

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
CITY OF LEBANON, TENNESSEE
YEAR ENDED JUNE 30, 2016**

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CITY OF LEBANON TENNESSEE

**ROSTER OF PUBLICLY ELECTED OFFICIALS AND MANAGEMENT
OFFICIALS**

June 30, 2016

Publicly Elected Officials:

Mayor Phillip Craighead

Councilors:

Ward 1	Joey Carmack
Ward 2	Fred Burton
Ward 3	Rob Cesternino
Ward 4	Chris Crowell
Ward 5	Tick Bryan
Ward 6	Rick Bell

Management Officials:

Commissioner of Finance and Revenue	Robert Springer, CMFO
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Commissioner of Public Works	Jeff Baines
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, the Board of Aldermen,
And the Commissioner of Finance and Revenue of the
City of Lebanon, Tennessee and the Director of
Local Government Audit, State of Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison schedule of the City of Lebanon, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Lebanon, Tennessee'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, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison schedule of the general fund of the City of Lebanon, Tennessee, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof 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 and schedules of funding progress for OPEB, changes in net pension liability and contributions on pages 4-11 and 51-53 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 City of Lebanon, Tennessee's basic financial statements. The accompanying financial information listed as supplementary information and schedules in the table of contents, 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 presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for those marked as "unaudited" 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 supplementary information and schedules, except those marked as "unaudited", and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental information and schedules marked as "unaudited" have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 20X1, on our consideration of the City of Lebanon, 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 City of Lebanon, Tennessee's internal control over financial reporting and compliance.

DRAFT

Lebanon, Tennessee
August 15, 20X1

CITY OF LEBANON, TENNESSEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

This section of the City of Lebanon, Tennessee's report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2016. Please read it conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- > The City's total net position increased \$12.84 million or 8.44%. Of this amount, the net position of the Government activities increased by almost \$5.7 million and the net position of the Business type activities increased by \$7.1 million.
- > The City's governmental activities revenues from taxes and other sources were \$32.41 million and exceeded expenditures by \$5.7 million. Last year, revenues exceeded expenditures by \$8.0 million. Compared to last year revenues decreased by 4.8% and expenditures increased by 2.5%.
- > Revenues from the City's business-type activities were \$26.65 million, and revenues exceeded expenses by \$7.12 million. Last year revenues exceeded expenses by \$5.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of several parts: management's discussion and analysis (this section), basic financial statements, required supplementary information, schedule of federal awards and state financial assistance, supplementary schedules and information, and internal control and compliance. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City's operations, reporting the City's operations in more detail than the government-wide financial statements. Included in the fund financial statements are governmental funds and proprietary funds. The governmental funds statements tell how the general governmental activities were financed in the short term as well as what remains for future spending. Proprietary fund statements include both long and short-term information that the City operates like a business enterprise, such as the utilities departments. The financial statements also include notes to the financial statements that explain some of the information in the financial statements and provide more detail. The required supplementary information further explains and supports the financial statements. In addition to these required elements, we have chosen to include statements that detail and combine the nonmajor government funds. Other authorities, including Uniform Guidance and the State of Tennessee, require the remaining schedules in the report. The following further explains the basic financial statements:

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when the cash is received or paid. These two statements report the City's net position and how they have changed during the current fiscal year. This is one way to measure the City's overall financial health. Increases in net assets indicate that the City's financial health is improving, whereas decreases in net assets indicate that the City's financial health may be deteriorating. To accurately assess the City's overall financial health, other non-financial factors, such as changes in the property tax base, must also be considered. The government-wide financial statements are divided into three categories:

- > Governmental Activities- most of the City's basic services are included here, Such as police, fire, public works, recreation and general administration.
- > Business Type Activities- the fees charged to customers for utility services, such as water and sewer are reported here.
- > Component Unit- the City includes the information of the Lebanon Senior Citizens Center in its report. Although it is a legally separate entity, the City is financially accountable for it.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific resources of funding and spending for particular purposes. Some funds are required by State law and bond covenants. Other funds are established by the Council to control and manage money for particular purposes or to show disposition of certain taxes and grants. The City has two kinds of funds:

- > Governmental funds- most of the City's basic services are included in governmental funds. These funds focus on cash and other assets that are readily convertible to cash and show: 1) the cash flow in and out during the year and 2) the balances at year end that are readily available for spending. As such, they provide detailed short-term views that help to determine what resources are available in the near future to fund the City's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information at the bottom of the fund financial statements, or on the following page, that explains the relationships or differences between the statements.
- > Proprietary funds- these funds account for the activity of the services for which the City charges its customers. Proprietary funds, like the government-wide financial statements, provide both long and short-term information. These funds are reported in the government-wide financial statements as business-type activities.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position increased \$12.84 million during the year ended June 30, 2016. Of this amount, Government activities increased by about \$5.7 million and the net position of the Business type activities increased by \$7.1 million. In comparison, for the year ended June 30, 2015, the City's net position increased \$13.5 million. The following table is a comparison of net assets of the City during the fiscal years ended June 30, 2016 and 2015:

CITY OF LEBANON , TENNESSEE NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2016-2015
	2016	2015	2016	2015	2016	2015	
	Current and Other Assets	\$ 36,417,431	\$ 32,391,413	\$ 24,338,713	\$ 21,692,511	\$ 60,756,144	
Capital Assets, net	52,411,453	50,615,000	135,879,769	131,189,138	188,291,222	181,804,138	3.57%
Total Assets	88,828,884	83,006,413	160,218,482	152,881,649	249,047,366	235,888,062	5.58%
Deferred Outflows of Resources	3,092,845	1,824,001	1,037,918	589,118	4,130,763	2,413,119	71.18%
Long-Term Debt, net	9,553,393	10,466,009	54,440,822	55,512,007	63,994,215	65,978,016	-3.01%
Other Liabilities	15,351,309	14,546,949	3,755,542	2,548,576	19,106,852	17,095,525	11.77%
Total Liabilities	24,904,702	25,012,958	58,196,364	58,060,583	83,101,067	83,073,541	0.03%
Deferred Inflows of Resources	3,735,904	2,256,966	1,281,697	759,637	5,017,601	3,016,603	
Net Position							
Invested in Capital Assets, Net of Related Debt	42,858,060	40,148,991	81,438,947	75,677,130	124,297,007	115,826,121	7.31%
Restricted	2,164,972	2,640,310	391,402	26,570	2,556,374	2,666,880	-4.14%
Unrestricted	18,258,092	14,771,189	19,947,988	18,946,846	38,206,080	33,718,035	13.31%
Total Net Position	\$ 63,281,124	\$ 57,560,490	\$ 101,778,337	\$ 94,650,546	\$ 165,059,461	\$ 152,211,036	8.44%

Net position of the City's governmental activities increased by about \$5.7 million. Of this amount, total assets increased by \$5.8 million and total liabilities decreased by \$108 thousand. Over half of the governmental activities net assets are invested in capital assets, net of related debt.

The net position of the business-type activities increased \$7.12 million. Of this amount total assets increased by \$7.3 million and total liabilities increased by \$135 thousand. Almost all of these net assets are invested in capital assets.

Changes in Net Position

The following table shows the City's changes in net position for the fiscal years ended June 30, 2016 and 2015:

CITY OF LEBANON, TENNESSEE CHANGE IN NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2016-2015
	2016	2015	2016	2015	2016	2015	
Revenues							
Program Revenues:							
Charges for Services	\$ 4,950,179	\$ 3,898,377	\$ 25,903,301	\$ 25,398,594	\$ 30,853,480	\$ 29,296,971	5.31%
Operating Grants and Contributions	1,730,646	2,469,700	-	-	1,730,646	2,469,700	-29.92%
Capital Grants and Contribution	1,471,519	4,429,988	588,358	1,205,110	2,059,877	5,635,098	-63.45%
General Revenues:							
Property Tax	5,761,718	5,777,997	-	-	5,761,718	5,777,997	-0.28%
Sales Tax	13,382,059	12,223,242	-	-	13,382,059	12,223,242	9.48%
Income Tax	466,817	454,872	-	-	466,817	454,872	2.63%
Other Miscellaneous Tax	3,649,057	3,602,790	-	-	3,649,057	3,602,790	1.28%
Tax Equivalents	308,125	304,331	-	-	308,125	304,331	1.25%
Investment Earnings	69,259	76,213	74,478	48,825	143,737	125,038	14.95%
Miscellaneous	-	-	715,197	518,432	715,197	518,432	37.95%
Transfers	624,349	814,828	(616,072)	(812,084)	8,277	2,744	-2.21%
Total Revenues	32,413,728	34,052,338	26,665,262	26,358,877	59,078,990	60,411,215	
Expenses							
General Government	5,464,159	3,678,895	-	-	5,464,159	3,678,895	48.53%
Public Works	980,764	725,656	-	-	980,764	725,656	35.16%
Police	7,988,360	7,770,707	-	-	7,988,360	7,770,707	2.80%
Fire	4,173,787	3,960,717	-	-	4,173,787	3,960,717	5.38%
Street	3,075,511	4,771,961	-	-	3,075,511	4,771,961	-35.55%
Public Safety	280,828	237,433	-	-	280,828	237,433	18.28%
Engineering	379,031	697,110	-	-	379,031	697,110	-45.63%
Cemetery	92,889	84,742	-	-	92,889	84,742	9.61%
Recreation	911,018	908,150	-	-	911,018	908,150	0.32%
Floyd Family Life Center	1,460,128	1,404,934	-	-	1,460,128	1,404,934	3.93%
Airport	423,534	443,468	-	-	423,534	443,468	-4.50%
Sanitation	1,165,129	1,057,400	-	-	1,165,129	1,057,400	10.19%
Senior Citizens	55,719	51,687	-	-	55,719	51,687	7.76%
Interest on Long-Term Debt	242,237	258,740	-	-	242,237	258,740	-6.38%
Water & Sewer	-	-	13,221,930	12,816,524	242,237	258,740	3.16%
Natural Gas	-	-	6,315,541	8,028,102	13,221,930	12,816,524	-21.33%
			19,537,471	20,844,626	6,315,541	8,028,102	-1.42%
Increase (Decrease) in Net Position	\$ 5,720,634	\$ 8,000,737	\$ 7,127,791	\$ 5,514,251	\$ 12,848,425	\$ 13,514,988	-4.93%

The City's total revenues decreased \$1.33 million from \$60.4 million to \$59.0 million.

The total cost of the City's programs and services decreased \$665 thousand from \$46.8 million to \$46.2 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2016.

Revenues

Charges for Services	52.20%
Operating Grants & Contribution	2.90%
Capital Grants & Contributions	3.50%
Property Tax	9.80%
Sales Tax	22.70%
Income Tax	0.80%
Other Misc Tax	6.20%
Tax Equivalents	0.50%
Investment Earnings	0.20%
Miscellaneous	1.20%
Transfers	0.00%

Expenses

General Government	11.80%
Public Works	2.10%
Police	17.30%
Fire	9.00%
Street	6.70%
Public Safety	0.60%
Engineering	0.80%
Cemetery	0.20%
Recreation	2.00%
Floyd Family Life Center	3.20%
Airport	0.90%
Sanitation	2.50%
Senior Citizens	0.10%
Interest on Long-Term Debt	0.50%
Water & Sewer	28.60%
Natural Gas	13.70%

Governmental Activities

The governmental revenues decreased by \$1.6 million and expenditures increased by \$641 thousand. The City had an increase of about \$1.15 million in sales tax and a \$46 thousand increase in other miscellaneous tax. These two make up the main increase in revenues. The following shows the net cost of the City's governmental activities for the fiscal years ended June 30, 2016 and 2015:

CITY OF LEBANON, TENNESSEE NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost Of Services		Net Cost of Services		Percent Change 2016-2015
	2016	2015	2016	2015	
General Government	\$ 5,464,159	\$ 3,678,895	\$ 2,784,492	\$ 1,505,766	84.92%
Public Works	980,764	725,656	255,704	56,132	355.54%
Police	7,988,360	7,770,707	7,123,708	7,056,458	0.95%
Fire	4,173,787	3,960,717	4,173,787	3,960,717	5.38%
Street	3,075,511	4,771,961	1,677,360	598,556	180.23%
Public Safety	280,828	237,433	280,828	237,433	18.28%
Engineering	379,031	697,110	379,031	697,110	-45.63%
Cemetery	92,889	84,742	37,809	23,914	58.11%
Recreation	911,018	908,150	441,559	666,960	-33.80%
Floyd Family Life Center	1,460,128	1,404,934	351,502	365,232	-3.76%
Airport	423,534	443,468	(428,115)	(1,282,570)	-66.62%
Sanitation	1,165,129	1,057,400	1,165,129	1,057,400	10.19%
Senior Citizens	55,719	51,687	55,719	51,687	7.80%
Total	\$ 26,450,857	\$ 25,792,860	\$ 18,298,513	\$ 14,994,795	22.04%

Business-Type Activities

Revenues of the City's business-type activities increased by \$306 thousand. Expenses decreased by \$1.3 million. Revenues increased by 1.1% and expenses decreased by 6.27% compared to last year.

General Fund Budgetary Highlights

Over the course of the year, the Council revises te budget as necessary. These changes are mainly to change the original estimated budgeted amounts to actual or to increase appropriations to prevent budget overruns.

The actual activity for the City reflected a \$3,748,850 excess of revenues over expenditures for the General fund for the fiscal year ended June 30, 2016.

- > Revenues for the General Fund were \$3.9 million more than budgeted.
- > Expenditures were \$5.3 million less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016 the City had \$188.29 million invested in capital assets, net of depreciation. These assets include real estate and equipment as well as infrastructure, such as roads, and bridges, constructed or annexed by the City. This figure represents an increase of \$6.48 million or 3.57% over June 30, 2015 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2016 and 2015. For more detailed information on capital asset activity, see Note 7 to the financial statements.

	Governmental Activities		Business Type Activities		Total		Percent Change 2016-2015
	2016	2015	2016	2015	2016	2015	
Land	\$ 7,789,550	\$ 7,797,050	\$ 2,548,001	\$ 2,544,278	\$ 10,337,550	\$ 10,341,328	-0.04%
Buildings	9,784,008	9,330,583	33,308,580	33,696,937	43,092,588	43,027,520	0.15%
Improvements Other Than Buildings	30,151,371	29,329,135	86,173,703	86,022,097	116,325,074	115,351,232	0.84%
Equipment	4,686,523	4,158,232	2,564,059	1,756,418	7,250,582	5,914,650	22.59%
Construction in Process	-	-	11,285,429	7,169,409	11,285,429	7,169,409	57.41%
Total	\$ 52,411,453	\$ 50,615,000	\$ 135,879,771	\$ 131,189,139	\$ 188,291,223	\$ 181,804,139	3.57%

This year's major capital additions included water & sewer improvements, gas improvements, Cedar City Trail, Lebanon Airport terminal and work to roads and buildings owned by the City.

This fiscal year ended June 30, 2017 budget includes capital expenditures of \$25.2 million. The City plans to issue bonds to finance part of these projects, and the remainder will come from funds on hand.

Long-Term Debt

At June 30, 2016, the City had \$63.99 million in bonds, notes and capital leases outstanding. This is a decrease of \$1.98 million or 3.01% from June 30, 2015. The following table summarizes and compares long-term debt at June 30, 2016 and 2015. See note 3 to the financial statements for more information on long-term debt activity.

	CITY OF LEBANON, TENNESSEE OUTSTANDING DEBT		Total	Total Percent Change 2016-2015	
	Governmental Activities	Business-Type Activities			
	2016	2015	2016	2015	
General Obligation Bonds and Notes (Backed by the City)	\$9,553,393	\$10,466,009	\$9,553,393	\$10,466,009	-8.72%
Revenue Bonds & Notes (Backed by specific tax and fee revenues)	\$0	\$0	\$54,440,787	\$55,512,008	-1.93%
	<u>\$9,553,393</u>	<u>\$10,466,009</u>	<u>\$63,994,180</u>	<u>\$65,978,015</u>	<u>-3.01%</u>

Bond ratings: Aa3

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

When preparing the General fund for FY 2017, increase for salaries, and other benefits, capital equipment and improvements were factored in. The amount available for revenues for appropriation in the General fund budget is \$27,889,807 an increase of 12.07% compared to the amended budget for 15-16. Estimated Property tax revenue is expected to increase by \$800,000, or 15.24% because of an adjustment by the State. Also, estimated Sales Tax revenue is expected to increase by \$530,000 or 5.40%. Both of these are compared to the amended budget for 15-16. Expenditures will increase by about 3.96% compared to the amended budget for 15-16. Revenues are expected to exceed expenditures by about \$209 thousand.

Water and Sewer revenues are projected to go up about 7.90% compared to last year and expenses are going to increase about 13.47%. The excess of expenses over revenues will come out of retained earnings.

Gas revenues are expected to decrease by about 0.20% compared to last year's budget. Expenses are expected to be up 1.18% compared to last year's budget. Revenues are expected to be higher than expenses by about \$667 thousand.

Debt is expected to increase in FY 2017 due to:

- 1) Street Construction- Approval of a \$5,000,000 loan from the TML for new street construction.
- 2) Water and Sewer Fund- Proposed loan of \$2,350,000 from the TML for the water distribution system.
- 3) Water as Sewer Fund- Proposed loan of \$800,000 from the TML for improvements on the sewer collection system.
- 4) General Fund- Proposed loan of \$2,000,000 from the Gas fund to build a new fire hall.

The overriding issue is meeting the long-term infrastructure costs due to the fast growth rate of the City and surrounding area.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of the City of Lebanon, Tennessee with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Commissioner of Finance and Revenue, 200 Castle Heights Avenue, North, Lebanon, Tennessee 37087.

CITY OF LEBANON, TENNESSEE
STATEMENT OF NET POSITION

June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash	\$ 10,770,348	\$ 11,150,304	\$ 21,920,652	\$ 56,292
Investment in State Investment Pool	12,099,213	7,584,573	19,683,786	
Certificate of Deposit	1,259,906	2,520,886	3,780,792	
Other Restricted Funds	-	391,402	391,402	
Accounts Receivable, Net	9,969,949	2,386,631	12,356,580	-
Internal Balances	643,536	(643,536)	-	
Due from Component Unit	149	-	149	
Due from Joint Venture	19,985	-	19,985	
Inventories	122,219	335,863	458,082	
Prepaid Expenses	205,784	74,493	280,277	
Notes Receivable	-	69,447	69,447	
Net Pension Asset	1,326,342	468,650	1,794,992	
Capital Assets:				
Non depreciable Assets	7,789,550	13,833,428	21,622,978	105,468
Depreciable Assets, Net of Depreciation	44,621,903	122,046,341	166,668,244	269,278
Total Capital Assets	52,411,453	135,879,769	188,291,222	374,746
Total Assets	88,828,884	160,218,482	249,047,366	431,038
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	84,404	3,607	88,011	-
Deferred Amount Related to Pensions	3,008,441	1,034,311	4,042,752	-
Total Deferred Outflows	3,092,845	1,037,918	4,130,763	-
LIABILITIES				
Bank Overdraft	49,440	-	49,440	
Accounts Payable	1,406,259	1,713,983	3,120,242	-
Due to Primary Government	-	-	-	149
Customer Deposits	13,955	250	14,205	
Accrued Expenses	1,007,309	275,052	1,282,361	1,918
Unearned Revenue	6,865,671	-	6,865,671	
Non-current Liabilities:				
Due in One Year:				
Compensated Absences	1,078,404	171,515	1,249,919	-
Debt	1,364,858	3,938,222	5,303,080	
Due in More Than One Year:				
Debt, net	8,188,535	50,502,600	58,691,135	
OPEB Liability	4,930,271	1,594,743	6,525,014	-
Total Liabilities	24,904,702	58,196,365	83,101,067	2,067
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount Related to Pensions	3,735,904	1,281,697	5,017,601	
NET POSITION				
Net Investment in Capital Assets	42,858,060	81,438,947	124,297,007	374,746
Restricted for:				
Note Proceeds	648,972	-	648,972	
Recreation	-	-	-	
Airport	-	-	-	
Debt Service	73,810	391,402	465,212	
Public works	619,045	-	619,045	
Drug Enforcement	734,660	-	734,660	
Community Service	37,670	-	37,670	
Police	50,815	-	50,815	
Unrestricted	18,258,092	19,947,988	38,206,080	54,225
Total Net Position	\$ 63,281,124	\$ 101,778,337	\$ 165,059,461	\$ 428,971

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 5,464,159	\$ 2,622,821	\$ 56,846	\$ -	\$ (2,784,492)	\$ -	\$ (2,784,492)
Public Works	980,764	314,327	27,749	382,984	(255,704)	-	(255,704)
Police	7,988,360	412,437	452,215	-	(7,123,708)	-	(7,123,708)
Fire	4,173,787	-	-	-	(4,173,787)	-	(4,173,787)
Street	3,075,511	235,610	1,171,686	(9,145)	(1,677,360)	-	(1,677,360)
Public Safety	280,828	-	-	-	(280,828)	-	(280,828)
Engineering	379,031	-	-	-	(379,031)	-	(379,031)
Cemetery	92,889	55,080	-	-	(37,809)	-	(37,809)
Recreation	911,018	31,290	-	438,169	(441,559)	-	(441,559)
Floyd Family Life Center	1,460,128	1,108,626	-	-	(351,502)	-	(351,502)
Airport	423,534	169,988	22,150	659,511	428,115	-	428,115
Sanitation	1,165,129	-	-	-	(1,165,129)	-	(1,165,129)
Senior Citizens	55,719	-	-	-	(55,719)	-	(55,719)
Interest on Long-Term Debt	242,237	-	-	-	(242,237)	-	(242,237)
Total Governmental Activities	26,693,094	4,950,179	1,730,646	1,471,519	(18,540,750)	-	(18,540,750)
Business-Type Activities:							
Water and Sewer	13,221,930	18,800,123	-	588,358	-	6,166,551	6,166,551
Natural Gas	6,315,541	7,103,178	-	0	-	787,637	787,637
Total Business-Type Activities	19,537,471	25,903,301	-	588,358	-	6,954,188	6,954,188
Total Primary Government	46,230,565	30,853,480	1,730,646	2,059,877	(18,540,750)	6,954,188	(11,586,562)
Component Unit:							
Senior Citizens Center	485,631	289,769	108,348	-	-	-	(57,647)

General Revenues:

Taxes:	Property Taxes, Levied for General Purposes	Sales Taxes	Income and Excise Tax	Other Miscellaneous Taxes	Tax Equivalent - TVA	Unrestricted Investment Earnings	Miscellaneous	Transfers
	5,761,718	13,382,059	466,817	3,649,057	308,125	69,259	624,349	24,261,384
								5,720,634
								78
								8,277
								24,434,987
								12,848,425
								152,211,036
								\$ 165,059,461
								\$ 428,971

