TOWN OF NOLENSVILLE, TENNESSEE

Annual Financial Report

For the Year Ended June 30, 2015

TOWN OF NOLENSVILLE, TENNESSEE

Table of Contents

	Page Number
INTRODUCTORY SECTION:	
Officials of the Town of Nolensville, Tennessee	i
FINANCIAL SECTION:	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Balance Sheet to Statement of Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance Of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) And Actual	
General Fund	18-20
State Street Aid Fund	21
Drug Fund	22
Facilities Tax Fund	23
Impact Fund	24
Facilities School Tax Fund	25
Notes to Financial Statements	26-40

TOWN OF NOLENSVILLE, TENNESSEE

Table of Contents, Continued

	Page Number
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Changes in Net Pension Liability (Asset)	42
Schedule of Contributions to the Employee Pension Plan	43
SUPPLEMENTAL INFORMATION:	
Capital Assets Used in the Operation of the Governmental Funds:	
Schedule of Changes in Capital Assets	45
Schedule of Capital Assets by Function and Activity	46
Schedule of Cash and Cash Equivalents - All Funds	47
Schedule of Changes in Property Taxes Receivable	48
Schedule of State and Federal Financial Assistance	49
Schedule of Insurance Coverage	50
Schedule of Bonds - Principal Officials	51
Schedule of Debt Service Requirements	52
COMPLIANCE AND INTERNAL CONTROL:	
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*	54-55
Schedule of Disposition of Prior Year Comments	56

INTRODUCTORY SECTION

TOWN OF NOLENSVILLE, TENNESSEE

Officials of the Town of Nolensville, Tennessee

June 30, 2015

Name	Title
Elected Officials:	
Jimmy Alexander	Mayor
Jason Patrick	Vice -Mayor
Larry Felts	Alderman
Brian Snyder	Alderman
Tommy Dugger	Alderman
Management:	
Ken McLawhorn	Town Administrator
Kali Mogul	Town Recorder
Kim Hardison	CMFO

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

Independent Auditor's Report

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

Report on the Financial Statements
I have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Nolensville, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

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

Opinions
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Nolensville, Tennessee as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund, State Street Aid Fund, Drug Fund, Facilities Tax Fund, Impact Fund, and the Facilities School Tax Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters -Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information which includes the Management's Discussion and Analysis and the Schedule of Schedule of Changes in Net Pension Liability (Asset) and the Schedule of Contributions to the Employee Pension Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge we obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters -Other Information

The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Introductory Section and the Supplementary Information 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 Introductory Section and the Supplementary Information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Introductory Section and the Supplementary Information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 2015 on the consideration of the Town of Nolensville's internal control over financial reporting and the tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.

John R Poole, CPA

November 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF NOLENSVILLE, TENNESSEE

Management's Discussion and Analysis

As management of the Town of Nolensville, Tennessee (the Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Town. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes.

Financial Highlights:

The assets of the Town of Nolensville exceeded its liabilities at the close of the most recent fiscal year by $10,313,704. Of this amount, $3,052,875 (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 $2,079,972 due to decreased expenses combined with decreased revenues. Revenues were $1,802,942 less in the current year primarily as a result of the Town receiving loan proceeds of $2,025,000 in the previous year. Expenses were $4,345,613 less in the current year as a result of decreased donations in the Facilities Tax Fund and decreased professional services fees.

The Town's revenues are allowing for a partnership with Williamson County to renovate and construct a state of the art Recreation Facility within the town corporate boundaries. This is an approximate five million dollar joint venture with the Town funding 50% of the total construction/renovation cost. Upon completion of the facility, the daily management and operational expenses will be provided and funded by Williamson County.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $9,649,824 an increase of $2,042,150 in comparison to the prior year. The increase was due to decreased expenditures by the Town. Expenses were less in the current year as a result of decreased donations in the Facilities Tax Fund and related services and $162,389 in total capital asset purchases. During the year the Town repaid $158,000 in debt related to the Town Hall loan. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $2,903,051.

Overview of the Financial Statements:

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

Fund financial statements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The Town of Nolensville, 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 of Nolensville adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14-25 of this report. The notes provide additional information that essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-40 of this report.

Financial Analysis of the Financial Statements -- Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Nolensville, assets exceeded liabilities by $10,313,704 at the close of the most recent fiscal year. By far the largest portion of the Town's assets reflects its investment in cash and capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt use to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Financial Analysis of the Financial Statements --Town of Nolensville's Net Position-2014

Current and other asset	$ 8,106,436
Capital assets	6,269,037
Total assets	14,375,473
Long-term debt	5,761,000
Other liabilities	436,636
Total liabilities	6,197,636
Net position:	
Net investment in capital assets	508,037
Restricted	5,413,278
Unrestricted	2,256,522
Total net position	$8,177,837

Financial Analysis of the Financial Statements --Town of Nolensville's Net Position-2015

Current and other assets	$ 10,156,002
Deferred Outflows	85,349
Capital assets	6,123,233
Total assets and deferred outflows	16,364,584
Long-term debt	5,603,000
Other liabilities	65,258
Total liabilities	5,668,258
Deferred Inflows:	382,622
Net position:	
Net investment in capital assets	520,233
Restricted	6,740,596
Unrestricted	3,052,875
Total net position	$10,313,704

Comparison between years 2015 and 2014

	2015 Governmental Activities	2014 Governmental Activities	Change Between Years
Revenues:			
Program revenues:			
Charges for services	2,492,204	2,375,493	116,711
Operating grants and contributions	189,441	172,749	16,692
Capital grants and contributions	16,945	26,352	(9,407)
General revenues:			
Property taxes	417,503	418,731	(1,228)
Sales taxes	812,034	726,344	85,690
Other local taxes	320,274	251,170	69,104
Other state shared taxes	82,649	58,886	23,763
Other	26,849	2,131,116	(2,104,267)
Total revenues	4,357,899	6,160,841	(1,802,942)
Expenses:			
General government	539,966	4,909,202	(4,369,236)
Police department	648,587	506,111	142,476
Fire department	136,500	130,000	6,500
Codes department	611,365	292,621	318,744
Highways and streets	341,509	785,606	(444,097)
Total expenses	2,277,927	6,623,540	(4,345,613)
Change in net position	2,079,972	(462,699)	2,542,671

The assets of the Town of Nolensville exceeded its liabilities at the close of the most recent fiscal year by $10,313,704. Of this amount, $3,052,875 (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 $2,079,972 due to decreased expenses combined with decreased revenues. Revenues were $1,802,942 less in the current year primarily as a result of the Town receiving loan proceeds of $2,025,000 in the previous year. Expenses were $4,345,613 less in the current year as a result of decreased donations in the Facilities Tax Fund and decreased professional services fees.

