



Town of Nolensville, Tennessee

Annual Financial Report
For the Fiscal Year Ended June 30, 2024

Town of Nolensville, Tennessee
Annual Financial Report
For the Fiscal Year Ended June 30, 2024

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Introductory Section

Town of Nolensville, Tennessee

Directory of Town Officials

As of June 30, 2024

Elected Officials

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

Management

Town Manager	Victor Lay
Finance Director	Christina Merle, CMFO

Financial Section



Independent Auditor's Report

Honorable Mayor and Board of Commissioners
Town of Nolensville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Nolensville, Tennessee (the Town), as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund and facilities tax fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 and the schedules of changes in net pension (asset) liability and related ratios and contributions on pages 39-40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The combining and individual nonmajor fund financial statements and schedules on pages 41-45-2 and other schedules on pages 46-49 including the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on page 48, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules on pages 41-45-2 and other schedules on pages 46-49 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on page i and other schedule on page 50, 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 June 23, 2025 on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Murfreesboro, Tennessee
June 23, 2025

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

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, 2024. 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's activities and resulting changes.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$47.6 million.
- Of this amount, \$9.8 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The government's total net position increased by \$2.8 million due to increased revenues combined with increased expenses as the Town continues to see growth.
- Revenues were \$3.5 million more in the current year primarily as a result of increased grant and other revenues like interest, and expenses were \$2.8 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 \$29.8 million; an increase of \$0.6 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 the acquisition of capital assets of \$12.9 million. During the year the Town repaid \$235 thousand in debt related to the Town Hall and recreation center loans. The Town also made its first payment for the fire debt service totaling \$495 thousand. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$9.5 million.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax). Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town of Nolensville include general government, personnel, finance, planning, police, fire, streets and public works. The government-wide financial statements can be found on pages 11-12 of this report.

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

Fund Financial Statements

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

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

The Town adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 13-21 of this report. The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-38 of this report.

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

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 \$47,633,000 at the close of the most recent fiscal year. One of the largest portion of the Town's assets reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position (In Thousands)

	Governmental Activities	
	2024	2023
Assets		
Capital assets	\$ 31,124	\$ 19,652
Other assets	32,748	34,496
Total Assets	<u>63,872</u>	<u>54,148</u>
Deferred Outflows of Resources		
Deferred outflows	<u>1,484</u>	<u>1,260</u>
Liabilities		
Long-term liabilities	14,186	4,791
Other liabilities	1,229	3,439
Total Liabilities	<u>15,415</u>	<u>8,230</u>
Deferred Inflows of Resources		
Deferred inflows	<u>2,468</u>	<u>2,353</u>
Net Position		
Net Investment in capital assets	17,688	14,579
Restricted	20,094	18,689
Unrestricted	9,691	11,557
Total net position	<u>\$ 47,473</u>	<u>\$ 44,825</u>

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

Change in Net Position (In Thousands)

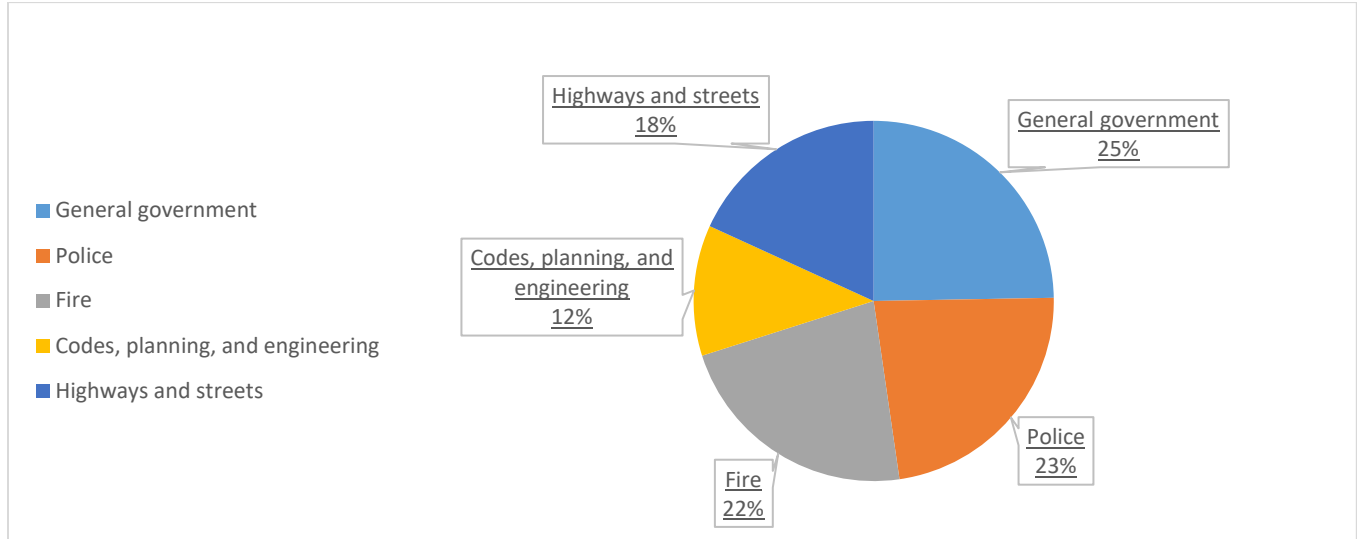
	Primary Government	
	Governmental	
	Activities	
	2024	2023
Program Revenues		
Charges for services	\$ 2,734	\$ 2,530
Operating grants and contributions	1,096	604
General Revenues		
Property taxes	2,552	2,379
Sales taxes	4,498	4,281
Grants and contributions	1,505	-
Alcohol taxes	343	341
Other	1,485	702
Total Revenues	14,213	10,837
Expenses		
General government	2,859	1,825
Public safety	5,245	4,268
Codes, planning, and engineering	1,357	1,077
Highways and streets	2,104	1,574
Total Expenses	11,565	8,744
Change in net position	2,648	2,093
Net Position - Beginning	44,825	42,732
Net Position - Ending	\$ 47,473	\$ 44,825

Town of Nolensville, Tennessee
Management’s Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