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 10,246,265	\$ 524,083	\$ 10,770,348
Investment in State Investment Pool	7,689,428	4,409,785	12,099,213
Certificate of Deposit	1,259,906	-	1,259,906
Other Restricted Funds		-	-
Accounts Receivable:			
State of Tennessee	1,965,651	226,420	2,192,071
Federal Government	6,107	-	6,107
Other	335,046	1,073,763	1,408,809
Due from Other Funds	1,131,024	319,042	1,450,066
Due from Joint Venture	19,985		19,985
Due from Component Unit	149	-	149
Notes Receivable	-	-	-
Inventories	122,219	-	122,219
Property Taxes - Net of Allowance			
For Uncollectible Taxes o: \$542,764	6,362,962	-	6,362,962
Prepaid Expenses	192,850	12,934	205,784
	<u>\$ 29,331,592</u>	<u>\$ 6,566,027</u>	<u>\$ 35,897,619</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
LIABILITIES			
Accounts Payable			
Vendors	\$ 402,103	\$ 1,004,156	\$ 1,406,259
Due to Other Funds	356,830	449,699	806,529
Bank Overdraft	-	49,440	49,440
Accrued Payroll and Related Items	878,877	71,982	950,859
Accrued Vacation Pay	262,533	9,236	271,769
Accrued Interest	-	-	-
Customer Deposits	13,955	-	13,955
Other Accrued Liabilities	-	-	-
Unearned Revenue	6,865,671	-	6,865,671
Due to Joint Venture	-	-	-
	8,779,969	1,584,513	10,364,482
FUND BALANCES			
Fund Balances:			
Nonspendable	315,069	-	315,069
Restricted for:			
Bond Proceeds	648,972	-	648,972
Debt Service	-	130,260	130,260
Street	-	619,045	619,045
Recreation	-	-	-
Drug Enforcement	-	734,660	734,660
Community Assistance	-	37,670	37,670
Police	-	50,815	50,815
Airport	-	-	-
Committed to:			
Airport	-	239,186	239,186
Cemetery	-	111,541	111,541
Police	-	268,710	268,710
Assigned to:			
Recreation	1,454	119,158	120,612
Airport	1,577	421,949	423,526
Street	119,214	1,418,769	1,537,983
Public Works	-	762,088	762,088
Police	-	2,285	2,285
Floyd Family Life Center	-	65,378	65,378
Garage	-	-	-
Equipment	68,085	-	68,085
Unassigned	19,397,252	-	19,397,252
Total Fund Balances	20,551,623	4,981,514	25,533,137

Total Liabilities and Fund Balances \$ 29,331,592 \$ 6,566,027

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

Reconciliation to Statement of Net Position of Governmental Activities:

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances	\$ 25,533,137
Capital Assets used in governmental funds are not reported in the fund Balance Sheet	52,411,453
Deferred Outflows are not reported in the fund Balance Sheet	3,092,845
Long-term debt is not reported in the fund Balance Sheet	(9,553,393)
Accrued Interest on long-term debt is not reported in the fund Balance Sheet	(56,450)
Net Pension Asset is not reported in the fund Balance Sheet	1,326,342
OPEB Liability on governmental funds is not reported in the fund Balance Sheet	(4,930,271)
Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet	(806,635)
Deferred Inflows are not reported in the fund Balance Sheet	<u>(3,735,904)</u>
Net Position of Governmental Activities	<u><u>\$ 63,281,124</u></u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUND TYPES

Year Ended June 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes and Licenses	\$ 19,239,927	\$ -	\$ 19,239,927
TVA In- Lieu of Tax	308,125	-	308,125
State and Regional Apportionments and Grants	4,320,849	2,273,646	6,594,495
Federal Grants	47,286	-	47,286
Fines and Costs	844,868	19,920	864,788
Rents	42,000	-	42,000
Interest	58,129	11,129	69,258
Other Revenues	1,919,433	2,704,067	4,623,500
Total Revenues	26,780,617	5,008,761	31,789,378
Expenditures			
General Government	3,283,607	30,456	3,314,063
Public Works	248,894	780,174	1,029,068
Police	7,791,165	264,162	8,055,327
Fire	4,152,203	-	4,152,203
Street	1,142,653	566,729	1,709,382
Public Safety	274,060	-	274,060
Engineering	389,827	-	389,827
Cemetery	97,444	-	97,444
Recreation	756,471	-	756,471
Floyd Family Life Center	-	1,262,425	1,262,425
Airport	-	119,678	119,678
Sanitation	1,165,129	-	1,165,129
Senior Citizens Center	55,719	-	55,719
Garage	290,606	-	290,606
Debt Service:			
Principal	107,517	1,120,440	1,227,957
Interest	13,987	234,602	248,589
Capital Outlay	1,107,237	3,819,081	4,926,318
Total Expenditures	20,876,519	8,197,747	29,074,266
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,904,098	(3,188,986)	2,715,112
Other Financing Sources (Uses)			
Transfers from Other Funds	-	2,809,810	2,809,810
Transfers to Other Funds	(2,804,446)	(5,364)	(2,809,810)
Capital Lease Proceeds	-	247,368	247,368
Bond Proceeds	-	-	-
Loan Proceeds	24,850	73,788	98,638
Transfers - Tax Equivalents	624,348	-	624,348
Capital Lease Proceeds	-	-	-
Net Other Financing Sources (Uses)	(2,155,248)	3,125,602	970,354
Net Change in Fund Balances	3,748,850	(63,384)	3,685,466
Fund Balances			
July 01, 2015	17,473,254	5,124,363	22,597,617
Close funds to General	79,464	(79,465)	(1)
Decrease in Encumbrances	(749,945)	-	(749,945)
June 30, 2016	\$ 20,551,623	\$ 4,981,514	\$ 25,533,137

See notes to financial statements

CITY OF LEBANON, TENNESSEE
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT
OF ACTIVITIES

Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 3,685,466
Increase in Encumbrances	(749,945)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense is not reported as a expenditure in the governmental funds	(3,152,896)
Proceeds of long-term debt are not revenue on the Statement of Activities - instead they are an increase in the debt on the Statemnt of Net Assets	(346,006)
Principal payments on debt service are not an expense in the Statement of Activities - instead, they are a reduction of debt on the Statement of Net Assets	1,258,622
Amortization of Bond Premium/Discount/Issue Costs are not reported in the Statement of Activities - instead they are reported as a reduction of an asset/liability on the Statement of Net Assets	(19,232)
Change in OPEB Liability is not reported as an expenditure in the governmental funds	(569,128)
Accrued interest on debt of the governmental funds is not reported as an expenditure in the governmental funds	6,352
Capital expenditures are not an expense in the Statement of Activities - instead, they are an addition to capital assets on the Statement of Net Assets	4,949,348
Current year change in net pension liability due to implementation of GASB 68 is not reported in the governmental funds	1,163,399
Accrued vacation not requiring the use of current resources is not reported as an expenditure in the governmental funds	<u>(505,347)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,720,633</u></u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2016

ASSETS	Natural Gas Fund	Water and Sewer Fund	Total
Current Assets:			
Cash	\$ 3,161,124	\$ 7,989,180	\$ 11,150,304
Investment in State Investment Pool	2,952,145	4,632,428	7,584,573
Certificate of Deposit	1,007,290	1,513,596	2,520,886
Accounts Receivable - (Less Allowance for Doubtful Accts of \$ 74,532)	195,688	1,040,345	1,236,033
Due from Other Funds	42,314	5,889	48,203
Other Receivables	-	1,150,598	1,150,598
Inventories	166,461	169,402	335,863
Prepaid Expenses	20,636	53,857	74,493
Total Current Assets	7,545,658	16,555,295	24,100,953
Noncurrent Assets:			
Other Restricted Funds	-	391,402	391,402
Notes Receivable	69,447	-	69,447
Net Pension Asset	119,423	349,227	468,650
Capital Assets:			
Land	866,063	1,681,937	2,548,000
Buildings	2,510,361	54,639,999	57,150,360
Equipment	2,570,104	3,899,599	6,469,703
Improvements Other than Building	31,267,974	111,459,201	142,727,175
Construction in Process	49,009	11,236,419	11,285,428
Accumulated Depreciation	(14,178,411)	(70,122,486)	(84,300,897)
Total Noncurrent Assets	23,273,970	113,535,298	136,809,268
Total Assets	30,819,628	130,090,593	160,910,221
DEFERRED OUTFLOWS OF RESOURCES			
Pension	251,372	782,939	1,034,311
Loss of Bond Refunding	3,607	-	3,607
Total Deferred Outflows of Resources	254,979	782,939	1,037,918
LIABILITIES			
Current Liabilities:			
Current Portion of Long-Term Debt	223,000	3,715,222	3,938,222
Accounts Payable - Vendors	235,916	1,478,067	1,713,983
Due to Other Funds	263,511	428,229	691,740
Other Current Liabilities	100	150	250
Accrued Interest	1,833	42,563	44,396
Accrued Payroll and Related Items	71,290	159,366	230,656
Accrued Vacation Pay	46,496	125,019	171,515
Total Current Liabilities	842,146	5,948,616	6,790,762
Noncurrent Liabilities:			
Post Employment Benefits	398,063	1,196,680	1,594,743
Notes Payable	1,663,000	27,324,022	28,987,022
Utility Bonds Payable	140,000	21,375,578	21,515,578
Total Noncurrent Liabilities	2,201,063	49,896,280	52,097,343
Total Liabilities	3,043,209	55,844,896	58,888,105
DEFERRED INFLOWS OF RESOURCES			
Pensions	314,088	967,609	1,281,697
NET POSITION			
Net Investment in Capital Assets	21,059,100	60,379,847	81,438,947
Restricted for Debt Service	-	391,402	391,402
Unrestricted	6,658,210	13,289,778	19,947,988
Total Net Position	\$ 27,717,310	\$ 74,061,027	\$ 101,778,337

CITY OF LEBANON, TENNESSEE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

Year Ended June 30, 2016

	Natural Gas Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for Services	\$ 7,103,178	\$ 18,800,123	\$ 25,903,301
Operating Expenses			
Utility Operating Expense	2,415,165	7,300,618	9,715,783
Natural Gas Purchased	2,828,062	-	2,828,062
Depreciation	1,008,482	4,976,341	5,984,823
Total Operating Expenses	<u>6,251,709</u>	<u>12,276,959</u>	<u>18,528,668</u>
Operating Income	851,469	6,523,164	7,374,633
Nonoperating Revenue (Expenses)			
Other Revenues	13,550	701,647	715,197
Interest Revenue	23,599	50,879	74,478
Debt Issuance Costs	(6,480)	-	(6,480)
Capital Grant	-	250,000	250,000
Interest Expense	(57,352)	(944,971)	(1,002,323)
Total Nonoperating Revenue (Expenses)	<u>(26,683)</u>	<u>57,555</u>	<u>30,872</u>
Income before Contributions and Transfers	824,786	6,580,719	7,405,505
Contributions and Transfers			
Transfers to Other Funds	-	-	-
Contributed Capital	-	338,358	338,358
Transfers - Tax Equivalentts	(264,555)	(351,517)	(616,072)
Total Contributions and Transfers	<u>(264,555)</u>	<u>(13,159)</u>	<u>(277,714)</u>
Change in Net Position	560,231	6,567,560	7,127,791
Net Position			
July 01, 2015, Restated	<u>27,157,079</u>	<u>67,493,467</u>	<u>94,650,546</u>
June 30, 2016	<u>\$ 27,717,310</u>	<u>\$ 74,061,027</u>	<u>\$ 101,778,337</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2016

	Natural Gas Fund	Water and Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 7,083,456	\$ 18,609,527	\$ 25,692,983
Payments to Suppliers	(3,799,175)	(2,015,554)	(5,814,729)
Payments to Employees	(1,576,524)	(4,327,322)	(5,903,846)
Internal Activity - Payments (To) From Other Funds	55,281	(69,594)	(14,313)
Other Receipts (Payments)	-	128,949	128,949
Net Cash Provided By Operating Activities	1,763,038	12,326,006	14,089,044
Cash Flows From Noncapital Financing Activities:			
Transfers - Tax Equivalents	(264,555)	(351,517)	(616,072)
Operating Transfers From Other Funds	-	-	-
Net Cash (Used) By Noncapital Financing Activities	(264,555)	(351,517)	(616,072)
Cash Flows From Capital and Related Financing Activities:			
Proceeds on Notes Payable	-	2,648,191	2,648,191
Debt Forgiveness	-	685,592	685,592
Debt Issuance Costs	(6,480)	-	(6,480)
Other Revenues	13,550	16,055	29,605
Payments for Capital Acquisitions	(2,354,240)	(7,973,842)	(10,328,082)
Principal Paid on Notes	(85,000)	(2,389,211)	(2,474,211)
Interest Paid	(58,134)	(944,971)	(1,003,105)
Bond Principal Paid	(125,000)	(1,377,000)	(1,502,000)
Proceeds of Bonded Debt	-	256,835	256,835
Capital Grant	-	250,000	250,000
Issuance of Notes Receivable	(11,483)	-	(11,483)
Net Cash (Used) By Capital and Related Financing Activities	(2,626,787)	(8,828,351)	(11,455,138)
Cash Flows From Investing Activities:			
Interest Revenue	23,599	50,879	74,478
Increase in Investments	(4,183)	(7,408)	(11,591)
Net Cash Provided By Investing Activities	19,416	43,471	62,887
Net Increase (Decrease) in Cash and Temporary Investments	(1,108,888)	3,189,610	2,080,721
Cash and Temporary Investments:			
July 01, 2015	7,222,157	9,823,401	17,045,558
June 30, 2016	<u>\$ 6,113,269</u>	<u>\$ 13,013,011</u>	<u>\$ 19,126,279</u>
Non-Cash Capital and Related Financing Activities:			
Capital Assets Acquired By Contributions From Developers	<u>\$ -</u>	<u>\$ 338,358</u>	<u>\$ 338,358</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2016

	Natural Gas Fund	Water and Sewer Fund	Total
Cash Provided By Operating Activities:			
Operating Income	\$ 851,469	\$ 6,523,164	\$ 7,374,633
Adjustments to Reconcile Net Operating Income to Net			
Cash Provided by Operating Activities:			
Depreciation and Amortization	1,014,962	4,967,327	5,982,289
Provision for Losses on Accounts Receivable	(15,827)	(56,967)	(72,794)
Changes in Current and Deferred Items:			
(Increase) in Accounts Receivable	(3,895)	(133,629)	(137,524)
(Increase) in Deferred Outflows	(113,236)	(342,044)	(455,280)
Decrease in Other Receivables	-	128,949	128,949
(Increase) Decrease in Due From Other Funds	18,549	(573)	17,976
Decrease in Inventories	14,557	15,441	29,998
(Increase) in Prepaid Expenses	(2,340)	(5,733)	(8,073)
Increase (Decrease) in Accounts Payable	(143,368)	1,005,820	862,452
(Decrease) in Net Pension Liability, net of GASB 68 adjusm	(121,665)	(356,384)	(478,049)
Increase in Deferred Inflows	132,866	389,194	522,060
Increase (Decrease) in Due to Other Funds	36,732	(69,021)	(32,289)
Increase in Accrued Payroll	24,878	59,366	84,244
Increase in Accrued Vacation Pay	18,284	51,298	69,582
Increase in Postemployment Benefits	51,072	149,798	200,870
Net Cash Provided By Operating Activities	<u>\$ 1,763,038</u>	<u>\$ 12,326,006</u>	<u>\$ 14,089,044</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues				
Taxes:				
Real and Personalty	\$ 5,475,000	\$ 5,475,000	\$ 5,761,718	\$ 286,718
Wholesale Beer	950,000	950,000	1,083,966	133,966
Sales Tax	9,820,000	9,820,000	11,276,908	1,456,908
Cable TV Franchise Fee	260,000	260,000	373,771	113,771
Hotel and Motel Tax	280,000	280,000	361,250	81,250
Business Tax	0	0	8,605	8,605
Mixed Drink Tax	12,000	12,000	11,070	(930)
Liquor Tax	310,000	310,000	362,639	52,639
	<u>17,107,000</u>	<u>17,107,000</u>	<u>19,239,927</u>	<u>2,132,927</u>
Tax Equivalents:				
TVA In-Lieu of Tax	300,000	300,000	308,125	8,125
	<u>300,000</u>	<u>300,000</u>	<u>308,125</u>	<u>8,125</u>
Federal, State and Regional				
Apportionments and Grants:				
Sales Tax (St Sales C)	1,930,000	1,930,000	2,105,150	175,150
Income Tax	250,000	250,000	390,497	140,497
Petroleum Special	50,000	50,000	53,296	3,296
Highway Grants and Contracts	90,000	90,000	164,701	74,701
Beer Tax	12,000	12,000	12,788	788
Mixed Drink Tax	80,000	80,000	79,382	(618)
Excise Tax	20,000	20,000	76,319	56,319
Business Tax - County Clerk	-	-	124,655	124,655
Business Tax - Trustee	895,000	895,000	1,230,931	335,931
Police and Fire Salary Supplement	38,500	38,500	70,200	31,700
OJP Grants	-	14,077	21,592	7,515
D.E.A. Grant	17,202	17,202	17,199	(3)
FEMA Grants	-	-	-	-
FBI Safe Streets	-	-	8,495	8,495
Highway Safety Grants	27,500	27,500	10,626	(16,874)
Organized Drug Enforcement Task Force	17,374	17,374	-	(17,374)
Airport Grants	-	-	-	-
Telecommunications Sales Tax	2,000	2,000	2,305	305
	<u>3,429,576</u>	<u>3,443,653</u>	<u>4,368,135</u>	<u>924,482</u>
Fines and Costs	656,500	656,500	844,868	188,368
Rent - Other	60,000	60,000	42,000	(18,000)
Rents from Other City	4,700	4,700	-	(4,700)
Highway and Street Charges	18,000	18,000	75,318	57,318
Interest	50,000	50,000	58,129	8,129
Permits and Licenses	773,500	773,500	1,260,722	487,222

See note to budgetary comparison statement

	Budget		Actual	Variance
	Original	Final		
Cemetery Income	55,000	55,000	55,080	80
Park and Recreation Income	38,250	38,250	31,290	(6,960)
Interest and Penalty on Taxes and License:	23,000	23,000	27,810	4,810
Miscellaneous	221,000	300,108	433,375	133,267
Sale of Equipment	15,000	15,000	35,838	20,838
	<u>1,914,950</u>	<u>1,994,058</u>	<u>2,864,430</u>	<u>870,372</u>
Total Revenues	<u>22,751,526</u>	<u>22,844,711</u>	<u>26,780,617</u>	<u>3,935,906</u>
Expenditures				
City Department:				
Mayor and Council	245,931	406,082	339,139	66,943
City Attorney/Judicial	195,278	195,610	179,469	16,141
Financial Administration	179,899	188,486	179,001	9,485
Building Maintenance	94,155	88,356	84,276	4,080
Accounting	188,853	206,663	180,987	25,676
Customer Billing	32,770	33,796	26,959	6,837
Johnson Controls	160,667	160,667	160,667	-
Purchasing	46,386	45,756	44,416	1,340
Computer Equipment	221,039	248,243	211,214	37,029
Public Works	285,013	256,374	251,822	4,552
Warehouse	-	2,651	(380)	3,031
Personnel	235,703	288,090	288,329	(239)
Traffic Maintenance	222,620	241,970	210,005	31,965
General Maintenance	262,630	264,025	236,634	27,391
Police	7,912,469	8,030,056	7,791,166	238,890
Fire	4,222,430	4,834,994	4,697,257	137,737
Building Inspection	389,339	451,321	430,478	20,843
Street	1,793,366	3,553,840	1,408,746	2,145,094
Animal Control	193,635	274,294	215,803	58,491
Public Safety	2,147,171	2,227,454	671,656	1,555,798
Engineering	322,039	345,370	292,259	53,111
Garage	351,068	352,402	299,730	52,672
Cemetery	98,391	106,344	97,442	8,902
Recreation	811,957	820,913	724,948	95,965
Special Events	35,000	35,002	32,184	2,818
Dues & Contributions	261,779	274,453	260,373	14,080
Community Park	178,457	172,787	89,450	83,337
EAC Committee	320	320	228	92
Sanitation	1,301,022	1,316,932	1,186,318	130,614
Drainage Migration	387,972	393,687	56,131	337,556
Accounting System Debt Service	30,150	30,150	36,169	(6,019)
Economic Development	72,267	172,268	35,074	137,194
Regional Transportation Authority	170,517	171,508	158,569	12,939
	<u>23,050,293</u>	<u>26,190,864</u>	<u>20,876,519</u>	<u>5,314,345</u>
Total Expenditures	<u>23,050,293</u>	<u>26,190,864</u>	<u>20,876,519</u>	<u>5,314,345</u>

See note to budgetary comparison statement

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2016

	Budget		Actual	Variance
	Original	Final		
Excess of Revenues Over (Under)				
Expenditures	(298,767)	(3,346,153)	5,904,098	9,250,251
Other Financing Sources (Uses):				
Transfers - Tax Equivalents	631,072	631,072	624,348	(6,724)
Operating Transfers From Other Fun	-	37,252	-	(37,252)
Operating Transfers To Other Funds	(2,157,505)	(2,931,157)	(2,804,446)	126,711
Bond Proceeds	-	-	-	-
Loan Proceeds	1,490,765	1,490,765	24,850	(1,465,915)
Capital Lease Proceeds	-	-	-	-
Other	-	-	-	-
Total Other Financing Sources (Uses)	<u>(35,668)</u>	<u>(772,068)</u>	<u>(2,155,248)</u>	<u>(1,383,180)</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other				
Uses	<u>\$ (334,435)</u>	<u>\$ (4,118,221)</u>	3,748,850	<u>\$ 7,867,071</u>
Fund Balances:				
July 01, 2015			17,473,254	
Close funds to General			79,464	
Change in Encumbrances			<u>(749,945)</u>	
June 30, 2016			<u>\$ 20,551,623</u>	

See note to budgetary comparison statement

CITY OF LEBANON, TENNESSEE

NOTE TO BUDGETARY COMPARISON STATEMENT

June 30, 2016

NOTE 1 – BUDGETS

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, Special Revenue Funds, and Proprietary Funds, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a modified accrual basis. Budgetary control is exercised at the department level. All unencumbered budget appropriations lapse at the end of each fiscal year.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting Entity

The City of Lebanon, Tennessee was incorporated in 1911 and operates under a mayor and alderman form of government. As required by generally accepted accounting principles, the financial statements reflect the financial activities of the City of Lebanon as the primary government, as well as its component unit, the Lebanon Senior Citizens Center. These statements do not include the private purpose trust funds, which are fiduciary in nature. Private purpose trust funds are used to account for trust arrangements where the principal and interest benefit individuals, private organizations, or other governments.

