

**Town of Thompson's Station
Board of Mayor and Aldermen
Meeting Agenda
January 10, 2017**

Meeting Called To Order

Pledge Of Allegiance

Swearing In Of New Aldermen

Minutes-

Consideration Of The Minutes Of The November 8, 2016 Meeting.

Documents:

[11082016 MINUTES.PDF](#)

Public Comments-

Reports-

BOMA Report

- Request to create a business case for the 1942 Chevrolet Fire Truck
- Request for support letter in the private class action lawsuit against Crystal Clear
- Request for ordinance amendment to move BOMA meetings when the meeting falls on Election Day
- Request for ordinance amendment to reduce the size of the Town Planning Commission from seven to five members
- Request for ordinance amendment to prohibit construction activity on federal holidays
- Request to make several text amendments to the Town's Land Development Ordinance

Documents:

[JAN17 BOMA MEETING AGENDA ITEMS.PDF](#)

Town Administrator Report

Documents:

[TA REPORT 01102017.PDF](#)

Finance Report

- FY 2016 Audit

Documents:

[2017 01 BOMA FINANCE REPORT.PDF](#)
[FINAL DIGITAL TOWN OF THOMPSONS STATION FINSTMT JUNE](#)

Unfinished Business:

New Business:

Acceptance Of Roadways And Bond Reduction For:

1. Phase 4 of Fields of Canterbury
2. Phase 5 of Fields of Canterbury
3. Phase 7 of Fields of Canterbury

Documents:

[CANTERBURY PHASE 4 5 AND 7 MEMO.PDF](#)
[FOC 4,5,7 , 9A MNTNCE.PDF](#)
[CANTERBURY PHASE EXHIBIT 06-16-14.PDF](#)

Appointments:

Planning Commission (BOMA Representative)

Parks And Recreation Advisory Board (BOMA Representative)

Board Of Zoning Appeals (Two Expiring Three-Year Terms)

Adjourn

*This meeting will be held at 7:00 p.m. at Thompson's Station Community Center
1555 Thompson's Station Road West*

Town of Thompson's Station
Board of Mayor and Aldermen
Minutes of the Meeting
November 8, 2016

Call to Order.

The meeting of the Board of Mayor and Aldermen of the Town of Thompson's Station was called to order at 7:00 p.m. on Tuesday, November 8, 2016 with the required quorum. Members and staff in attendance were: Mayor Corey Napier; Alderman Brinton Davis; Alderman Sarah Benson; Alderman Graham Shepard; Town Administrator Joe Cosentini; Town Finance Director Tammy Womack; Town Attorney Todd Moore and Town Clerk Jennifer Jones. Alderman Brandon Bell was unable to attend.

Pledge of Allegiance.

Consideration of Minutes. The minutes of the October 11, 2016 Regular Meeting were submitted.

Alderman Davis made a motion to accept the minutes of the October 11, 2016 regular meeting as submitted. The motion was seconded and carried unanimously.

Public Comments:

Karen Sumrall - 3565 Robbins Nest - Construction vehicle traffic concerns within the (Bridgemore Village) neighborhood.

Heath Clark - 1557 Thompson's Station Rd. West - H. Clark Distillery - Discussed the Tennessee Whiskey Trail project and the launching of it at the end of January 2017.

BOMA Report -

Mayor Napier voiced concerns over the construction and blasting within the Bridgemore Village Subdivision. Mr. Cosentini advised that all blasting concerns and complaints are forwarded to the Tennessee State Fire Marshall's office.

Town Administrator Report -

Mr. Cosentini updated the Board about the special census, noting that the Town has received a 35% response rate and is getting ready to send out the second mailing. The Greenway Trail is substantially complete and just awaiting clean up. The Town is getting a lot of positive feedback about the project. First Response Environmental Group is now fully operational on the Lagoon cleanout and the project should finish on time.

Finance Report -

Mrs. Womack stated that there hasn't been a lot of movement in the finance report other than Greenway related. The Thompson's Station/Clayton Arnold project, the Critz Lane design project and the First Response Lagoon clean out project were all added to Capital Projects portion of the Cash Report. The auditors were in last week as well and the report should be available by December 31, 2016.

Unfinished Business:

None

New Business:

- 1. Resolution 2016-023 – A Resolution of the Town of Thompson’s Station, Tennessee to approve a contract with Ecostruct Group, LLC for the construction of a subsurface wastewater drip field project in Tollgate Village and to authorize the Mayor to sign the contract.**

After discussion, Alderman Davis made a motion to approve Resolution 2016-23, A Resolution of the Town of Thompson’s Station, Tennessee to approve a contract with Ecostruct Group, LLC for the construction of a subsurface wastewater drip field project in Tollgate Village and to authorize the Mayor to sign the contract. The Motion was seconded and approved unanimously.

- 2. Resolution 2016-024 - A Resolution of the Town of Thompson’s Station, Tennessee authorizing the acquisition of property by negotiation or condemnation for the realignment of Critz Lane and a new intersection with Columbia Pike.**

After discussion, Alderman Davis made a motion to approve Resolution 2016-024, A Resolution of the Town of Thompson’s Station, Tennessee authorizing the acquisition of property by negotiation or condemnation for the realignment of Critz Lane and a new intersection with Columbia Pike. The motion was seconded and approved unanimously.

- 3. Resolution 2016-025 – A Resolution of the Town of Thompson’s Station, Tennessee to approve an amendment to the existing lease of the Granery Building currently occupied by H. Clark Distillery, LLC.**

After discussion, Alderman Benson made a motion to approve Resolution 2016-025, a Resolution of the Town of Thompson’s Station, Tennessee to approve an amendment to the existing lease of the Granery Building currently occupied by H. Clark Distillery, LLC. The motion was seconded and approved unanimously.

- 4. Resolution 2016-026 – A Resolution of the Town of Thompson’s Station, Tennessee to approve the purchase of a vintage fire engine.**

After discussion, Alderman Davis made a motion to approve Resolution 2016- 026, A Resolution of the Town of Thompson’s Station, Tennessee to approve the purchase of a vintage fire engine. The motion was seconded approved by a vote of 3 to 1, with Alderman Shepard casting the dissenting vote due to unforeseen or additional costs associated with the vehicle.

- 5. Resolution 2016-027 – A Resolution of the Town of Thompson’s Station, Tennessee to approve a subdivision development agreement with MBSC Bridgemore Village, LLC for Phase 8 of Bridgemore Village and to authorize the Mayor to execute said agreement.**

Board of Mayor and Aldermen – Minutes of the Meeting
October 11, 2016

After discussion, Alderman Davis made a motion to approve Resolution 2016-027, A Resolution of the Town of Thompson’s Station, Tennessee to approve a subdivision development agreement with MBSC Bridgemore Village, LLC for Phase 8 of Bridgemore Village and to authorize the Mayor to execute said agreement. The motion was seconded and carried by a vote of 3 to 1 with Alderman Shepard casting the dissenting vote due to issues regarding the suspension of plats.

Appointments:

Staff reviewed the candidates for two vacancies on the Design Review Committee. Kim Peterson would be a re-appointment with a three-year term expiring in December of 2019. Huntly Gordon would be a new appointment with a three-year term expiring in December of 2019.

Alderman Davis made a motion to re-appoint Kim Peterson and appoint Huntly Gordon to the Design Review Committee with terms expiring in December of 2019. The motion was seconded and carried unanimously.

Adjourn

There being no further business, the meeting was adjourned at 7:38 p.m.

Corey Napier, Mayor

Jennifer Jones, Town Recorder

AGENDA ITEM REQUESTS

JANUARY 2017 BOMA MEETING

- (1) Vote to ... Direct Town Staff, in collaboration with Alderman Stover, to present a business case to the Board not later than the May 2017 meeting that determines whether or not the recent purchase of a 1942 Chevrolet Fire Truck was a good investment and/or fiscally responsible. Included in the business case deliverables should be:
- a. Complete upfront cost to purchase the truck
 - b. Complete and detailed list of estimated ongoing costs [insurance, maintenance, fuel, storage, etc.]
 - c. How and how often the truck will be used to benefit the Town
 - d. Estimated revenue from those uses
 - e. When the Town should expect to break-even
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-

- (2) Vote to ... Direct Town Staff to present a draft letter that the Board can review during its February meeting. The letter will express the Town's support of the private class action lawsuit against Crystal Clear and other parties that is currently under appeal and be addressed to the appropriate Court/Judge.
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- (3) Procedural Vote to ... Direct Town Staff to prepare an Ordinance for discussion and First Public Reading for the February 2017 BOMA Meeting to Amend the Composition and Reduce the Size of the Planning Commission from Seven to Five Members
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- (4) Procedural vote to ... Direct Town Staff to prepare an Ordinance for discussion and First Public Reading for the February 2017 BOMA Meeting to Amend the Municipal Code

Title 1 General Administration Chapter 1 BOARD OF MAYOR AND ALDERMEN

Section 1-101. Time and place of regular meetings. Regular meetings of the board of mayor and aldermen of the Town of Thompson's Station, Tennessee, shall be held at 7:00 P.M. on the second Tuesday of each month, except for the months of July and December (in which there shall be no regularly scheduled meetings), *and except in the month of November when the regular meeting would occur on Election Day (in which case the meeting will be held on the second Tuesday in December)*, in the Thompson's Station Community Center at 1555 Thompson's Station Road West, Thompson's Station, Tennessee, 37179. However, if this day falls on a holiday, or a day observed as a holiday, the regular meeting shall be held at the same time and place on the next regular work day.

- (5) Procedural vote to ... Direct Town Staff to prepare an Ordinance for discussion and First Public Reading for the February 2017 BOMA Meeting to Amend the Municipal Code

Title 11 Municipal Offenses

Chapter 1 Offenses against the peace and quiet.

Section 11-101. Hours of construction work.

(2) Construction or demolition work. The carrying on of any construction or demolition work is prohibited at any time on Sundays *and Federal Holidays*, or at any time other than between the hours of 7:00 A.M. and 6:00 P.M. prevailing time, on Saturdays, or between the hours of 7:00 A.M. and 6:00 P.M. prevailing time, on any other days. The provisions of this section shall not apply to interior or exterior repairs or interior alterations when the work is actually performed by a homeowner or occupant between the hours of 8:00 A.M. and 9:00 P.M. prevailing time, provided the work is done without creating any noise disturbance across a residential real property boundary.

- (6) Procedural vote to ... Direct Town Staff to send **ARTICLE 1** proposed LDO Amendments to the Planning Commission for review and recommendation during the January PC meeting and for discussion and First Public Reading for the February 2017 BOMA Meeting.

ARTICLE 1 LDO Amendment Proposals are:

ARTICLE 1 GENERAL PROVISIONS

1.2 Intent

1.2.2 The Town

Add these three bullets

g. Development should occur with a balanced mix of residential and commercial products to positively affect the Town's economy by increasing sales tax revenue.

h. Residential development should include both a balanced and diverse mix of housing products to positively affect the Town's economy by increasing local retail opportunities and growing the tax base.

i. It is the Town's desire that non-modular single-family detached units remain the primary dwelling type.

1.2.3. The community

Modify the following bullet

e. Within neighborhoods, a *balanced* range of housing types should be provided to accommodate diverse ages and incomes *and positively affect the Town's economy by increasing local retail opportunities and growing the tax base.*

1.2.8. Subdivision Regulations

Modify the following bullet

a. That future growth and development in the Town should be performed in an orderly, *balanced*, incremental and predictable manner, in accordance with the General Plan, as adopted and amended.

1.3 Definitions

Modify the following definition

Mixed Use: multiple functions within the same building through superimposition or adjacency, or in multiple buildings by adjacency, or at a proximity determined by warrant. *Residential functions within a mixed use building shall not exceed 66.67% of the total use.*

Modify the following definition

Mixed Use Building: Residential use combined with commercial use within the same building through superimposition or adjacency. This building type is urban in character and frequently is a multi-story building with residential uses above commercial uses. *Residential uses within a mixed use building shall not exceed 66.67% of the total use.*

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- (7) Procedural vote to ... Direct Town Staff to send **ARTICLE 3** proposed LDO Amendments to the Planning Commission for review and recommendation during the January PC meeting and for discussion and First Public Reading for the February 2017 BOMA Meeting.

ARTICLE 3 LDO Amendment Proposals are:

ARTICLE 3 SUBDIVISION REGULATIONS

3.3 Resource Management

3.3.14 Tree Protection

Modify the following bullets

- a. The resource inventory map must identify all non-invasive trees of *17* inches in caliper ... from the Planning Commission for all trees *17* inches in caliper ...
- b. ... which shall document all trees that are *17* inches or greater ...
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- (8) Procedural vote to ... Direct Town Staff to send proposed **Article 4** LDO Amendments to the Planning Commission for review and recommendation during the January PC meeting and for discussion and First Public Reading for the February 2017 BOMA Meeting.