Governmental Funds

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,903,051. 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

The Town maintained expenditures within its departmental budgets during the year. A budget amendment was made during the year to account for certain expenditures. See pages 18-25.

Capital Asset and Debt Administration

Capital Assets

The Town of Nolensville's investment in capital assets from its governmental activities at June 30, 2015, amounts to $6,123,233 (net of accumulated depreciation). This investment in capital assets is in land, buildings, improvements, infrastructure, machinery and equipment.

Town of Nolensville's Capital Assets-

	2014 Governmental Activities	2015 Governmental Activities
Land	$ 58,009	58,009
Building	4,544,978	4,570,055
Furniture	31,525	31,525
Infrastructure	2,748,943	2,806,155
Machinery and equipment	273,915	346,515
Less accumulated depreciation	(1,388,333)	(1,689,026)
Net Capital Assets	$ 6,269,037	6,123,233

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

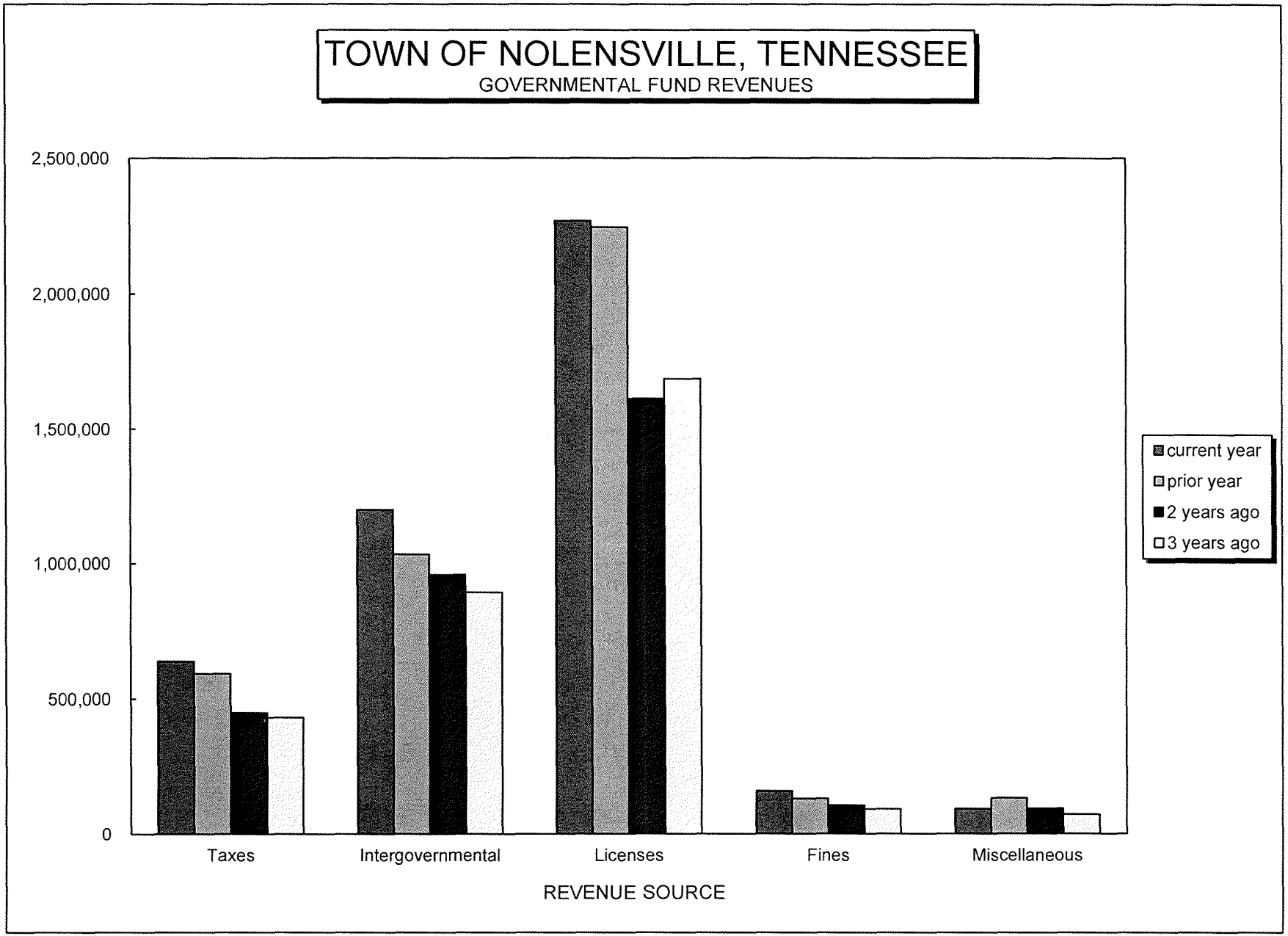
Economic Factors and Next Year's Budget and Rates