Individual Component Unit Disclosures

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the Lebanon Senior Citizens Center. It is a component unit because the City is financially accountable for the Center due to fiscal dependency. The Center issues separate audited financial statements, copies of which may be obtained from the City of Lebanon accounting department.

(B) Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and component unit are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeiture, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements and financial statements of the City component unit also reports using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, hotel/motel taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When committed and assigned and unassigned amounts are available for use, it is the City's policy to use committed resources first, then assigned resources, then unassigned amounts. See Note 2 for information describing restricted assets.

Allocation of Indirect Expenses

The City allocates indirect expenses primarily comprised of central governmental services to operation functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. These charges are separately reported in the statement of activities. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions within public services and parks.

(D) Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

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

Proprietary Funds

The City reports the following major enterprise funds:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Water and Sewer – accounts for the operating activities of the City’s water and sewer services.

Natural Gas – accounts for the operating activities of the City’s gas services.

(E) Statement of Cash Flows

For the purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(F) Capitalization of Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. \$73,052 of interest was required to be capitalized for the year ended June 30, 2016. Interest costs on general fixed assets are not capitalized.

(G) Capital Assets, Depreciation, and Amortization

The City’s property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and component unit financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. The costs of normal maintenance and repairs that add to the asset value or materially extend useful lives are capitalized if they exceed \$5,000. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

(H) Estimates

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(I) Inventories

Inventories are stated at average cost.

(J) Bank Overdrafts

It is the City's policy to invest funds in interest-bearing accounts until needed to cover checks written, thus maximizing earnings on funds. Amounts are transferred as checks are presented, therefore bank overdrafts shown on the financial statements represent outstanding checks for which funds have not yet been transferred out of the interest-bearing accounts. Bank overdrafts at June 30, 2016 amounted to \$49,440.

(K) Long-Term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

(L) Fund Balances

The governmental fund financial statements report fund balances based on the nature of the net resources reported in the fund. Fund balances are categorized as follows:

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to remain intact.

Restricted – amounts that are constrained for use by (a) external parties, such as creditors, grantors, contributors or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.

Committed – amounts that are constrained for use by formal action of the government's highest level of decision-making authority, which is the city council. Formal action must be taken prior to the end of the fiscal year and the same formal action must be taken to remove the commitment.

Assigned - amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The council is authorized to assign amounts.

Unassigned – Residual classification for the general fund and funds where expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(M) Property Tax Revenue

Property taxes are levied on October 1 based on the assessed value of property as listed on the previous January 1. All unpaid taxes levied October 1 become delinquent March 1 of the following year.

In accordance with GASB 33, the property taxes to be levied on October 1, 2016 in the amount of \$6,708,480 have been accrued in the General Fund and the Governmental Activities as receivable and unearned revenue at June 30, 2016.

(N) Encumbrances

Encumbrance accounting is used for the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are included in the fund balance classifications above based on the resource criteria noted above. Encumbrances do not lapse at the close of the fiscal year but are carried forward in the fund balances until liquidated.

(O) Pensions

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

NOTE 2 - CASH AND INVESTMENTS

Cash on the balance sheet includes petty cash and cash on hand in the amount of \$8,050 and deposits with financial institutions including demand deposits and passbook savings accounts.

The Commissioner of Finance and Revenue is the treasurer of the City and in this capacity is responsible for receiving, disbursing, depositing and investing City funds. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized as follows:

All deposits with financial institutions other than savings and loan associations must be collateralized in an amount equal to 105% of the face amount of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the City. Deposits with

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 2 - CASH AND INVESTMENTS – CONTINUED

savings and loan associations must be collateralized by one of the following methods:

- (1) By an amount equal to 105% of the face amount of uninsured deposits if the collateral is of the same character as that required for other financial institutions;
- (2) By an irrevocable letter of credit issued by the Federal Loan Bank; or,
- (3) By providing notes secured by first mortgages or first deeds of trust upon residential real property located in Tennessee. The promissory notes must be in an amount equal to 150% of the amount of uninsured deposits.

The Commissioner of Finance and Revenue is authorized to make direct investments in bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies. These investments may not have a maturity greater than two years. The Commissioner of Finance and Revenue may make investments with longer maturities if he follows various restrictions set out in state law. The Commissioner of Finance and Revenue is also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any other agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2% below the market value of the securities on the day of purchase. There were no repurchase agreements existing as of June 30, 2016.

The carrying amount of the City's deposits with financial institutions was \$25,701,444 including \$3,780,792 in certificates of deposit, and the bank balance was \$26,449,824. The bank balance is entirely insured by FDIC insurance and by the state bank collateral pool.

The City of Lebanon has invested in the State of Tennessee, local government investment pool. The City's net realizable value of the investment totaled \$20,075,188 at June 30, 2016, of which \$391,402 is included in "Other Restricted Funds" and is restricted for debt service.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 3 - LONG-TERM DEBT

The City has the following bonds outstanding at June 30, 2016:

	<u>Amount of Original Issue</u>	<u>Range of Maturity Dates</u>	<u>Range of Interest Rates</u>
Primary Government:			
Governmental Activities:			
General Obligation Bonds:			
1992 Bonds	\$ 3,040,000	1992 - 2012	Varies
2008 Bonds	3,840,000	2009 - 2023	3.0% - 4.1%
2003 Bonds	4,505,000	2003 - 2017	2.0% - 4.1%
2004 TMBF Bonds	2,725,000	2006 - 2025	3.0%
2008 TMBF Bonds	3,500,000	2008 - 2027	5.0%
2011 TMBF Bonds	1,000,000	2012-2031	3.48%
Business-Type Activities:			
Water and Sewer:			
TMBF 2001 Bonds	4,000,000	2004 - 2023	Variable
TMBF 2005 Bonds	1,400,000	2007 - 2026	4.0%
TMBF 2006 Bonds	5,000,000	2008 - 2027	5.0%
TMBF 2008 Bonds	4,150,000	2010 - 2029	5.0%
TMBF 2011 Bonds	1,631,150	2012-2031	2.86%
TMBF 2011 Bonds	2,900,000	2012-2031	3.39%
TMBF 2012 Bonds	1,387,000	2013-2032	2.23%
TMBF 2012 Bonds	4,657,079	2014-2028	1.82%
TMBF 2013 Bonds	1,800,000	2014-2033	2.28%
TMBF 2014 Bonds	4,887,665	2014-2020	1.85%
2015 QEC Bonds	3,500,000	2035	4.00%
Natural Gas:			
2008 Bond	1,175,000	2009 - 2018	3.0% - 4.0%
TMBF 2008 Bonds	1,100,000	2010 - 2029	5.0%
TMBF 2014 Bonds	1,000,000	2014-2033	2.43%

In addition, the City has various equipment notes secured by governmental capital assets. These notes are reported in the governmental activities section of the Statement of Net Assets. In addition, there are notes used to construct improvements to the utility infrastructure, and a capital lease to purchase certain equipment. These are reported in the business-type activities in the Statement of Net Assets.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 3 - LONG-TERM DEBT - CONTINUED

Long-term liability activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Debt	\$ 7,000,279	\$ -	\$ (740,000)	\$ 6,260,279	\$ 766,000
Notes & Leases	3,465,730	1,872,218	(518,622)	4,819,326	598,858
	<u>10,466,009</u>	<u>1,872,218</u>	<u>(1,258,622)</u>	<u>11,079,605</u>	<u>1,364,858</u>
Less:					
Amounts not yet borrowed	-	(1,526,212)	-	(1,526,212)	
Total Governmental Activities					
Long-Term Debt	<u>\$ 10,466,009</u>	<u>\$ 346,006</u>	<u>\$ (1,258,622)</u>	<u>\$ 9,553,393</u>	<u>\$ 1,364,858</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
Natural Gas	\$ 2,236,000	\$ -	\$ (210,000)	\$ 2,026,000	\$ 223,000
Water & Sewer	56,715,248	-	(3,766,246)	\$ 52,949,002	3,715,222
	<u>58,951,248</u>	<u>-</u>	<u>(3,976,246)</u>	<u>54,975,002</u>	<u>3,938,222</u>
Less:					
Amounts not yet borrowed, net of forgiveness	(3,439,241)	2,905,026	-	(534,215)	-
Total Business-Type Activities					
Long-Term Debt	<u>\$ 55,512,008</u>	<u>\$ 2,905,026</u>	<u>\$ (3,976,246)</u>	<u>\$ 54,440,787</u>	<u>\$ 3,938,222</u>

Annual Requirements to Maturity on Long-Term Debt:

<u>Year Ended June 30,</u>	<u>Primary Government</u>			
	<u>Governmental Activities</u>			
	<u>General Obligation Bonds</u>		<u>Equipment Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 766,000	\$ 261,564	\$ 598,858	\$ 112,809
2018	584,000	230,207	529,787	98,714
2019	607,000	206,296	437,561	85,496
2020	630,000	181,410	398,871	76,537
2021	659,000	155,544	403,125	68,459
2022-2026	2,519,000	389,202	1,606,124	218,078
2027-2031	495,279	32,261	410,000	102,450
2032-2036	-	-	435,000	39,450
Total	<u>\$ 6,260,279</u>	<u>\$ 1,456,484</u>	<u>\$ 4,819,326</u>	<u>\$ 801,993</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 3 - LONG-TERM DEBT - CONTINUED

	Primary Government			
	Business-Type Activities			
	Water and Sewer Bonds		Water and Sewer Notes	
	Principal	Interest	Principal	Interest
2017	\$ 2,096,000	\$ 811,934	\$ 1,619,222	\$ 610,050
2018	2,094,000	752,343	1,682,908	576,956
2019	2,028,000	692,375	1,718,072	539,205
2020	1,993,800	632,406	1,753,956	500,673
2021	1,474,000	550,621	1,790,608	461,324
2022-2026	7,078,000	2,000,668	9,521,108	1,746,463
2027-2031	3,594,778	984,354	8,396,281	614,714
2032-2036	3,804,000	569,420	2,265,035	96,780
2037	-	-	39,234	74
Total	<u>\$ 24,162,578</u>	<u>\$ 6,994,121</u>	<u>\$ 28,786,424</u>	<u>\$ 5,146,239</u>

	Primary Government	
	Business-Type Activities	
	Natural Gas Bonds	
	Principal	Interest
2017	\$ 223,000	\$ 74,880
2018	231,000	66,134
2019	95,000	57,063
2020	99,000	53,419
2021	103,000	49,625
2022-2026	576,000	185,122
2027-2031	517,000	67,022
2032-2036	182,000	8,918
Total	<u>\$ 2,026,000</u>	<u>\$ 562,183</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 4 - LIABILITY FOR COMPENSATED ABSENCES

Full time exempt and non-exempt employees (excluding part time and seasonal employees) earn paid time off based on length of service, accruing with the first day of employment. New, non-exempt employees may not use earned PTO until after 90 days of employment. PTO may be used for vacation, personal illness, immediate family member illness, religious holidays, FMLA, maternity leave or other personal matters. The following tables show the accrual rates and rollover allowed:

Paid time off (PTO) accrual rates:

Years of service	Regular Full time Employees	Full Time Fire Department Employees **
1	5.54 hours per pay period	7.2 hours per pay period
2-5	7.08 hours per pay period	9.31 hours per pay period
6-10	7.70 hours per pay period	10.0 hours per pay period
11-15	8.62 hours per pay period	11.47 hours per pay period
16-20	9.24 hours per pay period	12.0 hours per pay period
21 plus	10.16 hours per pay period	13.62 hours per pay period

** Non-exempt Fire Department employees work 24 hour shifts. Therefore, non-exempt Fire Department employees accrue PTO at a higher rate than all other regular full time City employees

Paid time off (PTO) rollover:

Years of service	Regular Full time Employees	Full Time Fire Department Employees
0-10	120 hours	168 hours
11 plus	160 hours	244 hours

As of June 30, 2016 the liability for accrued PTO is \$1,249,918.

NOTE 5 - INDUSTRIAL BUILDING BONDS

The accounts of the City appropriately exclude the liabilities for bonds issued under the Tennessee Industrial Building Revenue Bond Act of 1951 for construction of industrial buildings. Rent from the properties is designated for the payment of interest and debt retirement of the bonds and notes issued for construction. A substantial portion of such rental collections and debt service payments is made directly by trustees. The bonds and notes do not constitute an indebtedness of the City and are considered to be self-liquidating.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 6 - PENSION EXPENSE

General Information about the Pension Plan

Plan description. Employees of Lebanon are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs. Employees hired after April 1, 2015 are covered under a hybrid plan of the TCRS. No actuarial information for the hybrid plan was provided as of the measurement date of June 30, 2015.

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

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

Employees covered by benefit terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	Prior Plan
Inactive employees entitled to but not yet receiving benefits	184
Active employees	326
	315
	<u>825</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 6 - PENSION EXPENSE – CONTINUED

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary under the hybrid plan. The prior plan is non-contributory. Lebanon makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarially Determined Contribution (ADC) for Lebanon was \$1,774,194 based on a rate of 13.3 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lebanon's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Lebanon's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. No net pension liability (asset) information was provided at June 30, 2016 on the hybrid plan.

Actuarial assumptions. The total pension liability as of June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation, averaging 4.25 percent
Investment rate of return	7.5 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.5 percent

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

The actuarial assumptions used in the June 30, 2015 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008 through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012 actuarial experience study by

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 6 - PENSION EXPENSE – CONTINUED

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

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	6.46%	33%
Developed market international equity	6.26%	17%
Emerging market international equity	6.40%	5%
Private equity and strategic lending	4.61%	8%
U.S. fixed income	0.98%	29%
Real estate	4.73%	7%
Short-term securities	0.00%	1%
		<hr style="width: 100%; border: 0.5px solid black;"/> 100%

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

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 6 - PENSION EXPENSE – CONTINUED

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/14	\$ 48,528,546	\$ 48,491,228	\$ 37,318
Changes for the year:			
Service cost	989,346		989,346
Interest	3,646,565		3,646,565
Differences between expected and actual experience	(3,214,342)		(3,214,342)
Contributions-employer		1,774,194	(1,774,194)
Contributions-employees		-	-
Net investment income		1,492,974	(1,492,974)
Benefit payments, including refunds of employee contributions	(1,794,053)	(1,794,053)	-
Administrative expense		(13,288)	13,288
Net changes	<u>(372,484)</u>	<u>1,459,827</u>	<u>(1,832,311)</u>
Balance at 6/30/14	<u>\$ 48,156,062</u>	<u>\$ 49,951,055</u>	<u>\$ (1,794,993)</u>

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Lebanon 's net pension liability (asset)	\$ 5,285,603	\$ (1,794,993)	\$ (7,619,762)

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

Pension expense. For the year ended June 30, 2015, Lebanon recognized pension expense of \$323,295 on the prior plan.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2016, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 6 - PENSION EXPENSE – CONTINUED

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 472,567	\$ 2,755,150
Net difference between projected and actual earnings on pension plan investments	1,714,100	2,262,452
Contributions subsequent to the measurement date of June 30, 2015	<u>1,856,085</u>	<u>-</u>
Total	<u>\$ 4,042,752</u>	<u>\$ 5,017,602</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2015 will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:

	2017	\$	(690,305)
	2018		(690,305)
	2019		(690,305)
	2020		63,846
	2021		(364,679)
Thereafter			(459,192)

Payable to the Pension Plan

At June 30, 2015, *Lebanon* reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 7 – CAPITAL ASSETS

A summary of changes in Capital Assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 7,797,050	\$ -	\$ 7,500	\$ 7,789,550
Other Capital Assets:				
Buildings	21,524,596	1,057,710	-	22,582,305
Improvements Other Than Buildings	51,615,962	2,432,624	-	54,048,586
Equipment	18,214,887	1,466,514	-	19,681,401
Total Other Capital Assets at Historical Cost	91,355,445	4,956,848	-	96,312,293
Less Accumulated Depreciation for:				
Buildings	12,194,012	604,285	-	12,798,297
Improvements Other Than Buildings	22,286,827	1,610,388	-	23,897,215
Equipment	14,056,655	938,223	-	14,994,878
Total Accumulated Depreciation	48,537,494	3,152,896	-	51,690,390
Other Capital Assets, Net	42,817,951	1,803,952	-	44,621,903
Governmental Activities Capital Assets, Net	\$ 50,615,001	\$ 1,803,952	\$ 7,500	\$ 52,411,453

Depreciation Expense was charged to functions as follows:

General Government	\$ 251,743
Public Works	8,275
Public Safety	21,836
Police	375,924
Fire	249,877
Street	1,460,115
Cemetery	803
Recreation	196,139
Jimmy Floyd Family Life Center	267,113
Engineering	10,637
Airport	310,436
	\$ 3,152,896

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 7 – CAPITAL ASSETS - CONTINUED

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 2,544,278	\$ 3,723	\$ -	\$ 2,548,001
Construction in Process	<u>7,169,409</u>	<u>10,741,098</u>	<u>6,625,078</u>	<u>11,285,429</u>
Total Capital Assets Not Being Depreciated	<u>9,713,687</u>	<u>10,744,821</u>	<u>6,625,078</u>	<u>13,833,429</u>
Other Capital Assets:				
Buildings	55,830,614	1,319,746	-	57,150,360
Improvements Other Than Buildings	138,632,922	4,094,254	-	142,727,176
Equipment	<u>5,337,004</u>	<u>1,187,429</u>	<u>54,730</u>	<u>6,469,703</u>
Total Other Capital Assets at Historical Cost	<u>199,800,540</u>	<u>6,601,429</u>	<u>54,730</u>	<u>206,347,239</u>
Less Accumulated Depreciation for:				
Buildings	22,133,677	1,708,104	-	23,841,781
Improvements Other Than Buildings	52,610,825	3,942,648	-	56,553,473
Equipment	<u>3,580,586</u>	<u>342,213</u>	<u>17,155</u>	<u>3,905,644</u>
Total Accumulated Depreciation	<u>78,325,088</u>	<u>5,992,965</u>	<u>17,155</u>	<u>84,300,897</u>
Other Capital Assets, Net	<u>121,475,452</u>	<u>608,464</u>	<u>37,575</u>	<u>122,046,342</u>
Business Type Activities Capital Assets, Net	<u>\$ 131,189,139</u>	<u>\$ 11,353,285</u>	<u>\$ 6,662,653</u>	<u>\$ 135,879,771</u>

NOTE 8 - OPERATING LEASE

The City has in effect certain leases, as a Lessor, accounted for as operating leases. A schedule of future lease collections is as follows:

<u>Year Ended</u>		<u>Collections</u>
<u>June 30,</u>		
2017	\$	24,000
2018		24,000
2019		24,000
2020		24,000
2021		24,000
Thereafter		<u>912,000</u>
		<u>\$1,032,000</u>

NOTE 9 - CONSTRUCTION COMMITMENTS

Water and sewer and gas improvements projects in progress at June 30, 2016 totaled \$11,285,428. During the current fiscal year, the City closed \$3,984,894 of completed water and sewer projects into capital assets and expenses. The City also closed \$2,720,623 of completed gas projects into capital assets and expenses during the current fiscal year. Construction cost during the fiscal year ended June 30, 2016 for the water and sewer and gas improvements totaled \$10,817,725. At June 30, 2016, the

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 9 - CONSTRUCTION COMMITMENTS – CONTINUED

City had total contracts outstanding for building and road construction of \$7,105,195. The majority of this is for work at the Lebanon Airport, Cedar City Trail, and road work. The City had incurred construction costs of \$2,791,367 during the current fiscal year.

NOTE 10 - TRANSFERS

Transfers during the year ended June 30, 2016, are summarized as follows:

Transfers From	<u>Major Fund General</u>	<u>Other Nonmajor Governmental Funds</u>
Transfers To		
Governmental Funds:		
Major Funds:		
General	\$ -	\$ -
Other Nonmajor		
Governmental Funds	2,804,446	5,364
	<u>\$ 2,804,446</u>	<u>\$ 5,364</u>

NOTE 11 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables generally include outstanding charges by one fund to another for goods and services and other miscellaneous items. Amounts outstanding at fiscal year end are reported as “Due to/Due from Other Funds” in the Governmental Funds Balance Sheet. Amounts payable between governmental funds are eliminated in the Statement of Net Assets. Amounts payable between governmental type activities and business type activities are reflected as “Internal Balances” on the Statement of Net Assets. Amounts payable between the Primary Government and the Component Unit are not eliminated.

Amounts outstanding at June 30, 2016 are as follows:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 11 – INTERFUND RECEIVABLES AND PAYABLES – CONTINUED

	Primary Government				Total
	Governmental Funds		Proprietary Funds		
	Major Fund	Other Nonmajor Funds	Water & Sewer	Natural Gas	
Due From	General				
Due To					
Governmental Funds:					
Major Funds:					
General	\$ -	\$ 439,285	\$ 428,229	\$ 263,510	\$ 1,131,024
Other Nonmajor Funds	310,884	8,157	-	-	319,041
Proprietary Funds:					
Water & Sewer	4,120	1,768	-	16,381	22,269
Natural Gas	41,826	489	-	-	42,315
	<u>\$ 356,830</u>	<u>\$ 449,699</u>	<u>\$ 428,229</u>	<u>\$ 279,891</u>	<u>\$ 1,514,649</u>

NOTE 12 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had excess expenditures over appropriations.

Fund	Appropriations	Expenditures	Variance
State Street Aid	\$ 1,122,417	\$ 1,139,993	\$ (17,576)
Police Local Option Fine	345,103	592,472	(247,369)

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 14 - RISK MANAGEMENT

The City participates in the Tennessee Municipal League Risk Management Pool for the risks of loss to which it is exposed. These risks include general liability, property and casualty, workers compensation, employee health and accident, and environmental. The City pays premiums to the risk management pool and risk of loss is transferred to the risk management pool. Settled claims have not exceeded this coverage in any of the past three fiscal years.

NOTE 15 - CONTINGENT LIABILITY

The City is involved in several causes of action being defended under various insurance policies including the Tennessee Municipal League Risk Pool. It is expected that settled claims will not exceed limits of insurance.

