

TOWN OF THOMPSON'S STATION, TENNESSEE

**AUDITED FINANCIAL STATEMENTS
AND OTHER INFORMATION**

JUNE 30, 2019

TOWN OF THOMPSON'S STATION, TENNESSEE

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TOWN OF THOMPSON'S STATION, TENNESSEE
DIRECTORY OF OFFICIALS
JUNE 30, 2019

<u>Title</u>	<u>Name of Official</u>
Mayor	Corey Napier
Alderman	Shaun Alexander
Alderman	Brandon Bell
Alderman	Ben Dilks
Alderman	Brian Stover
Finance Director	Steve Banks
Town Recorder	Regina Fowler
Town Administrator	Kenneth McLawhon



Independent Auditor's Report

Board of Mayor and Aldermen
Town of Thompson's Station, Tennessee
Thompson's Station, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Thompson's Station, Tennessee (the "Town") as of and for the year ended June 30, 2019, 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, we 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.



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Thompson's Station, Tennessee as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and State Street Aid 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 management's discussion and analysis (pages 5 - 10) 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thompson's Station, Tennessee's basic financial statements. The accompanying schedule of expenditures of federal awards on page 38, the schedule of changes in long-term debt by individual issue on page 39, and the directory of officials on page 1, as required by the State of Tennessee are, presented for purposes of additional analysis and are not a required part of the basic financial statements.



The schedule of expenditures of federal awards and the schedule of changes in long-term debt by issue are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of changes in long-term debt by issue are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The directory of officials information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2020 on our consideration of the Town of Thompson's Station, Tennessee'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.

Crosslin, PLLC

Nashville, Tennessee
January 3, 2020

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

As management of the Town of Thompson's Station (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, 2019. Readers are encouraged to consider information presented here in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

1. The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$43,435,663 (net position). Of this amount, \$9,594,230 is considered unrestricted funds and may be used to meet the government's ongoing obligations to citizens and creditors.
2. The government's total net position increased by \$2,253,352 during fiscal year 2019.
3. As of the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$6,305,042, an increase of \$1,207,615 for the year. Over 96% of this total amount, or \$6,021,934 is available for spending at the government's discretion (unassigned fund balance).
4. At June 30, 2019, the unassigned fund balance for the General Fund was 247% of total general fund expenditures.

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 themselves.

Government-Wide Financial Statements. These 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 of the Town's assets, liabilities, and deferred inflows of resources, with the difference 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 Town'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.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes, licenses, and permits, 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 (business-type activities). The governmental activities of the Town include general government, parks, and highways and streets. The business-type activity of the Town includes wastewater services.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Thompson's Station, 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 can be divided into two categories: governmental funds and a proprietary fund.

Governmental funds. Governmental funds are 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town'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 governmental funds with similar information presented for governmental activities in the government-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 the 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 adopts an annual operating budget and capital improvement budget for its General Fund and the State Street Aid Special Revenue Fund.

Proprietary fund. The Town maintains a wastewater fund as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information of the wastewater activity, which is also considered a major fund of the Town.

The Town adopts an annual operating budget and capital improvement budget for its Proprietary Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other required information. The original budgets and final budgets as well as comparison of final budgets to actual appear on pages 17 through 20.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, assets exceeded liabilities and deferred inflows of resources by \$43,435,663 at the end of the most recent fiscal year.

TOWN OF THOMPSON'S STATION'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 7,022,272	\$ 6,083,927	\$ 4,753,621	\$ 3,955,150	\$ 11,775,893	\$ 10,039,077
Capital assets	19,343,268	19,092,252	16,646,742	16,869,953	35,990,010	35,962,205
Total assets	<u>26,365,540</u>	<u>25,176,179</u>	<u>21,400,363</u>	<u>20,825,103</u>	<u>47,765,903</u>	<u>46,001,282</u>
Long-term liabilities outstanding	1,996,500	2,241,800	435,185	546,297	2,431,685	2,788,097
Other liabilities	426,939	520,546	68,360	132,324	495,299	652,870
Total liabilities	<u>2,423,439</u>	<u>2,762,346</u>	<u>503,545</u>	<u>678,621</u>	<u>2,926,984</u>	<u>3,440,967</u>
Deferred inflows of resources	<u>287,256</u>	<u>262,004</u>	<u>1,116,000</u>	<u>1,116,000</u>	<u>1,403,256</u>	<u>1,378,004</u>
Net position:						
Net investment in capital assets	17,346,768	16,850,452	16,211,557	16,323,656	33,558,325	33,174,108
Restricted for roads and streets	283,108	188,251	-	-	283,108	188,251
Unrestricted	6,024,969	5,113,126	3,569,261	2,706,826	9,594,230	7,819,952
Total net position	<u>\$23,654,845</u>	<u>\$22,151,829</u>	<u>\$19,780,818</u>	<u>\$19,030,482</u>	<u>\$43,435,663</u>	<u>\$ 41,182,311</u>

A significant portion of the Town's net position, \$33,558,325 or (77%) reflects its investment in capital assets (for example - land, buildings, vehicles, 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; therefore, these assets are not available for future spending. The Town's investment in capital assets is reported net of related debt. It should be noted that the resources needed to repay any future debt issues must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At year-end, \$283,108 of the Town's net position represents resources that are subject to external restrictions on how they may be used. For the Town, the restricted resources must be used for State Street Aid expenses. The remaining balance of unrestricted net position, \$9,594,230 (22%), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town reports positive balances in both categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

The following is a summary of financial activities for the Town during the fiscal years ended June 30, 2019 and 2018:

TOWN OF THOMPSON'S STATION'S CHANGE IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for service	\$ 39,131	\$ 63,968	\$ 1,140,000	\$ 972,721	\$ 1,179,131	\$ 1,036,689
Operating grants and contributions	175,356	167,992	-	-	175,356	167,992
Capital grants and contributions	-	5,362,352	502,500	2,392,982	502,500	7,755,334
General revenues:						
Property taxes	288,090	267,438	-	-	288,090	267,438
Local option sales taxes	994,173	920,986	-	-	994,173	920,986
Intergovernmental revenues	657,413	633,955	-	-	657,413	633,955
Building permits / impact fees	1,130,012	1,043,405	-	-	1,130,012	1,043,405
Other	202,784	226,659	-	-	202,784	226,659
Unrestricted investment earnings	36,311	26,553	18,420	37,168	54,731	63,721
Total revenues	<u>3,523,270</u>	<u>8,713,308</u>	<u>1,660,920</u>	<u>3,402,871</u>	<u>5,184,190</u>	<u>12,116,179</u>
Expenses:						
General government	1,462,296	1,296,144	-	-	1,462,296	1,296,144
State Street Aid	80,499	-	-	-	80,499	-
Streets and roads	352,794	220,459	-	-	352,794	220,459
Parks	58,021	74,402	-	-	58,021	74,402
Debt service	66,644	21,350	-	-	66,644	21,350
Wastewater	-	-	910,584	1,003,205	910,584	1,003,205
Total expenses	<u>2,020,254</u>	<u>1,612,355</u>	<u>910,584</u>	<u>1,003,205</u>	<u>2,930,838</u>	<u>2,615,560</u>
Change in net position	1,503,016	7,100,953	750,336	2,399,666	2,253,352	9,500,619
Net position - beginning of year	<u>22,151,829</u>	<u>15,050,876</u>	<u>19,030,482</u>	<u>16,630,816</u>	<u>41,182,311</u>	<u>31,681,692</u>
Net position - end of year	<u>\$ 23,654,845</u>	<u>\$ 22,151,829</u>	<u>\$ 19,780,818</u>	<u>\$ 19,030,482</u>	<u>\$ 43,435,663</u>	<u>\$ 41,182,311</u>

Governmental Activities. Governmental activities increased the Town's net position by \$1,503,016, which compares with an increase in net position of \$7,100,953 for fiscal year 2018. During the fiscal year 2019, no infrastructure assets were contributed or accepted.

Business-Type Activities. Business-type activities increased the Town's net position by \$750,336 compared with \$2,399,666 for 2018. Revenues from charges to customers for wastewater treatment increased by \$167,279 while capital grants and contributions decreased by \$1,890,482. Wastewater expenses decreased by \$92,621 compared to prior year primarily due to fewer professional fees expended in the current year.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$6,305,042. Fund balances of the governmental funds increased \$1,207,615 during fiscal year 2019 primarily due to reductions in overall capital expenditures.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,021,934. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 246% of total general fund expenditures for this fiscal year.

Proprietary fund. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Wastewater Fund at the end of the year amounted to \$3,569,261. The Wastewater Fund had an increase in net position for the year of \$750,336 during fiscal year 2019. Factors concerning the financial position of this fund have been addressed in the discussion of the Town's business-type activity above.

GENERAL FUND BUDGETARY HIGHLIGHTS

Highlights of the differences between the budget and actual are listed below:

1. Actual over budgeted total taxes by \$ 97,302.
2. Actual over budgeted total licenses, permits and fees by \$283,543.
3. Actual over budgeted intergovernmental revenue by \$370,885.
4. Delay in capital projects of \$1,851,670.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounted to \$35,990,010 (net of accumulated depreciation). This investment includes land, buildings, improvements, machinery, equipment and infrastructure.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2019

Additional information on the Town capital assets can be found in Note 5 to the financial statements. The following table compares capital assets at June 30, 2019 and 2018:

TOWN OF THOMPSON'S STATION'S CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,360,889	\$ 6,360,889	\$ 2,992,000	\$ 2,992,000	\$ 9,352,889	\$ 9,352,889
Construction in progress	237,920	589,595	228,377	-	466,297	589,595
Infrastructure	12,832,326	11,874,936	-	-	12,832,326	11,874,936
Buildings	642,070	589,196	880,550	880,550	1,522,620	1,469,746
Equipment	242,516	242,516	519,982	519,982	762,498	762,498
Vehicles	192,343	192,343	48,361	48,361	240,704	240,704
Wastewater system	-	-	15,524,671	15,524,671	15,524,671	15,524,671
Total capital assets	20,508,064	19,849,475	20,193,941	19,965,564	40,702,005	39,815,039
Less: Accumulated depreciation	(1,164,796)	(757,223)	(3,547,199)	(3,095,611)	(4,711,995)	(3,852,834)
Capital assets, net	\$ 19,343,268	\$ 19,092,252	\$ 16,646,742	\$ 16,869,953	\$ 35,990,010	\$ 35,962,205

Long-term Debt. At the end of the fiscal year, the Town's total debt was \$2,431,685 and is set forth in detail in Note 8. Payments made on debt obligations totaled \$356,412.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Despite continued improving economic conditions, a conservative approach was used in preparing the Town of Thompson's Station's budget for the 2019 - 2020 fiscal year.

1. The continued significant economic development and growth of the Town makes the budget projection a challenging process. A conservative view of new development was made for the purpose of revenue projection.
2. The Town has been awarded a grant from the state of Tennessee Highway Department of Transportation (TDOT) for trail improvements in Preservation Park in the amount of \$1,039,002. This should be completed within two years.
3. Critz Lane road is to be improved and cut down the dangerous portion of the hill. This project is to be completed within the next two years at an approximate cost of \$2 million to the Town.
4. The regional wastewater services plant is undergoing repairs and a possible renovation. Drip fields are underway in the area of the Hill property (west of the Regional Plant). This will assist in meeting commitments previously made by the Town to existing developers. The regional plant renovation is being evaluated for improvements.
5. Expenditures were budgeted at a rate to maintain citizen services at approximately the same level as in prior years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Town of Thompson's Station, Office of the Mayor, P.O. Box 100, Thompson's Station, Tennessee 37179.

