



**Town of Nolensville, Tennessee**  
Annual Financial Report  
For the Year Ended June 30, 2022

**Town of Nolensville, Tennessee**  
Annual Financial Report  
For the Year Ended June 30, 2022

**Contents**

**Introductory Section**

Directory of Town Officials	i
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**Financial Section**

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet, Governmental Funds	13
Reconciliation of Balance Sheet, Governmental Funds to Statement of Net Position, Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	
General Fund	17
Facilities Tax Fund	20
Impact Fund	21
Notes to Financial Statements	22
Required Supplementary Information	
Schedules of Changes in Net Pension Liability (Asset)	42
Schedules of Contributions to the Employee Pension Plan	43
Schedules of Changes in Total OPEB Liability and Related Ratios	44
Supplementary Information	
Combining and Individual Fund Financial Statements and Schedules Nonmajor Governmental Funds	
Combining Balance Sheet	45
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	46
Schedules of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	
State Street Aid	47
Drug	48
Facilities School Tax	49

**Town of Nolensville, Tennessee**  
Annual Financial Report  
For the Year Ended June 30, 2022

**Contents**

**Financial Section**

Supplementary Information

Other Schedules

Schedule of Changes in Property Taxes Receivable	50
Schedule of Debt Service Requirements	51
Schedule of Changes in Long-term Debt by Individual Issue	52
Schedule of Expenditures of Federal Awards and State Financial Assistance	53

**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 <i>Government Auditing Standards</i>	54
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	56
Schedule of Findings and Questioned Costs	59
Summary Schedule of Prior Year Findings	60

## Introductory Section

# Town of Nolensville, Tennessee

## Directory of Town Officials

As of June 30, 2022

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### Elected Officials

Mayor	Derek Adams
Vice Mayor	Wendy Cook-Mucci
Commissioner	Lisa Garramone
Commissioner	Halie Gallik
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, 2022, 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, 2022, and the respective changes in financial position and the respective budgetary comparison for the general 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 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, 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 4-11 and the schedules of changes in net pension and OPEB liability and related ratios and employer contributions on pages 43-45 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**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 fund financial statements and schedules on pages 46-50 and other schedules on pages 51-54 (including the schedule of expenditures of federal awards and state financial assistance as required by Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements for Federal Awards*, on page 54) 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules on pages 46-50 and other schedules on pages 51-54 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 February 21, 2023 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  
Murfreesboro, Tennessee  
February 21, 2023

**Town of Nolensville, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

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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, 2022. 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 \$42.7 million.
- Of this amount, \$9.5 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 \$6.1 million due to increased revenues combined with increased expenses as the Town continues to see growth.
- Revenues were \$3.6 million more in the current year primarily as a result of increased tax and grant revenues, and expenses were \$2.3 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 \$29.0 million; an increase of \$3.4 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 \$4.0 million. During the year the Town repaid \$225 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 \$8.8 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 12-13 of this report.

**Town of Nolensville, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

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*Fund Financial Statements*

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental funds. Governmental Funds are funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The Town adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14-22 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 23-42 of this report.

**Town of Nolensville, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

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**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 \$42,732,000 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)**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Capital assets	\$ 18,098	\$ 15,722
Other assets	31,540	27,243
Total Assets	49,638	42,965
<b>Deferred Outflows of Resources</b>		
Deferred outflows	1,020	438
<b>Liabilities</b>		
Long-term liabilities	4,603	4,578
Other liabilities	779	496
Total Liabilities	5,382	5,074
<b>Deferred Inflows of Resources</b>		
Deferred inflows	2,544	1,653
<b>Net Position</b>		
Net Investment in capital assets	13,839	11,238
Restricted	19,374	14,734
Unrestricted	9,519	10,704
Total net position	\$ 42,732	\$ 36,676

**Town of Nolensville, Tennessee**  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2022

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**Change in Net Position (In Thousands)**

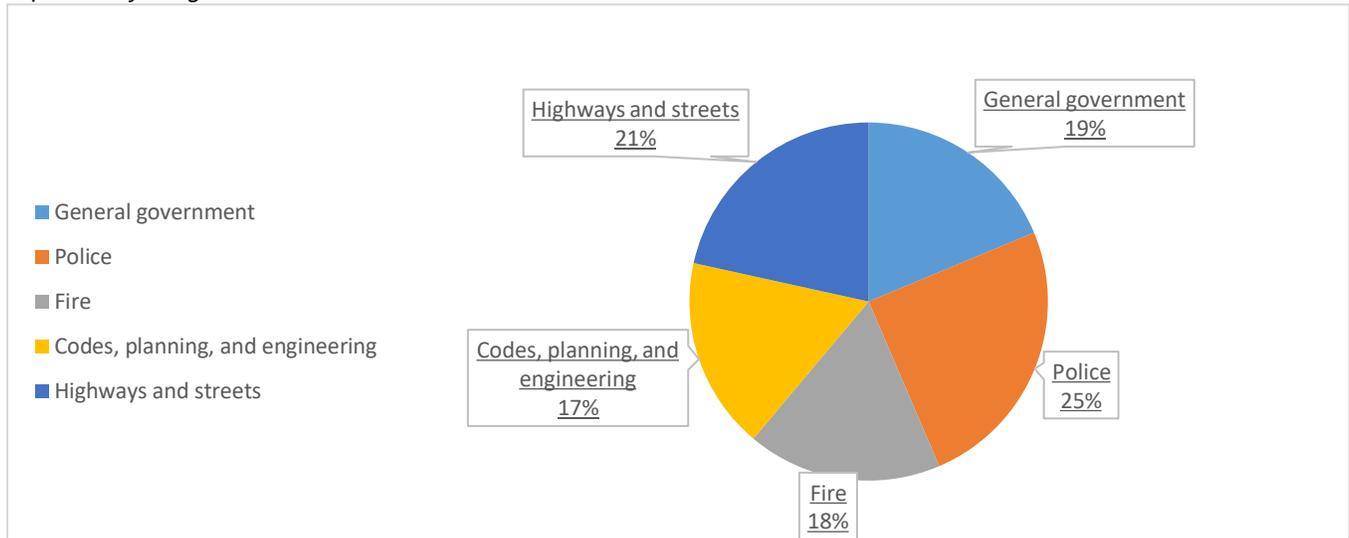
	<b>Primary Government</b>	
	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Program Revenues</b>		
Charges for services	\$ 4,760	\$ 3,798
Operating grants and contributions	709	526
Capital grants and contributions	-	364
<b>General Revenues</b>		
Property taxes	2,187	1,675
Sales taxes	3,904	2,858
Grants and contributions	1,343	-
Alcohol taxes	390	357
Other	346	419
Total Revenues	13,639	9,997
<b>Expenses</b>		
General government	1,419	1,161
Public safety	3,215	2,275
Codes, planning, and engineering	1,315	761
Highways and streets	1,634	1,112
Total Expenses	7,583	5,309
Change in net position	6,056	4,688
Net Position - Beginning	36,676	31,988
Net Position - Ending	\$ 42,732	\$ 36,676