NOTE 16 – SPECIAL ITEMS

In a prior fiscal year, the court ordered that the City of Lebanon pay for infrastructure improvements to bring the City into compliance with ADA requirements. A portion of these improvements relating to the sidewalks has been capitalized in the fixed assets of governmental activities as the improvements are made. The City council had budgeted a maximum of \$175,000 per year to be spent on these sidewalk improvements. For the fiscal year ended June 30, 2016, the City spent \$-.

NOTE 17 - JOINT VENTURE

During 1988, the City of Lebanon and Wilson County entered into an agreement to purchase and develop land in an effort to develop an industrial park to benefit the respective governments and the citizens. The city and county each agreed to contribute 50% of all proceeds for land. A six member board, known as the Wilson County/Lebanon Development Board, was established for the development operation, supervision, and maintenance of the project. The city members include the mayor, the commissioner of Public Works, and one alderman appointed by the mayor. The county members include the county executive, the chairman of the Tax Rate and Budget Committee, and one additional commissioner who is nominated by the county executive. The board is audited annually by an independent certified public accountant approved by the Comptroller of the Treasury, State of Tennessee. The audited financial statements are available from the Commissioner of Finance for the City of Lebanon. As of June 30, 2016, the audited financial statements for the Board presented a net position of \$276,773.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City's full-time employees are included in the City of Lebanon's medical and life insurance coverage. The City's plan is a single employer plan that offers benefits to pre-65 retirees and their dependents. Once a participant turns age 65, the medical provision provides benefits through a Medicare Supplement Plan. Retirees receive a \$10,000 life insurance benefit until attainment of 85 years of age.

An employee who retires from the City is eligible for retiree health and life insurance coverage upon attaining age 60 with 10 years of service or completion of 30 years of service. If a retiree is eligible for health insurance coverage, the plan will also provide health coverage for the retiree's spouse. This coverage will continue until the retiree dies. Eligible retirees and dependents are required to share the cost of health insurance.

Annual OPEB Cost and Net OPEB Obligation

The OPEB cost and net OPEB obligation were based on the July 1, 2010 actuarial valuation for the City's plan.

The OPEB cost is included in program expenses on the state of activities.

	<u>Total</u>
ARC	\$ 1,384,341
Interest on the NPO	258,976
Adjustment of the ARC	<u>(270,231)</u>
Annual OPEB Cost	1,373,086
Amount of Contribution	<u>603,087</u>
Increase/(decrease) in NPO	769,999
Net OPEB Obligation, 07/01/2015	<u>5,755,016</u>
Net OPEB Obligation, 06/30/2016	<u><u>\$ 6,525,015</u></u>

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2016 is as follows:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Year Ended	Plan	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6/30/2009	Postemployment Benefits Plan	\$ 1,081,504	27.78%	\$ 781,105
6/30/2010	Postemployment Benefits Plan	\$ 1,066,087	32.92%	1,485,110
6/30/2011	Postemployment Benefits Plan	\$ 1,110,885	33.14%	\$ 2,227,846
6/30/2012	Postemployment Benefits Plan	\$ 1,162,307	34.82%	\$ 2,985,406
6/30/2013	Postemployment Benefits Plan	\$ 1,417,388	32.69%	\$ 3,939,442
6/30/2014	Postemployment Benefits Plan	\$ 1,509,190	33.18%	\$ 4,947,827 *
6/30/2015	Postemployment Benefits Plan	\$ 1,295,140	43.12%	\$ 5,755,016
6/30/2016	Postemployment Benefits Plan	\$ 1,373,086	43.92%	\$ 6,525,015

* as presented in the prior audited financial statements - not restated

Actuarial valuation date	7/1/2015
Actuarial accrued liability (AAL)	\$ 17,190,832
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>17,190,832</u>
Actuarial valuation of plan assets as a % of the AAL	0.0%
Covered payroll (active plan members)	12,058,021
UAAL as a % of covered payroll	142.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as requires supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each calculation and on the pattern of sharing costs between employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used to include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2013

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Actuarial Methods and Assumptions, continued

The actuarial assumptions included a 4.5 percent discount rate, an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of six percent after three years. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30 year period beginning with July 1, 2008.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LEBANON TENNESSEE
SCHEDULE OF FUNDING PROGRESS FOR OPEB
June 30, 2016

Plan Year	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2008-2009	\$ -	\$ 12,130,481	\$ 12,130,481	0.0%	\$ 11,889,877	102.0%
2009-2010	\$ -	\$ 12,730,997	\$ 12,730,997	0.0%	\$ 10,785,925	118.0%
2010-2011	\$ -	\$ 13,643,309	\$ 13,643,309	0.0%	\$ 11,130,027	122.6%
2011-2012	\$ -	\$ 13,713,844	\$ 13,713,844	0.0%	\$ 11,242,927	122.0%
2012-2013	\$ -	\$ 16,735,083	\$ 16,735,083	0.0%	\$ 11,200,261	149.4%
2013-2014	\$ -	\$ 17,642,997	\$ 17,642,997	0.0%	\$ 11,161,385	158.1%
2014-2015	\$ -	\$ 16,564,961	\$ 16,564,961	0.0%	\$ 11,763,923	140.8%
2015-2016	\$ -	\$ 17,190,832	\$ 17,190,832	0.0%	\$ 12,058,021	142.6%

CITY OF LEBANON TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS BASED ON PARTICIPATION IN THE
PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year ending June 30

	2014	2015
Total pension liability		
Service cost	\$ 936,571	\$ 989,346
Interest	3,399,484	3,646,565
Changes in benefit terms	-	-
Differences between actual & expected experience	661,593	(3,214,342)
Change of assumptions	-	-
Benefit payments, including refunds of employee contributions	<u>(1,717,975)</u>	<u>(1,794,053)</u>
Net change in total pension liability	3,279,673	(372,484)
Total pension liability-beginning	<u>45,248,873</u>	<u>48,528,546</u>
Total pension liability-ending (a)	<u><u>\$ 48,528,546</u></u>	<u><u>\$ 48,156,062</u></u>
Plan fiduciary net position		
Contributions-employer	\$ 1,828,142	\$ 1,774,194
Contributions-employee	-	-
Net investment income	6,887,411	1,492,974
Benefit payments, including refunds of employee contributions	(1,717,975)	(1,794,053)
Administrative expense	<u>(13,375)</u>	<u>(13,288)</u>
Net change in plan fiduciary net position	6,984,203	1,459,827
Plan fiduciary net position-beginning	<u>41,507,025</u>	<u>48,491,228</u>
Plan fiduciary net position-ending (b)	<u><u>\$ 48,491,228</u></u>	<u><u>\$ 49,951,055</u></u>
Net Pension Liability (asset)-ending (a) – (b)	<u><u>\$ 37,318</u></u>	<u><u>(1,794,993)</u></u>
Plan fiduciary net position as a percentage of total pension liability	99.92%	103.73%
Covered-employee payroll	12,938,008	13,339,802
Net pension liability (asset) as a percentage of covered-employee payroll	0.29%	-13.46%

CITY OF LEBANON TENNESSEE
SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN
THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Year ending June 30

Prior Plan:	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially determined contribution	\$ 1,828,142	\$ 1,774,194	\$ 1,897,963
Contributions in relation to the actuarially determined contributi	1,828,142	1,774,194	1,897,963
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Hybrid Plan:			
Actuarially determined contribution	N/A	\$ -	
Contributions in relation to the actuarially determined contributi	N/A	-	
Contribution deficiency (excess)	N/A	<u>-</u>	
		<u>\$ -</u>	
Covered-employee payroll	\$ 12,938,008	13,339,802	
Contributions as a percentage covered-employee payroll	14.13%	13.30%	

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen initial liability
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	4 years
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	3.0 percent
Salary increases	Graded salary ranges from 8.97 to 3.71 percent based on age, including inflation
Investment Rate of Return	7.5 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.5 percent

SUPPLEMENTARY INFORMATION

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

ASSETS	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
Cash	\$ 456,129	5	67,949	\$ 524,083
Investment in State Investment Pool	2,538,755	137,595	1,733,435	4,409,785
Accounts Receivable:				
State of Tennessee	226,420	-	-	226,420
Other	39,794	-	1,033,969	1,073,763
Due from Other Funds	301,381	-	17,661	319,042
Prepaid Expenses	12,934	-	-	12,934
	<u>\$ 3,575,413</u>	<u>\$ 137,600</u>	<u>\$ 2,853,014</u>	<u>\$ 6,566,027</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

LIABILITIES	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Accounts Payable				
Vendors	\$ 323,241	\$ -	680,915	\$ 1,004,156
Due to Other Funds	375,518	7,340	66,841	449,699
Bank Overdraft	3,406	-	46,034	49,440
Accrued Payroll and Related Items	71,982	-	-	71,982
Accrued Vacation Pay	9,236	-	-	9,236
Total Liabilities	783,383	7,340	793,790	1,584,513
FUND BALANCES				
Fund Balances:				
Restricted for:				
Debt Service		130,260	-	130,260
Street	619,045	-	-	619,045
Recreation	-	-	-	-
Drug Enforcement	734,660	-	-	734,660
Community Assistance	37,670	-	-	37,670
Police	50,815	-	-	50,815
Airport	-	-	-	-
Committed to:				
Airport	239,186	-	-	239,186
Cemetery	111,541	-	-	111,541
Police	11,352	-	257,358	268,710
Assigned to:				
Recreation	-	-	119,158	119,158
Airport	158,010	-	263,939	421,949
Street	-	-	1,418,769	1,418,769
Public Works	762,088	-	-	762,088
Police	2,285	-	-	2,285
Floyd Family Life Center	65,378	-	-	65,378
Total Fund Balances	2,792,030	130,260	2,059,224	4,981,514
Total Liabilities and Fund Balances	\$ 3,575,413	\$ 137,600	\$ 2,853,014	\$ 6,566,027

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUND TYPES

Year Ended June 30, 2016

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Revenues				
State and Regional Apportionments and Grants	\$ 1,185,111	\$ -	1,088,535	\$ 2,273,646
Federal Grants	-	-	-	-
Fines and Costs	19,920	-	-	19,920
Interest	7,435	963	2,731	11,129
Other Revenues	2,162,355	-	541,712	2,704,067
Total Revenues	3,374,821	963	1,632,977	5,008,761
Expenditures				
General Government	29,544	912	-	30,456
Public Works	780,174	-	-	780,174
Police	245,168	-	18,994	264,162
Fire	-	-	-	-
Street	524,841	-	41,888	566,729
Jimmy Floyd Family Life Center	1,262,425	-	-	1,262,425
Airport	110,078	-	9,600	119,678
Recreation	-	-	-	-
Debt Service:				
Principal	3,290	920,179	196,971	1,120,440
Interest	782	209,842	23,978	234,602
Capital Outlay	893,283	-	2,925,798	3,819,081
Total Expenditures	3,849,585	1,130,933	3,217,229	8,197,747
Excess (Deficiency) of Revenues Over Expenditures	(474,764)	(1,129,970)	(1,584,252)	(3,188,986)
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	247,368	247,368
Loan Proceeds	-	-	73,788	73,788
Transfers From Other Funds	635,364	1,130,694	1,043,752	2,809,810
Transfers To Other Funds	(5,364)	-	-	(5,364)
Total Other Financing Sources (Uses)	630,000	1,130,694	1,364,908	3,125,602
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	155,236	724	(219,344)	(63,384)
Fund Balances				
July 01, 2015	2,716,259	129,536	2,278,568	5,124,363
Close funds to General	(79,465)	-	-	(79,465)
June 30, 2016	\$ 2,792,030	\$ 130,260	\$ 2,059,224	\$ 4,981,514

See notes to financial statements

CITY OF LEBANON, TENNESSEE
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2016

ASSETS	Stormwater Fund	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Cash	-	\$ 11,605	\$ 56,288	\$ 198,774	\$ 37,646	\$ 5,040	\$ 5,997	\$ 15
Investment in State Investment Pool	778,266	570,052	486,304	-	-	386,261	-	49,900
Due From Other Funds	-	-	-	300,000	-	1,201	-	-
Prepaid Expenses	397	-	-	10,243	-	1,341	-	953
Other Receivables	18,562	149,428	727	11,953	-	5,766	-	4,826
Total Assets	\$ 797,225	\$ 731,085	\$ 543,319	\$ 520,970	\$ 37,646	\$ 399,609	\$ 5,997	\$ 55,694
LIABILITIES AND FUND BALANCE								
Accounts Payable	\$ 2,335	\$ 112,040	\$ 2,179	\$ 39,210	\$ -	\$ 2,407	\$ -	\$ -
Due to Other Funds	22,619	-	148	342,156	-	22	5,973	4,600
Bank Overdraft	3,191	-	-	-	-	-	-	-
Accrued Payroll and Related Items	5,704	-	-	66,278	-	-	-	-
Accrued Vacation Pay	1,288	-	-	7,948	-	-	-	-
Total Liabilities	\$ 35,137	\$ 112,040	\$ 2,327	\$ 455,592	\$ -	\$ 2,429	\$ 5,973	\$ 4,600
Fund Balances:								
Restricted for:								
Street	-	619,045	-	-	-	-	-	-
Drug Enforcement	-	-	540,992	-	-	-	-	-
Community Assistance	-	-	-	-	37,646	-	24	-
Police	-	-	-	-	-	-	-	50,815
Committed to:								
Airport	-	-	-	-	-	239,186	-	-
Cemetery	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Assigned to:								
Public Works	762,088	-	-	-	-	-	-	-
Floyd Family Life Center	-	-	-	65,378	-	-	-	279
Police	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	157,994	-	-
Total Fund Balance	\$ 762,088	\$ 619,045	\$ 540,992	\$ 65,378	\$ 37,646	\$ 397,180	\$ 24	\$ 51,094
Total Liabilities and Fund Balance	\$ 797,225	\$ 731,085	\$ 543,319	\$ 520,970	\$ 37,646	\$ 399,609	\$ 5,997	\$ 55,694

See notes to financial statements

CITY OF LEBANON, TENNESSEE
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

June 30, 2016

ASSETS	Cemetery Maintenance	Federal Asset Seizure	FIDFP	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	COPS Grant	Total Nonmajor Funds
Cash	\$ 207	\$ 44,712	\$ 84,480	\$ 11,206	\$ 159	\$ -	\$ -	\$ 456,129
Investment in State Investment Pool	111,334	47,678	-	96,524	1,097	11,339	-	2,538,755
Due From Other Funds	-	-	-	-	-	180	-	301,381
Prepaid Expenses	-	-	-	-	-	-	-	12,934
Other Receivables	-	-	58,873	15,265	750	64	-	266,214
Total Assets	\$ 111,541	\$ 92,390	\$ 143,353	\$ 122,995	\$ 2,006	\$ 11,583	\$ -	\$ 3,575,413
LIABILITIES AND FUND BALANCE								
Accounts Payable	\$ -	\$ 19,317	\$ 143,353	\$ 2,400	\$ -	\$ -	\$ -	\$ 323,241
Due to Other Funds	-	-	-	-	-	-	-	375,518
Bank Overdraft	-	-	-	-	-	215	-	3,406
Accrued Payroll and Related Items	-	-	-	-	-	-	-	71,982
Accrued Vacation Pay	-	-	-	-	-	-	-	9,236
Total Liabilities	-	19,317	143,353	2,400	-	215	-	783,383
Fund Balances:								
Restricted for:								
Street	-	-	-	-	-	-	-	619,045
Drug Enforcement	-	73,073	-	120,595	-	-	-	734,660
Community Assistance	-	-	-	-	-	-	-	37,670
Police	-	-	-	-	-	-	-	50,815
Committed to:								
Airport	-	-	-	-	-	-	-	239,186
Cemetery	111,541	-	-	-	-	-	-	111,541
Police	-	-	-	-	-	11,352	-	11,352
Assigned to:								
Public Works	-	-	-	-	-	-	-	762,088
Floyd Family Life Center	-	-	-	-	-	-	-	65,378
Police	-	-	-	-	2,006	-	-	2,285
Airport	-	-	-	-	-	16	-	158,010
Total Fund Balance	111,541	73,073	-	120,595	2,006	11,368	-	2,792,030
Total Liabilities and Fund Balance	\$ 111,541	\$ 92,390	\$ 143,353	\$ 122,995	\$ 2,006	\$ 11,583	\$ -	\$ 3,575,413

See notes to financial statements

CITY OF LEBANON, TENNESSEE
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year End June 30, 2016

	Stormwater Fund	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Revenues:								
State and Regional Apportionments and Grants	\$ 27,749	\$ 885,764	\$ -	\$ -	\$ -	\$ 14,300	\$ -	\$ -
Federal Grants	-	-	-	-	-	-	-	-
Contributions	-	67,925	-	-	16,453	-	7,850	-
Interest Income	1,524	1,743	1,353	564	38	976	16	149
Fines and Costs	-	-	19,920	-	-	-	-	-
Memberships, Fees and Concessions	-	-	-	1,079,690	-	-	-	76,799
Other	314,327	-	79,650	28,936	-	169,988	-	-
Total Revenues	343,600	955,432	100,923	1,109,190	16,491	185,264	7,866	76,948
Expenditures:								
Salaries	112,534	-	-	653,290	-	-	-	62,140
Payroll Taxes	7,825	-	-	48,730	-	-	-	4,754
Benefits	50,433	-	-	157,811	-	-	-	12,604
Other Operating Expenditures	224,930	524,841	87,401	402,593	16,025	110,078	11,464	-
Debt Service	4,072	-	-	-	-	-	-	-
Capital Outlay	1,095	615,152	132,596	91,283	-	-	-	-
Total Expenditures	400,889	1,139,993	219,997	1,353,707	16,025	110,078	11,464	79,498
Excess of Revenues Over (Under) Expenditures	(57,289)	(184,561)	(119,074)	(244,517)	466	75,186	(3,598)	(2,550)
Other Financing Sources (Uses):								
Operating Transfers To Other funds	(3,564)	-	-	-	-	-	-	-
Operating Transfers From Other Funds	330,000	-	-	300,000	-	-	3,564	-
Total Other Financing Sources (Uses)	326,436	-	-	300,000	-	-	3,564	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	269,147	(184,561)	(119,074)	55,483	466	75,186	(34)	(2,550)
Fund Balances:								
July 01, 2015	492,941	803,606	660,066	9,895	37,180	321,994	58	53,644
Increase in Encumbrances	-	-	-	-	-	-	-	-
June 30, 2016	\$ 762,088	\$ 619,045	\$ 540,992	\$ 65,378	\$ 37,646	\$ 397,180	\$ 24	\$ 51,094

CITY OF LEBANON, TENNESSEE
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2016

	Cemetery Maintenance	Federal Asset Seizure	FIDFP	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	COPS Grant	Total Nonmajor Funds
Revenues:								
State and Regional								
Appointments and Grants	\$ -	\$ -	\$ 257,298	\$ -	\$ -	\$ -	\$ -	\$ 1,185,111
Federal Grants	-	-	-	-	-	-	-	-
Contributions	-	-	125,686	-	2,250	-	-	220,164
Interest Income	249	490	-	312	5	16	-	7,435
Fines and Costs	-	-	-	-	-	-	-	19,920
Memberships, Fees and Concessions	14,050	-	-	-	-	-	-	1,170,539
Other	-	107,731	-	59,923	-	11,097	-	771,652
Total Revenues	14,299	108,221	382,984	60,235	2,255	11,113	-	3,374,821
Expenditures:								
Salaries	-	-	-	-	-	-	-	827,964
Payroll Taxes	-	-	-	-	-	-	-	61,309
Benefits	-	-	-	-	-	-	-	220,848
Other Operating Expenditures	-	55,237	384,452	23,033	2,055	-	-	1,842,109
Debt Service	-	-	-	-	-	-	-	4,072
Capital Outlay	-	40,702	-	12,455	-	-	-	893,283
Total Expenditures	-	95,939	384,452	35,488	2,055	-	-	3,849,585
Excess of Revenues Over (Under) Expenditures	14,299	12,282	(1,468)	24,747	200	11,113	-	(474,764)
Other Financing Sources (Uses):								
Operating Transfers To Other funds	-	-	-	(1,800)	-	-	-	(5,364)
Operating Transfers From Other Funds	-	-	-	-	1,800	-	-	635,364
Total Other Financing Sources (Uses)	-	-	-	(1,800)	1,800	-	-	630,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	14,299	12,282	(1,468)	22,947	2,000	11,113	-	155,236
Fund Balances:								
July 01, 2015	97,242	60,791	1,468	97,648	6	255	79,464	2,716,258
Close funds to General	-	-	-	-	-	-	(79,464)	(79,464)
June 30, 2016	\$ 111,541	\$ 73,073	\$ -	\$ 120,595	\$ 2,006	\$ 11,368	\$ -	\$ 2,792,030

CITY OF LEBANON, TENNESSEE
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

June 30, 2016

ASSETS	Police Local	Airport	Payment in	Lebanon-	Street	Total
	Option Fine	Capital Projects	Lieu of Sidewalks	Wilson County Community Park	Improvements	Nonmajor Funds
Cash	\$ -	\$ -	\$ 2	\$ -	\$ 67,947	\$ 67,949
Investment in State Investment Pool	247,000	-	42,874	61,958	1,381,603	1,733,435
Due from Other Funds	10,704	-	-	-	6,957	17,661
Other Receivables	1,383	619,354	-	71,680	341,552	1,033,969
Total Assets	\$ 259,087	\$ 619,354	\$ 42,876	\$ 133,638	\$ 1,798,059	\$ 2,853,014
LIABILITIES AND FUND BALANCES						
Bank Overdraft	\$ 1,729	\$ 32,741	\$ -	\$ 11,564	\$ -	\$ 46,034
Due to Other Funds	-	66,841	-	-	-	66,841
Accounts Payable	-	255,833	-	2,916	422,166	680,915
Total Liabilities	1,729	355,415	-	14,480	422,166	793,790
Fund Balances:						
Committed to:						
Police	257,358					257,358
Assigned to:						
Recreation				119,158		119,158
Airport		263,939				263,939
Street			42,876		1,375,893	1,418,769
Total Fund Balances	257,358	263,939	42,876	119,158	1,375,893	2,059,224
Total Liabilities and Fund Balances	\$ 259,087	\$ 619,354	\$ 42,876	\$ 133,638	\$ 1,798,059	\$ 2,853,014