Town of Thompson's Station, Tennessee
Statement of Net Position
June 30, 2019

	Governmental Activities	Business- Type Activities	Total Primary Government
Assets:			
Cash and cash equivalents	\$ 6,716,153	\$ 4,266,192	\$ 10,982,345
Taxes receivable - property tax	290,291	-	290,291
Accounts and other receivables	67,305	168,504	235,809
Internal balances	(318,365)	318,365	-
Due from other governments	266,888	-	266,888
Prepaid expenses and other	-	560	560
Capital assets:			
Capital assets not being depreciated	6,598,809	3,220,377	9,819,186
Other capital assets, net of accumulated depreciation	12,744,459	13,426,365	26,170,824
Total assets	26,365,540	21,400,363	47,765,903
Liabilities:			
Accounts payable and accrued expenses	318,845	68,360	387,205
Deposits from developers	59,000	-	59,000
Accrued compensation and compensated absences	49,094	-	49,094
Long-term liabilities:			
Due within one year	245,300	111,111	356,411
Due in more than one year	1,751,200	324,074	2,075,274
Total liabilities	2,423,439	503,545	2,926,984
Deferred Inflows of Resources:			
Property taxes	287,256	-	287,256
Prepaid tap fees	-	1,116,000	1,116,000
Total deferred inflows of resources	287,256	1,116,000	1,403,256
Net Position:			
Net investment in capital assets	17,346,768	16,211,557	33,558,325
Restricted for State Street Aid	283,108	-	283,108
Unrestricted	6,024,969	3,569,261	9,594,230
Total net position	\$ 23,654,845	\$ 19,780,818	\$ 43,435,663

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating</u>	<u>Capital</u>	<u>Primary Government</u>		
			<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 1,462,296	\$ 17,335	\$ -	\$ -	\$ (1,444,961)	\$ -	\$ (1,444,961)
State Street Aid	80,499	-	175,356	-	94,857	-	94,857
Streets and roads	352,794	-	-	-	(352,794)	-	(352,794)
Parks and recreation	58,021	21,796	-	-	(36,225)	-	(36,225)
Interest on long-term debt	66,644	-	-	-	(66,644)	-	(66,644)
Total governmental activities	<u>2,020,254</u>	<u>39,131</u>	<u>175,356</u>	<u>-</u>	<u>(1,805,767)</u>	<u>-</u>	<u>(1,805,767)</u>
Business-Type Activities:							
Wastewater	910,584	1,140,000	-	502,500	-	731,916	731,916
Total primary government	<u>\$ 2,930,838</u>	<u>\$ 1,179,131</u>	<u>\$ 175,356</u>	<u>\$ 502,500</u>	<u>(1,805,767)</u>	<u>731,916</u>	<u>(1,073,851)</u>
General Revenues:							
Taxes:							
Property taxes					288,090	-	288,090
Local option sales taxes					994,173	-	994,173
Building permits/impact fees					1,130,012	-	1,130,012
Beer and liquor tax					114,997	-	114,997
Business and privilege taxes					51,105	-	51,105
Franchise tax					25,494	-	25,494
Unrestricted intergovernmental revenues:							
State income tax					59,137	-	59,137
Payment in lieu of taxes					55,965	-	55,965
State sales tax					419,157	-	419,157
Mixed drink and beer tax					27,958	-	27,958
Business tax					95,196	-	95,196
Unrestricted investment earnings					36,311	18,420	54,731
Other					11,188	-	11,188
Total general revenues					<u>3,308,783</u>	<u>18,420</u>	<u>3,327,203</u>
Change in net position					1,503,016	750,336	2,253,352
Net position - beginning					22,151,829	19,030,482	41,182,311
Net position - ending					<u>\$ 23,654,845</u>	<u>\$ 19,780,818</u>	<u>\$ 43,435,663</u>

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	State Street Aid Fund	Total Governmental Funds
Assets:			
Cash	\$ 6,716,153	\$ -	\$ 6,716,153
Taxes receivable - property tax	290,291	-	290,291
Due from other governments	236,635	30,253	266,888
Due from other funds	-	252,855	252,855
Other receivables	67,305	-	67,305
Total assets	\$ 7,310,384	\$ 283,108	\$ 7,593,492
Liabilities:			
Accounts payable and accrued expenditures	\$ 318,845	\$ -	\$ 318,845
Deposits from developers	59,000	-	59,000
Due to other funds	571,220	-	571,220
Accrued compensation	49,094	-	49,094
Total liabilities	998,159	-	998,159
Deferred Inflows of Resources:			
Property taxes	290,291	-	290,291
Fund Balances:			
Restricted for State Street Aid	-	283,108	283,108
Unassigned	6,021,934	-	6,021,934
Total fund balances	6,021,934	283,108	6,305,042
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,310,384	\$ 283,108	\$ 7,593,492

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Total fund balances of governmental funds	\$ 6,305,042
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds, net of accumulated depreciation of \$1,164,796	19,343,268
Receivables not available to pay for current expenditures are not current financial resources and therefore are not reported in the governmental funds	3,035
Long-term liabilities, including capital outlay notes payable, are not due and payable in the current period, and, therefore, are not reported in the governmental funds:	
General long-term debt	<u>(1,996,500)</u>
Net position of governmental activities	<u>\$ 23,654,845</u>

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	State Street Aid Fund	Total Governmental Funds
Revenues:			
Taxes	\$ 1,472,302	\$ -	\$ 1,472,302
Licenses, permits and fees	1,169,143	-	1,169,143
Intergovernmental	859,885	175,356	1,035,241
Other	47,499	-	47,499
Total revenues	3,548,829	175,356	3,724,185
Expenditures:			
Current:			
General government	1,342,884	-	1,342,884
State Street Aid	-	80,499	80,499
Streets and roads	41,903	-	41,903
Parks	37,756	-	37,756
Capital outlay	701,584	-	701,584
Debt Service:			
Principal	245,300	-	245,300
Interest	66,644	-	66,644
Total expenditures	2,436,071	80,499	2,516,570
Excess of revenues over expenditures	1,112,758	94,857	1,207,615
Net change in fund balances	1,112,758	94,857	1,207,615
Fund balance - beginning	4,909,176	188,251	5,097,427
Fund balance - ending	\$ 6,021,934	\$ 283,108	\$ 6,305,042

Town of Thompson's Station, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 1,207,615

Amounts reported for the governmental activities in the statement of activities are different because:

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. Specifically these items are as follows:

Acquisition and donations of capital assets	683,861
Net carrying value of capital assets disposed of	(25,272)
Depreciation expense	(407,573)

Revenue in the statement of revenues, expenditures, and changes in fund balance that provide current financial resources are not reported as resources in the statement of activities for:

Grant revenues and reimbursements	(202,472)
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Revenue in the statement of activities that do not provide current financial resources are not reported as resources in the governmental funds for:

Property taxes	1,557
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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. Specifically, these items are as follows:

Debt payments	245,300
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Change in net position of governmental activities	\$ 1,503,016
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The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Comparison Statement - General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
REVENUES:				
Taxes:				
Property	\$ 270,000	\$ 270,000	\$ 286,533	\$ 16,533
Franchise	25,000	25,000	25,494	494
Wholesale beer and wholesale liquor	110,000	110,000	114,997	4,997
Local sales tax - Trustee	900,000	900,000	994,173	94,173
Adequate schools facilities tax	70,000	70,000	51,105	(18,895)
Total taxes	<u>1,375,000</u>	<u>1,375,000</u>	<u>1,472,302</u>	<u>97,302</u>
Licenses, permits and fees:				
Beer permits	600	600	600	-
Building permits	300,000	300,000	479,812	179,812
Review fees	20,000	20,000	16,735	(3,265)
Impact fees	550,000	550,000	650,200	100,200
Miscellaneous	15,000	15,000	21,796	6,796
Total licenses, permits and fees	<u>885,600</u>	<u>885,600</u>	<u>1,169,143</u>	<u>283,543</u>
Intergovernmental:				
Payments in lieu of taxes	50,000	50,000	55,965	5,965
State of Tennessee - sales tax	350,000	350,000	419,157	69,157
State of Tennessee - mixed drink tax	12,000	12,000	25,770	13,770
State of Tennessee - beer tax	2,000	2,000	2,188	188
State of Tennessee - income tax	-	-	59,137	59,137
State of Tennessee - business tax	75,000	75,000	95,196	20,196
Federal grant revenue	-	-	202,472	202,472
Total intergovernmental revenue	<u>489,000</u>	<u>489,000</u>	<u>859,885</u>	<u>370,885</u>
Other income:				
Interest	20,000	20,000	36,311	16,311
Other	12,000	12,000	11,188	(812)
Transfer from reserves	5,812,000	1,972,156	-	(1,972,156)
Total other income	<u>5,844,000</u>	<u>2,004,156</u>	<u>47,499</u>	<u>(1,956,657)</u>
Total revenues	<u>8,593,600</u>	<u>4,753,756</u>	<u>3,548,829</u>	<u>(1,204,927)</u>

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Comparison Statement - General Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>		
EXPENDITURES:				
General Government:				
Salaries and wages	600,000	600,000	468,022	131,978
Payroll taxes	48,300	48,300	42,038	6,262
Publication of legal notices	3,000	3,000	2,624	376
General expense	1,000	1,000	785	215
Utilities	16,500	16,500	13,659	2,841
Memberships and subscriptions	4,000	4,000	2,618	1,382
Insurance - employees	90,000	90,000	69,754	20,246
Insurance - other	35,000	35,000	50,099	(15,099)
Telephone expenses	5,000	5,000	4,488	512
Repairs and maintenance - building	20,000	20,000	22,308	(2,308)
Animal control services	7,500	7,500	7,355	145
Trustee commission	5,500	5,500	6	5,494
Other expenses	10,000	10,000	19,001	(9,001)
Travel	2,500	3,500	3,572	(72)
Economic development	7,500	7,500	6,796	704
Continuing education expenses	5,000	5,000	1,629	3,371
Office supplies	100,000	100,000	42,979	57,021
Postage, freight and express charges	1,000	1,000	426	574
Printing, forms and stationary	7,500	7,500	3,454	4,046
Professional fees - legal	100,000	130,000	141,780	(11,780)
Professional fees - other	106,000	315,000	292,555	22,445
Vehicle fuel	15,000	17,500	15,838	1,662
Vehicle repairs	5,000	10,000	8,896	1,104
Bank charges	2,000	2,000	1,050	950
Emergency services	145,000	145,000	100,000	45,000
Employee retirement expenses	30,000	30,000	21,152	8,848
Total general government	<u>1,372,300</u>	<u>1,619,800</u>	<u>1,342,884</u>	<u>276,916</u>

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Comparison Statement - General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		
Streets and Roads:				
Resurfacing	819,300	200,702	41,903	158,799
Total streets and roads	<u>819,300</u>	<u>200,702</u>	<u>41,903</u>	<u>158,799</u>
Capital Projects:				
Capital projects	6,050,000	2,553,254	701,584	1,851,670
Total capital projects	<u>6,050,000</u>	<u>2,553,254</u>	<u>701,584</u>	<u>1,851,670</u>
Parks:				
Park improvements, repairs, and supplies	40,000	68,000	37,756	30,244
Total parks	<u>40,000</u>	<u>68,000</u>	<u>37,756</u>	<u>30,244</u>
Debt Service:				
Payments on capital outlay note	312,000	312,000	311,944	56
Total debt service	<u>312,000</u>	<u>312,000</u>	<u>311,944</u>	<u>56</u>
 Total expenditures	<u>8,593,600</u>	<u>4,753,756</u>	<u>2,436,071</u>	<u>2,317,685</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	1,112,758	<u>\$ 1,112,758</u>
FUND BALANCE-BEGINNING OF YEAR			4,909,176	
FUND BALANCE-END OF YEAR			<u>\$ 6,021,934</u>	

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Comparison Statement - State Street Aid Fund
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Intergovernmental:				
State of Tennessee - gas tax 1989	\$ 12,000	\$ 12,000	\$ 14,276	\$ 2,276
State of Tennessee - gas tax \$0.03 per gallon	20,000	20,000	26,452	6,452
State of Tennessee - gas and motor fuel tax	80,000	80,000	89,487	9,487
State of Tennessee - petroleum special	8,000	8,000	9,384	1,384
State of Tennessee - 2017 gas tax	20,000	20,000	35,757	15,757
Total intergovernmental revenue	<u>140,000</u>	<u>140,000</u>	<u>175,356</u>	<u>35,356</u>
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>175,356</u>	<u>35,356</u>
EXPENDITURES:				
State Street Aid:				
Resurfacing	<u>140,000</u>	<u>140,000</u>	<u>80,499</u>	<u>59,501</u>
Total expenditures	<u>140,000</u>	<u>140,000</u>	<u>80,499</u>	<u>59,501</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	94,857	<u>\$ 94,857</u>
FUND BALANCE-BEGINNING OF YEAR			<u>188,251</u>	
FUND BALANCE-END OF YEAR			<u>\$ 283,108</u>	

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Net Position
Proprietary Fund - Wastewater Fund
June 30, 2019

Assets:

Current assets:

Cash	\$ 4,266,192
Accounts receivable	168,504
Prepaid expenses and other	560
Due from other funds	318,365
Total current assets	4,753,621

Capital assets:

Wastewater system, net of accumulated depreciation	16,646,742
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Total assets	21,400,363
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Current Liabilities:

Accounts payable and accrued expenses	68,360
Notes payable - current portion	111,111
Total current liabilities	179,471

Noncurrent Liabilities:

Prepaid tap fees	1,116,000
Notes payable, less current portion	324,074
Total noncurrent liabilities	1,440,074

Total liabilities	1,619,545
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Net Position:

Net investment in capital assets	16,211,557
Unrestricted	3,569,261
Total net position	\$ 19,780,818

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Revenues, Expenses, and Changes
in Fund Net Position
Proprietary Fund - Wastewater Fund
For the Year Ended June 30, 2019

Revenues:

Charges to customers - wastewater	\$ 1,104,491
Penalties	35,509
Total revenues	<u>1,140,000</u>

Operating Expenses:

Supply and Operations:	
Salaries	123,502
Payroll taxes and benefits	15,013
Repairs and maintenance	62,413
Permits and licenses	4,828
Supplies	1,680
Testing	3,255
Utilities	79,315
Insurance	9,211
Professional and consulting fees	121,826
Other	25,643
Total supply and operations	<u>446,686</u>
Depreciation	<u>451,588</u>
Total operating expenses	<u>898,274</u>
Operating income	<u>241,726</u>

Non-Operating Income (Expense):

Interest expense	(12,310)
Interest income	18,420
Total non-operating income	<u>6,110</u>

Capital contributions	-
Tap fees	<u>502,500</u>
Change in net position	750,336
Net position - beginning of year	<u>19,030,482</u>
Net position - end of year	<u><u>\$ 19,780,818</u></u>

The notes to the financial statements are an integral part of this statement.

Town of Thompson's Station, Tennessee
Statement of Cash Flows
Proprietary Fund - Wastewater Fund
For the Year Ended June 30, 2019

Cash Flows from Operating Activities:	
Receipts from customers	\$ 1,195,651
Payments to or on behalf of employees	(138,515)
Payments to suppliers	(802,362)
Net cash provided by operating activities	254,774
 Cash Flows from Capital and Related Financing Activities:	
Proceeds from tap fees	502,500
Purchases of capital assets	(228,377)
Principal payments on notes	(111,112)
Interest paid on notes	(12,310)
Net cash provided by capital and related financing activities	150,701
 Cash Flows from Investing Activities:	
Interest income from cash and cash equivalents	18,420
Net cash provided by investing activities	18,420
Net increase in cash and cash equivalents	423,895
Cash and Cash Equivalents - Beginning of Year	3,842,297
Cash and Cash Equivalents - End of Year	\$ 4,266,192

**Reconciliation of Operating Income to Net Cash
Provided By Operating Activities**

Operating income	\$ 241,726
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	451,588
Changes in assets and liabilities:	
Accounts receivable and due from other funds	(374,016)
Prepaid expenses and other	(560)
Accounts payable	(63,964)
Net cash provided by operating activities	\$ 254,774

The notes to the financial statements are an integral part of this statement.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Thompson's Station, Tennessee (the "Town"), located in Williamson County, Tennessee, was incorporated August 15, 1990, under the provisions of Section 6-1-202, etc. seq., of the Tennessee Code Annotated. The Town operates under a Board of Mayor and Alderman form of government and is authorized to provide all services accorded to municipalities in the State of Tennessee.

The financial statements of the Town have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental units, as prescribed by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the significant accounting policies of the Town of Thompson's Station:

The Town's accompanying financial statements present the governmental units relevant to the operations of the Town. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Thompson's Station, Tennessee.

Based on criteria in GASB pronouncements, there are no component units to be included within the Town's financial reporting entity as of June 30, 2019.

Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements, the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the Town. The Statement of Net Position presents the Town's assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Debt that was issued for capital purposes is not a part of the calculation of net investment in capital assets, until the proceeds have been used to acquire capital assets.

Restricted net position results from restrictions placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which do not meet the definition of the two proceeding categories.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The statement of activities presents the amount of direct expenses of a given function that are offset by the related program revenues. The direct expenses are those that are clearly related to a specific function. Program revenues include charges to those who use, purchase and/or directly benefit from the services and/or goods provided by a given function. Taxes and other revenues not properly included in program revenues are reported as general revenues.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are utility payments between the Town's Wastewater Fund and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. On this basis, the Town deems revenue to be available if the revenues are collectible within 60 days after the end of the close of the fiscal year, and up to one year for certain grant revenues.

Property taxes, sales taxes, licenses and interest associated with the current period are considered to be susceptible to accrual. Some expenditures (debt service, long-term compensated absences, and claims and judgments expenditures) are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The Town presents the following governmental funds, which are considered to be major funds:

The General Fund is the Town's primary operating fund. It includes all financial resources of the general government, except those required to be accounted for in other funds.

The Town uses the State Street Aid Fund to account for the receipt and usage of the Town's share of State gasoline taxes. State law requires that these gasoline taxes be used to maintain streets.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for services. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town presents the following proprietary enterprise fund, which is considered to be a major fund:

The Town's Wastewater Fund is used to account for wastewater revenues, expenses, and related assets and liabilities for services provided to customers of the system.

Governmental Fund Balances

In accordance with GASB Statement No. 54, the governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories of fund balance are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action, either ordinance or resolutions, of the Board of Mayor and Aldermen level of decision-making authority, are reported as committed fund balance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. The Board of Mayor and Aldermen have authorized the Town Administrator to assign fund balance up to certain amounts.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Unassigned - Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes have exceeded the amounts restricted, committed, or assigned to those purposes, those amounts are reported as a negative unassigned fund balance.

The Town does not have any committed or assigned fund balances at June 30, 2019. The Town's practice is to expend any available restricted, committed or assigned resources, in that order, prior to expending unassigned resources.

Budgetary Basis of Accounting

The Town adopts an annual budget for the General Fund and State Street Aid Fund. The Town's budgetary process accounts for transactions using the modified-accrual basis of accounting, which is consistent with the basis used in the governmental fund statements, in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost and include amounts in demand deposits, interest bearing accounts and short-term investments maturing within three months or less. When applicable, investments consist of short-term investments, including certificates of deposits. These investments are reported at cost, which approximates fair value.

Receivables

Based on prior experience and estimates of current customer credit-worthiness, an allowance for uncollectible receivables has been provided in the amount of \$11,195 for the Wastewater Fund.

