

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
CITY OF LEBANON, TENNESSEE  
YEAR ENDED JUNE 30, 2018**

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**CITY OF LEBANON TENNESSEE**

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

**June 30, 2018**

**Publicly Elected Officials:**

Mayor Bernie Ash

**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	Stuart Lawson, 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 of the 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 units, each major fund, and the aggregate remaining fund information and the budgetary comparison schedules of the City of Lebanon, Tennessee as of and for the year ended June 30, 2018, 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 units, each major fund, and the aggregate remaining fund information and the budgetary comparison schedules of the general fund and the major governmental funds of the City of Lebanon, Tennessee, as of June 30, 2018, 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.

### ***Change in Accounting Principle***

As described in Note 19 to the financial statements, in 2018, the District adopted new accounting guidance, *GASB No 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of: changes in total OPEB liability; changes in net pension liability and pension contributions on pages 4-11 and 59-63 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, supplementary schedules, and schedule of federal awards and state financial assistance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, supplementary schedules (except those marked as unaudited) and schedule of federal awards and state financial assistance 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 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, supplementary schedules (except those marked as unaudited) and the schedule of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The supplemental information 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 February 22, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lebanon, Tennessee's internal control over financial reporting and compliance.

*Demsey Ventrose + Folio PLLC*

Lebanon, Tennessee  
February 22, 2019

## **CITY OF LEBANON, TENNESSEE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2018

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, 2018. Please read it conjunction with the City's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- > The City's total net position increased \$16.80 million or 10.05%. Of this amount, the net position of the Government activities increased by almost \$7.71 million and the net position of the Business type activities increased by \$9.08 million.
- > The City's governmental activities revenues from taxes and other sources were \$40.31 million and exceeded expenditures by \$7.71 million. Last year, revenues exceeded expenditures by \$6.06 million. Compared to last year revenues increased by 12.70% and expenditures increased by 9.8%.
- > Revenues from the City's business-type activities were \$34.86 million, and revenues exceeded expenses by \$9.08 million. Last year revenues exceeded expenses by \$5.29 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, supplementary schedules, statistical 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 OMB Circular A-133 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 \$16.80 million during the year ended June 30, 2018. Of this amount, Government activities increased by about \$7.71 million and the net position of the Business type activities increased by \$9.08 million. In comparison, for the year ended June 30, 2017, the City's net position increased \$11.35 million. The following table is a comparison of net assets of the City during the fiscal years ended June 30, 2018 and 2017:

### CITY OF LEBANON , TENNESSEE NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Current and Other Assets	\$ 48,017,481	\$ 40,113,698	\$ 25,850,386	\$ 23,309,161	\$ 73,867,867	\$ 63,422,859	16.47%
Capital Assets, net	64,146,714	57,494,024	141,371,163	139,159,634	205,517,877	196,653,658	4.51%
Total Assets	<b>112,164,195</b>	<b>97,607,722</b>	<b>167,221,549</b>	<b>162,468,795</b>	<b>279,385,744</b>	<b>260,076,517</b>	<b>7.42%</b>
Deferred Outflows of Resources	<b>4,162,599</b>	<b>2,663,280</b>	<b>2,928,129</b>	<b>1,031,962</b>	<b>7,090,728</b>	<b>3,695,242</b>	<b>91.89%</b>
Long-Term Debt, net	18,687,516	14,490,735	48,092,978	51,867,964	66,780,494	66,358,699	0.64%
Other Liabilities	27,235,938	23,374,352	7,362,192	6,686,645	34,598,130	30,060,998	15.09%
Total Liabilities	<b>45,923,454</b>	<b>37,865,087</b>	<b>55,455,170</b>	<b>58,554,609</b>	<b>101,378,624</b>	<b>96,419,697</b>	<b>5.14%</b>
Deferred Inflows of Resources	<b>399,032</b>	<b>118,845</b>	<b>725,691</b>	<b>61,000</b>	<b>1,124,723</b>	<b>179,845</b>	
Net Position							
Net Investment in Capital							
Assets	45,459,198	43,003,289	93,278,185	87,314,024	138,737,383	130,317,313	6.46%
Restricted	2,930,278	1,892,713	822,606	684,190	3,752,884	2,576,904	45.64%
Unrestricted	21,614,832	17,391,068	19,868,026	16,886,934	41,482,858	34,278,002	21.02%
Total Net Position	<b>\$ 70,004,308</b>	<b>\$ 62,287,070</b>	<b>\$ 113,968,817</b>	<b>\$ 104,885,148</b>	<b>\$ 183,973,125</b>	<b>\$ 167,172,219</b>	<b>10.05%</b>

Net position of the City's governmental activities increased by about \$7.71 million. Of this amount, total assets increased by \$14.55 million and total liabilities increased by \$8.06 million. Over half of the governmental activities' net position is in net investment in capital assets.

The net position of the business-type activities increased \$9.08 million. Of this amount total assets increased by \$4.75 million and total liabilities decreased by \$3.10 million. Almost all of the net position is in net investment 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, 2018 and 2017:

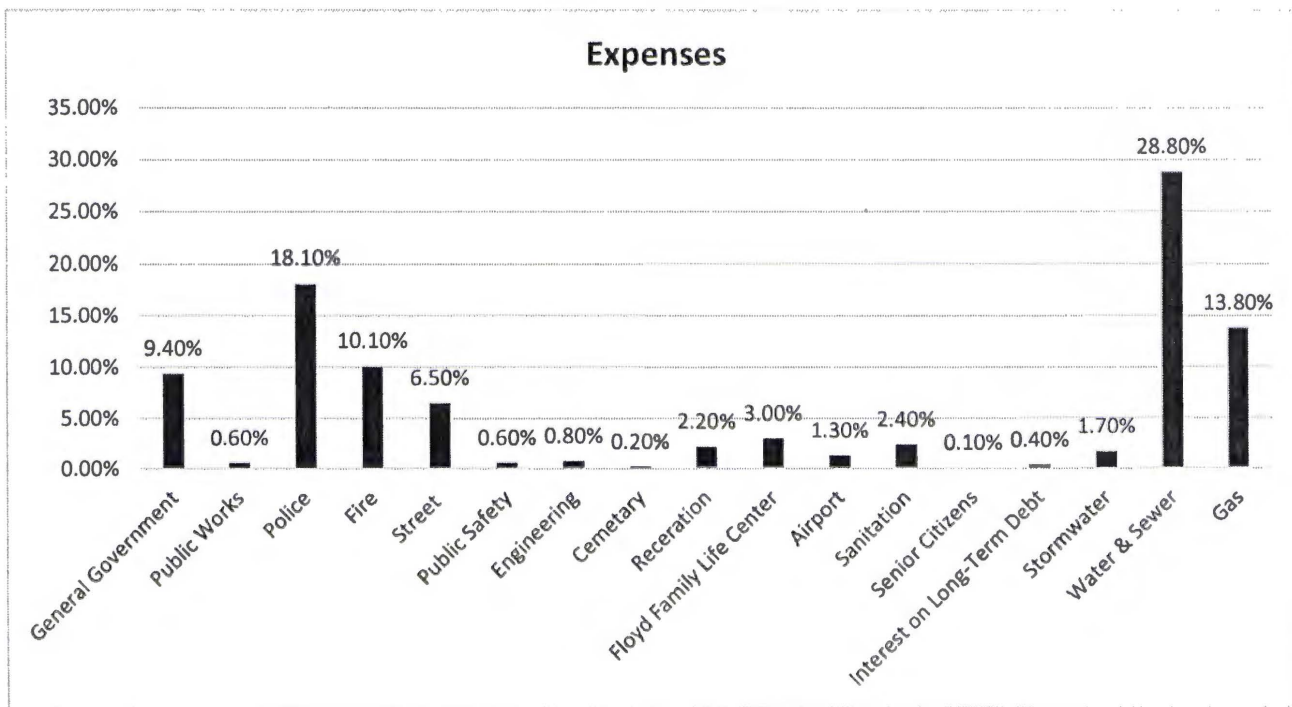
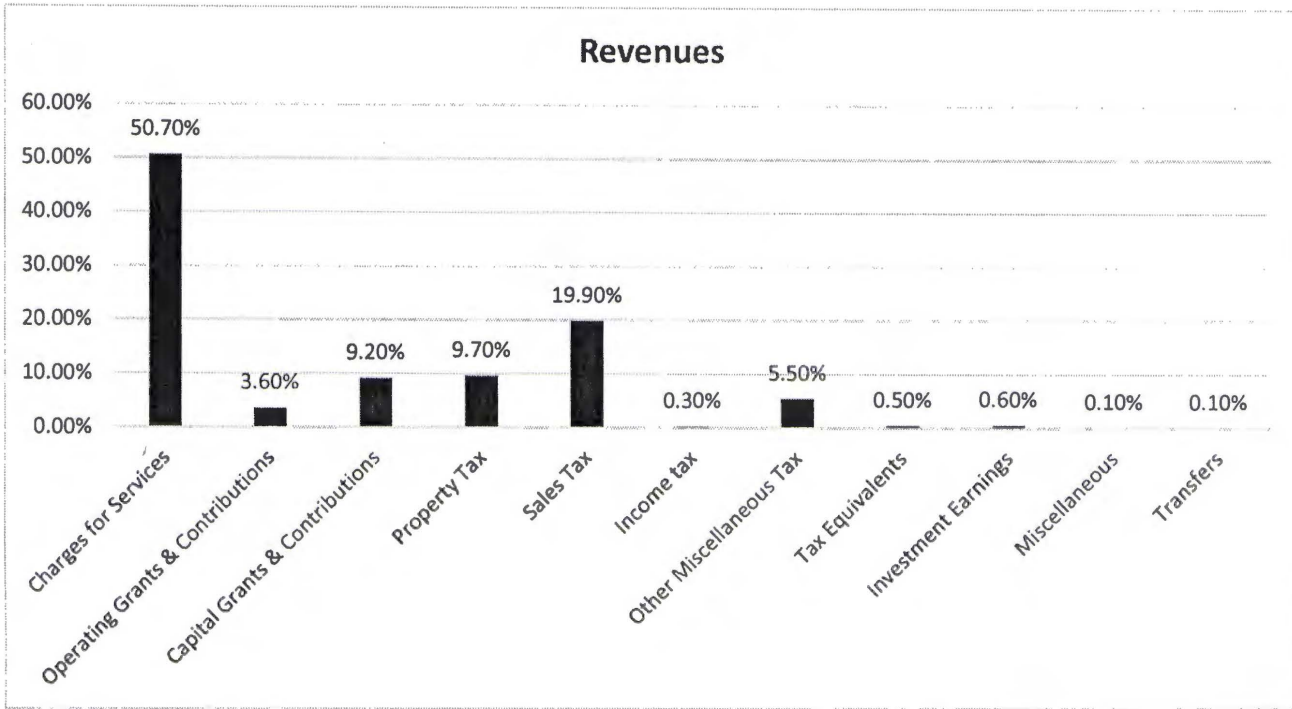
**CITY OF LEBANON, TENNESSEE CHANGE IN NET POSITION**

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2018-2017
	2018	2017	2018	2017	2018	2017	
<b>Revenues</b>							
<b>Program Revenues:</b>							
Charges for Services	\$ 5,787,053	\$ 5,852,170	\$ 32,314,823	\$ 27,396,766	\$ 38,101,876	\$ 33,248,936	14.60%
Operating Grants and Contributions	2,672,675	2,130,240	-	-	\$ 2,672,675	\$ 2,130,240	25.46%
Capital Grants and Contribution	3,616,656	773,660	3,263,697	398,628	\$ 6,880,353	\$ 1,172,288	486.92%
<b>General Revenues:</b>							
Property Tax	7,321,723	6,830,294	-	-	\$ 7,321,723	\$ 6,830,294	7.19%
Sales Tax	14,964,597	14,449,590	-	-	\$ 14,964,597	\$ 14,449,590	3.56%
Income Tax	190,324	610,779	-	-	\$ 190,324	\$ 610,779	-68.84%
Other Miscellaneous Tax	4,103,779	3,945,284	-	-	\$ 4,103,779	\$ 3,945,284	4.02%
Tax Equivalents	371,949	370,099	-	-	\$ 371,949	\$ 370,099	0.50%
Investment Earnings	245,801	118,860	183,158	93,734	\$ 428,959	\$ 212,594	101.77%
Miscellaneous	-	-	98,411	460,064	\$ 98,411	\$ 460,064	-78.61%
Transfers	1,035,819	676,179	(994,484)	(642,882)	\$ 41,335	\$ 33,297	
<b>Total Revenues</b>	<b>40,310,376</b>	<b>35,757,155</b>	<b>34,865,605</b>	<b>27,706,310</b>	<b>75,175,981</b>	<b>63,463,465</b>	<b>18.46%</b>
<b>Expenses</b>							
General Government	5,511,561	4,106,330	-	-	5,511,561	4,106,330	34.22%
Public Works	365,934	748,232	-	-	365,934	748,232	-51.09%
Police	10,587,539	8,923,823	-	-	10,587,539	8,923,823	18.64%
Fire	5,911,207	4,858,208	-	-	5,911,207	4,858,208	21.67%
Street	3,811,507	5,384,657	-	-	3,811,507	5,384,657	-29.22%
Public Safety	337,085	239,564	-	-	337,085	239,564	40.71%
Engineering	458,493	420,189	-	-	458,493	420,189	9.12%
Cemetery	126,165	104,816	-	-	126,165	104,816	20.37%
Recreation	1,290,080	1,047,153	-	-	1,290,080	1,047,153	23.20%
Floyd Family Life Center	1,732,740	1,582,866	-	-	1,732,740	1,582,866	9.47%
Airport	748,128	688,764	-	-	748,128	688,764	8.62%
Sanitation	1,386,584	1,317,063	-	-	1,386,584	1,317,063	5.28%
Senior Citizens	64,931	55,340	-	-	64,931	55,340	17.33%
Interest on Long-Term Debt	261,185	214,580	-	-	261,185	214,580	21.72%
Water & Sewer	-	-	16,744,697	15,745,529	16,744,697	15,745,529	6.35%
Natural Gas	-	-	8,045,164	6,667,003	8,045,164	6,667,003	20.67%
Stormwater	-	-	992,075	-	992,075	-	
	<b>32,593,138</b>	<b>29,691,585</b>	<b>25,781,936</b>	<b>22,412,532</b>	<b>58,375,074</b>	<b>52,104,117</b>	<b>12.04%</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 7,717,238</b>	<b>\$ 6,065,571</b>	<b>\$ 9,083,669</b>	<b>\$ 5,293,778</b>	<b>\$ 16,800,907</b>	<b>\$ 11,359,348</b>	<b>47.90%</b>

The City's total revenues increased \$11.71 million from \$63.46 million to \$75.18 million.

The total cost of the City's programs and services increased \$6.27 million from \$52.1 million to \$58.38 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2018.



**Governmental Activities**

The governmental revenues increased by \$4.55 million and expenditures increased by \$2.90 million. The City had an increase of about \$2.84 million in Capital Grants and Contributions and a \$515 thousand in sales tax. Those two made 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, 2018 and 2017:

CITY OF LEBANON, TENNESSEE NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost Of Services		Percent	Net Cost of Services		Percent
	2018	2017	Change 2018-2017	2018	2017	Change 2018-2017
General Government	\$ 5,511,561	\$ 4,106,330	34.22%	\$ 1,017,040	\$ 749,765	35.65%
Public Works	365,934	748,232	-51.09%	365,934	355,292	3.00%
Police	10,587,539	8,923,823	18.64%	9,636,441	7,782,664	23.82%
Fire	5,911,207	4,858,208	21.67%	5,911,207	4,858,208	21.67%
Street	3,811,507	5,384,657	-29.22%	(1,277,927)	3,851,850	-133.18%
Public Safety	337,085	239,564	40.71%	337,085	239,564	40.71%
Engineering	458,493	420,189	9.12%	458,493	420,189	9.12%
Cemetery	126,165	104,816	20.37%	76,865	31,196	146.39%
Recreation	1,290,080	1,047,153	23.20%	1,254,890	1,000,073	25.48%
Floyd Family Life Center	1,732,740	1,582,866	9.47%	629,111	417,995	50.51%
Airport	748,128	688,764	8.62%	394,916	(358,264)	-210.23%
Sanitation	1,386,584	1,317,063	5.28%	1,386,584	1,317,063	5.28%
Senior Citizens	64,931	55,340	17.33%	64,931	55,340	17.33%
<b>Total</b>	<b>\$ 32,331,953</b>	<b>\$ 29,477,005</b>	<b>9.69%</b>	<b>\$ 20,255,569</b>	<b>\$ 20,720,935</b>	<b>-2.25%</b>

**Business-Type Activities**

Revenues of the City's business-type activities increased by \$7.16 million. Expenses increased by \$3.37 million. Revenues increased by 25.8% and expenses increased by 15.0% compared to last year.

**General Fund Budgetary Highlights**

Over the course of the year, the Council as necessary revises the budget. 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 \$6,116,337 excess of revenues over expenditures for the General fund for the fiscal year ended June 30, 2018.

- > Revenues for the General Fund were \$2.39 million more than budgeted.
- > Expenditures were \$9.99 million less than budgeted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2018 the City had \$205.52 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 \$8.9 million or 4.51% over June 30, 2017 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2018 and 2017. For more detailed information on capital asset activity, see Note 8 to the financial statements.

City of Lebanon, Tennessee  
Capital Assets at Year End  
(Net of Depreciation)

	Governmental Activities		Business Type Activities		Total		Percent Change 2018-2017
	2018	2017	2018	2017	2018	2017	
Land	\$ 8,132,387	\$ 7,789,550	\$ 2,563,087	\$ 2,553,474	\$ 10,695,474	\$ 10,343,024	3.41%
Buildings	13,235,208	11,330,965	43,581,249	44,193,687	56,816,456	55,524,652	2.33%
Improvements Other Than Buildings	36,299,872	32,150,130	88,249,577	85,742,059	124,549,449	117,892,189	5.65%
Equipment	6,479,247	6,223,380	3,366,783	3,176,762	9,846,029	9,400,142	4.74%
Construction in Process	-	-	3,610,466	3,493,651	3,610,466	3,493,651	3.34%
<b>Total</b>	<b>\$ 64,146,714</b>	<b>\$ 57,494,025</b>	<b>\$ 141,371,161</b>	<b>\$ 139,159,634</b>	<b>\$ 205,517,876</b>	<b>\$ 196,653,658</b>	<b>4.51%</b>

This year's major capital additions included: water & sewer improvements, gas improvements, Lebanon airport work and street construction.

This fiscal year ended June 30, 2019 budget includes capital expenditures of \$13.8 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, 2018, the City had \$66.78 million in bonds, notes and capital leases outstanding. This is an increase of \$421 thousand or 0.64% from June 30, 2017. The following table summarizes and compares long-term debt at June 30, 2018 and 2017. See note 3 to the financial statements for more information on long-term debt activity.

	Governmental Activities		Business-Type Activities		Total		Total Percent Change 2018-2017
	2018	2017	2018	2017	2018	2017	
General Obligation Bonds and Notes (Backed by the City)	\$18,687,515	\$14,490,735	\$0	\$0	\$18,687,515	\$14,490,735	28.96%
Revenue Bonds & Notes (Backed by specific tax and fee revenues)	-	-	48,092,979	51,867,964	48,092,979	51,867,964	-7.28%
	<u>\$18,687,515</u>	<u>\$14,490,735</u>	<u>\$48,092,979</u>	<u>\$51,867,964</u>	<u>\$66,780,494</u>	<u>\$66,358,699</u>	0.64%

Bond ratings: Aa3

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City of Lebanon prepared a two year budget that was passed for the fiscal years 2017-2018 and 2018-2019. In preparing for the General fund still had to prepare for increase in salaries, other benefits, capital equipment and improvements were factored in. The amount available for revenues for appropriation in the 2019 General fund budget is \$30,568,625 a decrease of 3.35% compared to the proposed budget for 2018. The estimated revenue for property tax revenue and sales tax were budgeted to be the same as 2018 budget. Expenditures will decrease by 3.4% compared to the proposed budget for 2018. Revenues are expected to exceed expenditures by about \$518 thousand.

Water and Sewer revenues are projected to go up about 2.19% compared to last year and expenses are going to increase about 1.60%. Revenues are expected to exceed expenses by about \$1.03 million.

Gas revenues are expected to be about 4.34% higher than the proposed budget for 2018. Expenses are projected to increase by about 1.4% compared to last year. Revenues are expected to exceed expenses by about \$1.04 million.

Debt is expected to increase in FY 2018 due to:

- 1) General Fund- Loan of \$5.5 million from the TML for a new Public Safety building.
- 4) Water & Sewer Fund- Proposed loan of \$2,100,000 from the TML for the water distribution system.
- 5) Water & Sewer Fund- Proposed \$3,600,000 from the State Revolving Loan Program for a sewer collection project.