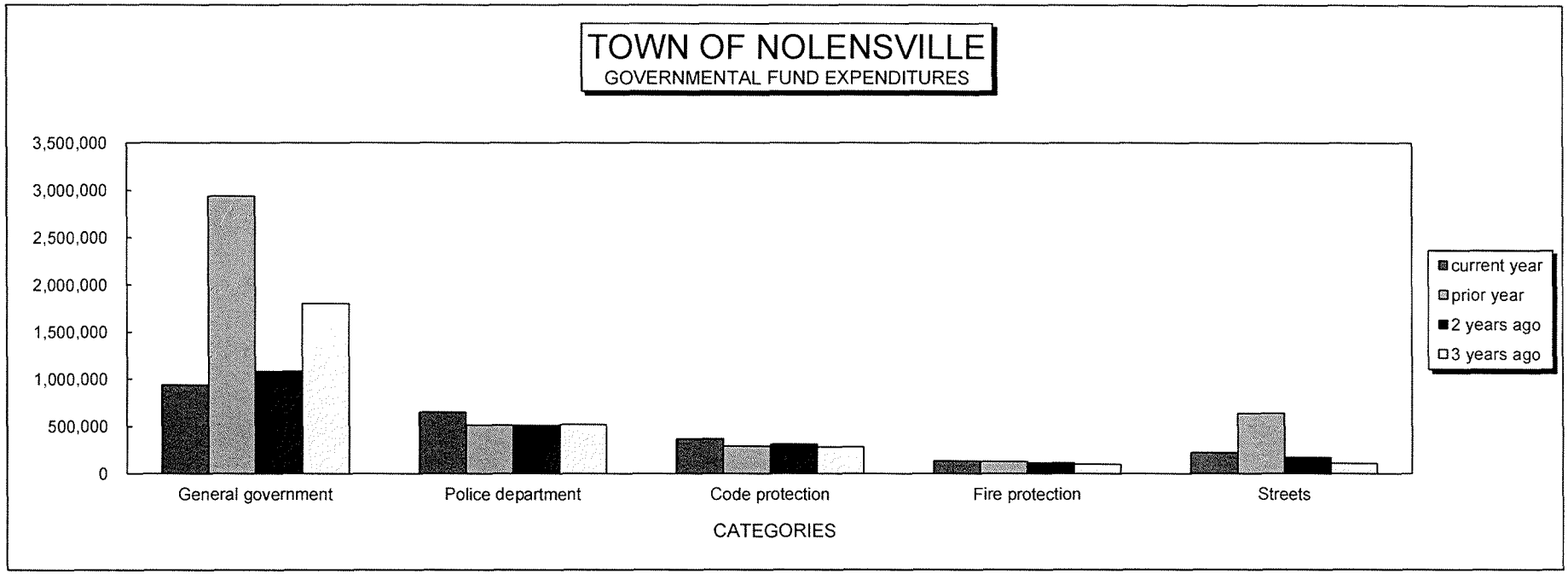
In the 2015-2016 budget, General fund revenues are budgeted to increase from the 2014-2015 budget year primarily due to increases in local revenues. This factor was considered in preparing the Town's budget for the 2015-2016 fiscal year.

Requests for Information

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

Kali Mogul
Town of Nolensville


TOWN OF NOLENSVILLE, TENNESSEE
GOVERNMENTAL FUND REVENUES
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Taxes
Intergovernmental
Licenses
Fines
Miscellaneous
REVENUE SOURCE
current year
prior year
2 years ago
3 years ago


TOWN OF NOLENSVILLE
GOVERNMENTAL FUND EXPENDITURES
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
General government
Police department
Code protection
Fire protection
Streets
CATEGORIES
current year
prior year
2 years ago
3 years ago

BASIC FINANCIAL STATEMENTS

TOWN OF NOLENSVILLE, TENNESSEE

Statement of Net Position

June 30, 2015

Assets and Deferred Outflows	Governmental Activities	Total
Cash and cash equivalents	$9,491,004	9,491,004
Accounts receivable	619,781	619,781
Prepaid assets	25,870	25,870
Net pension position	19,347	19,347
Deferred outflow- pension	85,349	85,349
Capital assets not being depreciated	58,009	58,009
Capital assets, net of accumulated depreciation	6,065,224	6,065,224
Total Assets and Deferred Outflows	$16,364,584	16,364,584
Liabilities, Deferred Inflows, and Net Position		
Liabilities:		
Accounts payable	$62,983	62,983
Accrued expenses	2,275	2,275
Long-term liabilities:		
Due within one year	166,000	166,000
Due in more than one year	5,437,000	5,437,000
Total Liabilities	5,668,258	5,668,258
Deferred Inflows:		
Deferred inflow of resoures - property taxes	337,915	337,915
Deferred inflow of resoures - pension	44,707	44,707
Total Deferred Inflows	382,622	382,622
Net Position:		
Net investment in capital assets	520,233	520,233
Restricted - state street aid	277,031	277,031
Restricted - drug fund	13,096	13,096
Restricted - facilities tax	2,927,376	2,927,376
Restricted - impact	3,196,797	3,196,797
Restricted - facilities school	326,296	326,296
Unrestricted	3,052,875	3,052,875
Total Net Position	10,313,704	10,313,704

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, TENNESSEE

Statement of Activities

For the Year Ended June 30, 2015

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position: Total
Government Activities:						
General government	539,966	0	16,645	0	(523,321)	(523,321)
Police department	648,587	158,930	5,510	15,000	(469,147)	(469,147)
Fire department	136,500	0	0	0	(136,500)	(136,500)
Codes, planning and engineering	611,365	2,333,274	0	0	1,721,909	1,721,909
Highways and streets	341,509	0	167,286	1,945	(172,278)	(172,278)
Total Governmental Activities	2,277,927	2,492,204	189,441	16,945	420,663	420,663
General Revenues						
Property taxes					349,012	349,012
Public property taxes					68,491	68,491
Sales taxes					812,034	812,034
Alcohol taxes					165,529	165,529
Income and excise taxes					82,649	82,649
Franchise taxes					154,745	154,745
Interest income					18,662	18,662
Other income					8,187	8,187
Total general revenues					1,659,309	1,659,309
Change in net position					2,079,972	2,079,972
Net position- beginning of year					8,177,837	8,177,837
Restatement					55,895	55,895
Net Position - beginning of year, as restated					8,233,732	8,233,732
Net position - end of year					10,313,704	10,313,704

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF NOLENSVILLE, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2015