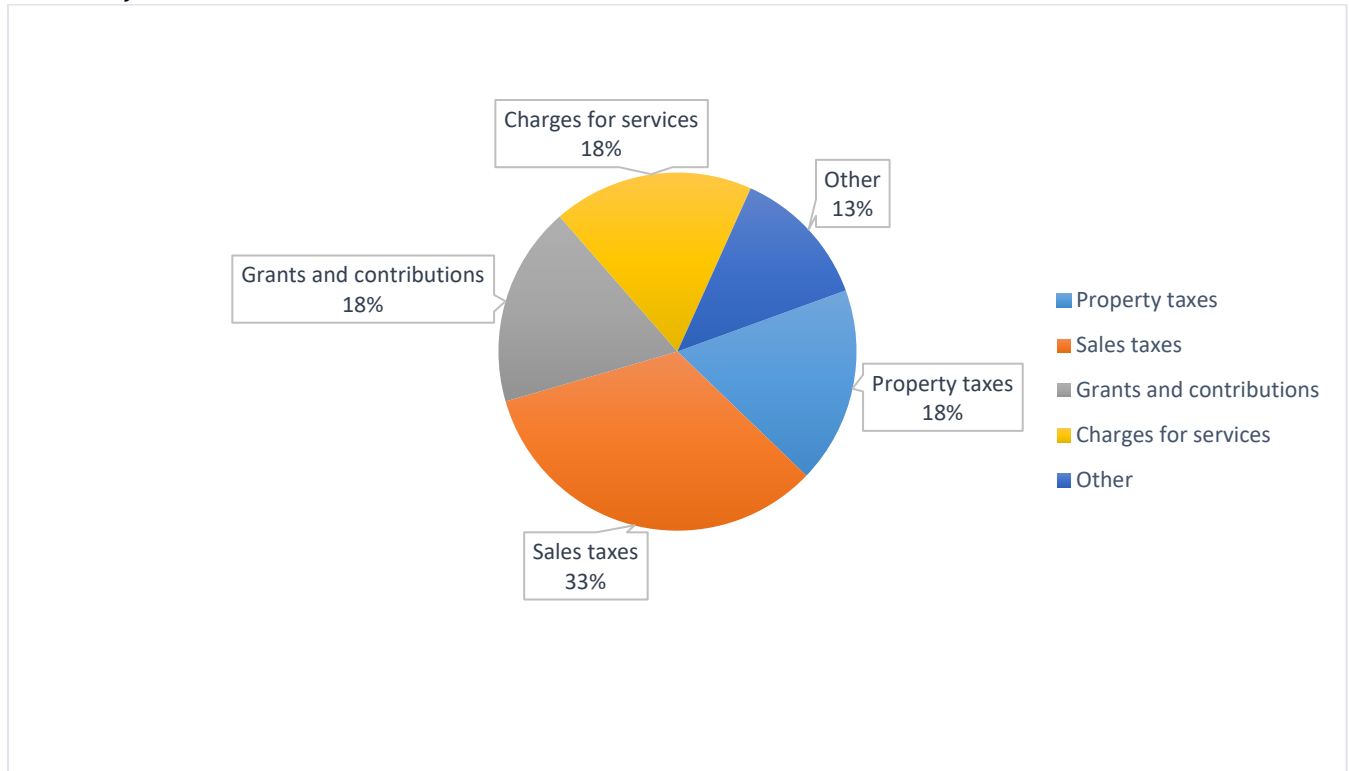
Expenses and Program Revenues – Governmental Activities

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

Expenses by Program –Governmental Activities



Revenue by Source – Governmental Activities



Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

Financial Analysis of the Government's Funds

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

General Fund Budgetary Highlights

During the year, the Town maintained all of its departmental budgets. Further information is provided on pages 17-20.

Capital Asset and Debt Administration

Capital Assets

The Town of Nolensville's investment in capital assets from its governmental activities at June 30, 2024, amounts to \$31.1 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)

	Governmental Activities	
	2024	2023
Land	\$ 3,599	\$ 1,692
Construction in progress	3,351	2,418
Buildings	14,250	4,610
Furniture	61	61
Machinery and equipment	3,335	2,851
Infrastructure	15,004	15,004
	<u>39,600</u>	<u>26,636</u>
Less: accumulated depreciation	(8,476)	(6,984)
	<u>\$ 31,124</u>	<u>\$ 19,652</u>

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

Town of Nolensville, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2024

Long-term Debt

The Town has \$4.0 million in long-term debt at year end related to the construction of two capital assets – Town Hall and a portion of the Recreation Center. During the year the Town reduced its outstanding debt by \$235 thousand. The Town has also obtained additional long-term debt for the fire station construction in the amount of \$9 million. During the year the Town reduced this outstanding debt by \$623 thousand.

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

Economic Factors and Next Year's Budgets and Rates

Town staff considered historical economic performance, new home occupancy and published state-wide economic growth information in preparing the Town Budget for fiscal year 2024-2025.

Requests for Information

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

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

Town of Nolensville, Tennessee

Statement of Net Position

June 30, 2024

	Governmental Activities	Total
Assets		
Cash and cash equivalents	\$ 29,323,127	\$ 29,323,127
Receivables, net	3,396,968	3,396,968
Prepaid assets	28,047	28,047
Capital assets not being depreciated	6,949,943	6,949,943
Capital assets, net of accumulated depreciation	<u>24,173,528</u>	<u>24,173,528</u>
Total assets	63,871,613	63,871,613
Deferred Outflows of Resources		
Deferred outflows of resources, pension	1,483,710	1,483,710
Liabilities		
Accounts payable	46,801	46,801
Accrued expenses	468,681	468,681
Unearned revenues	138,152	138,152
Net pension liability	1,325,452	1,325,452
Long-term liabilities, current portion	624,705	624,705
Long-term liabilities, net of current portion	<u>12,810,961</u>	<u>12,810,961</u>
Total liabilities	15,414,752	15,414,752
Deferred Inflows of Resources		
Deferred inflows of resources, property taxes	2,428,664	2,428,664
Deferred inflows of resources, pension	<u>38,899</u>	<u>38,899</u>
Total deferred inflows of resources	2,467,563	2,467,563
Net Position		
Net investment in capital assets	17,687,805	17,687,805
Restricted for		
Capital improvements	2,148,108	2,148,108
State street aid	936,691	936,691
Facilities tax	6,362,324	6,362,324
Impact	9,466,953	9,466,953
Facilities school tax	1,180,235	1,180,235
Unrestricted	<u>9,690,892</u>	<u>9,690,892</u>
Total net position	\$ 47,473,008	\$ 47,473,008

Town of Nolensville, Tennessee
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program revenues			Net (expenses) revenues and changes in net position	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Total
Primary Government						
General government	\$ 2,858,683	\$ 2,278,000	\$ -	-	\$ (580,683)	\$ (580,683)
Police department	2,660,038	455,961	37,913	-	(2,166,164)	(2,166,164)
Fire department	2,584,816	-	542,017	-	(2,042,799)	(2,042,799)
Codes, planning, and engineering	1,356,577	-	-	-	(1,356,577)	(1,356,577)
Highways and streets	2,103,761	-	516,483	-	(1,587,278)	(1,587,278)
Total governmental activities	\$ 11,563,875	\$ 2,733,961	\$ 1,096,413	\$ -	(7,733,501)	(7,733,501)
General Revenues						
Property taxes					2,381,889	2,381,889
Public property taxes					170,212	170,212
Sales taxes					4,497,918	4,497,918
Grants and contributions not restricted to specific programs					1,504,613	1,504,613
Alcohol taxes					342,912	342,912
Income taxes					1,167	1,167
Franchise taxes					218,602	218,602
Interest income					1,258,599	1,258,599
Other income					5,828	5,828
Total general revenues					10,381,740	10,381,740
Change in net position					2,648,239	2,648,239
Net position, beginning of year					44,824,769	44,824,769
Net position, end of year					\$ 47,473,008	\$ 47,473,008