See notes to financial statements

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2016

	Police Local Option Fine	Airport Capital Projects	Payment in Lieu of Sidewalks	Lebanon- Wilson County Community Park	Street Improvements	Total Nonmajor Funds
Revenues						
State Grants and Contracts	\$ -	\$ 659,511	\$ -	\$ 438,169	\$ (9,145)	\$ 1,088,535
Other Revenues	381,420	-	-	-	160,292	541,712
Interest Earnings	402	(33)	100	(195)	2,456	2,730
Total Revenues	381,822	659,478	100	437,974	153,603	1,632,977
Expenditures						
Other Operating	18,994	9,600	-	-	41,888	70,482
Debt Service	220,949	-	-	-	-	220,949
Capital Outlay	352,529	1,281,033	-	565,349	726,887	2,925,798
Total Expenditures	592,472	1,290,633	-	565,349	768,775	3,217,229
Excess of Revenues Over (Under) Expenditures	(210,650)	(631,155)	100	(127,375)	(615,172)	(1,584,252)
Other Financing Sources (Uses)						
Capital Lease Proceeds	247,368	-	-	-	-	247,368
Bond Proceeds	-	73,788	-	-	-	73,788
Operating Transfers From Other Funds	-	216,816	-	100,000	726,936	1,043,752
Total Other Financing Sources (Uses)	247,368	290,604	-	100,000	726,936	1,364,908
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	36,718	(340,551)	100	(27,375)	111,764	(219,344)
Fund Balances						
July 01, 2015	220,640	604,490	42,776	146,533	1,264,129	2,278,568
June 30, 2016	\$ 257,358	\$ 263,939	\$ 42,876	\$ 119,158	\$ 1,375,893	\$ 2,059,224

See notes to financial statements

CITY OF LEBANON, TENNESSEE
NONMAJOR DEBT SERVICE FUND
COMBINING BALANCE SHEET

June 30, 2016

ASSETS	2013 Bond Fund	2004 Bond Fund	2003 Bond Fund	2008 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	Total Nonmajor Funds
Cash	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 1	\$ 5
Investment in State Investment Pool	54	10,006	55,062	58,456	13,881	136	137,595
Total Assets	<u>54</u>	<u>10,006</u>	<u>55,062</u>	<u>58,460</u>	<u>13,881</u>	<u>137</u>	<u>137,600</u>

LIABILITIES AND FUND BALANCES

Due to Other Funds	\$ -	\$ -	\$ -	\$ 383	\$ 6,957	\$ -	\$ 7,340
Bank Overdraft	-	-	-	-	-	-	-
Fund Balances - Restricted for Debt Service	54	10,006	55,062	58,077	6,924	137	130,260
Total Liabilities and Fund Balances	<u>54</u>	<u>10,006</u>	<u>55,062</u>	<u>58,460</u>	<u>13,881</u>	<u>137</u>	<u>137,600</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2016

	2013 Bond Fund	2004 Bond Fund	2003 Bond Fund	2008 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	Total Nonmajor Funds
Revenues							
Interest Income	\$ 21	\$ 115	\$ 249	\$ 345	\$ 185	\$ 48	\$ 963
Expenditures							
Bank Service Charges	-	-	529	383	-	-	912
Principal	180,179	91,000	200,000	250,000	158,000	41,000	920,179
Interest	44,213	9,317	16,405	91,658	21,826	26,423	209,842
Total Expenditures	<u>224,392</u>	<u>100,317</u>	<u>216,934</u>	<u>342,041</u>	<u>179,826</u>	<u>67,423</u>	<u>1,130,933</u>
Excess of Revenues Over (Under) Expenditures	(224,371)	(100,202)	(216,685)	(341,696)	(179,641)	(67,375)	(1,129,970)
Other Financing Sources (Uses)							
Operating Transfers From Other Funds	224,392	100,483	215,655	341,762	180,979	67,423	1,130,694
Total Other Financing Sources (Uses)	<u>224,392</u>	<u>100,483</u>	<u>215,655</u>	<u>341,762</u>	<u>180,979</u>	<u>67,423</u>	<u>1,130,694</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	21	281	(1,030)	66	1,338	48	724
Fund Balances July 01, 2015	33	9,725	56,092	58,011	5,586	89	129,536
June 30, 2016	<u>54</u>	<u>10,006</u>	<u>55,062</u>	<u>58,077</u>	<u>6,924</u>	<u>137</u>	<u>130,260</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 AG DRUG ENFORCEMENT REVENUE FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS

June 30, 2016

ASSETS

Cash	<u>\$ 130,538</u>
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LIABILITIES AND NET POSITION

Net Position, Held in Trust	<u>\$ 130,538</u>
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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS

Year Ended June 30, 2016

Additions	
Interest	\$ 143
Reductions	
Miscellaneous Expenses	<u>(20,000)</u>
Change in Net Position	(19,857)
Net Position	
July 01, 2015	<u>150,395</u>
June 30, 2016	<u>\$ 130,538</u>

CITY OF LEBANON, TENNESSEE
 STORMWATER FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ -	\$ -	\$ 1,524	\$ 1,524
State Grant	-	2,864	27,749	24,885
Fees	172,000	172,000	314,327	142,327
Total Revenue	<u>172,000</u>	<u>174,864</u>	<u>343,600</u>	<u>168,736</u>
Expenditures				
Salaries	158,523	162,117	112,534	49,583
Payroll Taxes	12,630	12,518	7,825	4,693
Benefits	76,878	76,482	50,433	26,049
Other Operating Expenditures	110,542	287,642	224,930	62,712
Debt Service	-	4,180	4,072	108
Capital Outlay	1,000	1,095	1,095	-
Total Expenditures	<u>359,573</u>	<u>544,034</u>	<u>400,889</u>	<u>143,145</u>
Excess of Revenues Over (Under) Expenditures	(187,573)	(369,170)	(57,289)	311,881
Other Financing Sources (Uses):				
Loan Proceeds	-	-	-	-
Transfers From Other Funds	155,000	330,000	330,000	-
Transfers to Other Funds	-	(5,564)	(3,564)	2,000
Total Other Financing Sources (Uses)	<u>155,000</u>	<u>324,436</u>	<u>326,436</u>	<u>2,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (32,573)</u>	<u>\$ (44,734)</u>	269,147	<u>\$ 313,881</u>
Fund Balances				
July 01, 2015			<u>492,941</u>	
June 30, 2016			<u>\$ 762,088</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATE STREET AID FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Gas 1989	690,000	690,000	78,788	\$ (611,213)
Gas 3 cent	-	-	146,353	146,353
Gasoline & Motor Fuel Tax	-	-	490,550	490,550
Contributions	-	-	67,925	
State Grant	242,639	242,639	170,074	
Interest Income	-	-	1,743	1,743
Total Revenues	<u>932,639</u>	<u>932,639</u>	<u>955,432</u>	<u>27,433</u>
Expenditures				
Utilities and Other				
Operating Expenditures	530,000	530,000	524,841	5,159
Capital Expenditures	417,639	592,417	615,152	(22,735)
Total Expenditures	<u>947,639</u>	<u>1,122,417</u>	<u>1,139,993</u>	<u>(17,576)</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (15,000)</u>	<u>\$ (189,778)</u>	(184,561)	<u>\$ 5,217</u>
Fund Balances				
July 01, 2015			<u>803,606</u>	
June 30, 2016			<u>\$ 619,045</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 DRUG ENFORCEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Court Fines and Cost	\$ 18,000	\$ 18,000	\$ 19,920	\$ 1,920
Interest Income	500	500	1,353	853
Other	65,000	65,000	79,650	14,650
Total Revenues	83,500	83,500	100,923	17,423
Expenditures				
Capital Expenditures	30,000	302,947	132,596	170,351
Other Operating Expenditures	133,100	133,100	87,401	45,699
Total Expenditures	163,100	436,047	219,997	216,050
Excess of Revenues Over (Under)				
Expenditures	(79,600)	(352,547)	(119,074)	(198,627)
Other Financing Sourced (Uses)				
Transfers to Other Funds	(14,819)	(14,819)	-	14,819
Total Other Financing Sources (Uses)	(14,819)	(14,819)	-	14,819
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (94,419)	\$ (367,366)	(119,074)	\$ (183,808)
Fund Balances				
July 01, 2015			660,066	
June 30, 2016			\$ 540,992	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 JIMMY FLOYD FAMILY LIFE CENTER
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Memberships, Fees and Concessio	\$ 1,274,500	\$ 1,281,500	\$ 1,079,690	\$ (201,810)
Rent	37,000	37,000	28,936	(8,064)
Interest	500	500	564	64
Total Revenues	1,312,000	1,319,000	1,109,190	(209,810)
Expenditures:				
Salaries	602,989	676,250	653,290	22,960
Payroll Taxes	46,129	49,178	48,730	448
Benefits	165,568	157,846	157,811	35
Utilities	192,000	189,210	189,210	-
Telephone	25,150	19,933	19,933	-
Maintenance	30,000	35,000	34,288	712
Contractual Services	20,500	22,875	22,082	793
Supplies	98,750	97,083	94,346	2,737
Insurance	15,525	14,367	14,367	-
Other Operating Expenditures	41,365	31,304	28,367	2,937
Capital Outlay	26,000	92,000	91,283	717
Total Expenditures	1,263,976	1,385,046	1,353,707	31,339
Excess of Revenues Over (Under)				
Expenditures	48,024	(66,046)	(244,517)	(178,471)
Other Financing Sources (Uses)				
Operating Transfers In	-	-	300,000	300,000
	-	-	300,000	300,000
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other U	<u>\$ 48,024</u>	<u>\$ (66,046)</u>	55,483	<u>\$ 121,529</u>
Fund Balances				
July 01, 2015			<u>9,895</u>	
June 30, 2016			<u>\$ 65,378</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 SPIRIT OF CHRISTMAS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ -	\$ -	\$ 38	\$ 38
Contributions and Fundraiser	16,000	16,000	16,453	453
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>16,491</u>	<u>491</u>
Expenditures				
Other	24,000	24,000	16,025	7,975
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (8,000)</u>	<u>\$ (8,000)</u>	466	<u>\$ 8,466</u>
Fund Balances				
July 01, 2015			<u>37,180</u>	
June 30, 2016			<u>\$ 37,646</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 AIRPORT OPERATIONS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
State Grant	\$ 13,000	\$ 13,000	\$ 14,300	\$ 1,300
Rent	156,244	156,244	154,108	(2,136)
Fuel Sales	10,000	10,000	15,880	5,880
Interest	200	200	976	776
Total Revenues	<u>179,444</u>	<u>179,444</u>	<u>185,264</u>	<u>5,820</u>
Expenditures:				
Utilities	12,000	17,000	16,085	915
Repairs & Maintenance	39,800	54,600	45,947	8,653
Contractual Services	25,000	17,300	4,840	12,460
Management Fee	37,436	37,436	32,343	5,093
Other Operating	41,250	29,150	10,863	18,287
Total Expenditures	<u>155,486</u>	<u>155,486</u>	<u>110,078</u>	<u>45,408</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 23,958</u>	<u>\$ 23,958</u>	75,186	<u>\$ 51,228</u>
Fund Balance				
July 01, 2015			<u>321,994</u>	
June 30, 2016			<u>\$ 397,180</u>	

CITY OF LEBANON, TENNESSEE
 BEAUTIFICATION COMMITTEE
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ -	\$ -	\$ 16	\$ 16
Contributions	4,500	5,200	7,850	2,650
	4,500	5,200	7,866	2,666
Expenditures				
Operating Expenditures	15,000	15,700	11,464	4,236
Excess of Revenues Over (Under) Expenditures	(10,500)	(10,500)	(3,598)	(1,570)
Other Financing Sources (Uses):				
Transfer from Other Funds	-	-	3,564	3,564
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	\$ (10,500)	\$ (10,500)	(34)	\$ 1,994
Fund Balances				
July 01, 2015			58	
June 30, 2016			\$ 24	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 CEMETARY MAINTENANCE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Cemetery Maintenance Fees	\$ 16,000	\$ 16,000	\$ 14,050	\$ (1,950)
Interest Income	-	-	249	249
Total Revenues	16,000	16,000	14,299	(1,701)
Expenditures				
Other Operating Expense	5,000	5,000	-	5,000
Excess of Revenues Over (Under)				
Expenditures	\$ 11,000	\$ 11,000	14,299	\$ (1,701)
Fund Balances				
July 01, 2015			97,242	
June 30, 2016			\$ 111,541	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 FEDERAL ASSET SEIZURE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Interest	\$ 500	\$ 500	\$ 490	\$ (10)
Federal Payment - Asset Seizure	25,000	25,000	107,731	82,731
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>108,221</u>	<u>82,721</u>
Expenditures:				
Other Operating	78,000	78,000	55,237	22,763
Capital Outlay	180,000	180,000	40,702	139,298
Total Expenditures	<u>258,000</u>	<u>258,000</u>	<u>95,939</u>	<u>162,061</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (232,500)</u>	<u>\$ (232,500)</u>	12,282	<u>\$ 244,782</u>
Fund Balances				
July 01, 2015			60,791	
June 30, 2016			<u>\$ 73,073</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 FIDP
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Grants	\$ -	\$ -	\$ 257,298	\$ 257,298
Contribution	-	-	125,686	125,686
Interest	-	-	-	-
Total Revenues	-	-	382,984	382,984
Expenditures:				
Contributions in Aid of Constructi	-	-	-	-
Other Operating Expenditures	-	393,730	384,452	9,278
Capital Expenditures	-	-	-	-
	-	393,730	384,452	9,278
Excess of Revenues Over (Under) Expenditures	-	(393,730)	(1,468)	373,706
Other Financing Sources (Uses)				
Transfer from Other Funds	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (393,730)	(1,468)	\$ 373,706
Fund Balances				
July 01, 2015			1,468	
June 30, 2016			\$ -	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
LAW ENFORCEMENT SUPPORT ORGANIZATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest Income	\$ -	\$ -	\$ 312	\$ 312
Other Revenues	20,000	20,000	59,923	39,923
Total Revenues	20,000	20,000	60,235	40,235
Expenditures				
Salaries	5,740	5,740	-	5,740
Payroll Taxes	439	439	-	439
Other Operating	45,500	45,500	23,033	22,467
Capital Expenditures	15,000	15,000	12,455	2,545
	66,679	66,679	35,488	31,191
Excess of Revenues Over (Under) Expenditures	(46,679)	(46,679)	24,747	71,426
Other Financing Sources (Uses):				
Transfer to Other Funds	-	(1,800)	(1,800)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(46,679)	(48,479)	22,947	71,426
Fund Balances				
July 01, 2015			97,648	
June 30, 2016			\$ 120,595	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 CITIZENS EMERGENCY RESPONSE TEAM
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	-	-	5	5
Contributions	-	3,300	2,250	(1,050)
Total Revenues	-	3,300	2,255	(1,045)
Expenditures				
Operating Expenses	2,000	3,500	2,055	1,445
Total Expenditures	2,000	3,500	2,055	1,445
Excess of Revenues Over (Under)				
Expenditures	(2,000)	(200)	200	(2,490)
Other Financing Sources (Uses):				
Transfer from Other Funds	0	0	1,800	1,800
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,000)	(200)	2,000	(690)
Fund Balances				
July 01, 2015			6	
June 30, 2016			\$ 2,006	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
LEBANON HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Contract Fees	\$ 135,000	\$ 135,000	\$ 76,799	\$ (58,201)
Interest	-	-	149	149
Total Revenues	135,000	135,000	76,948	
Expenditures				
Salaries	81,761	62,140	62,140	-
Payroll Taxes	6,254	4,754	4,754	-
Employee Benefits	51,319	35,189	12,604	22,585
Total Expenditures	139,334	102,083	79,498	22,585
Excess of Revenues Over (Under)				
Expenditures	(4,334)	32,917	(2,550)	(35,467)
Other Financing Sources (Uses)				
Operating Transfers Out	-	(37,252)	-	37,252
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (4,334)	\$ (4,335)	(2,550)	\$ 1,785
Fund Balances				
July 01, 2015			53,644	
June 30, 2016			\$ 51,094	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 ELECTRONIC CITATION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Other Revenues	\$ -	\$ -	\$ 11,097	\$ 11,097
Interest	-	-	16	16
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>11,113</u>	<u>\$ 11,113</u>
Fund Balances				
July 01, 2015			<u>255</u>	
June 30, 2016			<u>\$ 11,368</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
POLICE LOCAL OPTION FINE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	\$ -	\$ -	\$ 402	\$ 402
Local Option Court Fines	250,000	250,000	381,420	131,420
Total Revenues	250,000	250,000	381,822	131,822
Expenditures:				
Other Operating	37,495	18,994	18,994	-
Debt Service	-	115,912	220,949	(105,037)
Capital Outlay	-	210,197	352,529	(142,332)
Total Expenditures	37,495	345,103	592,472	(247,369)
Excess of Revenues Over (Under)				
Expenditures	212,505	(95,103)	(210,650)	\$ (115,547)
Other Financing Sources (Uses):				
Capital Lease proceeds	-	-	247,368	247,368
Excess of Revenues and Other Financing Sources				
over Expenditures and Other Financing U	\$ 212,505	\$ (95,103)	36,718	\$ 131,821
Fund Balances				
July 01, 2015			220,640	
June 30, 2016			\$ 257,358	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 AIRPORT CAPITAL PROJECTS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
State Grant	\$ 1,359,000	\$ 1,359,000	\$ 659,511	\$ (699,489)
Interest Earnings	-	-	(33)	(33)
Total Revenues	1,359,000	1,359,000	659,478	(699,522)
Expenditures				
Other Operating Expenditures	-	9,600	9,600	-
Airport Capital Outlay	4,376,000	4,418,875	1,281,033	3,137,842
Total Expenditures	4,376,000	4,428,475	1,290,633	3,137,842
Excess of Revenues Over (Under)				
Expenditures	(3,017,000)	(3,069,475)	(631,155)	2,438,320
Other Financing Sources (Uses)				
Bond Proceeds	-	-	73,788	73,788
Operating Transfers In	2,694,000	2,705,816	216,816	(2,489,000)
Total Other Financing Sources (Uses)	2,694,000	2,705,816	290,604	(2,415,212)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other				
Uses	\$ (323,000)	\$ (363,659)	(340,551)	\$ 23,108
Fund Balances				
July 01, 2015			604,490	
June 30, 2016			\$ 263,939	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 PAYMENT IN LIEU OF SIDEWALKS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ 100	\$ 100
Fees	5,000	5,000	-	(5,000)
Total Revenues	5,000	5,000	100	(4,900)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 5,000	\$ 5,000	100	\$ (4,900)
Fund Balances				
July 01, 2015			42,776	
June 30, 2016			\$ 42,876	

CITY OF LEBANON, TENNESSEE
LEBANON-WILSON COUNTY COMMUNITY PARK FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Contract	\$ 750,000	\$ 750,000	\$ 438,169	\$ (311,831)
Interest Earnings	-	-	(195)	(195)
Total Revenues	750,000	750,000	437,974	(312,026)
Expenditures				
Capital Outlay	850,000	850,000	565,349	284,651
Total Expenditures	850,000	850,000	565,349	284,651
Excess of Revenues Over (Under) Expenditures	(100,000)	(100,000)	(127,375)	(27,375)
Other Financing Sources (Uses)				
Operating Transfers In	100,000	100,000	100,000	-
Total Other Financing Sources (Uses)	100,000	100,000	100,000	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	(27,375)	\$ (27,375)
Fund Balances				
June 30, 2015, restated			146,533	
June 30, 2016			\$ 119,158	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STREET IMPROVEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ 2,456	\$ 2,456
Contracts	795,000	795,000	(9,145)	(804,145)
Other Revenues	-	-	-	-
Contributions	-	-	160,292	160,292
Total Revenues	<u>795,000</u>	<u>795,000</u>	<u>153,603</u>	<u>(641,397)</u>
Expenditures				
Capital Outlay	1,600,000	2,254,317	726,887	1,527,430
Other Operating Expenditures	55,100	150,588	41,888	108,700
Total Expenditures	<u>1,655,100</u>	<u>2,404,905</u>	<u>768,775</u>	<u>1,636,130</u>
Excess of Revenues Over (Under)				
Expenditures	(860,100)	(1,609,905)	(615,172)	994,733
Other Financing Sources (Uses)				
Operating Transfers In	440,100	726,936	726,936	-
Total Other Financing Sources (Uses)	<u>440,100</u>	<u>726,936</u>	<u>726,936</u>	<u>-</u>
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	<u>\$ (420,000)</u>	<u>\$ (882,969)</u>	111,764	<u>\$ (994,733)</u>
Fund Balances				
July 01, 2015			<u>1,264,129</u>	
June 30, 2016			<u>\$ 1,375,893</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
2013 G.O. BOND SINKING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 21	\$ 21
Expenditures				
Principal Expense	180,180	180,180	180,179	1
Interest Expense	44,225	44,225	44,213	12
Total Expenditures	224,405	224,405	224,392	13
Excess of Revenues Over (Under) Expenditures	(224,405)	(224,405)	(224,371)	8
Other Financing Sources (Uses) Operating Transfers In (Out)	224,405	224,405	224,392	(13)
	224,405	224,405	224,392	(13)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	21	\$ (5)
Fund Balances				
July 01, 2015			33	
June 30, 2016			\$ 54	

CITY OF LEBANON, TENNESSEE
 2004 G.O. BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 115	\$ 115
Expenses				
Principal Expense	91,000	91,000	91,000	-
Interest Expense	30,810	30,810	9,317	21,493
Total Expenses	121,810	121,810	100,317	21,493
Excess of Revenues Over (Under)				
Expenditures	(121,810)	(121,810)	(100,202)	21,608
Other Financing Sources (Uses)				
Operating Transfers In	121,810	121,810	100,483	(21,327)
	121,810	121,810	100,483	(21,327)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	281	\$ 281
Fund Balances				
July 01, 2015			9,725	
June 30, 2016			\$ 10,006	

CITY OF LEBANON, TENNESSEE
 2003 G.O. BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 249	\$ 249
Expenses				
Bank Service Charges	-	530	529	1
Principal Expense	200,000	200,000	200,000	-
Interest Expense	16,405	16,405	16,405	-
Total Expenses	<u>216,405</u>	<u>216,935</u>	<u>216,934</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(216,405)	(216,935)	(216,685)	250
Other Financing Sources (Uses) Operating Transfers In	<u>216,405</u>	<u>216,405</u>	<u>215,655</u>	<u>(750)</u>
	<u>216,405</u>	<u>216,405</u>	<u>215,655</u>	<u>(750)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (530)</u>	(1,030)	<u>\$ (500)</u>
Fund Balances				
July 01, 2015			<u>56,092</u>	
June 30, 2016			<u>\$ 55,062</u>	