Article 4 LDO Amendment Proposals are:

ARTICLE 4 ZONING

4.1 General

Insert and add the following paragraphs [will require renumbering existing paragraphs]

4.1.1 Intent

The long term intention of the Land Development Ordinance is to guide new development to a higher quality standard while preserving the small town character of Thompson's Station. Achieving the right housing balance will positively affect the Town's economy by increasing local retail opportunities and growing the tax base, both beneficial to the whole Town.

The Land Development Ordinance will help the Town create the right balance of housing by:

- *Ensuring new development preserves the distinctive, historical, and small town character of Thompson's Station for future generations.*
- *Encouraging home ownership as a means to foster long term commitment to neighborhoods, promote pride and stability within a neighborhood, and create a higher rate of maintenance.*
- *Raising the quality standard of new and replacement construction in the Town.*
- *Capturing a larger population of Williamson County's executive, middle and upper income housing.*
- *Encouraging a mix of housing options and lot sizes to meet the needs of a diverse population.*

Social and economic factors will change over time, as will the size and composition of the Town's population. These changes may alter housing preferences and influence the size, quality, and type of homes in demand at any point in time. This Land Development Ordinance is designed to help the Town ensure land use decisions are made in alignment with its long-term development goals.

Short-term market forces should not override the long-term development goals of the Town of Thompson's Station. It is the Town's desire that Single-Family Detached units remain the primary dwelling type in Thompson's Station while simultaneously providing a significant amount of diverse and affordable housing in the form of small detached single-family homes, townhouses, condominiums, and apartments.

4.1.2 Maximum Allowable Dwelling Types

- a. *Maximum Allowable Combined Multi-Family Dwellings [Apartment, Garden Apartment, Condominium] plus Dwellings in Mixed Use Buildings [Apartments and Condominiums] plus Single-Family Attached Dwellings [Townhome, Live Work, Duplex, Triplex]:*

The total combined number of the above dwelling unit types in all zoning districts throughout the Town of Thompson's Station, excluding the "Town Center" G3 Targeted Growth Sector, shall not exceed 25% of the total number of non-modular Single-Family Detached dwellings within the Town of Thompson's Station.

- (9) Procedural vote to ... Direct Town Staff to send proposed **Article 5** LDO Amendments to the Planning Commission for review and recommendation during the January PC meeting and for discussion and First Public Reading for the February 2017 BOMA Meeting.

Article 5 LDO Amendment Proposals are:

ARTICLE 5 ADMINISTRATION AND PROCESS

5.3 Zoning Process

Change wording in paragraph

5.3.1 Amendments to the Ordinance

No change or departure from the text or maps of this ordinance shall be made, unless such amendment be first submitted to the Planning Commission *for review and recommendation. The Town Administrator shall ensure no amendment proposal takes longer than forty (40) days between the time it is submitted to the Town and the time it is reviewed by the Planning Commission. After Planning Commission review and regardless of recommendation [approve, disapprove, or no recommendation], the Town Administrator shall ensure the first Public Hearing of the amendment proposal takes place during the next Town Board of Mayor and Aldermen meeting.*

Before finally adopting any such amendment ...

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1550 Thompson's Station Road W.
P.O. Box 100
Thompson's Station, TN 37179

DATE: January 4, 2017
TO: The Board of Mayor and Aldermen (BOMA)
FROM: Joe Cosentini, Town Administrator
SUBJECT: TA Report 1/10/2017

Non-Agenda Updates:

Lagoon 1 Cleanout:

We have encountered an issue regarding the progress on the clean out of Cell #1. The coagulant used to make the sludge manageable begins to get too thick when temperatures get cold. In addition, the Town does not have sufficient storage available within Cell #2 to handle the remaining liquid. We have decided the best course of action is to demobilize all onsite work so we can bring the Cell #2 water level down and restart the cleanout in April, 2017.

Critz Lane Realignment:

We have been notified by one of the property owners that they would like to proceed through the condemnation process for the necessary right-of-way acquisition. This was anticipated and should not have an effect on our goal to bid the project next month.

New Town Hall:

I have met with C&I Design on several occasions in preparation of getting the bid package ready for our new Town Hall structure. We are on pace to have the documents ready at the end of the month. I would like to schedule a time where the Board can get together and provide comment on the structure as well as the finishes being contemplated. I will be sending out a few possible dates in the next few days.

Special Census:

The special census is still proceeding with our current response at just over 60%. The Town has been conducting phone reminders and is scheduled for a door-to-door push on Saturday, January 14th. As of January 5, we have received 1337 responses and have accounted for 3,809 residents.

Atmos Gas Franchise Agreement:

I have been asked to investigate the potential removal of the approved fee from the recently approved Atmos Gas Franchise agreement. The agreement contains a five year no-fee period followed by a gradual increase in the fee to 5% in the last five-year period of the 20-year agreement.

Capital Improvements Plan (CIP):

As discussed, additional projects are being added to the Capital Improvements Plan. These projects include the following:

- Critz Lane Improvement (West side of 31 – ROW for SW quadrant of 840)
- Property Acquisition for Preservation Park
- Improvements to Maintenance Facility
- Light shields at Independence High School
- Private technology easement condemnation
- Clayton Arnold and Thompson's Station Road East Intersection Improvements
- Town provided internet/telecommunication
- Video recording system for public meetings
- Infrastructure to increase walkability for the new K-8 school on Clayton Arnold Road

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Alderman Shepard has distributed a prioritization list to all aldermen and, once all projects have been ranked, they will be added to the CIP document.

Impact Fee Evaluation:

I have been asked to conduct a study on our existing impact fee level given the addition of capital projects to the Capital Improvements Plan. Impact fees are used primarily for capital projects necessary to serve the new growth particularly when these improvements are impacted by more than one development. This evaluation will only consider projects that are related to growth.

Wastewater Capital Accounting:

I have received several questions regarding the capital accounting of the Regional Wastewater Facility when the Town assumed control of the infrastructure in 2006. Our auditors and representatives from the Municipal Technical Advisory Service have confirmed that the accounting methods used for this asset have been done correctly. That said, staff is working on setting up a meeting with our auditors so interested members of the Board can ask questions directly and clear up any misunderstandings.

General Plan Update:

There has been a request for a workshop to begin the process of updating and revising our existing General Plan. I will be sending out potential meeting dates and times shortly.

Williamson County Schools and Crystal Clear:

A question has been asked as to what telecommunication provider will be providing service to the new school being built on Clayton Arnold Road. The State of Tennessee has a contract with AT&T to provide telecommunication services to all existing and new schools within the State. It has been brought to my attention that Williamson County Schools will not likely be paying a monthly "opt-out" fee to Crystal Clear Technologies like the other residents in Bridgemore. This has led to a request for the following items to be reported on in February:

1. Which Federal, State, or local laws, if any enable the new K-8 Williamson County School in Bridgemore Village to not pay an ongoing monthly "opt-out" fee to Crystal Clear which Bridgemore residents would be forced to pay if they contracted with AT&T to provide service or would be forced to pay even if they did not want and did not receive any service from anyone.
2. Which Federal, State or local laws, if any, enable AT&T in serving the new K-8 Williamson County Schools in Bridgemore Village to cross over/under or use Crystal Clear's private technology easements without paying any fee of any kind to Crystal Clear.
3. Which Federal, State, or local laws, if any, enable the new K-8 Williamson County School in Bridgemore Village to not pay an ongoing monthly "opt out" fee while commercial businesses in Tollgate Village are forced to use Crystal Clear or pay an "opt out" fee; and
4. If there are no such Federal, State, or local laws, explain why and how the new K-8 Williamson County School in Bridgemore Village gets special treatment. For example, if the school is not considered part of Bridgemore Village, why could this plat be sold and separated from Bridgemore Village and other plats sold (to Shaw & Franks) are not allowed to be separated.



**Town of Thompson's Station
Cash Balance Report
As of December 31, 2016**

| | November 2016 | December 2016 |
|--|--------------------------|--------------------------|
| General Fund: | | |
| Checking Account | 146,236 | 73,610 |
| Money Market Investment Accounts | 6,253,802 | 6,680,351 |
| Total General Fund Cash | 6,400,038 | 6,753,960 |
| Less: Developer Cash Bonds Held | (424,800) | (424,800) |
| Less: County Privilege Tax Held | (61,978) | (63,582) |
| Less: County Mixed Drink Tax Payable | (1,956) | (1,380) |
| Less: Capital Projects (Original Allocation) | | |
| Greenway Trail (679,778) | (188,889) | (32,009) |
| Parks (100,000 + 165,000) | (199,609) | (198,620) |
| New Town Hall Design (25,000) | (4,700) | (3,000) |
| Critz Lane Realignment Design (46,825) | (46,825) | (46,825) |
| Critz Lane Redesign (596,000) | (596,000) | (590,100) |
| Critz Lane Realignment Construction (1,200,000) | | (1,200,000) |
| Clayton Arnold / T. S. Rd E Intersection (38,750) | (38,750) | (21,350) |
| Cash Available - General Fund | 4,836,531 | 4,172,295 |
| Wastewater Fund: | | |
| Checking Account | 119,812 | 98,289 |
| Money Market Investment Accounts | 2,316,374 | 2,367,037 |
| Total Wastewater Fund Cash | 2,436,187 | 2,465,326 |
| Less: Lagoon Clean Out (Professional Fees) (445,000) | (281,017) | (190,130) |
| Less: Capital Projects (Original Allocation) | | |
| SIA Wastewater Work (19,196) | (19,196) | (19,196) |
| Tollgate Drip Field Construction (456,876) | (456,876) | (456,876) |
| Cash Available - Wastewater Fund | 1,679,098 | 1,799,124 |
| Total Cash Available | 6,515,628 | 5,971,419 |



**Town of Thompson's Station
General Fund Revenue Analysis
As of December 31, 2016**

**Year to Date
Budget versus Actual**

| | November 2016 | December 2016 | Budget | % of Budget | Comment |
|---------------------------------------|--------------------------|--------------------------|------------------|--------------------|------------------------|
| Revenues: | | | | | |
| 31111 Real Property Tax Revenue | 2,370 | 12,143 | 150,000 | 8% | |
| 31310 Interest & Penalty Revenue | 47 | 47 | - | | |
| 31610 Local Sales Tax - Trustee | 349,597 | 416,397 | 700,000 | 59% | |
| 31710 Wholesale Beer Tax | 45,565 | 54,627 | 100,000 | 55% | |
| 31720 Wholesale Liquor Tax | 989 | 2,443 | - | | |
| 31810 City Portion of County Priv Tax | 15,643 | 18,617 | 35,000 | 53% | |
| 31900 CATV Franchise Fee Income | 7,645 | 7,645 | 12,000 | 64% | |
| 32000 Beer Permits | - | 500 | 500 | 100% | |
| 32200 Building Permits | 122,297 | 143,467 | 396,000 | 36% | |
| 32230 Submittal & Review Fees | 15,753 | 28,543 | 30,000 | 95% | |
| 32245 Miscellaneous Fees | 1,100 | 1,130 | 105 | 1,076% | Fireworks stand |
| 32260 Business Tax Revenue | 11,449 | 11,549 | 75,000 | 15% | |
| 32300 Impact Fees | 180,946 | 212,737 | 742,500 | 29% | |
| 33320 TVA Payments in Lieu of Taxes | - | 7,562 | 29,000 | 26% | |
| 33510 Local Sales Tax - State | 91,018 | 109,079 | 170,000 | 64% | |
| 33520 State Income Tax | - | - | 100,000 | 0% | |
| 33530 State Beer Tax | 690 | 690 | 1,000 | 69% | |
| 33535 Mixed Drink Tax | 7,458 | 8,837 | 4,000 | 221% | |
| 33552 State Streets & Trans. Revenue | 2,263 | 2,714 | 5,500 | 49% | |
| 33553 SSA - Motor Fuel Tax | 21,862 | 26,487 | 48,000 | 55% | |
| 33554 SSA - 1989 Gas Tax | 3,495 | 4,283 | 7,700 | 56% | |
| 33555 SSA - 3 Cent Gas Tax | 6,487 | 7,949 | 14,300 | 56% | |
| 33725 Greenways & Trails Grant | 236,867 | 510,880 | 599,000 | 85% | |
| 36120 Interest Earned - Invest. Accts | 7,197 | 8,745 | 7,500 | 117% | |
| 37746 Pavilion & Comm. Ctr. Rental | 3,484 | 3,984 | 10,000 | 40% | |
| 37747 Pavilion Comm. Ctr Dep Refund | (2,350) | (2,750) | (6,000) | 46% | |
| 37990 Other Revenue | 7,250 | 86,868 | - | | TSCA |
| 39999 Budgeted Fund Balance - GF | - | - | - | | |
| Total Revenue | 1,139,122 | 1,685,173 | 3,231,105 | | |