Town of Nolensville, Tennessee

Balance Sheet

Governmental Funds

June 30, 2024

	General	Capital improvements	Facilities tax	Impact	Other governmental	Total governmental
Assets						
Cash and cash equivalents	\$ 8,439,631	\$ 3,037,834	\$ 6,362,324	\$ 9,466,953	\$ 2,016,385	\$ 29,323,127
Receivables, net	3,308,190	-	-	-	110,621	3,418,811
Prepaid assets	28,047	-	-	-	-	28,047
Total assets	\$ 11,775,868	\$ 3,037,834	\$ 6,362,324	\$ 9,466,953	\$ 2,127,006	\$ 32,769,985
Liabilities						
Accounts payable	\$ 45,203	\$ 1,574	\$ -	\$ -	\$ 24	\$ 46,801
Accrued expenses	254,322	-	-	-	-	254,322
Unearned revenues	-	138,152	-	-	-	138,152
Total liabilities	299,525	139,726	-	-	24	439,275
Deferred Inflows of Resources						
Deferred property taxes	2,444,541	-	-	-	-	2,444,541
Fund Balances						
Nonspendable	28,047	-	-	-	-	28,047
Restricted	-	2,148,108	6,362,324	9,466,953	2,126,982	20,104,367
Committed	-	750,000	-	-	-	750,000
Unassigned	9,003,755	-	-	-	-	9,003,755
Total fund balances	9,031,802	2,898,108	6,362,324	9,466,953	2,126,982	29,886,169
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,775,868	\$ 3,037,834	\$ 6,362,324	\$ 9,466,953	\$ 2,127,006	\$ 32,769,985

Town of Nolensville, Tennessee
 Reconciliation of Balance Sheet, Governmental Funds to
 Statement of Net Position, Governmental Activities
 June 30, 2024

Amounts reported for fund balance, total governmental funds		\$ 29,886,169
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		(13,435,666)
Compensated absences payable		(214,359)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		(5,966)
Pension-related accounts - governmental funds do not record these post-employment benefit obligations		
Net pension liability	\$ (1,325,452)	
Deferred outflows - pension	1,483,710	
Deferred inflows - pension	<u>(38,899)</u>	119,359
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		31,123,471
Net position of governmental activities		\$ 47,473,008

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Capital improvements	Facilities tax	Impact	Other governmental	Total governmental
Revenues						
Taxes	\$ 2,911,901	\$ -	\$ -	\$ -	\$ -	\$ 2,911,901
Intergovernmental	5,322,051	1,504,613	-	-	491,161	7,317,825
Licenses and permits	646,343	-	530,506	709,264	135,058	2,021,171
Fines and fees	132,631	319,044	-	-	4,286	455,961
Miscellaneous	514,222	364,533	247,583	320,679	74,239	1,521,256
Total revenues	<u>9,527,148</u>	<u>2,188,190</u>	<u>778,089</u>	<u>1,029,943</u>	<u>704,744</u>	<u>14,228,114</u>
Expenditures						
Current						
General government	1,800,835	246,688	4,975	-	-	2,052,498
Police department	2,562,163	-	-	-	-	2,562,163
Fire department	2,181,645	-	-	-	-	2,181,645
Codes, planning, and engineering	1,183,974	14,393	-	-	-	1,198,367
Highways and streets	825,323	-	-	-	506,532	1,331,855
Capital outlay						
General government	25,667	-	-	-	-	25,667
Police department	347,733	-	-	-	-	347,733
Highways and streets	65,661	-	-	-	-	65,661
Capital improvements	-	12,445,112	-	-	-	12,445,112
Facilities tax fund	-	-	79,229	-	-	79,229
Debt service	-	192,986	1,056,311	-	-	1,249,297
Total expenditures	<u>8,993,001</u>	<u>12,899,179</u>	<u>1,140,515</u>	<u>-</u>	<u>506,532</u>	<u>23,539,227</u>
Other Financing Sources (Uses)						
Transfers in	-	1,259,013	-	-	-	1,259,013
Transfers out	(1,259,013)	-	-	-	-	(1,259,013)
Bonds issued	-	9,460,000	-	-	-	9,460,000
Premium on bonds issued	-	536,213	-	-	-	536,213
Total other financing sources (uses)	<u>(1,259,013)</u>	<u>11,255,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,996,213</u>
Net change in fund balances	(724,866)	544,237	(362,426)	1,029,943	198,212	685,100
Fund balances, beginning of year	<u>9,756,668</u>	<u>2,353,871</u>	<u>6,724,750</u>	<u>8,437,010</u>	<u>1,928,770</u>	<u>29,201,069</u>
Fund balances, end of year	\$ 9,031,802	\$ 2,898,108	\$ 6,362,324	\$ 9,466,953	\$ 2,126,982	\$ 29,886,169

See notes to financial statements

Town of Nolensville, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2024

Amounts reported for net change in fund balances, total governmental funds	\$ 685,100
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	543,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds for:	
Property taxes	(16,000)
Certain expenses reported in the statement of activities that affect liabilities are not reported as expenditures in the governmental funds	
Change in pension plan accounts	(67,182)
Change in employee vacation accrual	(13,387)
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	12,963,402
Depreciation expense	(1,492,028)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, losses on refundings, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Proceeds from debt issuance	(9,460,000)
Bond premium	(494,666)
Change in net position of governmental activities	\$ 2,648,239

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted amounts		Actual Amounts (Budgetary Basis)	Variance from final budget
	Original	Final	(See Note A)	
Revenues				
Taxes				
Property taxes	\$ 2,252,278	\$ 2,252,278	\$ 2,395,219	\$ 142,941
Wholesale beer and liquor tax	378,010	378,010	295,410	(82,600)
Cable and gas franchise	200,850	200,850	218,602	17,752
Penalties and interest	1,030	1,030	2,670	1,640
Total taxes	2,832,168	2,832,168	2,911,901	79,733
Intergovernmental revenues				
TVA in lieu	165,948	165,948	170,212	4,264
Local sales tax	2,889,535	2,889,535	2,731,554	(157,981)
State sales tax	1,673,309	1,673,309	1,766,364	93,055
Grants	413,432	413,432	579,930	166,498
State income tax	32,960	32,960	1,167	(31,793)
State beer and alcohol tax	48,361	48,361	47,502	(859)
State special petroleum tax	25,307	25,307	25,322	15
Total intergovernmental revenues	5,248,852	5,248,852	5,322,051	73,199
Licenses and permits	588,623	588,623	646,343	57,720
Fines and fees	121,810	121,810	132,631	10,821
Miscellaneous				
Donations	40,000	146,129	121,675	(24,454)
Interest income	84,702	8,240	251,565	243,325
Refunds/rebates	-	-	5,828	5,828
Other	309	309	135,154	134,845
Total miscellaneous	125,011	154,678	514,222	359,544
Total revenues	8,916,464	8,946,131	9,527,148	581,017
Expenditures				
General government				
Current				
Personnel costs	754,864	770,263	638,562	131,701
Payroll taxes	59,096	60,273	48,496	11,777
Employee benefits	142,762	141,221	100,022	41,199
Professional services	512,317	510,267	504,953	5,314
Repair and maintenance	178,837	178,837	195,744	(16,907)
Office expense	48,440	47,940	46,709	1,231
Dues and subscription	34,059	34,059	27,625	6,434
Travel and auto	16,570	16,570	5,546	11,024
Insurance	34,860	34,860	37,928	(3,068)
Building	66,000	66,000	74,604	(8,604)
Miscellaneous	114,332	114,332	61,612	52,720
Capital outlay	31,350	28,625	25,667	2,958
Total general government	1,993,487	2,003,247	1,767,468	235,779

