out	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
Total other financing sources (uses)	-	1,000,000	(1,000,000)	-	-	-
Net change in fund balances	927,779	(646,730)	(834,022)	493,281	303,723	244,031
Fund balances, beginning of year	<u>8,828,889</u>	<u>3,000,601</u>	<u>7,558,772</u>	<u>7,943,729</u>	<u>1,625,047</u>	<u>28,957,038</u>
Fund balances, end of year	\$ 9,756,668	\$ 2,353,871	\$ 6,724,750	\$ 8,437,010	\$ 1,928,770	\$ 29,201,069

Town of Nolensville, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2023

Amounts reported for net change in fund balances, total governmental funds	\$ 244,031
Amounts reported for governmental activities in the statement of activities are different because:	
Expenses in the governmental funds that decrease long-term debt	
Loan principal payments	235,000
Certain expenses reported in the statement of activities that affect accrued liabilities are not reported as expenditures in the governmental funds	
Change in pension plan accounts	45,965
Change in OPEB plan accounts	54,219
Change in employee vacation accrual	(40,348)
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	2,817,984
Depreciation expense	(1,259,967)
Change in net position of governmental activities	\$ 2,096,884

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 2,186,000	\$ 2,186,000	\$ 2,210,228	\$ 24,228
Wholesale beer and liquor tax	367,000	367,000	303,791	(63,209)
Cable and gas franchise	195,000	195,000	266,842	71,842
Penalties and interest	1,000	1,000	2,087	1,087
Total taxes	2,749,000	2,749,000	2,782,948	33,948
Intergovernmental revenues				
TVA in lieu	146,000	146,000	167,030	21,030
Local sales tax	2,700,500	2,700,500	2,610,303	(90,197)
State sales tax	1,557,000	1,557,000	1,670,376	113,376
Grants	68,800	68,800	97,994	29,194
State income tax	32,000	32,000	1,167	(30,833)
State beer and alcohol tax	45,400	45,400	36,753	(8,647)
State special petroleum tax	26,000	26,000	25,334	(666)
Total intergovernmental revenues	4,575,700	4,575,700	4,608,957	33,257
Licenses and permits	714,160	714,160	791,800	77,640
Fines and fees	118,720	118,720	124,348	5,628
Miscellaneous				
Donations	-	188,092	13,283	(174,809)
Interest income	8,000	8,000	122,690	114,690
Refunds/rebates	-	-	13,151	13,151
Other	300	300	51,428	51,128
Total miscellaneous	8,300	196,392	200,552	4,160
Total revenues	\$ 8,165,880	\$ 8,353,972	\$ 8,508,605	\$ 154,633
Expenditures				
General government				
Current				
Personnel costs	593,500	593,500	555,459	38,041
Payroll taxes	45,400	45,400	41,043	4,357
Employee benefits	156,063	141,763	72,555	69,208
Professional services	487,935	498,935	495,600	3,335
Repair and maintenance	218,164	218,164	227,812	(9,648)
Office expense	43,737	43,737	49,242	(5,505)
Dues and subscription	29,515	29,515	21,825	7,690
Travel and auto	13,164	13,164	4,800	8,364
Insurance	25,196	25,196	34,639	(9,443)
Building	49,642	49,642	59,943	(10,301)
Miscellaneous	82,000	82,000	9,877	72,123
Capital outlay	28,900	28,900	3,505	25,395
Total general government	1,773,216	1,769,916	1,576,300	193,616
<i>Continued</i>				