**Town of Nolensville, Tennessee**  
**Management’s Discussion and Analysis (Unaudited)**  
**For the Fiscal Year Ended June 30, 2022**

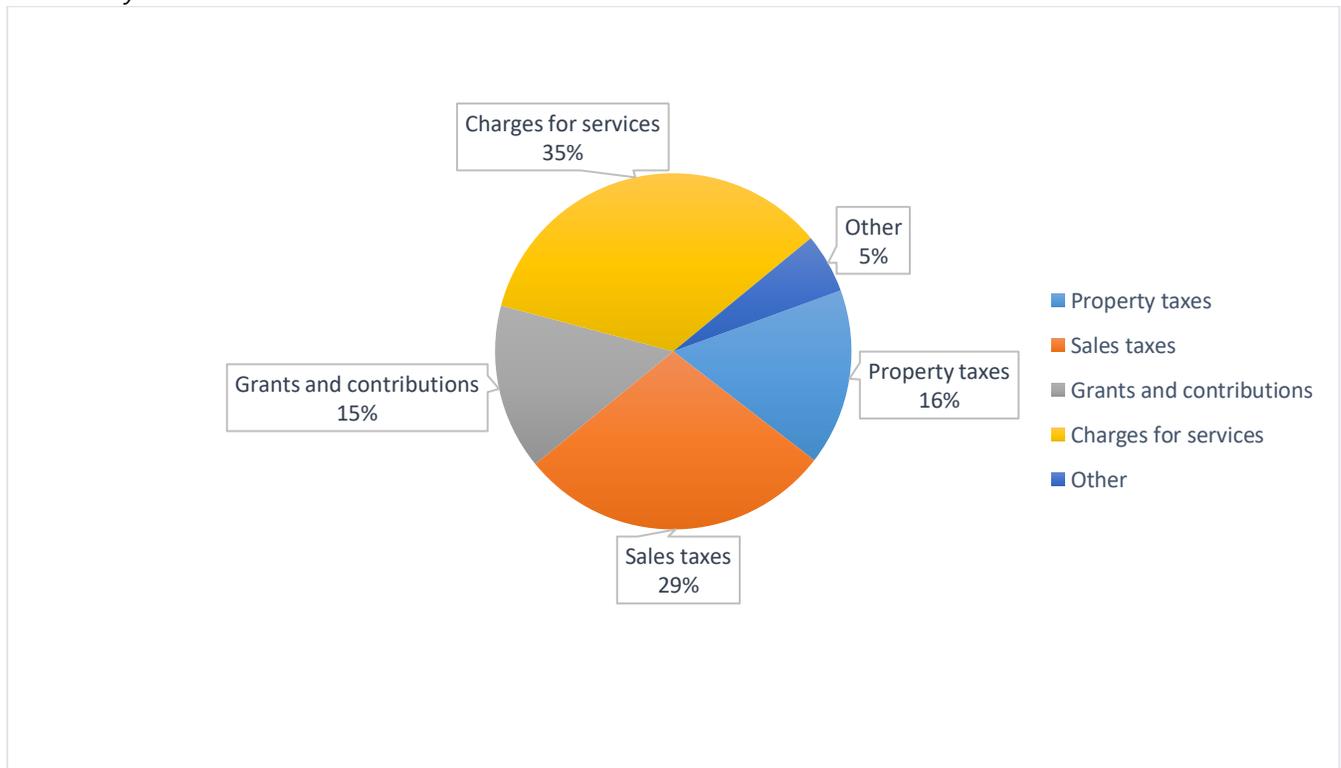
*Expenses and Program Revenues – Governmental Activities*

The graphs below shows a breakdown of the Town’s expenses 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, 2022

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**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 18-22.

**Capital Asset and Debt Administration**

*Capital Assets*

The Town of Nolensville's investment in capital assets from its governmental activities at June 30, 2022, amounts to \$18.1 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)**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Land	\$ 1,679	\$ 279
Construction in progress	168	-
Buildings	4,475	4,475
Furniture	61	61
Machinery and equipment	2,435	1,308
Infrastructure	15,004	14,224
	23,822	20,347
Less: accumulated depreciation	(5,724)	(4,625)
	\$ 18,098	\$ 15,722

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, 2022

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*Long-term Debt*

The Town has \$4.3 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 \$225 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**

In the 2022-2023 budget, non-grant revenues are budgeted to increase from the 2021-2022 budget year primarily due to increases in local revenues. This factor was considered in preparing the Town's budget for the 2022-2023 fiscal year.

**Requests for Information**

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

Victor Lay  
Town of Nolensville

**Town of Nolensville, Tennessee**

Statement of Net Position

June 30, 2022

	<b>Governmental Activities</b>	<b>Total</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 28,445,467	\$ 28,445,467
Accounts receivable	3,080,254	3,080,254
Prepaid assets	14,310	14,310
Capital assets not being depreciated	1,847,270	1,847,270
Capital assets, net of accumulated depreciation	<u>16,250,946</u>	<u>16,250,946</u>
Total assets	49,638,247	49,638,247
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources - OPEB	3,858	3,858
Deferred outflows of resources - pension	<u>1,015,818</u>	<u>1,015,818</u>
Total deferred outflows of resources	1,019,676	1,019,676
<b>Liabilities</b>		
Accounts payable	178,154	178,154
Accrued expenses	216,276	216,276
Unearned revenues	150,000	150,000
Net pension liability	558,471	558,471
OPEB liability	20,542	20,542
Long-term liabilities, current portion	235,000	235,000
Long-term liabilities, non-current portion	<u>4,024,000</u>	<u>4,024,000</u>
Total liabilities	5,382,443	5,382,443
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources - property taxes	2,189,145	2,189,145
Deferred inflows of resources - OPEB	37,534	37,534
Deferred inflows of resources - pension	<u>316,780</u>	<u>316,780</u>
Total deferred inflows of resources	2,543,459	2,543,459
<b>Net Position</b>		
Net investment in capital assets	13,839,216	13,839,216
Restricted for:		
Capital improvements	2,250,601	2,250,601
State street	724,065	724,065
Facilities tax	7,558,772	7,558,772
Impact	7,943,729	7,943,729
Facilities school tax	896,952	896,952
Unrestricted	<u>9,518,686</u>	<u>9,518,686</u>
Total net position	<b>\$ 42,732,021</b>	<b>\$ 42,732,021</b>