Continued

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted amounts</u>		Actual Amounts	Variance from final budget
	Original	Final	(Budgetary Basis) (See Note A)	
Expenditures				
Public safety				
Police department				
Personnel costs	1,360,523	1,423,635	1,445,551	(21,916)
Payroll taxes	102,996	107,824	108,762	(938)
Employee benefits	336,191	340,804	360,088	(19,284)
Contract services	72,095	72,095	72,996	(901)
Membership and dues	3,250	3,250	4,321	(1,071)
Repairs and maintenance	9,400	7,400	2,896	4,504
Supplies	44,970	36,470	33,037	3,433
Uniforms	30,850	15,850	16,106	(256)
Insurance	112,540	112,540	115,121	(2,581)
Vehicle expenses	116,000	106,000	104,091	1,909
Utilities	36,217	36,217	38,470	(2,253)
Training and ammunition	44,920	41,420	44,252	(2,832)
Court	109,708	111,533	145,288	(33,755)
Capital outlay	<u>157,264</u>	<u>357,126</u>	<u>347,733</u>	<u>9,393</u>
Total police department	2,536,924	2,772,164	2,838,712	(66,548)
Fire department				
Personnel costs	1,229,705	1,285,389	1,396,024	(110,635)
Payroll taxes	86,895	89,242	105,953	(16,711)
Employee benefits	308,086	310,329	338,193	(27,864)
Contract services	102,450	102,450	96,756	5,694
Repairs and maintenance	10,000	10,000	1,207	8,793
Supplies	69,785	69,785	34,487	35,298
Uniforms	42,000	42,000	33,749	8,251
Insurance	19,449	19,449	21,210	(1,761)
Vehicle expenses	84,050	68,050	67,503	547
Miscellaneous	7,000	16,000	9,763	6,237
Utilities	21,300	21,300	19,279	2,021
Capital outlay	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fire department	2,025,720	2,033,994	2,124,124	(90,130)
Total public safety	4,562,644	4,806,158	4,962,836	(156,678)
Codes, planning, and engineering				
Personnel costs	735,861	755,671	723,551	32,120
Payroll taxes	56,935	58,451	55,159	3,292
Employee benefits	154,424	155,873	152,007	3,866
Memberships	6,520	4,820	1,639	3,181
Professional services	150,310	136,310	123,074	13,236
Supplies and maintenance	12,815	12,815	15,605	(2,790)
Vehicle expense	10,000	10,000	7,493	2,507
Insurance	21,430	21,430	21,976	(546)
Miscellaneous	50,000	50,000	71,569	(21,569)
Capital outlay	<u>6,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Total codes, planning and engineering	1,204,795	1,209,870	1,172,073	37,797

Continued
See notes to financial statements

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted amounts</u>		Actual Amounts	Variance from final budget
	Original	Final	(Budgetary Basis) (See Note A)	
Expenditures				
Highways and streets				
Personnel costs	443,567	455,030	431,475	23,555
Payroll taxes	654	1,531	32,777	(31,246)
Employee benefits	118,555	119,393	124,476	(5,083)
Repairs and maintenance	67,500	64,399	69,619	(5,220)
Supplies	34,120	30,984	25,900	5,084
Street lighting and utilities	7,500	7,500	248	7,252
Insurance	19,580	19,580	17,252	2,328
Vehicle expense	17,650	17,650	21,338	(3,688)
Contractual services	59,463	59,463	80,500	(21,037)
Miscellaneous	3,300	3,300	1,022	2,278
Capital outlay	<u>115,000</u>	<u>89,250</u>	<u>65,661</u>	<u>23,589</u>
Total highways and streets	886,889	868,080	870,268	(2,188)
 Total expenditures	 8,647,815	 8,887,355	 8,772,645	 114,710
 Excess (deficiency) of revenues over expenditures	 268,649	 58,776	 754,503	 695,727
 Other financing sources (uses)				
Transfers out	(1,259,013)	(1,259,013)	(1,259,013)	-
 Change in fund balance	 (990,364)	 (1,200,237)	 (504,510)	 695,727
 Fund balance, beginning of year	 <u>9,756,668</u>	 <u>9,756,668</u>	 <u>9,756,668</u>	 <u>-</u>
Fund balance, end of year	\$ 8,766,304	\$ 8,556,431	\$ 9,252,158	\$ 695,727

Note A - Explanation of Differences between Budgetary Outflows and GAAP Expenditures

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total changes to appropriations" from the budgetary comparison schedule	\$ 8,772,645
The Town budgeted personnel costs and payroll taxes on the cash basis, rather than on modified accrual basis	<u>220,356</u>
Total expenditures as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 8,993,001

Town of Nolensville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Facilities Tax Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Licenses and permits	\$ 512,457	\$ 512,457	\$ 530,506	\$ 18,049
Miscellaneous				
Grants	1,200,000	1,200,000	-	(1,200,000)
Interest	<u>70,000</u>	<u>70,000</u>	<u>247,583</u>	<u>177,583</u>
Total revenues	1,782,457	1,782,457	778,089	(1,004,368)
Expenditures				
Repair and maintenance	373,000	373,000	4,975	368,025
Debt service	811,334	811,334	1,056,311	(244,977)
Capital outlay	<u>1,500,000</u>	<u>1,500,000</u>	<u>79,229</u>	<u>1,420,771</u>
Total expenditures	2,684,334	2,684,334	1,140,515	1,543,819
Excess (deficiency) of revenues over expenditures	(901,877)	(901,877)	(362,426)	539,451
Other Financing Sources (Uses)				
Transfers in	811,334	811,334	-	(811,334)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(90,543)	(90,543)	(362,426)	(271,883)
Fund balance, beginning of year	<u>6,724,750</u>	<u>6,724,750</u>	<u>6,724,750</u>	<u>-</u>
Fund balance, end of year	\$ 6,634,207	\$ 6,634,207	\$ 6,362,324	\$ (271,883)

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Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2024.

Accounting Pronouncements

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The government reports the following major funds:

Governmental fund types:

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

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

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

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

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1. Summary of Significant Accounting Policies

Cash and Cash Equivalents

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

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due from due to other funds (i.e., the current portion of interfund loans). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

Net Position Flow Assumption

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

Property Tax

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

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

Public utility property	55%
Industrial and commercial property	
Real property	40%
Personal property	30%
Farm and residential property	25%

Taxes were levied at a rate of \$0.29 per \$100 of assessed valuation for the fiscal year ended June 30, 2024. Payments may be made during the period from October 1 through February 28 of the following year. Current tax collections of \$2,332,034 for the fiscal year ended June 30, 2024 were approximately 99% of the tax levy.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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. The Town budgets for personnel costs and payroll taxes on the cash basis rather than on a modified accrual basis.
- 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.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1. Summary of Significant Accounting Policies

Budgets and Budgetary Accounting

- c. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

For the year ended June 30, 2024, expenditures exceeded appropriations in the general fund police department by \$66,548, the fire department by \$90,130, and the highway and streets department by \$2,188. The collective amount of \$158,866 was funded by appropriations from the general government department.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for intergovernmental shared revenues, which do not meet the availability criteria in governmental funds. The Town also has deferred inflows related to pension reporting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balance

Fund balances are reported in the following manner:

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

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

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

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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.