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual	Variance from
	Original	Final	amounts	final budget
Expenditures				
Public safety				
Police department				
Personnel costs	1,285,285	1,290,485	1,293,368	(2,883)
Payroll taxes	98,324	98,324	95,231	3,093
Employee benefits	393,330	393,330	313,372	79,958
Contract services	66,196	66,196	82,138	(15,942)
Membership and dues	2,550	2,550	5,257	(2,707)
Repairs and maintenance	7,000	7,000	6,669	331
Supplies	49,425	49,425	26,099	23,326
Uniforms	23,700	23,700	19,315	4,385
Insurance	95,058	95,058	103,690	(8,632)
Vehicle expenses	95,000	95,000	83,685	11,315
Utilities	71,255	71,255	72,244	(989)
Training and ammunition	53,330	53,330	37,389	15,941
Court	108,366	108,366	103,209	5,157
Capital outlay	95,258	364,078	201,204	162,874
Total police department	2,444,077	2,718,097	2,442,870	275,227
Fire department				
Personnel costs	930,000	1,096,101	1,082,334	13,767
Payroll taxes	69,998	80,280	79,616	664
Employee benefits	239,473	255,882	219,951	35,931
Contract services	94,538	94,538	77,920	16,618
Repairs and maintenance	-	-	17,441	(17,441)
Supplies	81,430	110,506	99,832	10,674
Uniforms	40,400	40,400	41,447	(1,047)
Insurance	40,725	40,725	14,926	25,799
Vehicle expenses	103,050	103,050	54,853	48,197
Miscellaneous	10,100	10,100	10,700	(600)
Utilities	20,600	20,600	17,375	3,225
Capital outlay	-	54,328	52,597	1,731
Total fire department	1,630,314	1,906,510	1,768,992	137,518
Total public safety	4,074,391	4,624,607	4,211,862	412,745
Codes, planning, and engineering				
Personnel costs	652,000	652,000	620,116	31,884
Payroll taxes	49,878	49,878	46,232	3,646
Employee benefits	152,673	152,673	139,054	13,619
Memberships	12,616	12,616	1,810	10,806
Professional services	181,520	181,520	185,246	(3,726)
Supplies and maintenance	10,632	10,632	10,865	(233)
Vehicle expense	9,938	9,938	3,719	6,219
Insurance	33,095	33,095	21,173	11,922
Miscellaneous	-	-	10,538	(10,538)
Capital outlay	2,000	2,000	-	2,000
Total codes, planning and engineering	1,104,352	1,104,352	1,038,753	65,599
<i>Continued</i>				

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual	Variance from
	Original	Final	amounts	final budget
Expenditures				
Highways and streets				
Personnel costs	427,000	429,900	431,183	(1,283)
Payroll taxes	32,665	32,665	32,033	632
Employee benefits	154,939	154,939	104,492	50,447
Repairs and maintenance	52,366	52,366	40,668	11,698
Supplies	32,706	32,706	29,849	2,857
Street lighting and utilities	4,920	4,920	1,025	3,895
Insurance	20,670	20,670	20,382	288
Vehicle expense	16,856	16,856	19,484	(2,628)
Contractual services	40,565	40,565	9,150	31,415
Capital outlay	40,000	68,900	65,645	3,255
Total highways and streets	822,687	854,487	753,911	100,576
 Total expenditures	 7,774,646	 8,353,362	 7,580,826	 772,536
 Excess (deficiency) of revenues over expenditures	 391,234	 610	 927,779	 927,169
 Other financing sources (uses)				
Transfers out	(932,500)	-	-	-
 Change in fund balance	 (541,266)	 610	 927,779	 927,169
 Fund balance, beginning of year	 8,828,889	 8,828,889	 8,828,889	 -
Fund balance, end of year	\$ 8,287,623	\$ 8,829,499	\$ 9,756,668	\$ 927,169

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Impact Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual	Variance from
	Original	Final	amounts	final budget
Revenues				
Miscellaneous				
Licenses and permits	\$ 1,380,000	\$ 1,380,000	\$ 793,288	\$ (586,712)
Interest	20,000	20,000	114,240	94,240
Total revenues	1,400,000	1,400,000	907,528	(492,472)
Expenditures				
Capital outlay	2,400,000	2,400,000	414,247	1,985,753
Excess (deficiency) of revenues over expenditures	(1,000,000)	(1,000,000)	493,281	(2,478,225)
Fund balance, beginning of year	7,943,729	7,943,729	7,943,729	-
Fund balance, end of year	\$ 6,943,729	\$ 6,943,729	\$ 8,437,010	\$ (2,478,225)

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Facilities Tax Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual	Variance from
	Original	Final	amounts	final budget
Revenues				
Licenses and permits	\$ 835,000	\$ 835,000	\$ 516,458	\$ (318,542)
Miscellaneous				
Grants	960,000	960,000	-	(960,000)
Interest	14,700	14,700	102,771	88,071
Total revenues	1,809,700	1,809,700	619,229	(1,190,471)
Expenditures				
Debt service	370,000	370,000	378,436	(8,436)
Capital outlay	1,200,000	1,200,000	74,815	1,125,185
Total expenditures	1,570,000	1,570,000	453,251	1,116,749
Excess (deficiency) of revenues over expenditures	239,700	239,700	165,978	(73,722)
Other Financing Sources (Uses)				
Transfers out	-	(1,000,000)	(1,000,000)	-
Net change in fund balances	239,700	(760,300)	(834,022)	(73,722)
Fund balance, beginning of year	7,558,772	7,558,772	7,558,772	-
Fund balance, end of year	\$ 7,798,472	\$ 6,798,472	\$ 6,724,750	\$ (73,722)

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

General Information

The Town of Nolensville, Tennessee (the Town) 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 financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

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) is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or 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 relationships 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 as of June 30, 2023.