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash	\$ 25,835,436	\$ 17,339,302	\$ 43,174,738	\$ 48,189
Investment in State Investment Pool	664,231	164,878	829,109	-
Certificate of Deposit	7,442,269	2,872,824	10,315,093	-
Investments	-	-	-	-
Other Restricted Funds	-	822,606	822,606	-
Accounts Receivable, Net	11,497,030	2,037,968	13,534,998	9
Internal Balances	2,199,093	(2,199,093)	-	-
Due from Component Unit	-	-	-	-
Inventories	134,373	394,237	528,610	-
Prepaid Expenses	245,049	77,299	322,348	-
Notes Receivable	-	4,340,365	4,340,365	-
Capital Assets:				
Non depreciable Assets	8,132,387	6,173,552	14,305,939	105,468
Depreciable Assets, Net of Depreciation	56,014,327	135,197,611	191,211,938	830,450
Total Capital Assets	64,146,714	141,371,163	205,517,877	935,918
Total Assets	112,164,195	167,221,549	279,385,744	984,116
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amount on 2008 Refunding	25,617	-	25,617	-
Deferred Amount Realted to OPEB	820,526	336,549	1,157,075	-
Deferred Amount Related to Pensions	3,316,456	2,591,580	5,908,036	-
Total Deferred Outflows	4,162,599	2,928,129	7,090,728	-
<b>LIABILITIES</b>				
Bank Overdraft	613,630	-	613,630	-
Accounts Payable	2,764,916	1,370,508	4,135,424	-
Due to Primary Government	-	-	-	-
Due to Component Unit	9	-	9	-
Customer Deposits	23,955	250	24,205	-
Accrued Expenses	429,500	239,026	668,526	1,881
Unearned Revenue	7,748,308	-	7,748,308	-
Non-current Liabilities:				
Due in One Year:				
Compensated Absences	1,138,582	251,012	1,389,594	-
Debt	1,978,921	3,914,794	5,893,715	-
Due in More Than One Year:				
Debt, net	16,708,595	44,178,184	60,886,779	-
Net Pension Liability	2,647,264	1,076,492	3,723,756	-
OPEB Liability	11,869,774	4,424,904	16,294,678	-
Total Liabilities	45,923,454	55,455,170	101,378,624	1,881
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Amount Related to Pensions	297,181	664,691	961,872	-
Deferred Amount on 2016 Refunding	101,851	61,000	162,851	-
	399,032	725,691	1,124,723	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	45,459,198	93,278,185	138,737,383	935,918
Restricted for:				
Note Proceeds	554,052	-	554,052	-
Debt Service	8,693	822,606	831,299	-
Public works	664,527	-	664,527	-
Drug Enforcement	260,839	-	260,839	-
Community Service	53,995	-	53,995	-
Recreation	1,365,878	-	1,365,878	-
Police	22,294	-	22,294	-
Unrestricted	21,614,832	19,868,026	41,482,858	46,317
Total Net Position	\$ 70,004,308	\$ 113,968,817	\$ 183,973,125	\$ 982,235

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF ACTIVITIES

Year Ended June 30, 2018

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	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General Government	\$ 5,511,561	\$ 4,095,136	\$ 399,385	\$ -	\$ (1,017,040)	\$ -	\$ (1,017,040)	-
Public Works	365,934	-	-	-	(365,934)	-	(365,934)	-
Police	10,587,539	58,646	892,452	-	(9,636,441)	-	(9,636,441)	-
Fire	5,911,207	-	-	-	(5,911,207)	-	(5,911,207)	-
Street	3,811,507	219,245	1,340,288	3,529,901	1,277,927	-	1,277,927	-
Public Safety	337,085	-	-	-	(337,085)	-	(337,085)	-
Engineering	458,493	-	-	-	(458,493)	-	(458,493)	-
Cemetery	126,165	49,300	-	-	(76,865)	-	(76,865)	-
Recreation	1,290,080	33,940	1,250	-	(1,254,890)	-	(1,254,890)	-
Floyd Family Life Center	1,732,740	1,103,629	-	-	(629,111)	-	(629,111)	-
Airport	748,128	227,157	39,300	86,755	(394,916)	-	(394,916)	-
Sanitation	1,386,584	-	-	-	(1,386,584)	-	(1,386,584)	-
Senior Citizens	64,931	-	-	-	(64,931)	-	(64,931)	-
Interest on Long-Term Debt	261,185	-	-	-	(261,185)	-	(261,185)	-
<b>Total Governmental Activities</b>	<b>32,593,138</b>	<b>5,787,053</b>	<b>2,672,675</b>	<b>3,616,656</b>	<b>(20,516,754)</b>	<b>-</b>	<b>(20,516,754)</b>	
<b>Business-Type Activities:</b>								
Water and Sewer	16,744,697	21,216,766	-	3,263,697	-	7,735,766	7,735,766	-
Natural Gas	8,045,164	9,703,196	-	-	-	1,658,032	1,658,032	-
Stormwater	992,075	1,394,861	-	-	-	402,786	402,786	-
<b>Total Business-Type Activities</b>	<b>25,781,936</b>	<b>32,314,823</b>	<b>-</b>	<b>3,263,697</b>	<b>-</b>	<b>9,796,584</b>	<b>9,796,584</b>	
<b>Total Primary Government</b>	<b>58,375,074</b>	<b>38,101,876</b>	<b>2,672,675</b>	<b>6,880,353</b>	<b>(20,516,754)</b>	<b>9,796,584</b>	<b>(10,720,170)</b>	
<b>Component Unit:</b>								
Senior Citizens Center	493,997	261,549	569,945	-	-	-	-	363,475
<b>General Revenues:</b>								
<b>Taxes:</b>								
Property Taxes, Levied for General Purposes					7,321,723		7,321,723	-
Sales Taxes					14,964,597		14,964,597	-
Income and Excise Tax					190,324		190,324	-
Other Miscellaneous Taxes					4,103,779		4,103,779	-
Tax Equivalent - TVA					371,949		371,949	-
Unrestricted Investment Earnings					245,801	183,158	428,959	236
Miscellaneous						98,411	98,411	-
Transfers					1,035,819	(994,484)	41,335	-
<b>Total General Revenues and Transfers</b>					<b>28,233,992</b>	<b>(712,915)</b>	<b>27,521,077</b>	<b>236</b>
<b>Change in Net Position</b>					<b>7,717,238</b>	<b>9,083,669</b>	<b>16,800,907</b>	<b>363,711</b>
Net Position, Beginning					69,346,693	108,059,042	177,405,735	618,524
Restatements					(7,059,623)	(3,173,894)	(10,233,517)	-
<b>Net Position, Ending</b>					<b>\$ 70,004,308</b>	<b>\$ 113,968,817</b>	<b>\$ 183,973,125</b>	<b>\$ 982,235</b>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

ASSETS	General Fund	Street Improvements	Other Governmental Funds	Total Governmental Funds
Cash	\$ 20,290,919	\$ 2,181,762	\$ 3,362,755	\$ 25,835,436
Investment in State Investment Pool	603,198	-	61,033	664,231
Certificate of Deposit	7,442,269	-	-	7,442,269
Investments	-	-	-	-
Accounts Receivable:				
State of Tennessee	2,269,656	205,062	185	2,474,903
Federal Government	1,096	-	-	1,096
Other	548,405	717,640	716,350	1,982,395
Due from Other Funds	2,229,423	50,411	703,198	2,983,032
Due from Component Unit	-	-	-	-
Inventories	134,373	-	-	134,373
Property Taxes - Net of Allowance				
For Uncollectible Taxes of \$772,592	7,038,636	-	-	7,038,636
Prepaid Expenses	228,834	-	16,215	245,049
	<u>\$ 40,786,809</u>	<u>\$ 3,154,875</u>	<u>\$ 4,859,736</u>	<u>\$ 48,801,420</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Street Improvements	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES</b>				
Accounts Payable				
Vendors	\$ 1,130,267	1,268,373	\$ 366,276	\$ 2,764,916
Due to Other Funds	309,782	419,944	54,213	783,939
Due to Component Unit	9			9
Bank Overdraft	-	-	613,630	613,630
Accrued Payroll and Related Items	361,359	-	23,405	384,764
Accrued Vacation Pay	260,825	-	5,759	266,584
Customer Deposits	23,955	-	-	23,955
Unearned Revenue	7,748,308	-	-	7,748,308
	9,834,505	1,688,317	1,063,283	12,586,105
<b>FUND BALANCES</b>				
Fund Balances:				
Nonspendable	363,207	-	-	363,207
Restricted for:				
Bond Proceeds	554,052	-	-	554,052
Recreation	-	-	1,365,878	1,365,878
Debt Service	-	-	53,429	53,429
Street	-	-	664,527	664,527
Drug Enforcement	-	-	260,839	260,839
Community Assistance	-	-	53,995	53,995
Police	-	-	22,294	22,294
Committed to:				
Airport	-	-	218,534	218,534
Cemetery	-	-	137,263	137,263
OPEB	-	-	-	-
Police	-	-	307,373	307,373
Assigned to:				
Recreation	1,481	-	120,953	122,434
Airport	1,605	-	441,084	442,689
Street	222,970	1,466,558	99,923	1,789,451
Public Works	-	-	-	-
Police	-	-	2,108	2,108
Floyd Family Life Center	-	-	48,253	48,253
Garage	7,260	-	-	7,260
Equipment	4,232	-	-	4,232
Unassigned	29,797,497	-	-	29,797,497
Total Fund Balances	30,952,304	1,466,558	3,796,453	36,215,315
Total Liabilities and Fund Balances	\$ 40,786,809	\$ 3,154,875	\$ 4,859,736	

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

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	\$ 36,215,315
Capital Assets used in governmental funds are not reported in the fund Balance Sheet	64,146,714
Deferred Outflows are not reported in the fund Balance Sheet	3,865,418
Long-term debt is not reported in the fund Balance Sheet	(18,687,516)
Accrued Interest on long-term debt is not reported in the fund Balance Sheet	(44,736)
Net Pension Liability is not reported in the fund Balance Sheet	(2,647,264)
OPEB Liability on governmental funds is not reported in the fund Balance Sheet	(11,869,774)
Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet	(871,998)
Deferred Inflows are not reported in the fund Balance Sheet	<u>(101,851)</u>
Net Position of Governmental Activities	<u><u>\$ 70,004,308</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, 2018

	General Fund	Street Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes and Licenses	\$ 20,929,486	\$ -	\$ -	\$ 20,929,486
TVA In- Lieu of Tax	371,949	-	-	371,949
State and Regional Apportionments and Grants	5,200,504	-	1,164,641	6,365,145
Federal Grants	244,412	-	-	244,412
Fines and Costs	1,038,177	-	15,034	1,053,211
Rents	24,000	-	-	24,000
Interest	214,155	9,316	22,330	245,801
Other Revenues	4,057,620	3,722,705	2,260,225	10,040,550
<b>Total Revenues</b>	<b>32,080,303</b>	<b>3,732,021</b>	<b>3,462,229</b>	<b>39,274,553</b>
<b>Expenditures</b>				
General Government	4,412,508	-	35,593	4,448,101
Public Works	292,117	-	-	292,117
Police	9,366,559	-	305,843	9,672,402
Fire	5,218,913	-	-	5,218,913
Street	1,038,641	447,377	486,746	1,972,764
Public Safety	295,879	-	-	295,879
Engineering	421,720	-	-	421,720
Cemetery	119,552	-	-	119,552
Recreation	1,009,954	-	395	1,010,349
Floyd Family Life Center	-	-	1,384,908	1,384,908
Airport	-	-	279,880	279,880
Sanitation	1,386,584	-	-	1,386,584
Senior Citizens Center	64,931	-	-	64,931
Garage	311,648	-	-	311,648
Debt Service:				
Principal	297,370	-	1,271,081	1,568,451
Interest	33,764	-	268,988	302,752
Capital Outlay	3,193,833	5,382,644	2,198,639	10,775,116
<b>Total Expenditures</b>	<b>27,463,973</b>	<b>5,830,021</b>	<b>6,232,073</b>	<b>39,526,067</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,616,330	(2,098,000)	(2,769,844)	(251,514)
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	-	1,037,200	1,651,098	2,688,298
Transfers to Other Funds	(1,829,624)	-	(513,674)	(2,343,298)
Debt Proceeds	2,638,813	719,436	2,534,940	5,893,189
Transfers - Tax Equivalents	690,818	-	-	690,818
<b>Net Other Financing Sources (Uses)</b>	<b>1,500,007</b>	<b>1,756,636</b>	<b>3,672,364</b>	<b>6,929,007</b>
<b>Net Change in Fund Balances</b>	<b>6,116,337</b>	<b>(341,364)</b>	<b>902,520</b>	<b>6,677,493</b>
<b>Fund Balances</b>				
July 01, 2017	25,403,161	1,807,922	2,893,932	30,105,015
Change in Encumbrances	(567,194)	-	-	(567,194)
<b>June 30, 2018</b>	<b>\$ 30,952,304</b>	<b>\$ 1,466,558</b>	<b>\$ 3,796,453</b>	<b>\$ 36,215,315</b>

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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 6,677,493
Increase in Encumbrances	(567,194)
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	(3,915,407)
Proceeds of long-term debt are not revenue on the Statement of Activities - instead they are an increase in the debt on the Statement of Net Assets	(5,893,189)
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	1,674,054
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	11,870
Other charges are not reported on the Statement of Activites - instead they are included in the Statement of Net Assets	(261,418)
Change in OPEB Liability is not reported as an expenditure in the governmental funds	(5,667,164)
Accrued interest on debt of the governmental funds is not reported as an expenditure in the governmental funds	41,567
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	10,829,519
Current year change in net pension liability due to implementation of GASB 68 is not reported in the governmental funds	4,892,622
Accrued vacation not requiring the use of current resources is not reported as an expenditure in the governmental funds	<u>(105,515)</u>
Change in Net Position of Governmental Activities	<u>\$ 7,717,238</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2018

ASSETS	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
<b>Current Assets:</b>				
Cash	\$ 3,399,621	\$ 12,846,633	\$ 1,093,048	\$ 17,339,302
Investment in State Investment Pool	164,878	-	-	164,878
Certificate of Deposit	1,107,214	1,755,685	9,925	2,872,824
Accounts Receivable - (Less Allowance for Doubtful Accts of \$ 158,333 )	299,107	1,324,767	100,644	1,724,518
Due from Other Funds	18,073	27,880	10,147	56,099
Other Receivables	-	309,573	3,877	313,450
Inventories	163,838	230,399	-	394,237
Prepaid Expenses	19,614	57,184	501	77,299
<b>Total Current Assets</b>	<b>5,172,345</b>	<b>16,552,121</b>	<b>1,218,142</b>	<b>22,942,608</b>
<b>Noncurrent Assets:</b>				
Other Restricted Funds	-	822,606	-	822,606
Notes Receivable	1,885,778	2,454,587	-	4,340,365
<b>Capital Assets:</b>				
Land	866,063	1,697,023	-	2,563,086
Buildings	2,542,581	68,535,187	-	71,077,768
Equipment	3,413,750	5,096,301	168,674	8,678,725
Improvements Other than Building	34,444,122	118,132,830	383,049	152,960,001
Construction in Process	1,087,487	2,522,979	-	3,610,466
Accumulated Depreciation	(16,330,513)	(81,059,011)	(129,359)	(97,518,883)
<b>Total Noncurrent Assets</b>	<b>27,909,268</b>	<b>118,202,502</b>	<b>422,364</b>	<b>146,534,134</b>
<b>Total Assets</b>	<b>33,081,613</b>	<b>134,754,623</b>	<b>1,640,506</b>	<b>169,476,742</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	568,483	1,955,278	67,819	2,591,580
OPEB	69,843	242,849	23,857	336,549
	638,326	2,198,127	91,676	2,928,129
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Current Portion of Long-Term Debt	95,000	3,819,794	-	3,914,794
Accounts Payable - Vendors	275,856	1,092,426	2,226	1,370,508
Due to Other Funds	844,616	1,346,291	64,285	2,255,192
Other Current Liabilities	32,860	73,491	-	106,351
Accrued Interest	-	42,563	-	42,563
Accrued Payroll and Related Items	24,573	59,336	6,454	90,363
Accrued Vacation Pay	64,745	168,574	17,693	251,012
<b>Total Current Liabilities</b>	<b>1,337,650</b>	<b>6,602,475</b>	<b>90,658</b>	<b>8,030,783</b>
<b>Noncurrent Liabilities:</b>				
Post Employment Benefits	984,756	3,251,520	188,628	4,424,904
Notes Payable	-	39,201,184	-	39,201,184
Utility Bonds Payable	1,477,000	3,500,000	-	4,977,000
Net Pension Liability	197,851	831,906	46,735	1,076,492
<b>Total Noncurrent Liabilities</b>	<b>2,659,607</b>	<b>46,784,610</b>	<b>235,363</b>	<b>49,679,580</b>
<b>Total Liabilities</b>	<b>3,997,257</b>	<b>53,387,085</b>	<b>326,021</b>	<b>57,710,363</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	188,866	467,185	8,640	664,691
Gain on Bond Refunding	-	61,000	-	61,000
	188,866	528,185	8,640	725,691
<b>NET POSITION</b>				
Net Investment in Capital Assets	24,451,490	68,404,331	422,364	93,278,185
Restricted for Debt Service	-	822,606	-	822,606
Unrestricted	5,082,326	13,810,543	975,157	19,868,026
<b>Total Net Position</b>	<b>\$ 29,533,816</b>	<b>\$ 83,037,480</b>	<b>\$ 1,397,521</b>	<b>\$ 113,968,817</b>

See notes to financial statements

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

Year Ended June 30, 2018

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
<b>Operating Revenues</b>				
Charges for Services	\$ 9,703,196	\$ 21,216,766	\$ 1,394,861	\$ 32,314,823
<b>Operating Expenses</b>				
Utility Operating Expense	2,629,998	9,844,949	966,040	13,440,987
Natural Gas Purchased	4,164,899	-	-	4,164,899
Gasification Plant Operating	-	186,708	-	186,708
Depreciation	1,186,596	5,631,084	24,991	6,842,671
<b>Total Operating Expenses</b>	<b>7,981,493</b>	<b>15,662,741</b>	<b>991,031</b>	<b>24,635,265</b>
<b>Operating Income</b>	<b>1,721,703</b>	<b>5,554,025</b>	<b>403,830</b>	<b>7,679,558</b>
<b>Nonoperating Revenue (Expenses)</b>				
Other Revenues	5,883	92,528	-	98,411
Interest Revenue	26,331	152,829	3,998	183,158
Interest Expense	(63,670)	(1,081,957)	(1,044)	(1,146,671)
<b>Total Nonoperating Revenue (Expenses)</b>	<b>(31,456)</b>	<b>(836,600)</b>	<b>2,954</b>	<b>(865,102)</b>
<b>Income before Contributions and Transfers</b>	<b>1,690,247</b>	<b>4,717,425</b>	<b>406,784</b>	<b>6,814,456</b>
<b>Contributions and Transfers</b>				
Contributed Capital	-	3,263,697	-	3,263,697
Transfers from Other Funds	-	32,000	-	32,000
Transfers to Other Funds	(50,000)	(325,000)	(2,000)	(377,000)
Transfers - Tax Equivalents	(269,568)	(379,916)	-	(649,484)
<b>Total Contributions and Transfers</b>	<b>(319,568)</b>	<b>2,590,781</b>	<b>(2,000)</b>	<b>2,269,213</b>
<b>Change in Net Position</b>	<b>1,370,679</b>	<b>7,308,206</b>	<b>404,784</b>	<b>9,083,669</b>
<b>Net Position</b>				
July 01, 2017	28,683,503	78,388,612	986,927	108,059,042
Restatement	(520,366)	(2,659,338)	5,810	(3,173,894)
<b>June 30, 2018</b>	<b>\$ 29,533,816</b>	<b>\$ 83,037,480</b>	<b>\$ 1,397,521</b>	<b>\$ 113,968,817</b>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2018

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers	\$ 9,715,706	\$ 21,205,136	\$ 1,294,218	\$ 32,215,060
Payments to Suppliers	(5,328,784)	(4,203,158)	(430,485)	(9,962,427)
Payments to Employees	(1,767,925)	(5,999,339)	(536,433)	(8,303,697)
Internal Activity - Payments From Other Funds	188,537	49,340	13,513	251,391
Other Receipts (Payments)	-	93,383	(1,853)	91,530
Net Cash Provided By Operating Activities	<u>2,807,534</u>	<u>11,145,362</u>	<u>338,959</u>	<u>14,291,855</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers - Tax Equivalents	(269,568)	(379,916)	-	(649,484)
Transfers to Other Funds	(50,000)	(325,000)	(2,000)	(377,000)
Transfers from Other Funds	-	32,000	-	32,000
Net Cash (Used) By Noncapital Financing Activities	<u>(319,568)</u>	<u>(672,916)</u>	<u>(2,000)</u>	<u>(994,484)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Proceeds on Notes Payable	-	277,668	-	277,668
Debt Forgiveness	-	70,217	-	70,217
Other Revenues	5,883	22,311	-	28,194
Payments for Capital Acquisitions	(2,035,878)	(3,496,746)	(260,982)	(5,793,606)
Principal Paid on Notes	(91,000)	(3,799,300)	(2,822)	(3,893,122)
Interest Paid	(64,603)	(1,081,957)	(1,044)	(1,147,604)
Bond Principal Paid	(140,000)	-	-	(140,000)
Issuance of Notes Receivable	(1,505,481)	(891,642)	-	(2,397,123)
Net Cash (Used) By Capital and Related Financing Activities	<u>(3,831,079)</u>	<u>(8,899,449)</u>	<u>(264,848)</u>	<u>(12,995,376)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest Revenue	26,331	152,829	3,998	183,158
Increase in Investments	(95,617)	(241,560)	(9,925)	(347,102)
Net Cash (Used) By Investing Activities	<u>(69,286)</u>	<u>(88,731)</u>	<u>(5,927)</u>	<u>(163,944)</u>
Net Increase (Decrease) in Cash and Temporary Investments	(1,412,399)	1,484,266	66,184	138,051
<b>Cash and Temporary Investments:</b>				
July 01, 2017	<u>4,976,898</u>	<u>12,184,973</u>	<u>1,026,864</u>	<u>18,188,735</u>
June 30, 2018	<u>\$ 3,564,499</u>	<u>\$ 13,669,239</u>	<u>\$ 1,093,048</u>	<u>\$ 18,326,786</u>
<b>Non-Cash Capital and Related Financing Activities:</b>				
Capital Assets Acquired By Contributions From Developers	<u>\$ -</u>	<u>\$ 3,263,697</u>	<u>\$ -</u>	<u>\$ 3,263,697</u>
<b>Reconciliation to Statement of Net Position:</b>				
Cash	\$ 3,399,621	\$ 12,846,633	\$ 1,093,048	\$ 17,339,302
Investment in State Investment Pool	164,878	-	-	164,878
Other Restricted Funds	-	822,606	-	822,606
	<u>\$ 3,564,499</u>	<u>\$ 13,669,239</u>	<u>\$ 1,093,048</u>	<u>\$ 18,326,786</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2018

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Cash Provided By Operating Activities:				
Operating Income	\$ 1,721,703	\$ 5,554,025	\$ 403,830	\$ 7,679,558
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,170,164	5,631,085	24,992	6,826,241
Provision for Losses on Accounts Receivable	18,406	82,204	1,150	101,760
Deferred Outflows of Resources	(278,188)	(983,504)	(91,676)	(1,353,368)
Deferred Inflows of Resources	25,296	87,956	8,640	121,892
Changes in Current and Deferred Items:				
(Increase) in Accounts Receivable	(5,897)	(93,835)	(101,794)	(201,526)
(Increase) Decrease in Other Receivables	-	93,383	(1,853)	91,530
(Increase) in Due From Other Funds	(13,993)	(4,336)	(10,147)	(28,475)
(Increase) Decrease in Inventories	1,587	(17,186)	-	(15,599)
Decrease in Prepaid Expenses	25,501	46,161	1,191	72,853
Increase (Decrease) in Accounts Payable	(227,452)	147,781	2,013	(77,658)
Increase in Net Pension Liability	136,822	475,740	46,735	659,297
Increase in Due to Other Funds	202,530	53,676	23,660	279,866
Increase (Decrease) in Accrued Payroll	(208)	2,325	4,348	6,465
Increase in Accrued Vacation Pay	11,070	9,750	16,986	37,806
(Decrease) in Other Liabilities	(11,678)	(50,674)	-	(62,352)
Increase in Postemployment Benefits	31,871	110,811	10,885	153,567
Net Cash Provided By Operating Activities	<u>\$ 2,807,534</u>	<u>\$ 11,145,362</u>	<u>\$ 338,959</u>	<u>\$ 14,291,855</u>

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Revenues				
Taxes:				
Real and Personalty	\$ 6,731,791	\$ 7,027,757	\$ 7,321,723	\$ 293,966
Wholesale Beer	990,000	990,000	1,084,790	94,790
Sales Tax	11,000,000	11,000,000	12,194,034	1,194,034
Cable TV Franchise Fee	290,000	290,000	394,224	104,224
Hotel and Motel Tax	340,000	340,000	399,298	59,298
Business Tax	-	-	11,840	11,840
Mixed Drink Tax	12,000	12,000	14,270	2,270
Liquor Tax	335,000	335,000	390,016	55,016
	<u>19,698,791</u>	<u>19,994,757</u>	<u>21,810,195</u>	<u>1,815,438</u>
Tax Equivalents:				
TVA In-Lieu of Tax	355,000	355,000	371,949	16,949
	<u>355,000</u>	<u>355,000</u>	<u>371,949</u>	<u>16,949</u>
Federal, State and Regional				
Apportionments and Grants:				
Sales Tax (St Sales C)	2,400,000	2,400,000	2,770,561	370,561
Income Tax	350,000	350,000	84,619	(265,381)
Petroleum Special	64,000	64,000	65,966	1,966
Highway Grants and Contracts	120,000	120,000	155,382	35,382
Beer Tax	15,000	15,000	15,270	270
Mixed Drink Tax	80,000	80,000	98,008	18,008
Excise Tax	30,000	30,000	105,705	75,705
Business Tax - County Clerk	-	-	155,188	155,188
Business Tax - Trustee	1,025,000	1,641,431	1,540,874	(100,557)
Police and Fire Salary Supplement	38,500	38,500	75,000	36,500
OJP Grants	-	-	6,695	6,695
D.E.A. Grant	-	-	24,435	24,435
HOME Grant	-	346,415	329,410	(17,005)
FBI Safe Streets	-	-	10,212	10,212
Highway Safety Grants	15,000	15,000	20,617	5,617
Intelligent Transportation Grant	1,000,800	1,000,800	-	(1,000,800)
Telecommunications Sales Tax	2,000	2,000	14,004	12,004
	<u>5,140,300</u>	<u>6,103,146</u>	<u>5,471,946</u>	<u>(631,200)</u>
Fines and Costs	715,000	715,000	1,038,177	323,177
Rent - Other	-	-	24,000	24,000
Highway and Street Charges	40,000	40,000	26,441	(13,559)
Interest	42,000	55,000	214,155	159,155
Permits and Licenses	1,099,500	1,161,500	1,792,087	630,587