CITY OF LEBANON, TENNESSEE
 2008 REFUNDING BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 100	\$ 100	\$ 345	\$ 245
Expenses				
Bank Service Charges	-	400	383	17
Principal Expense	250,000	250,000	250,000	-
Interest Expense	91,660	91,660	91,658	2
Total Expenses	<u>341,660</u>	<u>342,060</u>	<u>342,041</u>	<u>19</u>
Excess of Revenues Over (Under) Expenditures	(341,560)	(341,960)	(341,696)	264
Other Financing Sources (Uses)				
Operating Transfers In	<u>341,660</u>	<u>341,660</u>	<u>341,762</u>	<u>102</u>
Total Other Financing Sources (Uses)	<u>341,660</u>	<u>341,660</u>	<u>341,762</u>	<u>102</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 100</u>	<u>\$ (300)</u>	66	<u>\$ 366</u>
Fund Balances				
July 01, 2015			<u>58,011</u>	
June 30, 2016			<u>\$ 58,077</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 2008 G. O. BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 185	\$ 185
Expenditures				
Principal	158,000	158,000	158,000	-
Interest	125,700	125,700	21,826	103,874
Total Expenditures	283,700	283,700	179,826	103,874
Excess of Revenues Over (Under) Expenditures	(283,700)	(283,700)	(179,641)	104,059
Other Financing Sources (Uses)				
Operating Transfers In	283,700	283,700	180,979	(102,721)
	283,700	283,700	180,979	(102,721)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	1,338	\$ 1,338
Fund Balances				
July 01, 2015			5,586	
June 30, 2016			\$ 6,924	

CITY OF LEBANON, TENNESSEE
 2011 BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 48	\$ 48
Expenses				
Principal Expense	41,000	41,000	41,000	-
Interest Expense	26,425	26,425	26,423	2
Total Expenses	67,425	67,425	67,423	2
Excess of Revenues Over (Under)				
Expenditures	(67,425)	(67,425)	(67,375)	46
Other Financing Sources (Uses)				
Operating Transfers In	67,425	67,425	67,423	(2)
Total Other Financing Sources (Uses)				
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	48	\$ 44
Fund Balances				
July 01, 2015			89	
June 30, 2016			\$ 137	

See notes to financial statements

SUPPLEMENTARY SCHEDULES

CITY OF LEBANON, TENNESSEE
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
 Year Ended June 30, 2016

	Total	Mayor & Council	City Attorney	Financial Admin.	Accounting	Customer Billing	Johnson Controls and Liquor Tax	Purchasing	Computer Equipment	Public Works	Warehouse
Salaries	\$ 10,490,603	\$ 97,934	\$ 111,370	98,982	\$ 87,353	\$ 5,664	\$ -	\$ 27,080	\$ 58,377	\$ 135,261	\$ 172
Payroll Taxes	768,059	9,249	8,770	7,698	6,793	935	-	2,128	4,783	10,686	-
Employer Paid Benefits	2,873,405	38,507	28,031	33,079	37,362	8,554	-	2,616	17,321	34,299	(556)
Retirement	1,336,830	13,633	16,202	13,959	11,642	1,706	-	3,843	8,778	17,010	4
Workmen's Compensation	356,408	1,814	641	690	929	122	-	160	2,283	1,922	-
Unemployment	3,556	-	-	-	-	-	-	-	-	-	-
Training	73,104	-	983	448	775	15	-	25	-	223	-
Communications	20,672	-	-	-	-	-	-	-	-	21	-
Postage and Shipping	10,937	87	15	1,466	1,127	42	-	3,474	10	23	-
Transportation Expense	5,119	9	-	-	-	-	-	-	5	18	-
Printing	41,951	1,413	2,149	1,966	2,316	48	-	-	-	1,176	-
Subscriptions	3,616	264	1,515	1,270	1,370	1,170	-	435	660	1,592	-
Dues	184,642	5,360	1,845	1,206	1,384	286	-	1,544	8,335	16,196	-
Utilities	229,641	-	1,849	2,063	-	-	-	-	-	8,878	-
Telephone	241,567	3,297	4,178	-	26,800	-	-	-	32,140	-	-
Engineering and Architect	14,724	-	-	-	-	-	-	-	14	-	-
Professional Fees	44,822	-	-	-	-	-	-	-	384	2,492	-
Data Processing	40,460	-	-	-	75	-	79,545	-	10	204	-
Medical	14,553	175	-	-	-	-	-	-	26	50	-
Maintenance	372,681	21	-	-	-	3	-	-	68,428	1,924	-
Travel and Meals	20,416	1,950	977	622	82	-	-	-	-	60	-
Public Relations	65,650	44,238	-	391	4,581	7,718	-	-	1,973	2,255	-
Contractual Services	606,128	32	83	5,593	-	-	-	636	290	8,465	-
Janitorial Services	1,010	-	-	-	-	-	-	-	-	-	-
Office Supplies	69,744	3,027	342	1,280	1,485	623	-	-	-	-	-
Operating Supplies	415,343	107,888	204	492	87	17	-	-	-	-	-
Street Signs	6,100	6,100	-	-	-	-	-	-	-	-	-
Uniforms	138,783	-	-	-	-	-	-	-	-	72	-
Gas	303,885	526	-	14	-	-	-	-	333	1,991	-
Motor Vehicle Parts	257,339	6	-	-	-	-	-	-	-	1,480	-
Materials	143,394	-	-	-	-	-	-	-	-	-	-
Insurance	327,877	2,196	315	8,988	161	-	-	1,601	-	5,658	-
Rent	2,545	-	-	-	415	56	-	874	-	-	-
Contributions	162,212	-	-	-	-	-	-	-	-	-	-
Debt Service	121,505	(429)	-	-	-	-	81,122	-	7,064	(3,532)	-
Capital Outlay	1,107,238	1,842	-	-	(3,750)	-	-	-	-	3,398	-
Totals	\$ 20,876,519	\$ 339,139	\$ 179,469	\$ 179,001	\$ 180,987	\$ 26,959	\$ 160,667	\$ 44,416	\$ 211,214	\$ 251,822	\$ (380)

CITY OF LEBANON, TENNESSEE
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
 Year Ended June 30, 2016

	Public Safety	Personnel	Traffic Maintenance	General Maintenance	Police	Fire	Building Inspection	Building Maintenance	Street	Animal Control	Drainage Migration
Salaries	\$ 358,421	\$ 178,240	\$ 82,953	\$ 131,763	\$ 4,624,638	\$ 2,439,518	\$ 260,983	\$ 14,796	\$ 481,028	\$ 39,959	\$ 1,723
Payroll Taxes	25,950	12,885	5,932	9,832	336,783	177,433	18,157	1,103	33,959	2,868	-
Employer Paid Benefits	82,965	35,710	22,892	25,615	1,159,223	705,731	77,971	3,097	158,473	34,824	-
Retirement	47,346	22,795	11,072	13,851	583,527	314,124	32,052	2,025	60,011	4,584	-
Workmen's Compensation	5,446	961	2,643	10,984	161,951	71,668	7,141	1,894	33,339	1,281	-
Unemployment	-	3,556	-	-	-	-	-	-	-	2,093	-
Training	100	2,138	-	-	42,389	20,921	1,351	-	-	-	-
Communications	-	-	1,258	-	7,296	9,146	-	-	1,887	-	-
Postage and Shipping	558	746	-	-	1,632	90	1,244	-	42	-	-
Transportation Expense	99	-	193	35	2,866	111	36	-	414	45	-
Printing	300	3,375	-	-	20,486	2,391	1,813	-	-	-	-
Subscriptions	65	-	-	-	-	412	95	-	-	-	-
Dues	1,905	1,829	585	1,755	29,392	16,370	2,000	255	4,650	660	-
Utilities	16,374	-	-	427	29,302	43,502	-	24,198	-	3,036	-
Telephone	7,551	3,748	48	1,209	76,255	76,581	7,477	(1,002)	1,218	-	-
Engineering and Architect	-	-	-	-	-	-	-	-	3,918	-	-
Professional Fees	13,844	-	-	-	-	-	-	-	-	-	-
Data Processing	-	-	-	-	8,320	-	-	-	-	-	-
Medical	237	199	172	413	4,930	1,063	86	39	1,804	2,556	-
Maintenance	13,466	-	42,287	17,961	68,113	61,627	474	5,376	47,134	482	-
Travel	956	(180)	-	-	10,703	410	574	-	487	1,318	-
Public Relations	126	179	-	89	7,868	3,348	374	-	2,367	312	-
Contractual Services	6,758	16,921	-	239	76,409	25,887	6,455	5,196	7,716	195	54,408
Janitorial Services	-	-	-	-	950	-	-	-	-	-	-
Office Supplies	4,262	3,632	205	101	34,953	4,502	4,809	(329)	258	209	-
Operating Supplies	5,094	217	2,563	5,355	72,813	39,744	37	4,971	25,565	8,724	-
Street Signs	-	-	-	-	-	-	-	-	-	-	-
Uniforms	4,238	-	1,463	2,462	65,289	33,239	-	(252)	12,265	2,182	-
Gas	14,049	-	2,400	4,433	145,537	25,729	2,924	-	49,390	2,352	-
Motor Vehicle Parts	8,327	-	1,670	4,099	71,181	20,687	728	-	82,742	655	-
Materials	4,846	-	-	1,845	1,105	262	-	-	120,730	-	-
Insurance	-	1,378	-	2,406	147,255	56,505	3,697	10,548	11,074	740	-
Rent	-	-	-	-	1,200	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	48,373	-	31,669	1,760	545,056	-	-	12,361	268,275	106,728	-
Totals	\$ 671,656	\$ 288,329	\$ 210,005	\$ 236,634	\$ 7,791,166	\$ 4,697,257	\$ 430,478	\$ 84,276	\$ 1,408,746	\$ 215,803	\$ 56,131

CITY OF LEBANON, TENNESSEE
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
 Year Ended June 30, 2016

	Engineering	Garage	Cemetery	Recreation	Accounting System	Special Events	Contributions & Dues	Community Park	Sanitation	EAC Committee	Senior Citizens Center	Economic Development	Total
Salaries	\$ 176,558	\$ 143,622	44,803	\$ 310,053	\$ -	-	-	\$ 34,142	\$ 425,487	\$ -	101,860	17,863	\$ 10,490,603
Payroll Taxes	13,004	10,806	3,303	22,637	-	-	-	2,619	30,815	-	7,679	1,252	768,059
Employer Paid Benefits	28,130	62,028	6,421	77,757	-	-	-	322	155,524	-	33,999	3,510	2,873,405
Retirement	22,278	19,940	6,000	35,884	-	-	-	3,773	54,813	-	14,041	1,937	1,336,830
Workmen's Compensation	2,283	6,305	1,601	13,856	-	-	-	1,201	24,993	-	-	300	356,488
Unemployment	-	-	-	-	-	-	-	-	-	-	-	-	3,556
Training	581	442	-	-	-	-	-	-	-	-	-	620	73,104
Communications	-	-	-	-	-	-	-	-	1,064	-	-	-	20,672
Postage and Shipping	234	-	57	-	-	-	-	19	-	71	-	-	10,937
Transportation Expense	19	13	9	45	-	-	-	-	1,202	-	-	-	5,119
Printing	2,031	815	866	127	-	-	-	-	-	-	-	679	41,951
Subscriptions	50	1,116	99	-	-	-	-	-	-	-	-	-	3,616
Dues	3,773	1,905	255	1,905	-	-	98,161	330	3,795	-	990	425	184,642
Utilities	-	10,019	5,650	60,788	-	-	-	19,826	323	-	-	-	229,641
Telephone	2,570	1,976	16,480	18,957	-	-	-	566	-	-	-	-	241,567
Engineering and Architect	10,806	-	-	-	-	-	-	-	-	-	-	-	14,724
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	44,822
Data Processing	-	-	-	-	-	-	-	-	-	-	-	-	40,460
Medical	87	-	-	693	-	-	-	-	1,975	-	-	35	14,553
Maintenance	-	2,820	366	1,615	-	-	-	725	27,793	-	-	-	372,681
Travel	615	510	-	-	-	-	-	-	-	-	-	-	20,416
Public Relations	537	1,620	-	528	-	-	-	-	668	-	-	1,175	65,650
Contractual Services	18,531	121	2,995	22,550	-	-	-	10,121	261,425	-	-	2,929	606,128
Janitorial Services	-	-	-	-	-	-	-	-	-	-	-	-	1,010
Office Supplies	3,026	1,379	200	421	-	-	-	-	178	157	-	160	69,744
Operating Supplies	538	14,938	1,074	34,513	-	32,184	-	12,042	37,528	-	-	-	415,343
Street Signs	-	-	-	-	-	-	-	-	-	-	-	-	6,100
Uniforms	99	5,928	128	450	-	-	-	-	11,220	-	-	-	138,783
Gas	1,192	1,594	343	6,856	-	-	-	-	44,222	-	-	-	303,885
Motor Vehicle Parts	404	1,162	283	1,145	-	-	-	-	62,770	-	-	-	257,339
Materials	-	20	1,611	12,975	-	-	-	-	-	-	-	-	143,394
Insurance	518	1,526	4,898	47,614	-	-	-	-	18,749	-	-	2,050	327,877
Rent	-	-	-	-	-	-	-	-	-	-	-	-	2,545
Contributions	-	-	-	-	-	-	162,212	-	-	-	-	-	162,212
Debt Service	1,111	-	-	-	36,169	-	-	-	-	-	-	-	121,505
Capital Outlay	3,284	9,125	-	53,579	-	-	-	4,349	21,189	-	-	-	1,107,238
Totals	\$ 292,259	\$ 299,730	\$ 97,442	\$ 724,948	\$ 36,169	\$ 32,184	\$ 260,373	\$ 89,450	\$ 1,186,318	\$ 228	\$ 158,569	\$ 35,074	\$ 20,876,519

CITY OF LEBANON, TENNESSEE
DEPARTMENT OF NATURAL GAS SYSTEM FUND
SCHEDULE OF OPERATING EXPENSES

Year Ended June 30, 2016

	Transmission and Distribution	Customer Accounting & Collection	Administrative and General	Shop and Maintenance	Meter Reader	Total (Memorandum Only)
Salaries	\$ 475,547	\$ 36,067	\$ 422,592	\$ 57,853	\$ 23,633	\$ 1,015,692
Payroll Taxes	33,551	2,493	30,181	4,113	1,622	71,960
Employee Benefits	276,748	14,037	131,136	22,200	15,483	459,604
Pension Costs	10,905	928	6,168	784	2,682	21,467
Communications	370	-	11	-	-	381
Supplies and Publications	8,715	239	12,462	378	30	21,824
Dues	25,673	-	2,344	159	132	28,308
Utilities	52,681	762	22,398	8,401	503	84,745
Professional Services	-	-	20,171	-	-	20,171
Repair and Maintenance	168,078	-	1,410	5,417	1,078	175,983
Travel	1,400	9	2,827	73	-	4,309
Operating Supplies	91,568	1,706	36,822	6,406	1,949	138,451
Maintenance Supplies	78,373	-	2,834	2,791	2,649	86,647
Contractual Services	57,979	20,581	59,368	1,898	-	139,826
Insurance	42,735	-	10,677	3,650	768	57,830
Bad Debt Expense	-	(5,757)	-	-	-	(5,757)
Rent	4,672	149	557	-	-	5,378
Community Relations/Marketing	41,390	-	20,605	-	-	61,995
Miscellaneous	12,793	41	8,267	5,250	-	26,351
	<u>\$ 1,383,178</u>	<u>\$ 71,255</u>	<u>\$ 790,830</u>	<u>\$ 119,373</u>	<u>\$ 50,529</u>	<u>\$ 2,415,165</u>

CITY OF LEBANON, TENNESSEE
DEPARTMENT OF WATER AND SEWER FUND
SCHEDULE OF OPERATING EXPENSES

Year Ended June 30, 2016

	Water	Sewer	Total
	<u>Purification Plant</u>		
Expenses			
Salaries	\$ 470,972	\$ -	\$ 470,972
Payroll Taxes	34,164	-	34,164
Employee Benefits	172,666	-	172,666
Pension Costs	10,059	-	10,059
Communications	-	-	-
Supplies and Publications	2,643	-	2,643
Dues and Subscriptions	3,458	-	3,458
Utilities	426,808	-	426,808
Professional Services	-	-	-
Miscellaneous	2,168	-	2,168
Repair and Maintenance	87,061	-	87,061
Travel	755	-	755
Operating Supplies	206,335	-	206,335
Maintenance Supplies	3,530	-	3,530
Insurance	27,776	-	27,776
Community Relations/Marketing	-	-	-
Contractual Services	133,272	-	133,272
Rent	-	-	-
Totals	<u>\$ 1,581,667</u>	<u>\$ -</u>	<u>\$ 1,581,667</u>

	<u>Shop and Maintenance</u>		
Expenses			
Salaries	\$ 47,101	\$ 47,602	\$ 94,703
Payroll Taxes	3,357	3,357	6,714
Employee Benefits	18,705	19,008	37,713
Pension Costs	649	585	1,234
Communications	-	-	-
Supplies and Publications	369	369	738
Dues	159	159	318
Miscellaneous	5,083	5,083	10,166
Utilities	8,281	8,281	16,562
Repair and Maintenance	4,035	4,035	8,070
Travel	73	73	146
Operating Supplies	5,792	5,792	11,584
Maintenance Supplies	1,993	1,993	3,986
Insurance	3,465	3,465	6,930
Contractual Services	1,880	1,880	3,760
Rent	-	-	-
Totals	<u>\$ 100,942</u>	<u>\$ 101,682</u>	<u>\$ 202,624</u>

	Water	Sewer	Total
<u>Transmission and Distribution</u>			
\$	559,206	\$ 423,178	\$ 982,384
	39,356	29,806	69,162
	170,192	185,588	355,780
	12,927	9,852	22,779
	-	-	-
	2,552	2,555	5,107
	8,953	4,266	13,219
	88,810	97,595	186,405
	7,747	2,844	10,591
	3,872	1,863	5,735
	33,591	67,625	101,216
	-	-	-
	38,894	59,681	98,575
	54,283	51,562	105,845
	30,035	10,845	40,880
	-	-	-
	47,762	112,445	160,207
	-	404	404
<u>\$</u>	<u>1,098,180</u>	<u>\$ 1,060,109</u>	<u>\$ 2,158,289</u>

	Water	Sewer	Total
<u>Administrative and General</u>			
\$	353,405	\$ 326,676	\$ 680,081
	25,085	23,107	48,192
	101,419	87,508	188,927
	6,011	5,509	11,520
	6	4	10
	10,189	7,688	17,877
	1,760	1,526	3,286
	15,762	12,074	27,836
	16,497	15,921	32,418
	6,848	6,566	13,414
	885	603	1,488
	1,989	1,616	3,605
	30,930	23,195	54,125
	2,382	2,326	4,708
	6,883	4,903	11,786
	12,363	8,242	20,605
	57,110	49,797	106,907
	422	310	732
<u>\$</u>	<u>649,946</u>	<u>\$ 577,571</u>	<u>\$ 1,227,517</u>

	Water	Sewer	Total
<u>Customer Accounting</u>			
\$	55,603	\$ 45,083	\$ 100,686
	3,843	3,116	6,959
	21,640	17,546	39,186
	1,232	1,019	2,251
	-	-	-
	369	299	668
	-	-	-
	63	51	114
	1,175	953	2,128
	-	-	-
	14	12	26
	2,630	2,133	4,763
	-	-	-
	-	-	-
	31,729	25,726	57,455
	229	186	415
<u>\$</u>	<u>118,527</u>	<u>\$ 96,124</u>	<u>\$ 214,651</u>

	Water	Sewer	Total
<u>Sewer System Direct</u>			
\$	-	\$ 613,941	\$ 613,941
	-	43,605	43,605
	-	207,730	207,730
	-	14,705	14,705
	-	-	-
	-	2,658	2,658
	-	16,050	16,050
	-	13,416	13,416
	-	642,776	642,776
	-	39,524	39,524
	-	220	220
	-	152,394	152,394
	-	13,092	13,092
	-	31,607	31,607
	-	43,258	43,258
	-	-	-
<u>\$</u>	<u>-</u>	<u>\$ 1,834,976</u>	<u>\$ 1,834,976</u>

CITY OF LEBANON, TENNESSEE
DEPARTMENT OF WATER AND SEWER FUND
SCHEDULE OF OPERATING EXPENSES

Year Ended June 30, 2016

	Water	Sewer	Total
	<u>Meter Readers</u>		
Expenses			
Salaries	\$ 18,631	\$ 17,725	\$ 36,356
Payroll Taxes	1,283	1,217	2,500
Employee Benefits	11,647	11,601	23,248
Pension Costs	145	188	333
Supplies and Publications	23	23	46
Dues	99	99	198
Utilities	377	377	754
Repair and Maintenance	2,812	809	3,621
Travel	-	-	-
Operating Supplies	1,462	1,369	2,831
Insurance	578	578	1,156
Contractual Services	-	7,755	7,755
Miscellaneous	-	-	-
Repair and Maintenance	-	2,096	2,096
Totals	<u>\$ 37,057</u>	<u>\$ 43,837</u>	<u>\$ 80,894</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE

June 30, 2016

<u>Water and Sewer TMBF2001 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 230,000	\$ 58,375	\$ 288,375
2018	241,000	51,199	292,199
2019	254,000	43,680	297,680
2020	266,000	35,755	301,755
2021	279,000	27,456	306,456
2022	293,000	18,751	311,751
2023	308,000	9,610	317,610
	<u>\$ 1,871,000</u>	<u>\$ 244,826</u>	<u>\$ 2,115,826</u>

<u>Gas System Revenue & Tax Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 135,000	\$ 11,000	\$ 146,000
2018	140,000	5,600	145,600
	<u>\$ 275,000</u>	<u>\$ 16,600</u>	<u>\$ 291,600</u>

<u>Water and Sewer TMBF2005 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 70,000	\$ 14,740	\$ 84,740
2018	72,000	11,240	83,240
2019	75,000	7,640	82,640
2020	77,800	3,890	81,690
	<u>\$ 294,800</u>	<u>\$ 37,510</u>	<u>\$ 332,310</u>

<u>Water and Sewer TMBF2007 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 242,000	\$ 156,450	\$ 398,450
2018	250,000	144,350	394,350
2019	258,000	131,850	389,850
2020	266,000	118,950	384,950
2021	274,000	105,650	379,650
2022	283,000	91,950	374,950
2023	292,000	77,800	369,800
2024	301,000	63,200	364,200
2025	311,000	48,150	359,150
2026	321,000	32,600	353,600
2027	331,000	16,550	347,550
	<u>\$ 3,129,000</u>	<u>\$ 987,500</u>	<u>\$ 4,116,500</u>