Accounting Pronouncements

The financial statements 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

Government-wide Financial Statements

The Government-wide financial statements, the statement of net position and the statement of activities, 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
For the Fiscal Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

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 revenues 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 year 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:

Governmental fund types:

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.

The Capital Improvements Fund is used to account for planned infrastructure improvements and other capital expenditures intended to last for more than one year and having anticipated costs in excess of \$10,000. Vehicles are not included in the Capital Improvements Fund, except those acquired for public works and fire services, intended to last for more than one year, and having anticipated costs in excess of \$10,000.

The Facilities Tax Fund is used to account for the Town's facility tax and expenditures related to the tax.

The Impact Fund is used to account for the Impact fee assessed on new developments.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposit accounts and amounts held by the State of Tennessee 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 due from due to other funds (i.e., the current portion of interfund loans). 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 property	40%
Personal property	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, 2023. Payments may be made during the period from October 1 through February 28 of the following year. Current tax collections of \$2,175,134 for the fiscal year ended June 30, 2023 were approximately 99% of the tax levy.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

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 or more and an 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	20 – 50 years
Buildings	10 – 50 years
Furniture and equipment	5 – 10 years

Estimates

The preparation of financial statements in conformity with US GAAP 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, and 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.

Budgets and Budgetary Accounting

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

- a. Formal budgets are annually adopted and approved by the Town's Board of Commissioners for the General and Special Revenue Funds. These budgets are adopted on a basis consistent with US GAAP.
- b. The Board 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 Board.
- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet 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 reporting.

In addition to liabilities, the Statement of Net Position and Balance Sheet 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 (revenues) 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 also has deferred inflows related to pension reporting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Reclassification

Certain prior year amounts in the notes to financial statements, and supplementary information have been reclassified to conform to the current year presentation.

Fund Balance

Fund balances are 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 Board of Commissioners. Commitments may be changed or lifted only by the Town taking the same formal action that imposed the constraint originally (for example: ordinance).

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Fund Balance

Assigned Fund Balance - This classification includes amounts intended to be used by the Town for specific purposes that are neither restricted nor committed. The Board of Commissioners 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.

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 the Town's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the Town'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.

Other Post-employment Benefits (OPEB)

For the year ended June 30, 2023, plan amendments were made that eliminated the OPEB liability.

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 are 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, or 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
For the Fiscal Year Ended June 30, 2023

Note 2. Cash and Cash Equivalents

The Town is authorized to invest funds in US 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% 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% 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 US government.

Note 3. Accounts Receivable

Accounts receivable at June 30, 2023 consist of the following:

Fund	Other government	Property taxes	Total
General fund	\$ 773,203	\$ 2,331,009	\$ 3,104,212
Other governmental funds	<u>97,888</u>	<u>-</u>	<u>97,888</u>
Total accounts receivable	\$ 871,091	\$ 2,331,009	\$ 3,202,100

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 4. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2023:

Governmental Activities

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets not being depreciated					
Land	\$ 1,678,560	\$ 13,080	\$ -	\$ -	\$ 1,691,640
Construction in progress	168,710	2,249,007	-	-	2,417,717
	<u>1,847,270</u>	<u>2,262,087</u>	<u>-</u>	<u>-</u>	<u>4,109,357</u>
Capital assets being depreciated					
Buildings and improvements	4,474,881	135,135	-	-	4,610,016
Furniture	61,762	-	-	-	61,762
Machinery and equipment	2,434,661	416,626	-	-	2,851,287
Infrastructure	15,004,161	-	-	-	15,004,161
	<u>21,975,465</u>	<u>551,761</u>	<u>-</u>	<u>-</u>	<u>22,527,226</u>
Less:					
Accumulated depreciation	<u>(5,724,519)</u>	<u>(1,259,967)</u>	<u>-</u>	<u>-</u>	<u>(6,984,486)</u>
Governmental activities capital assets, net	\$ 18,098,216	\$ 1,553,881	\$ -	\$ -	\$ 19,652,097

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

General fund	
Police department	\$ 228,766
Fire department	114,863
General government	119,466
Highways and streets	796,872
Total	<u>\$ 1,259,967</u>

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 5. Risk Management

The Town is exposed to various risks of general liability and property and casualty losses. The Town has decided it is more economically feasible to be in a public entity risk pool than to purchase commercial insurance for general liability and property and casualty coverage. The Town participates in the Public Entity Partners (PEP), 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.