**Town of Thompson's Station
General Fund Revenue Analysis
As of December 31, 2016**

**Month to Month
Trend Analysis**

| | November 2016 | December 2016 | Current Change | Comment |
|---------------------------------------|--------------------------|--------------------------|---------------------------|-------------------------------|
| Revenues: | | | | |
| 31111 Real Property Tax Revenue | - | 9,773 | 9,773 | |
| 31310 Interest & Penalty Revenue | - | 0 | 0 | |
| 31610 Local Sales Tax - Trustee | 73,576 | 66,800 | (6,776) | |
| 31710 Wholesale Beer Tax | 8,383 | 9,062 | 679 | |
| 31720 Wholesale Liquor Tax | 203 | 1,454 | 1,251 | |
| 31810 City Portion of County Priv Tax | 2,536 | 2,974 | 438 | |
| 31900 CATV Franchise Fee Income | 3,181 | (0) | (3,181) | Charter pays quarterly |
| 32000 Beer Permits | - | 500 | 500 | |
| 32200 Building Permits | 21,132 | 21,170 | 38 | |
| 32230 Submittal & Review Fees | 524 | 12,790 | 12,266 | Tollgate Phases 15, 16, 17 |
| 32242 Miscellaneous Fees | 1,030 | 30 | (1,000) | Fireworks stand |
| 32260 Business Tax Revenue | 3,010 | 100 | (2,910) | |
| 32300 Impact Fees | 30,989 | 31,791 | 802 | |
| 33320 TVA Payments in Lieu of Taxes | - | 7,562 | 7,562 | |
| 33510 Local Sales Tax - State | 18,853 | 18,061 | (792) | |
| 33520 State Income Tax | - | - | - | |
| 33530 State Beer Tax | - | 0 | 0 | |
| 33535 Mixed Drink Tax | 1,957 | 1,379 | (578) | |
| 33552 State Streets & Trans. Revenue | 451 | 451 | 0 | |
| 33553 SSA - Motor Fuel Tax | 4,023 | 4,625 | 602 | |
| 33554 SSA - 1989 Gas Tax | 604 | 788 | 184 | |
| 33555 SSA - 3 Cent Gas Tax | 1,121 | 1,462 | 341 | |
| 33725 Greenways & Trails Grant | - | 274,013 | 274,013 | TDOT Reimbursement |
| 36120 Interest Earned - Invest. Accts | 2,216 | 1,548 | (668) | Interest rate adjusted upward |
| 37746 Pavilion & Comm. Ctr. Rental | 650 | 500 | (150) | |
| 37747 Pavilion Comm. Ctr Dep Refund | - | (400) | (400) | |
| 37990 Other Revenue | 4,250 | 79,618 | 75,368 | TSCA |
| 39999 Budgeted Fund Balance - GF | - | - | - | |
| Total Revenue | 178,689 | 546,051 | 367,362 | |



Town of Thompson's Station
 General Fund Expenditure Analysis
 As of December 31, 2016

Year to Date
 Actual versus Budget

| | <u>December</u> <u>2016</u> | <u>Budget</u> | <u>% of Budget</u> | <u>Comment</u> |
|---|--------------------------------|----------------|--------------------|----------------|
| <u>BOMA</u> | | | | |
| 41110 Salaries | 12,624 | 30,000 | 42% | |
| 41141 FICA | 778 | 2,000 | 39% | |
| 41142 Medicare | 182 | 500 | 36% | |
| 41147 SUTA | 300 | 300 | 100% | |
| 41161 General Expenses | 313 | 1,000 | 31% | |
| TOTAL BOMA | 14,197 | 33,800 | | |
| <u>Town Administration</u> | | | | |
| 41110 Salaries | 69,649 | 140,000 | 50% | |
| 41141 FICA | 4,310 | 9,000 | 48% | |
| 41142 Medicare | 1,008 | 2,000 | 50% | |
| 41147 SUTA | 4 | 1,000 | 0% | |
| 41235 Memberships & Subscriptions | 1,320 | 1200 | 109% | |
| 41280 Travel | 69 | 1500 | 5% | |
| 41285 Continuing Education | 275 | 500 | 55% | |
| 41289 Retirement | 3,441 | 7000 | 49% | |
| TOTAL Town Administration | 80,076 | 162,200 | | |
| <u>Finance</u> | | | | |
| 41110 Salaries | 37,620 | 110,000 | 34% | |
| 41141 FICA | 2,328 | 7,000 | 33% | |
| 41142 Medicare | 545 | 1,500 | 36% | |
| 41147 SUTA | 2 | 1,000 | 0% | |
| 41235 Memberships & Subscriptions | 436 | 500 | 87% | |
| 41253 Prof. Fees - Auditor | 13,500 | 13,500 | 100% | |
| 41280 Travel | 149 | 500 | 30% | |
| 41285 Continuing Education | 725 | 1,000 | 73% | |
| 41289 Retirement | 2,410 | 5,500 | 44% | |
| 41551 Trustee Commission | 634 | 3,000 | 21% | |
| 41691 Bank Charges | 66 | 2,000 | 3% | |
| TOTAL Finance | 58,415 | 145,500 | | |
| <u>Planning & Zoning</u> | | | | |
| 41110 Salaries | 34,655 | 115,000 | 30% | |
| 41141 FICA | 2,139 | 7,500 | 29% | |
| 41142 Medicare | 500 | 1,800 | 28% | |
| 41147 SUTA | 28 | 800 | 4% | |
| 41230 Recording & Filing Fees | - | 1,000 | 0% | |
| 41231 Legal Notices | 1,118 | 3,000 | 37% | |
| 41235 Memberships & Subscriptions | 637 | 500 | 127% | |
| 41254 Prof. Fees - Consulting Engineers | 21,123 | 40,000 | 53% | |
| 41280 Travel | - | 500 | 0% | |
| 41285 Continuing Education | - | 1,000 | 0% | |
| 41289 Retirement | 1,653 | 5,750 | 29% | |
| TOTAL Planning & Zoning | 61,853 | 176,850 | | |



**Town of Thompson's Station
General Fund Expenditure Analysis
As of December 31, 2016**

**Year to Date
Actual versus Budget**

| | December 2016 | Budget | % of Budget | Comment |
|--|--------------------------|----------------|--------------------|----------------|
| <u>Building & Codes Enforcement</u> | | | | |
| 41110 Salaries | 35,265 | 135,000 | 26% | |
| 41141 FICA | 2,178 | 8,500 | 26% | |
| 41142 Medicare | 509 | 2,000 | 25% | |
| 41147 SUTA | 2 | 1,000 | 0% | |
| 41235 Memberships & Subscriptions | 202 | 500 | 40% | |
| 41285 Continuing Education | 300 | 1,000 | 30% | |
| 41289 Retirement | 1,702 | 6,750 | 25% | |
| TOTAL Building & Codes Enforcement | 40,158 | | | |
| <u>Streets & Maintenance</u> | | | | |
| 41110 Salaries | 48,976 | 95,000 | 52% | |
| 41141 FICA | 3,025 | 6,000 | 50% | |
| 41142 Medicare | 707 | 1,500 | 47% | |
| 41147 SUTA | 3 | 1,000 | 0% | |
| 41235 Memberships & Subscriptions | 17 | 500 | 3% | |
| 41264 Repairs & Maintenance - Vehicles | 3,054 | 10,000 | 31% | |
| 41266 Repairs & Maintenance - Buildings | 7,014 | 30,000 | 23% | |
| 41268 Repairs & Maintenance - Roads | 27,332 | 291,005 | 9% | |
| 41269 SSA - Street Repair Expense | - | 70,000 | 0% | |
| 41270 Vehicle Fuel & Oil | 4,022 | 15,000 | 27% | |
| 41285 Continuing Education | - | 1,000 | 0% | |
| 41289 Retirement | 2,475 | 4,750 | 52% | |
| TOTAL Streets & Maintenance | 96,625 | 525,755 | | |
| <u>Information Technology</u> | | | | |
| 41110 Salaries | 21,723 | 45,000 | 48% | |
| 41141 FICA | 1,343 | 3,000 | 45% | |
| 41142 Medicare | 314 | 700 | 45% | |
| 41147 SUTA | 1 | 500 | 0% | |
| 41235 Memberships & Subscriptions | 17 | 500 | 3% | |
| 41285 Continuing Education | - | 1,000 | 0% | |
| 41289 Retirement | 977 | 2,250 | 43% | |
| TOTAL Information Technology | 24,375 | 52,950 | | |
| <u>Town Hall</u> | | | | |
| 41211 Postage | 530 | 1,000 | 53% | |
| 41221 Printing, Forms & Photocopy | 2,805 | 6,000 | 47% | |
| 41241 Utilities - Electricity | 4,193 | 14,000 | 30% | |
| 41242 Utilities - Water | 918 | 2,300 | 40% | |
| 41244 Utilities - Gas | 496 | 2,000 | 40% | |
| 41245 Telecommunications Expense | 1,802 | 4,500 | 40% | |
| 41259 Prof. Fees - Other | 24,500 | 50,000 | 49% | |
| 41300 Economic Development | 6,417 | 7,500 | 86% | |
| 41311 Office Expense | 10,608 | 15,000 | 71% | |
| 41511 Insurance - Property | 2,474 | 2,800 | 88% | |
| 41512 Insurance - Workers Comp. | 7,266 | 14,600 | 50% | |
| 41513 Insurance - Liability | 4,298 | 4,500 | 96% | |
| 41514 Insurance - Medical | 46,233 | 100,000 | 46% | |
| 41515 Insurance - Auto | 1,620 | 2,300 | 70% | |
| 41516 Insurance - E & O | 10,695 | 12,000 | 89% | |
| 41720 Donations | 88,505 | 100,000 | 89% | |
| 41899 Other Expenses | 8,045 | 10,000 | 80% | |
| 49030 Capital Outlay Note Payment | 128,444 | 160,000 | 80% | |
| TOTAL Town Hall | 349,849 | 508,500 | | |



**Town of Thompson's Station
General Fund Expenditure Analysis
As of December 31, 2016**

**Year to Date
Actual versus Budget**

| | December 2016 | Budget | % of Budget | Comment |
|---|--------------------------|----------------|--------------------|----------------|
| <u>Legal</u> | | | | |
| 41252 Prof. Fees - Legal Fees | 55,028 | 100,000 | 55% | |
| 41255 Prof. Fees - Municipal Court | - | 6,000 | 0% | |
| TOTAL Legal | 55,028 | 106,000 | | |
| <u>Parks & Recreation</u> | | | | |
| 41265 Parks & Recreation Expense | 8,707 | 20,000 | 44% | |
| TOTAL Parks & Recreation | 8,707 | | | |
| <u>Animal Control</u> | | | | |
| 41291 Animal Control Services | - | 3,300 | 0% | |
| TOTAL Animal Control | - | | | |
| <u>Transfers</u> | | | | |
| 41940 Transfer to Capital | 703,199 | 1,341,500 | 52% | |
| TOTAL Transfers | 703,199 | | | |
| <u>Combined Total</u> | | | | |
| 41110 Salaries | 260,512 | 670,000 | 39% | |
| 41141 FICA | 16,101 | 43,000 | 37% | |
| 41142 Medicare | 3,765 | 10,000 | 38% | |
| 41147 SUTA | 340 | 5,600 | 6% | |
| 41161 General Expenses | 313 | 1,000 | 31% | |
| 41211 Postage | 530 | 1,000 | 53% | |
| 41221 Printing, Forms & Photocopy | 2,805 | 6,000 | 47% | |
| 41230 Recording & Filing Fees | - | 1,000 | 0% | |
| 41231 Legal Notices | 1,118 | 3,000 | 37% | |
| 41235 Memberships & Subscriptions | 2,615 | 3,700 | 71% | |
| 41241 Utilities - Electricity | 4,193 | 14,000 | 30% | |
| 41242 Utilities - Water | 918 | 2,300 | 40% | |
| 41244 Utilities - Gas | 496 | 2,000 | 25% | |
| 41245 Telecommunications Expense | 1,802 | 4,500 | 40% | |
| 41252 Prof. Fees - Legal Fees | 55,028 | 100,000 | 55% | |
| 41253 Prof. Fees - Auditor | 13,500 | 13,500 | 100% | |
| 41254 Prof. Fees - Consulting Engineers | 21,123 | 40,000 | 53% | |
| 41255 Prof. Fees - Municipal Court | - | 6,000 | 0% | |
| 41259 Prof. Fees - Other | 24,500 | 50,000 | 49% | |
| 41264 Repairs & Maintenance - Vehicles | 3,054 | 10,000 | 31% | |
| 41265 Parks & Recreation Expense | 8,707 | 20,000 | 44% | |
| 41266 Repairs & Maintenance - Buildings | 7,014 | 30,000 | 23% | |
| 41268 Repairs & Maintenance - Roads | 27,332 | 291,005 | 9% | |
| 41269 SSA - Street Repair Expense | - | 70,000 | 0% | |
| 41270 Vehicle Fuel & Oil | 4,022 | 15,000 | 27% | |
| 41280 Travel | 218 | 2,500 | 9% | |
| 41285 Continuing Education | 1,300 | 5,500 | 24% | |
| 41289 Retirement | 12,658 | 32,000 | 40% | |
| 41291 Animal Control Services | - | 3,300 | 0% | |
| 41300 Economic Development | 6,417 | 7,500 | 86% | |
| 41311 Office Expense | 10,608 | 15,000 | 71% | |
| 41511 Insurance - Property | 2,474 | 2,800 | 88% | |
| 41512 Insurance - Workers Comp. | 7,266 | 14,600 | 50% | |
| 41513 Insurance - Liability | 4,298 | 4,500 | 96% | |
| 41514 Insurance - Medical | 46,233 | 100,000 | 46% | |
| 41515 Insurance - Auto | 1,620 | 2,300 | 70% | |
| 41516 Insurance - E & O | 10,695 | 12,000 | 89% | |
| 41551 Trustee Commission | 634 | 3,000 | 21% | |
| 41691 Bank Charges | 66 | 2,000 | 3% | |