See notes to financial statements

	Budget		Actual	Variance
	Original	Final		
Cemetery Income	60,000	60,000	49,300	(10,700)
Park and Recreation Income	32,300	32,300	33,940	1,640
Interest and Penalty on Taxes and Licenses	23,000	23,000	36,946	13,946
Miscellaneous	1,262,250	1,145,589	1,192,886	47,297
Sale of Equipment	-	-	18,281	18,281
	<u>3,274,050</u>	<u>3,232,389</u>	<u>4,426,213</u>	<u>1,193,824</u>
Total Revenues	<u>28,468,141</u>	<u>29,685,292</u>	<u>32,080,303</u>	<u>2,395,011</u>
Expenditures				
City Department:				
Mayor and Council	264,212	382,502	372,404	10,098
City Attorney/Judicial	185,870	247,188	177,417	69,771
Financial Administration	173,816	203,358	183,965	19,393
Building Maintenance	102,793	109,419	92,491	16,928
Accounting	184,329	169,135	137,944	31,191
Customer Billing	18,091	25,405	25,863	(458)
Johnson Controls	422,597	297,591	26,090	271,501
Purchasing	44,480	45,133	40,869	4,264
Computer Equipment	355,800	364,747	374,054	(9,307)
Public Works	245,898	519,036	294,076	224,960
HOME Grant	-	321,415	304,410	17,005
Personnel	622,302	641,796	335,104	306,692
Traffic Maintenance	198,703	207,750	200,012	7,738
General Maintenance	381,189	377,481	329,057	48,424
Police	8,963,836	9,517,880	9,368,957	148,923
Fire	5,715,034	5,887,321	5,513,872	373,449
Building Inspection	643,794	680,654	601,365	79,289
Street	1,861,391	2,010,885	1,186,473	824,412
Animal Control	171,349	173,727	139,738	33,989
Public Safety	2,568,786	7,595,060	2,293,639	5,301,421
Engineering	427,576	554,977	331,221	223,756
Garage	340,738	343,074	311,647	31,427
Cemetery	120,713	123,776	119,551	4,225
Recreation	950,387	1,002,203	934,728	67,475
Special Events	42,000	41,089	31,130	9,959
Dues & Contributions	287,632	303,643	292,923	10,720
Community Park	314,121	847,436	727,084	120,352
EAC Committee	320	320	168	152
Sanitation	1,538,821	2,095,812	1,814,667	281,145
Drainage Migration	55,045	55,045	78,226	(23,181)
Risk Assessment	58,056	58,415	46,062	12,353
Accounting System Debt Service	18,000	18,000	17,881	119
Economic Development	207,831	181,649	159,029	22,620
Intelligent Transportation	1,251,000	1,251,000	287	1,250,713
Senior Citizens Center	232,471	803,174	601,569	201,605
	<u>28,968,981</u>	<u>37,457,096</u>	<u>27,463,973</u>	<u>9,993,123</u>
Total Expenditures	<u>28,968,981</u>	<u>37,457,096</u>	<u>27,463,973</u>	<u>9,993,123</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2018

	Budget		Actual	Variance
	Original	Final		
Excess of Revenues Over (Under)				
Expenditures	(500,840)	(7,771,804)	4,616,330	12,388,134
Other Financing Sources (Uses):				
Transfers - Tax Equivalents	659,484	659,484	690,818	31,334
Operating Transfers From Other Fun	-	200,000	-	(200,000)
Operating Transfers To Other Funds	(2,102,023)	(2,282,964)	(1,829,624)	453,340
Bond Proceeds	-	4,500,000	-	(4,500,000)
Bond Premium	-	-	-	-
Gain on Refunding	-	-	-	-
Payment to Refunding Bond Agent	-	-	-	-
Loan Proceeds	2,500,000	2,750,000	2,638,813	(111,187)
Total Other Financing Sources (Uses)	<u>1,057,461</u>	<u>5,826,520</u>	<u>1,500,007</u>	<u>(4,326,513)</u>
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other				
Uses	<u>\$ 556,621</u>	<u>\$ (1,945,284)</u>	6,116,337	<u>\$ 8,061,621</u>
Fund Balances:				
July 01, 2017			25,403,161	
Change in Encumbrances			(567,194)	
June 30, 2018			<u>\$ 30,952,304</u>	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Earnings	\$ -	\$ -	\$ 9,316	\$ 9,316
Contracts	348,800	876,800	192,804	(683,996)
Contributions	450,000	2,680,249	3,529,901	849,652
<b>Total Revenues</b>	<u>798,800</u>	<u>3,557,049</u>	<u>3,732,021</u>	<u>174,972</u>
<b>Expenditures</b>				
Capital Outlay	4,290,000	9,280,457	5,382,644	3,897,813
Other Operating Expenditures	139,300	1,072,045	447,377	624,668
<b>Total Expenditures</b>	<u>4,429,300</u>	<u>10,352,502</u>	<u>5,830,021</u>	<u>4,522,481</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(3,630,500)	(6,795,453)	(2,098,000)	4,697,453
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	462,200	1,469,200	1,037,200	432,000
Bond Proceeds	-	-	719,436	(719,436)
<b>Total Other Financing Sources (Uses)</b>	<u>462,200</u>	<u>1,469,200</u>	<u>1,756,636</u>	<u>(287,436)</u>
<b>Excess of Revenues and Other Sources Over</b>				
<b>(Under) Expenditures and Other Uses</b>	<u>\$ (3,168,300)</u>	<u>\$ (5,326,253)</u>	(341,364)	<u>\$ (4,984,889)</u>
<b>Fund Balances</b>				
July 01, 2017			<u>1,807,922</u>	
June 30, 2018			<u>\$ 1,466,558</u>	

See notes to financial statements

**CITY OF LEBANON, TENNESSEE**

**NOTE TO BUDGETARY COMPARISON STATEMENT**

**June 30, 2018**

**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, 2018**

**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, 2018

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, 2018

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, 2018**

**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.

**Stormwater** – accounts for the operating activities of the City’s stormwater system

**(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. No interest was required to be capitalized for the year ended June 30, 2018. 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, 2018

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, 2018 amounted to \$613,630.

(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, 2018**

**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 \$7,596,977 have been accrued in the General Fund and the Governmental Activities as receivable and unearned revenue at June 30, 2018.

**(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 City of Lebanon, Tennessee's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from City of Lebanon, Tennessee'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 \$8,100 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, 2018**

**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, 2018.

The carrying amount of the City's deposits with financial institutions was \$48,963,740 including \$3,816,806 in certificates of deposit, and the bank balance was \$47,918,448. 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 \$1,356,779 at June 30, 2018, of which \$822,606 is included in "Other Restricted Funds" and is restricted for debt service.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 3 - LONG-TERM DEBT**

The City has the following bonds outstanding at June 30, 2018:

	<u>Amount of Original Issue</u>	<u>Range of Maturity Dates</u>	<u>Range of Interest Rates</u>
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
<b>General Obligation Bonds:</b>			
2004 TMBF Bonds	2,725,000	2006 - 2025	3.0%
2008 GO Refunding	3,840,000	2009 - 2023	3.0% - 4.1%
2008 TMBF Bonds	3,500,000	2008 - 2027	5.0%
2016 TMBF Airport Terminal	1,600,000	2017 - 2036	3.00%
2016 GO Refunding	2,220,000	2017 - 2030	1.5% - 3.0%
2016 TML Legends Drive	4,700,000	2018 - 2036	2.50%
2017 TMBF Airport Hangar	1,000,000	2018 - 2042	2.52%
2017 TML West Side Park	5,000,000	2018 - 2042	2.29%
<b>Business-Type Activities:</b>			
<b>Water and Sewer:</b>			
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 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%
TML 2014 Bonds	1,800,000	2016 - 2035	3.00%
2015 QEC Bonds	3,500,000	2035	4.00%
2016 Refunding Bonds	2,285,000	2018 - 2032	1.5% - 3.0%
<b>Natural Gas:</b>			
2008 Refunding Bond	1,175,000	2009 - 2018	3.0% - 4.0%
TMBF 2008 Bonds	1,100,000	2010 - 2029	5.0%

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 Position. In addition, there are notes used to construct improvements to the utility infrastructure. These are reported in the business-type activities in the Statement of Net Position.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 3 - LONG-TERM DEBT - CONTINUED**

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 17,694,279	\$ (13,279)	\$ (915,900)	\$ 16,765,100	\$ 1,099,900
Notes & Leases	6,967,468	1,250,000	(780,529)	7,436,939	906,196
	<u>24,661,747</u>	<u>1,236,721</u>	<u>(1,696,429)</u>	<u>24,202,039</u>	<u>2,006,096</u>
Less:					
Amounts not yet borrowed	(10,157,733)	4,643,209		(5,514,524)	-
Gain on Refunding	<u>(13,279)</u>	<u>13,279</u>		<u>-</u>	<u>-</u>
Total Governmental Activities					
Long-Term Debt	<u>\$ 14,490,735</u>	<u>\$ 5,893,209</u>	<u>\$ (1,696,429)</u>	<u>\$ 18,687,515</u>	<u>\$ 2,006,096</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
Natural Gas	\$ 1,803,000	\$ -	\$ (231,000)	\$ 1,572,000	\$ 95,000
Water & Sewer	51,096,713	(61,000)	(3,786,428)	47,249,285	3,826,965
Stormwater	22,353	-	(22,353)	-	-
	<u>52,922,066</u>	<u>(61,000)</u>	<u>(4,039,781)</u>	<u>48,821,285</u>	<u>3,921,965</u>
Less:					
Amounts not yet borrowed, net of forgiveness	(993,102)	264,796		(728,306)	-
Gain on Refunding	<u>(61,000)</u>	<u>61,000</u>		<u>-</u>	<u>-</u>
Total Business-Type Activities					
Long-Term Debt	<u>\$ 51,867,964</u>	<u>\$ 264,796</u>	<u>\$ (4,039,781)</u>	<u>\$ 48,092,979</u>	<u>\$ 3,921,965</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>
2019	\$ 1,099,900	\$ 470,772	\$ 906,196	\$ 89,993
2020	1,123,700	439,932	902,412	79,148
2021	1,159,500	406,438	928,621	73,472
2022	1,186,300	370,212	930,093	71,325
2023	1,216,100	331,530	945,629	56,232
2024-2028	4,228,200	1,175,901	2,823,988	96,867
2029-2033	3,048,000	664,251	-	-
2034-2038	2,466,700	293,411	-	-
2039-2042	1,236,700	71,062	-	-
Total	<u>\$ 16,765,100</u>	<u>\$ 4,223,509</u>	<u>\$ 7,436,939</u>	<u>\$ 467,037</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 3 - LONG-TERM DEBT - CONTINUED**

	Primary Government			
	Business-Type Activities			
	Water and Sewer Bonds		Water and Sewer Notes	
	Principal	Interest	Principal	Interest
2019	\$ 1,540,000	\$ 714,338	\$ 2,286,965	\$ 539,750
2020	1,587,800	630,395	2,234,692	493,670
2021	1,554,000	576,512	1,781,652	446,468
2022	1,603,000	524,880	1,809,816	407,498
2023	1,656,000	471,475	1,858,020	367,662
2024-2028	6,552,778	1,613,105	9,898,837	1,270,196
2029-2033	2,334,000	888,788	5,324,463	300,693
2034-2038	3,699,000	288,970	1,522,097	42,225
2039-2043	-	-	6,166	9
Total	<u>\$ 20,526,578</u>	<u>\$ 5,708,463</u>	<u>\$ 26,722,708</u>	<u>\$ 3,868,171</u>

	Primary Government	
	Business-Type Activities	
	Natural Gas Bonds	
	Principal	Interest
2019	\$ 95,000	\$ 56,541
2020	99,000	52,872
2021	103,000	49,066
2022	107,000	45,086
2023	111,000	40,932
2024-2028	621,000	136,047
2029-2033	374,000	29,691
2034-2038	62,000	753
Total	<u>\$ 1,572,000</u>	<u>\$ 410,988</u>

**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:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 4 - LIABILITY FOR COMPENSATED ABSENCES - CONTINUED

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, 2018 the liability for accrued PTO is \$1,389,594.

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.

NOTE 6 - PENSION EXPENSE – PRIOR PLAN

**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](http://www.treasury.tn.gov/tcrs). Employees hired after April 1, 2015 are covered under a hybrid plan of the TCRS – see Note 7.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 6 - PENSION EXPENSE – CONTINUED

*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, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	197
Inactive employees entitled to but not yet receiving benefits	343
Active employees	277
	<u>817</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are 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, 2018, the Actuarially Determined Contribution (ADC) for Lebanon was \$2,185,362 based on a rate of 15.0% 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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 6 - PENSION EXPENSE – CONTINUED

**Net Pension Liability (Asset)**

Lebanon's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability as of June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.75 to 3.45 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

*Changes of assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.00 to 2.50 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimated of geometric real rates of return and the

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 6 - PENSION EXPENSE – CONTINUED**

TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 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.

**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 6/30/16	\$ 52,554,390	\$ 51,075,199	\$ 1,479,191
Changes for the year:			
Service cost	989,129		989,129
Interest	3,947,625		3,947,625
Differences between expected and actual experience	4,119,182		4,119,182
Changes in assumptions	1,358,123		1,358,123
Contributions-employer		2,279,703	(2,279,703)
Contributions-employees		-	-
Net investment income		5,812,495	(5,812,495)
Benefit payments, including refunds of employee contributions	(1,817,035)	(1,817,035)	-
Administrative expense		(23,677)	23,677
Net changes	<u>8,597,024</u>	<u>6,251,486</u>	<u>2,345,538</u>
Balance at 6/30/17	<u>\$ 61,151,414</u>	<u>\$ 57,326,685</u>	<u>\$ 3,824,729</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 6 - PENSION EXPENSE – CONTINUED**

*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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Lebanon’s net pension liability (asset)	\$ 13,019,999	\$ 3,824,729	\$ (3,740,783)

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

*Pension expense.* For the year ended June 30, 2018, Lebanon recognized pension expense of \$2,301,842.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2018, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 4,953,843	\$ 1,836,766
Net difference between projected and actual earnings on pension plan investments	-	19,436
Changes in Assumptions	1,131,769	
Contributions subsequent to the measurement date of June 30, 2017	2,301,842	-
Total	<u>\$ 8,387,454</u>	<u>\$ 1,856,202</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2017 will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 6 - PENSION EXPENSE – CONTINUED**

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:

2019	\$	622,238
2020		1,376,389
2021		947,864
2022		370,025
2023		912,884
Thereafter		-

**Payable to the Pension Plan**

At June 30, 2018, the City of Lebanon, Tennessee reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2018.

**NOTE 7 - PENSION EXPENSE – HYBRID PLAN**

**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](http://www.treasury.tn.gov/tcrs).

*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 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. 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 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. 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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 7 - PENSION EXPENSE – CONTINUED

The service related and non-service related disability benefits are determined in the same manner as a service retirement.

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. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Employees covered by benefit terms.* At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	16
Active employees	71
	<hr/>
	87
	<hr/>

*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% of salary. Lebanon makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. 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. Employer contributions for the year ended June 30, 2018 to the Public Employee Retirement Plan was \$158,671 based on a rate of 4.0 percent of covered payroll. The employer rate, when combined with member contributions, is 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.

**Pension Liabilities (Assets), Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension liabilities (assets)* Lebanon's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 7 - PENSION EXPENSE – CONTINUED

*Actuarial assumptions.* The total pension liability as of June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.75 to 3.45 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

*Changes of assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.00 to 2.50 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions

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, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimated of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 7 - PENSION EXPENSE – CONTINUED**

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25 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.

**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 6/30/16	\$ 55,373	\$ 77,509	\$ (22,136)
Changes for the year:			
Service cost	92,342		92,342
Interest	11,079		11,079
Differences between expected and actual experience	27,271		27,271
Changes in Assumptions	4,922		4,922
Contributions-employer		89,004	(89,004)
Contributions-employees		111,256	(111,256)
Net investment income		19,876	(19,876)
Benefit payments, including refunds of employee contributions			-
Administrative expense		(5,688)	5,688
Other Changes			-
Net changes	<u>135,614</u>	<u>214,448</u>	<u>(78,834)</u>
Balance at 6/30/17	<u>\$ 190,987</u>	<u>\$ 291,957</u>	<u>\$ (100,970)</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 7 - PENSION EXPENSE – CONTINUED**

*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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Lebanon 's net pension liability (asset)	\$ (46,617)	\$ (100,970)	\$ (141,351)

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

*Pension expense.* For the year ended June 30, 2018, Lebanon recognized pension expense of \$158,671.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2017, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 24,792	\$ 8,149
Net difference between projected and actual earnings on pension plan investments		4,319
Changes in Assumptions	4,475	
Contributions subsequent to the measurement date of June 30, 2017	<u>158,671</u>	<u>-</u>
Total	<u>\$ 187,938</u>	<u>\$ 12,468</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2017 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:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 7 - PENSION EXPENSE – CONTINUED**

Year Ended June 30:

	2019	\$	1,033
	2020		1,033
	2021		1,033
	2022		668
	2023		2,021
	Thereafter		11,010

**Payable to the Pension Plan**

At June 30, 2018, Lebanon reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2018.

**NOTE 8 – CAPITAL ASSETS**

A summary of changes in Capital Assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 7,789,550	\$ 342,837	\$ -	\$ 8,132,387
Other Capital Assets:				
Buildings	24,816,259	2,668,330	-	27,484,589
Improvements Other Than Buildings	57,777,056	6,231,910	258,336	63,750,629
Equipment	22,707,990	1,586,442	107,455	24,186,976
Total Other Capital Assets at Historical Cost	105,301,304	10,486,682	365,792	115,422,195
Less Accumulated Depreciation for:				
Buildings	13,485,294	764,087	-	14,249,381
Improvements Other Than Buildings	25,626,926	1,910,365	86,534	27,450,757
Equipment	16,484,610	1,240,954	17,834	17,707,729
Total Accumulated Depreciation	55,596,830	3,915,406	104,368	59,407,868
Other Capital Assets, Net	49,704,474	6,571,276	261,423	56,014,327
Governmental Activities Capital Assets, Net	\$ 57,494,024	\$ 6,914,113	\$ 261,423	\$ 64,146,714

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 8 – CAPITAL ASSETS – CONTINUED**

Depreciation Expense was charged to functions as follows:

General Government	\$	219,505
Public Works		59,620
Public Safety		26,826
Police		445,057
Fire		438,654
Street		1,742,866
Cemetery		803
Recreation		230,628
Jimmy Floyd Family Life Center		280,525
Engineering		16,277
Airport		454,646
	<u>\$</u>	<u>3,915,406</u>

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Business Type Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 2,553,474	\$ 9,613	\$ -	\$ 2,563,087
Construction in Process	3,493,651	116,815		3,610,466
Total Capital Assets Not Being Depreciated	<u>6,047,124</u>	<u>126,428</u>	<u>-</u>	<u>6,173,553</u>
Other Capital Assets:				
Buildings	69,782,133	1,295,634	-	71,077,767
Improvements Other Than Buildings	146,395,492	6,564,507	-	152,960,000
Equipment	7,627,531	1,111,139	59,944	8,678,726
Total Other Capital Assets at Historical Cost	<u>223,805,156</u>	<u>8,971,281</u>	<u>59,944</u>	<u>232,716,493</u>
Less Accumulated Depreciation for:				
Buildings	25,588,446	1,908,072	-	27,496,518
Improvements Other Than Buildings	60,653,433	4,056,990	-	64,710,423
Equipment	4,450,768	877,608	16,433	5,311,943
Total Accumulated Depreciation	<u>90,692,646</u>	<u>6,842,671</u>	<u>16,433</u>	<u>97,518,884</u>
Other Capital Assets, Net	<u>133,112,509</u>	<u>2,128,610</u>	<u>43,511</u>	<u>135,197,608</u>
Business Type Activities Capital Assets, Net	<u>\$ 139,159,633</u>	<u>\$ 2,255,038</u>	<u>\$ 43,511</u>	<u>\$ 141,371,161</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 9 - 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:

Year Ended		<u>Collections</u>
	<u>June 30,</u>	
	2019	\$ 24,000
	2020	24,000
	2021	24,000
	2022	24,000
	2023	24,000
	Thereafter	<u>888,000</u>
		\$ <u>1,008,000</u>

**NOTE 10 - CONSTRUCTION COMMITMENTS**

Water and sewer and gas improvements projects in progress at June 30, 2018 totaled 3,610,466. At June 30, 2018, the City closed \$6,780,130 of completed water and sewer projects into capital assets and expenses. The City also closed \$2,130,547 of completed gas projects into capital assets and expenses during the current fiscal year. Construction cost during the fiscal year ended June 30, 2018 for the water and sewer and gas improvements totaled \$9,426,735. At June 30, 2018, the City had total contracts outstanding for building and road construction of \$2,546,250. The majority of this is for work at the Lebanon Airport, road construction, buildings and trails. The City had incurred construction costs of \$8,189,155 during the current fiscal year, including \$3,084,554 of developer's contributions.

**NOTE 11 - TRANSFERS**

Transfers during the year ended June 30, 2018, are summarized as follows:

	<u>Governmental Funds</u>		<u>Proprietary Funds</u>		
	<u>Major Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Water Sewer</u>	<u>Stormwater</u>	<u>Gas</u>
Transfers From					
Transfers To					
<u>Governmental Funds:</u>					
<u>Major Funds:</u>					
Street Improvements	\$ 287,200	\$ 375,000	\$ 325,000	\$ -	\$ 50,000
Other Nonmajor Governmental Funds	1,797,624	138,674	-	2,000	-
<u>Proprietary Funds:</u>					
Water/Sewer	32,000	-	-	-	-
	<u>\$ 2,116,824</u>	<u>\$ 513,674</u>	<u>\$ 325,000</u>	<u>\$ 2,000</u>	<u>\$ 50,000</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 12 – 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, 2018 are as follows:

Due From	Primary Government							Total
	Governmental Funds			Proprietary Funds				
	Major Fund		Other	Water &		Natural		
	General	Street Improvements	Nonmajor Funds	Sewer	Stormwater	Gas		
Due To								
Governmental Funds:								
Major Funds:								
General	\$ -	\$ 9,230	\$ 12,451	\$ 1,346,291	\$ 64,285	\$ 801,162	\$ 2,233,419	
Street Improvements	-	-	6,957			43,454	50,411	
Other Nonmajor Funds	285,983	410,714	9,436	-		-	706,133	
Proprietary Funds:								
Water & Sewer	5,222	-	22,657	-			27,879	
Natural Gas	13,227	-	4,846	-			18,073	
Stormwater	9,346	-	800				10,146	
	\$ 313,778	\$ 419,944	\$ 57,147	\$ 1,346,291	\$ 64,285	\$ 844,616	\$ 3,046,061	

**NOTE 13 - 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.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 14 - 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 15 – 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, 2018, the City spent \$208,273.

**NOTE 16 - 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, 2018, the audited financial statements for the Board presented a net position of \$220,799.

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The City's full-time employees are included in the City of Lebanon's medical and life insurance coverage.

*Plan description/benefits provided*

Provisions for employees hired prior to 07/01/2014 (grandfathered participants):

The City's plan is a single employer plan that offers benefits to pre-65 retirees and their spouses. Prior to January 1, 2017, once a participant turns age 65, the medical provision provides benefits through a Medicare Advantage Plan. Subsequent to January 1, 2017, the City will no longer offer a Medicare Advantage Plan. Instead, the City will pay monthly cash payments to the retiree and eligible dependents to assist with Medicare premiums. Effective April 1, 2016, retirees receive a monthly stipend of \$4 for each year of service for each child under the age of 18, for 2 years, or until

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED**

the child reaches the age of 18, whichever is first. Retirees receive a \$10,000 life insurance benefit until attainment of 85 years of age.