Note 6. Long-term Debt

Direct Borrowings

The following schedule reflects the changes in general long-term debt, for the fiscal year ending June 30, 2023.

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Recreation center loan	\$ 1,440,000	\$ -	\$ 90,000	\$ 1,350,000
Building construction loan	<u>2,819,000</u>	<u>-</u>	<u>145,000</u>	<u>2,674,000</u>
Total	\$ 4,259,000	\$ -	\$ 235,000	\$ 4,024,000

Principal and interest requirements to maturity on all outstanding long-term-debt as of June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest
2024	\$ 248,000	\$ 140,438
2025	260,000	131,783
2026	273,000	122,709
2027	286,000	113,181
2028	299,000	103,199
2029 – 2033	1,731,000	348,896
2034 – 2036	<u>927,000</u>	<u>60,168</u>
Totals	\$ 4,024,000	\$ 1,020,374

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

Note 7. Compensated Absences

Governmental Activities

Other long-term obligations activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Compensated absences	\$ 160,625	\$ 166,846	\$ 126,498	\$ 200,973	\$ 200,973

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 8. Pension Plan

General Information about the Pension Plan

Plan Description

Employees of the Town 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 publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes 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 a 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 nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10% 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 3.00% and applied to the current benefit. No COLA is granted if the change in the CPI is less than 0.50%. A 1.00% COLA is granted if the CPI change is between 0.50% and 1.00%. 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	35
Active employees	48
Total employees	<u>88</u>

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 8. Pension Plan

General Information about the Pension Plan

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5.00% of salary. The Town makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, employer contributions for the Town were \$275,576, based on a rate of 7.15% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Town'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)

The Town's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) 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 the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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, 2020, 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 of return by the target asset allocation percentage and by adding expected inflation of 2.25%.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 8. Pension Plan

Net Pension Liability (Asset)

Actuarial Assumptions

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:

Asset class	Long-term expected real rate of return	Target allocation
US equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
US fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75%, based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 ADC 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
For the Fiscal Year Ended June 30, 2023

Note 8. Pension Plan

Changes in Net Pension Liability (Asset)

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a-b)
Balance, June 30, 2021	\$ 2,827,986	\$ 2,269,515	\$ 558,471
Service cost	164,017	-	164,017
Interest	200,389	-	200,389
Differences between expected and actual experience	365,503	-	365,503
Changes in assumptions	-	-	-
Contributions, employer	-	216,432	(216,432)
Contributions, employees	-	154,595	(154,595)
Net investment income	-	(92,942)	92,942
Benefit payments, including refunds and contributions	(46,555)	(46,555)	-
Administrative expenses	-	(4,615)	4,615
Net change	<u>683,354</u>	<u>226,915</u>	<u>456,439</u>
Balance, June 30, 2022	\$ 3,511,340	\$ 2,496,430	\$ 1,014,910

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 1,638,576	\$ 1,014,910	\$ 515,469

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

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense of \$229,616.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 8. Pension Plan

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

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 754,330	\$ 58,349
Net difference between projected and actual earnings on pension plan investments	26,566	-
Changes in assumptions	203,319	-
Contributions subsequent to the measurement date	<u>275,576</u>	<u>-</u>
	\$ 1,259,791	\$ 58,349

The amount shown above for "contributions subsequent to the measurement date" will be recognized as a reduction (increase) to net pension 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 ending June 30,	
2024	\$ 179,087
2025	145,678
2026	138,882
2027	211,117
2028	159,731
Thereafter	91,371

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
For the Fiscal Year Ended June 30, 2023

Note 9. Deferred Compensation Plans

The City offers its employees, depending on date of hire and certain eligibility factors, IRC 457(b) and IRC 401(k) deferred compensation plans administered by TCRS. The City has determined that none of its defined contribution pension plans are fiduciary component units or fiduciary activities of the government.