Town of Thompson's Station
 General Fund Expenditure Analysis
 As of December 31, 2016

Year to Date
 Actual versus Budget

| | <u>December</u> <u>2016</u> | <u>Budget</u> | <u>% of Budget</u> | <u>Comment</u> |
|-----------------------------------|--------------------------------|------------------|--------------------|----------------|
| <u>Combined Total Con't</u> | | | | |
| 41720 Donations | 88,505 | 100,000 | 89% | |
| 41899 Other Expenses | 8,045 | 10,000 | 80% | |
| 41940 Transfer to Capital | 703,199 | 1,341,500 | 52% | |
| 49030 Capital Outlay Note Payment | 128,444 | 160,000 | 80% | |
| TOTAL | 1,492,469 | 3,231,105 | | |
| NET INCOME | 192,704 | - | | |



**Town of Thompson's Station
General Fund Expenditure Analysis
As of December 31, 2016**

**Month to Month
Trend Analysis**

| | November 2016 | December 2016 | Current Change | Comment |
|---|--------------------------|--------------------------|---------------------------|-----------------------------|
| Combined Total | | | | |
| 41110 Salaries | 37,139 | 42,802 | 5,663 | |
| 41141 FICA | 2,294 | 2,603 | 309 | |
| 41142 Medicare | 537 | 607 | 70 | |
| 41147 SUTA | 2 | 3 | 1 | |
| 41161 General Expenses | 44 | 270 | 226 | |
| 41211 Postage | 192 | 3 | (189) | |
| 41221 Printing, Forms & Photocopy | 796 | 378 | (418) | |
| 41230 Recording & Filing Fees | - | - | - | |
| 41231 Legal Notices | 672 | 53 | (619) | |
| 41235 Memberships & Subscriptions | 773 | 14 | (759) | |
| 41241 Utilities - Electricity | 696 | 704 | 8 | |
| 41242 Utilities - Water | 153 | 141 | (12) | |
| 41244 Utilities - Gas | 76 | 118 | 42 | |
| 41245 Telecommunications Expense | 320 | 320 | 0 | |
| 41252 Prof. Fees - Legal Fees | 8,210 | 12,865 | 4,655 | |
| 41253 Prof. Fees - Auditor | 2,500 | 8,500 | 6,000 | Final billing |
| 41254 Prof. Fees - Consulting Engineers | 2,175 | - | (2,175) | |
| 41255 Prof. Fees - Municipal Court | - | - | - | |
| 41259 Prof. Fees - Other | 19,500 | - | (19,500) | Placemakers - Design Guide. |
| 41264 Repairs & Maintenance - Vehicles | 2,081 | 672 | (1,409) | |
| 41265 Parks & Recreation Expense | 1,179 | 1,673 | 494 | |
| 41266 Repairs & Maintenance - Buildings | 1,903 | 1,100 | (803) | |
| 41268 Repairs & Maintenance - Roads | 4,798 | 10,860 | 6,062 | Fence at Maintenance Shop |
| 41269 SSA - Street Repair Expense | - | - | - | |
| 41270 Vehicle Fuel & Oil | 806 | 556 | (250) | |
| 41280 Travel | - | - | - | |
| 41285 Continuing Education | 170 | 110 | (60) | |
| 41289 Retirement | 1,845 | 1,934 | 89 | |
| 41291 Animal Control Services | - | - | - | |
| 41300 Economic Development | 150 | - | (150) | |
| 41311 Office Expense | 670 | 674 | 4 | |
| 41511 Insurance - Property | - | - | - | |
| 41512 Insurance - Workers Comp. | - | - | - | |
| 41513 Insurance - Liability | - | - | - | |
| 41514 Insurance - Medical | 3,545 | 8,115 | 4,570 | Timing - new plan year |
| 41515 Insurance - Auto | - | - | - | |
| 41516 Insurance - E & O | - | - | - | |
| 41551 Trustee Commission | - | 586 | 586 | |
| 41691 Bank Charges | - | - | - | |
| 41720 Donations | 596 | - | (596) | |
| 41899 Other Expenses | 2,728 | - | (2,728) | Special census |
| 41940 Transfer to Capital | 340,985 | 29,980 | (311,005) | Trail, vintage firetruck |
| 49030 Capital Outlay Note Payment | - | - | - | |
| TOTAL | 437,536 | 125,640 | (311,895) | |



Town of Thompson's Station
Wastewater Fund Revenue and Expense Analysis
As of December 31, 2016

Year to Date
 Actual versus Budget

| | November 2016 | December 2016 | Budget | % of Budget | Comment |
|--|------------------|------------------|----------------|-------------|------------------|
| Revenues: | | | | | |
| 3100 Wastewater Treatment Fees | 360,869 | 423,302 | 550,000 | 77% | |
| 3101 Septage Disposal Fees | 3,850 | 4,650 | 10,000 | 47% | |
| 3105 Late Payment Penalty | 4,874 | 4,874 | - | 100% | |
| 3109 Uncollectible Accounts | - | - | (5,000) | 0% | |
| 4009 Returned Check Charges | 35 | 35 | - | 100% | |
| Total revenues | <u>369,628</u> | <u>432,861</u> | <u>555,000</u> | | |
| Operating Expenses: | | | | | |
| Supply and Operations: | | | | | |
| 4010 Payroll Expense | 43,298 | 54,004 | 110,000 | 49% | |
| 4150 WW Infrastructure Installed | 976 | 4,087 | 25,000 | 16% | |
| 4210 Permits & Fees Expense | - | 520 | 10,000 | 5% | |
| 4220 Laboratory Water Testing | 2,430 | 2,430 | 12,000 | 20% | |
| 4230 Supplies Expense | 1,995 | 1,995 | 7,500 | 27% | |
| 4240 Repairs & Maint. Expense | 35,677 | 39,995 | 82,000 | 49% | |
| 4250 Fuel & Oil Expenses | 977 | 1,433 | 4,000 | 36% | |
| 4280 Billing Charges | 1,772 | 2,888 | 16,000 | 18% | |
| 4310 Utilities - Electric | 35,182 | 44,219 | 100,000 | 44% | |
| 4320 Utilities - Water | 1,628 | 1,853 | 2,500 | 74% | |
| 4390 Insurance Expense | 20,278 | 20,278 | 20,000 | 101% | |
| 4400 Prof. Fees-Consulting Engineers | 16,844 | 16,844 | 75,000 | 22% | |
| 4420 Prof. Fees - Auditor | - | - | 2,000 | 0% | |
| 4490 Prof. Fees - Other | 166,148 | 257,035 | 10,000 | 2570% | Lagoon clean out |
| 4710 Payroll Taxes - FICA | 2,678 | 3,384 | 7,000 | 48% | |
| 4720 Payroll Taxes - Medicare | 626 | 791 | 2,000 | 40% | |
| 4730 Payroll Taxes - SUTA | 2 | 3 | 1,000 | 0% | |
| 4789 Employee Retirement Expense | 2,160 | 2,694 | 6,000 | 45% | |
| 4800 Bank Charges | 33 | 33 | 500 | 7% | |
| 4900 Other Expense | 520 | - | 1,000 | 0% | |
| Total supply and operations | <u>333,224</u> | <u>454,486</u> | <u>493,500</u> | | |
| Depreciation | | | | | |
| 4990 Depreciation Expense | 114,585 | 137,502 | 275,000 | 50% | |
| Total operating expenses | <u>447,809</u> | <u>591,988</u> | <u>768,500</u> | | |
| Operating loss | (78,181) | (159,127) | (213,500) | | |
| Non-Operating Income (Expense): | | | | | |
| 3300 Tap Fees | 596,531 | 621,531 | 687,500 | 90% | |
| 3902 Interest Income - Invest Accts | 2,343 | 3,006 | 500 | 601% | |
| 4100 Capital Expenditures | (16,608) | (16,858) | (328,500) | 5% | |
| 4993 Loan Repayment-Franklin Synergy | (46,296) | (55,556) | - | | |
| 4994 Interest Expense | (7,796) | (9,271) | (22,000) | 42% | |
| 4995 Interest Expense - Interfund Loan | - | - | (12,000) | 0% | |
| Total non-operating income | <u>528,174</u> | <u>542,852</u> | <u>325,500</u> | | |
| Change in Net Position | <u>449,993</u> | <u>383,725</u> | <u>112,000</u> | | |



Town of Thompson's Station
Wastewater Fund Revenue and Expense Analysis
As of December 31, 2016

Month to Month
Trend Analysis

| | November 2016 | December 2016 | Current Change | Comment |
|--|--------------------------|--------------------------|---------------------------|-------------------------|
| Revenues: | | | | |
| 3100 Wastewater Treatment Fees | 79,760 | 62,433 | (17,327) | |
| 3101 Septage Disposal Fees | 600 | 800 | 200 | |
| 3105 Late Payment Penalty | (25) | (0) | 25 | |
| 3109 Uncollectible Accounts | - | - | - | |
| 4009 Returned Check Charges | - | - | - | |
| Total revenues | 80,335 | 63,233 | (17,102) | |
| Operating Expenses: | | | | |
| Supply and Operations: | | | | |
| 4010 Payroll Expense | 7,985 | 10,706 | 2,721 | |
| 4150 WW Infrastructure Installed | 976 | 3,111 | 2,135 | |
| 4210 Permits & Fees Expense | - | 520 | 520 | |
| 4220 Laboratory Water Testing | 300 | 0 | (300) | |
| 4230 Supplies Expense | 836 | 0 | (836) | |
| 4240 Repairs & Maint. Expense | 920 | 4,318 | 3,398 | |
| 4250 Fuel & Oil Expense | 521 | 456 | (65) | |
| 4280 Billing Charges | 458 | 1,116 | 658 | |
| 4310 Utilities - Electric | 8,992 | 9,037 | 45 | |
| 4320 Utilities - Water | 250 | 225 | (25) | |
| 4390 Insurance Expense | - | - | - | |
| 4400 Prof. Fees-Consulting Engineers | 4,969 | (1) | (4,970) | |
| 4420 Prof. Fees - Auditor | - | - | - | |
| 4490 Prof. Fees - Other | 164,415 | 90,887 | (73,528) | Lagoon clean out |
| 4710 Payroll Taxes - FICA | 494 | 706 | 212 | |
| 4720 Payroll Taxes - Medicare | 115 | 165 | 50 | |
| 4730 Payroll Taxes - SUTA | - | 1 | 1 | |
| 4789 Employee Retirement Expense | 399 | 534 | 135 | |
| 4800 Bank Charges | - | (0) | (0) | |
| 4900 Other Expense | - | (520) | (520) | |
| Total supply and operations | 191,630 | 121,262 | (70,368) | |
| Depreciation | | | | |
| 4990 Depreciation Expense | 22,917 | 22,917 | - | |
| Total operating expenses | 214,547 | 144,179 | (70,368) | |
| Operating loss | (111,295) | (58,029) | (17,102) | |
| Non-Operating Income (Expense): | | | | |
| 3300 Tap Fees | 30,252 | 25,000 | (5,252) | |
| 3902 Interest Income - Invest Accts | 662 | 663 | 1 | |
| 4100 Capital Expenditures | - | 250 | 250 | |
| 4993 Loan Repayment-Franklin Synergy | (9,259) | (9,260) | (1) | |
| 4994 Interest Expense | (1,540) | (1,475) | 65 | |
| 4995 Interest Expense - Interfund Loan | - | - | - | |

TOWN OF THOMPSON'S STATION, TENNESSEE

**AUDITED FINANCIAL STATEMENTS
AND OTHER INFORMATION**

JUNE 30, 2016

TOWN OF THOMPSON'S STATION, TENNESSEE

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TOWN OF THOMPSON'S STATION, TENNESSEE
DIRECTORY OF OFFICIALS
JUNE 30, 2016

| <u>Title</u> | <u>Name of Official</u> |
|--------------------|-------------------------|
| Mayor | Corey Napier |
| Alderman | Brandon Bell |
| Alderman | Sarah Benson |
| Alderman | Brinton Davis |
| Alderman | Graham Shepard |
| Town Administrator | Joe Cosentini |
| Finance Director | Tammy Womack |
| Town Recorder | Jennifer Jones |



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, 2016, 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, 2016, 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 36, 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 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. 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 is 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 December 22, 2016 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 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 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 of Thompson's Station, Tennessee's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
December 22, 2016

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2016

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, 2016. 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 \$22,472,456 (net position). Of this amount, \$8,079,868 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 \$2,478,188 during fiscal year 2016.
3. As of the close of the current fiscal year, the Town's governmental funds reported an ending fund balance of \$6,070,105, an increase of \$1,945,550 for the year. Over 99% of this total amount, or \$6,054,067 is available for spending at the government's discretion (unassigned fund balance).
4. At June 30, 2016, the unassigned fund balance for the General Fund was 340% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Thompson's Station'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, 2016

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 of Thompson's Station adopts an annual budget for its General Fund and the State Street Aid Special Revenue Fund.