Employees who retire from the City are eligible for retiree health and life insurance coverage upon attaining age 65 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.

Provisions for employees hired after 07/01/2014 (non-grandfathered participants):

The City's plan is a single employer plan that offers benefits to pre-65 retirees. Prior to January 1, 2017, once a participant turns age 65, the medical provision provides benefits through a Medicare Advantage Plan. Subsequent to January 1, 2017, the City will no longer offer a Medicare Advantage Plan. Instead, the City will pay monthly cash payments to the retiree to assist with Medicare premiums. Retirees receive a \$10,000 life insurance benefit until attainment of 85 years of age.

Employees who retire from the City are eligible for retiree health and life insurance coverage upon attaining age 65 with 20 years of service or completion of 30 years of service. The plan is funded on a pay as you go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

*Employees covered by benefit terms* – at July 1, 2017, the following employees of City of Lebanon, Tennessee, were covered by the benefit terms of the plan:

Actives (With Coverage)	344
Retirees (With Coverage)	134
Total participants with Coverage	<u>478</u>

The insurance carrier establishes the required payments to the plan through plan premiums. For the fiscal year ended June 30, 2018, the City of Lebanon, Tennessee paid \$4,075,686 to the plan for OPEB benefits as they came due.

*Actuarial assumptions* – The total OPEB liability in the July 1, 2017 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED**

Salary increases	2.25% per annum
Healthcare cost trend rates	Medical costs at 8% graded uniformly to 5% over a 12 year period After January 1, 2017 the COLAs will be applied to post-65 benefits for grandfathered retirees, at 1.5% annually. Vision costs at 4% annually
Retiree's share of benefit related costs	Pre medicare retirees must contribute a monthly amount based on the plan option chosen, smoking status and tier of coverage.

Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP 2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2016.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 3.13%, which is equal to the municipal bond effective rate at the valuation date, as required by GASB 75.

*Changes in the total OPEB Liability*

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at 6/30/17	\$ 15,766,712	\$ -	\$ 15,766,712
Changes for the year:			
Service cost	480,821		480,821
Interest	494,544		494,544
Benefit Changes	-		-
Differences between expected and actual experience	-		-
Changes in Assumptions	-		-
Contributions-employer		447,402	(447,402)
Contributions-employees		-	-
Net investment income		-	-
Benefit payments, including refunds of employee contributions	(447,402)	(447,402)	-
Administrative expense		-	-
Other Changes		-	-
Net changes	<u>527,963</u>	<u>-</u>	<u>527,963</u>
Balance at 6/30/18	<u>\$ 16,294,675</u>	<u>\$ -</u>	<u>\$ 16,294,675</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED**

*Changes in Assumptions* – effective July 1, 2017 the following changes were made to the actuarial assumptions and methods:

1. The mortality assumption was changed from RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2014 as of July 1, 2015 to RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2016 as of July 1, 2017.
2. The medical trend rate was changed from 8% to 5% grade over 3 years beginning as of July 1, 2015 to 8% to 5% graded over 12 years beginning as of July 1, 2017.

*Sensitivity of total OPEB Liability to changes in the discount rate* – the following presents the total OPEB liability related to the plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	(2.13%)	(3.13%)	(4.13%)
Net OPEB liability	\$ 18,774,960	\$ 16,294,675	\$ 14,249,728

*Sensitivity of total OPEB liability to changes in the healthcare cost trend rate* – The following table presents the total OPEB liability related to the plan, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percent lower or 1 percent higher than the current healthcare cost trend rate:

	1% Decrease	Current Discount Rate	1% Increase
	7% to 4% over 12 years	8% to 5% over 12 years	9% to 6% over 12 years
Net OPEB liability	\$ 13,997,630	\$ 16,294,675	\$ 19,182,956

***OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB***

*OPEB Expense* – for the fiscal year ended June 30, 2018, City of Lebanon, Tennessee recognized OPEB expense of \$4,075,686

*Deferred outflows of resources and deferred inflows of resources* – for the fiscal year ended June 30, 2018 City of Lebanon, Tennessee reported deferred outflows and deferred inflows of resources related to OPEB benefits from the following sources:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments		-
Changes in Assumptions	-	
Employer payments subsequent to the measurement date	1,157,075	-
Total	\$ 1,157,075	\$ -

The amounts shown above for “Employer payments subsequent to the measurement date” will be recognized as a reduction to total OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30:

2019	\$	-
2020		-
2021		-
2022		-
2023		-
Thereafter		-

**NOTE 18 – FAIR VALUE MEASUREMENTS**

GASB Statement Number 72 *Fair Value Measurements and Disclosures* (GASB 72) defines fair value and expanded disclosures about fair value measurements. GASB 72 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB 72 also established a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires the entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted process for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 18 – FAIR VALUE MEASUREMENTS - CONTINUED**

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, primarily include certain common stock and preferred stock equities. These investments are traded daily in public markets in the United States and other foreign countries. The fair value of these investments is based on the last reported sales price on the last day of the plan year.

Investments that trade in markets that are not considered to be actively traded on a daily basis, but are valued based on quoted market prices, dealer and broker quotations, bid prices, or alternative pricing sources using observable inputs, are classified within Level 2. These include certain U.S. Government and foreign obligations, investment grade corporate bonds and bank loans, certain mortgage and asset backed securities, less liquid listed securities, certain government agency securities, and foreign currency exchange purchase and sales contracts. Common and collective trust funds, investment entities and short-term investment funds, whose underlying assets are primarily invested in securities that are actively traded, are fair valued based upon the redemption value of each unit on the last business day of the plan year.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 investments include private equity funds, real estate investment, limited partnerships, certain mortgage and asset backed and common and collective trust funds that are primarily invested in real estate. The fair value of these investments is determined by estimated provided by independent pricing sources in asset classes, non-binding bid prices from industry vendors and managers, and the net asset value on the last day of plan year.

The following table summarizes the classification of fair value assets as of June 30, 2018:

Investments by fair value level	Total at			
	June 30, 2018	Level 1	Level 2	Level 3
Debt Securities				
Fixed Rate Certificates of Deposit	\$ 6,480,343	\$ -	\$ 6,480,343	\$ -

These were included on the financial statements as certificates of deposit.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2018**

**NOTE 19 – RESTATEMENTS**

Various restatements were made to the July 01, 2017 net position as follows:

	Governmental Activities	Business-Type Activities
GASB 75 implementation	\$ (6,113,290)	\$ (2,507,447)
Correct opening balance of capital assets	18,240	(850,000)
Move Stormwater from Governmental Activities to Business Type Activities:		
Fund Balance, 7/1/2017	(986,927)	-
Equipment, net of depreciation	-	205,907
Equipment loan transferred	22,354	(22,354)
Decrease in net position	\$ (7,059,623)	\$ (3,173,894)

During the current fiscal year, the City of Lebanon, Tennessee implemented GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

During the current fiscal year, the City of Lebanon, Tennessee made error corrections to the capital assets, including correcting the capitalization of a non-capital expense in a pror year.

Effective July 01, 2017, the Stormwater Fund was reclassified from a governmental activity (special revenue fund) to a business-type activity (proprietary fund). The equipment transferred was reported as asset decreases in footnote 8. The debt transferred was reported as decreases in footnote 3.

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
 AND RELATED RATIOS

	2018
Balance at 6/30/17	\$ 15,766,712
Changes for the year:	
Service cost	480,821
Interest	494,544
Benefit Changes	-
Differences between expected and actual experience	-
Changes in Assumptions	-
Benefit payments, including refunds of employee contributions	(447,402)
Net changes	527,963
Balance at 6/30/18	\$ 16,294,675

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 - PRIOR PLAN  
Last Fiscal Year ending June 30

	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129
Interest	3,399,484	3,646,565	3,607,189	3,947,625
Changes in benefit terms	-	-	-	-
Differences between actual & expected experience	661,593	(3,214,342)	1,856,474	4,119,182
Change of assumptions	-	-	-	1,358,123
Benefit payments, including refunds of employee contributions	<u>(1,717,975)</u>	<u>(1,794,053)</u>	<u>(2,010,265)</u>	<u>(1,817,035)</u>
Net change in total pension liability	3,279,673	(372,484)	4,398,328	8,597,024
Total pension liability-beginning	45,248,873	48,528,546	48,156,062	52,554,390
Total pension liability-ending (a)	<u>\$ 48,528,546</u>	<u>\$ 48,156,062</u>	<u>\$ 52,554,390</u>	<u>\$ 61,151,414</u>
Plan fiduciary net position				
Contributions-employer	\$ 1,828,142	\$ 1,774,194	1,834,691	\$ 2,279,703
Contributions-employee	-	-	-	-
Net investment income	6,887,411	1,492,974	1,322,269	5,812,495
Benefit payments, including refunds of employee contributions	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)
Administrative expense	<u>(13,375)</u>	<u>(13,288)</u>	<u>(22,551)</u>	<u>(23,677)</u>
Net change in plan fiduciary net position	6,984,203	1,459,827	1,124,144	6,251,486
Plan fiduciary net position-beginning	41,507,025	48,491,228	49,951,055	51,075,199
Plan fiduciary net position-ending (b)	<u>\$ 48,491,228</u>	<u>\$ 49,951,055</u>	<u>\$ 51,075,199</u>	<u>\$ 57,326,685</u>
Net Pension Liability (asset)-ending (a) – (b)	<u>\$ 37,318</u>	<u>\$ (1,794,993)</u>	<u>\$ 1,479,191</u>	<u>\$ 3,824,729</u>
Plan fiduciary net position as a percentage of total pension liability	99.92%	103.73%	97.19%	93.75%
Covered-employee payroll	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	15198013
Net pension liability (asset) as a percentage of covered-employee payroll	0.29%	-13.46%	10.73%	25.17%

Notes to Schedule:

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

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

	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 1,828,142	\$ 1,774,194	\$ 1,834,691	\$ 2,024,375	\$ 2,185,362
Contributions in relation to the actuarially determined contribution	1,828,142	1,774,194	1,834,691	2,279,703	2,185,362
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (255,328)	\$ -
Covered-employee payroll	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	14,569,080
Contributions as a percentage covered-employee payroll	14.13%	13.30%	13.30%	15.00%	15.00%

Valuation date: Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2015 actuarial valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 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

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 - HYBRID PLAN  
Last Fiscal Year ending June 30

	2016	2017
Total pension liability		
Service cost	\$ 60,774	\$ 92,342
Interest	4,558	11,079
Changes in benefit terms	-	-
Differences between actual & expected experience	(9,959)	27,271
Change of assumptions	-	4,922
Benefit payments, including refunds of employee contributions	-	-
Net change in total pension liability	<u>55,373</u>	<u>135,614</u>
Total pension liability-beginning	-	55,373
Total pension liability-ending (a)	<u><u>\$ 55,373</u></u>	<u><u>\$ 190,987</u></u>
Plan fiduciary net position		
Contributions-employer	\$ 34,759	\$ 89,004
Contributions-employee	43,449	111,256
Net investment income	1,043	19,876
Benefit payments, including refunds of employee contributions	-	-
Administrative expense	(2,675)	(5,688)
Other	933	-
Net change in plan fiduciary net position	<u>77,509</u>	<u>214,448</u>
Plan fiduciary net position-beginning	-	77,509
Plan fiduciary net position-ending (b)	<u><u>\$ 77,509</u></u>	<u><u>\$ 291,957</u></u>
Net Pension Liability (asset)-ending (a) – (b)	<u><u>\$ (22,136)</u></u>	<u><u>\$ (100,970)</u></u>
Plan fiduciary net position as a percentage of total pension liability	139.98%	152.87%
Covered-employee payroll	\$ 871,710	2,225,577
Net pension liability (asset) as a percentage of covered-employee payroll	-2.54%	-4.54%

Notes to Schedule:

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

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

	2016	2017	2018
Actuarially determined contribution	\$ 17,325	\$ 25,149	\$ 158,671
Contributions in relation to the actuarially determined contribution	34,759	89,004	158,671
Contribution deficiency (excess)	<u>\$ (17,434)</u>	<u>\$ (63,855)</u>	<u>\$ 0</u>
Covered-employee payroll	871,710	2,225,577	3,966,775
Contributions as a percentage covered-employee payroll	3.99%	4.00%	4.00%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 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

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2018

ASSETS	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
Cash	1,489,662	\$ 119	1,872,974	\$ 3,362,755
Investment in State Investment Pool	-	61,033	-	61,033
Accounts Receivable:				
State of Tennessee	185	-	-	185
Other	54,040	-	662,310	716,350
Due from Other Funds	248,515	-	454,683	703,198
Prepaid Expenses	16,215	-	-	16,215
	<u>\$ 1,808,617</u>	<u>\$ 61,152</u>	<u>\$ 2,989,967</u>	<u>\$ 4,859,736</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2018

LIABILITIES	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Accounts Payable				
Vendors	\$ 99,790	\$ -	\$ 266,486	\$ 366,276
Due to Other Funds	44,777	6,957	2,479	54,213
Bank Overdraft	194,551	766	418,313	613,630
Accrued Payroll and Related Items	23,405	-	-	23,405
Accrued Vacation Pay	5,759	-	-	5,759
<b>Total Liabilities</b>	<b>368,282</b>	<b>7,723</b>	<b>687,278</b>	<b>1,063,283</b>
FUND BALANCES				
Fund Balances:				
Restricted for:				
Debt Service		53,429	-	53,429
Street	664,527	-	-	664,527
Recreation	-	-	1,365,878	1,365,878
Drug Enforcement	260,839	-	-	260,839
Community Assistance	53,995	-	-	53,995
Police	22,294	-	-	22,294
Airport	-	-	-	-
Committed to:				
Airport	218,534	-	-	218,534
Cemetary	137,263	-	-	137,263
Police	32,278	-	275,095	307,373
OPEB	-	-	-	-
Assigned to:				
Recreation	-	-	120,953	120,953
Airport	244	-	440,840	441,084
Street	-	-	99,923	99,923
Public Works	-	-	-	-
Police	2,108	-	-	2,108
Floyd Family Life Center	48,253	-	-	48,253
<b>Total Fund Balances</b>	<b>1,440,335</b>	<b>53,429</b>	<b>2,302,689</b>	<b>3,796,453</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,808,617</b>	<b>\$ 61,152</b>	<b>\$ 2,989,967</b>	<b>\$ 4,859,736</b>

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, 2018

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
<b>Revenues</b>				
State and Regional Apportionments and Grants	\$ 1,076,636	\$ -	88,005	\$ 1,164,641
Fines and Costs	15,034	-	-	15,034
Interest	12,534	5,159	4,637	22,330
Other Revenues	1,682,163	-	578,062	2,260,225
<b>Total Revenues</b>	<b>2,786,367</b>	<b>5,159</b>	<b>670,704</b>	<b>3,462,229</b>
<b>Expenditures</b>				
General Government	35,593	-	-	35,593
Public Works	-	-	-	-
Police	305,288	-	555	305,843
Street	486,746	-	-	486,746
Jimmy Floyd Family Life Center	1,384,908	-	-	1,384,908
Airport	261,022	-	18,858	279,880
Recreation	-	-	395	395
Debt Service:				
Principal	-	1,113,704	157,377	1,271,081
Interest	-	262,388	6,600	268,988
Capital Outlay	548,067	-	1,650,572	2,198,639
<b>Total Expenditures</b>	<b>3,021,624</b>	<b>1,376,092</b>	<b>1,834,357</b>	<b>6,232,073</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(235,257)</b>	<b>(1,370,933)</b>	<b>(1,163,653)</b>	<b>(2,769,844)</b>
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	-	-	2,534,940	2,534,940
Transfers From Other Funds	320,639	1,330,459	-	1,651,098
Transfers To Other Funds	(513,674)	-	-	(513,674)
<b>Total Other Financing Sources (Uses)</b>	<b>(193,035)</b>	<b>1,330,459</b>	<b>2,534,940</b>	<b>3,672,364</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>(428,292)</b>	<b>(40,474)</b>	<b>1,371,287</b>	<b>902,520</b>
<b>Fund Balances</b>				
July 01, 2017	1,868,627	93,903	931,402	2,893,932
Increase in Encumbrances	-	-	-	-
<b>June 30, 2018</b>	<b>\$ 1,440,335</b>	<b>\$ 53,429</b>	<b>\$ 2,302,689</b>	<b>\$ 3,796,453</b>

See notes to financial statements

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

June 30, 2018

ASSETS	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Cash	\$ 711,413	\$ 187,756	\$ 34,461	\$ 49,107	\$ 196,017	\$ 5,027	\$ 27,442
Due From Other Funds	-	-	222,790	-	1,200	-	-
Prepaid Expenses	-	-	11,244	-	3,138	-	1,833
Other Receivables	-	353	21,111	-	31,995	-	734
<b>Total Assets</b>	<b>\$ 711,413</b>	<b>\$ 188,109</b>	<b>\$ 289,606</b>	<b>\$ 49,107</b>	<b>\$ 232,350</b>	<b>\$ 5,027</b>	<b>\$ 30,009</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 46,886	\$ 22,083	\$ 13,750	\$ -	\$ 6,343	\$ 139	\$ -
Due to Other Funds	-	25,044	3,888	-	7,473	-	8,372
Bank Overdraft	-	-	194,551	-	-	-	-
Accrued Payroll and Related Items	-	-	23,405	-	-	-	-
Accrued Vacation Pay	-	-	5,759	-	-	-	-
<b>Total Liabilities</b>	<b>46,886</b>	<b>47,127</b>	<b>241,353</b>	<b>-</b>	<b>13,816</b>	<b>139</b>	<b>8,372</b>
<b>Fund Balances:</b>							
<b>Restricted for:</b>							
Street	664,527	-	-	-	-	-	-
Drug Enforcement	-	140,982	-	-	-	-	-
Community Assistance	-	-	-	49,107	-	4,888	-
Police	-	-	-	-	-	-	20,939
<b>Committed to:</b>							
Airport	-	-	-	-	218,534	-	-
Cemetery	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
<b>Assigned to:</b>							
Floyd Family Life Center	-	-	48,253	-	-	-	-
Police	-	-	-	-	-	-	698
Airport	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>664,527</b>	<b>140,982</b>	<b>48,253</b>	<b>49,107</b>	<b>218,534</b>	<b>4,888</b>	<b>21,637</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 711,413</b>	<b>\$ 188,109</b>	<b>\$ 289,606</b>	<b>\$ 49,107</b>	<b>\$ 232,350</b>	<b>\$ 5,027</b>	<b>\$ 30,009</b>

See notes to financial statements

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

June 30, 2018

ASSETS	Cemetary Maintenance	Federal Asset Seizure	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	Total Nonmajor Funds
Cash	\$ 137,263	\$ 13,018	\$ 93,667	\$ 2,765	\$ 31,726	\$ 1,489,662
Due From Other Funds	-	23,761	-	-	764	248,515
Prepaid Expenses	-	-	-	-	-	16,215
Other Receivables	-	-	-	-	32	54,225
<b>Total Assets</b>	<b>\$ 137,263</b>	<b>\$ 36,779</b>	<b>\$ 93,667</b>	<b>\$ 2,765</b>	<b>\$ 32,522</b>	<b>\$ 1,808,617</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts Payable	\$ -	\$ -	\$ 10,589	\$ -	\$ -	\$ 99,790
Due to Other Funds	-	-	-	-	-	44,777
Bank Overdraft	-	-	-	-	-	194,551
Accrued Payroll and Related Items	-	-	-	-	-	23,405
Accrued Vacation Pay	-	-	-	-	-	5,759
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>10,589</b>	<b>-</b>	<b>-</b>	<b>368,282</b>
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Street	-	-	-	-	-	664,527
Drug Enforcement	-	36,779	83,078	-	-	260,839
Community Assistance	-	-	-	-	-	53,995
Police	-	-	-	1,355	-	22,294
<b>Committed to:</b>						
Airport	-	-	-	-	-	218,534
Cemetary	137,263	-	-	-	-	137,263
Police	-	-	-	-	32,278	32,278
<b>Assigned to:</b>						
Floyd Family Life Center	-	-	-	-	-	48,253
Police	-	-	-	1,410	-	2,108
Airport	-	-	-	-	244	244
<b>Total Fund Balance</b>	<b>137,263</b>	<b>36,779</b>	<b>83,078</b>	<b>2,765</b>	<b>32,522</b>	<b>1,440,335</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 137,263</b>	<b>\$ 36,779</b>	<b>\$ 93,667</b>	<b>\$ 2,765</b>	<b>\$ 32,522</b>	<b>\$ 1,808,617</b>

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, 2018

	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
<b>Revenues:</b>							
<b>State and Regional</b>							
Apportionments and Grants	\$ 1,062,336	\$ -	\$ -	\$ -	\$ 14,300	\$ -	\$ -
Contributions	-	985	-	26,390	25,000	8,200	-
Interest Income	4,063	1,182	3,084	77	1,646	150	223
Fines and Costs	-	15,034	-	-	-	-	-
Memberships, Fees and Concessions	-	-	1,073,247	-	-	-	58,646
Other	-	117,438	30,382	-	227,157	-	-
<b>Total Revenues</b>	<u>1,066,399</u>	<u>134,639</u>	<u>1,106,713</u>	<u>26,467</u>	<u>268,103</u>	<u>8,350</u>	<u>58,869</u>
<b>Expenditures:</b>							
Salaries	-	-	702,714	-	-	-	58,688
Payroll Taxes	-	-	52,259	-	-	-	4,490
Benefits	-	-	186,651	-	-	-	17,259
Other Operating Expenditures	486,746	158,391	443,285	16,378	261,022	17,470	-
Capital Outlay	208,273	223,988	34,643	-	-	-	-
<b>Total Expenditures</b>	<u>695,019</u>	<u>382,379</u>	<u>1,419,552</u>	<u>16,378</u>	<u>261,022</u>	<u>17,470</u>	<u>80,437</u>
<b>Excess of Revenues Over (Under)</b>							
Expenditures	371,380	(247,740)	(312,839)	10,089	7,081	(9,120)	(21,568)
<b>Other Financing Sources (Uses):</b>							
Operating Transfers To Other funds	(375,000)	-	-	-	(138,674)	-	-
Operating Transfers From Other Funds	-	-	306,639	-	-	14,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>(375,000)</u>	<u>-</u>	<u>306,639</u>	<u>-</u>	<u>(138,674)</u>	<u>14,000</u>	<u>-</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>(3,620)</u>	<u>(247,740)</u>	<u>(6,200)</u>	<u>10,089</u>	<u>(131,593)</u>	<u>4,880</u>	<u>(21,568)</u>
<b>Fund Balances:</b>							
July 01, 2017	668,147	388,722	54,453	39,018	350,127	8	43,205
June 30, 2018	<u>\$ 664,527</u>	<u>\$ 140,982</u>	<u>\$ 48,253</u>	<u>\$ 49,107</u>	<u>\$ 218,534</u>	<u>\$ 4,888</u>	<u>\$ 21,637</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Year Ended June 30, 2018

	Cemetary Maintenance	Federal Asset Seizure	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	Total Nonmajor Funds
Revenues:						
State and Regional						
Apportionments and Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,076,636
Contributions	-	-	-	3,100	-	63,675
Interest Income	647	446	841	7	168	12,534
Fines and Costs	-	-	-	-	-	15,034
Memberships, Fees and Concessions	11,040	-	-	-	-	1,142,933
Other	-	33,347	49,885	-	17,346	475,555
<b>Total Revenues</b>	<b>11,687</b>	<b>33,793</b>	<b>50,726</b>	<b>3,107</b>	<b>17,514</b>	<b>2,786,367</b>
Expenditures:						
Salaries	-	-	346	-	-	761,748
Payroll Taxes	-	-	26	-	-	56,775
Benefits	-	-	-	-	-	203,910
Other Operating Expenditures	-	19,553	42,214	1,745	4,320	1,451,124
Capital Outlay	-	-	81,163	-	-	548,067
<b>Total Expenditures</b>	<b>-</b>	<b>19,553</b>	<b>123,749</b>	<b>1,745</b>	<b>4,320</b>	<b>3,021,624</b>
Excess of Revenues Over (Under)						
Expenditures	11,687	14,240	(73,023)	1,362	13,194	(235,257)
Other Financing Sources (Uses):						
Operating Transfers To Other funds	-	-	-	-	-	(513,674)
Operating Transfers From Other Funds	-	-	-	-	-	320,639
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(193,035)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses						
	11,687	14,240	(73,023)	1,362	13,194	(428,292)
Fund Balances:						
July 01, 2017	125,576	22,539	156,101	1,403	19,328	1,868,627
June 30, 2018	<u>\$ 137,263</u>	<u>\$ 36,779</u>	<u>\$ 83,078</u>	<u>\$ 2,765</u>	<u>\$ 32,522</u>	<u>\$ 1,440,335</u>