**Town of Nolensville, Tennessee**  
Statement of Activities  
For the Year Ended June 30, 2022

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
<b>Primary Government</b>						
General government	\$ 1,419,348	\$ 4,422,262	\$ 138,763	-	\$ 3,141,677	\$ 3,141,677
Police department	1,883,005	337,442	52,672	-	(1,492,891)	(1,492,891)
Fire department	1,332,007	-	21,000	-	(1,311,007)	(1,311,007)
Codes, planning, and engineering	1,314,679	-	-	-	(1,314,679)	(1,314,679)
Highways and streets	1,634,473	-	496,604	-	(1,137,869)	(1,137,869)
Total governmental activities	7,583,512	4,759,704	709,039	-	(2,114,769)	(2,114,769)
<b>General Revenues</b>						
Property taxes					2,041,523	2,041,523
Public property taxes					144,399	144,399
Sales taxes					3,903,898	3,903,898
Grants and contributions not restricted to specific programs					1,342,765	1,342,765
Alcohol taxes					389,571	389,571
Income taxes					24,531	24,531
Franchise tax					251,408	251,408
Interest income					54,075	54,075
Other income					18,770	18,770
Total general revenues					8,170,940	8,170,940
Change in net position					6,056,171	6,056,171
Net position, beginning of year					36,675,850	36,675,850
Net position, end of year					<b>\$ 42,732,021</b>	<b>\$ 42,732,021</b>

**Town of Nolensville, Tennessee**

Balance Sheet

Governmental Funds

June 30, 2022

	<b>General</b>	<b>Capital improvements</b>	<b>Facilities tax fund</b>	<b>Impact fund</b>	<b>Other governmental</b>	<b>Total governmental</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 8,163,755	\$ 3,248,573	\$ 7,558,772	\$ 7,943,729	\$ 1,530,639	\$ 28,445,468
Receivables, net	2,987,498	-	-	-	99,540	3,087,038
Prepaid assets	14,310	-	-	-	-	14,310
Total assets	<u><b>\$ 11,165,563</b></u>	<u><b>\$ 3,248,573</b></u>	<u><b>\$ 7,558,772</b></u>	<u><b>\$ 7,943,729</b></u>	<u><b>\$ 1,630,179</b></u>	<u><b>\$ 31,546,816</b></u>
<b>Liabilities</b>						
Accounts payable	\$ 75,053	\$ 97,972	\$ -	\$ -	\$ 5,132	\$ 178,157
Accrued expenses	55,651	-	-	-	-	55,651
Unearned revenues	-	150,000	-	-	-	150,000
Total liabilities	<u>130,704</u>	<u>247,972</u>	<u>-</u>	<u>-</u>	<u>5,132</u>	<u>383,808</u>
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	2,205,970	-	-	-	-	2,205,970
<b>Fund Balances</b>						
Nonspendable	14,310	-	-	-	-	14,310
Restricted	-	2,250,601	7,558,772	7,943,729	1,625,047	19,378,149
Committed	-	750,000	-	-	-	750,000
Unassigned	8,814,579	-	-	-	-	8,814,579
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<u><b>\$ 11,165,563</b></u>	<u><b>\$ 3,248,573</b></u>	<u><b>\$ 7,558,772</b></u>	<u><b>\$ 7,943,729</b></u>	<u><b>\$ 1,630,179</b></u>	<u><b>\$ 31,546,816</b></u>

**Town of Nolensville, Tennessee**  
 Reconciliation of Balance Sheet, Governmental Funds to  
 Statement of Net Position, Governmental Activities  
 June 30, 2022

<b>Amounts reported for fund balance, total governmental funds</b>		<b>\$ 28,957,038</b>
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		(4,259,000)
Compensated absences payable		(160,623)
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	\$ (558,471)	
Deferred outflows - pension	1,015,818	
Deferred inflows - pension	<u>(316,780)</u>	140,567
OPEB-related accounts - governmental funds do not record these post-employment benefit obligations		
Total OPEB liability	(20,542)	
Deferred outflows - OPEB	3,858	
Deferred inflows - OPEB	<u>(37,534)</u>	(54,218)
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		18,098,216
<b>Net position of governmental activities</b>		<b>\$ 42,732,021</b>

**Town of Nolensville, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2022

	General	Capital improvements	Facilities tax fund	Impact fund	Other governmental	Total governmental
<b>Revenues</b>						
Taxes	\$ 2,623,201	\$ -	\$ -	\$ -	\$ -	\$ 2,623,201
Intergovernmental	4,230,874	1,467,852	-	-	471,530	6,170,256
Licenses and permits	1,144,027	-	1,140,117	1,872,269	151,202	4,307,615
Fines and fees	150,650	185,198	-	-	1,594	337,442
Miscellaneous	142,699	13,436	28,413	13,867	2,754	201,169
Total revenues	<u>8,291,451</u>	<u>1,666,486</u>	<u>1,168,530</u>	<u>1,886,136</u>	<u>627,080</u>	<u>13,639,683</u>
<b>Expenditures</b>						
Current						
General government	1,213,891	-	-	-	-	1,213,891
Police department	1,830,455	-	-	-	-	1,830,455
Fire department	1,284,331	-	-	-	-	1,284,331
Codes, planning, and engineering	887,660	-	-	-	-	887,660
Highways and streets	650,428	-	-	-	96,657	747,085
Capital outlay						
General government	36,966	-	-	-	-	36,966
Police department	158,314	-	-	-	-	158,314
Fire department	160,686	-	-	-	-	160,686
Codes, planning, and engineering	7,547	-	-	-	-	7,547
Highways and streets	43,857	-	-	-	191,046	234,903
Capital improvements	-	2,668,253	-	-	-	2,668,253
Facilities tax fund	-	-	566,638	-	-	566,638
Impact fund	-	-	-	2,177	-	2,177
Facilities school tax fund	-	-	-	-	151,562	151,562
Debt service	-	-	280,415	-	-	280,415
Total expenditures	<u>6,274,135</u>	<u>2,668,253</u>	<u>847,053</u>	<u>2,177</u>	<u>439,265</u>	<u>10,230,883</u>
Net change in fund balances	2,017,316	(1,001,767)	321,477	1,883,959	187,815	3,408,800
Fund balances, beginning of year	10,813,941	-	7,237,295	6,059,770	1,437,232	25,548,238
Prior period adjustment	(4,002,368)	4,002,368	-	-	-	-
Fund balances, end 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>