Proprietary fund. The Town of Thompson's Station 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.

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 budget and final budget as well as comparison of final budget to actual appears on pages 17 through 20.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2016

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 \$22,472,456 at the end of the most recent fiscal year.

TOWN OF THOMPSON'S STATION'S NET POSITION

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current and other assets | \$ 6,860,957 | \$ 5,295,878 | \$ 2,044,178 | \$ 1,696,809 | \$ 8,905,135 | \$ 6,992,687 |
| Capital assets | 4,046,885 | 3,971,956 | 12,020,984 | 12,194,972 | 16,067,869 | 16,166,928 |
| Total assets | <u>10,907,842</u> | <u>9,267,834</u> | <u>14,065,162</u> | <u>13,891,781</u> | <u>24,973,004</u> | <u>23,159,615</u> |
| Long-term liabilities outstanding | 922,400 | 1,037,700 | 768,519 | 1,268,518 | 1,690,919 | 2,306,218 |
| Other liabilities | 587,796 | 644,028 | 22,624 | 76,694 | 610,420 | 720,722 |
| Total liabilities | <u>1,510,196</u> | <u>1,681,728</u> | <u>791,143</u> | <u>1,345,212</u> | <u>2,301,339</u> | <u>3,026,940</u> |
| Deferred inflows of resources | <u>199,209</u> | <u>138,407</u> | <u>-</u> | <u>-</u> | <u>199,209</u> | <u>138,407</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 3,124,485 | 2,934,256 | 11,252,465 | 10,926,454 | 14,376,950 | 13,860,710 |
| Restricted for roads and streets | 15,638 | 6,473 | - | - | 15,638 | 6,473 |
| Unrestricted | <u>6,058,314</u> | <u>4,506,970</u> | <u>2,021,554</u> | <u>1,620,115</u> | <u>8,079,868</u> | <u>6,127,085</u> |
| Total net position | <u>\$ 9,198,437</u> | <u>\$ 7,447,699</u> | <u>\$13,274,019</u> | <u>\$12,546,569</u> | <u>\$22,472,456</u> | <u>\$19,994,268</u> |

A significant portion of the Town's net position, \$14,376,950 or (64%) 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 of Thompson's Station'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, \$15,638 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, \$8,079,868 (36%), 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, 2016

The following is a summary of financial activities for the Town during the fiscal year ended June 30, 2016:

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Program revenues: | | | | | | |
| Charges for service | \$ 140,353 | \$ 62,980 | \$ 687,274 | \$ 619,296 | \$ 827,627 | \$ 682,276 |
| Operating grants and contributions | 79,165 | 76,247 | - | - | 79,165 | 76,247 |
| Capital grants and contributions | 16,666 | 50,000 | 828,814 | 1,301,520 | 845,480 | 1,351,520 |
| General revenues: | | | | | | |
| Property taxes | 164,003 | 139,595 | - | - | 164,003 | 139,595 |
| Local option sales taxes | 771,031 | 654,791 | - | - | 771,031 | 654,791 |
| Intergovernmental revenues | 730,565 | 398,218 | - | - | 730,565 | 398,218 |
| Building permits / impact fees | 1,317,193 | 1,529,394 | - | - | 1,317,193 | 1,529,394 |
| Other | 166,344 | 154,159 | - | - | 166,344 | 154,159 |
| Unrestricted investment earnings | 21,881 | 21,049 | 1,992 | 597 | 23,873 | 21,646 |
| Total revenues | <u>3,407,201</u> | <u>3,086,433</u> | <u>1,518,080</u> | <u>1,921,413</u> | <u>4,925,281</u> | <u>5,007,846</u> |
| Expenses: | | | | | | |
| General government | 1,389,803 | 1,108,608 | - | - | 1,389,803 | 1,108,608 |
| State Street Aid | 70,000 | 70,000 | - | - | 70,000 | 70,000 |
| Streets and roads | 153,230 | 138,205 | - | - | 153,230 | 138,205 |
| Parks | 15,480 | 40,333 | - | - | 15,480 | 40,333 |
| Debt service | 27,950 | 31,208 | - | - | 27,950 | 31,208 |
| Wastewater | - | - | 790,630 | 699,893 | 790,630 | 699,893 |
| Total expenses | <u>1,656,463</u> | <u>1,388,354</u> | <u>790,630</u> | <u>699,893</u> | <u>2,447,093</u> | <u>2,088,247</u> |
| Change in net position | 1,750,738 | 1,698,079 | 727,450 | 1,221,520 | 2,478,188 | 2,919,599 |
| Net position - beginning of year | <u>7,447,699</u> | <u>5,749,620</u> | <u>12,546,569</u> | <u>11,325,049</u> | <u>19,994,268</u> | <u>17,074,669</u> |
| Net position - end of year | <u>\$ 9,198,437</u> | <u>\$ 7,447,699</u> | <u>\$13,274,019</u> | <u>\$12,546,569</u> | <u>\$22,472,456</u> | <u>\$19,994,268</u> |

Governmental Activities. Governmental activities increased the Town's net position by \$1,750,738, which compares with an increase in net position of \$1,698,079 for fiscal year 2015.

Business-Type Activities. Business-type activities increased the Town's net position by \$727,450, compared with \$1,221,520 for 2015. Revenue from charges to customers for wastewater treatment increased by \$67,978 while capital contributions and tap fees decreased by \$472,706.

TOWN OF THOMPSON'S STATION, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2016

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town of Thompson's Station 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 \$6,070,105. Fund balances of the governmental funds increased \$1,945,550 during fiscal year 2016.

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 \$6,054,067. 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 340% of total general fund expenditures.

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 \$2,021,554. The Wastewater Fund had an increase in net position for the year of \$727,450 during fiscal year 2016. 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 sales taxes by \$171,031.
2. Actual over budgeted impact fees by \$114,870.
3. Actual over budgeted state income taxes by \$277,065.
3. Delay in capital projects of \$1,302,119.
4. Actual under other budgeted expenditures of \$522,389.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town investment in capital assets for its governmental and business-type activities as of June 30, 2016 amounted to \$16,067,869 (net of 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, 2016

Additional information on the Town capital assets can be found in Note 5 to the financial statements. The following table compared capital assets at June 30, 2016 and 2015:

TOWN OF THOMPSON'S STATION'S CAPITAL ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 2,944,341 | \$ 2,944,341 | \$ 2,512,000 | \$ 2,512,000 | \$ 5,456,341 | \$ 5,456,341 |
| Construction in progress | 20,832 | - | - | - | 20,832 | - |
| Infrastructure | 392,900 | 392,900 | 139,102 | 139,102 | 532,002 | 532,002 |
| Buildings | 695,747 | 695,747 | 880,550 | 880,550 | 1,576,297 | 1,576,297 |
| Equipment | 205,481 | 76,087 | 519,982 | 490,354 | 725,463 | 566,441 |
| Vehicles | 154,437 | 154,437 | 20,000 | 20,000 | 174,437 | 174,437 |
| Wastewater system | - | - | 10,283,621 | 10,175,621 | 10,283,621 | 10,175,621 |
| Total capital assets | 4,413,738 | 4,263,512 | 14,355,255 | 14,217,627 | 18,768,993 | 18,481,139 |
| Less: Accumulated depreciation | (366,853) | (291,556) | (2,334,271) | (2,022,655) | (2,701,124) | (2,314,211) |
| Capital assets, net | <u>\$ 4,046,885</u> | <u>\$ 3,971,956</u> | <u>\$12,020,984</u> | <u>\$12,194,972</u> | <u>\$16,067,869</u> | <u>\$16,166,928</u> |

Long-term Debt. At the end of the fiscal year, the Town's total debt was \$1,690,919 and is set forth in detail in Note 8. No new debt was issued during fiscal year 2016. Payments made on debt obligations totaled \$226,411. The Wastewater Fund also repaid \$388,888 on its interfund loan with the General Fund.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Despite improving economic conditions, a conservative approach was used in preparing the Town of Thompson's Station's budget for the 2016 - 2017 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. 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 of Thompson's Station'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, 2016

| | Governmental Activities | Business- Type Activities | Total Primary Government |
|---|------------------------------------|--|---|
| Assets: | | | |
| Cash and cash equivalents | \$ 6,191,084 | \$ 1,963,610 | \$ 8,154,694 |
| Taxes receivable - property tax | 203,056 | - | 203,056 |
| Accounts and other receivables | 5,584 | 75,786 | 81,370 |
| Internal balances | (3,419) | 3,419 | - |
| Due from other governments | 464,252 | - | 464,252 |
| Prepaid expenses and other | 400 | 1,363 | 1,763 |
| Capital assets: | | | |
| Capital assets not being depreciated | 2,965,173 | 2,512,000 | 5,477,173 |
| Other capital assets, net of depreciation | 1,081,712 | 9,508,984 | 10,590,696 |
| Total assets | 10,907,842 | 14,065,162 | 24,973,004 |
| Liabilities: | | | |
| Accounts payable | 49,267 | 22,624 | 71,891 |
| Deposits from developers | 474,800 | - | 474,800 |
| Accrued expenses | 3,111 | - | 3,111 |
| Accrued compensation and compensated absences | 60,618 | - | 60,618 |
| Long-term liabilities: | | | |
| Due within one year | 115,300 | 111,111 | 226,411 |
| Due in more than one year | 807,100 | 657,408 | 1,464,508 |
| Total liabilities | 1,510,196 | 791,143 | 2,301,339 |
| Deferred Inflows of Resources: | | | |
| Property taxes | 199,209 | - | 199,209 |
| Net Position: | | | |
| Net investment in capital assets | 3,124,485 | 11,252,465 | 14,376,950 |
| Restricted for State Street Aid | 15,638 | - | 15,638 |
| Unrestricted | 6,058,314 | 2,021,554 | 8,079,868 |
| Total net position | \$ 9,198,437 | \$ 13,274,019 | \$ 22,472,456 |

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, 2016

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|--|----------------------------|---------------------------------|-------------------------------------|-------------------------------------|--|-------------------------------------|-------------------------|
| | <u>Expenses</u> | <u>Operating</u> | | <u>Capital</u> | <u>Primary Government</u> | | |
| | | <u>Charges for Services</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 | \$ 1,389,803 | \$ 134,276 | \$ - | \$ 16,666 | \$ (1,238,861) | \$ - | \$ (1,238,861) |
| State Street Aid | 70,000 | - | 79,165 | - | 9,165 | - | 9,165 |
| Streets and roads | 153,230 | - | - | - | (153,230) | - | (153,230) |
| Parks | 15,480 | 6,077 | - | - | (9,403) | - | (9,403) |
| Interest on long-term debt | 27,950 | - | - | - | (27,950) | - | (27,950) |
| Total governmental activities | <u>1,656,463</u> | <u>140,353</u> | <u>79,165</u> | <u>16,666</u> | <u>(1,420,279)</u> | <u>-</u> | <u>(1,420,279)</u> |
| Business-type activities: | | | | | | | |
| Wastewater | 790,630 | 687,274 | - | 828,814 | - | 725,458 | 725,458 |
| Total primary government | <u><u>\$ 2,447,093</u></u> | <u><u>\$ 827,627</u></u> | <u><u>\$ 79,165</u></u> | <u><u>\$ 845,480</u></u> | <u><u>(1,420,279)</u></u> | <u><u>725,458</u></u> | <u><u>(694,821)</u></u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 164,003 | - | 164,003 |
| Local option sales taxes | | | | | 771,031 | - | 771,031 |
| Building permits/impact fees | | | | | 1,317,193 | - | 1,317,193 |
| Beer and liquor tax | | | | | 104,215 | - | 104,215 |
| Business and privilege taxes | | | | | 43,582 | - | 43,582 |
| Franchise tax | | | | | 13,919 | - | 13,919 |
| Unrestricted intergovernmental revenues: | | | | | | | |
| State income tax | | | | | 377,065 | - | 377,065 |
| Payment in lieu of taxes | | | | | 31,462 | - | 31,462 |
| State sales tax | | | | | 216,849 | - | 216,849 |
| Mixed drink and beer tax | | | | | 20,206 | - | 20,206 |
| Business tax | | | | | 84,983 | - | 84,983 |
| Unrestricted investment earnings | | | | | 21,881 | 1,992 | 23,873 |
| Other | | | | | 4,628 | - | 4,628 |
| Total general revenues | | | | | <u>3,171,017</u> | <u>1,992</u> | <u>3,173,009</u> |
| Change in net position | | | | | 1,750,738 | 727,450 | 2,478,188 |
| Net position - beginning | | | | | 7,447,699 | 12,546,569 | 19,994,268 |
| Net position - ending | | | | | <u>\$ 9,198,437</u> | <u>\$ 13,274,019</u> | <u>\$ 22,472,456</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, 2016