See notes to financial statements

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

June 30, 2018

ASSETS	Police Local Option Fine	Airport Capital Projects	Payment in Lieu of Sidewalks	Lebanon- Wilson County Community Park	Total Nonmajor Funds
Cash	\$ 286,220	\$ -	\$ 99,923	\$ 1,486,831	\$ 1,872,974
Investment in State Investment Pool	-	-	-	-	-
Due from Other Funds	43,969	410,714	-	-	454,683
Other Receivables	1,269	661,041	-	-	662,310
<b>Total Assets</b>	<b>\$ 331,458</b>	<b>\$ 1,071,755</b>	<b>\$ 99,923</b>	<b>\$ 1,486,831</b>	<b>\$ 2,989,967</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Bank Overdraft	\$ -	\$ 418,313	-	\$ -	\$ 418,313
Due to Other Funds	1,279	1,200	-	-	2,479
Accounts Payable	55,084	211,402	-	-	266,486
<b>Total Liabilities</b>	<b>56,363</b>	<b>630,915</b>	<b>-</b>	<b>-</b>	<b>687,278</b>
Fund Balances:					
Restricted for:					
Recreation	-	-	-	1,365,878	1,365,878
Committed to:					
Police	275,095	-	-	-	275,095
Assigned to:					
Recreation	-	-	-	120,953	120,953
Airport	-	440,840	-	-	440,840
Street	-	-	99,923	-	99,923
<b>Total Fund Balances</b>	<b>275,095</b>	<b>440,840</b>	<b>99,923</b>	<b>1,486,831</b>	<b>2,302,689</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 331,458</b>	<b>\$ 1,071,755</b>	<b>\$ 99,923</b>	<b>\$ 1,486,831</b>	<b>\$ 2,989,967</b>

See notes to financial statements

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

Year Ended June 30, 2018

	Police Local Option Fine	Airport Capital Projects	Payment in Lieu of Sidewalks	Lebanon- Wilson County Community Park	Total Nonmajor Funds
<b>Revenues</b>					
State Grants and Contracts	\$ -	\$ 86,755	\$ -	\$ 1,250	\$ 88,005
Other Revenues	521,458	-	56,604	-	578,062
Interest Earnings	1,941	(48)	293	2,451	4,637
<b>Total Revenues</b>	<u>523,399</u>	<u>86,707</u>	<u>56,897</u>	<u>3,701</u>	<u>670,704</u>
<b>Expenditures</b>					
Other Operating	555	18,858	-	395	19,808
Debt Service	163,977	-	-	-	163,977
Capital Outlay	376,998	1,040,349	-	233,225	1,650,572
<b>Total Expenditures</b>	<u>541,530</u>	<u>1,059,207</u>	<u>-</u>	<u>233,620</u>	<u>1,834,357</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(18,131)	(972,500)	56,897	(229,919)	(1,163,653)
<b>Other Financing Sources (Uses)</b>					
Bond Proceeds	-	935,442	-	1,599,498	2,534,940
Operating Transfers From Other Funds	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>935,442</u>	<u>-</u>	<u>1,599,498</u>	<u>2,534,940</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	(18,131)	(37,058)	56,897	1,369,579	1,371,287
<b>Fund Balances</b>					
July 01, 2017	<u>293,226</u>	<u>477,898</u>	<u>43,026</u>	<u>117,252</u>	<u>931,402</u>
June 30, 2018	<u>\$ 275,095</u>	<u>\$ 440,840</u>	<u>\$ 99,923</u>	<u>\$ 1,486,831</u>	<u>\$ 2,302,689</u>

See notes to financial statements

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

June 30, 2018

ASSETS	2013 Bond Fund	2004 Bond Fund	2003 Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	2016 Legends Drive
Cash	\$ 115	\$ -	\$ 1	\$ -	\$ -	\$ 3	\$ -
Investment in State Investment Pool	140	11,373	2,113	3,494	16,741	304	20,177
Total Assets	<u>\$ 255</u>	<u>\$ 11,373</u>	<u>\$ 2,114</u>	<u>\$ 3,494</u>	<u>\$ 16,741</u>	<u>\$ 307</u>	<u>\$ 20,177</u>
LIABILITIES AND FUND BALANCES							
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 6,957	\$ -	\$ -
Bank Overdraft	-	-	-	766	-	-	-
Fund Balances - Restricted for Debt Service	255	11,373	2,114	2,728	9,784	307	20,177
Total Liabilities and Fund Balances	<u>\$ 255</u>	<u>\$ 11,373</u>	<u>\$ 2,114</u>	<u>\$ 3,494</u>	<u>\$ 16,741</u>	<u>\$ 307</u>	<u>\$ 20,177</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

Year Ended June 30, 2018

	2013 Bond Fund	2004 Bond Fund	2003 Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	2016 Legends Drive
Revenues							
Interest Income	<u>\$ 140</u>	<u>\$ 624</u>	<u>\$ 43</u>	<u>\$ 1,422</u>	<u>\$ 1,045</u>	<u>\$ 115</u>	<u>\$ 1,332</u>
Expenditures							
Bank Service Charges	-	-	-	-	-	-	-
Principal	197,804	96,000	-	275,000	174,000	45,000	224,000
Interest	35,652	16,360	-	52,750	41,477	15,525	61,302
Total Expenditures	<u>233,456</u>	<u>112,360</u>	<u>-</u>	<u>327,750</u>	<u>215,477</u>	<u>60,525</u>	<u>285,302</u>
Excess of Revenues Over (Under) Expenditures	(233,316)	(111,736)	43	(326,328)	(214,432)	(60,410)	(283,970)
Other Financing Sources (Uses)							
Operating Transfers From Other Funds	233,456	112,610	-	280,950	216,227	60,525	285,469
Total Other Financing Sources (Uses)	<u>233,456</u>	<u>112,610</u>	<u>-</u>	<u>280,950</u>	<u>216,227</u>	<u>60,525</u>	<u>285,469</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	140	874	43	(45,378)	1,795	115	1,499
Fund Balances							
July 01, 2017	115	10,499	2,071	48,106	7,989	192	18,678
June 30, 2018	<u>\$ 255</u>	<u>\$ 11,373</u>	<u>\$ 2,114</u>	<u>\$ 2,728</u>	<u>\$ 9,784</u>	<u>\$ 307</u>	<u>\$ 20,177</u>

See notes to financial statements

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

June 30, 2018

2016 Airport Terminal	Westside Park	Airport Maintenance Hangar	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ 119
6,691	-	-	61,033
<u>\$ 6,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,152</u>
\$ -	\$ -	\$ -	\$ 6,957
-	-	-	766
6,691	-	-	53,429
<u>\$ 6,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,152</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

Year Ended June 30, 2018

2016 Airport Terminal	Westside Park	Airport Maintenance Hangar	Total Nonmajor Funds
<u>\$ 438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,159</u>
-	-	-	-
73,000	-	28,900	1,113,704
31,952	2,548	4,822	262,388
<u>104,952</u>	<u>2,548</u>	<u>33,722</u>	<u>1,376,092</u>
(104,514)	(2,548)	(33,722)	(1,370,933)
104,952	2,548	33,722	1,330,459
<u>104,952</u>	<u>2,548</u>	<u>33,722</u>	<u>1,330,459</u>
438	-	-	(40,474)
6,253	-	-	93,903
<u>\$ 6,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,429</u>

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

Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Gas 1989	\$ 1,080,000	\$ 1,080,000	\$ 99,981	\$ (980,019)
Gas 3 cent	-	-	185,311	185,311
Gas 2017	-	-	151,542	
Gasoline & Motor Fuel Tax	-	-	625,503	625,503
Interest Income	1,000	1,000	4,063	3,063
<b>Total Revenues</b>	<u>1,081,000</u>	<u>1,081,000</u>	<u>1,066,399</u>	<u>(166,143)</u>
<b>Expenditures</b>				
Utilities and Other				
Operating Expenditures	530,000	660,000	486,746	173,254
Capital Expenditures	175,000	223,145	208,273	14,872
<b>Total Expenditures</b>	<u>705,000</u>	<u>883,145</u>	<u>695,019</u>	<u>188,126</u>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	376,000	197,855	371,380	173,525
<b>Other Financing Sources (Uses):</b>				
Transfers to Other Funds	-	(500,000)	(375,000)	125,000
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ 376,000</u>	<u>\$ (302,145)</u>	(3,620)	<u>\$ 298,525</u>
<b>Fund Balances</b>				
July 01, 2017			<u>668,147</u>	
June 30, 2018			<u>\$ 664,527</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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Court Fines and Cost	\$ 15,000	\$ 15,000	\$ 15,034	\$ 34
Interest Income	500	500	1,182	682
Contributions	-	-	985	
Other	45,000	45,000	117,438	72,438
<b>Total Revenues</b>	<u>60,500</u>	<u>60,500</u>	<u>134,639</u>	<u>73,154</u>
<b>Expenditures</b>				
Capital Expenditures	143,594	242,491	223,988	18,503
Other Operating Expenditures	124,700	247,607	158,391	89,216
<b>Total Expenditures</b>	<u>268,294</u>	<u>490,098</u>	<u>382,379</u>	<u>107,719</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(207,794)	(429,598)	(247,740)	(34,565)
<b>Other Financing Sourced (Uses)</b>				
Transfers to Other Funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (207,794)</u>	<u>\$ (429,598)</u>	(247,740)	<u>\$ (34,565)</u>
<b>Fund Balances</b>				
July 01, 2017			<u>388,722</u>	
June 30, 2018			<u>\$ 140,982</u>	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Memberships, Fees and Concessions	\$ 1,182,500	\$ 1,209,916	\$ 1,073,247	\$ (136,669)
Rent	29,500	29,500	30,382	882
Other Revenues	-	-	-	-
Interest	500	500	3,084	2,584
<b>Total Revenues</b>	<b>1,212,500</b>	<b>1,239,916</b>	<b>1,106,713</b>	<b>(133,203)</b>
<b>Expenditures:</b>				
Salaries	684,294	713,410	702,714	10,696
Payroll Taxes	52,349	53,320	52,259	1,061
Benefits	170,833	190,488	186,651	3,837
Utilities	192,000	214,416	214,416	-
Telephone	25,150	22,288	22,288	-
Maintenance	40,000	33,903	33,903	-
Contractual Services	20,600	27,100	26,183	917
Supplies	103,250	97,883	93,400	4,483
Insurance	15,525	18,321	18,049	272
Other Operating Expenditures	41,620	40,516	35,046	5,470
Capital Outlay	36,200	35,165	34,643	522
<b>Total Expenditures</b>	<b>1,381,821</b>	<b>1,446,810</b>	<b>1,419,552</b>	<b>27,258</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(169,321)	(206,894)	(312,839)	(105,945)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	167,698	181,639	306,639	125,000
<b>Total Other Financing Sources (Uses)</b>	<b>167,698</b>	<b>181,639</b>	<b>306,639</b>	<b>125,000</b>
<b>Excess of Revenues and Other Sources Over</b>				
<b>(Under) Expenditures and Other Uses</b>	<b>\$ (1,623)</b>	<b>\$ (25,255)</b>	<b>(6,200)</b>	<b>\$ 19,055</b>
<b>Fund Balances</b>				
July 01, 2017			54,453	
June 30, 2018			<b>\$ 48,253</b>	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 77	\$ 77
Contributions and Fundraiser	16,500	16,500	26,390	9,890
Total Revenues	<u>16,500</u>	<u>16,500</u>	<u>26,467</u>	<u>9,967</u>
<b>Expenditures</b>				
Other	<u>18,000</u>	<u>18,000</u>	<u>16,378</u>	<u>1,622</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	10,089	<u>\$ 11,589</u>
<b>Fund Balances</b>				
July 01, 2017			<u>39,018</u>	
June 30, 2018			<u>\$ 49,107</u>	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
State Grant	\$ 14,300	\$ 14,300	\$ 14,300	\$ -
Rent	253,052	253,052	210,123	(42,929)
Fuel Sales	13,000	13,000	17,034	4,034
Contributions	25,000	25,000	25,000	-
Other Revenues	-	-	-	-
Interest	500	500	1,646	1,146
<b>Total Revenues</b>	<u>305,852</u>	<u>305,852</u>	<u>268,103</u>	<u>(37,749)</u>
<b>Expenditures:</b>				
Utilities	20,000	33,771	30,759	3,012
Repairs & Maintenance	51,000	100,309	100,309	-
Contractual Services	15,000	19,000	11,878	7,122
Management Fee	21,438	23,688	23,688	-
Other Operating	94,350	118,580	94,388	24,192
<b>Total Expenditures</b>	<u>201,788</u>	<u>295,348</u>	<u>261,022</u>	<u>34,326</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>104,064</b>	<b>10,504</b>	<b>7,081</b>	<b>(3,423)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers to Other Funds	(386,090)	(309,710)	(138,674)	171,036
<b>Total Other Financing Sources (Uses)</b>	<u>(386,090)</u>	<u>(309,710)</u>	<u>(138,674)</u>	<u>171,036</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u><b>\$ (282,026)</b></u>	<u><b>\$ (299,206)</b></u>	<b>(131,593)</b>	<u><b>\$ 167,613</b></u>
<b>Fund Balance</b>				
July 01, 2017			<u>350,127</u>	
June 30, 2018			<u><b>\$ 218,534</b></u>	

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

Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Interest	\$ -	\$ -	\$ 150	\$ 150
Contributions	15,500	15,500	8,200	(7,300)
	<u>15,500</u>	<u>15,500</u>	<u>8,350</u>	<u>(7,150)</u>
<b>Expenditures</b>				
Operating Expenditures	<u>15,000</u>	<u>17,750</u>	<u>17,470</u>	<u>280</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	500	(2,250)	(9,120)	(7,430)
<b>Other Financing Sources (Uses):</b>				
Transfer from Other Funds	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>14,000</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources</b>	<u>\$ 500</u>	<u>\$ (2,250)</u>	4,880	<u>\$ 6,570</u>
<b>Fund Balances</b>				
July 01, 2017			<u>8</u>	
June 30, 2018			<u>\$ 4,888</u>	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Contract Fees	\$ 97,371	\$ 97,371	\$ 58,646	\$ (38,725)
Interest	-	-	223	223
<b>Total Revenues</b>	<u>97,371</u>	<u>97,371</u>	<u>58,869</u>	<u>(38,502)</u>
<b>Expenditures</b>				
Salaries	66,040	66,040	58,688	7,352
Payroll Taxes	5,052	5,052	4,490	562
Employee Benefits	26,279	27,179	17,259	9,920
<b>Total Expenditures</b>	<u>97,371</u>	<u>98,271</u>	<u>80,437</u>	<u>17,834</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ -</u>	<u>\$ (900)</u>	(21,568)	<u>\$ 20,668</u>
<b>Fund Balances</b>				
July 01, 2017			<u>43,205</u>	
June 30, 2018			<u>\$ 21,637</u>	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Cemetery Maintenance Fees	\$ 15,000	\$ 15,000	\$ 11,040	\$ (3,960)
Interest Income	-	-	647	647
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>11,687</u>	<u>(3,313)</u>
Expenditures				
Other Operating Expense	<u>8,175</u>	<u>8,175</u>	<u>-</u>	<u>8,175</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ 6,825</u>	<u>\$ 6,825</u>	11,687	<u>\$ (3,313)</u>
Fund Balances				
July 01, 2017			<u>125,576</u>	
June 30, 2018			<u>\$ 137,263</u>	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest	\$ 500	\$ 500	\$ 446	\$ (54)
Federal Payment - Asset Seizure	25,000	25,000	33,347	8,347
Total Revenues	25,500	25,500	33,793	8,293
<b>Expenditures:</b>				
Other Operating	25,000	25,000	19,553	5,447
Capital Outlay	-	-	-	-
Total Expenditures	25,000	25,000	19,553	5,447
<b>Excess of Revenues Over (Under)</b>				
Expenditures	\$ 500	\$ 500	14,240	\$ 13,740
<b>Fund Balances</b>				
July 01, 2017			22,539	
June 30, 2018			\$ 36,779	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest Income	\$ -	\$ -	\$ 841	\$ 841
Other Revenues	40,000	40,000	49,885	9,885
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>50,726</u>	<u>10,726</u>
<b>Expenditures</b>				
Salaries	9,064	9,064	346	8,718
Payroll Taxes	693	693	26	667
Other Operating	103,000	81,987	42,214	39,773
Capital Expenditures	-	81,163	81,163	-
	<u>112,757</u>	<u>172,907</u>	<u>123,749</u>	<u>49,158</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ (72,757)</u>	<u>\$ (132,907)</u>	(73,023)	<u>\$ 59,884</u>
<b>Fund Balances</b>				
July 01, 2017			<u>156,101</u>	
June 30, 2018			<u>\$ 83,078</u>	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 7	\$ 7
Contributions	5,000	5,000	3,100	(1,900)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>3,107</u>	<u>(1,893)</u>
<b>Expenditures</b>				
Operating Expenses	5,000	5,100	1,745	3,355
Total Expenditures	<u>5,000</u>	<u>5,100</u>	<u>1,745</u>	<u>3,355</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ -</u>	<u>\$ (100)</u>	1,362	<u>\$ 1,462</u>
<b>Fund Balances</b>				
July 01, 2017			<u>1,403</u>	
June 30, 2018			<u>\$ 2,765</u>	

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

Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Other Revenues	\$ 10,000	\$ 10,000	\$ 17,346	\$ 7,346
Interest	-	-	168	168
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>17,514</u>	<u>7,514</u>
Expenditures				
Other Operating Expenditure	<u>-</u>	<u>10,000</u>	<u>4,320</u>	<u>5,680</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 10,000</u>	<u>\$ -</u>	13,194	<u>\$ 1,834</u>
Fund Balances				
July 01, 2017			<u>19,328</u>	
June 30, 2018			<u>\$ 32,522</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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest	\$ -	\$ -	\$ 1,941	\$ 1,941
Other Income	-	-	11,315	11,315
Local Option Court Fines	335,000	335,000	510,143	175,143
Total Revenues	<u>335,000</u>	<u>335,000</u>	<u>523,399</u>	<u>188,399</u>
<b>Expenditures:</b>				
Other Operating	37,495	37,495	555	36,940
Debt Service	254,000	216,000	163,977	52,023
Capital Outlay	250,000	484,211	376,998	107,213
Total Expenditures	<u>541,495</u>	<u>737,706</u>	<u>541,530</u>	<u>196,176</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (206,495)</u>	<u>\$ (402,706)</u>	(18,131)	<u>\$ 384,575</u>
<b>Fund Balances</b>				
July 01, 2017			<u>293,226</u>	
June 30, 2018			<u>\$ 275,095</u>	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
State Grant	\$ 270,750	\$ 342,000	\$ 86,755	\$ (255,245)
Interest Earnings	-	-	(48)	(48)
Total Revenues	270,750	342,000	86,707	(255,293)
<b>Expenditures</b>				
Other Operating Expenditures	75,000	93,858	18,858	75,000
Airport Capital Outlay	1,300,000	1,671,989	1,040,349	631,640
Total Expenditures	1,375,000	1,765,847	1,059,207	706,640
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(1,104,250)	(1,423,847)	(972,500)	451,347
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	1,000,000	1,000,000	935,442	(64,558)
Operating Transfers In	254,250	254,250	-	(254,250)
Total Other Financing Sources (Uses)	1,254,250	1,254,250	935,442	(318,808)
<b>Excess of Revenues and Other Sources</b>				
Over (Under) Expenditures and Other Uses	\$ 150,000	\$ (169,597)	(37,058)	\$ 132,539
<b>Fund Balances</b>				
July 01, 2017			477,898	
June 30, 2018			\$ 440,840	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Earnings	\$ -	\$ -	\$ 293	\$ 293
Fees	5,000	5,000	56,604	51,604
<b>Total Revenues</b>	<b>5,000</b>	<b>5,000</b>	<b>56,897</b>	<b>51,897</b>
<b>Other Financing Sources (Uses)</b>				
Transfer to Other Funds	-	(50,000)	-	(50,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>(50,000)</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 5,000</b>	<b>\$ (45,000)</b>	<b>56,897</b>	<b>\$ 1,897</b>
<b>Fund Balances</b>				
July 01, 2017			43,026	
June 30, 2018			<b>\$ 99,923</b>	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Miscellaneous	\$ -	\$ 1,250	\$ 1,250	\$ -
Interest Earnings	-	2,451	2,451	-
<b>Total Revenues</b>	-	3,701	3,701	-
<b>Expenditures</b>				
Other Operating Expenditures	-	395	395	-
Capital Outlay	-	233,225	233,225	-
<b>Total Expenditures</b>	-	233,620	233,620	-
<b>Excess of Revenues</b>				
Over (Under) Expenditures	-	(229,919)	(229,919)	-
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	1,599,498	1,599,498	-
<b>Total Other Financing Sources (Uses)</b>	-	1,599,498	1,599,498	-
<b>Excess of Revenues and Other Sources</b>				
Over (Under) Expenditures and Other Uses	\$ -	\$ 1,369,579	1,369,579	\$ -
<b>Fund Balances</b>				
June 30, 2017, restated			117,252	
June 30, 2018			\$ 1,486,831	

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, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 140	\$ 140
Expenditures				
Principal Expense	197,805	197,805	197,804	1
Interest Expense	35,655	35,655	35,652	3
Total Expenditures	233,460	233,460	233,456	4
Excess of Revenues Over (Under) Expenditures	(233,460)	(233,460)	(233,316)	136
Other Financing Sources (Uses)				
Operating Transfers In (Out)	233,460	233,460	233,456	(4)
	233,460	233,460	233,456	(4)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	140	\$ 132
Fund Balances				
July 01, 2017			115	
June 30, 2018			\$ 255	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 624	\$ 624
<b>Expenses</b>				
Principal Expense	96,000	96,000	96,000	-
Interest Expense	25,290	25,290	16,360	8,930
Total Expenses	121,290	121,290	112,360	8,930
<b>Excess of Revenues Over (Under) Expenditures</b>	(121,290)	(121,290)	(111,736)	9,554
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	121,290	121,290	112,610	(8,680)
	121,290	121,290	112,610	(8,680)
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	\$ -	\$ -	874	\$ 874
<b>Fund Balances</b>				
July 01, 2017			10,499	
June 30, 2018			\$ 11,373	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 43	\$ 43
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	\$ -	\$ -	43	\$ 43
<b>Fund Balances</b>				
July 01, 2017			2,071	
June 30, 2018			\$ 2,114	

CITY OF LEBANON, TENNESSEE  
 2008 REFUNDING/2016 REFUNDING BOND SINKING FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ 250	\$ 250	\$ 1,422	\$ 1,172
<b>Expenses</b>				
Bank Service Charges	500	500	-	500
Principal Expense	275,000	275,000	275,000	-
Interest Expense	63,150	63,150	52,750	10,400
Total Expenses	338,650	338,650	327,750	10,900
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(338,400)	(338,400)	(326,328)	12,072
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	338,150	338,150	280,950	(57,200)
Total Other Financing Sources (Uses)	338,150	338,150	280,950	(57,200)
<b>Excess of Revenues and Other Sources</b>				
Over (Under) Expenditures and Other				
Uses	\$ (250)	\$ (250)	(45,378)	\$ (45,128)
<b>Fund Balances</b>				
July 01, 2017			48,106	
June 30, 2018			\$ 2,728	