401(k) Plan

On July 9, 2015, the City began participation in the State of Tennessee Deferred Compensation Plan II - 401(k) (the 401k plan), created in accordance with Internal Revenue Code (IRC) Section 401(k), which covers substantially all employees providing services to the City. Employees may defer a portion of their gross pay to a maximum amount allowable under current Internal Revenue Service (IRS) regulations each year. The plan is administered by the State of Tennessee, Department of the Treasury. There were no plan forfeitures for the year ended June 30, 2023. The City does not make matching or non-matching contributions to the plan.

457 Plan

On July 9, 2015, the City began participation in the State of Tennessee Deferred Compensation Plan I - 457(b), created in accordance with IRC Section 457(b), which covers substantially all employees providing services to the City. Employees may defer a portion of their gross pay to a maximum amount allowable under current IRS regulations each year. The plan is administered by the State of Tennessee, Department of the Treasury. There were no plan forfeitures for the year ended June 30, 2023. The City does not make matching or non-matching contributions to the plan.

Note 10. Commitments and Contingencies

Litigation

A suit was filed against the Town by various home builders in December of 2023 claiming the Town's assessment of impact fees is illegal after a charter change. The Town plans to contest the claim and seek a declaration that it may continue to impose the impact fees. While the Town cannot predict the outcome of the suit, the Town believes the chance of an unfavorable outcome is more than remote but less than likely. Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements.

The Town is involved in potential claims in the normal course of business. As of June 30, 2023, the Town cannot predict the outcome of the potential claims (which are covered under the Town's insurance policy). Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements. Management believes that losses resulting from these matters, if any, would not have a material effect on the financial position of the Town.

Construction Contracts

The Town's construction contracts at June 30, 2023 totaled approximately \$11,212,000 and were approximately 10% complete.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability for the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time; however, the Town's management expects such amounts, if any, to be immaterial.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 11. Related Party

The Town is an associated municipality of Public Entity Partners (PEP). PEP is a public entity risk pool organized as a not-for-profit, tax exempt corporation under the Tennessee Governmental Tort Liability Act. PEP provides workers' compensation, liability and property insurance, and risk management services to participating governmental entities in Tennessee. PEP is governed by a nine-member board of directors. A town commissioner presently serves as the director of communications and research/corporate secretary of PEP, and the town manager presently serves on the PEP Board of Directors.

For the year ended June 30, 2023, PEP provided workers' compensation, liability, and property insurance for the Town. The Town's expenses related to these insurance agreements totaled approximately \$405,000 for the year ended June 30, 2023.

Note 12. Subsequent Events

On August 11, 2023, the City issued \$9,460,000 of General Obligation Bonds, Series 2023 for use in the financing of public works projects.

Required Supplementary Information

Town of Nolensville, Tennessee
Schedules of Changes in Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Public Employee Pension Plan of the TCRS
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 164,017	\$ 115,546	\$ 88,128	\$ 106,756	\$ 90,337	\$ 79,198	\$ 68,656	\$ 44,681	\$ 42,778
Interest	200,389	146,153	122,505	120,871	102,794	87,572	67,215	57,205	45,363
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between actual and expected experience	365,503	407,552	127,343	(136,149)	89,897	78,819	150,790	18,960	78,351
Changes in assumptions	-	279,324	-	-	-	26,589	-	-	-
Benefit payments, including refunds of employee contributions	(46,555)	(41,899)	(36,517)	(64,104)	(36,111)	(30,099)	(21,455)	(1,259)	(19,734)
Net change in total pension liability	683,354	906,676	301,459	27,374	246,917	242,079	265,206	119,587	146,758
Total pension liability, beginning of year	2,827,986	1,921,310	1,619,851	1,592,477	1,345,560	1,103,481	838,275	718,688	571,930
Total pension liability, end of year (a)	3,511,340	2,827,986	1,921,310	1,619,851	1,592,477	1,345,560	1,103,481	838,275	718,688
Plan Fiduciary Net Position									
Contributions, employer	216,432	140,883	104,658	98,195	77,149	45,436	22,272	16,345	24,710
Contributions, employees	154,595	100,631	74,756	64,687	54,868	46,939	44,902	32,955	28,079
Net investment income	(92,942)	445,244	73,601	94,625	90,106	102,643	22,047	23,459	102,339
Benefit payments, including refunds of employee contributions	(46,555)	(41,899)	(36,517)	(64,104)	(36,111)	(30,099)	(21,455)	(1,259)	(19,734)
Administrative expenses	(4,615)	(2,988)	(2,529)	(2,287)	(2,099)	(1,565)	(1,320)	(689)	(474)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	226,915	641,871	213,969	191,116	183,913	163,354	66,446	70,811	134,920
Plan fiduciary net position, beginning of year	2,269,515	1,627,644	1,413,675	1,222,559	1,038,646	875,292	808,846	738,035	603,115
Plan fiduciary net position, end of year (b)	2,496,430	2,269,515	1,627,644	1,413,675	1,222,559	1,038,646	875,292	808,846	738,035
Net pension liability (asset), end of year (a - b)	\$ 1,014,910	\$ 558,471	\$ 293,666	\$ 206,176	\$ 369,918	\$ 306,914	\$ 228,189	\$ 29,429	\$ (19,347)
Plan fiduciary net position as a percentage of total pension liability	71.10%	80.25%	84.72%	87.27%	76.77%	77.19%	79.32%	96.49%	102.69%
Covered payroll	\$ 3,091,892	\$ 2,012,615	\$ 1,495,115	\$ 1,293,748	\$ 1,091,821	\$ 938,764	\$ 898,048	\$ 659,088	\$ 561,578
Net pension liability (asset) as a percentage of covered payroll	32.82%	27.75%	19.64%	15.94%	33.88%	32.69%	25.41%	4.47%	-3.45%