Assets	General Fund	State Street Aid Fund	Drug Fund	Facitities Tax Fund	Impact Fund	Facitities School Tax	Total
Cash and cash equivalents	$2,779,638	$245,012	$13,096	$2,930,165	$3,196,797	$326,296	$9,491,004
Accounts receivable	586,253	33,528	0	0	0	0	619,781
Prepaid assets	25,870	0	0	0	0	0	25,870
Total Assets	$3,391,761	$278,540	$13,096	$2,930,165	$3,196,797	$326,296	$10,136,655
Liabilities, Deferred Inflows and Fund Balance							
Liabilities:							
Accounts payable	$58,685	$1,509	$0	$2,789	$0	$0	$62,983
Accrued expenses	2,275	0	0	0	0	0	2,275
Total Liabilities	60,960	1,509	0	2,789	0	0	65,258
Deferred Inflow of Resources:							
Deferred current property taxes	337,915	0	0	0	0	0	337,915
Deferred deliquent property taxes	6,986	0	0	0	0	0	6,986
Other deferred/unavailable- other governments	56,979	19,693	0	0	0	0	76,672
Total Deferred Inflow of Resources	401,880	19,693	0	0	0	0	421,573
Fund balance:							
Restricted	0	257,338	13,096	2,927,376	3,196,797	326,296	6,720,903
Non-spendable	25,870	0	0	0	0	0	25,870
Unassigned	2,903,051	0	0	0	0	0	2,903,051
Total Fund Balance	2,928,921	257,338	13,096	2,927,376	3,196,797	326,296	9,649,824
Total Liabilities, Deferred Inflow and Fund Balance	$3,391,761	$278,540	$13,096	$2,930,165	$3,196,797	$326,296	$10,136,655

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

TOWN OF NOLENSVILLE, TENNESSEE

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

June 30, 2015

Amounts reported for fund balance - total governmental funds	$	9,649,824
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term liabilities, including bonds payable and accrued contingencies are not due and payable in the current period and therefore are not recorded in the funds		
Long-term debt		(5,603,000)
Pension related accounts - governmental funds to not record these post-benefit obligations		
Net pension position		19,347
Deferred outflow - pension		85,349
Deferred inflow - pension		(44,707)
Other long term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds		83,658
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 accumululated depreciation		6,123,233
Net position of governmental activities	$	10,313,704

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, TENNESSEE

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

For the Year Ended June 30, 2015

	General Fund	State Street Aid Fund	Drug Fund	Facilities Tax Fund	Impact Fund	Facitities School Tax	**Total Governmental Funds**
Revenues:							
Taxes	$638,783	0	0	0	0	0	**638,783**
Intergovernmental	1,028,095	153,868	0	0	0	17,224	**1,199,187**
Licenses and permits	656,636	0	0	673,704	846,124	92,164	**2,268,628**
Fines and fees	151,909	0	7,021	0	0	0	**158,930**
Miscellaneous	43,494	1,455	0	22,763	22,276	2,383	**92,371**
Total Revenues	2,518,917	155,323	7,021	696,467	868,400	111,771	**4,357,899**
Expenditures:							
Current:							
General government	444,210	0	0	162,525	50	40,290	**647,075**
Police department	607,784	0	3,416	0	0	0	**611,200**
Fire department	136,500	0	0	0	0	0	**136,500**
Codes, planning and engineering	358,163	0	0	0	0	0	**358,163**
Highway and streets	157,635	34,450	0	0	0	0	**192,085**
Capital outlay:							
Codes, planning and engineering	8,300	0	0	0	0	0	**8,300**
Highway and streets	32,150	0	0	0	0	0	**32,150**
Police department	39,650	0	0	0	0	0	**39,650**
Facilities tax fund	0	0	0	25,077	0	0	**25,077**
Impact fund	0	0	0	0	57,212	0	**57,212**
Debt service							
Principal	0	0	0	158,000	0	0	**158,000**
Interest	0	0	0	50,337	0	0	**50,337**
Total Expenditures	1,784,392	34,450	3,416	395,939	57,262	40,290	**2,315,749**
Excess (deficiency) of revenues over expenditures	734,525	120,873	3,605	300,528	811,138	71,481	**2,042,150**
Fund Balance, Beginning of year	2,194,396	136,465	9,491	2,626,848	2,385,659	254,815	**7,607,674**
Fund Balance, End of Year	2,928,921	257,338	13,096	2,927,376	3,196,797	326,296	**9,649,824**

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, TENNESSEE

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds:	$	2,042,150
Amounts reported for governmental activities in the statement of net position are different because:		
Expenses in the governmental funds that decrease long-term debt		
Loan principal payments		158,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		21,532
Expenses reported in the statement of activities that affect accrued liabilities that are not reported as expenditures in the governmental funds		
Change in pension plan accrual		4,094
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		162,389
Depreciation expense		(308,193)
Change in net position of governmental activities	$	2,079,972

See accompanying notes to financial statements.

TOWN OF NOLENSVILLE, TENNESSEE

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

General Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Taxes:				
Property taxes	$312,211	$345,000	$348,354	3,354
Alcohol taxes	122,120	137,370	135,026	(2,344)
Cable and gas franchise	120,000	125,000	154,745	29,745
Penalty and interest	250	500	658	158
Total Taxes	554,581	607,870	638,783	30,913
Intergovernmental:				
TVA in lieu	65,000	68,500	68,491	(9)
Local sales tax	300,000	360,000	373,346	13,346
State sales tax	420,000	430,000	438,688	8,688
Grants	0	0	18,855	18,855
State supplement	9,800	26,110	3,600	(22,510)
State income tax	40,000	58,886	82,649	23,763
State beer and alcohol tax	10,000	18,600	30,503	11,903
State special petroleum tax	12,015	11,959	11,963	4
Total Intergovernmental Revenue	856,815	974,055	1,028,095	54,040
Licenses and Permits	400,991	528,108	656,636	128,528
Fines and fees	129,000	129,000	151,909	22,909
Miscellaneous:				
Other income	3,150	5,990	6,307	317
Donations	22,240	22,240	16,645	(5,595)
Economic development	0	0	1,880	1,880
Interest income	13,000	15,000	18,662	3,662
Total Miscellaneous	38,390	43,230	43,494	264
Total Revenues	1,979,777	2,282,263	2,518,917	236,654