Inventories

Inventories of materials and supplies of all funds of the Town were deemed to be immaterial and were not inventoried or reflected in the records. Inventory items are recorded as expenditures when purchased.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital Assets

Capital assets, which include land, buildings, and equipment, are reported in the applicable governmental activities in the government-wide financial statements. Wastewater capital assets are reported with business-type activities in the government-wide financial statements and in the proprietary fund statement of net position. Capital assets are defined by the Town as assets with an original and individual cost of \$5,000 or more and have an estimated useful life of more than one year. Purchased or constructed assets are recorded at cost; capital assets that are donated are recorded at their estimated acquisition value at the date of the donation. The Town elected not to capitalize retroactively its major general infrastructure (roads, sidewalks, bridges and similar assets). Such assets will be reported as new items that are acquired and constructed in the future. Repairs and maintenance costs that do not significantly extend the useful life or increase the value of the asset are not capitalized.

Depreciation is recorded based on the straight-line method over the estimated useful life of the asset. The estimated useful lives of the assets range from 5 to 40 years.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may 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 (expenses/expenditures) until then. The Town has no items that qualify for reporting in this category at June 30, 2019.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase to net position that applies to a future period and is not recognized as an inflow of resource (revenue) until that time. These items are amounts in the governmental funds that were measurable at year-end, but were not available to finance expenditures for the current year. This includes unavailable revenues from property taxes. Deferred inflows of resources reported in the statement of net position arise from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the business-type activities and wastewater fund, deferred inflows of resources includes prepaid tap fees. These fees reserve capacity for taps within proposed parcels in a future year.

Estimates

Estimates and assumptions are used in preparing financial statements. These estimates and assumptions affect the reported amounts of assets, liabilities and deferred inflows of resources at the date of the financial statements and reported revenue and expenses during the period. Actual results could differ from those estimates.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - PROPERTY TAXES

The Town's property tax is levied for the current year on October 1 each year on the assessed value as of the previous January 1 for all real and personal property within the boundaries of the Town. Property taxes are secured by a statutory lien as of the original assessment date of January 1 and are an enforceable legal claim. Taxes may be paid during the period of October 1 through February 28 and become delinquent on March 1. Delinquent taxes have been filed with the Williamson County Clerk and Master.

A schedule of tax rates, assessments, levies and collections for the last ten fiscal years are as follows:

Year of Levy	Tax Rate	Assessment	Levy	Balance June 30, 2018	Taxes Levied	Collections and Adjustments	Balance June 30, 2019
2010	.103	89,326,214	92,006	\$ 84	-	-	\$ 84
2011	.103	85,407,960	87,941	22	-	13	9
2012	.103	89,657,972	92,314	14	-	-	14
2013	.103	106,886,489	110,070	30	-	-	30
2014	.103	128,934,758	132,781	62	-	26	36
2015	.103	134,375,527	138,407	31	-	9	22
2016	.103	193,407,102	199,209	53	-	1	52
2017	.103	229,201,976	236,078	1,182	-	981	201
2018	.103	254,372,725	262,004	262,004	2,694	262,111	2,587
2019	.103	278,889,515	287,256	<u>-</u>	<u>287,256</u>	<u>-</u>	<u>287,256</u>
				<u>\$263,482</u>	<u>\$289,950</u>	<u>\$263,141</u>	<u>\$290,291</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash totaling \$10,982,345 at June 30, 2019. State statutes authorize the Town to invest funds in the following: bonds, notes or treasury bills of the United States or any of its agencies; certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations; repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities; and state pooled investment funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

At June 30, 2019, total demand deposits and certificates of deposit for the Town were insured and/or collateralized in one of the following ways. Deposits and certificates of deposits are insured, up to applicable limits, through the Federal Deposit Insurance Corporation ("FDIC"). All deposits and certificates were held in financial institutions, which are members of the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool (the pool) is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of the governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the pool if the value of the pool is not sufficient to cover a loss. The Town's deposits in financial institutions were entirely insured or collateralized at June 30, 2019.

NOTE 4 - WASTEWATER RATES AND CUSTOMERS

The active number of wastewater customers at June 30, 2019 was 1,787.

The following monthly service rates for residential and commercial customers were in effect at June 30, 2019:

Minimum bill	\$17.20
Wastewater rates	\$7.47 per thousand gallons for 0-8,000 gallons
	\$9.46 per thousand gallons for 8,001-20,000 gallons
	\$11.83 per thousand gallons for 20,001 gallons and greater
Residential accounts are limited to a maximum of \$55.00 per month.	
Non-residential accounts have no maximum limit.	

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Beginning <u>Balance</u>	<u>Additions</u>	Decreases and Transfers	Ending <u>Balance</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 6,360,889	\$ -	\$ -	\$ 6,360,889
Construction in progress	<u>589,595</u>	<u>182,897</u>	<u>(534,572)</u>	<u>237,920</u>
Total capital assets not being depreciated	<u>6,950,484</u>	<u>182,897</u>	<u>(534,572)</u>	<u>6,598,809</u>
<u>Capital assets being depreciated</u>				
Infrastructure	11,874,936	448,090	509,300	12,832,326
Building and improvements	589,196	52,874	-	642,070
Furniture and equipment	242,516	-	-	242,516
Vehicles	<u>192,343</u>	<u>-</u>	<u>-</u>	<u>192,343</u>
Total capital assets being depreciated	<u>12,898,991</u>	<u>500,964</u>	<u>509,300</u>	<u>13,909,255</u>
<u>Less: accumulated depreciation for</u>				
Infrastructure	(301,415)	(331,156)	-	(632,571)
Building and improvements	(196,878)	(14,730)	-	(211,608)
Furniture and equipment	(120,205)	(36,377)	-	(156,582)
Vehicles	<u>(138,725)</u>	<u>(25,310)</u>	<u>-</u>	<u>(164,035)</u>
Total accumulated depreciation	<u>(757,223)</u>	<u>(407,573)</u>	<u>-</u>	<u>(1,164,796)</u>
Capital assets being depreciated, net	<u>12,141,768</u>	<u>93,391</u>	<u>509,300</u>	<u>12,744,459</u>
Governmental activities capital assets, net	<u>\$ 19,092,252</u>	<u>\$ 276,288</u>	<u>\$(25,272)</u>	<u>\$ 19,343,268</u>

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs at June 30, 2019, as follows:

General government	\$ 76,417
Streets and roads	310,891
Parks	<u>20,265</u>
	<u>\$407,573</u>

Construction in progress at June 30, 2019, is attributable to the following:

Town Hall design	\$ 65,663
Critz Lane improvement	<u>172,257</u>
	<u>\$237,920</u>

During fiscal year 2019, the following projects were substantially completed and were transferred to capital assets:

Clayton Arnold repairing	\$ 16,600
Critz Lane redesign	<u>492,700</u>
	<u>\$509,300</u>

Included in construction in progress at June 30, 2019 are various projects, as described above. Estimated costs to complete these projects were as follows at June 30, 2019:

Town Hall design	\$1,200,000
Critz Lane improvement	<u>2,000,000</u>
	<u>\$3,200,000</u>

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 - CAPITAL ASSETS - Continued

Business-Type Activities - Wastewater:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Decreases and Transfers</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 2,992,000	\$ -	\$ -	\$ 2,992,000
Construction in progress	<u>-</u>	<u>228,377</u>	<u>-</u>	<u>228,377</u>
Total capital assets not being depreciated	<u>2,992,000</u>	<u>228,377</u>	<u>-</u>	<u>3,220,377</u>
<u>Capital assets being depreciated</u>				
Wastewater system	15,524,671	-	-	15,524,671
Building	880,550	-	-	880,550
Machinery and equipment	519,982	-	-	519,982
Vehicles	<u>48,361</u>	<u>-</u>	<u>-</u>	<u>48,361</u>
Total capital assets being depreciated	<u>16,973,564</u>	<u>-</u>	<u>-</u>	<u>16,973,564</u>
<u>Less: accumulated depreciation for</u>				
Wastewater system	(2,529,156)	(388,820)	-	(2,917,965)
Building	(237,934)	(21,848)	-	(259,782)
Machinery and equipment	(305,650)	(31,248)	-	(336,898)
Vehicles	<u>(22,871)</u>	<u>(9,672)</u>	<u>-</u>	<u>(32,543)</u>
Total accumulated depreciation	<u>(3,095,611)</u>	<u>(451,588)</u>	<u>-</u>	<u>(3,547,199)</u>
Capital assets being depreciated, net	<u>13,877,953</u>	<u>(451,588)</u>	<u>-</u>	<u>13,426,365</u>
Business-type activities capital assets, net	<u>\$ 16,869,953</u>	<u>\$(223,211)</u>	<u>\$ -</u>	<u>\$ 16,646,742</u>

Construction in progress at June 30, 2019, is attributable to the following:

Hall property drip fields	<u>\$228,377</u>
Total construction in progress	<u>\$228,377</u>

Included in construction in progress at June 30, 2019 is the Hill property drip fields, as described above. Estimated costs to complete this project is \$3,101,500 as of June 30, 2019.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, damage to, destruction and/or theft of assets, errors and omissions, injuries to employees, and natural disasters. The Town maintains insurance coverage through the Tennessee Municipal League Risk Management Pool, covering each of those risks of loss. The TML Pool is a cooperative risk sharing arrangement between local government agencies that works in many ways like a traditional insurer. The Town pays a premium, receives coverage, and can make claims against the coverage. The Town meets the TML's guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of the TML Pool are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. Management of the Town believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three years. See also Note 12.

NOTE 7 - INTERFUND BALANCES AND ACTIVITY

Balances due from/to other funds at June 30, 2019, consist of the following:

- \$318,365 due from the General Fund to the Wastewater Fund representing utility services.
- \$252,855 due from the General Fund to the State Street Aid Fund for cash held by the General Fund.

NOTE 8 - LONG-TERM LIABILITIES

The Town's long-term liabilities consist of the following at June 30, 2019:

General Obligation Liabilities

\$1,153,000 Land Purchase Capital Outlay Note, Series 2013,
due in annual installments through September 26, 2023, with interest
payable semi-annually at 2.85% per annum. The full faith and credit
of the Town is pledged as collateral. \$ 576,500

\$1,550,000 Land Purchase General Obligation (G.O.) Capital Outlay Note,
Series 2018, due in annual installments through April 1, 2030, with
Interest payable semi-annually at 2.90% per annum. The full faith and
credit of the Town is pledged as collateral. 1,420,000

Business-Type Activities Liabilities

\$1,000,000 Wastewater Drip Field Project Capital Outlay Note,
Series 2014, due in monthly installments of principal and interest at
2.45% through May 13, 2023. All revenue of the Wastewater Fund is
Pledged as collateral. 435,185

\$2,431,685

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 - LONG-TERM LIABILITIES - Continued

Changes in Long-Term Liabilities

The changes in long-term liabilities during the year ended June 30, 2019, were as follows:

	Balance <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2019</u>	Due Within <u>One Year</u>
<u>Governmental Activities:</u>					
Capital Outlay Note - Series 2013	\$ 691,800	\$ -	\$ 115,300	\$ 576,500	\$ 115,300
G.O. Capital Outlay Note - Series 2018	<u>1,550,000</u>	<u>-</u>	<u>130,000</u>	<u>1,420,000</u>	<u>130,000</u>
	<u>\$2,241,800</u>	<u>\$ -</u>	<u>\$245,300</u>	<u>\$1,996,500</u>	<u>\$245,300</u>
<u>Business-Type Activities:</u>					
Capital Outlay Note - Series 2014	<u>\$ 546,297</u>	<u>\$ -</u>	<u>\$111,112</u>	<u>\$ 435,185</u>	<u>\$111,111</u>

Future principal and interest activities of long-term obligations are as follows at June 30, 2019:

	Governmental Activities Capital Outlay, Series 2013 and 2018			Business-Type Activities Capital Outlay, Series 2014			Totals		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 245,300	\$ 55,967	\$ 301,267	\$111,111	\$ 9,415	\$120,526	\$ 356,411	\$ 65,382	\$ 421,793
2021	245,300	48,911	294,211	111,111	6,692	117,803	356,411	55,603	412,014
2022	245,300	41,855	287,155	111,111	3,970	115,081	356,411	45,825	402,236
2023	245,300	34,799	280,099	101,852	1,248	103,100	347,152	36,047	383,199
2024	245,300	27,743	273,043	-	-	-	245,300	27,743	273,043
2025 -									
2029	650,000	73,950	723,950	-	-	-	650,000	73,950	723,950
2030	<u>120,000</u>	<u>3,480</u>	<u>123,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>3,480</u>	<u>123,480</u>
	<u>\$1,996,500</u>	<u>\$286,705</u>	<u>\$2,283,205</u>	<u>\$435,185</u>	<u>\$21,325</u>	<u>\$456,510</u>	<u>\$2,431,685</u>	<u>\$308,030</u>	<u>\$2,739,715</u>

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - PREPAID TAP FEES

In 2018, the Town purchased two parcels of land for \$480,000 (Hill property) and \$2,625,000 (Alexander property), respectively. As part of the agreement the Town accepted \$1,116,000 from the seller for system development and tap fees for 310 taps related to the Hill Property and one other development. The Town also financed \$1,550,000 through a General Obligation Capital Outlay Note (See Note 8) for the Alexander property, approved for parks, open spaces, and general infrastructure purposes. The Town anticipates using the property for drip fields. The remaining \$480,000 was paid through cash from the Wastewater Fund.