**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 Year Ended June 30, 2022

<b>Amounts reported for net change in fund balances, total governmental funds</b>	<b>\$ 3,408,800</b>
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	225,000
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	98,249
Change in OPEB plan accounts	(5,143)
Change in employee vacation accrual	(46,627)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition of capital assets	3,475,070
Depreciation expense	<u>(1,099,178)</u>
Change in net position of governmental activities	<b>\$ 6,056,171</b>

**Town of Nolensville, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
General Fund  
For the Year Ended June 30, 2022

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes				
Property taxes	\$ 1,986,200	\$ 1,986,200	\$ 2,039,768	\$ 53,568
Wholesale beer and liquor tax	358,200	358,200	330,271	(27,929)
Cable and gas franchise	190,000	190,000	251,408	61,408
Penalties and interest	800	800	1,754	954
Total taxes	<u>2,535,200</u>	<u>2,535,200</u>	<u>2,623,201</u>	<u>88,001</u>
Intergovernmental revenues				
TVA in lieu	142,000	142,000	144,399	2,399
Local sales tax	1,430,000	2,130,000	2,411,259	281,259
State sales tax	1,177,700	1,177,700	1,492,639	314,939
Grants	59,400	80,400	73,672	(6,728)
State income tax	31,200	31,200	24,531	(6,669)
State beer and alcohol tax	22,700	22,700	59,300	36,600
State special petroleum tax	24,200	24,200	25,074	874
Total intergovernmental revenues	<u>2,887,200</u>	<u>3,608,200</u>	<u>4,230,874</u>	<u>622,674</u>
Licenses and permits	892,800	892,800	1,144,027	251,227
Fines and fees	112,200	112,200	150,650	38,450
Miscellaneous				
Donations	-	-	60,319	60,319
Interest income	50,000	50,000	14,444	(35,556)
Refunds/rebates	-	-	13,608	13,608
Other	200	200	54,328	54,128
Total miscellaneous	<u>50,200</u>	<u>50,200</u>	<u>142,699</u>	<u>92,499</u>
Total revenues	<u>\$ 6,477,600</u>	<u>\$ 7,198,600</u>	<u>\$ 8,291,451</u>	<u>\$ 1,092,851</u>
<b>Expenditures</b>				
General government				
Current				
Personnel costs	530,500	536,500	500,750	35,750
Payroll taxes	40,737	40,737	40,828	(91)
Employee benefits	119,340	127,940	90,953	36,987
Professional services	289,448	333,448	337,265	(3,817)
Repair and maintenance	58,116	75,516	90,097	(14,581)
Office expense	36,190	36,190	40,608	(4,418)
Dues and subscription	20,070	20,070	32,027	(11,957)
Travel and auto	4,200	4,200	7,683	(3,483)
Insurance	17,977	17,977	16,412	1,565
Building	49,150	49,150	47,761	1,389
Miscellaneous	9,510	9,510	9,507	3
Capital outlay	77,759	77,759	36,966	40,793
Total general government	<u>1,252,997</u>	<u>1,328,997</u>	<u>1,250,857</u>	<u>78,140</u>

## Town of Nolensville, Tennessee

### Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued) Budget (GAAP Basis) and Actual General Fund For the Year Ended June 30, 2022

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget
	Original	Final		
<b>Expenditures</b>				
Public safety				
Police department				
Personnel costs	1,063,252	1,080,252	\$ 1,042,035	38,217
Payroll taxes	80,879	80,879	78,865	2,014
Employee benefits	295,001	295,001	238,655	56,346
Contract services	55,193	55,193	48,758	6,435
Membership and dues	6,478	6,478	6,478	-
Repairs and maintenance	37,219	42,654	31,042	11,612
Supplies	26,250	32,250	30,107	2,143
Uniforms	19,650	19,650	18,842	808
Insurance	95,150	95,150	107,408	(12,258)
Vehicle expenses	70,000	70,000	82,295	(12,295)
Utilities	26,979	26,979	22,387	4,592
Training and ammunition	26,350	26,350	21,816	4,534
Court	105,654	107,654	101,767	5,887
Capital outlay	<u>204,471</u>	<u>469,563</u>	<u>158,314</u>	<u>311,249</u>
Total police department	2,112,526	2,408,053	1,988,769	419,284
Fire department				
Personnel costs	755,000	786,000	772,461	13,539
Payroll taxes	52,785	52,785	57,823	(5,038)
Employee benefits	194,690	194,690	171,645	23,045
Contract services	49,500	49,500	23,750	25,750
Repairs and maintenance	55,000	-	10,753	(10,753)
Supplies	141,093	141,093	124,670	16,423
Uniforms	40,000	40,000	26,830	13,170
Insurance	45,000	45,000	23,285	21,715
Vehicle expenses	40,000	135,000	45,131	89,869
Miscellaneous	10,000	10,000	7,981	2,019
Utilities	13,500	13,500	20,002	(6,502)
Capital outlay	<u>85,000</u>	<u>163,536</u>	<u>160,686</u>	<u>2,850</u>
Total fire department	1,481,568	1,631,104	1,445,017	186,087
Total public safety	3,594,094	4,039,157	3,433,786	605,371
Codes, planning, and engineering				
Personnel costs	520,000	552,050	522,206	29,844
Payroll taxes	39,781	41,946	40,543	1,403
Employee benefits	134,987	143,572	105,671	37,901
Memberships	9,200	9,200	9,567	(367)
Professional services	123,500	135,500	150,487	(14,987)
Supplies and maintenance	12,605	12,605	21,832	(9,227)
Vehicle expense	6,800	6,800	5,274	1,526
Insurance	36,270	36,270	32,080	4,190
Capital outlay	<u>12,164</u>	<u>12,164</u>	<u>7,547</u>	<u>4,617</u>
Total codes, planning and engineering	895,307	950,107	895,207	54,900

**Town of Nolensville, Tennessee**  
Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)  
Budget (GAAP Basis) and Actual  
General Fund  
For Year Ended June 30, 2022