<u>Water and Sewer TMBF2008 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 177,000	\$ 133,689	\$ 310,689
2018	185,000	124,839	309,839
2019	195,000	115,589	310,589
2020	204,000	105,839	309,839
2021	215,000	95,639	310,639
2022	225,000	84,889	309,889
2023	237,000	73,639	310,639
2024	248,000	61,789	309,789
2025	261,000	49,389	310,389
2026	274,000	36,339	310,339
2027	288,000	22,639	310,639
2028	164,778	8,239	173,017
	<u>\$ 2,673,778</u>	<u>\$ 912,517</u>	<u>\$ 3,586,295</u>

<u>Gas System TMBF2008 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 47,000	\$ 41,500	\$ 88,500
2018	49,000	39,150	88,150
2019	52,000	36,700	88,700
2020	54,000	34,100	88,100
2021	57,000	31,400	88,400
2022	60,000	28,550	88,550
2023	63,000	25,550	88,550
2024	66,000	22,400	88,400
2025	69,000	19,100	88,100
2026	73,000	15,650	88,650
2027	76,000	12,000	88,000
2028	80,000	8,200	88,200
2029	84,000	4,200	88,200
	<u>\$ 830,000</u>	<u>\$ 318,500</u>	<u>\$ 1,148,500</u>

<u>Water and Sewer TMBF2014 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	700,000	44,585	744,585
2018	650,000	31,635	681,635
2019	570,000	19,610	589,610
2020	490,000	9,065	499,065
	<u>\$ 2,410,000</u>	<u>\$ 104,895</u>	<u>\$ 2,514,895</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE - CONTINUED
June 30, 2016

<u>Loan Payable-State of Tennessee - 08-079</u>				<u>Loan Payable-State of Tennessee - 08-080</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 107,712	\$ 44,940	\$ 152,652	2017	\$ 29,376	\$ 11,880	\$ 41,256
2018	110,244	42,408	152,652	2018	30,108	11,148	41,256
2019	112,848	39,804	152,652	2019	30,852	10,404	41,256
2020	115,500	37,152	152,652	2020	31,608	9,648	41,256
2021	118,224	34,428	152,652	2021	32,388	8,868	41,256
2022	121,008	31,644	152,652	2022	33,204	8,052	41,256
2023	123,852	28,800	152,652	2023	34,020	7,236	41,256
2024	126,768	25,884	152,652	2024	34,860	6,396	41,256
2025	129,756	22,896	152,652	2025	35,724	5,532	41,256
2026	132,816	19,836	152,652	2026	36,612	4,644	41,256
2027	135,936	16,716	152,652	2027	37,524	3,732	41,256
2028	139,140	13,512	152,652	2028	38,448	2,808	41,256
2029	142,416	10,236	152,652	2029	39,408	1,884	41,292
2030	145,776	6,876	152,652	2030	40,380	876	41,256
2031	149,208	3,444	152,652	2031	13,824	87	13,911
2032	63,211	413	63,624		<u>\$ 498,336</u>	<u>\$ 93,195</u>	<u>\$ 591,531</u>
	<u>\$ 1,974,415</u>	<u>\$ 378,989</u>	<u>\$ 2,353,404</u>				

<u>Water and Sewer TMBF 2013 Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 77,000	\$ 36,047	\$ 113,047
2018	79,000	34,291	113,291
2019	81,000	32,490	113,490
2020	83,000	30,643	113,643
2021	85,000	28,751	113,751
2022	86,000	26,813	112,813
2023	88,000	24,852	112,852
2024	90,000	22,846	112,846
2025	92,000	20,794	112,794
2026	95,000	18,696	113,696
2027	97,000	16,530	113,530
2028	99,000	14,318	113,318
2029	101,000	12,061	113,061
2030	103,000	9,758	112,758
2031	106,000	7,410	113,410
2032	108,000	4,993	112,993
2033	111,000	2,531	113,531
	<u>1,581,000</u>	<u>343,824</u>	<u>1,924,824</u>

<u>Johnson Controls 2012 TMBF</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 345,000	\$ 67,750	\$ 412,750
2018	355,000	61,380	416,380
2019	325,000	55,192	380,192
2020	330,000	49,231	379,231
2021	335,000	43,180	378,180
2022	340,000	37,037	377,037
2023	345,000	30,804	375,804
2024	350,000	24,479	374,479
2025	355,000	18,064	373,064
2026	320,000	11,921	331,921
2027	250,000	6,734	256,734
2028	245,000	2,230	247,230
	<u>3,895,000</u>	<u>407,999</u>	<u>4,302,999</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE - CONTINUED
June 30, 2016

<u>Loan Payable-State of Tennessee - 02-165</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 230,064	\$ 71,592	\$ 301,656
2018	235,524	66,132	301,656
2019	241,116	60,540	301,656
2020	246,852	54,804	301,656
2021	252,708	48,948	301,656
2022	258,708	42,948	301,656
2023	264,864	36,792	301,656
2024	271,152	30,504	301,656
2025	277,596	24,060	301,656
2026	284,184	17,472	301,656
2027	290,940	10,716	301,656
2028	297,973	3,795	301,768
	<u>\$ 3,151,681</u>	<u>\$ 468,303</u>	<u>\$ 3,619,984</u>

<u>Loan Payable-State of Tennessee - 08-220</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 19,368	\$ 7,116	\$ 26,484
2018	19,848	6,636	26,484
2019	20,328	6,156	26,484
2020	20,820	5,664	26,484
2021	21,324	5,160	26,484
2022	21,840	4,644	26,484
2023	22,368	4,116	26,484
2024	22,920	3,564	26,484
2025	23,472	3,012	26,484
2026	24,036	2,448	26,484
2027	24,624	1,860	26,484
2028	25,224	1,260	26,484
2029	25,836	648	26,484
2030	13,118	104	13,222
	<u>\$ 305,126</u>	<u>\$ 52,388</u>	<u>\$ 357,514</u>

<u>Loan Payable-State of Tennessee - 08-222</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 868,848	\$ 318,424	\$ 1,187,272
2018	888,156	298,010	1,186,166
2019	907,896	277,143	1,185,039
2020	928,068	255,813	1,183,881
2021	948,696	234,008	1,182,704
2022	960,180	211,718	1,171,898
2023	991,332	188,934	1,180,266
2024	1,013,364	165,643	1,179,007
2025	1,035,876	141,834	1,177,710
2026	1,058,904	177,496	1,236,400
2027	1,082,436	92,618	1,175,054
2028	1,106,484	67,186	1,173,670
2029	1,131,072	41,190	1,172,262
2030	1,163,694	14,616	1,178,310
	<u>\$ 14,085,006</u>	<u>\$ 2,484,632</u>	<u>\$ 16,569,638</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE - CONTINUED
June 30, 2016

<u>Loan Payable-State of Tennessee - 12-126</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 126,156	\$ 48,384	\$ 174,540
2018	128,400	46,140	174,540
2019	130,668	43,872	174,540
2020	132,996	41,544	174,540
2021	135,348	39,192	174,540
2022	137,748	36,792	174,540
2023	140,196	34,344	174,540
2024	142,680	31,860	174,540
2025	145,212	29,328	174,540
2026	147,792	26,748	174,540
2027	150,420	24,120	174,540
2028	153,084	21,456	174,540
2029	155,796	18,744	174,540
2030	158,568	15,972	174,540
2031	161,376	13,164	174,540
2032	164,244	10,296	174,540
2033	167,160	7,380	174,540
2034	170,124	4,416	174,540
2035	158,670	1,411	160,081
	<u>\$ 2,806,638</u>	<u>\$ 495,163</u>	<u>\$ 3,301,801</u>

<u>Loan Payable-State of Tennessee - 12-128 ***</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 64,270	\$ 18,500	\$ 82,770
2018	78,036	21,288	99,324
2019	79,056	20,268	99,324
2020	80,076	19,248	99,324
2021	81,120	18,204	99,324
2022	82,164	17,160	99,324
2023	83,232	16,092	99,324
2024	84,312	15,012	99,324
2025	85,404	13,920	99,324
2026	86,520	12,804	99,324
2027	87,636	11,688	99,324
2028	88,776	10,548	99,324
2029	89,928	9,396	99,324
2030	91,092	8,232	99,324
2031	92,280	7,044	99,324
2032	93,480	5,844	99,324
2033	94,692	4,632	99,324
2034	95,916	3,408	99,324
2035	97,164	2,160	99,324
2036	98,424	900	99,324
2037	16,422	19	16,441
	<u>\$ 1,750,000</u>	<u>\$ 236,367</u>	<u>\$ 1,986,367</u>

<u>Loan Payable-State of Tennessee - 12-127 ***</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 56,220	\$ 22,356	\$ 78,576
2018	57,204	21,372	78,576
2019	58,224	20,352	78,576
2020	59,256	19,320	78,576
2021	60,312	18,264	78,576
2022	61,380	17,196	78,576
2023	62,472	16,104	78,576
2024	63,576	15,000	78,576
2025	64,704	13,872	78,576
2026	65,856	12,720	78,576
2027	67,020	11,556	78,576
2028	68,208	10,368	78,576
2029	69,420	9,156	78,576
2030	70,656	7,920	78,576
2031	71,904	6,672	78,576
2032	73,188	5,388	78,576
2033	74,484	4,092	78,576
2034	75,804	2,772	78,576
2035	77,148	1,428	78,576
2036	39,186	180	39,366
	<u>\$ 1,296,222</u>	<u>\$ 236,088</u>	<u>\$ 1,532,310</u>

<u>Loan Payable-State of Tennessee - 12-129 ***</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 35,208	\$ 15,288	\$ 50,496
2018	53,388	14,712	68,100
2019	54,084	14,016	68,100
2020	54,780	13,320	68,100
2021	55,488	12,612	68,100
2022	56,208	11,892	68,100
2023	56,940	11,160	68,100
2024	57,684	10,416	68,100
2025	58,428	9,672	68,100
2026	59,184	8,916	68,100
2027	59,952	8,148	68,100
2028	60,732	7,368	68,100
2029	61,524	6,576	68,100
2030	62,316	5,784	68,100
2031	63,132	4,968	68,100
2032	63,948	4,152	68,100
2033	64,776	3,324	68,100
2034	65,616	2,484	68,100
2035	66,468	1,632	68,100
2036	67,332	768	68,100
2037	22,812	55	22,867
	<u>\$ 1,200,000</u>	<u>\$ 167,263</u>	<u>\$ 1,367,263</u>

*** Amortization schedules are estimated assuming full amount drawn and repayment beginning in the fiscal year ended June 30, 2017. Amortization schedules are net of forgiveness, where applicable

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE - CONTINUED
June 30, 2016

<u>Water and Sewer TML 2014***</u>			<u>Water and Sewer OEC Bonds</u>				
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 82,000	\$ 51,570	\$ 133,570	2017	-	140,000	140,000
2018	82,000	49,110	131,110	2018	-	140,000	140,000
2019	83,000	46,650	129,650	2019	-	140,000	140,000
2020	84,000	44,160	128,160	2020	-	140,000	140,000
2021	85,000	41,640	126,640	2021	-	140,000	140,000
2022	86,000	39,090	125,090	2022	-	140,000	140,000
2023	87,000	36,510	123,510	2023	-	140,000	140,000
2024	88,000	33,900	121,900	2024	-	140,000	140,000
2025	89,000	31,260	120,260	2025	-	140,000	140,000
2026	90,000	28,590	118,590	2026	-	140,000	140,000
2027	91,000	25,890	116,890	2027	-	140,000	140,000
2028	93,000	23,160	116,160	2028	-	140,000	140,000
2029	94,000	20,370	114,370	2029	-	140,000	140,000
2030	95,000	17,550	112,550	2030	-	140,000	140,000
2031	96,000	14,700	110,700	2031	-	140,000	140,000
2032	97,000	11,820	108,820	2032	-	140,000	140,000
2033	98,000	8,910	106,910	2033	-	140,000	140,000
2034	99,000	5,970	104,970	2034	-	140,000	140,000
2035	100,000	3,000	103,000	2035	3,500,000	140,000	3,640,000
	<u>1,719,000</u>	<u>533,850</u>	<u>2,252,850</u>		<u>3,500,000</u>	<u>2,660,000</u>	<u>6,160,000</u>

*** Amortization schedules are estimated assuming full amount drawn and repayment beginning in the fiscal year ended June 30, 2017

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE - CONTINUED

June 30, 2016

<u>Water and Sewer TMBF 2010 Bond</u>				<u>Water and Sewer TMBF 2011 Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 71,000	\$ 36,308	\$ 107,308	2017	123,000	79,529	202,529
2018	73,000	34,249	107,249	2018	127,000	75,360	202,360
2019	75,000	32,132	107,132	2019	131,000	71,054	202,054
2020	77,000	29,959	106,959	2020	135,000	66,614	201,614
2021	79,000	27,728	106,728	2021	140,000	62,037	202,037
2022	82,000	25,425	107,425	2022	145,000	57,291	202,291
2023	84,000	23,052	107,052	2023	150,000	52,376	202,376
2024	86,000	20,621	106,621	2024	155,000	47,291	202,291
2025	89,000	18,118	107,118	2025	160,000	42,036	202,036
2026	91,000	15,544	106,544	2026	165,000	36,612	201,612
2027	94,000	12,899	106,899	2027	171,000	31,019	202,019
2028	97,000	10,167	107,167	2028	177,000	25,222	202,222
2029	100,000	7,350	107,350	2029	183,000	19,221	202,221
2030	102,000	4,462	106,462	2030	189,000	13,018	202,018
2031	105,000	1,502	106,502	2031	195,000	6,611	201,611
	<u>\$ 1,305,000</u>	<u>\$ 299,514</u>	<u>\$ 1,604,514</u>		<u>\$ 2,346,000</u>	<u>\$ 685,289</u>	<u>\$ 3,031,289</u>

<u>Water and Sewer TMBF 2012 Bond</u>				<u>Gas 2014 TMBF</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 61,000	\$ 25,801	\$ 86,801	2017	\$ 41,000	\$ 22,380	\$ 63,380
2018	62,000	24,441	86,441	2018	42,000	21,384	63,384
2019	64,000	23,058	87,058	2019	43,000	20,363	63,363
2020	65,000	21,631	86,631	2020	45,000	19,319	64,319
2021	67,000	20,182	87,182	2021	46,000	18,225	64,225
2022	68,000	18,687	86,687	2022	47,000	17,107	64,107
2023	70,000	17,171	87,171	2023	48,000	15,965	63,965
2024	71,000	15,610	86,610	2024	49,000	14,799	63,799
2025	73,000	14,027	87,027	2025	50,000	13,608	63,608
2026	74,000	12,399	86,399	2026	51,000	12,393	63,393
2027	76,000	10,749	86,749	2027	53,000	11,154	64,154
2028	78,000	9,054	87,054	2028	54,000	9,866	63,866
2029	79,000	7,314	86,314	2029	55,000	8,554	63,554
2030	81,000	5,553	86,553	2030	57,000	7,217	64,217
2031	83,000	3,746	86,746	2031	58,000	5,832	63,832
2032	85,000	1,896	86,896	2032	59,000	4,423	63,423
	<u>\$ 1,157,000</u>	<u>\$ 231,318</u>	<u>\$ 1,388,318</u>	2033	61,000	2,989	63,989
				2034	62,000	1,507	63,507
					<u>\$ 921,000</u>	<u>\$ 227,084</u>	<u>\$ 1,148,084</u>

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2016

	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016
Department of Natural Gas:				
Land and Improvements	\$ 866,063	\$ -	\$ -	\$ 866,063
Buildings	2,274,807	235,553	-	2,510,360
Equipment	2,301,710	309,101	(40,707)	2,570,104
Transmission and Distribution	29,127,800	2,140,174	-	31,267,974
	<u>\$ 34,570,380</u>	<u>\$ 2,684,828</u>	<u>\$ (40,707)</u>	<u>\$ 37,214,501</u>
Department of Water and Sewer:				
Land and Improvements	\$ 1,678,215	\$ 3,723	\$ -	\$ 1,681,938
Buildings	53,555,806	1,084,193	-	54,639,999
Equipment	3,035,294	878,328	(14,023)	3,899,599
Improvements Other Than Buildings	109,505,122	1,954,079	-	111,459,201
	<u>\$ 167,774,437</u>	<u>\$ 3,920,323</u>	<u>\$ -</u>	<u>\$ 171,680,737</u>

CITY OF LEBANON, TENNESSEE

SCHEDULE OF TAXES RECEIVABLE

June 30, 2016

General Fund

Uncollected Taxes:

Unearned 2016	\$ 6,708,480
Vouchers on Hand	-
2015	161,430
2014	23,148
2013	1,488
2012	1,629
2011	104
2010	2,422
2009	226
2008	344
2007	642
2006	955
2005	2,697
	<u>\$ 6,903,565</u>

-NOTE

All delinquent taxes through 2014 Tax year have been filed with the Clerk and Master.

CITY OF LEBANON TENNESSEE
SCHEDULE OF CHANGES IN TAXES RECEIVABLE
Year Ended June 30, 2016

Tax Year	Property Tax Receivable Balance June 30, 2015	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2016
2016			\$ 6,708,480				\$ 6,708,480
Vouchers	-	6,374			6,374		-
2015	5,646,898	250,094		(51,188)	5,786,750		161,430
2014	132,644	-		(1,323)	110,819		23,148
2013	35,269	-		4	33,777		1,488
2012	2,966	-		-	1,337		1,629
2011	104	-		-	-		104
2010	2,422	-		-	-		2,422
2009	226	-		-	-		226
2008	344	-		-	-		344
2007	642	-		-	-		642
2006	955	-		-	-		955
2005	2,697	-		-	-		2,697
2004	4,546	-		4,546	-		-
2003	4,619	-		4,619	-		-
	\$ 5,834,332	\$ 256,468	\$ 6,708,480	\$ (43,342)	\$ 5,939,057	\$ -	\$ 6,903,565

CITY OF LEBANON TENNESSEE

SCHEDULE OF TAX RATES AND ASSESSMENTS

UNAUDITED

June 30, 2016

	<u>Rate per \$100 of Assessed Valuation</u>	<u>Total Assessed Valuation</u>
2016	\$ 0.6075	\$ 1,145,490,181
2015	0.6075	970,259,157
2014	0.6075	948,065,460
2013	0.6075	921,026,745
2012	0.346	924,693,263
2011	0.346	919,804,744
2010	0.335	926,190,622
2009	0.335	915,361,693
2008	0.335	886,874,986
2007	0.370	769,870,651

CITY OF LEBANON, TENNESSEE

SCHEDULE OF NATURAL GAS RATES

UNAUDITED

Year Ended June 30, 2016

There were 7,933 metered customers billed during the month of June, 2016. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2016 are as follows:

	<u>Inside City</u>	<u>Outside City</u>
1) <u>Residential</u>		
Minimum	\$5.00	\$5.00
First 1,000 Cubic Feet	\$6.57	\$8.17
All Over 1,000 Cubic Feet	\$6.79/1000	\$8.43/1000
2) <u>Commercial</u>		
Customer Charge	\$20.00	\$20.00
First 10,000 Cubic Feet	\$7.69	\$9.55
All Over 10,000 Cubic Feet	\$6.41/1000	\$7.96/1000
2) <u>Multiple Dwellings- L.H.A.</u>		
Minimum	\$5.00	
First 1,000 Cubic Feet	\$6.57	
All Over 1,000 Cubic Feet	\$6.79/1000	
4) <u>Interruptible</u>		
Demand Charge	\$750.00	\$750.00
First 3,500,000 Cubic Feet	\$2.06/1000	\$2.46/1000
All Over 3,500,000 Cubic Feet	\$1.74/3500	\$2.06/1000
Transport Fee	Variable	
5) <u>Industrial</u>		
Customer Charge	\$100.00	\$100.00
First 100,000 Cubic Feet	\$6.84/1000	\$8.49/1000
All Over 100,000 Cubic Feet	\$5.99/100MCF	\$7.43/100MCF

Number of miles of the Distribution System of Lines- 267

CITY OF LEBANON, TENNESSEE

SCHEDULE OF WATER AND SEWER RATES

UNAUDITED

Year Ended June 30, 2016

There were 11,066 metered water customers and 11,235 sewer customers billed during June, 2016. The policy of the City requires that all water customers be metered and that sewerage charges be billed to each water customer who has sewer service available. Nothing is billed in cubic feet anymore, everything is billed in gallons now.

Water and Sewer rates in effect at June 30, 2016, are as follows:

WATER

			<u>Inside City</u>			<u>Outside City</u>		
Residential								
First	0-1500	GA	0.006913	Per Gallon	\$10.37			\$15.55
Next	1501-7500	GA	0.007312	Per Gallon		0.010968	Per Gallon	
Next	7501- over	GA	0.007200	Per Gallon		0.010800	Per Gallon	
Commercial								
First	0-1500	GA	0.007150	Per Gallon	\$10.73	0.010725	Per Gallon	\$16.09
Next	1501-29999	GA	0.007275	Per Gallon		0.010913	Per Gallon	
Next	30000-99999	GA	0.006550	Per Gallon		0.009825	Per Gallon	
Next	100000-199999	GA	0.005000	Per Gallon		0.007500	Per Gallon	
Next	200000-499999	GA	0.004000	Per Gallon		0.006000	Per Gallon	
Next	500000- over	GA	0.003500	Per Gallon		0.005250	Per Gallon	

SEWER (Water customers also)

			<u>Inside City</u>			<u>Outside City</u>		
Residential								
First	0-1500	GA	0.007035	Per Gallon	\$10.55	0.010553	Per Gallon	\$15.83
Next	1501- over	GA	0.007458	Per Gallon		0.011187	Per Gallon	
Commercial								
First	0-1500	GA	0.007225	Per Gallon	\$10.84	0.010838	Per Gallon	\$16.26
Next	1501-99999	GA	0.007458	Per Gallon		0.011187	Per Gallon	
Next	100000- over	GA	0.006300	Per Gallon		0.009200	Per Gallon	

SEWER ONLY (Metered Sewer)

			<u>Inside City</u>			<u>Outside City</u>		
Residential								
First	0-1500	GA	0.007035	Per Gallon	\$10.55	0.013333	Per Gallon	\$20.00

CITY OF LEBANON, TENNESSEE

SCHEDULE OF INSURANCE COVERAGE

UNAUDITED

JUNE 30, 2016

TRAVELERS

POLICY # ZLP-15P45357

General Liability and
Law Enforcement Liability

Bodily Injury - \$6,000,000 per person
Bodily Injury - \$6,000,000 per occurrence
Property Damage - \$6,000,000 per occurrence
Other Loss - \$6,000,000 per occurrence
Fire - \$100,000 per occurrence

Errors or Omissions

\$6,000,000 per occurrence

POLICY # 810-0B165922

Automobile Liability

Bodily Injury - \$6,000,000 per person
Bodily Injury - \$6,000,000 per occurrence
Property Damage - \$6,000,000 per occurrence
Other Loss - \$6,000,000 per occurrence

Automobile Physical Damage

Comprehensive - \$500 deductible
Collision - \$1,000 deductible

POLICY 630-2D24444A

Blanket Limit
Electronic Data Processing
Mobile Equipment
Equipment Breakdown
Flood
Earthquake
Other Automatic Coverages
Employee Dishonesty
Crime

\$157,969,734 per occurrence
\$225,000
\$3,758,629
\$157,969,734
\$1,000,000 each occurrence
\$2,000,000 each occurrence
Various
\$150,000
\$150,000

POLICY UB5D113340

Workers Compensation

Bodily Injury by Accident \$1,000,000
Bodily Injury by Disease \$1,000,000/\$1,000,000

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FIDELITY BONDS
OF PRINCIPAL FINANCIAL OFFICIALS

UNAUDITED

June 30, 2016

	<u>Bond</u>
Commissioner of Finance and Revenue- Robert Springer	\$500,000
Commissioner of Public Works- Jeff Baines	\$100,000
Purchasing Agent- Lisa Lane	\$100,000
General Employee Fidelity Bond	\$100,000

The fidelity bond coverage is carried with First insurance Group.