Notes to Schedules

Changes of Assumptions.

In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements.

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 this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule until 10 years of information are available. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Town of Nolensville, Tennessee
Schedules of Contributions
Based on Participation in the Public Employee Pension Plan of the TCRS
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 275,576	\$ 211,176	\$ 137,462	\$ 102,116	\$ 98,195	\$ 72,169	\$ 45,436	\$ 22,272	\$ 16,345	\$ 24,710
Contributions in relation to the actuarially determined contribution	<u>275,576</u>	<u>216,427</u>	<u>140,883</u>	<u>104,658</u>	<u>98,195</u>	<u>77,149</u>	<u>45,436</u>	<u>22,272</u>	<u>16,345</u>	<u>24,710</u>
Contribution deficiency (excess)	\$ -	\$ (5,251)	\$ (3,421)	\$ (2,542)	\$ -	\$ (4,980)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,854,210	\$ 3,091,892	\$ 2,012,615	\$ 1,495,115	\$ 1,293,748	\$ 1,091,821	\$ 938,764	\$ 898,048	\$ 659,088	\$ 561,578
Contributions as a percentage of covered-employee payroll	7.15%	7.00%	7.00%	7.00%	7.59%	7.07%	4.84%	2.48%	2.48%	4.40%

Notes to Schedules

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule until 10 years of information is available. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

Methods and assumptions used to determine contribution rates:

Valuation date	Actuarially determined contribution rates for the year ended June 30, 2023 were calculated based on the June 30, 2021 actuarial valuation.
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 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustments	2.125%

Changes in Assumptions

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased investment rate of return from 7.25% to 6.75%; decreased cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

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

Town of Nolensville, Tennessee
Schedules of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 9,197	\$ 9,858	\$ 6,824	\$ 6,390	\$ 3,234	\$ 3,368
Interest	641	781	897	1,632	1,371	1,053
Changes of benefit terms	-	-	-	-	-	-
Differences between actual and expected experience	(30,241)	(8,145)	(3,224)	(28,887)	(2,962)	-
Changes in assumptions	-	(7,274)	2,553	1,015	1,845	(1,782)
Benefit payments, net	(139)	(338)	(237)	(6)	(127)	-
Net change in total OPEB liability	(20,542)	(5,118)	6,813	(19,856)	3,361	2,639
Total OPEB liability, beginning of year	20,542	25,660	18,847	38,703	35,342	32,703
Total OPEB liability, end of year	-	20,542	25,660	18,847	38,703	35,342
 Estimated covered-employee payroll	 \$ 2,245,766	 \$ 1,801,580	 \$ 1,144,257	 \$ 1,293,748	 N/A	 N/A
 Total OPEB liability as a percentage of covered-employee payroll	 0.00%	 1.14%	 2.24%	 1.46%	 N/A	 N/A

Notes to Schedules

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

Plan amendments were made in FY23 that eliminated the total OPEB liability.

GASB 68 requires this data to be presented as part of a 10-year schedule, but it is not required to be presented retroactively prior to the implementation date of GASB 68. Years will be added to this schedule until 10 years of information is available.

There are no assets accumulating in a trust related to this OPEB plan that meet the criteria in paragraph 4 of GASB 75.