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget
	Original	Final		
<b>Expenditures</b>				
Highways and streets				
Personnel costs	369,000	\$ 377,000	\$ 359,375	17,625
Payroll taxes	28,229	28,229	28,343	(114)
Employee benefits	142,407	142,407	104,488	37,919
Repairs and maintenance	45,450	45,450	82,738	(37,288)
Supplies	25,390	25,390	25,694	(304)
Street lighting and utilities	5,950	850	1,349	(499)
Insurance	22,715	22,715	23,911	(1,196)
Vehicle expense	10,600	65,600	2,881	62,719
Contractual services	19,071	19,071	19,089	(18)
Miscellaneous	440	440	2,560	(2,120)
Capital outlay	45,000	45,000	43,857	1,143
Total highways and streets	<u>714,252</u>	<u>772,152</u>	<u>694,285</u>	<u>77,867</u>
 Total expenditures	 6,456,650	 7,090,413	 6,274,135	 816,278
 Excess (deficiency) of revenues over expenditures	 20,950	 108,187	 2,017,316	 1,909,129
 Change in fund balance	 20,950	 108,187	 2,017,316	 1,909,129
 Fund balance, beginning of year	 <u>6,811,573</u>	 <u>6,811,573</u>	 <u>6,811,573</u>	 <u>-</u>
Fund balance, end of year	<b>\$ 6,832,523</b>	<b>\$ 6,919,760</b>	<b>\$ 8,828,889</b>	<b>\$ 1,909,129</b>

**Town of Nolensville, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Facilities Tax Fund  
For the Year Ended June 30, 2022

	<u>Budgeted amounts</u>		<b>Actual amounts</b>	<b>Variance from final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Licenses and permits	\$ 1,243,900	\$ 1,243,900	\$ 1,140,117	\$ (103,783)
Miscellaneous				
Grants	-	-	13,676	13,676
Interest	<u>18,700</u>	<u>18,700</u>	<u>14,737</u>	<u>(3,963)</u>
Total revenues	1,262,600	1,262,600	1,168,530	(94,070)
<b>Expenditures</b>				
Debt service	370,000	370,000	280,415	89,585
Capital outlay	<u>520,000</u>	<u>520,000</u>	<u>566,638</u>	<u>(46,638)</u>
Total expenditures	890,000	890,000	847,053	42,947
Excess (deficiency) of revenues over expenditures	372,600	372,600	321,477	(51,123)
Fund balance, beginning of year	<u>7,237,295</u>	<u>7,237,295</u>	<u>7,237,295</u>	<u>-</u>
Fund balance, end of year	<b>\$ 7,609,895</b>	<b>\$ 7,609,895</b>	<b>\$ 7,558,772</b>	<b>\$ (51,123)</b>

**Town of Nolensville, Tennessee**  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (GAAP Basis) and Actual  
 Impact Fund  
 For the Year Ended June 30, 2022

	<u>Budgeted amounts</u>		<b>Actual amounts</b>	<b>Variance from final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Miscellaneous				
Licenses and permits	\$ 2,046,600	\$ 2,046,600	\$ 1,872,269	\$ (174,331)
Interest	<u>35,000</u>	<u>35,000</u>	<u>13,867</u>	<u>(21,133)</u>
Total revenues	2,081,600	2,081,600	1,886,136	(195,464)
<b>Expenditures</b>				
Capital outlay	<u>3,070,000</u>	<u>3,070,000</u>	<u>2,177</u>	<u>3,067,823</u>
Excess (deficiency) of revenues over expenditures	(988,400)	(988,400)	1,883,959	(3,263,287)
Fund balance, beginning of year	<u>6,059,770</u>	<u>6,059,770</u>	<u>6,059,770</u>	<u>-</u>
Fund balance, end of year	<b>\$ 5,071,370</b>	<b>\$ 5,071,370</b>	<b>\$ 7,943,729</b>	<b>\$ (3,263,287)</b>

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**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, 2022.

**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 Year Ended June 30, 2022

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**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 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 Year Ended June 30, 2022

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**Note 1. Summary of Significant Accounting Policies**

**Cash and Cash Equivalents**

Cash and cash equivalents consist primarily of savings 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). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

**Net Position Flow Assumption**

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

**Property Tax**

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

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

Public utility property	55%
Industrial and commercial property	
Real 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, 2022. Payments may be made during the period from October 1 through February 28 of the following year. Current tax collections of \$2,030,543 for the fiscal year ended June 30, 2022 were approximately 99% of the tax levy.

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**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 Year Ended June 30, 2022

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**Note 1. Summary of Significant Accounting Policies**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has deferred outflows related to its pension and OPEB reporting.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (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 has deferred inflows related to pension and OPEB 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 Year Ended June 30, 2022

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

**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 Year Ended June 30, 2022**

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**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, 2022 consist of the following:

<b>Fund</b>	<b>Other government</b>	<b>Property taxes</b>	<b>Total</b>
General fund	\$ 781,529	\$ 2,205,969	\$ 2,987,498
Other governmental funds	<u>99,540</u>	<u>-</u>	<u>99,540</u>
Total accounts receivable	<b>\$ 881,069</b>	<b>\$ 2,205,969</b>	<b>\$ 3,087,038</b>

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**Note 4. Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2022:

**Governmental Activities**

	<b>Beginning balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending balance</b>
Capital assets not being depreciated					
Land	\$ 278,753	\$ 1,399,807	\$ -	\$ -	\$ 1,678,560
Construction in progress	-	168,710	-	-	168,710
	<u>278,753</u>	<u>1,568,517</u>	<u>-</u>	<u>-</u>	<u>1,847,270</u>
Capital assets being depreciated					
Buildings and improvements	4,474,881	-	-	-	4,474,881
Furniture	61,762	-	-	-	61,762
Machinery and equipment	1,307,824	1,126,837	-	-	2,434,661
Infrastructure	14,224,445	779,716	-	-	15,004,161
	<u>20,068,912</u>	<u>1,906,553</u>	<u>-</u>	<u>-</u>	<u>21,975,465</u>
Less:					
Accumulated depreciation	<u>(4,625,341)</u>	<u>(1,099,178)</u>	<u>-</u>	<u>-</u>	<u>(5,724,519)</u>
Governmental activities capital assets, net	<b>\$ 15,722,324</b>	<b>\$ 2,375,892</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,098,216</b>

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

General fund:	
Police department	\$ 158,049
Fire department	62,381
General government	120,028
Highways and streets	758,720
Total	<b>\$ 1,099,178</b>

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

**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, 2022.

	<b>Balance July 1, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2022</b>
Recreation center loan	\$ 1,526,000	\$ -	\$ 86,000	\$ 1,440,000
Building construction loan	<u>2,958,000</u>	<u>-</u>	<u>139,000</u>	<u>2,819,000</u>
Total	<b>\$ 4,484,000</b>	<b>\$ -</b>	<b>\$ 225,000</b>	<b>\$ 4,259,000</b>

Principal and interest requirements to maturity on all outstanding long-term-debt as of June 30, 2022 are as follows:

<b>Year ended June 30,</b>	<b>Principal</b>	<b>Interest</b>
2023	235,000	35,186
2024	248,000	32,981
2025	260,000	30,667
2026	273,000	28,236
2027	286,000	25,689
2028 – 2032	1,649,000	85,514
2033 – 2036	<u>1,308,000</u>	<u>15,325</u>
Totals	<b>\$ 4,259,000</b>	<b>\$ 253,598</b>

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, 2022 was as follows:

	<b>Beginning balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending balance</b>	<b>Due within one year</b>
Compensated absences	\$ 113,996	\$ 116,199	\$ 69,570	\$ 160,625	\$ 116,199

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	33
Active employees	34
Total employees	<u>71</u>

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**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, 2022, employer contributions for the Town were \$216,427, based on a rate of 6.83% 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, 2021, 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, 2021 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, 2021 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.