Government-wide Net Position

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

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

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

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

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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. Receivables

Receivables at June 30, 2024 consist of the following:

Fund	Other government	Property taxes	Total
General fund	\$ 857,683	\$ 2,428,664	\$ 3,286,347
Other governmental funds	<u>110,621</u>	<u>-</u>	<u>110,621</u>
Total receivables	\$ 968,304	\$ 2,428,664	\$ 3,396,968

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 4. **Capital Assets**

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2024:

Governmental Activities

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets not being depreciated					
Land	\$ 1,691,640	\$ 1,907,568	\$ -	\$ -	\$ 3,599,208
Construction in progress	<u>2,417,717</u>	<u>933,018</u>	<u>-</u>	<u>-</u>	<u>3,350,735</u>
	4,109,357	2,840,586	-	-	6,949,943
Capital assets being depreciated					
Buildings and improvements	4,610,016	9,639,396	-	-	14,249,412
Furniture	61,762	-	-	-	61,762
Machinery and equipment	2,851,287	483,420	-	-	3,334,707
Infrastructure	<u>15,004,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,004,161</u>
	22,527,226	10,122,816	-	-	32,650,042
Less: accumulated depreciation	<u>(6,984,486)</u>	<u>(1,492,028)</u>	<u>-</u>	<u>-</u>	<u>(8,476,514)</u>
Governmental activities capital assets, net	\$ 19,652,097	\$ 11,471,374	\$ -	\$ -	\$ 31,123,471

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

General fund	
Police department	\$ 216,357
Fire department	378,980
General government	137,717
Highways and streets	<u>758,974</u>
Total	\$ 1,492,028

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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

The following schedules reflect the changes in general long-term debt, for the fiscal year ending June 30, 2024.

Direct Borrowings

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Recreation center loan	\$ 1,350,000	\$ -	\$ 95,000	\$ 1,255,000
Building construction loan	<u>2,674,000</u>	<u>-</u>	<u>153,000</u>	<u>2,521,000</u>
	4,024,000	-	248,000	3,776,000

Principal amounts due in one year are \$100,000 for the Recreation center loan and \$160,000 for the Building construction loan.

General Obligation Bonds

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Series 2023	\$ -	\$ 9,460,000	\$ 295,000	\$ 9,165,000
Premium	<u>-</u>	<u>536,213</u>	<u>41,547</u>	<u>494,666</u>
	-	\$ 9,996,213	\$ 336,547	9,659,666

The principal amount due in one year is \$315,000 for the Series 2023 Bonds and the premium amortization due in one year is \$49,705.

Total Borrowings and Bonds	\$4,024,000	\$ 9,996,213	\$ 584,547	\$ 13,435,666
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The Town issues general obligation bonds, other bonds, and notes to provide funds for the acquisition and construction of major capital projects. General obligation bonds and notes payable are direct obligations of the Town for which its full faith and credit are pledged. These obligations are payable from the assessment of ad valorem taxes. There is no outstanding in substance defeased debt as of June 30, 2024.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6. Long-term Debt

In August 2023, the Town issued \$9,460,000 in General Obligation Bonds, Series 2023 (Series 2023), for the purpose of:

- i) the acquisition of property and facilities and equipment including but not necessarily limited to planning, design, engineering, and architectural expenses for the construction of a new fire station,
- ii) other the acquisition, construction and equipping of a other public buildings and facilities,
- iii) the construction of improvements to town streets and roads and stormwater, water, wastewater, sidewalks, lighting, drainage, streetscapes improvements and appraisal, design, engineering, consulting expenses, right of way acquisition, and all utilities appurtenant thereto,
- iv) payment of legal, fiscal, administrative, architectural, design and engineering costs incident to all of the foregoing,
- v) reimbursement to the appropriate fund of the Town for prior expenditures for the foregoing cost, if applicable, and
- vi) payment of the cost incident to the Bonds.

The above notes and bonds payable are secured by a pledge of a portion of the Town's net revenues. Additionally, the notes and bonds payable contain provisions that, in the event of default, the lenders can exercise one or more of the following options: 1) make the outstanding note and bond payable with accrued interest due and payable, 2) use other remedies allowed by state or federal law.

Principal and interest requirements to maturity on all outstanding long-term-debt as of June 30, 2024 are as follows:

Year ending June 30,	Principal	Interest
2025	\$ 575,000	\$ 523,883
2026	603,000	499,059
2027	631,000	473,031
2028	659,000	445,799
2029	693,000	417,365
2030 – 2034	4,013,000	1,619,884
2035 – 2039	3,207,000	869,815
2040 – 2043	<u>2,560,000</u>	<u>261,000</u>
Totals	\$ 12,941,000	\$ 5,109,836

Note 7. Compensated Absences

Governmental Activities

Other obligation activity for the year ended June 30, 2024 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Compensated absences	\$ 200,973	\$ 127,997	\$ 114,609	\$ 214,359	\$ 214,359

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>62</u>
Total employees	104

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2024, employer contributions for the Town were \$317,733, based on a rate of 7.15% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Town's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Town's net pension liability (asset) was measured as of June 30, 2023, 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, 2023 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, 2023 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25%.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 8. Pension Plan

Net Pension Liability (Asset)

Actuarial Assumptions

The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Town will be made at the ADC rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 8. **Pension Plan**

Changes in Net Pension Liability (Asset)

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
Balance, June 30, 2022	\$ 3,511,340	\$ 2,496,430	\$ 1,014,910
Service cost	269,451	-	269,451
Interest	252,538	-	252,538
Differences between expected and actual experience	433,934	-	433,934
Changes in assumptions	-	-	-
Contributions, employer	-	275,579	(275,579)
Contributions, employees	-	192,713	(192,713)
Net investment income	-	180,768	(180,768)
Benefit payments, including refunds of employee contributions	(78,984)	(78,984)	-
Administrative expenses	-	(3,679)	3,679
Other changes	-	-	-
Net change	<u>876,939</u>	<u>566,397</u>	<u>310,542</u>
Balance, June 30, 2023	\$ 4,388,279	\$ 3,062,827	\$ 1,325,452

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability (asset) of the Town calculated using the stated discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower (5.75%) or 1.00% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 2,140,061	\$ 1,325,452	\$ 674,912

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

Pension Expense

For the year ended June 30, 2024, the Town recognized pension expense of \$384,909.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 8. **Pension Plan**

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

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 972,851	\$ 38,899
Net difference between projected and actual earnings on pension plan investments	33,511	-
Changes in assumptions	159,615	-
Contributions subsequent to the measurement date	<u>317,733</u>	<u>-</u>
	\$ 1,483,710	\$ 38,899

The amount shown above for "contributions subsequent to the measurement date" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year ending June 30,		
2025	\$	200,071
2026		193,275
2027		265,510
2028		214,124
2029		99,930
Thereafter		154,168

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

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2024. 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, 2024. The City does not make matching or non-matching contributions to the plan.

Note 10. 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, 2024, PEP provided workers' compensation, liability, and property insurance for the Town. The Town's expenses related to these insurance agreements totaled approximately \$265,000 for the year ended June 30, 2024.