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

TOWN OF NOLENSVILLE, TENNESSEE

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

General Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Expenditures:				
General Government:				
Current:				
Personnel costs	194,980	157,768	164,357	6,589
Payroll taxes	14,916	12,070	12,192	122
Employee benefits	27,950	26,856	39,545	12,689
Contractual services	1,500	1,500	1,500	0
Supplies	3,400	1,700	8,364	6,664
Election costs	6,300	578	578	0
Utilities	52,075	50,000	52,661	2,661
Professional services	59,400	99,918	70,913	(29,005)
Repair and maintenance	17,861	21,497	33,037	11,540
Office expense	3,180	4,995	5,062	67
Dues and subscription	5,493	7,816	5,316	(2,500)
Travel and auto	500	1,500	1,089	(411)
Insurance	11,253	11,259	11,414	155
Town events	27,040	29,040	27,966	(1,074)
Miscellaneous	12,490	30,487	10,216	(20,271)
	438,338	456,984	444,210	(12,774)
Capital outlay	1,800	4,100	0	(4,100)
Total General Government	440,138	461,084	444,210	(16,874)
Public Safety:				
Police department:				
Personnel costs	350,135	357,395	330,680	(26,715)
Payroll taxes	26,785	27,341	25,297	(2,044)
Employee benefits	87,023	78,682	71,944	(6,738)
Contract services	8,700	11,700	11,705	5
Memberships and dues	3,620	3,535	610	(2,925)
Supplies	2,225	3,549	11,274	7,725
Repair and maintenance	8,169	3,500	10,731	7,231
Uniforms	4,500	7,500	5,890	(1,610)
Auto expenses	38,125	28,500	19,342	(9,158)
Utilities	3,576	3,580	3,421	(159)
Insurance	28,484	30,090	31,644	1,554
Court	81,700	86,050	84,967	(1,083)
Miscellaneous	0	252	279	27
	643,042	641,674	607,784	(33,890)
Capital outlay	20,000	49,999	39,650	(10,349)
Total Police department	663,042	691,673	647,434	(44,239)

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

TOWN OF NOLENSVILLE, TENNESSEE

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

General Fund

For the Year Ended June 30, 2015

Continued,	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Codes, Planning and Engineering department:				
Personnel costs	239,267	228,115	224,206	(3,909)
Payroll taxes	18,305	17,451	17,127	(324)
Employee benefits	41,011	32,841	30,581	(2,260)
Memberships	2,860	2,860	1,755	(1,105)
Professional services	74,390	81,890	45,301	(36,589)
Supplies and maintenance	6,853	8,718	27,098	18,380
Vehicle expense	3,000	1,600	120	(1,480)
Insurance	10,428	12,121	10,773	(1,348)
Travel	2,600	3,036	565	(2,471)
Miscellaneous	0	250	637	387
	398,714	388,882	358,163	(30,719)
Capital outlay	14,100	9,454	8,300	(1,154)
Total Codes, Planning and Engineering	412,814	398,336	366,463	(31,873)
Street department:				
Personnel costs	97,518	97,244	95,027	(2,217)
Payroll taxes	7,460	7,422	7,270	(152)
Employee benefits	10,465	10,195	10,172	(23)
Repair and maintenance	2,300	2,400	10,242	7,842
Supplies	4,400	10,400	14,885	4,485
Steet lighting and utilities	9,600	5,325	4,437	(888)
Insurance	6,659	6,222	7,623	1,401
Vehicle expense	8,500	9,000	5,968	(3,032)
Contractual services	1,821	1,821	1,821	0
Miscellenanous	1,625	515	190	(325)
	150,348	150,544	157,635	7,091
Debt service	0	0	0	0
Capital outlay	25,000	46,300	32,150	(14,150)
Total Street department	175,348	196,844	189,785	(7,059)
Fire protection:	136,500	136,500	136,500	0
Total Expenditures	1,827,842	1,884,437	1,784,392	(100,045)
Excess (deficiency) of Revenues over Expenditures	151,935	397,826	734,525	336,699
Fund Balance, July 1, 2014	2,194,396	2,194,396	2,194,396	0
Fund Balance, June 30, 2015	$2,346,331	$2,592,222	$2,928,921	$336,699

TOWN OF NOLENSVILLE, TENNESSEE

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

State Street Aid Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Intergovernmental:				
Gasoline .03 tax	31,500	31,500	31,400	(100)
Gasoline 1989 tax	17,200	17,200	16,918	(282)
Gasoline and motor fuel	108,921	108,921	105,550	(3,371)
	157,621	157,621	153,868	(3,753)
Miscellaneous				
Interest	0	1,000	1,455	455
Total Revenues	157,621	158,621	155,323	(3,298)
Expenditures:				
Streets:				
Street maintenance	540,000	116,000	34,450	(81,550)
Capital outlay	0	0	0	0
Total Expenditures	540,000	116,000	34,450	(81,550)
Excess (deficiency) of revenues over expenditures	(382,379)	42,621	120,873	(78,252)
Operating transfer:	290,958	0	0	0
Net change in fund balance	(91,421)	42,621	120,873	(78,252)
Fund Balance, July 1, 2014	136,465	136,465	136,465	-
Fund Balance, June 30, 2015	(245,914)	179,086	257,338	78,252

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

TOWN OF NOLENSVILLE, TENNESSEE

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

Drug Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Miscellaneous				
Fines	$1,800	$1,800	$2,519	719
Other	0	1,500	4,419	2,919
Interest	0	75	83	8
Total Revenues	1,800	3,375	7,021	3,646
Expenditures:				
Supplies	4,900	4,550	3,416	(1,134)
Total Expenditures	4,900	4,550	3,416	(1,134)
Excess (deficiency) of revenues over expenditures	(3,100)	(1,175)	3,605	(4,780)
Fund Balance, July 1, 2014	9,491	9,491	9,491	-
Fund Balance, June 30, 2015	$6,391	$8,316	13,096	4,780