Supplementary Information

Town of Nolensville, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	State Street Aid	Drug Fund	Facilities School Tax	Total
Assets				
Cash and cash equivalents	\$ 836,082	\$ 5,516	\$ 989,312	\$ 1,830,910
Receivables, net	<u>82,142</u>	<u>-</u>	<u>15,746</u>	<u>97,888</u>
Total assets	\$ 918,224	\$ 5,516	\$ 1,005,058	\$ 1,928,798
Liabilities				
Accounts payable	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>
Total liabilities	28	-	-	28
Fund Balances				
Restricted	<u>918,196</u>	<u>5,516</u>	<u>1,005,058</u>	<u>1,928,770</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 918,224	\$ 5,516	\$ 1,005,058	\$ 1,928,798

Town of Nolensville, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

	State Street Aid	Drug Fund	Facilities School Tax	Total
Revenues				
Intergovernmental	\$ 480,411	\$ -	\$ -	\$ 480,411
Licenses and permits	-	-	94,967	94,967
Fines and fees	-	1,413	-	1,413
Miscellaneous	10,131	71	13,140	23,342
Total revenues	490,542	1,484	108,107	600,133
Expenditures				
Current				
Highway and streets	94,607	-	-	94,607
Capital outlays				
Highway and streets	201,803	-	-	201,803
Facilities school tax fund	-	-	-	-
Total expenditures	296,410	-	-	296,410
Net change in fund balances	194,132	1,484	108,107	303,723
Fund balances, beginning of year	724,064	4,032	896,951	1,625,047
Fund balances, end of year	\$ 918,196	\$ 5,516	\$ 1,005,058	\$ 1,928,770

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
State Street Aid Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual	Variance from
	Original	Final	amounts	final budget
Revenues				
Intergovernmental				
Gas .03 tax	\$ 75,000	\$ 75,000	\$ 71,209	\$ (3,791)
Gas 1989 tax	40,000	40,000	38,564	(1,436)
Gas 2017 tax	125,000	125,000	124,219	(781)
Gasoline and motor fuel	259,000	259,000	246,419	(12,581)
Interest	<u>5,000</u>	<u>5,000</u>	<u>10,131</u>	<u>5,131</u>
Total revenues	504,000	504,000	490,542	(13,458)
Expenditures				
Streets				
Street lighting	6,000	6,000	4,960	1,040
Repairs and maintenance	80,000	80,000	89,647	(9,647)
Capital outlay	<u>298,000</u>	<u>298,000</u>	<u>201,803</u>	<u>96,197</u>
Total expenditures	384,000	384,000	296,410	87,590
Excess (deficiency) of revenues over expenditures	120,000	120,000	194,132	74,132
Fund balance, beginning of year	<u>724,064</u>	<u>724,064</u>	<u>724,064</u>	<u>-</u>
Fund balance, end of year	\$ 844,064	\$ 844,064	\$ 918,196	\$ 74,132

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Drug Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual	Variance from
	Original	Final	amounts	final budget
Revenues				
Fines	\$ 500	\$ 500	\$ 1,413	\$ 913
Interest	15	15	71	56
Total revenues	515	515	1,484	969
Expenditures				
Supplies	-	-	-	-
Excess (deficiency) of revenues over expenditures	515	515	1,484	969
Fund balance, beginning of year	4,032	4,032	4,032	-
Fund balance, end of year	\$ 4,547	\$ 4,547	\$ 5,516	\$ 969

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Facilities School Tax Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Miscellaneous				
Licenses and permits	\$ 130,000	\$ 130,000	\$ 94,967	\$ (35,033)
Interest	5,000	5,000	13,140	8,140
Total revenues	135,000	135,000	108,107	(26,893)
Expenditures				
Capital outlay	-	-	-	-
Excess (deficiency) of revenues over expenditures	135,000	135,000	108,107	(26,893)
Fund balance, beginning of year	896,951	896,951	896,951	-
Fund balance, end of year	\$ 1,031,951	\$ 1,031,951	\$ 1,005,058	\$ (26,893)

Town of Nolensville, Tennessee
Schedule of Changes in Property Taxes Receivable
For the Fiscal Year Ended June 30, 2023