Town of Nolensville, Tennessee
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 11. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2024 consisted of a \$1,259,013 transfer from the General Fund to the Capital Improvements Fund.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 12. Commitments and Contingencies

Litigation

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

The Town is involved in potential claims in the normal course of business. As of June 30, 2024, 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.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 269,451	\$ 164,017	\$ 115,546	\$ 88,128	\$ 106,756	\$ 90,337	\$ 79,198	\$ 68,656	\$ 44,681	\$ 42,778
Interest	252,538	200,389	146,153	122,505	120,871	102,794	87,572	67,215	57,205	45,363
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between actual and expected experience	433,934	365,503	407,552	127,343	(136,149)	89,897	78,819	150,790	18,960	78,351
Changes in assumptions	-	-	279,324	-	-	-	26,589	-	-	-
Benefit payments, including refunds of employee contributions	(78,984)	(46,555)	(41,899)	(36,517)	(64,104)	(36,111)	(30,099)	(21,455)	(1,259)	(19,734)
Net change in total pension liability	876,939	683,354	906,676	301,459	27,374	246,917	242,079	265,206	119,587	146,758
Total pension liability, beginning of year	3,511,340	2,827,986	1,921,310	1,619,851	1,592,477	1,345,560	1,103,481	838,275	718,688	571,930
Total pension liability, end of year (a)	4,388,279	3,511,340	2,827,986	1,921,310	1,619,851	1,592,477	1,345,560	1,103,481	838,275	718,688
Plan Fiduciary Net Position										
Contributions, employer	275,579	216,432	140,883	104,658	98,195	77,149	45,436	22,272	16,345	24,710
Contributions, employees	192,713	154,595	100,631	74,756	64,687	54,868	46,939	44,902	32,955	28,079
Net investment income	180,768	(92,942)	445,244	73,601	94,625	90,106	102,643	22,047	23,459	102,339
Benefit payments, including refunds of employee contributions	(78,984)	(46,555)	(41,899)	(36,517)	(64,104)	(36,111)	(30,099)	(21,455)	(1,259)	(19,734)
Administrative expenses	(3,679)	(4,615)	(2,988)	(2,529)	(2,287)	(2,099)	(1,565)	(1,320)	(689)	(474)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	566,397	226,915	641,871	213,969	191,116	183,913	163,354	66,446	70,811	134,920
Plan fiduciary net position, beginning of year	2,496,430	2,269,515	1,627,644	1,413,675	1,222,559	1,038,646	875,292	808,846	738,035	603,115
Plan fiduciary net position, end of year (b)	3,062,827	2,496,430	2,269,515	1,627,644	1,413,675	1,222,559	1,038,646	875,292	808,846	738,035
Net pension liability (asset), end of year (a) - (b)	\$ 1,325,452	\$ 1,014,910	\$ 558,471	\$ 293,666	\$ 206,176	\$ 369,918	\$ 306,914	\$ 228,189	\$ 29,429	\$ (19,347)
Plan fiduciary net position as a percentage of total pension liability	69.80%	71.10%	80.25%	84.72%	87.27%	76.77%	77.19%	79.32%	96.49%	102.69%
Covered payroll	\$ 3,854,257	\$ 3,091,892	\$ 2,012,615	\$ 1,495,115	\$ 1,293,748	\$ 1,091,821	\$ 938,764	\$ 898,048	\$ 659,088	\$ 561,578
Net pension liability (asset) as a percentage of covered payroll	34.39%	32.82%	27.75%	19.64%	15.94%	33.88%	32.69%	25.41%	4.47%	-3.45%

Notes to Schedules

Changes of Assumptions.

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 317,733	\$ 275,579	\$ 211,176	\$ 137,462	\$ 102,116	\$ 98,195	\$ 72,169	\$ 45,436	\$ 22,272	\$ 16,345
Contributions in relation to the										
actuarially determined contribution	<u>317,733</u>	<u>275,579</u>	<u>275,967</u>	<u>140,883</u>	<u>104,658</u>	<u>98,195</u>	<u>77,149</u>	<u>45,436</u>	<u>22,272</u>	<u>16,345</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (64,791)	\$ (3,421)	\$ (2,542)	\$ -	\$ (4,980)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,443,818	\$ 3,854,257	\$ 3,091,892	\$ 2,012,615	\$ 1,495,115	\$ 1,293,748	\$ 1,091,821	\$ 938,764	\$ 898,048	\$ 659,088
Contributions as a percentage of covered-employee payroll	7.15%	7.15%	7.00%	7.00%	7.00%	7.59%	7.07%	4.84%	2.48%	2.48%

Notes to Schedules

Methods and assumptions used to determine contribution rates:

Valuation date	Actuarially determined contribution rates for the year ended June 30, 2024 were calculated based on the June 30, 2022 actuarial valuation.
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20.00% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience, including adjustment for some anticipated improvement
Cost-of-living adjustments	2.125%

Changes in Assumptions

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

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

Supplementary Information

Town of Nolensville, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	State Street Aid	Drug	Facilities School Tax	Total
Assets				
Cash and cash equivalents	\$ 843,003	\$ 10,056	\$ 1,163,326	\$ 2,016,385
Receivables, net	<u>93,712</u>	<u>-</u>	<u>16,909</u>	<u>110,621</u>
Total assets	\$ 936,715	\$ 10,056	\$ 1,180,235	\$ 2,127,006
Liabilities				
Accounts payable	\$ 24	\$ -	\$ -	\$ 24
Fund Balances				
Restricted	<u>936,691</u>	<u>10,056</u>	<u>1,180,235</u>	<u>2,126,982</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 936,715	\$ 10,056	\$ 1,180,235	\$ 2,127,006

Town of Nolensville, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2024

	State Street Aid	Drug	Facilities School Tax	Total
Revenues				
Intergovernmental	\$ 491,161	\$ -	\$ -	\$ 491,161
Licenses and permits	-	-	-	-
Fines and fees	-	4,286	-	4,286
Miscellaneous	<u>33,866</u>	<u>254</u>	<u>175,177</u>	<u>209,297</u>
Total revenues	525,027	4,540	175,177	704,744
Expenditures				
Current				
Highway and streets	506,532	-	-	506,532
Capital outlay				
Highway and streets	-	-	-	-
Facilities school tax fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	506,532	-	-	506,532
Net change in fund balances	18,495	4,540	175,177	198,212
Fund balances, beginning of year	<u>918,196</u>	<u>5,516</u>	<u>1,005,058</u>	<u>1,928,770</u>
Fund balances, end of year	\$ 936,691	\$ 10,056	\$ 1,180,235	\$ 2,126,982

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
State Street Aid Fund
For the Fiscal Year Ended June 30, 2024

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Intergovernmental				
Gas .03 tax	\$ 77,250	\$ 77,250	\$ 72,952	\$ (4,298)
Gas 1989 tax	41,200	41,200	39,508	(1,692)
Gas 2017 tax	128,750	128,750	126,884	(1,866)
Gasoline and motor fuel	266,770	266,770	251,817	(14,953)
Interest	<u>10,000</u>	<u>10,500</u>	<u>33,866</u>	<u>23,366</u>
Total revenues	523,970	524,470	525,027	557
Expenditures				
Streets				
Street lighting	6,300	6,300	2,965	3,335
Repairs and maintenance	<u>500,000</u>	<u>500,500</u>	<u>503,567</u>	<u>(3,067)</u>
Total expenditures	506,300	506,800	506,532	268
Excess (deficiency) of revenues over expenditures	17,670	17,670	18,495	825
Fund balance, beginning of year	<u>918,196</u>	<u>918,196</u>	<u>918,196</u>	<u>-</u>
Fund balance, end of year	\$ 935,866	\$ 935,866	\$ 936,691	\$ 825

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Drug Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Fines	\$ 500	\$ 500	\$ 4,286	\$ 3,786
Interest	50	50	254	204
Total revenues	550	550	4,540	3,990
Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	550	550	4,540	3,990
Fund balance, beginning of year	5,516	5,516	5,516	-
Fund balance, end of year	\$ 6,066	\$ 6,066	\$ 10,056	\$ 3,990