CITY OF LEBANON, TENNESSEE
SCHEDULE OF TRANSFERS

Year Ended June 30, 2016

Transfers From	Governmental Funds			Total
	Major Funds	Other Nonmajor Governmental Funds		
		General	Stormwater	
Transfers To				
Governmental Funds:				
Major Funds:				
General	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:				
Stormwater	330,000			330,000
Floyd Family Life Center	300,000			300,000
Airport Operations	0			-
2008 G.O. Refunding				
Bond Sinking	341,762			341,762
2003 G.O. Bond				
Sinking	215,655			215,655
2004 G.O. Bond				
Sinking	100,483			100,483
2008 G.O. Bond				
Sinking	180,979			180,979
2011 G.O. Bond				
Sinking	67,423			67,423
2013 G.O. Bond				
Sinking	224,392			224,392
Airport Capital				
Projects	216,816			216,816
FIDP				-
Community Park				
Capital Projects	100,000			100,000
Street Improvements	726,936			726,936
Beatification Committee		3,564		3,564
Citizens Emergency				
Response Team			1,800	1,800
Total	<u>\$ 2,804,446</u>	<u>\$ 3,564</u>	<u>\$ 1,800</u>	<u>\$ 2,809,810</u>

CITY OF LEBANON, TENNESSEE
GENERAL REVENUES BY SOURCE
UNAUDITED
YEARS ENDED JUNE 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues					
Taxes:					
Real and Personalty	\$ 5,761,718	\$ 5,777,997	\$ 5,378,029	\$ 3,045,833	\$ 3,111,415
Business Tax	1,364,190	1,481,951	1,050,900	1,133,291	1,036,086
Wholesale Beer	1,083,966	1,043,791	1,005,429	951,932	902,796
Sales Tax	11,276,908	10,262,957	9,636,331	8,917,967	8,448,311
Cable TV Franchise Fee	373,771	327,270	282,272	255,452	238,797
Hotel and Motel Tax	361,250	311,746	263,006	239,726	211,228
Liquor Tax	362,639	327,390	320,776	324,004	307,422
	<u>20,584,442</u>	<u>19,533,102</u>	<u>17,936,743</u>	<u>14,868,205</u>	<u>14,256,055</u>
Tax Equivalents:					
TVA Tax Replacement	308,125	304,331	290,541	299,451	303,373
	<u>308,125</u>	<u>304,331</u>	<u>290,541</u>	<u>299,451</u>	<u>303,373</u>
Federal, State and Regional					
Apportionments and Grants:					
Sales Tax	2,105,150	1,960,284	1,857,962	1,801,466	1,758,142
Income Tax	390,497	407,221	337,376	206,633	186,058
Street and Transportation Fund	53,296	53,455	53,616	53,675	53,720
Highway Grants and Contracts	164,701	117,791	96,473	103,709	99,752
Beer Tax	12,788	12,526	12,393	12,948	12,856
Alcoholic Beverage Tax	90,452	98,116	90,629	92,113	152,371
Corporate Excise Tax	76,319	47,652	30,747	21,044	24,538
UDSA Grant	-	0.00	-	-	-
Police and Fire Salary Supplement	70,200	69,000	68,400	63,600	65,400
LLEBG Grants	-	0.00	-	-	-
COPS/JAG Grants	21,592	20,650	13,471	1,285	45,290
Federal Asset Seizure Fund	-	-	-	-	-
Firefighters Grant	-	-	-	-	6,984
Tree Grant	-	-	-	-	-
D.E.A. Grant	17,199	31,447	35,117	32,885	17,029
Flood Grant	-	-	-	-	41,554
Highway Safety/Safe Street Grants	19,121	29,164	37,490	14,246	11,699
Organized Drug Task Force	-	6,191	37,159	3,423	100,587
Telecommunications	2,305	2,507	2,645	2,131	1,459
State Bus Tax	-	-	-	-	-
	<u>3,023,620</u>	<u>2,856,004</u>	<u>2,673,478</u>	<u>2,409,160</u>	<u>2,577,439</u>
Fines and Costs	844,868	713,305	735,012	665,299	614,744
Rents from Other City Departments	-	3,987	9,500	16,104	16,104
Rent - Other	42,000	54,000	24,000	24,000	24,000
Highway and Street Charges	75,318	32,471	23,884	12,466	21,677
Interest	58,129	70,886	83,847	59,353	80,864
Permits and Licenses	1,260,722	905,997	791,377	604,414	373,643
Cemetery Income	55,080	60,828	76,235	71,863	51,925
Park and Recreation Income	31,290	31,373	28,343	38,487	40,638
Interest and Penalty on Taxes and Licenses	27,810	37,680	23,537	25,738	34,188
Miscellaneous	433,375	347,700	398,654	299,808	234,193
Financing Sources	35,838	66,610	81,096	57,168	-
	<u>2,864,430</u>	<u>2,324,837</u>	<u>2,275,485</u>	<u>1,874,699</u>	<u>1,491,976</u>
	<u>\$ 26,780,617</u>	<u>\$ 25,018,274</u>	<u>\$ 23,176,247</u>	<u>\$ 19,451,514</u>	<u>\$ 18,628,843</u>

CITY OF LEBANON, TENNESSEE
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
UNAUDITED
YEARS ENDED JUNE 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Mayor and Council	\$ 339,139	\$ 303,638	\$ 222,061	\$ 185,211	\$ 200,475
City Attorney/Judicial	179,469	185,883	179,703	175,462	169,999
Financial Administration	179,001	163,905	134,055	119,225	148,426
Meter Readers	-	-	-	-	-
EAC Committee	228	171	234	170	111
Accounting	180,987	175,321	236,338	215,483	832,774
Sanitation	1,186,318	1,335,785	1,309,497	1,109,215	-
Farmers Market	-	-	-	-	-
Customer Billing	26,959	35,226	35,475	13,131	37,852
Purchasing	44,416	43,399	54,950	49,409	52,402
Computer Equipment	211,214	229,730	214,839	188,118	219,638
Public Works	251,822	175,132	199,280	162,964	166,073
Warehouse	(380)	40,449	45,646	36,643	45,422
Personnel	288,329	231,613	79,197	73,085	78,447
General Maintenance	236,634	253,245	260,288	238,046	253,847
Police	7,791,166	7,577,294	8,364,368	7,316,426	7,251,777
Fire	4,697,257	3,998,986	3,975,030	3,492,672	3,210,925
Building Inspection	430,478	359,256	351,484	265,646	272,645
Building Maintenance	84,276	107,711	95,648	100,070	75,952
Street	1,408,746	2,960,669	2,390,262	2,103,489	1,631,735
Animal Control	215,803	159,085	88,328	95,287	94,798
Engineering	292,259	268,312	277,996	202,277	268,152
Garage	299,730	345,642	307,312	262,074	251,035
Cemetery	97,442	85,797	80,332	84,384	79,545
Recreation	724,948	993,132	740,510	831,243	630,726
Drainage Migration	56,131	50,000	50,000	600,000	-
Special Events	32,184	28,544	27,970	29,054	26,861
Dues	260,373	264,322	363,078	352,957	349,316
Community Park	89,450	214,947	83,764	93,431	86,814
Regional Transportation Authority	158,569	163,017	-	50,000	50,000
Traffic Maintenance	210,005	148,423	236,312	154,011	193,000
Archives/Museum	-	-	-	-	-
Public Safety	671,656	487,633	425,980	225,859	240,383
Office Pool	-	-	-	-	-
Grants and Contributions	-	-	-	-	-
Johnson Controls	160,667	92,359	43,201	1,489,633	-
Accounting System Debt Service	36,169	38,641	35,875	52,803	-
Economic Development	35,074	-	-	-	-
Total Expenditures	\$ 20,876,519	\$ 21,517,267	\$ 20,909,013	\$ 20,367,478	\$ 16,919,130

CITY OF LEBANON, TENNESSEE

PROPERTY TAX LEVIES AND COLLECTIONS

Years Ended June 30, 2016

	<u>2016</u>
Total Tax Levy	\$ 5,908,221
Current Tax Collections	\$ 4,870,374
Percent of Levy Collected	82.43%
Delinquent Tax Collections	\$ 1,059,788
Total Tax Collections	\$ 5,930,162
Total Collections as Percent of Current Levy	100.37%
Outstanding Delinquent Taxes	\$ 195,085
Outstanding Delinquent Taxes as Percent of Current Levy	3.30%

CITY OF LEBANON, TENNESSEE

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

Year Ended June 30, 2016

	<u>2016</u>
Real Property:	
Assessed Value	\$ 998,950,995
Estimated Actual Value	\$ 3,183,159,000
Personal Property:	
Assessed Value	\$ 105,371,141
Estimated Actual Value	\$ 351,233,786
Public Utility Property:	
Assessed Value	\$ 48,632,360
Estimated Actual Value	\$ 48,632,360
Total:	
Assessed Value	\$ 1,152,954,496
Estimated Actual Value	\$ 3,583,025,146
Ratio of Total Assessed Value to Total Estimated Actual Value	32.18%

CITY OF LEBANON, TENNESSEE

PROPERTY TAX RATES AND LEVIES - ALL OVERLAPPING GOVERNMENTS

UNAUDITED

Last Five Fiscal Years

Tax Rates

<u>Fiscal</u> <u>Year</u>	<u>Tax</u> <u>Year</u>		<u>City</u>	<u>County</u>
2011	2010	\$	0.33500	\$2.4327/\$2.8227
2012	2011	\$	0.34560	\$2.5704/\$2.9604
2013	2012	\$	0.34560	\$2.5704/\$2.9604
2014	2013	\$	0.60750	\$2.5704/\$3.0204
2015	2014	\$	0.60750	\$2.5704/\$3.0204
2016	2015	\$	0.60750	\$2.5189/\$2.9016

Tax Levies

			<u>City</u>	<u>County</u>
2011	2010	\$	2,987,434	\$ 72,115,351
2012	2011	\$	3,054,715	\$ 75,654,381
2013	2012	\$	3,195,846	\$ 72,744,346
2014	2013	\$	5,369,617	\$ 78,849,633
2015	2014	\$	5,572,337	\$ 81,121,620
2016	2015	\$	5,646,898	

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2016

Date of Incorporation- 1819

Date First Charter Adopted- June 28, 1911

Date Present Charter Adopted- 1993

Form of Government- Mayor and Council

Area- Square Miles
2016- 39.02

Paved Streets- 198.0 Miles

Sidewalks- 71 Miles

Sanitary Sewer Lines- 283 Miles

Fire Protection:

Number of Fire Stations- 3

Number of Employees- 53

Police Protection:

Number of Employees- 97

Vehicular Patrol Units- 98

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2016

Elections:

Number of Registered Voters- 16,242
Number of Votes Cast-
Last General Election- 10,105
Last Municipal Election- 5,798
Special Called Election- 1,450

Percentage of Registered Voters Voting

Last General Election- 62%
Last Municipal Election- 36%
Special Called Election- 9%

Population:

2016- 33,391

Gas System:

Number of Consumers- 7,933
Cubic Feet Billed for the
Year- 1,003,004,322
Distribution System- 267 Miles
of Lines

Water System:

Number of Consumers- 11,066
Cubic Feet Billed for the
Year- 1,384,704,101
Distribution System- 246
miles of Water Mains
Water Treatment Plant
Capacity- 12,000,000
Gallons Per Day

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2016

Sewer System:

Number of Users- 11,235

Sewer Plant Capacity-

10,000,000 Gallons Per Day

Number of Employees- 424

Principal Taxpayers

Type of Business

Lebanon HMA

Healthcare

Middle Tennessee Electric Membership Corp

Electric Co-op

Hamilton Station

Real Estate

Lochinvar LLC

Manufacturing

Tennessee Service Corp

Auto Auction

Western A Midwest TN LLC

Distribution

SMBC Leasing & Finance Inc

Distribution

Dugdale Jonathan G

Real Estate

Duke Realty LTD

Real Estate

Cato Industrial Development

Real Estate

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
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Water Audit Report for: **City of Lebanon**
Reporting Year: **2016** **7/2015 - 6/2016**

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

Master Meter and Supply Error Adjustments

WATER SUPPLIED

Volume from own sources: MG/Yr
Water imported: MG/Yr
Water exported: MG/Yr

Enter grading in column 'E' and 'J' -----> Pcnt: 2.00% MG/Yr
 2.003 MG/Yr
 2.003 MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 1,752.715 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered: MG/Yr
Billed unmetered: MG/Yr
Unbilled metered: MG/Yr
Unbilled unmetered: MG/Yr

Pcnt: Value: MG/Yr

Click here: for help using option buttons below

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: 1,016.362 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

736.353 MG/Yr

Apparent Losses

Unauthorized consumption: MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed
Customer metering inaccuracies: MG/Yr
Systematic data handling errors: MG/Yr

Pcnt: 0.25% Value: MG/Yr

3.00% Value: MG/Yr

Apparent Losses: 67.376 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: MG/Yr

WATER LOSSES: 736.353 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 747.230 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains: miles
Number of active AND inactive service connections:
Service connection density: conn./mile main

Are customer meters typically located at the curbside or property line? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line: psi
Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: psi

COST DATA

Total annual cost of operating water system: \$/Year
Customer retail unit cost (applied to Apparent Losses): \$/1000 gallons (US)
Variable production cost (applied to Real Losses): \$/Million gallons Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 79 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

- 1: Billed metered
- 2: Customer retail unit cost (applied to Apparent Losses)
- 3: Volume from own sources

Water Audit Report for: City of Lebanon
Reporting Year: 2016 7/2015 - 6/2016

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 79 out of 100 ***

System Attributes:

Apparent Losses:	67.376	MG/Yr
+ Real Losses:	668.977	MG/Yr
= Water Losses:	736.353	MG/Yr
? Unavoidable Annual Real Losses (UARL):	66.17	MG/Yr
Annual cost of Apparent Losses:	\$774,153	
Annual cost of Real Losses:	\$382,655	

Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:

Non-revenue water as percent by volume of Water Supplied:	42.6%
Non-revenue water as percent by cost of operating system:	22.3%

Operational Efficiency:

Apparent Losses per service connection per day:	16.36	gallons/connection/day
Real Losses per service connection per day:	162.47	gallons/connection/day
Real Losses per length of main per day*:	N/A	
Real Losses per service connection per day per psi pressure:	2.71	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 668.98 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 10.11

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

FEDERAL AND STATE FINANCIAL ASSISTANCE

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2016

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	GRANT NUMBER	A/R OR DEFERRED June 30, 2015	RECEIPTS	DISBURSEMENTS	A/R OR DEFERRED June 30, 2016
<u>MAJOR PROGRAMS</u>						
66.468	Environmental Protection Agency TN Department of Environment and Conservation Drinking Water State Revolving funds	DWO 2012-126	\$ 188,193	\$ 188,193	\$ -	\$ -
66.468	Environmental Protection Agency TN Department of Environment and Conservation Drinking Water State Revolving funds	DWF 2012-127	809,848	1,066,049	256,349	147
66.468	Environmental Protection Agency TN Department of Environment and Conservation Drinking Water State Revolving funds	DW1 2012-128	-	1,557,852	1,826,732	268,881
66.468	Environmental Protection Agency TN Department of Environment and Conservation Drinking Water State Revolving funds	DWF 2012-129	-	25,231	607,531	582,300
TOTAL MAJOR PROGRAMS			998,041	2,837,325	2,690,612	851,328
<u>NON-MAJOR PROGRAMS</u>						
20.106	Department of Transportation TN Department of Transportation T Hangar Construction	95-555-0145-04	-	149,000	149,000	-
20.106	Department of Transportation TN Department of Transportation Above Ground Fuel Tank	95-555-0142-04	47,599	160,012	193,470	81,057

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2016

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	GRANT NUMBER	A/R OR DEFERRED June 30, 2015	RECEIPTS	DISBURSEMENTS	A/R OR DEFERRED June 30, 2016
20.607	Department of Transportation TN Department of Transportation DUI Enforcement Initiative	Z14GHS197	6,809	10,572	3,763	0
20.607	Department of Transportation TN Department of Transportation DUI Enforcement Initiative	Z12GHS169	485	485	-	-
20.607	Department of Transportation TN Department of Transportation DUI Enforcement Initiative	Z12GHS192	-	2,264	6,893	4,629
16.738	Department of Justice N/A Edward Byrne Memorial Justice Assistance	2013-DJ-BX-1010	-	3,186	3,186	-
16.738	Department of Justice N/A Edward Byrne Memorial Justice Assistance	2014-DJ-BX-0889	-	14,077	14,077	-
16.607	Department of Justice N/A Bulletproof Vest Partnership Program	Unknown	2,040	2,970	4,340	3,410
TOTAL NONMAJOR PROGRAMS			56,932	342,566	374,730	89,096
TOTAL FEDERAL AWARDS			\$ 1,054,973	\$ 3,179,891	\$ 3,065,342	\$ 940,424

STATE FINANCIAL ASSISTANCE

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2016

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	GRANT NUMBER	A/R OR DEFERRED June 30, 2015	RECEIPTS	DISBURSEMENTS	A/R OR DEFERRED June 30, 2016
	Tennessee Department of Transportation Aeronautics Division Airport Maintenance 2015/16	99-555-1533-04	\$ -	14,300	\$ 14,300	\$ -
	Tennessee Department of Transportation Aeronautics Division T Hangar Construction	95-555-0145-04	378,435	513,355	149,301	14,380
	Tennessee Department of Transportation Aeronautics Division Above Ground Fuel Tank	95-555-0142-04	-	34,945	60,143	25,198
	Tennessee Department of Transportation Aeronautics Division Airport Layout Plan	95-555-0748-04	27,080	-	15,262	42,342
	Tennessee Department of Transportation Aeronautics Division Rotating Beacon	95-555-0751-04	-	-	-	-
	Tennessee Department of Transportation Aeronautics Division Westside Terminal	95-555-0453-16	-	-	89,737	89,737
	Tennessee Department of Transportation Aeronautics Division Security Gate	95-555-0750-04	-	24,000	22,800	(1,200)
	Tennessee Department of Transportation	95-555-0154-16	-	-	(7,650)	(7,650)

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2016

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	<u>GRANT NUMBER</u>	<u>A/R OR DEFERRED June 30, 2015</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>A/R OR DEFERRED June 30, 2016</u>
	Aeronautics Division Runway Incursion					
	Tennessee Department of Transportation Aeronautics Division Mill & Pave Apron	95-555-0155-16	-	-	(15,000)	(15,000)
	Tennessee Department of Economic and Community Development FIDP Grant Maplehurst LLC	Unknown	-	199,894	258,766	58,873
	Tennessee Department of Environment and Conservation State Revolving Fund Loan	DWO 2012-126	266,228	266,228	-	-
	Tennessee Department of Environment and Conservation State Revolving Fund Loan	DWF 2012-127	-	64,918	64,952	34
	Tennessee Department of Environment and Conservation State Revolving Fund Loan	DW1 2012-128	-	367,364	428,480	61,115
	Tennessee Department of Environment and Conservation State Revolving Fund Loan	DWF 2012-129	-	5,895	140,710	134,815
	Tennessee Department of Transportation	Z13SLG004	25,432	35,246	27,749	17,935

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2016

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	<u>GRANT NUMBER</u>	A/R OR DEFERRED June 30, 2015	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	A/R OR DEFERRED June 30, 2016
	Community Based Grants to Control Litter Special Litter Grant		\$ 697,175	\$ 1,526,146	\$ 1,249,549	\$ 420,578
TOTAL STATE FINANCIAL ASSISTANCE			\$	\$	\$	\$

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of federal awards and state financial assistance includes the federal and state grant activity of the City of Lebanon, Tennessee, and is presented on the same basis of accounting as the City of Lebanon, Tennessee's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE SECTION

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

To the Honorable Mayor, the Board of Aldermen
and the Commissioner of Finance and Revenue of the
City of Lebanon, Tennessee and the Director of Local
Government Audit of the State of 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, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison schedule of the City of Lebanon, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Lebanon, Tennessee's basic financial statements, and have issued our report thereon dated August 15, 20X1.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lebanon, Tennessee'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 City of Lebanon, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lebanon, Tennessee'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.

DRAFT

Lebanon, Tennessee
August 15, 20X1

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

To the Honorable Mayor, the Board of Aldermen
and the Commissioner of Finance and Revenue of the
City of Lebanon, Tennessee and the Director of Local
Government of the State of Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of X, State Y's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Lebanon, Tennessee's major federal programs for the year ended June 30, 2016. City of Lebanon, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Lebanon, Tennessee's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lebanon, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Lebanon, Tennessee's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Lebanon, Tennessee, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

Management of the City of Lebanon, Tennessee, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Lebanon, Tennessee's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control over compliance.

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

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

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

DRAFT
Lebanon, Tennessee
August 15, 20X1

CITY OF LEBANON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	__yes <u>X</u> no
Significant Deficiency(ies) identified not considered to be material weaknesses?	__yes <u>X</u> none reported
Noncompliance material to financial statements noted?	__yes <u>X</u> no

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	__yes <u>X</u> no
Significant Deficiency(ies) identified not considered to be material weaknesses?	__yes <u>X</u> none reported

Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
--	--------------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	__yes <u>X</u> no
--	-------------------

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Environmental Protection Agency

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
---	------------------

Audit qualified as low-risk auditee?	<u>X</u> yes __no
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Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.