The Alexander property and related General Obligation Capital Outlay Note are recorded in the governmental activities due to the approved use of the property and related debt. The Hill property and related prepaid tap fees are recorded in capital assets and deferred inflows of resources in the Wastewater Fund. The residential units and drip fields planned for the property are not expected to begin development for another one to two years, at which time the Town will be able to recognize the prepaid tap fees as revenue.

NOTE 10 - DEFINED CONTRIBUTION BENEFIT PLAN

During fiscal year 2016, the Town began to offer its employees a deferred compensation defined contribution benefit plan through the Town of Thompson's Station 457 Retirement Readiness Plan (the "Plan"). The Plan is a prototype plan created in accordance with Internal Revenue Code section 457. The Plan is available to all employees working more than 30 hours per week and permits participants to defer a portion of their compensation until termination, retirement, disability, or other qualifying events under the Plan document. The Plan's investments are held by John Hancock. The Plan provides for a discretionary Town matching contribution of up to 5% of eligible compensation. The Town's match for fiscal year 2019 totaled \$26,044. Effective July 1, 2016, the Plan was amended to provide cliff vesting for Town's matching contributions. Such contributions vest after 3-years of eligible employment. The amendment affects employees hired on and after July 1, 2016. Those hired before July 1, 2016 are immediately vested in the Town's matching contributions. There were no significant forfeitures during fiscal year 2019.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 - WASTEWATER TAP AGREEMENT

During fiscal year 2006, the Town entered into an agreement with a developer under which the developer would build a wastewater treatment facility and contribute it to the Town. The wastewater facility was completed and contributed to the Town during 2007, and a capital contribution was recorded. Also under the agreement, the Town agreed to provide to the developer the rights to 2,921 taps (i.e. access fees) to the wastewater system. The value of the wastewater facility approximates the amount of the taps given by the Town. The developer may utilize the taps at its discretion. The Town's guarantee to provide the taps expires in May 2021. The Town has no obligation other than to allow access to its wastewater system, which it has agreed to do whenever the developer determines. As of June 30, 2019, the developer has remaining rights to 1,392 taps.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Town, from time to time, is involved in various lawsuits arising in the ordinary course of its business. The Town maintains insurance coverage to minimize the risk of loss from threatened or pending litigation. It is management's opinion that any pending or threatened litigation will not have a material effect on the Town's financial position or results of operations.

NOTE 13 - SUBSEQUENT EVENTS

Town management has evaluated subsequent events through January 3, 2020, the date the financial statements were available for issuance, and has determined that there was one subsequent event requiring disclosure.

During September 2019, the Town was awarded a grant from the State of Tennessee Highway Department of Transportation ("TDOT") for trail improvements in Preservation Park in the amount of \$1,039,002.

OTHER INFORMATION

TOWN OF THOMPSON'S STATION, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Grantor	Federal CFDA Number	Grant Number / Pass-through Entity Identifying Number	Grant Receivables (Deferred) July 1, 2018	Federal Receipts	Expenditures	Grant Receivables (Deferred) June 30, 2019
U.S. DEPARTMENT OF THE INTERIOR National Park Service's American Battlefield Protection Program (ABPP)	15.928	P14AP00430	\$ 202,472	\$ 202,472	\$ -	\$ -
TOTAL US DEPARTMENT OF THE INTERIOR			<u>202,472</u>	<u>202,472</u>	<u>-</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 202,472</u>	<u>\$ 202,472</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 1 - BASIS OF PRESENTATION

The Schedules of Expenditures of Federal Awards includes the federal grant activity of the Town of Thompson's Station, Tennessee. Because this Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position or changes in financial position of the Town.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The information reported in the Schedules is reported in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements. The federal expenditures are recognized following cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - DE MINIMUS INDIRECT COST RATE

The Town has elected to use the 10-percent de minimus indirect cost rate, when applicable.

See independent auditor's report.

TOWN OF THOMPSON'S STATION, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSU
JUNE 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2018	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2018
<u>Government Activities:</u>									
<u>Payable through General Fund</u>									
Capital Outlay, Series 2013	\$ 1,153,000	2.85%	9/26/2014	9/26/2023	\$ 691,800	\$ -	\$ 115,300	\$ -	\$ 576,500
Capital Outlay, Series 2018	1,550,000	2.90%	3/2/2018	4/1/2030	1,550,000	-	130,000	-	1,420,000
Total					<u>\$ 2,241,800</u>	<u>\$ -</u>	<u>\$ 245,300</u>	<u>\$ -</u>	<u>\$ 1,996,500</u>
<u>Business-type Activities:</u>									
<u>Payable through Wastewater Fund</u>									
Capital Outlay, Series 2014	\$ 1,000,000	2.45%	6/13/2014	5/13/2023	\$ 546,297	\$ -	\$ 111,112	\$ -	\$ 435,185
Total					<u>\$ 546,297</u>	<u>\$ -</u>	<u>\$ 111,112</u>	<u>\$ -</u>	<u>\$ 435,185</u>

See independent auditor's report.



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*

Board of Mayor and Alderman
Town of Thompson’s Station, Tennessee
Thompson’s Station, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Thompson’s Station, Tennessee (the “Town”) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements and have issued our report thereon dated January 3, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Town’s internal control.

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the 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.

Crosslin, PLLC

Nashville, Tennessee
January 3, 2020

TOWN OF THOMPSON'S STATION, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2019

The Town of Thompson's Station had no prior year findings reported.