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Facilities School Tax Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Miscellaneous				
Licenses and permits	\$ 133,900	\$ 133,900	\$ 135,058	\$ 1,158
Interest	<u>10,000</u>	<u>10,000</u>	<u>40,119</u>	<u>30,119</u>
Total revenues	143,900	143,900	175,177	31,277
Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	143,900	143,900	175,177	31,277
Fund balance, beginning of year	<u>1,005,058</u>	<u>1,005,058</u>	<u>1,005,058</u>	<u>-</u>
Fund balance, end of year	\$ 1,148,958	\$ 1,148,958	\$ 1,180,235	\$ 31,277

Town of Nolensville, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Capital Improvements Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Fines and fees	\$ 147,150	\$ 147,150	\$ 319,044	\$ 171,894
Grants	311,464	311,464	1,504,613	1,193,149
Interest	30,000	30,000	364,533	334,533
Total revenues	488,614	488,614	2,188,190	1,699,576
Expenditures				
Repair and maintenance	1,642,765	150,000	14,393	135,607
General government	665,000	665,000	246,688	418,312
Capital outlay	12,465,112	14,988,822	12,445,112	2,543,710
Debt service	-	-	192,986	(192,986)
Total expenditures	14,772,877	15,803,822	12,899,179	2,904,643
Excess (deficiency) of revenues over expenditures	(14,284,263)	(15,315,208)	(10,710,989)	4,604,219
Other Financing Sources (Uses)				
Transfers in	2,901,778	3,301,023	1,259,013	(2,042,010)
Bonds issued	9,460,000	9,460,000	9,460,000	-
Premium on bonds issued	540,000	540,000	536,213	(3,787)
Total other financing sources (uses)	12,901,778	13,301,023	11,255,226	(2,045,797)
Net change in fund balances	(1,382,485)	(2,014,185)	544,237	2,558,422
Fund balance, beginning of year	2,353,871	2,353,871	2,353,871	-
Fund balance, end of year	\$ 971,386	\$ 339,686	\$ 2,898,108	\$ 2,558,422

Town of Nolensville, Tennessee
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual
 Impact Fund
 For the Fiscal Year Ended June 30, 2024

	Budgeted amounts		Actual amounts	Variance from final budget
	Original	Final		
Revenues				
Licenses and permits	\$ 889,200	\$ 889,200	\$ 709,264	\$ (179,936)
Interest	80,000	80,000	320,679	240,679
Total revenues	969,200	969,200	1,029,943	60,743
Expenditures	-	-	-	-
Net change in fund balances	969,200	969,200	1,029,943	60,743
Fund balance, beginning of year	8,437,010	8,437,010	8,437,010	-
Fund balance, end of year	\$ 9,406,210	\$ 9,406,210	\$ 9,466,953	\$ 60,743

Town of Nolensville, Tennessee
Schedule of Debt Service Requirements
Governmental Activities
June 30, 2024

Fiscal year ending June 30,	The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2017 (Town of Nolensville Refunding Loan)		The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2014 (Town of Nolensville Loan)		GO Bonds Series 2023		Totals	
	Principal	Interest *	Principal	Interest *	Principal	Interest	Principal	Interest
2025	\$ 160,000	\$ 87,983	\$ 100,000	\$ 43,800	\$ 315,000	\$ 392,100	\$ 575,000	\$ 523,883
2026	168,000	82,399	105,000	40,310	330,000	376,350	603,000	499,059
2027	176,000	76,536	110,000	36,645	345,000	359,850	631,000	473,031
2028	183,000	70,393	116,000	32,806	360,000	342,600	659,000	445,799
2029	192,000	64,007	121,000	28,758	380,000	324,600	693,000	417,365
2030	202,000	57,306	127,000	24,535	400,000	305,600	729,000	387,441
2031	212,000	50,256	134,000	20,102	420,000	285,600	766,000	355,958
2032	222,000	42,857	140,000	15,426	440,000	264,600	802,000	322,883
2033	234,000	35,109	147,000	10,540	460,000	247,000	841,000	292,649
2034	245,000	26,943	155,000	5,410	475,000	228,600	875,000	260,953
2035	257,000	18,392	-	-	495,000	209,600	752,000	227,992
2036	270,000	9,423	-	-	515,000	189,800	785,000	199,223
2037	-	-	-	-	535,000	169,200	535,000	169,200
2038	-	-	-	-	555,000	147,800	555,000	147,800
2039	-	-	-	-	580,000	125,600	580,000	125,600
2040	-	-	-	-	605,000	102,400	605,000	102,400
2041	-	-	-	-	625,000	78,200	625,000	78,200
2042	-	-	-	-	650,000	53,200	650,000	53,200
2043	-	-	-	-	680,000	27,200	680,000	27,200
Total	\$ 2,521,000	\$ 621,604	\$ 1,255,000	\$ 258,332	\$ 9,165,000	\$ 4,229,900	\$ 12,941,000	\$ 5,109,836

*Loans have variable interest rates.

Town of Nolensville, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Fiscal Year Ended June 30, 2024

Description of Indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2023	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2024
Governmental Activities									
<i>Notes from direct borrowings and placements</i>									
The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2014 (Town of Nolensville Loan)	\$ 2,025,000	variable (SIFMA +85 BPS)	4/15/14	6/1/34	\$ 1,350,000	\$ -	\$ 95,000	\$ -	\$ 1,255,000
The Public Building Authority of the City of Clarksville, TN, Variable Rate Local Government Loan Program Bond, Series 2017 (Town of Nolensville Refunding Total notes payable)	\$ 3,450,580	variable (SIFMA +85 BPS)	5/12/17	6/1/36	2,674,000	-	153,000	-	2,521,000
					<u>4,024,000</u>	<u>-</u>	<u>248,000</u>	<u>-</u>	<u>3,776,000</u>
<i>General obligation bonds</i>									
GO bonds, Series 2023 Total	\$ 9,460,000	4.00%-5.00%	8/11/23	6/1/43	-	9,460,000	295,000	-	9,165,000
					<u>\$ 4,024,000</u>	<u>\$ 9,460,000</u>	<u>\$ 543,000</u>	<u>\$ -</u>	<u>\$ 12,941,000</u>

Town of Nolensville, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2024

Grantor / Pass-through Grantor	Program name	Assistance Listing number	Contract number	Expenditures
Federal Awards				
Department of Transportation/ Tennessee Department of Safety and Homeland Security Total Highway Safety Cluster	<u>Highway Safety Cluster</u> State and Community Highway Safety	20.600	Z22THS215	\$ 41,200 <u>41,200</u>
US Department of the Treasury / Direct assistance	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,504,613
Department of Homeland Security / Direct assistance Total federal awards	Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2021-FF01958	<u>529,617</u> 2,075,430
State Financial Assistance				
Tennessee Department of Transportation Total federal awards and state financial assistance	Rural roads	N/A	N/A	<u>9,113</u> \$ 2,084,543

Notes

Note 1. **Basis of Presentation**

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the Town under programs of the federal and state governments for the year ended June 30, 2024. 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 Town, it is not intended to and does not present the financial position, change in net position, or cash flows of the Town. 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 Town has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Town of Nolensville, Tennessee
Schedule of Changes in Property Taxes Receivable
For the Fiscal Year Ended June 30, 2024