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

TOWN OF NOLENSVILLE, TENNESSEE

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

Facilities Tax Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Miscellaneous				
Licenses and permits	$524,960	$524,960	$673,704	148,744
Interest	19,200	19,200	22,763	3,563
Total Revenues	544,160	544,160	696,467	152,307
Expenditures:				
Donations	0	0	162,500	162,500
Supplies	0	0	25	25
Debt Service	446,050	446,050	208,337	(237,713)
Capital outlay	20,000	20,000	25,077	5,077
Total Expenditures	466,050	466,050	395,939	(70,111)
Excess (deficiency) of revenues over expenditures	78,110	78,110	300,528	222,418
Fund Balance, July 1, 2014	2,626,848	2,626,848	2,626,848	-
Fund Balance, June 30, 2015	2,704,958	2,704,958	2,927,376	222,418

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

TOWN OF NOLENSVILLE, TENNESSEE

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

Impact Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Miscellaneous				
Licenses and permits	645,320	645,320	846,124	200,804
Interest	10,000	10,000	22,276	12,276
Total Revenues	655,320	655,320	868,400	213,080
Expenditures:				
Maintenance and supplies	500,000	500,000	50	499,950
Capital outlay	0	0	57,212	(57,212)
Total Expenditures	500,000	500,000	57,262	442,738
Excess (deficiency) of revenues over expenditures	155,320	155,320	811,138	655,818
Fund Balance, July 1, 2014	2,385,659	2,385,659	2,385,659	-
Fund Balance, June 30, 2015	2,540,979	2,540,979	3,196,797	655,818

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

TOWN OF NOLENSVILLE, TENNESSEE

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

Facilities School Tax Fund

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Actual Over (Under) Budget
Revenues:				
Miscellaneous				
Licenses and permits	84,000	84,000	92,164	8,164
Grants	0	0	17,224	17,224
Interest	2,100	2,100	2,383	283
Total Revenues	86,100	86,100	111,771	25,671
Expenditures:				
Professional fees	248,330	41,000	40,290	(710)
Total Expenditures	248,330	41,000	40,290	(710)
Excess (deficiency) of revenues over expenditures	(162,230)	45,100	71,481	26,381
Fund Balance, July 1, 2014	254,815	254,815	254,815	-
Fund Balance, June 30, 2015	92,585	299,915	326,296	26,381

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

NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

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

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

Accounting Pronouncements:

Effective July 1, 2003 the Town adopted GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and 34, Statement No. 38, Certain Financial Statement Note Disclosures and Interpretation No. 6, Recognition and measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements. The requirements of these statements represent a significant change in the financial reporting model used by the Town. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and the economic measurement focus for all funds. The fund financial statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in one column. Other significant changes include the reporting of capital assets, infrastructure and depreciation, the elimination of account groups, and the inclusion of management's discussion and analysis.

Government -Wide and Fund Financial Statements

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

(1) Summary of Significant Accounting Policies, Continued

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.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund revenues are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers most governmental revenues as available if received within 45 days of years end. Expenditures are recorded generally when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

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

(1) Summary of Significant Accounting Policies, Continued

The government reports the following major funds:

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

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

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

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

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

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

Cash and Cash Equivalents

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

Receivables and Payables

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

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

Net Position Flow Assumption

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

(1) Summary of Significant Accounting Policies, Continued

Property Tax

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

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

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

Taxes were levied at a rate of $0.15 per $100 of assessed valuation for the fiscal year ended June 30, 2015. Payments may be made during the period from October 1 through February 28. Current tax collections of $335,831 for the fiscal year ended June 30, 2015 were approximately 92 percent of the tax levy.

Capital Assets

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

The estimated useful lives are as follows:

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

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.

(1) Summary of Significant Accounting Policies, Continued

Estimates

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

Credit Risk

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

Budgets and Budgetary Accounting

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

a. Formal budgets are adopted and approved by Council vote on an annual basis for the General and Special Revenue Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

b. The Town Council approves, by ordinance, total budget appropriations by department only. The Mayor is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the Town Council.

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

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of savings accounts, certificates of deposit, with original maturities three months or less and amounts held by local financial institutions.

(1) Summary of Significant Accounting Policies, Continued

Fund Balance

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

Nonspendable fund balances – amounts that are not in a spendable form, Restricted fund balance – amounts constrained to specific purposes by their providers, provisions, or by enabling legislation, Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint, Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority(Mayor), Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the general fund.

Only by Board approval (via ordinance) can fund balance amounts be classified as committed or assigned. Board approval (via ordinance) is required to establish, modify or rescind a fund balance requirement.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

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

(1) Summary of Significant Accounting Policies, Continued

Pension

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

(2) Cash and Cash Equivalents

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the town. The Town's deposits with financial institutions are fully insured or collateralized by securities held by the depository bank in the government's name.

(3) Accounts Receivable

Accounts receivable at June 30, 2015, consist of the following:

Fund	Other Government	Property Taxes	Total
General Fund	$ 241,352	344,901	586,253
State Street Aid	33,528	-	33,528
Total	$ 274,880	344,901	619,781

(4) Capital Assets

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

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Land	$ 58,009	-	-	58,009
Building	4,544,978	25,077	-	4,570,055
Furniture	31,525	-	-	31,525
Infrastructure	2,748,943	57,212	-	2,806,155
Equipment	273,915	80,100	7,500	346,515
Total	$ 7,657,370	162,389	7,500	7,812,259
Accumulated depreciation	(1,388,333)			(1,689,026)
Capital Assets, net	6,269,037			6,123,233

All assets are being depreciated except land of $58,009.

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

General Fund:

Police department	37,387
General government	121,382
Highways and streets	149,424
Total	308,193

(5) Risk Management

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

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

(6) Long-Term Debt

The following schedule reflects the changes in general long-term debt, for the fiscal year ending June 30, 2015.