*Changes of Assumptions*

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

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 Year Ended June 30, 2022

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**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:

<b>Asset class</b>	<b>Long-term expected real rate of return</b>	<b>Target allocation</b>
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%
		<hr style="width: 100%; border: 0.5px solid black;"/> <b>100%</b>

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 Year Ended June 30, 2022

**Note 8. Pension Plan**

**Changes in Net Pension Liability (Asset)**

	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (asset) (a-b)</b>
Balance, June 30, 2020	\$ 1,921,310	\$ 1,627,644	\$ 293,666
Service cost	115,546	-	115,546
Interest	146,153	-	146,153
Differences between expected and actual experience	407,552	-	407,552
Changes in assumptions	279,324	-	279,324
Contributions, employer	-	140,883	(140,883)
Contributions, employees	-	100,631	(100,631)
Net investment income	-	445,244	(445,244)
Benefit payments, including refunds and contributions	(41,899)	(41,899)	-
Administrative expenses	<u>-</u>	<u>(2,988)</u>	<u>2,988</u>
Net change	<u>906,676</u>	<u>641,871</u>	<u>264,805</u>
Balance, June 30, 2021	<b>\$ 2,827,986</b>	<b>\$ 2,269,515</b>	<b>\$ 558,471</b>

**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:

	<b>1% Decrease (5.75%)</b>	<b>Current rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net pension liability (asset)	\$ 1,047,017	\$ 558,471	\$ 166,072

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

*Pension Expense*

For the year ended June 30, 2022, the Town recognized pension expense of \$123,876.

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**Note 8. Pension Plan**

*Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 552,371	\$ 77,799
Net difference between projected and actual earnings on pension plan investments	-	238,981
Changes in assumptions	247,020	-
Contributions subsequent to the measurement date	<u>216,427</u>	<u>-</u>
	<b>\$ 1,015,818</b>	<b>\$ 316,780</b>

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:

<b>Year ended June 30,</b>		
2023	\$	82,102
2024		82,013
2025		48,604
2026		41,808
2027		114,043
Thereafter		114,041

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 Year Ended June 30, 2022

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**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, 2022. 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, 2022. The City does not make matching or non-matching contributions to the plan.

**Note 10. Other Postemployment Benefits for Retiree Health Insurance**

**Plan description**

Employees of the Town are provided with pre-65 retiree health insurance benefits through the Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP.

**Benefits provided**

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

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**Note 10. Other Postemployment Benefits for Retiree Health Insurance**

***Employees covered by benefit terms***

At July 1, 2021, the following employees were covered by the benefit terms of the LGOP:

Active employees		35
Inactive employees		0
Total		35

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2022, the Town paid \$139 to the LGOP for OPEB benefits as they came due.

**Total OPEB Liability**

***Actuarial assumptions***

The total pension liability as of the June 30, 2021 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%
Healthcare cost trend rates	7.36% for pre-65 in 2021, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 7.32% for post-65 in 2021, decreasing annually over an 8 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

**Town of Nolensville, Tennessee**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2022**

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**Note 10. Other Postemployment Benefits for Retiree Health Insurance**

**Total OPEB Liability**

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables were used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount- Weighted Employee Mortality Table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

*Discount rate*

The discount rate used to measure the total OPEB liability was 2.16%. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-year Municipal GO AA index.

	<b>Total OPEB liability (a)</b>
Balance, June 30, 2021	\$ 25,660
Service cost	9,858
Interest	781
Differences between expected and actual experience	(8,145)
Changes in assumptions	(7,274)
Benefit payments	<u>(338)</u>
Net change	<u>(5,118)</u>
Balance, June 30, 2022	<b>\$ 20,542</b>

*Changes in assumptions*

The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates.

**Town of Nolensville, Tennessee**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2022**

**Note 10. Other Postemployment Benefits for Retiree Health Insurance**

*Sensitivity of total OPEB liability to changes in the discount rate*

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

	<b>1% Decrease (1.16%)</b>	<b>Current rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
Total OPEB liability (asset)	\$ 22,680	\$ 20,542	\$ 18,626

*Sensitivity of total OPEB liability to changes in the healthcare cost trend rate*

The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate.

	<b>Healthcare Cost Trend Rates</b>		
	<b>1% Decrease (6.36%/6.32% decreasing to 3.50%)</b>	<b>(7.36%/7.32% decreasing to 4.50%)</b>	<b>1% Increase (8.36%/8.32% decreasing to 5.50%)</b>
Total OPEB liability	\$ 17,396	\$ 20,542	\$ 24,466

*OPEB Expense*

For the fiscal year ended June 30, 2022, the Town of Nolensville recognized OPEB expense of \$5,282.

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

For the year ended June 30, 2022, the Town of Nolensville reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences in expected and actual experience	\$ -	\$ 30,133
Changes of assumptions	3,719	7,401
Employer payments subsequent to the measurement date	139	-
Total	<b>\$ 3,858</b>	<b>\$ 37,534</b>

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

**Town of Nolensville, Tennessee**  
Notes to Financial Statements  
For the Year Ended June 30, 2022

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**Note 10. Other Postemployment Benefits for Retiree Health Insurance**

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

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

<b>Year ended June 30,</b>		
2023	\$	(5,357)
2024		(5,357)
2025		(5,357)
2026		(5,357)
2027		(5,357)
Thereafter		(7,030)

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

**Note 11. Commitments and Contingencies**

**Litigation**

The Town is involved in potential claims in the normal course of business. As of June 30, 2022, 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.

**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 Year Ended June 30, 2022

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**Note 12. 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, 2022, PEP provided workers' compensation, liability, and property insurance for the Town. The Town's expenses related to these insurance agreements totaled approximately \$203,000 for the year ended June 30, 2022.