Tax year	Beginning balance	Property tax levied	Anticipated levy	Abatements and adjustments	Collections	Ending balance
2024	\$ -	\$ -	\$ 2,428,664	\$ -	\$ -	\$ 2,428,664
2023	2,310,874	2,338,619	(2,310,874)	-	(2,332,034)	6,585
2022	18,268	-	-	-	(10,680)	7,588
2021	441	-	-	-	-	441
2020	495	-	-	-	-	495
2019	175	-	-	-	-	175
2018	428	-	-	-	-	428
2017	116	-	-	-	-	116
2016	102	-	-	-	-	102
2015	70	-	-	-	-	70
	<u>\$ 2,330,969</u>	<u>\$ 2,338,619</u>	<u>\$ 117,790</u>	<u>\$ -</u>	<u>\$ (2,342,714)</u>	<u>2,444,664</u>
					Less: allowance	<u>(16,000)</u>
					Net	\$ 2,428,664

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

Town of Nolensville
 Schedule of Property Tax Rates and Assessments (Unaudited)
 Last 10 Fiscal Years

Year of levy	Fiscal year	Tax rate per \$100 Williamson County		Tax assessment
2023	2024	\$0.2900	*	\$2,428,664
2022	2023	\$0.2900		\$2,338,619
2021	2022	\$0.2900		\$2,189,144
2020	2021	\$0.2900		\$2,045,431
2019	2020	\$0.2900		\$1,528,052
2018	2019	\$0.1500		\$709,180
2017	2018	\$0.1500		\$626,909
2016	2017	\$0.1500		\$575,314
2015	2016	\$0.1500		\$498,479
2014	2015	\$0.1500		\$372,915

* Anticipated levy as of June 30, 2024

Internal Control and Compliance Section



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Honorable Mayor and Board of Commissioners
Town of Nolensville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Nolensville, Tennessee (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 23, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency,

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Entity'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*.

The Town's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Murfreesboro, Tennessee
June 23, 2025



**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 (the Town)’s 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, 2024. 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, 2024.

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 U.S. 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
June 23, 2025

Town of Nolensville, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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 identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified?	<u> X </u> Yes	<u> </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> 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)?	<u> </u> Yes	<u> X </u> No
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Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	United States Department of the Treasury/ Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)

Dollar threshold used to distinguish between type A and type B programs	<u> \$ 750,000 </u>
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Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No
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Continued

Town of Nolensville, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II. Financial Statement Findings

2024-001. Year-End Accounting

Material Weakness

Condition: The Town's books required a period of greater than 2 months to prepare and close the books for audit purposes.

Criteria: Per TN Code 9-2-102, *"It is the duty of all local governments that are subject to the audit requirements of the comptroller of the treasury and that handle public funds to close their official accounting records and to have those records available for audit no later than two (2) months after the close of their fiscal year."*

Cause: The Town implemented a new accounting software program in recent years. While the Town has been able to continue normal accounting operations in the new software, the Town has additional general ledger accounts including the fund balance accounts that need to be converted to the new software program.

Effect: Audit adjustments were required to reconcile the Town's fund balance accounts to previous reports and accurately reflect year-end accruals. Additionally, the adjustments caused certain departments to incur budget overages, however these overages were funded by general government appropriations.

Management Response: The Town agrees with the auditor's finding and will take actions to ensure the remaining steps in converting accounting records to accurately reflect beginning balances from the June 30, 2024 audit.

2024-002. Payroll Tax Filings

Significant Deficiency

Condition: During audit field work, the Town informed auditors of payroll tax filing errors with the Internal Revenue Service (IRS).

Criteria: The IRS has periodic filing and payment requirements related to payroll taxes.

Cause: Auditors noted that the general ledger payroll deduction accounts were not timely reconciled with payroll reports, resulting in inaccurate balances held for payroll taxes within the general ledger payroll tax liability account.

Effect: The Town received notices from the IRS where certain filing errors were noted. The Town incurred minor interest and penalty charges and revisions of the Town's year-end payroll tax accruals were made during the audit. The Town has since filed amended returns and remedied these matters noted by the IRS.

Management Response: The Town agrees with the auditor's finding and has fully complied with the IRS requests to remedy the filing errors.

Town of Nolensville, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section III. Federal Award Findings and Questioned Costs

2024-003. Data Collection Form

Condition: The Town did not certify and ensure the auditor certified the data collection form for the year ended June 30, 2024, within the specified period.

Criteria: Form SF-SAC (the data collection form) is due within the earlier of 30 days after receipt of the auditor's reports, or nine months after the end of the audit period.

Cause: The audit was not completed within the required reporting period.

Effect: The Town did not comply with the timely filing requirement with respect to the data collection form referred to above.

Management Response: The Town agrees with the auditor's finding and will take actions to ensure that future forms are filed timely.

Town of Nolensville, Tennessee
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2024

Financial Statement Findings

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

Federal Award Findings and Questioned Costs

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



Management's Corrective Action Plan

Findings

Finding 2024-001. Year-End Accounting

Condition: The Town's books required a period of greater than 2 months to prepare and close the books for audit purposes.

Criteria: Per TN Code 9-2-102, *"It is the duty of all local governments that are subject to the audit requirements of the comptroller of the treasury and that handle public funds to close their official accounting records and to have those records available for audit no later than two (2) months after the close of their fiscal year."*

Cause: The Town implemented a new accounting software program in recent years. While the Town has been able to continue normal accounting operations in the new software, the Town has additional general ledger accounts including the fund balance accounts that need to be converted to the new software program.

Effect: Audit adjustments were required to reconcile the Town's fund balance accounts to previous reports and accurately reflect year-end accruals. Additionally, the adjustments caused certain departments to incur budget overages, however these overages were funded by general government appropriations.

Management Response: The Town agrees with the auditor's finding and will take actions to ensure the remaining steps in converting accounting records to accurately reflect beginning balances from the June 30, 2024 audit.

Anticipated completion date: Fiscal Year Ending June 30, 2025

Finding 2024-002. Payroll Tax Filings

Condition: During audit field work, the Town informed auditors of payroll tax filing errors with the Internal Revenue Service (IRS).

Criteria: The IRS has periodic filing and payment requirements related to payroll taxes.

Cause: Auditors noted that the general ledger payroll deduction accounts were not timely reconciled with payroll reports, resulting in inaccurate balances held for payroll taxes within the general ledger payroll tax liability account.

Effect: The Town received notices from the IRS where certain filing errors were noted. The Town incurred minor interest and penalty charges and revisions of the Town's year-end payroll tax accruals were made during the audit. The Town has since filed amended returns and remedied these matters noted by the IRS.

Management Response: The Town agrees with the auditor's finding and has fully complied with the IRS requests to remedy the filing errors.

Anticipated completion date: Fiscal Year Ending June 30, 2025



Finding 2024-003. Data Collection Form

Condition: The Town did not certify and ensure the auditor certified the data collection form for the year ended June 30, 2024, within the specified period.

Criteria: Form SF-SAC (the data collection form) is due within the earlier of 30 days after receipt of the auditor's reports, or nine months after the end of the audit period.

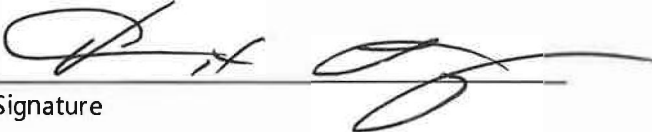
Cause: The audit was not completed within the required reporting period.

Effect: The Town did not comply with the timely filing requirement with respect to the data collection form referred to above.

Management Response: The Town agrees with the auditor's finding and will take actions to ensure that future forms are filed timely by the auditor.

Anticipated completion date: Fiscal Year Ending June 30, 2025

Person Responsible: Victor Lay


Signature