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Recreation center loan	2,025,000	-	61,000	1,964,000
Building construction loan	3,736,000	-	97,000	3,639,000
Total	5,761,000	-	158,000	5,603,000

Principal and interest requirements to maturity on all outstanding bonds, loans and obligations as of June 30, 2015 are as follows:

Year Ending	Principal	Interest
2016	166,000	47,929
2017	175,000	46,358
2018	183,000	44,716
2019	193,000	42,985
2020	202,000	41,174
2021-2025	1,172,000	175,562
2026-2030	1,496,000	114,385
2031-2035	1,746,000	39,363
2036	270,000	1,016
Total	5,603,000	553,488

(7) Pension Plan

General Information about the Pension Plan

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

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

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

Employees covered by benefit terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	11
Active employees	11
Total	22

(7) Pension Plan, Continued

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be charged by the Tennessee General Assembly. Employees contribute 5 percent of salary. Nolensville makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Nolensville were ($16,792) based on a rate of (2.48%) percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Nolensville's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Nolensville's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 3.0 percent

Salary increases Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation averaging 4.25 percent.

Investment rate of return 7.5 percent, net of pension plan investment expenses, including inflation.

Cost-of-Living Adjustment 2.5 percent

Mortality rates were based on actual experience from the June 30, 2012 actuarial experience study adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

(7) Pension Plan, Continued

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established 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 inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Long-term Expected Asset class	*Real Rate of Return*	*Target Allocation*
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real Estate	4.73%	7%
Short-term securities	0.00%	1%
Total		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Nolensville will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(7) **Pension, Continued**

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/13	$ 571,930	$ 603,115	$ (31,185)
Changes for the year:			
Service cost	42,778		42,778
Interest	45,363		45,363
Differences between expected and actual experience	78,351		78,351
Contributions-employer		24,710	(24,710)
Contributions-employees		28,079	(28,079)
Net investment income		102,339	(102,339)
Benefit payments, including refunds of employee contributions	(19,734)	(19,734)	-
Administrative expense		(474)	474
Net changes	146,758	134,920	11,838
Balance at 6/30/14	$ 718,688	$ 738,035	$ (19,347)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Nolensville calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Nolensville's net pension Liability (asset)	100,573	(19,347)	(116,931)

(7) Pension, Continued

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

Pension income. For the year ended June 30, 2015, Nolensville recognized pension expense of $12,698.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2015, Nolensville reported deferred outflows or 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	68,557	-
Net difference between projected and Actual earning on pension plan Investments	-	44,707
Contributions subsequent to the Measurement date of June 30, 2015	16,792	-
Total	85,349	44,707

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

Year Ended June 30:	
2016	(1,383)
2017	(1,383)
2018	(1,383)
2019	(1,383)
2020	9,794
Thereafter	19,588

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

(8) Commitments and Contingencies

Grants:

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

Litigation:

The Town has no lawsuits in which the outcome would not be material to the financial statements.

(9) Restatement – Change in Accounting Principle

The Town Implemented GASB Statement 68 and GASB Statement 71 related to the accounting and financial reporting for pension plans and as a result has restated the government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information

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

Last Fiscal Year ending June 30

		2014
Total pension liability		
Service cost	$	42,778
Interest		45,363
Changes in benefit terms		-
Differences between actual & expected experience		78,351
Change of assumptions		-
Benefit payments, including refunds of employee contributions		(19,734)
Net change in total pension liability		146,758
Total pension liability-beginning		571,930
Total pension liability-ending (a)	$	718,688
Plan fiduciary net position		
Contributions-employer	$	24,710
Contributions-employee		28,079
Net investment income		102,339
Benefit payments, including refunds of employee contributions		(19,734)
Administrative expense		(474)
Net change in plan fiduciary net position		134,920
Plan fiduciary net position-beginning		603,115
Plan fiduciary net position-ending (b)	$	738,035
Net Pension Liability (asset)-ending (a) – (b)	$	(19,347)
Plan fiduciary net position as a percentage of total pension liability		102.69%
Covered-employee payroll	$	561,578
Net pension liability (asset) as a percentage of covered-employee payroll		3.45%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will added to this schedule in future fiscal years until 10 years of information is available.

TOWN OF NOLENSVILLE, TENNESSEE

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

For the Year Ended June 30, 2015

	2014	2015
Actuarially determined contribution	24,710	16,792
Contributions in relation to the actuarially determined contribution	24,710	16,792
Contribution deficiency (excess)	$0	$0
Covered-employee payroll	561,578	677,096
Contributions as a percentage covered-employee payroll	4.40%	2.48%

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	10 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment Rate of Return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5 percent

SUPPLEMENTAL INFORMATION

TOWN OF NOLENSVILLE, TENNESSEE

Capital Assets Used in the Operation of the Governmental Funds:

Schedule of Changes in Capital Assets

June 30, 2015

	Beginning Balance	Additions	Retirement	Ending Balance
Land	58,009	0	0	$58,009
Building	4,544,978	25,077	0	4,570,055
Furniture	31,525	0	0	31,525
Infrastructure	2,748,943	57,212	0	2,806,155
Equipment	273,915	80,100	7,500	346,515
Total capital assets	7,657,370	162,389	7,500	7,812,259

TOWN OF NOLENSVILLE, TENNESSEE

Capital Assets Used in the Operation of the Governmental Funds:

Schedule of Capital Assets by Function and Activity

June 30, 2015

	General Government	Police Department	Streets	Total
Land	58,009	0	0	$58,009
Building	4,474,881	0	95,174	4,570,055
Furniture	31,525	0	0	31,525
Infrastructure	2,806,155	0	0	2,806,155
Equipment	12,500	213,688	120,327	346,515
Total capital assets	7,383,070	213,688	215,501	7,812,259

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Cash and Cash Equivalents
All Funds