**Note 13. Prior Period Adjustment**

On July 1, 2022, a prior period adjustment was made in the General Fund and Capital Improvements Fund. There was \$4,002,368 added to fund balance of the Capital Improvements Fund and a reduction of the same amount to the fund balance of the General Fund. During the year ended June 30, 2021, the Town created the Capital Improvements Fund for the purpose of allocating certain reserve funds for long-term infrastructure improvements and other capital purchases.

**Note 14. Subsequent Events**

On November 1, 2022, the Town, as a non-entitlement unit of local government, received \$1,492,765, passed through the State, from the US Treasury. This amount represents the second half of the Town's total \$2,985,530 allocation from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act of 2021.

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

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 115,546	\$ 88,128	\$ 106,756	\$ 90,337	\$ 79,198	\$ 68,656	\$ 44,681	\$ 42,778
Interest	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	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	(41,899)	(36,517)	(64,104)	(36,111)	(30,099)	(21,455)	(1,259)	(19,734)
Net change in total pension liability	906,676	301,459	27,374	246,917	242,079	265,206	119,587	146,758
Total pension liability, beginning of year	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)	2,827,986	1,921,310	1,619,851	1,592,477	1,345,560	1,103,481	838,275	718,688
<b>Plan Fiduciary Net Position</b>								
Contributions, employer	140,883	104,658	98,195	77,149	45,436	22,272	16,345	24,710
Contributions, employees	100,631	74,756	64,687	54,868	46,939	44,902	32,955	28,079
Net investment income	445,244	73,601	94,625	90,106	102,643	22,047	23,459	102,339
Benefit payments, including refunds of employee contributions	(41,899)	(36,517)	(64,104)	(36,111)	(30,099)	(21,455)	(1,259)	(19,734)
Administrative expenses	(2,988)	(2,529)	(2,287)	(2,099)	(1,565)	(1,320)	(689)	(474)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	641,871	213,969	191,116	183,913	163,354	66,446	70,811	134,920
Plan fiduciary net position, beginning of year	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)	2,269,515	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)	<b>\$ 558,471</b>	<b>\$ 293,666</b>	<b>\$ 206,176</b>	<b>\$ 369,918</b>	<b>\$ 306,914</b>	<b>\$ 228,189</b>	<b>\$ 29,429</b>	<b>\$ (19,347)</b>
Plan fiduciary net position as a percentage of total pension liability	80.25%	84.72%	87.27%	76.77%	77.19%	79.32%	96.49%	102.69%
Covered payroll	\$ 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	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 216,427	\$ 137,462	\$ 102,116	\$ 98,195	\$ 72,169	\$ 45,436	\$ 22,272	\$ 16,345	\$ 24,710
Contributions in relation to the actuarially determined contribution	216,427	140,883	104,658	98,195	77,149	45,436	22,272	16,345	24,710
Contribution deficiency (excess)	\$ -	\$ (3,421)	\$ (2,542)	\$ -	\$ (4,980)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,168,770	\$ 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	6.83%	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, 2022 were calculated based on the June 30, 2020 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	2.50%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	7.25%, 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	2.25%

*Changes in assumptions*

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased investment rate of return from 7.50% to 7.25%; decreased 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

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

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, 2022

	<b>State Street Aid</b>	<b>Drug Fund</b>	<b>Facilities School Tax</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 645,402	\$ 4,032	\$ 881,205	\$ 1,530,639
Receivables, net	83,794	-	15,746	99,540
Total assets	<b>\$ 729,196</b>	<b>\$ 4,032</b>	<b>\$ 896,951</b>	<b>\$ 1,630,179</b>
<b>Liabilities</b>				
Accounts payable	\$ 5,132	-	-	\$ 5,132
Total liabilities	5,132	-	-	5,132
<b>Fund Balances</b>				
Restricted	724,064	4,032	896,951	1,625,047
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 729,196</b>	<b>\$ 4,032</b>	<b>\$ 896,951</b>	<b>\$ 1,630,179</b>

**Town of Nolensville, Tennessee**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
June 30, 2022

	State Street Aid	Drug Fund	Facilities School Tax	Total
<b>Revenues</b>				
Intergovernmental	\$ 471,530	\$ -	\$ -	\$ 471,530
Licenses and permits	-	-	151,202	151,202
Fines and fees	-	1,594	-	1,594
Miscellaneous	1,077	6	1,671	2,754
Total revenues	<u>472,607</u>	<u>1,600</u>	<u>152,873</u>	<u>627,080</u>
<b>Expenditures</b>				
Current				
Highway and streets	96,657	-	-	96,657
Capital outlays				
Highway and streets	191,046	-	-	191,046
Facilities school tax fund	-	-	151,562	151,562
Total expenditures	<u>287,703</u>	<u>-</u>	<u>151,562</u>	<u>439,265</u>
Net change in fund balances	184,904	1,600	1,311	187,815
Fund balances, beginning of year	<u>539,160</u>	<u>2,432</u>	<u>895,640</u>	<u>1,437,232</u>
Fund balances, end of year	<b>\$ 724,064</b>	<b>\$ 4,032</b>	<b>\$ 896,951</b>	<b>\$ 1,625,047</b>

**Town of Nolensville, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
State Street Aid Fund  
For the Year Ended June 30, 2022

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental				
Gas .03 tax	65,567	65,567	\$ 70,365	4,798
Gas 1989 tax	34,969	34,969	37,987	3,018
Gas 2017 tax	109,278	109,278	122,996	13,718
Gasoline and motor fuel	227,298	227,298	240,182	12,884
Interest	5,000	5,000	1,077	(3,923)
Total revenues	<u>442,112</u>	<u>442,112</u>	<u>472,607</u>	<u>30,495</u>
<b>Expenditures</b>				
Streets				
Street lighting	-	5,100	4,053	1,047
Repairs and maintenance	-	77,381	92,604	(15,223)
Capital outlay	212,000	212,000	191,046	20,954
Total expenditures	<u>212,000</u>	<u>294,481</u>	<u>287,703</u>	<u>6,778</u>
Excess (deficiency) of revenues over expenditures	230,112	147,631	184,904	37,273
Fund balance, beginning of year	539,160	539,160	539,160	-
Fund balance, end of year	<u>\$ 769,272</u>	<u>\$ 686,791</u>	<u>\$ 724,064</u>	<u>\$ 37,273</u>