| | <u>General Fund</u> | <u>State Street Aid Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|--------------------------------------|---|
| Assets: | | | |
| Cash | \$ 6,191,084 | \$ - | \$ 6,191,084 |
| Taxes receivable - property tax | 203,056 | - | 203,056 |
| Due from other governments | 449,931 | 14,321 | 464,252 |
| Due from other funds | - | 1,317 | 1,317 |
| Prepaid expenses | 400 | - | 400 |
| Other receivables | 5,584 | - | 5,584 |
| Total assets | <u>\$ 6,850,055</u> | <u>\$ 15,638</u> | <u>\$ 6,865,693</u> |
| Liabilities: | | | |
| Accounts payable | \$ 49,267 | \$ - | \$ 49,267 |
| Deposits from developers | 474,800 | - | 474,800 |
| Due to other funds | 4,736 | - | 4,736 |
| Accrued expenses | 3,111 | - | 3,111 |
| Accrued compensated absences | 60,618 | - | 60,618 |
| Total liabilities | <u>592,532</u> | <u>-</u> | <u>592,532</u> |
| Deferred inflows of resources: | | | |
| Unavailable revenue - taxes | <u>203,056</u> | <u>-</u> | <u>203,056</u> |
| Fund balances: | | | |
| Nonspendable for prepaid items | 400 | - | 400 |
| Restricted for State Street Aid | - | 15,638 | 15,638 |
| Unassigned | 6,054,067 | - | 6,054,067 |
| Total fund balances | <u>6,054,467</u> | <u>15,638</u> | <u>6,070,105</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 6,850,055</u> | <u>\$ 15,638</u> | <u>\$ 6,865,693</u> |

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, 2016

| | |
|---|----------------------------|
| Total fund balances of governmental funds | \$ 6,070,105 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds, net of accumulated depreciation of \$366,853 | 4,046,885 |
| Receivables not available to pay for current expenditures are not current financial resources and therefore are not reported in the governmental funds | 3,847 |
| 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: | |
| Long-term debt | <u>(922,400)</u> |
| Net position of governmental activities | <u><u>\$ 9,198,437</u></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, 2016

| | <u>General Fund</u> | <u>State Street Aid Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|--------------------------------------|---|
| Revenues: | | | |
| Taxes | \$ 1,093,087 | \$ - | \$ 1,093,087 |
| Licenses, permits and fees | 1,457,546 | - | 1,457,546 |
| Intergovernmental | 747,231 | 79,165 | 826,396 |
| Other | 26,325 | - | 26,325 |
| Total revenues | <u>3,324,189</u> | <u>79,165</u> | <u>3,403,354</u> |
| Expenditures: | | | |
| Current: | | | |
| General government | 1,112,698 | - | 1,112,698 |
| State Street Aid | - | 70,000 | 70,000 |
| Streets and roads | 130,171 | - | 130,171 |
| Parks | 12,692 | - | 12,692 |
| Capital outlay | 377,881 | - | 377,881 |
| Debt Service: | | | |
| Principal | 115,300 | - | 115,300 |
| Interest | 27,950 | - | 27,950 |
| Total expenditures | <u>1,776,692</u> | <u>70,000</u> | <u>1,846,692</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,547,497</u> | <u>9,165</u> | <u>1,556,662</u> |
| Other financing sources (uses) | | | |
| Payment on loan - Wastewater Fund | 388,888 | - | 388,888 |
| Total other financing sources (uses) | <u>388,888</u> | <u>-</u> | <u>388,888</u> |
| Net change in fund balances | 1,936,385 | 9,165 | 1,945,550 |
| Fund balance - beginning | <u>4,118,082</u> | <u>6,473</u> | <u>4,124,555</u> |
| Fund balance - ending | <u>\$ 6,054,467</u> | <u>\$ 15,638</u> | <u>\$ 6,070,105</u> |

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

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, 2016

Net change in fund balances - total governmental funds \$ 1,945,550

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 | 150,226 |
| Depreciation expense | (75,297) |

| | |
|--|-----------|
| Repayment of long-term receivable from proprietary Wastewater Fund is an other financing source in the governmental funds, but not for governmental activities | (388,888) |
|--|-----------|

| | |
|--|-------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds | 3,847 |
|--|-------|

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 | 115,300 |
|---------------|---------|

| | |
|---|--------------|
| Change in net position of governmental activities | \$ 1,750,738 |
|---|--------------|

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, 2016

| | <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 | \$ 125,000 | \$ 160,000 | \$ 160,156 | \$ 156 |
| Franchise | 12,000 | 12,000 | 13,919 | 1,919 |
| Wholesale beer | 95,000 | 95,000 | 104,215 | 9,215 |
| Local sales tax - Trustee | 600,000 | 600,000 | 771,031 | 171,031 |
| Privilege tax | 30,000 | 30,000 | 43,582 | 13,582 |
| Interest and penalty revenue | - | - | 184 | 184 |
| Total taxes | <u>862,000</u> | <u>897,000</u> | <u>1,093,087</u> | <u>196,087</u> |
| Licenses, permits and fees: | | | | |
| Beer permits | 500 | 700 | 700 | - |
| Building permits | 325,000 | 500,000 | 527,323 | 27,323 |
| Review fees | 30,000 | 120,000 | 133,576 | 13,576 |
| Impact fees | 500,000 | 675,000 | 789,870 | 114,870 |
| Miscellaneous | 500 | 500 | 6,077 | 5,577 |
| Total licenses, permits and fees | <u>856,000</u> | <u>1,296,200</u> | <u>1,457,546</u> | <u>161,346</u> |
| Intergovernmental: | | | | |
| Payments in lieu of taxes | 29,000 | 29,000 | 31,462 | 2,462 |
| State of Tennessee - sales tax | 170,000 | 170,000 | 216,849 | 46,849 |
| State of Tennessee - mixed drink tax | 1,500 | 5,000 | 18,897 | 13,897 |
| State of Tennessee - beer tax | 1,100 | 1,500 | 1,309 | (191) |
| State of Tennessee - income tax | 100,000 | 100,000 | 377,065 | 277,065 |
| State of Tennessee - business tax | 81,000 | 81,000 | 84,983 | 3,983 |
| Greenways and trailways grant | 599,000 | 599,000 | 16,666 | (582,334) |
| Total intergovernmental revenue | <u>981,600</u> | <u>985,500</u> | <u>747,231</u> | <u>(238,269)</u> |
| Other income: | | | | |
| Interest | 16,500 | 19,500 | 21,697 | 2,197 |
| Other | 4,000 | 12,500 | 4,628 | (7,872) |
| Total other income | <u>20,500</u> | <u>32,000</u> | <u>26,325</u> | <u>(5,675)</u> |
| Total revenues | <u>2,720,100</u> | <u>3,210,700</u> | <u>3,324,189</u> | <u>113,489</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, 2016

| | <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 | 578,000 | 578,000 | 505,301 | 72,699 |
| Payroll taxes | 40,500 | 43,000 | 42,328 | 672 |
| Publication of legal notices | 3,000 | 3,000 | 2,845 | 155 |
| Board member expenses | 500 | 1,000 | 771 | 229 |
| Utilities | 14,300 | 16,300 | 14,570 | 1,730 |
| Memberships and subscriptions | 6,000 | 6,000 | 3,330 | 2,670 |
| Insurance - employees | 100,000 | 100,000 | 93,103 | 6,897 |
| Insurance - other | 33,500 | 36,200 | 34,520 | 1,680 |
| Telephone expenses | 4,500 | 4,500 | 3,629 | 871 |
| Repairs and maintenance - building | 50,000 | 50,000 | 15,407 | 34,593 |
| Animal control services | 3,200 | 3,200 | 3,133 | 67 |
| Trustee commission | 3,000 | 3,500 | 2,777 | 723 |
| Other expenses | 10,000 | 10,000 | 40,243 | (30,243) |
| Recording and filing | 1,000 | 1,000 | 152 | 848 |
| Travel | 2,000 | 2,000 | 822 | 1,178 |
| Economic development | 10,000 | 10,000 | 6,115 | 3,885 |
| Continuing education expenses | 7,000 | 7,000 | 4,101 | 2,899 |
| Office supplies | 10,000 | 15,000 | 14,755 | 245 |
| Postage, freight and express charges | 4,000 | 6,000 | 5,686 | 314 |
| Printing, forms and stationary | 5,000 | 6,000 | 5,672 | 328 |
| Professional fees - legal | 80,000 | 135,000 | 127,110 | 7,890 |
| Professional fees - other | 104,000 | 113,000 | 60,810 | 52,190 |
| Vehicle fuel | 15,000 | 15,000 | 9,656 | 5,344 |
| Vehicle repairs | 5,000 | 10,000 | 9,022 | 978 |
| Donations | 100,000 | 100,000 | 95,500 | 4,500 |
| Bank charges | 2,000 | 2,000 | 43 | 1,957 |
| Employee retirement expenses | 53,000 | 53,000 | 11,297 | 41,703 |
| Total general government | <u>1,244,500</u> | <u>1,329,700</u> | <u>1,112,698</u> | <u>217,002</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, 2016

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|----------------------------|-------------------------|---------------------------|---------------------------------------|
| | Original Budget | Final Budget | | |
| Streets and Roads: | | | | |
| Resurfacing | 418,100 | 411,500 | 130,171 | 281,329 |
| Total Streets and Roads | <u>418,100</u> | <u>411,500</u> | <u>130,171</u> | <u>281,329</u> |
| Capital Projects: | | | | |
| Capital projects | 1,680,000 | 1,680,000 | 377,881 | 1,302,119 |
| Total Capital Projects | <u>1,680,000</u> | <u>1,680,000</u> | <u>377,881</u> | <u>1,302,119</u> |
| Parks: | | | | |
| Park improvements, repairs and supplies | 20,000 | 20,000 | 12,692 | 7,308 |
| Total Parks | <u>20,000</u> | <u>20,000</u> | <u>12,692</u> | <u>7,308</u> |
| Debt Service: | | | | |
| Payments on capital outlay note | 160,000 | 160,000 | 143,250 | 16,750 |
| Total Debt Service | <u>160,000</u> | <u>160,000</u> | <u>143,250</u> | <u>16,750</u> |
| Total Expenditures | <u>3,522,600</u> | <u>3,601,200</u> | <u>1,776,692</u> | <u>1,824,508</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Payment on loan - Wastewater Fund | 56,000 | 385,000 | 388,888 | 3,888 |
| Total other financing sources (uses) | <u>56,000</u> | <u>385,000</u> | <u>388,888</u> | <u>3,888</u> |
| NET CHANGE IN FUND BALANCE | (746,500) | (5,500) | 1,936,385 | 1,941,885 |
| FUND BALANCE-BEGINNING OF YEAR | 4,118,082 | 4,118,082 | 4,118,082 | - |
| FUND BALANCE-END OF YEAR | <u>\$ 3,371,582</u> | <u>\$ 4,112,582</u> | <u>\$ 6,054,467</u> | <u>\$ 1,941,885</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, 2016

| | <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 | \$ 7,700 | \$ 7,700 | \$ 8,119 | \$ 419 |
| State of Tennessee - gas tax \$0.03 per gallon | 14,300 | 14,300 | 15,069 | 769 |
| State of Tennessee - gas and motor fuel tax | 48,000 | 48,000 | 50,522 | 2,522 |
| State of Tennessee - petroleum special | 5,500 | 5,500 | 5,455 | (45) |
| Total intergovernmental revenue | <u>75,500</u> | <u>75,500</u> | <u>79,165</u> | <u>3,665</u> |
| Total revenues | <u>75,500</u> | <u>75,500</u> | <u>79,165</u> | <u>3,665</u> |
| EXPENDITURES: | | | | |
| State Street Aid: | | | | |
| Resurfacing | <u>75,500</u> | <u>75,500</u> | <u>70,000</u> | <u>5,500</u> |
| Total expenditures | <u>75,500</u> | <u>75,500</u> | <u>70,000</u> | <u>5,500</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | 9,165 | <u>\$ 9,165</u> |
| FUND BALANCE-BEGINNING OF YEAR | | | <u>6,473</u> | |
| FUND BALANCE-END OF YEAR | | | <u>\$ 15,638</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
June 30, 2016