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, 2018

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 1,045	\$ 1,045
<b>Expenditures</b>				
Principal	174,000	174,000	174,000	-
Interest	109,500	109,500	41,477	68,023
Total Expenditures	<u>283,500</u>	<u>283,500</u>	<u>215,477</u>	<u>68,023</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(283,500)	(283,500)	(214,432)	69,068
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	283,500	283,500	216,227	(67,273)
	<u>283,500</u>	<u>283,500</u>	<u>216,227</u>	<u>(67,273)</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	1,795	<u>\$ 1,795</u>
<b>Fund Balances</b>				
July 01, 2017			<u>7,989</u>	
June 30, 2018			<u>\$ 9,784</u>	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 115	\$ 115
Expenses				
Principal Expense	45,000	45,000	45,000	-
Interest Expense	15,525	15,525	15,525	-
Total Expenses	60,525	60,525	60,525	-
Excess of Revenues Over (Under)				
Expenditures	(60,525)	(60,525)	(60,410)	115
Other Financing Sources (Uses)				
Operating Transfers In	60,525	60,525	60,525	-
Total Other Financing Sources (Uses)				
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	115	\$ 115
Fund Balances				
July 01, 2017			192	
June 30, 2018			\$ 307	

CITY OF LEBANON, TENNESSEE  
 2016 LEGENDS DRIVE SINKING FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 1,332	\$ 1,332
Expenditures				
Principal	224,000	224,000	224,000	-
Interest Expense	117,500	117,500	61,302	56,198
Total Expenditures	341,500	341,500	285,302	56,198
Excess of Revenues Over (Under) Expenditures	(341,500)	(341,500)	(283,970)	(54,866)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	341,500	341,500	285,469	(56,031)
	341,500	341,500	285,469	(56,031)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	1,499	\$ (110,897)
Fund Balances				
July 01, 2017			18,678	
June 30, 2018			\$ 20,177	

CITY OF LEBANON, TENNESSEE  
 2016 AIRPORT TERMINAL SINKING FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 438	\$ 438
Expenditures				
Principal Expense	73,000	73,000	73,000	-
Interest Expense	45,840	45,840	31,952	13,888
Total Expenditures	118,840	118,840	104,952	13,888
Excess of Revenues Over (Under) Expenditures	(118,840)	(118,840)	(104,514)	(13,450)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	-	-	104,952	104,952
	-	-	104,952	104,952
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (118,840)	\$ (118,840)	438	\$ 91,502
Fund Balances				
July 01, 2017			6,253	
June 30, 2018			\$ 6,691	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Expenditures				
Interest Expense	\$ -	\$ 2,548	\$ 2,548	\$ -
Total Expenditures	-	2,548	2,548	-
Excess of Expenditures (Over)				
Revenues	-	(2,548)	(2,548)	-
Other Financing Sources (Uses)				
Operating Transfers In (Out)	-	2,548	2,548	-
	-	2,548	2,548	-
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other				
Uses	\$ -	\$ -	-	\$ -
Fund Balances				
July 01, 2017			-	
June 30, 2018			\$ -	

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance
Expenditures				
Principal	\$ -	\$ 28,900	\$ 28,900	\$ -
Interest Expense	-	4,900	4,822	78
Total Expenditures	<u>-</u>	<u>33,800</u>	<u>33,722</u>	<u>78</u>
Excess of Revenues Over (Under) Expenditures	-	(33,800)	(33,722)	(78)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	-	33,800	33,722	(78)
	<u>-</u>	<u>33,800</u>	<u>33,722</u>	<u>(78)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ (156)</u>
Fund Balances				
July 01, 2017			<u>-</u>	
June 30, 2018			<u>\$ -</u>	

CITY OF LEBANON, TENNESSEE  
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
Year Ended June 30, 2018

	Total	Mayor & Council	City Attorney	Financial Admin.	Accounting	Customer Billing	Johnson Controls and Liquor Tax	Purchasing	Computer Equipment	Public Works	HOME Grant	Intelligent Transportation
Salaries	\$ 12,649,073	\$ 113,642	\$ 106,389	\$ 107,695	\$ 70,196	\$ 7,820	\$ -	\$ 25,019	\$ 76,803	\$ 173,746	\$ -	\$ -
Payroll Taxes	927,510	7,769	7,885	8,666	4,543	609	-	1,952	5,629	12,498	-	-
Employer Paid Benefits	2,834,394	47,166	26,237	28,969	29,661	10,267	-	2,330	14,841	35,913	-	-
Retirement	1,663,222	13,721	16,203	17,621	7,663	1,129	-	3,904	11,453	22,290	-	-
Workmen's Compensation	429,724	1,649	655	602	955	77	-	146	2,510	1,789	-	-
Unemployment	-	-	-	-	-	-	-	-	-	-	-	-
Training	91,854	20	156	281	480	3	-	20	-	328	-	-
Communications	26,541	-	-	-	-	-	-	-	-	300	-	-
Postage and Shipping	11,262	45	6	3,425	1,092	4	-	2,180	-	105	-	-
Transportation Expense	2,928	4	-	3	-	-	-	-	4	11	-	-
Printing	31,427	1,432	1,002	836	1,020	14	-	-	-	724	-	-
Subscriptions	6,386	432	3,289	-	-	-	-	-	-	94	-	-
Dues	138,194	3,120	1,642	955	631	340	-	432	680	1,249	-	-
Utilities	257,212	-	-	-	-	-	-	-	-	14,692	-	-
Telephone	314,582	6,372	1,366	1,765	1,819	253	-	1,633	8,674	9,422	-	-
Engineering and Architect	8,672	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	37,790	-	11,976	-	17,430	-	-	-	-	-	-	-
Data Processing	88,974	-	-	-	-	-	-	-	79,004	-	-	-
Medical	18,400	-	-	-	10	-	-	-	0	42	-	-
Maintenance	333,736	740	-	-	-	-	12,291	-	-	4,433	-	-
Travel and Meals	23,519	2,464	195	32	-	-	-	-	-	3	-	-
Public Relations	48,539	16,530	-	153	-	-	-	-	-	49	-	287
Contractual Services	1,275,542	103	-	2,298	570	5,024	-	-	153,965	1,943	304,410	-
Janitorial Services	325	-	-	-	-	-	-	-	-	325	-	-
Office Supplies	49,939	1,670	78	921	1,230	250	-	263	1,065	1,940	-	-
Operating Supplies	604,291	107,329	22	340	101	36	-	300	723	8,565	-	-
Street Signs	7,915	7,915	-	-	-	-	-	-	-	-	-	-
Uniforms	233,066	-	-	-	-	-	-	-	-	100	-	-
Gas	419,379	416	-	32	-	-	-	-	507	1,966	-	-
Motor Vehicle Parts	318,290	3	-	7	-	-	-	-	9	586	-	-
Materials	40,646	-	-	-	-	-	-	-	-	250	-	-
Insurance	382,251	2,137	316	9,364	168	-	-	1,989	-	5,693	-	-
Rent	28,745	-	-	-	375	37	-	701	-	-	-	-
Contributions	634,680	-	-	-	-	-	-	-	-	-	-	-
Debt Service	331,133	37,725	-	-	-	-	13,799	-	8,476	(4,980)	-	-
Capital Outlay	3,193,832	-	-	-	-	-	-	-	9,711	-	-	-
<b>Totals</b>	<b>\$ 27,463,973</b>	<b>\$ 372,404</b>	<b>\$ 177,417</b>	<b>\$ 183,965</b>	<b>\$ 137,944</b>	<b>\$ 25,863</b>	<b>\$ 26,090</b>	<b>\$ 40,869</b>	<b>\$ 374,054</b>	<b>\$ 294,076</b>	<b>\$ 304,410</b>	<b>\$ 287</b>

CITY OF LEBANON, TENNESSEE  
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
Year Ended June 30, 2018

	Public Safety	Personnel	Traffic Maintenance	General Maintenance	Police	Fire	Building Inspection	Building Maintenance	Street	Animal Control	Drainage Migration	Risk Assesment
Salaries	\$ 287,215	\$ 205,689	\$ 101,355	\$ 152,875	\$ 5,728,843	\$ 3,118,517	\$ 352,021	\$ 16,793	\$ 424,719	\$ 79,490	\$ 23,818	\$ 33,556
Payroll Taxes	22,081	14,989	7,559	11,238	421,912	228,834	25,395	1,161	32,082	5,753	-	2,403
Employer Paid Benefits	73,754	26,752	21,593	36,823	1,154,194	683,280	99,249	3,516	131,370	23,604	-	3,464
Retirement	42,536	25,310	15,408	16,375	750,956	428,174	45,483	2,357	51,762	8,886	-	2,949
Workmen's Compensation	6,190	874	3,004	12,485	211,772	81,456	8,116	2,153	37,891	1,456	-	981
Unemployment	-	-	-	-	-	-	-	-	-	-	-	-
Training	-	916	-	-	48,535	37,122	2,443	-	320	-	-	-
Communications	-	-	500	-	-	21,227	-	-	2,763	-	-	-
Postage and Shipping	346	227	-	-	2,346	128	1,046	-	20	-	-	-
Transportation Expense	135	-	27	53	386	144	95	-	533	18	-	-
Printing	664	1,488	-	-	14,860	2,638	2,290	-	-	-	-	-
Subscriptions	-	-	-	-	13	284	1,337	-	-	-	-	-
Dues	444	1,295	340	1,285	16,651	8,905	2,341	265	530	110	-	265
Utilities	27,016	-	-	960	27,486	42,165	-	24,880	614	4,327	-	-
Telephone	13,354	3,835	46	2,873	105,728	93,536	10,387	1,430	1,726	-	-	163
Engineering and Architect	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	8,384	-	-	-	-	-	-	-	-	-	-	-
Data Processing	-	-	-	-	9,955	15	-	-	-	-	-	-
Medical	532	2,952	63	117	6,107	2,446	-	-	2,716	(404)	-	2,000
Maintenance	16,884	-	41,782	31,504	69,708	53,592	40	7,757	59,367	435	-	-
Travel	1,538	(35)	-	-	13,219	2,921	40	-	-	-	-	-
Public Relations	-	249	-	-	8,882	1,341	-	52	888	-	-	-
Contractual Services	6,973	45,957	17	381	112,052	46,739	6,963	12,129	26,404	239	54,408	281
Janitorial Services	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	2,010	3,168	-	231	19,838	4,482	8,955	-	416	71	-	-
Operating Supplies	13,569	53	2,806	8,412	88,390	110,298	1,171	6,519	21,546	2,664	-	-
Street Signs	-	-	-	-	-	-	-	-	-	-	-	-
Uniforms	3,785	-	591	2,165	93,859	113,341	70	64	6,995	495	-	-
Gas	19,423	-	4,262	6,050	205,317	36,367	5,000	-	60,759	4,167	-	-
Motor Vehicle Parts	8,705	-	659	4,648	87,887	27,571	3,607	-	102,621	819	-	-
Materials	8,962	-	-	2,652	1,658	1,204	-	163	16,001	-	-	-
Insurance	-	1,385	-	4,081	153,580	70,986	4,644	13,252	10,847	605	-	-
Rent	-	-	-	-	12,413	1,200	-	-	14,019	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	141,466	-	-	-	-	-	-
Capital Outlay	1,729,139	-	-	33,849	2,410	153,493	20,672	-	179,564	7,003	-	-
<b>Totals</b>	<b>\$ 2,293,639</b>	<b>\$ 335,104</b>	<b>\$ 200,012</b>	<b>\$ 329,057</b>	<b>\$ 9,368,957</b>	<b>\$ 5,513,872</b>	<b>\$ 601,365</b>	<b>\$ 92,491</b>	<b>\$ 1,186,473</b>	<b>\$ 139,738</b>	<b>\$ 78,226</b>	<b>\$ 46,062</b>

CITY OF LEBANON, TENNESSEE  
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
 Year Ended June 30, 2018

	Engineering	Garage	Cemetery	Recreation	Accounting System	Special Events	Contributions & Dues	Community Park	Sanitation	EAC Committee	Senior Citizens Center	Economic Development	Total
Salaries	\$ 149,066	\$ 176,389	54,970	\$ 422,645	\$ -	\$ -	\$ -	\$ 20,487	\$ 457,938	\$ -	136,272	25,105	\$ 12,649,073
Payroll Taxes	11,266	12,666	4,051	30,399	-	-	-	1,606	33,057	-	9,795	1,712	927,510
Employer Paid Benefits	17,299	59,517	6,409	112,647	-	-	-	9,873	132,108	-	36,057	7,501	2,834,394
Retirement	18,999	23,809	8,238	47,073	-	-	-	1,707	57,902	-	19,080	2,234	1,663,222
Workmen's Compensation	945	6,405	1,820	15,748	-	-	-	1,365	28,407	-	-	273	429,724
Unemployment	-	-	-	-	-	-	-	-	-	-	-	-	-
Training	18	632	-	-	-	-	-	-	-	-	-	580	91,854
Communications	-	-	-	-	-	-	-	-	1,751	-	-	-	26,541
Postage and Shipping	148	-	55	1	-	-	-	-	10	71	-	7	11,262
Transportation Expense	4	17	9	36	-	-	-	-	1,445	-	-	4	2,928
Printing	1,428	736	902	951	-	-	-	-	-	-	-	442	31,427
Subscriptions	(165)	998	104	-	-	-	-	-	-	-	-	-	6,386
Dues	3,305	1,890	265	605	-	-	47,709	-	1,475	-	605	40,860	138,194
Utilities	-	7,392	6,603	81,249	-	-	-	19,398	430	-	-	-	257,212
Telephone	3,233	2,532	20,598	22,949	-	-	-	-	143	-	-	745	314,582
Engineering and Architect	8,672	-	-	-	-	-	-	-	-	-	-	-	8,672
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	37,790
Data Processing	-	-	-	-	-	-	-	-	-	-	-	-	88,974
Medical	35	84	-	1,108	-	-	-	-	592	-	-	-	18,400
Maintenance	69	2,209	1,893	6,878	-	-	-	3,321	20,833	-	-	-	333,736
Travel	1,574	-	-	-	-	-	-	-	-	-	-	1,568	23,519
Public Relations	527	-	-	-	-	-	-	-	-	-	-	19,581	48,539
Contractual Services	67,528	421	3,490	26,261	-	-	-	41,757	339,071	-	-	16,158	1,275,542
Janitorial Services	-	-	-	-	-	-	-	-	-	-	-	-	325
Office Supplies	2,163	179	603	96	-	-	-	50	-	97	-	163	49,939
Operating Supplies	398	8,365	3,093	39,747	-	31,130	-	15,426	133,261	-	-	27	604,291
Street Signs	-	-	-	-	-	-	-	-	-	-	-	-	7,915
Uniforms	138	2,145	99	1,909	-	-	-	-	7,310	-	-	-	233,066
Gas	232	1,753	300	9,519	-	-	-	-	63,170	-	-	139	419,379
Motor Vehicle Parts	(30)	1,996	21	3,064	-	-	-	746	75,371	-	-	-	318,290
Materials	-	-	-	8,123	-	-	-	1,633	-	-	-	-	40,646
Insurance	(155)	1,512	6,028	61,577	-	-	-	-	32,312	-	-	1,930	382,251
Rent	-	-	-	-	-	-	-	-	-	-	-	-	28,745
Contributions	-	-	-	-	-	-	245,214	-	-	-	349,466	40,000	634,680
Debt Service	20,304	-	-	-	17,881	-	-	46,168	-	-	50,294	-	331,133
Capital Outlay	24,220	-	-	42,143	-	-	-	563,547	428,081	-	-	-	3,193,832
<b>Totals</b>	<b>\$ 331,221</b>	<b>\$ 311,647</b>	<b>\$ 119,551</b>	<b>\$ 934,728</b>	<b>\$ 17,881</b>	<b>\$ 31,130</b>	<b>\$ 292,923</b>	<b>\$ 727,084</b>	<b>\$ 1,814,667</b>	<b>\$ 168</b>	<b>\$ 601,569</b>	<b>\$ 159,029</b>	<b>\$ 27,463,973</b>

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

Year Ended June 30, 2018

	Transmission and Distribution	Customer Accounting & Collection	Administrative and General	Shop and Maintenance	Meter Reader	Total (Memorandum Only)
Salaries	\$ 591,610	\$ 42,220	\$ 435,058	\$ 54,726	\$ 29,119	\$ 1,152,733
Payroll Taxes	42,391	3,169	31,372	4,007	2,038	82,977
Employee Benefits	221,227	13,749	86,541	17,497	15,961	354,975
Pension Costs	54,024	4,171	38,857	4,636	2,215	103,903
Communications	1,563	-	113	-	-	1,676
Supplies and Publications	10,755	97	12,158	138	9	23,157
Dues	27,811	-	6,662	160	-	34,633
Utilities	60,288	1,316	21,280	7,911	1,091	91,886
Professional Services	2,470	-	18,309	-	-	20,779
Repair and Maintenance	91,351	-	1,923	6,888	-	100,162
Travel	4,110	-	2,726	-	-	6,836
Operating Supplies	56,704	1,489	30,254	4,594	1,191	94,232
Maintenance Supplies	79,869	-	2,370	2,684	3,653	88,576
Contractual Services	76,770	26,126	122,957	2,772	1,217	229,842
Insurance	51,734	-	9,385	3,760	965	65,844
Bad Debt Expense	-	25,097	-	-	-	25,097
Rent	4,702	193	517	-	-	5,412
Community Relations/Marketing	41,996	-	9,676	-	-	51,672
Miscellaneous	14,956	13	75,296	5,341	-	95,606
	<u>\$ 1,434,331</u>	<u>\$ 117,640</u>	<u>\$ 905,454</u>	<u>\$ 115,114</u>	<u>\$ 57,459</u>	<u>\$ 2,629,998</u>

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

Year Ended June 30, 2018

Expenses	Purification Plant			Transmission and Distribution			Administrative and General		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
Salaries	\$ 524,026	\$ -	\$ 524,026	\$ 689,657	\$ 468,423	\$ 1,158,080	\$ 591,717	\$ 634,134	\$ 1,225,851
Payroll Taxes	37,893	-	37,893	50,103	34,192	84,295	42,653	45,664	88,317
Employee Benefits	173,914	-	173,914	176,580	135,795	312,375	118,737	130,750	249,487
Pension Costs	45,070	-	45,070	65,696	43,557	109,253	50,332	53,883	104,215
Communications	-	-	-	-	-	-	150	150	300
Supplies and Publications	4,934	-	4,934	1,389	1,034	2,423	16,326	16,740	33,066
Dues and Subscriptions	3,293	-	3,293	8,056	1,134	9,190	9,155	9,392	18,547
Utilities	467,318	-	467,318	116,563	140,915	257,478	27,964	29,248	57,212
Professional Services	-	-	-	-	-	-	25,175	25,175	50,350
Miscellaneous	5,159	-	5,159	827	933	1,760	94,941	97,497	192,438
Repair and Maintenance	95,820	-	95,820	35,190	12,220	47,410	2,579	2,584	5,163
Travel	2,805	-	2,805	97	-	97	3,749	3,753	7,502
Operating Supplies	252,366	-	252,366	33,015	48,901	81,916	38,578	39,051	77,629
Maintenance Supplies	8,046	-	8,046	62,471	71,968	134,439	3,289	4,407	7,696
Insurance	34,894	-	34,894	28,674	13,561	42,235	12,489	13,070	25,559
Community Relations/Marketing	-	-	-	-	-	-	13,305	13,305	26,610
Contractual Services	142,734	-	142,734	129,393	172,870	302,263	158,060	152,444	310,504
Rent	-	-	-	-	757	757	579	579	1,158
Totals	\$ 1,798,272	\$ -	\$ 1,798,272	\$ 1,397,711	\$ 1,146,260	\$ 2,543,971	\$ 1,209,778	\$ 1,271,826	\$ 2,481,604

Expenses	Shop and Maintenance			Customer Accounting			Sewer System Direct		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
Salaries	\$ 71,543	\$ 66,128	\$ 137,671	\$ 56,835	\$ 55,211	\$ 112,046	\$ -	\$ 714,219	\$ 714,219
Payroll Taxes	5,238	4,842	10,080	4,266	4,144	8,410	-	52,206	52,206
Employee Benefits	22,878	21,147	44,025	18,509	17,980	36,489	-	144,987	144,987
Pension Costs	5,781	5,346	11,127	5,385	5,231	10,616	-	73,865	73,865
Communications	-	-	-	-	-	-	-	-	-
Supplies and Publications	181	167	348	130	126	256	-	2,082	2,082
Dues	209	192	401	-	-	-	-	12,610	12,610
Miscellaneous	6,944	6,409	13,353	18	17	35	-	4,008	4,008
Utilities	10,954	10,259	21,213	1,771	1,721	3,492	-	797,264	797,264
Repair and Maintenance	9,151	8,491	17,642	-	-	-	-	69,455	69,455
Travel	-	-	-	-	-	-	-	-	-
Operating Supplies	6,122	5,684	11,806	2,004	1,947	3,951	-	373,349	373,349
Maintenance Supplies	3,494	3,226	6,720	-	-	-	-	22,643	22,643
Insurance	5,226	4,898	10,124	-	-	-	-	39,707	39,707
Contractual Services	3,912	3,679	7,591	35,169	34,164	69,333	-	38,555	38,555
Rent	-	-	-	260	253	513	-	-	-
Totals	\$ 151,633	\$ 140,468	\$ 292,101	\$ 124,347	\$ 120,794	\$ 245,141	\$ -	\$ 2,344,950	\$ 2,344,950

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

Year Ended June 30, 2018

Expenses	<u>Meter Readers</u>			<u>Gasification</u>		
	Water	Sewer	Total	Water	Sewer	Total
Salaries	\$ 21,839	\$ 21,839	\$ 43,678	\$ 89,901	\$ -	\$ 89,901
Payroll Taxes	1,529	1,529	3,058	6,092	-	6,092
Employee Benefits	11,459	11,970	23,429	9,933	-	9,933
Pension Costs	1,573	1,573	3,146	3,989	-	3,989
Supplies and Publications	9	9	18	54	-	54
Dues	-	-	-	4,267	-	4,267
Utilities	818	818	1,636	506	-	506
Repair and Maintenance	1,861	-	1,861	18,380	-	18,380
Travel	-	-	-	-	-	-
Operating Supplies	33,806	14,946	48,752	4,842	-	4,842
Insurance	727	727	1,454	2,325	-	2,325
Contractual Services	912	9,166	10,078	22,433	-	22,433
Miscellaneous	-	-	-	23,986	-	23,986
Repair and Maintenance	-	1,800	1,800	-	-	-
<b>Totals</b>	<b>\$ 74,533</b>	<b>\$ 64,377</b>	<b>\$ 138,910</b>	<b>\$ 186,708</b>	<b>\$ -</b>	<b>\$ 186,708</b>

CITY OF LEBANON, TENNESSEE  
DEPARTMENT OF STORMWATER FUND  
SCHEDULE OF OPERATING EXPENSES

Year Ended June 30, 2018

	Stormwater	Administrative and General	Drainage Mitigation	Total (Memorandum Only)
Salaries	\$ 118,935	\$ 171,255	\$ 118,277	\$ 408,467
Payroll Taxes	7,957	11,771	-	19,728
Employee Benefits	14,391	24,831	29,445	68,667
Pension Costs	8,523	15,305	11,661	35,489
Communications	-	38	-	38
Supplies and Publications	1,519	2,037	27	3,583
Dues	680	573	-	1,253
Utilities	3,745	6,253	25	10,023
Professional Services	256,000	7,693	-	263,693
Repair and Maintenance	-	5,078	636	5,714
Travel	34	950	-	984
Operating Supplies	1,183	4,304	54,938	60,425
Maintenance Supplies	2,769	1,310	29,206	33,285
Contractual Services	7,164	43,553	182	50,899
Insurance	-	1,285	-	1,285
Rent	-	41	-	41
Miscellaneous	640	1,230	596	2,466
	<u>\$ 423,540</u>	<u>\$ 297,507</u>	<u>\$ 244,993</u>	<u>\$ 966,040</u>