**Town of Nolensville, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Drug Fund  
For the Year Ended June 30, 2022

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Fines	\$ 400	\$ 400	\$ 1,594	\$ 1,194
Interest	<u>15</u>	<u>15</u>	<u>6</u>	<u>(9)</u>
Total revenues	415	415	1,600	1,185
<b>Expenditures</b>				
Supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	415	415	1,600	1,185
Fund balance, beginning of year	<u>2,432</u>	<u>2,432</u>	<u>2,432</u>	<u>-</u>
Fund balance, end of year	<b>\$ 2,847</b>	<b>\$ 2,847</b>	<b>\$ 4,032</b>	<b>\$ 1,185</b>

**Town of Nolensville, Tennessee**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Facilities School Tax Fund  
For the Year Ended June 30, 2022

	<b>Budgeted amounts</b>		<b>Actual amounts</b>	<b>Variance from final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Miscellaneous				
Licenses and permits	\$ 84,000	\$ 84,000	\$ 151,202	\$ 67,202
Interest	5,000	5,000	1,671	(3,329)
Total revenues	<u>89,000</u>	<u>89,000</u>	<u>152,873</u>	<u>63,873</u>
<b>Expenditures</b>				
Capital outlay	<u>170,000</u>	<u>170,000</u>	<u>151,562</u>	<u>18,438</u>
Excess (deficiency) of revenues over expenditures	(81,000)	(81,000)	1,311	82,311
Fund balance, beginning of year	<u>895,640</u>	<u>895,640</u>	<u>895,640</u>	<u>-</u>
Fund balance, end of year	<b>\$ 814,640</b>	<b>\$ 814,640</b>	<b>\$ 896,951</b>	<b>\$ 82,311</b>

**Town of Nolensville, Tennessee**  
Schedule of Changes in Property Taxes Receivable  
For the Year Ended June 30, 2022

<b>Tax year</b>	<b>Beginning balance</b>	<b>Property tax levied</b>	<b>Anticipated levy</b>	<b>Abatements and adjustments</b>	<b>Collections</b>	<b>Ending balance</b>
2022	\$ -	\$ -	\$ 2,189,144	\$ -	\$ -	\$ 2,189,144
2021	2,045,431	2,045,431	(2,045,431)	-	(2,030,543)	14,888
2020	8,452	-	-	-	(7,526)	926
2019	582	-	-	-	(375)	207
2018	487	-	-	-	(59)	428
2017	170	-	-	-	(54)	116
2016	127	-	-	-	(25)	102
2015	70	-	-	-	-	70
2014	10	-	-	-	-	10
2013	30	-	-	-	-	30
2012	48	-	-	-	-	48
2011	65	-	-	(65)	-	-
	<b>\$ 2,055,472</b>	<b>\$ 2,045,431</b>	<b>\$ 143,713</b>	<b>\$ (65)</b>	<b>\$ (2,038,582)</b>	<b>2,205,969</b>
					Less: allowance	(16,825)
					Net	<b>\$ 2,189,144</b>

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, 2022

Fiscal year ended 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
	2023	\$ 145,000	\$ 19,738	\$ 90,000	\$ 15,448	\$ 235,000
2024	153,000	18,620	95,000	14,361	248,000	32,981
2025	160,000	17,450	100,000	13,217	260,000	30,667
2026	168,000	16,221	105,000	12,015	273,000	28,236
2027	176,000	14,933	110,000	10,756	286,000	25,689
2028	183,000	13,578	116,000	9,429	299,000	23,007
2029	192,000	12,157	121,000	8,044	313,000	20,201
2030	202,000	10,661	127,000	6,591	329,000	17,252
2031	212,000	9,092	134,000	5,058	346,000	14,150
2032	222,000	7,448	140,000	3,456	362,000	10,904
2033	234,000	5,716	147,000	1,774	381,000	7,490
2034	245,000	3,902	155,000	918	400,000	4,820
2035	257,000	1,999	-	-	257,000	1,999
2036	270,000	1,016	-	-	270,000	1,016
Total	<b>\$ 2,819,000</b>	<b>\$ 152,531</b>	<b>\$ 1,440,000</b>	<b>\$ 101,067</b>	<b>\$ 4,259,000</b>	<b>\$ 253,598</b>

Both loans have variable interest rates.

**Town of Nolensville, Tennessee**  
Schedule of Changes in Long-term Debt by Individual Issue  
For the Year Ended June 30, 2022

Description of Indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2021	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2022
<b>Governmental Activities</b>									
Notes payable									
The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series	\$ 2,025,000	variable (SIFMA +85 BPS)	4/15/14	6/1/34	\$ 1,526,000	\$ -	\$ 86,000	\$ -	\$ 1,440,000
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	2,958,000	-	139,000	-	2,819,000
Total notes payable					<u>\$ 4,484,000</u>	<u>\$ -</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 4,259,000</u>

**Town of Nolensville, Tennessee**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2022

Grantor / Pass-through Grantor	Program name	Assistance listing	Contract number	Expenditures
<b>Federal Awards</b>				
Department of Transportation/ Tennessee Department of Safety and Homeland Security	<u>Highway Safety Cluster</u> State and Community Highway Safety	20.600	Z22THS215	\$ 41,801
			Total Highway Safety Cluster	<u>41,801</u>
US Department of the Treasury / Direct assistance	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,342,765
Department of Homeland Security / Tennessee Emergency Management Agency	Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4514-DR-TN	<u>7,463</u>
Total federal awards				1,392,029
<b>State Financial Assistance</b>				
Tennessee Department of Finance and Administration	Appropriation	N/A	N/A	125,087
Tennessee Arts Commission	Greater Nashville Regional Council Grant	N/A	N/A	3,284
Tennessee Department of Wildlife Resources	Trees and Trails	N/A	N/A	<u>1,000</u>
Total federal awards and state financial assistance				<b>\$ 1,521,400</b>

**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, 2022. 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.

## Internal Control and Compliance



**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, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated February 21, 2023.

**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 opinion 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 have not been 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  
February 21, 2023



## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and Board of Commissioners  
Town of Nolensville, Tennessee

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Town of Nolensville, Tennessee's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2022. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *US Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Murfreesboro, Tennessee  
February 21, 2023

**Town of Nolensville, Tennessee**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

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**Section I. Summary of Auditor's Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified?        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

*Federal Awards*

Internal control over major federal programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified?        Yes   X   None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?        Yes   X   No

Identification of major programs:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee?        Yes   X   No

**Section II. Financial Statement Findings**

None

**Town of Nolensville, Tennessee**  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2022

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**Financial Statement Findings**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
2021-001	Separation of duties	Corrected

**Federal Award Findings and Questioned Costs**

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