Assets:

Current assets:

| | |
|----------------------------|--------------|
| Cash | \$ 1,963,610 |
| Accounts receivable | 75,786 |
| Prepaid expenses and other | 1,363 |
| Due from other funds | 3,419 |
| Total current assets | 2,044,178 |

Capital assets:

| | |
|--|------------|
| Wastewater system, net of accumulated depreciation | 12,020,984 |
|--|------------|

| | |
|--------------|------------|
| Total assets | 14,065,162 |
|--------------|------------|

Current Liabilities:

| | |
|---------------------------------------|---------|
| Accounts payable and accrued expenses | 22,624 |
| Notes payable - current portion | 111,111 |
| Total current liabilities | 133,735 |

Noncurrent liabilities:

| | |
|-------------------------------------|---------|
| Notes payable, less current portion | 657,408 |
| Total noncurrent liabilities | 657,408 |

| | |
|-------------------|---------|
| Total liabilities | 791,143 |
|-------------------|---------|

Net Position:

| | |
|----------------------------------|------------|
| Net investment in capital assets | 11,252,465 |
| Unrestricted | 2,021,554 |

| | |
|--------------------|---------------|
| Total net position | \$ 13,274,019 |
|--------------------|---------------|

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
For the Year Ended June 30, 2016

Revenues:

| | |
|-----------------------------------|------------|
| Charges to customers - wastewater | \$ 676,186 |
| Penalties | 11,088 |
| Total revenues | 687,274 |

Operating Expenses:

Supply and Operations:

| | |
|-----------------------------|---------|
| Salaries | 98,637 |
| Payroll taxes and benefits | 9,884 |
| Repairs and maintenance | 37,240 |
| Permits and licenses | 7,165 |
| Supplies | 89,152 |
| Testing | 9,347 |
| Utilities | 99,236 |
| Insurance | 16,748 |
| Professional fees | 74,657 |
| Other | 4,666 |
| Total supply and operations | 446,732 |

| | |
|--------------|---------|
| Depreciation | 311,616 |
|--------------|---------|

| | |
|--------------------------|---------|
| Total operating expenses | 758,348 |
|--------------------------|---------|

| | |
|----------------|----------|
| Operating Loss | (71,074) |
|----------------|----------|

Non-Operating Income (Expense):

| | |
|----------------------------|----------|
| Interest expense | (32,282) |
| Interest income | 1,992 |
| Capital contributions | 108,000 |
| Tap fees | 720,814 |
| Total non-operating income | 798,524 |

| | |
|------------------------|---------|
| Change in Net Position | 727,450 |
|------------------------|---------|

| | |
|----------------------------------|------------|
| Net Position - Beginning of Year | 12,546,569 |
|----------------------------------|------------|

| | |
|----------------------------|---------------|
| Net Position - End of Year | \$ 13,274,019 |
|----------------------------|---------------|

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
For the Year Ended June 30, 2016

Cash Flows from Operating Activities:

| | |
|---|------------|
| Receipts from customers | \$ 695,473 |
| Payments to or on behalf of employees | (108,521) |
| Payments to suppliers | (393,645) |
| Net cash provided by operating activities | 193,307 |

Cash Flows from Capital and Related Financing Activities:

| | |
|---|-----------|
| Proceeds from tap fees | 720,814 |
| Purchases of capital assets | (29,628) |
| Principal payments on notes | (499,999) |
| Interest paid on notes | (32,282) |
| Net cash provided by capital and related financing activities | 158,905 |

Cash Flows from Investing Activities:

| | |
|--|-------|
| Interest income from cash and cash equivalents | 1,992 |
| Net cash provided by investing activities | 1,992 |

Net increase in cash and cash equivalents 354,204

Cash and Cash Equivalents - Beginning of Year 1,609,406

Cash and Cash Equivalents - End of Year \$ 1,963,610

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

| | |
|---|-------------|
| Operating loss | \$ (71,074) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 311,616 |
| Changes in assets and liabilities: | |
| Accounts receivable and due from other funds | 8,198 |
| Prepaid expenses and other | (1,363) |
| Accounts payable | (54,070) |
| Net cash provided by operating activities | \$ 193,307 |

Non-Cash Financing Activities:

During the year ended June 30, 2016, developers donated \$108,000 in sewer system related capital assets to the Town of Thompson's Station, Tennessee Wastewater System.

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, 2016

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, 2016.

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 preceding categories.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 government'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, 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, 2016

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 City 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, 2016

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 balance at June 30, 2016. 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.

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 \$8,159.

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, 2016

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. 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 fair 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 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 (expenses/expenditures) until then. The Town has no items that qualify for reporting in this category at June 30, 2016.

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. The Town has one type of item that qualifies for reporting in this category. 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.

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, 2016

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:

| <u>Year of Levy</u> | <u>Tax Rate</u> | <u>Assessment</u> | <u>Levy</u> | <u>Balance June 30, 2015</u> | <u>Taxes Levied</u> | <u>Collections and Adjustments</u> | <u>Balance June 30, 2016</u> |
|---------------------|-----------------|-------------------|-------------|------------------------------|---------------------|------------------------------------|------------------------------|
| 2007 | .103 | \$ 50,955,696 | \$ 51,000 | \$ 9 | \$ - | \$ - | \$ 9 |
| 2008 | .103 | 71,312,942 | 77,258 | 19 | - | - | 19 |
| 2009 | .103 | 83,599,533 | 87,775 | 19 | - | - | 19 |
| 2010 | .103 | 89,326,214 | 92,006 | 59 | - | 13 | 46 |
| 2011 | .103 | 85,407,960 | 87,941 | 31 | - | 9 | 22 |
| 2012 | .103 | 89,657,972 | 92,314 | 34 | - | 20 | 14 |
| 2013 | .103 | 106,886,489 | 110,070 | 113 | - | 73 | 40 |
| 2014 | .103 | 128,934,758 | 132,781 | 2,277 | - | 802 | 1,475 |
| 2015 | .103 | 134,375,527 | 138,407 | 138,407 | 25,401 | 161,605 | 2,203 |
| 2016 | .103 | 193,407,102 | 199,209 | <u>-</u> | <u>199,209</u> | <u>-</u> | <u>199,209</u> |
| | | | | <u>\$140,968</u> | <u>\$224,610</u> | <u>\$162,522</u> | <u>\$203,056</u> |

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash totaling \$8,154,694 at June 30, 2016. 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 fund. 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, 2016

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

At June 30, 2016, 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, 2016.

NOTE 4 - WASTEWATER RATES AND CUSTOMERS

The active number of wastewater customers at June 30, 2016 was 1,154.

The following monthly service rates for residential and commercial customers were in effect at June 30, 2016:

| | |
|---|---|
| Minimum bill | \$16.71 |
| Wastewater rates | \$7.26 per thousand gallons for 0-8,000 gallons |
| | \$9.03 per thousand gallons for 8,001-20,000 gallons |
| | \$11.18 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, 2016

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

| | <u>Beginning Balance</u> | <u>Increase</u> | <u>Decrease</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|-----------------|---------------------------|
| <u>Capital assets not being depreciated</u> | | | | |
| Land | \$ 2,944,341 | \$ - | \$ - | \$ 2,944,341 |
| Construction in progress | <u>-</u> | <u>20,832</u> | <u>-</u> | <u>20,832</u> |
| Total capital assets not being depreciated | <u>2,944,341</u> | <u>20,832</u> | <u>-</u> | <u>2,965,173</u> |
| <u>Capital assets being depreciated</u> | | | | |
| Infrastructure | 392,900 | - | - | 392,900 |
| Building and improvements | 695,747 | - | - | 695,747 |
| Furniture and equipment | 76,087 | 129,394 | - | 205,481 |
| Vehicles | <u>154,437</u> | <u>-</u> | <u>-</u> | <u>154,437</u> |
| Total capital assets being depreciated | <u>1,319,171</u> | <u>129,394</u> | <u>-</u> | <u>1,448,565</u> |
| <u>Less: accumulated depreciation for</u> | | | | |
| Infrastructure | (34,006) | (25,847) | - | (59,853) |
| Building and improvements | (152,865) | (14,605) | - | (167,470) |
| Furniture and equipment | (30,518) | (17,116) | - | (47,634) |
| Vehicles | <u>(74,167)</u> | <u>(17,729)</u> | <u>-</u> | <u>(91,896)</u> |
| Total accumulated depreciation | <u>(291,556)</u> | <u>(75,297)</u> | <u>-</u> | <u>(366,853)</u> |
| Capital assets being depreciated, net | <u>1,027,615</u> | <u>54,097</u> | <u>-</u> | <u>1,081,712</u> |
| Governmental activities capital assets, net | <u>\$ 3,971,956</u> | <u>\$ 74,929</u> | <u>\$ -</u> | <u>\$ 4,046,885</u> |

Depreciation expense was charged to functions/programs at June 30, 2016, as follows:

| | |
|--------------------|-----------------|
| General government | \$49,450 |
| Streets and roads | 23,059 |
| Parks | <u>2,788</u> |
| | <u>\$75,297</u> |

Construction in progress at June 30, 2016 consists of a Greenways trail project, funded primarily through a grant. Estimated costs to complete the project total approximately \$720,000.

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 - CAPITAL ASSETS - Continued

Business-Type Activities - Wastewater:

| | <u>Beginning Balance</u> | <u>Increase</u> | <u>Decrease</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|-----------------|---------------------------|
| <u>Capital assets not being depreciated</u> | | | | |
| Land | \$ 2,512,000 | \$ - | \$ - | \$ 2,512,000 |
| Total capital assets not being depreciated | <u>2,512,000</u> | <u>-</u> | <u>-</u> | <u>2,512,000</u> |
| <u>Capital assets being depreciated</u> | | | | |
| Wastewater system | 10,175,621 | 108,000 | - | 10,283,621 |
| Building | 880,550 | - | - | 880,550 |
| Infrastructure | 139,102 | - | - | 139,102 |
| Machinery and equipment | 490,354 | 29,628 | - | 519,982 |
| Vehicles | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>20,000</u> |
| Total capital assets being depreciated | <u>11,705,627</u> | <u>137,628</u> | <u>-</u> | <u>11,843,255</u> |
| <u>Less: accumulated depreciation for</u> | | | | |
| Wastewater system | (1,631,517) | (255,317) | - | (1,886,834) |
| Building | (171,396) | (22,511) | - | (193,907) |
| Infrastructure | (2,898) | (3,478) | - | (6,376) |
| Machinery and equipment | (216,844) | (26,310) | - | (243,154) |
| Vehicles | <u>-</u> | <u>(4,000)</u> | <u>-</u> | <u>(4,000)</u> |
| Total accumulated depreciation | <u>(2,022,655)</u> | <u>(311,616)</u> | <u>-</u> | <u>(2,334,271)</u> |
| Capital assets being depreciated, net | <u>9,682,972</u> | <u>(173,988)</u> | <u>-</u> | <u>9,508,984</u> |
| Business-type activities capital assets, net | <u>\$ 12,194,972</u> | <u>\$(173,988)</u> | <u>\$ -</u> | <u>\$ 12,020,984</u> |

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

The Town's management, in consultation with its attorneys, are not aware of any pending or threatened actions which would have a material adverse effect on the Town's accompanying financial statements.

NOTE 7 - INTERFUND BALANCES AND ACTIVITY

Balances due from/to other funds at June 30, 2016, consist of the following:

- \$3,419 due from General Fund to Wastewater Fund representing utility services.
- \$1,317 due from the General Fund to the State Street Aid Fund for cash held by the General Fund.

The \$388,888 interfund loan due from the Wastewater Fund to the General Fund was repaid during fiscal year 2016.