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2018

BONDS PAYABLE

	2003 TMBF Loan			2008 TML Loan			2016 TMBF Airport Terminal			2016 GO Refunding			2016 TML Legends Drive		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 99,000	\$ 22,410	\$ 121,410	\$ 183,000	\$ 100,800	\$ 283,800	\$ 73,000	\$ 43,650	\$ 116,650	\$ 330,000	\$ 56,475	\$ 386,475	\$ 226,000	\$ 111,900	\$ 337,900
2020	101,000	19,440	120,440	192,000	91,650	283,650	74,000	41,460	115,460	335,000	49,875	384,875	229,000	106,250	335,250
2021	104,000	16,410	120,410	202,000	82,050	284,050	75,000	39,240	114,240	350,000	41,325	391,325	231,000	100,525	331,525
2022	107,000	13,290	120,290	212,000	71,950	283,950	76,000	36,990	112,990	355,000	30,825	385,825	234,000	94,750	328,750
2023	109,000	10,080	119,080	222,000	61,350	283,350	77,000	34,710	111,710	365,000	18,675	383,675	236,000	88,900	324,900
2024	112,000	6,810	118,810	233,000	50,250	283,250	78,000	32,400	110,400	50,000	7,725	57,725	239,000	83,000	322,000
2025	115,000	3,450	118,450	245,000	38,600	283,600	78,000	30,060	108,060	55,000	6,225	61,225	242,000	77,025	319,025
2026				257,000	26,350	283,350	79,000	27,720	106,720	55,000	5,400	60,400	244,000	70,975	314,975
2027				270,000	13,500	283,500	80,000	25,350	105,350	55,000	4,575	59,575	247,000	64,875	311,875
2028							81,000	22,950	103,950	55,000	3,475	58,475	250,000	58,700	308,700
2029							82,000	20,520	102,520	60,000	2,375	62,375	252,000	52,450	304,450
2030							83,000	18,060	101,060	35,000	875	35,875	255,000	46,150	301,150
2031							84,000	15,570	99,570				258,000	39,775	297,775
2032							85,000	13,050	98,050				261,000	33,325	294,325
2033							86,000	10,500	96,500				264,000	26,800	290,800
2034							87,000	7,920	94,920				267,000	20,200	287,200
2035							88,000	5,310	93,310				269,000	13,525	282,525
2036							89,000	2,670	91,670				272,000	6,800	278,800
2037															
2038															
2039															
2040															
2041															
2042															
	\$ 747,000	\$ 91,890	\$ 838,890	\$ 2,016,000	\$ 536,500	\$ 2,552,500	\$ 1,455,000	\$ 428,130	\$ 1,883,130	\$ 2,100,000	\$ 227,825	\$ 2,327,825	\$ 4,476,000	\$ 1,095,925	\$ 5,571,925

CITY OF LEBANON, TENNESSEE  
SCHEDULE OF GENERAL LONG TERM DEBT  
June 30, 2018

BONDS PAYABLE

	2017 TMBF Airport Hangar			2017 TML West Side Park			Total Bonds Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 29,900	\$ 24,472	\$ 54,372	\$ 159,000	\$ 114,500	\$ 273,500	\$ 1,099,900	\$ 474,207	\$ 1,574,107
2020	30,700	23,718	54,418	162,000	110,859	272,859	\$ 1,123,700	\$ 443,252	1,566,952
2021	31,500	22,945	54,445	166,000	107,149	273,149	\$ 1,159,500	\$ 409,644	1,569,144
2022	32,300	22,151	54,451	170,000	103,348	273,348	\$ 1,186,300	\$ 373,304	1,559,604
2023	33,100	21,337	54,437	174,000	99,455	273,455	\$ 1,216,100	\$ 334,507	1,550,607
2024	33,900	20,503	54,403	178,000	95,470	273,470	\$ 923,900	\$ 296,158	1,220,058
2025	34,800	19,648	54,448	182,000	91,394	273,394	\$ 951,800	\$ 266,402	1,218,202
2026	35,600	18,771	54,371	186,000	87,226	273,226	\$ 856,600	\$ 236,443	1,093,043
2027	36,500	17,874	54,374	190,000	82,967	272,967	\$ 878,500	\$ 209,141	1,087,641
2028	37,400	16,955	54,355	194,000	78,616	272,616	\$ 617,400	\$ 180,695	798,095
2029	38,400	16,012	54,412	199,000	74,173	273,173	\$ 631,400	\$ 165,530	796,930
2030	39,400	15,044	54,444	203,000	69,616	272,616	\$ 615,400	\$ 149,745	765,145
2031	40,400	14,052	54,452	208,000	64,967	272,967	\$ 590,400	\$ 134,364	724,764
2032	41,400	13,033	54,433	213,000	60,204	273,204	\$ 600,400	\$ 119,613	720,013
2033	42,400	11,990	54,390	218,000	55,326	273,326	\$ 610,400	\$ 104,617	715,017
2034	43,500	10,922	54,422	223,000	50,334	273,334	\$ 620,500	\$ 89,376	709,876
2035	44,600	9,825	54,425	228,000	45,228	273,228	\$ 629,600	\$ 73,888	703,488
2036	45,700	8,702	54,402	233,000	40,006	273,006	\$ 639,700	\$ 58,178	697,878
2037	46,900	7,550	54,450	238,000	34,671	272,671	\$ 284,900	\$ 42,221	327,121
2038	48,000	6,368	54,368	244,000	29,220	273,220	\$ 292,000	\$ 35,588	327,588
2039	49,300	5,158	54,458	249,000	23,633	272,633	\$ 298,300	\$ 28,791	327,091
2040	50,500	3,916	54,416	255,000	17,931	272,931	\$ 305,500	\$ 21,847	327,347
2041	51,800	2,643	54,443	261,000	12,091	273,091	\$ 312,800	\$ 14,735	327,535
2042	53,100	1,338	54,438	267,000	6,114	273,114	\$ 320,100	\$ 7,452	327,552
	<u>\$ 971,100</u>	<u>\$ 334,928</u>	<u>\$ 1,306,028</u>	<u>\$ 5,000,000</u>	<u>\$ 1,554,498</u>	<u>\$ 6,554,498</u>	<u>\$ 16,765,100</u>	<u>\$ 4,269,696</u>	<u>\$ 21,034,796</u>

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2018

NOTES PAYABLE

	Floyd Center Johnson Controls			General Fund Johnson Controls			2012 TML			2014 Liquor Tax Payable			Loan to Street Improvements (Gas)			15/16 Loan to General (Gas)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 61,950	\$ 10,789	\$ 72,739	\$ 118,494	\$ 20,274	\$ 138,768	\$ 51,000	\$ 9,221	\$ 60,221	\$ 81,122	\$ -	\$ 81,122	\$ 74,705	\$ 6,655	\$ 81,360	\$ 1,408	\$ 3	\$ 1,411
2020	63,388	9,351	72,739	121,376	17,525	138,901	52,000	7,783	59,783	81,122	0	81,122	75,455	5,907	81,362			
2021	64,858	7,881	72,739	121,054	14,709	135,763	54,000	6,317	60,317	81,122	0	81,122	76,213	5,161	81,374			
2022	66,363	6,376	72,739	123,862	11,901	135,763	55,000	4,794	59,794	81,122	0	81,122	76,010	6,584	82,594			
2023	67,902	4,837	72,739	126,736	9,027	135,763	57,000	3,243	60,243	81,122	0	81,122	77,160	5,436	82,596			
2024	69,478	3,261	72,739	129,676	6,087	135,763	58,000	1,636	59,636	81,119	0	81,119	78,322	4,269	82,591			
2025	71,090	1,649	72,739	132,685	3,078	135,763							79,103	4,122	83,225			
2026													80,702	2,524	83,226			
2027													82,330	896	83,226			
	<u>\$ 465,029</u>	<u>\$ 44,144</u>	<u>\$ 509,173</u>	<u>\$ 873,883</u>	<u>\$ 82,601</u>	<u>\$ 956,484</u>	<u>\$ 327,000</u>	<u>\$ 32,994</u>	<u>\$ 359,994</u>	<u>\$ 554,052</u>	<u>\$ -</u>	<u>\$ 486,729</u>	<u>\$ 700,000</u>	<u>\$ 41,554</u>	<u>\$ 741,554</u>	<u>\$ 1,408</u>	<u>\$ 3</u>	<u>\$ 1,411</u>

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2018

NOTES PAYABLE

	16/17 Loan to General (Gas)			16/17 Loan to General (W/S) Don Fox Park			16/17 Loan to General (W/S) RTA			16/17 Loan to General (W/S) Fire Trucks			16/17 Loan to General (W/S) Sr Citizens Bldg			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 213,441	\$ 19,024	\$ 232,465	\$ 59,090	\$ 4,834	\$ 63,924	\$ 80,575	\$ 6,599	\$ 87,174	\$ 121,267	\$ 8,682	\$ 129,949	\$ 43,122	\$ 3,378	\$ 46,500	\$ 906,174	\$ 89,459	\$ 995,633
2020	215,586	16,787	232,373	59,682	4,245	63,927	67,765	4,881	72,646	122,484	8,274	130,758	43,554	2,946	46,500	902,412	77,699	980,111
2021	217,751	14,714	232,465	59,743	4,830	64,573	88,288	6,311	94,599	122,158	10,580	132,738	43,434	3,762	47,196	928,621	74,265	1,002,886
2022	217,170	18,810	235,980	60,321	4,573	64,894	82,153	6,339	88,492	124,004	8,736	132,740	44,088	3,106	47,194	930,093	71,219	1,001,312
2023	220,450	15,531	235,981	61,232	3,661	64,893	83,395	5,098	88,493	125,877	6,233	132,110	44,755	2,440	47,195	945,629	55,506	1,001,135
2024	223,779	12,199	235,978	61,914	3,313	65,227	91,434	4,475	95,909	127,133	6,622	133,755	45,201	2,355	47,556	966,056	44,217	1,010,273
2025	226,015	11,873	237,888	62,988	2,404	65,392	85,894	3,276	89,170	129,697	4,056	133,753	46,113	1,442	47,555	900,908	31,900	932,808
2026	230,577	7,110	237,687	64,258	1,132	65,390	80,939	1,544	82,483	121,616	1,439	123,055	43,237	510	43,747	621,329	14,259	635,588
2027	235,231	2,557	237,788	18,156	90	18,246	-	123	123							335,717	3,666	339,383
	<u>\$ 2,000,000</u>	<u>\$ 118,605</u>	<u>\$ 2,118,605</u>	<u>\$ 507,384</u>	<u>\$ 29,082</u>	<u>\$ 536,466</u>	<u>\$ 660,443</u>	<u>\$ 38,646</u>	<u>\$ 699,089</u>	<u>\$ 994,236</u>	<u>\$ 54,622</u>	<u>\$ 1,048,858</u>	<u>\$ 353,504</u>	<u>\$ 19,939</u>	<u>\$ 373,443</u>	<u>\$ 7,436,939</u>	<u>\$ 462,190</u>	<u>\$ 7,899,129</u>

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2018

WATER AND SEWER FUND BONDS

	TMBF 2001			TMBF 2006			TMBF 2006			TMBF 2008			TMBF 2010			TMBF 2012		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 254,000	\$ 43,680	\$ 297,680	\$ 75,000	\$ 760	\$ 75,760	\$ 258,000	\$ 131,850	\$ 389,850	\$ 195,000	\$ 155,589	\$ 350,589	\$ 75,000	\$ 32,132	\$ 107,132	\$ 64,000	\$ 23,058	\$ 87,058
2020	266,000	35,755	301,755	77,800	3,890	81,690	266,000	118,950	384,950	204,000	105,839	309,839	77,000	29,959	106,959	65,000	21,631	86,631
2021	279,000	27,456	306,456				274,000	105,650	379,650	215,000	95,639	310,639	79,000	27,728	106,728	67,000	20,182	87,182
2022	293,000	18,751	311,751				283,000	91,950	374,950	225,000	84,889	309,889	82,000	25,425	107,425	68,000	18,687	86,687
2023	308,000	9,610	317,610				292,000	77,800	369,800	237,000	73,639	310,639	84,000	23,052	107,052	70,000	17,171	87,171
2024							301,000	63,200	364,200	248,000	61,789	309,789	86,000	20,621	106,621	71,000	15,610	86,610
2025							311,000	48,150	359,150	261,000	49,389	310,389	89,000	18,118	107,118	73,000	14,027	87,027
2026							321,000	32,600	353,600	274,000	36,339	310,339	91,000	15,544	106,544	74,000	12,399	86,399
2027							331,000	16,550	347,550	288,000	22,639	310,639	94,000	12,899	106,899	76,000	10,749	86,749
2028										164,778	8,239	173,017	97,000	10,167	107,167	78,000	9,054	87,054
2029													100,000	7,350	107,350	79,000	7,314	86,314
2030													102,000	4,462	106,462	81,000	5,553	86,553
2031													105,000	1,502	106,502	83,000	3,746	86,746
2032																85,000	1,896	86,896
2033																		
2034																		
2035																		
	<u>\$ 1,400,000</u>	<u>\$ 135,252</u>	<u>\$ 1,535,252</u>	<u>\$ 152,800</u>	<u>\$ 4,650</u>	<u>\$ 157,450</u>	<u>\$ 2,637,000</u>	<u>\$ 686,700</u>	<u>\$ 3,323,700</u>	<u>\$ 2,311,778</u>	<u>\$ 693,990</u>	<u>\$ 3,005,768</u>	<u>\$ 1,161,000</u>	<u>\$ 228,957</u>	<u>\$ 1,389,957</u>	<u>\$ 1,034,000</u>	<u>\$ 181,076</u>	<u>\$ 1,215,076</u>

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2018

WATER AND SEWER FUND BONDS

	TMBF 2012 Johnson Controls			TMBF 2013			TML 2014			2015 QEC Energy Bonds			2016 Refunding Bonds			Total Water and Sewer Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 325,000	\$ 55,192	\$ 380,192	\$ 81,000	\$ 32,490	\$ 113,490	\$ 83,000	\$ 46,650	\$ 129,650	\$ -	\$ 140,000	\$ 140,000	\$ 130,000	\$ 52,938	\$ 182,938	\$ 1,540,000	\$ 714,338	\$ 2,254,338
2020	330,000	49,231	379,231	83,000	30,643	113,643	84,000	44,160	128,160	-	140,000	140,000	135,000	50,338	185,338	1,587,800	630,395	2,218,195
2021	335,000	43,180	378,180	85,000	28,751	113,751	85,000	41,640	126,640	-	140,000	140,000	135,000	46,288	181,288	1,554,000	576,512	2,130,512
2022	340,000	37,037	377,037	86,000	26,813	112,813	86,000	39,090	125,090	-	140,000	140,000	140,000	42,238	182,238	1,603,000	524,880	2,127,880
2023	345,000	30,804	375,804	88,000	24,852	112,852	87,000	36,510	123,510	-	140,000	140,000	145,000	38,038	183,038	1,656,000	471,475	2,127,475
2024	350,000	24,479	374,479	90,000	22,846	112,846	88,000	33,900	121,900	-	140,000	140,000	150,000	33,688	183,688	1,384,000	416,132	1,800,132
2025	355,000	18,064	373,064	92,000	20,794	112,794	89,000	31,260	120,260	-	140,000	140,000	155,000	29,188	184,188	1,425,000	368,988	1,793,988
2026	320,000	11,921	331,921	95,000	18,696	113,696	90,000	28,590	118,590	-	140,000	140,000	155,000	26,863	181,863	1,420,000	322,951	1,742,951
2027	250,000	6,734	256,734	97,000	16,530	113,530	91,000	25,890	116,890	-	140,000	140,000	160,000	24,538	184,538	1,387,000	276,528	1,663,528
2028	245,000	2,230	247,230	99,000	14,318	113,318	93,000	23,160	116,160	-	140,000	140,000	160,000	21,338	181,338	936,778	228,506	1,165,284
2029				101,000	12,061	113,061	94,000	20,370	114,370	-	140,000	140,000	165,000	18,138	183,138	539,000	205,233	744,233
2030				103,000	9,758	112,758	95,000	17,550	112,550	-	140,000	140,000	170,000	14,013	184,013	551,000	191,335	742,335
2031				106,000	7,410	113,410	96,000	14,700	110,700	-	140,000	140,000	175,000	9,763	184,763	565,000	177,120	742,120
2032				108,000	4,993	112,993	97,000	11,820	108,820	-	140,000	140,000	180,000	4,950	184,950	470,000	163,659	633,659
2033				111,000	2,531	113,531	98,000	8,910	106,910	-	140,000	140,000				209,000	151,441	360,441
2034							99,000	5,970	104,970	-	140,000	140,000				99,000	145,970	244,970
2035							100,000	3,000	103,000		3,500,000	140,000	3,640,000			3,600,000	143,000	3,743,000
	<u>\$ 3,195,000</u>	<u>\$ 278,870</u>	<u>\$ 3,473,870</u>	<u>\$ 1,425,000</u>	<u>\$ 273,486</u>	<u>\$ 1,698,486</u>	<u>\$ 1,555,000</u>	<u>\$ 433,170</u>	<u>\$ 1,988,170</u>	<u>\$ 3,500,000</u>	<u>\$ 2,380,000</u>	<u>\$ 5,880,000</u>	<u>\$ 2,155,000</u>	<u>\$ 412,313</u>	<u>\$ 2,567,313</u>	<u>\$ 20,526,578</u>	<u>\$ 5,708,463</u>	<u>\$ 26,235,041</u>

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2018

WATER AND SEWER FUND NOTES

	Loan - State of Tennessee 02-165			Loan - State of Tennessee 08-220			Loan - State of Tennessee 08-222			Loan - State of Tennessee 08-079			Loan - State of Tennessee 08-080			Loan - State of Tennessee 12-126		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 241,116	\$ 60,540	\$ 301,656	\$ 20,328	\$ 6,156	\$ 26,484	\$ 907,896	\$ 277,143	\$ 1,185,039	\$ 112,848	\$ 39,804	\$ 152,652	\$ 30,852	\$ 10,404	\$ 41,256	\$ 130,668	\$ 43,872	\$ 174,540
2020	246,852	54,804	301,656	20,820	5,664	26,484	928,068	255,813	1,183,881	115,500	37,152	152,652	31,608	9,648	41,256	132,996	41,544	174,540
2021	252,708	48,948	301,656	21,324	5,160	26,484	948,696	234,008	1,182,704	118,224	34,428	152,652	32,388	8,868	41,256	135,348	39,192	174,540
2022	258,708	42,948	301,656	21,840	4,644	26,484	960,180	211,718	1,171,898	121,008	31,644	152,652	33,204	8,052	41,256	137,748	36,792	174,540
2023	264,864	36,792	301,656	22,368	4,116	26,484	991,332	188,934	1,180,266	123,852	28,800	152,652	34,020	7,236	41,256	140,196	34,344	174,540
2024	271,152	30,504	301,656	22,920	3,564	26,484	1,013,364	165,643	1,179,007	126,768	25,884	152,652	34,860	6,396	41,256	142,680	31,860	174,540
2025	277,596	24,060	301,656	23,472	3,012	26,484	1,035,876	141,834	1,177,710	129,756	22,896	152,652	35,724	5,532	41,256	145,212	29,328	174,540
2026	284,184	17,472	301,656	24,036	2,448	26,484	1,058,904	177,496	1,236,400	132,816	19,836	152,652	36,612	4,644	41,256	147,792	26,748	174,540
2027	290,940	10,716	301,656	24,624	1,860	26,484	1,082,436	92,618	1,175,054	135,936	16,716	152,652	37,524	3,732	41,256	150,420	24,120	174,540
2028	297,973	3,795	301,768	25,224	1,260	26,484	1,106,484	67,186	1,173,670	139,140	13,512	152,652	38,448	2,808	41,256	153,084	21,456	174,540
2029				25,836	648	26,484	1,131,072	41,190	1,172,262	142,416	10,236	152,652	39,408	1,884	41,292	155,796	18,744	174,540
2030				13,118	104	13,222	1,163,694	14,616	1,178,310	145,776	6,876	152,652	40,380	876	41,256	158,568	15,972	174,540
2031										149,208	3,444	152,652	13,824	87	13,911	161,376	13,164	174,540
2032										63,211	413	63,624				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
2036																		
2037																		
2038																		
2039																		
	<u>\$ 2,686,093</u>	<u>\$ 330,579</u>	<u>\$ 3,016,672</u>	<u>\$ 265,910</u>	<u>\$ 38,636</u>	<u>\$ 304,546</u>	<u>\$ 12,328,002</u>	<u>\$ 1,868,199</u>	<u>\$ 14,196,201</u>	<u>\$ 1,756,459</u>	<u>\$ 291,641</u>	<u>\$ 2,048,100</u>	<u>\$ 438,852</u>	<u>\$ 70,167</u>	<u>\$ 509,019</u>	<u>\$ 2,552,082</u>	<u>\$ 400,639</u>	<u>\$ 2,952,721</u>

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2018

WATER AND SEWER FUND NOTES

	Loan - State of Tennessee 12-127			Loan - State of Tennessee 12-128			Loan - State of Tennessee 12-129			Loan - State of Tennessee 15-161			Loan - State of Tennessee 15-162			TMBF 2014			Total Water and Sewer Notes		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 58,224	\$ 20,352	\$ 78,576	\$ 75,216	\$ 19,296	\$ 94,512	\$ 52,368	\$ 13,572	\$ 65,940	\$ 38,191	\$ 9,432	\$ 47,623	\$ 49,258	\$ 19,569	\$ 68,827	\$ 570,000	\$ 19,610	\$ 589,610	\$ 2,286,965	\$ 539,750	\$ 2,826,715
2020	59,256	19,320	78,576	76,200	18,312	94,512	53,052	12,888	65,940	25,728	8,988	34,716	54,612	20,472	75,084	490,000	9,065	499,065	2,234,692	493,670	2,728,362
2021	60,312	18,264	78,576	77,184	17,328	94,512	53,736	12,204	65,940	26,172	8,544	34,716	55,560	19,524	75,084				1,781,652	446,468	2,228,120
2022	61,380	17,196	78,576	78,180	16,332	94,512	54,432	11,508	65,940	26,616	8,100	34,716	56,520	18,564	75,084				1,809,816	407,498	2,217,314
2023	62,472	16,104	78,576	79,200	15,312	94,512	55,140	10,800	65,940	27,084	7,632	34,716	57,492	17,592	75,084				1,858,020	367,662	2,225,682
2024	63,576	15,000	78,576	80,232	14,280	94,512	55,848	10,092	65,940	27,552	7,164	34,716	58,476	16,608	75,084				1,897,428	326,995	2,224,423
2025	64,704	13,872	78,576	81,276	13,236	94,512	56,580	9,360	65,940	28,020	6,696	34,716	59,484	15,600	75,084				1,937,700	285,426	2,223,126
2026	65,856	12,720	78,576	82,320	12,192	94,512	57,312	8,628	65,940	28,500	6,216	34,716	60,516	14,568	75,084				1,978,848	302,968	2,281,816
2027	67,020	11,556	78,576	83,388	11,124	94,512	58,056	7,884	65,940	28,992	5,724	34,716	61,560	13,524	75,084				2,020,896	199,574	2,220,470
2028	68,208	10,368	78,576	84,480	10,032	94,512	58,812	7,128	65,940	29,496	5,220	34,716	62,616	12,468	75,084				2,063,965	155,233	2,219,198
2029	69,420	9,156	78,576	85,572	8,940	94,512	59,580	6,360	65,940	30,000	4,716	34,716	63,696	11,388	75,084				1,802,796	113,262	1,916,058
2030	70,656	7,920	78,576	86,676	7,836	94,512	60,348	5,592	65,940	30,516	4,200	34,716	64,800	10,284	75,084				1,834,532	74,276	1,908,808
2031	71,904	6,672	78,576	87,804	6,708	94,512	61,128	4,812	65,940	31,044	3,672	34,716	65,916	9,168	75,084				642,204	47,727	689,931
2032	73,188	5,388	78,576	88,944	5,568	94,512	61,920	4,020	65,940	31,584	3,132	34,716	67,044	8,040	75,084				550,135	36,857	586,992
2033	74,484	4,092	78,576	90,096	4,416	94,512	62,724	3,216	65,940	32,124	2,592	34,716	68,208	6,876	75,084				494,796	28,572	523,368
2034	75,804	2,772	78,576	91,272	3,240	94,512	63,540	2,400	65,940	32,676	2,040	34,716	69,384	5,700	75,084				502,800	20,568	523,368
2035	77,148	1,428	78,576	92,448	2,064	94,512	64,368	1,572	65,940	33,240	1,476	34,716	70,572	4,512	75,084				496,446	12,463	508,909
2036	39,186	180	39,366	93,648	864	94,512	65,196	744	65,940	33,816	900	34,716	71,796	3,288	75,084				303,642	5,976	309,618
2037				15,749	18	15,767	21,844	55	21,899	34,292	301	34,593	73,032	2,052	75,084				144,917	2,426	147,343
2038													74,292	792	75,084				74,292	792	75,084
2039													6,166	9	6,175				6,166	9	6,175
	<u>\$ 1,182,798</u>	<u>\$ 192,360</u>	<u>\$ 1,375,158</u>	<u>\$ 1,529,885</u>	<u>\$ 187,098</u>	<u>\$ 1,716,983</u>	<u>\$ 1,075,984</u>	<u>\$ 132,835</u>	<u>\$ 1,208,819</u>	<u>\$ 575,643</u>	<u>\$ 96,745</u>	<u>\$ 672,388</u>	<u>\$ 1,271,000</u>	<u>\$ 230,598</u>	<u>\$ 1,501,598</u>	<u>\$ 1,060,000</u>	<u>\$ 28,675</u>	<u>\$ 1,088,675</u>	<u>\$ 26,722,708</u>	<u>\$ 3,868,171</u>	<u>\$ 30,590,879</u>