June 30, 2015

	Carrying Value
General Fund:	
Demand deposits	$2,775,874
State Investment Pool	3,764
Total General Fund	2,779,638
Special Revenue Funds	
State Street Aid Fund:	
Demand deposits	239,423
State Investment Pool	5,589
Total State Street Aid Fund	245,012
Drug Fund:	
Demand deposits	13,096
Total Drug Fund	13,096
Facilities Tax Fund:	
Demand deposits	2,930,165
Total Facilities Tax Fund	2,930,165
Impact Fund:	
Demand deposits	3,196,797
Total Facilities Tax Fund	3,196,797
Facilities School Tax Fund:	
Demand deposits	326,296
Total Facilities Tax Fund	326,296
Total Special Revenue Funds	6,711,366
Total - All funds	$9,491,004

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Changes in Property Taxes Receivable

For the Year Ended June 30, 2015

Tax Year	Balance July 1, 2014	Levy	Collections and Changes in Assessment	Balance June 30, 2015
2015	$ -	337,915	0	337,915
2014	310,711	27,204	335,831	2,084
2013	5,759	0	5,116	643
2012	945	0	128	817
2011	857	0	78	779
2010	869	0	87	782
2009	839	0	30	809
2008	255	0	12	243
2007	494	335	0	829
	$320,729	365,454	341,282	344,901

Tax Year	Tax Rate	Tax Levy	Tax Collections and Adjustments	Outstanding Taxes
2015	0.15	337,915	0	337,915
2014	0.15	337,915	335,831	2,084
2013	0.15	320,342	319,699	643
2012	0.15	292,845	292,028	817
2011	0.15	273,574	272,795	779
2010	0.15	250,085	249,303	782
2009	0.15	230,061	229,252	809
2008	0.06	83,134	82,891	243
2007	0.06	69,449	68,620	829
2006	0.04	34,003	34,003	0

All deliquent taxes have been filed with the County Trustee.

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Federal and State Financial Assistance

For the Year Ended June 30, 2015

CFDA Number	State Grant Number	Program Name	Grantor Agency	Receivable (Deferred) Balance July 1, 2014	Grant Receipts	Other Receipts	Grant Expenditures	Receivable (Deferred) Balance June 30, 2015
State Program:								
N/A	Z14GHS430	Highway Safety Police Grant	Tennessee Department of Transportation	0	16,910	0	16,910	0
N/A	STP-M-9400(56)	Street Improvements	Tennessee Department of Transportation	0	19,169	0	19,169	0
			Total	0	36,079	0	36,079	0

This schedule prepared on the modified basis of accounting.

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Insurance Coverage

June 30, 2015

Type of Coverage	Detail Coverage	
General liability:		
	Per person bodily or personal injury	$300,000
	Per occurrence or personal injury	700,000
	Per occurrence property damage	50,000
	Per occurrence each other loss	700,000
	Errors and Omissions liability	700,000
	Per occurrence medical payments limited to $1,000 per person	10,000
	Per occurrence fire damage	50,000
	Per occurrence impounded property	25,000
Property	Limit of Coverage	4,803,780
Employee Dishonesty	Per Loss	150,000
Workers Compensation	Policy Limit	700,000

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Bonds - Principal Officials

June 30, 2015

Mayor	
Jimmy Alexander	$ 150,000*
Board of Aldermen	
Jason Patrick	None
Larry Felts	None
Brian Snyder	None
Tommy Dugger	None
CMFO and Treasurer	
Kim Hardison	$ 150,000*

*Covered by Blanket Insurance Policy

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Debt Service Requirements

June 30, 2015

Year	TENNESSEE MUNICIPAL BOND FUND		TENNESSEE MUNICIPAL BOND FUND		TOTALS	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	102,000	26,187	64,000	21,742	166,000	47,929
2017	107,000	25,394	68,000	20,964	175,000	46,358
2018	112,000	24,565	71,000	20,151	183,000	44,716
2019	118,000	23,692	75,000	19,293	193,000	42,985
2020	124,000	22,774	78,000	18,400	202,000	41,174
2021	130,000	21,811	82,000	17,642	212,000	39,453
2022	137,000	20,797	86,000	16,478	223,000	37,275
2023	143,000	19,738	90,000	15,448	233,000	35,186
2024	151,000	18,620	95,000	14,361	246,000	32,981
2025	158,000	17,450	100,000	13,217	258,000	30,667
2026	166,000	16,221	105,000	12,015	271,000	28,236
2027	174,000	14,933	110,000	10,756	284,000	25,689
2028	183,000	13,578	116,000	9,429	299,000	23,007
2029	192,000	12,157	121,000	8,044	313,000	20,201
2030	202,000	10,661	127,000	6,591	329,000	17,252
2031	212,000	9,092	134,000	5,058	346,000	14,150
2032	222,000	7,448	140,000	3,456	362,000	10,904
2033	234,000	5,716	147,000	1,774	381,000	7,490
2034	245,000	3,902	155,000	918	400,000	4,820
2035	257,000	1,999			257,000	1,999
2036	270,000	1,016			270,000	1,016
$	3,639,000	317,751	1,964,000	235,737	5,603,000	553,488

Both loans have variable interest rates.

COMPLIANCE AND INTERNAL CONTROL

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

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HENDERSONVILLE, TN 37075

(615) 822-4177

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

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

I have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Nolensville's basic financial statements, and have issued a report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

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

My consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified a deficiency in internal control that I consider to be a material weakness (1998-001 Lack of segregation of Duties).

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 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. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiency described below (1998-001) to be a material weakness.

The material weakness is as follows:

1998-001 Separation of Duties

Due to the limited number of personnel employed by the Town, several functions, which ideally should be performed by different individuals, are regularly performed by one or two persons. I recommend that the Town strengthen its internal control in cash receipts, cash disbursements, and reconciliation of cash.

Management Response:

Due to the size of the office, a complete separation of duties is not possible. However we are continuing to monitor office responsibilities and segregate duties as needed.

Compliance and Other Matters

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

Response to Findings

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

Purpose of This Report

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

John R Poole, CPA

November 30, 2015

TOWN OF NOLENSVILLE, TENNESSEE

Schedule of Disposition of Prior Year Comments

June 30, 2015

Finding Number	Finding Title	Status
1998-001	Separation of Duties	Continues