TOWN OF THOMPSON'S STATION, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016

NOTE 8 - LONG-TERM LIABILITIES

The Town's long-term liabilities consist of the following at June 30, 2016:

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 \$ 922,400

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 768,519

\$1,690,919

Changes in Long-Term Liabilities

The changes in long-term liabilities during the year ended June 30, 2016, were as follows:

| | <u>Balance</u> <u>July 1, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2016</u> | <u>Due Within</u> <u>One Year</u> |
|--|---------------------------------------|------------------|-------------------|--|--------------------------------------|
| Governmental Activities: | | | | | |
| Capital Outlay Note - Series 2013 | <u>\$1,037,700</u> | <u>\$ -</u> | <u>\$115,300</u> | <u>\$922,400</u> | <u>\$115,300</u> |
| Business-Type Activities: | | | | | |
| Capital Outlay Note - Series 2014 | \$ 879,630 | \$ - | \$111,111 | \$768,519 | \$111,111 |
| Interfund Capital Outlay Note - Series 2012 | <u>388,888</u> | <u>-</u> | <u>388,888</u> | <u>-</u> | <u>-</u> |
| | <u>\$1,268,518</u> | <u>\$ -</u> | <u>\$499,999</u> | <u>\$768,519</u> | <u>\$111,111</u> |

TOWN OF THOMPSON'S STATION, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 - LONG-TERM LIABILITIES - Continued

Future principal and interest activities of long-term obligations are as follows at June 30, 2016:

| | Governmental Activities | | | Business-Type Activities | | | Totals | | |
|------|-----------------------------|------------------|--------------------|-----------------------------|-----------------|------------------|--------------------|------------------|--------------------|
| | Capital Outlay, Series 2013 | | | Capital Outlay, Series 2014 | | | | | |
| | <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> |
| 2017 | \$115,300 | \$ 24,845 | \$ 140,145 | \$111,111 | \$17,581 | \$128,692 | \$226,411 | \$42,426 | \$268,837 |
| 2018 | 115,300 | 21,359 | 136,659 | 111,111 | 14,868 | 125,979 | 226,411 | 36,227 | 262,638 |
| 2019 | 115,300 | 18,073 | 133,373 | 111,111 | 12,137 | 123,248 | 226,411 | 30,210 | 256,621 |
| 2020 | 115,300 | 14,787 | 130,087 | 111,111 | 9,415 | 120,526 | 226,411 | 24,202 | 250,613 |
| 2021 | 115,300 | 11,501 | 126,801 | 111,111 | 6,692 | 117,803 | 226,411 | 18,193 | 244,604 |
| 2022 | 115,300 | 8,215 | 123,515 | 111,111 | 3,970 | 115,081 | 226,411 | 12,185 | 238,596 |
| 2023 | 115,300 | 4,929 | 120,229 | 101,853 | 1,248 | 103,101 | 217,153 | 6,177 | 223,330 |
| 2024 | <u>115,300</u> | <u>1,643</u> | <u>116,943</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>115,300</u> | <u>1,643</u> | <u>116,943</u> |
| | <u>\$922,400</u> | <u>\$105,352</u> | <u>\$1,027,752</u> | <u>\$768,519</u> | <u>\$65,911</u> | <u>\$834,430</u> | <u>\$1,690,919</u> | <u>\$171,263</u> | <u>\$1,862,182</u> |

NOTE 9 - 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 Town matches employee contributions up to 5% of eligible compensation. The Town's match for fiscal year 2016 totaled \$13,250.

NOTE 10 - 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.

Subsequent to year end, the Town approved entering into certain contractual commitments primarily for capital improvements totaling approximately \$2.2 million.

OTHER INFORMATION

TOWN OF THOMPSON'S STATION, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

| <u>Grantor</u> | <u>Federal CFDA Number</u> | <u>Grant Number / Pass-through Entity Identifying Number</u> | <u>Grant Receivables (Deferred) July 1, 2015</u> | <u>Federal Receipts</u> | <u>Expenditures</u> | <u>Grant Receivables (Deferred) June 30, 2016</u> |
|--|------------------------------------|--|--|-----------------------------|---------------------|---|
| US DEPARTMENT OF TRANSPORTATION | | | | | | |
| Passed through the Tennessee Department of Transportation Federal Highway Administration Planning and Construction Recreational Trails Program | 20.205 | STP-EN9400(52) / 94LPLM-F3-040 108854.04 | \$ - | \$ - | \$ 16,666 | \$ 16,666 |
| TOTAL US DEPARTMENT OF TRANSPORTATION | | | - | - | 16,666 | 16,666 |
| TOTAL FEDERAL AWARDS | | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,666</u> | <u>\$ 16,666</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 and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of 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 the cost principles contained in the Uniform Guidance, 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 allowed under the Uniform Guidance, when applicable.

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 22, 2016.

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 a material weakness. 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
December 22, 2016

TOWN OF THOMPSON'S STATION, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2016

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

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1550 Thompson's Station Road W.
P.O. Box 100
Thompson's Station, TN 37179

M

EMO

DATE: January 5, 2017
TO: The Board of Mayor and Aldermen (BOMA)
FROM: Joe Cosentini, Town Administrator
SUBJECT: Fields of Canterbury Phases 4, 5 & 7

The developer of the Fields of Canterbury subdivision has requested the Town's acceptance of all infrastructure within phases 4, 5 and 7. All necessary improvements have been completed and installation requirements have been met with the exception of one portion of roadway within phase 4 that is a part of the construction access. This area remains base coat of asphalt. The developer has submitted all as-built documents and has followed all testing and inspection procedures for dedication. Our wastewater operators and engineer have evaluated the phases and are comfortable with the infrastructure being accepted.

If accepted, the Town would be assuming responsibility for all public infrastructure within these phases including storm drains, roadways, and wastewater facilities. The plats for both of these sections include a note that indicates sidewalks will be the responsibility of the Town. Sidewalks are typically maintained by adjacent property owners or Homeowner Associations within subdivisions. Though it is likely this will not be an issue for years to come, the Town may end up having a significant financial liability in the future if the note is not removed from the plat. In addition, the Town's Land Development Ordinance includes the following section:

3.9.20 Sidewalks

c. Sidewalks shall be maintained by Property Owner Associations, Home Owner Associations, or adjacent property owners.

The Town Engineer has evaluated the phases and recommends that maintenance surety be set at the following levels:

| | | |
|--------------------------------------|--|--|
| Phase 4 – | | |
| Roads, Drainage, and Erosion Control | | \$144,200 (This includes cost for final topping) |
| Wastewater | | \$63,700 |
| Phase 5 – | | |
| Roads, Drainage, and Erosion Control | | \$29,000 |
| Wastewater | | \$21,000 |
| Phase 7 – | | |
| Roads, Drainage, and Erosion Control | | \$55,000 |
| Wastewater | | \$100,000 |

These amounts will be held in place for one year.

BOMA Action:

Approve the request for acceptance of the roads, storm drains, and wastewater facilities in Phases 4, 5 and 7 in the Fields of Canterbury subdivision and set maintenance surety amounts as recommended. In addition, the plats for phases 4, 5 and 7 will need to be amended to remove the note regarding sidewalks being maintained by the Town of Thompson's Station and assign this responsibility to the Home Owners Association per our LDO.

Maintenance bonds for FOC sections 4, 5, 7, 9

1/5/2017

Prepared for Town of Thompson Station

| SECTION | RDWY MI | CURRENT BOND AMOUNT | | MAINTENANCE | |
|----------|------------|---------------------|-----------|-------------|-----------|
| | | RDGE \$K | SA \$K | RDGE \$K | SA \$K |
| 4A | 0.09 | 31 | 10.5 | 10.7 | 6.7 |
| 4B | 0.17 | 46 | 16 | 17 | 10 |
| *4C | 0.14 | 58 | 22 | 28 | 13 |
| *4D | 0.29 | 77 | 27 | 53 | 19 |
| *4E | 0.26 | 52 | 25 | 35.5 | 15 |
| | | | | | |
| Σ | 0.95 | 264 | 100.5 | 144.2 | 63.7 |

* 4C,4D,&4E Include Gallaway Park which is used as construction route and is approx, 920 feet total length. For the portions of Gallaway Park in those section the bond is held at the performance amount.

| SECTION | RDWY MI | CURRENT BOND AMOUNT | | MAINTENANCE | |
|---------|------------|---------------------|-----------|-------------|-----------|
| | | RDGE \$K | SA \$K | RDGE \$K | SA \$K |
| 5 | 0.20 | 98 | 78 | 29 | 21 |

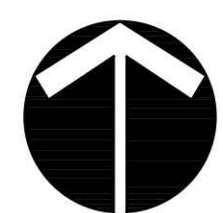
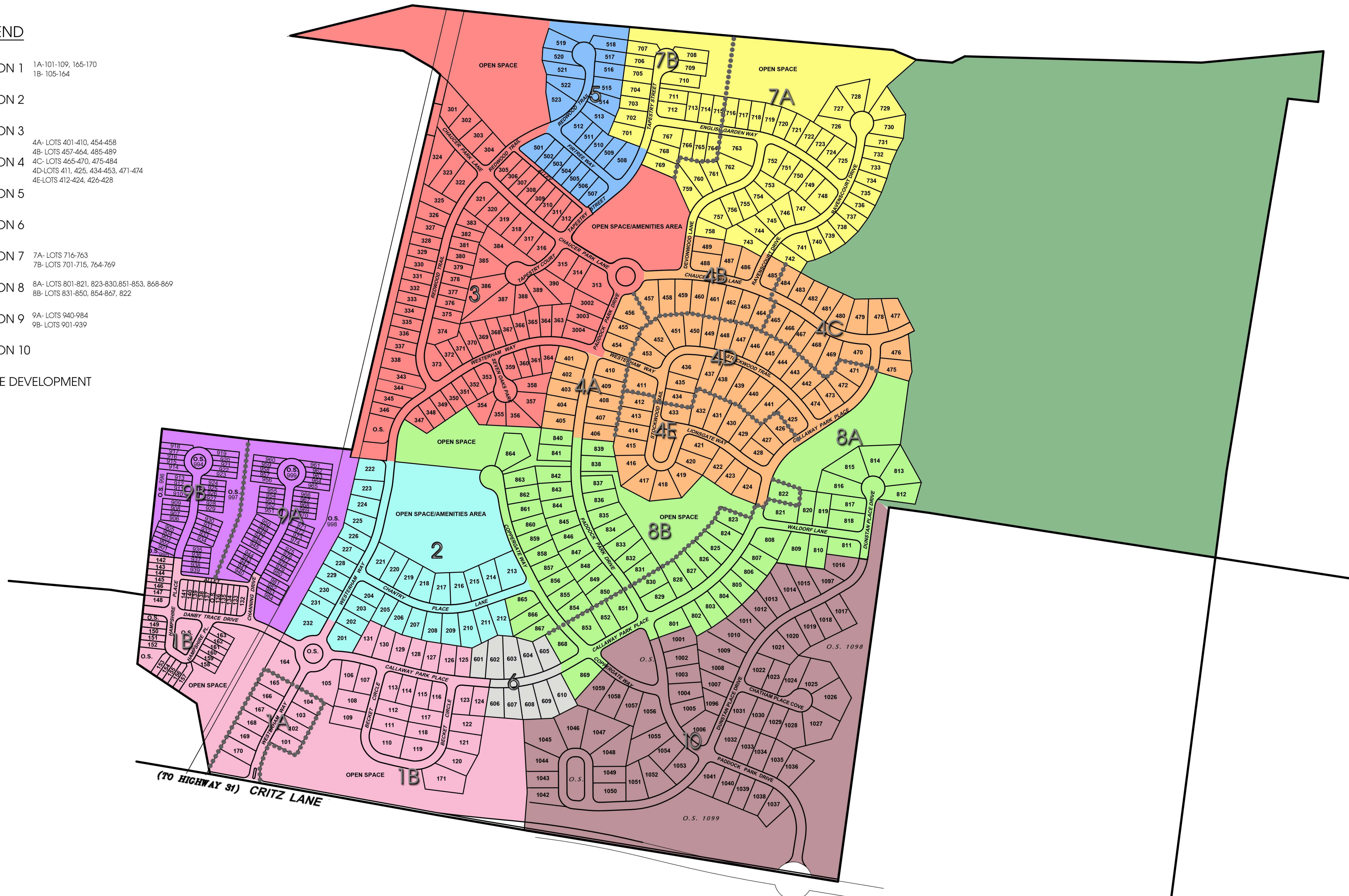
| SECTION | RDWY MI | CURRENT BOND AMOUNT | | MAINTENANCE | |
|----------|------------|---------------------|-----------|-------------|-----------|
| | | RDGE \$K | SA \$K | RDGE \$K | SA \$K |
| *7A | 0.36 | 92 | 96 | 37 | 86 |
| 7B | 0.14 | 54 | 44 | 18 | 14 |
| | | | | | |
| Σ | 0.50 | 146 | 140 | 55 | 100 |

*7A Includes a pump station, which because FOC is not 100 complete has yet to operate at its design capacity. That bond is held at a higher amount than the typical maintenance bond

| SECTION | RDWY MI | CURRENT BOND AMOUNT | | MAINTENANCE | |
|---------|------------|---------------------|-----------|-------------|-----------|
| | | RDGE \$K | SA \$K | RDGE \$K | SA \$K |
| 9A | 0.12 | 68 | 40 | 22 | 21 |

LEGEND

- SECTION 1 1A- LOTS 101-109, 165-170
1B- 105-164
- SECTION 2
- SECTION 3 4A- LOTS 401-410, 454-458
4B- LOTS 457-464, 485-489
4C- LOTS 465-470, 475-484
4D- LOTS 411, 425, 434-453, 471-474
4E- LOTS 412-424, 426-428
- SECTION 5
- SECTION 6
- SECTION 7 7A- LOTS 716-763
7B- LOTS 701-715, 764-769
- SECTION 8 8A- LOTS 801-821, 823-830, 851-853, 868-869
8B- LOTS 831-850, 854-867, 822
- SECTION 9 9A- LOTS 940-984
9B- LOTS 901-939
- SECTION 10
- FUTURE DEVELOPMENT



The Fields of Canterbury