Tax year	Beginning balance	Property tax levied	Anticipated levy	Abatements and adjustments	Collections	Ending balance
2023	\$ -	\$ -	\$ 2,310,874	\$ -	\$ -	\$ 2,310,874
2022	2,189,144	2,189,144	(2,184,886)	-	(2,175,134)	18,268
2021	14,888	-	-	-	(14,447)	441
2020	926	-	-	-	(431)	495
2019	207	-	-	-	(32)	175
2018	428	-	-	-	-	428
2017	116	-	-	-	-	116
2016	102	-	-	-	-	102
2015	70	-	-	-	-	70
2014	10	-	-	-	-	10
2013	30	-	-	-	-	30
2012	48	-	-	(48)	-	-
	<u>\$ 2,205,969</u>	<u>\$ 2,189,144</u>	<u>\$ 125,988</u>	<u>\$ (48)</u>	<u>\$ (2,190,044)</u>	<u>2,331,009</u>
					Less: allowance	(20,135)
					Net	<u>\$ 2,310,874</u>

All uncollected delinquent taxes have been filed with the clerk and master.

Town of Nolensville, Tennessee
Schedule of Debt Service Requirements
Governmental Activities
June 30, 2023

Fiscal year ending June 30,	The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2017 (Town of Nolensville Refunding Loan)		The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2014 (Town of Nolensville Loan)		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 153,000	\$ 93,323	\$ 95,000	\$ 47,115	\$ 248,000	\$ 140,438
2025	160,000	87,983	100,000	43,800	260,000	131,783
2026	168,000	82,399	105,000	40,310	273,000	122,709
2027	176,000	76,536	110,000	36,645	286,000	113,181
2028	183,000	70,393	116,000	32,806	299,000	103,199
2029	192,000	64,007	121,000	28,758	313,000	92,765
2030	202,000	57,306	127,000	24,535	329,000	81,841
2031	212,000	50,256	134,000	20,102	346,000	70,358
2032	222,000	42,857	140,000	15,426	362,000	58,283
2033	234,000	35,109	147,000	10,540	381,000	45,649
2034	245,000	26,943	155,000	5,410	400,000	32,353
2035	257,000	18,392	-	-	257,000	18,392
2036	270,000	9,423	-	-	270,000	9,423
Total	\$ 2,674,000	\$ 714,927	\$ 1,350,000	\$ 305,447	\$ 4,024,000	\$ 1,020,374

Both loans have variable interest rates.

Town of Nolensville, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Fiscal Year Ended June 30, 2023

Description of Indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2023
Governmental Activities									
Notes payable									
The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2014 (Town of Nolensville Loan)	\$ 2,025,000	variable (SIFMA +85 BPS)	4/15/14	6/1/34	\$ 1,440,000	\$ -	\$ 90,000	\$ -	\$ 1,350,000
The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2017 (Town of Nolensville Refunding Loan)	\$ 3,450,580	variable (SIFMA +85 BPS)	5/12/17	6/1/36	<u>2,819,000</u>	<u>-</u>	<u>145,000</u>	<u>-</u>	<u>2,674,000</u>
Total notes payable					\$ 4,259,000	\$ -	\$ 235,000	\$ -	\$ 4,024,000

Town of Nolensville, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

Grantor / Pass-through Grantor	Program name	Assistance listing	Contract number	Expenditures
Federal Awards				
Department of Transportation/ Tennessee Department of Safety and Homeland Security	<u>Highway Safety Cluster</u> State and Community Highway Safety	20.600	Z22THS215	\$ 40,000
			Total Highway Safety Cluster	40,000
Department of Homeland Security / Tennessee Emergency Management Agency Total federal awards	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4514-DR-TN	7,463 47,463
State Financial Assistance				
Tennessee Department of Transportation	Rural roads	N/A	N/A	28,564
Tennessee Arts Commission	Greater Nashville Regional Council Grant	N/A	ABC-2206-16316	1,750
Tennessee Department of Wildlife Resources	Tennessee Aquatic Stream Clean Grant	N/A	N/A	788
Total federal awards and state financial assistance				\$ 78,565

Notes

Note 1. Basis of Presentation

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. FEMA/TEMA Expenditures Incurred in Prior Year

The amounts reported for FEMA/TEMA (97.036) include \$7,463 incurred in a prior year.

Internal Control and Compliance Section



**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***

Honorable Mayor and Board of Commissioners
Town of Nolensville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Nolensville, Tennessee (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, and have issued our report thereon dated April 17, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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.

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Murfreesboro, Tennessee
April 17, 2024

Town of Nolensville, Tennessee
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

Financial Statement Findings

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A