CITY OF LEBANON TENNESSEE  
SCHEDULE OF PROPRIETARY FUND DEBT  
June 30, 2018

GAS BONDS

	2008 TML			2014 TMBF			Total Gas Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 52,000	\$ 36,700	\$ 88,700	\$ 43,000	\$ 19,841	\$ 62,841	\$ 95,000	\$ 56,541	\$ 151,541
2020	54,000	34,100	88,100	45,000	18,772	63,772	99,000	52,872	151,872
2021	57,000	31,400	88,400	46,000	17,666	63,666	103,000	49,066	152,066
2022	60,000	28,550	88,550	47,000	16,536	63,536	107,000	45,086	152,086
2023	63,000	25,550	88,550	48,000	15,382	63,382	111,000	40,932	151,932
2024	66,000	22,400	88,400	49,000	14,203	63,203	115,000	36,603	151,603
2025	69,000	19,100	88,100	50,000	13,001	63,001	119,000	32,101	151,101
2026	73,000	15,650	88,650	51,000	11,773	62,773	124,000	27,423	151,423
2027	76,000	12,000	88,000	53,000	10,510	63,510	129,000	22,510	151,510
2028	80,000	8,200	88,200	54,000	9,210	63,210	134,000	17,410	151,410
2029	84,000	4,200	88,200	55,000	7,885	62,885	139,000	12,085	151,085
2030				57,000	6,525	63,525	57,000	6,525	63,525
2031				58,000	5,127	63,127	58,000	5,127	63,127
2032				59,000	3,706	62,706	59,000	3,706	62,706
2033				61,000	2,248	63,248	61,000	2,248	63,248
2034				62,000	753	62,753	62,000	753	62,753
	<u>\$ 734,000</u>	<u>\$ 237,850</u>	<u>\$ 971,850</u>	<u>\$ 838,000</u>	<u>\$ 173,138</u>	<u>\$ 1,011,138</u>	<u>\$ 1,572,000</u>	<u>\$ 410,988</u>	<u>\$ 1,982,988</u>

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2018

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
<b>Department of Natural Gas:</b>				
Land and Improvements	\$ 866,063	\$ -	\$ -	\$ 866,063
Buildings	2,528,868	13,713	-	2,542,581
Equipment	3,194,260	279,434	(59,944)	3,413,750
Transmission and Distribution	32,606,722	1,837,399	-	34,444,121
	<u>\$ 39,195,913</u>	<u>\$ 2,130,547</u>	<u>\$ (59,944)</u>	<u>\$ 41,266,516</u>
<b>Department of Water and Sewer:</b>				
Land and Improvements	\$ 1,687,410	\$ 9,613	\$ -	\$ 1,697,023
Buildings	67,253,266	1,281,921	-	68,535,187
Equipment	4,381,332	714,970	-	5,096,302
Improvements Other Than Buildings	113,530,434	4,602,395	-	118,132,829
	<u>\$ 186,852,441</u>	<u>\$ 6,608,899</u>	<u>\$ -</u>	<u>\$ 193,461,341</u>
<b>Stormwater Fund</b>				
Equipment	\$ 51,939	\$ 116,735	\$ -	\$ 168,674
Improvements Other Than Buildings	258,336	124,712	-	383,049
	<u>\$ 310,275</u>	<u>\$ 241,448</u>	<u>\$ -</u>	<u>\$ 551,723</u>

CITY OF LEBANON, TENNESSEE  
SCHEDULE OF TAXES RECEIVABLE

June 30, 2018

General Fund

Uncollected Taxes:

Deferred 2018	\$ 7,596,977
Vouchers on Hand	-
2017	172,127
2016	34,272
2015	2,303
2014	310
2013	131
2012	1,482
2011	104
2010	2,422
2009	226
2008	232
2007	642
	<u>\$ 7,811,228</u>

-NOTE

All delinquent taxes through 2016 Tax year have been filed with the Clerk and Master.

**CITY OF LEBANON TENNESSEE**  
**SCHEDULE OF CHANGES IN TAXES RECEIVABLE**  
**Year Ended June 30, 2018**

Tax Year	Property Tax Receivable Balance June 30, 2017	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2018
2018	\$ -	\$ -	\$ 7,596,977	\$ -	\$ -	\$ -	\$ 7,596,977
Vouchers	-	10,254	-	-	10,254	-	-
2017	7,142,341	295,513	-	(14,117)	7,279,844	-	172,127
2016	230,081	-	-	(1,648)	197,457	-	34,272
2015	31,636	-	-	89	29,244	-	2,303
2014	557	-	-	(131)	378	-	310
2013	828	-	-	2	695	-	131
2012	1,629	-	-	-	147	-	1,482
2011	104	-	-	-	-	-	104
2010	2,422	-	-	-	-	-	2,422
2009	226	-	-	-	-	-	226
2008	232	-	-	-	-	-	232
2007	642	-	-	-	-	-	642
2006	955	-	-	955	-	-	-
	\$ 7,411,653	\$ 305,767	\$ 7,596,977	\$ (14,850)	\$ 7,518,019	\$ -	\$ 7,811,228

**CITY OF LEBANON TENNESSEE**

**SCHEDULE OF TAX RATES AND ASSESSMENTS**

**UNAUDITED**

**June 30, 2018**

	<u>Rate per \$100 of Assessed Valuation</u>	<u>Total Assessed Valuation</u>
2018	\$ 0.6075	\$ 1,250,539,571
2017	0.6075	1,175,736,471
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

**CITY OF LEBANON, TENNESSEE**  
**SCHEDULE OF NATURAL GAS RATES**

**UNAUDITED**

**Year Ended June 30, 2018**

There were 8,492 metered customers billed during the month of June, 2018. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2018 are as follows:

	Inside City	Outside City
<b>1) <u>Residential</u></b>		
Minimum	\$5.00	\$5.00
First 1,000 Cubic Feet	\$7.67	\$9.27
All Over 1,000 Cubic Feet	\$7.89/1000	\$9.53/1000
<b>2) <u>Commercial</u></b>		
Customer Charge	\$20.00	\$20.00
First 10,000 Cubic Feet	\$8.79	\$10.65
All Over 10,000 Cubic Feet	\$7.71/1000	\$9.26/1000
<b>2) <u>Multiple Dwellings- L.H.A.</u></b>		
Minimum	\$5.00	
First 1,000 Cubic Feet	\$7.67	
All Over 1,000 Cubic Feet	\$7.89/1000	
<b>4) <u>Interruptible</u></b>		
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	
<b>5) <u>Industrial</u></b>		
Customer Charge	\$100.00	\$100.00
First 100,000 Cubic Feet	\$7.94/1000	\$9.59/1000
All Over 100,000 Cubic Feet	\$7.09/100MCF	\$8.53/100MCF

Number of miles of the Distribution System of Lines- 300

**CITY OF LEBANON, TENNESSEE**  
**SCHEDULE OF WATER AND SEWER RATES**

**UNAUDITED**

**Year Ended June 30, 2018**

There were 11,530 metered water customers and 12,126 sewer customers billed during June, 2018. 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, 2018, are as follows:

**WATER**

<b>Residential</b>			<u>Inside City</u>		<u>Outside City</u>	
First	0-1500	GA	0.006913 Per Gallon	\$10.37	0.010367 Per Gallon	\$15.55
Next	15-01-2000	GA	0.006913 Per Gallon		0.010367 Per Gallon	
Next	2001-over	GA	0.007312 Per Gallon		0.109680 Per Gallon	
<b>Commercia</b>						
First	0-1500	GA	0.007150 Per Gallon	\$10.73	0.010725 Per Gallon	\$16.09
Next	1501-2000	GA	0.007150 Per Gallon		0.010173 Per Gallon	
Next	2001-99,999	GA	0.007312 Per Gallon		(2001-over)	
Next	100,000-over	GA	0.006300 Per Gallon		0.011000 Per Gallon	

**SEWER (Water customers also)**

<b>Residential</b>			<u>Inside City</u>		<u>Outside City</u>	
First	0-1500	GA	0.007333 Per Gallon	\$11.00	0.011000 Per Gallon	\$16.50
Next	1501- over	GA	0.007700 Per Gallon		0.012000 Per Gallon	
<b>Commercia</b>						
First	0-1500	GA	0.007533 Per Gallon	\$11.30	0.011300 Per Gallon	\$16.95
Next	1501-99,999	GA	0.007700 Per Gallon		(1501-over)	
Next	100,000- over	GA	0.007600 Per Gallon		0.012000 Per Gallon	

**SEWER ONLY (Metered Sewer)**

<b>Residential</b>			<u>Inside City</u>		<u>Outside City</u>	
First	0-1500	GA	0.007333 Per Gallon	\$11.00	0.014000 Per Gallon	\$21.00
Next	1501- over	GA	0.007700 Per Gallon		0.015000 Per Gallon	
<b>Commercia</b>						
First	0-1500	GA	0.007533 Per Gallon	\$11.25	0.014333 Per Gallon	\$21.50
Next	1501-99,999	GA	0.007700 Per Gallon		(1501-over)	
Next	100,000- over	GA	0.007575 Per Gallon		0.016000 Per Gallon	

Fee for replacing destroyed meter locks: \$30

Fee for Service call per trip required: \$40

Fee for the reconnect fee for utilities that have been disconnected by the City: \$50

Water rate for water utility district will remain the same.

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF INSURANCE COVERAGE**

**UNAUDITED**

**JUNE 30, 2018**

**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

\$175,266,829 per occurrence  
\$225,000  
\$3,675,000  
\$175,266,829  
\$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, 2018**

	<u>Bond</u>
Commissioner of Finance and Revenue- Stuart Lawson	\$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, 2018

Transfers From	Governmental Funds			Proprietary Funds			Total
	Major Funds	Nonmajor Funds		Water Sewer	Stormwater	Gas	
	General	State Street Aid	Airport Operations				
Transfers To							
Governmental Funds:							
Major Funds:							
Street Improvements	287,200	\$ 375,000	\$ -	\$ 325,000	\$ -	\$ 50,000	\$ 1,037,200
Nonmajor Funds:							
Floyd Family Life Center	306,639	-	-	-	-	-	306,639
2008 G.O. Refunding Bond Sinking	280,950	-	-	-	-	-	280,950
2004 G.O. Bond Sinking	112,610	-	-	-	-	-	112,610
2008 G.O. Bond Sinking	216,227	-	-	-	-	-	216,227
2011 G.O. Bond Sinking	60,525	-	-	-	-	-	60,525
2013 G.O. Bond Sinking	233,456	-	-	-	-	-	233,456
2016 Legends Drive Sinking	285,469	-	-	-	-	-	285,469
2016 Airport Terminal Sinking	-	-	104,952	-	-	-	104,952
West Side Park Sinking	2,548	-	-	-	-	-	2,548
Airport Maintenance Hangar Sinking	-	-	33,722	-	-	-	33,722
Airport Capital Projects	-	-	-	-	-	-	-
Street Improvements	287,200	-	-	-	-	-	287,200
Beatification Committee	12,000	-	-	-	2,000	-	14,000
Proprietary Funds:							
Water/Sewer	32,000	-	-	-	-	-	32,000
<b>Total</b>	<b>\$ 2,116,824</b>	<b>\$ 375,000</b>	<b>\$ 138,674</b>	<b>\$ 325,000</b>	<b>\$ 2,000</b>	<b>\$ 50,000</b>	<b>\$ 3,007,498</b>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>					
<b>Taxes:</b>					
Real and Personalty	\$ 7,321,723	\$ 6,830,294	\$ 5,761,718	\$ 5,777,997	\$ 5,378,029
Business Tax	1,707,902	1,594,583	1,364,190	1,481,951	1,050,900
Wholesale Beer	1,084,790	1,071,598	1,083,966	1,043,791	1,005,429
Sales Tax	12,194,034	11,842,555	11,276,908	10,262,957	9,636,331
Cable TV Franchise Fee	394,224	380,825	373,771	327,270	282,272
Hotel and Motel Tax	399,298	394,197	361,250	311,746	263,006
Liquor Tax	390,016	382,897	362,639	327,390	320,776
	<u>23,491,987</u>	<u>22,496,949</u>	<u>20,584,442</u>	<u>19,533,102</u>	<u>17,936,743</u>
<b>Tax Equivalents:</b>					
TVA Tax Replacement	371,949	370,099	308,125	304,331	290,541
	<u>371,949</u>	<u>370,099</u>	<u>308,125</u>	<u>304,331</u>	<u>290,541</u>
<b>Federal, State and Regional Apportionments and Grants:</b>					
Sales Tax	2,770,561	2,607,033	2,105,150	1,960,284	1,857,962
Income Tax	84,619	518,316	390,497	407,221	337,376
Street and Transportation Fund	65,966	63,974	53,296	53,455	53,616
Highway Grants and Contracts	155,382	155,382	164,701	117,791	96,473
Beer Tax	15,270	15,804	12,788	12,526	12,393
Alcoholic Beverage Tax	112,278	105,379	90,452	98,116	90,629
Corporate Excise Tax	105,705	92,462	76,319	47,652	30,747
Police and Fire Salary Supplement	75,000	72,000	70,200	69,000	68,400
COPS/JAG Grants	336,105	211,029	21,592	20,650	13,471
D.E.A. Grant	24,435	11,252	17,199	31,447	35,117
Highway Safety/Safe Street Grants	30,829	22,131	19,121	29,164	37,490
Organized Drug Task Force	-	-	-	6,191	37,159
Intelligent Transportation	-	-	-	-	-
Telecommunications	14,004	2,691	2,305	2,507	2,645
	<u>3,790,154</u>	<u>3,877,453</u>	<u>3,023,620</u>	<u>2,856,004</u>	<u>2,673,478</u>
Fines and Costs	1,038,177	852,113	844,868	713,305	735,012
Rents from Other City Departments	-	-	0	3,987	9,500
Rent - Other	24,000	24,000	42,000	54,000	24,000
Highway and Street Charges	26,441	72,654	75,318	32,471	23,884
Interest	214,155	101,417	58,129	70,886	83,847
Permits and Licenses	1,792,087	1,336,638	1,260,722	905,997	791,377
Cemetery Income	49,300	56,820	55,080	60,828	76,235
Park and Recreation Income	33,940	38,064	31,290	31,373	28,343
Interest and Penalty on Taxes and Licenses	36,946	27,409	27,810	37,680	23,537
Miscellaneous	1,192,886	840,927	433,375	347,700	398,654
Financing Sources	18,281	71,503	35,838	66,610	81,096
	<u>4,426,213</u>	<u>3,421,545</u>	<u>2,864,430</u>	<u>2,324,837</u>	<u>2,275,485</u>
	<u>\$ 32,080,303</u>	<u>\$ 30,166,046</u>	<u>\$ 26,780,617</u>	<u>\$ 25,018,274</u>	<u>\$ 23,176,247</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Mayor and Council	\$ 372,404	\$ 455,131	\$ 339,139	\$ 303,638	\$ 222,061
City Attorney/Judicial	177,417	199,719	179,469	185,883	179,703
Financial Administration	183,965	176,490	179,001	163,905	134,055
EAC Committee	168	134	228	171	234
Accounting	137,944	174,224	180,987	175,321	236,338
Sanitation	1,814,667	1,800,601	1,186,318	1,335,785	1,309,497
Customer Billing	25,863	26,338	26,959	35,226	35,475
Purchasing	40,869	41,260	44,416	43,399	54,950
Computer Equipment	374,054	311,645	211,214	229,730	214,839
Public Works	294,076	294,580	251,822	175,132	199,280
Warehouse	304,410	178,585	(380)	40,449	45,646
Personnel	335,104	233,280	288,329	231,613	79,197
General Maintenance	329,057	289,329	236,634	253,245	260,288
Police	9,368,957	8,526,304	7,791,166	7,577,294	8,364,368
Fire	5,513,872	6,624,137	4,697,257	3,998,986	3,975,030
Building Inspection	601,365	508,581	430,478	359,256	351,484
Building Maintenance	92,491	86,019	84,276	107,711	95,648
Street	1,186,473	3,055,543	1,408,746	2,960,669	2,390,262
Animal Control	139,738	153,101	215,803	159,085	88,328
Engineering	331,221	302,500	292,259	268,312	277,996
Garage	311,647	310,661	299,730	345,642	307,312
Cemetery	119,551	108,313	97,442	85,797	80,332
Recreation	934,728	729,665	724,948	993,132	740,510
Drainage Migration	78,226	297,359	56,131	50,000	50,000
Special Events	31,130	29,830	32,184	28,544	27,970
Dues	292,923	353,829	260,373	264,322	363,078
Community Park	727,084	222,734	89,450	214,947	83,764
Regional Transportation Authority	601,569	298,128	158,569	163,017	-
Traffic Maintenance	200,012	199,319	210,005	148,423	236,312
Public Safety	2,293,639	754,438	671,656	487,633	425,980
Johnson Controls	26,090	93,055	160,667	92,359	43,201
Risk Assessment	46,062	20,372	-	-	-
Accounting System Debt Service	17,881	17,987	36,169	38,641	35,875
Intelligent Transportation	287	-	-	-	-
Economic Development	159,029	114,737	35,074	-	-
Total Expenditures	<u>\$ 27,463,973</u>	<u>\$ 26,987,928</u>	<u>\$ 20,876,519</u>	<u>\$ 21,517,267</u>	<u>\$ 20,909,013</u>

**CITY OF LEBANON, TENNESSEE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Years Ended June 30, 2018**

	<u>2018</u>
Total Tax Levy	7,437,854
Current Tax Collections	6,526,944
Percent of Levy Collected	87.75%
Delinquent Tax Collections	984,862
Total Tax Collections	7,511,806
Total Collections as Percent of Current Levy	100.99%
Outstanding Delinquent Taxes	214,251
Outstanding Delinquent Taxes as Percent of Current Levy	2.88%

**CITY OF LEBANON, TENNESSEE**

**ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY**

**Year Ended June 30, 2018**

	<u>2018</u>
<b>Real Property:</b>	
Assessed Value	1,121,109,300
Estimated Actual Value	3,585,060,900
<b>Personal Property:</b>	
Assessed Value	129,430,271
Estimated Actual Value	488,212,471
<b>Public Utility Property:</b>	
Assessed Value	48,643,785
Estimated Actual Value	48,643,785
<b>Total:</b>	
Assessed Value	1,299,183,356
Estimated Actual Value	4,121,917,156
Ratio of Total Assessed Value to Total Estimated Actual Value	31.52%

**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>
2014	2013	\$ 0.60750	\$2.5704/\$3.0204
2015	2014	\$ 0.60750	\$2.5704/\$3.0204
2016	2015	\$ 0.60750	\$2.5189/\$2.9016
2017	2016	\$ 0.60750	\$2.5189/\$2.9016
2018	2017	\$ 0.60750	\$2.5189/\$2.9016

Tax Levies

	<u>City</u>	<u>County</u>
2014 2013	\$ 5,369,617	\$ 78,849,633
2015 2014	\$ 5,572,337	\$ 81,121,620
2016 2015	\$ 5,646,898	\$ 83,299,252
2017 2016	\$ 6,708,480	\$ 97,936,335
2018 2017	\$ 7,142,341	\$ 103,304,436

**CITY OF LEBANON, TENNESSEE**

**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2018**

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  
2018 - 40.0

Paved Streets- 200.5 Miles

Sidewalks- 72 Miles

Sanitary Sewer Lines- 301 Miles

Fire Protection:

Number of Fire Stations- 4

Number of Full and Part-Time Employees- 69

Police Protection:

Number of Full and Part-Time Employees- 128

Vehicular Patrol Units- 108

**CITY OF LEBANON, TENNESSEE**

**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2018**

Elections:

Number of Registered Voters- 15,372

Number of Votes Cast-

Last General Election- 10,781

Last Municipal Election- 10,781

Special Called Election- 1,450

Percentage of Registered Voters Voting

Last General Election- 70%

Last Municipal Election- 70%

Special Called Election- 9%

Population:

2018- 33,391

Gas System:

Number of Consumers- 8,492

Cubic Feet Billed for the

Year- 1,363,173,555

Distribution System- 300 Miles  
of Lines

Water System:

Number of Consumers- 11,530

Cubic Feet Billed for the

Year- 1,474,044,907

Distribution System- 256  
miles of Water Mains

Water Treatment Plant

Capacity- 12,000,000

Gallons Per Day

**CITY OF LEBANON, TENNESSEE**

**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2018**

Sewer System:

Number of Users- 12,126

Sewer Plant Capacity-

10,000,000 Gallons Per Day

Number of Full and Part-Time Employees- 513

Principal Taxpayers

Type of Business

Middle Tennessee Electric Membership Corp	Electric Co-op
Lebanon HMA	Healthcare
Hamilton Station	Real Estate
Lochinvar LLC	Manufacturing
SMBC Leasing & Finance Inc	Distribution
Revere at Barton's Run LLC	Apartments
Tennessee Service Corp	Auto Auction
McNabb Teresa	Real Estate
Western A Midwest TN LLC	Distribution
Commerce Farms	Real Estate

# AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0  
American Water Works Association  
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**Water Audit Report for:**    
**Reporting Year:**

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**

		← Enter grading in column 'E' and 'J' →				Pcnt: Value:	
Volume from own sources:	<input type="text" value="9"/>	<input type="text" value="2,194.204"/>	MG/Yr	<input type="text" value="5"/>	<input type="text" value="2.00%"/>	<input type="text" value=""/>	MG/Yr
Water imported:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	MG/Yr
Water exported:	<input type="text" value="8"/>	<input type="text" value="459.373"/>	MG/Yr	<input type="text" value="5"/>	<input type="text" value=""/>	<input type="text" value="2.003"/>	MG/Yr
<b>WATER SUPPLIED:</b>		<input type="text" value="1,693.810"/>	MG/Yr				

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

**AUTHORIZED CONSUMPTION**

Billed metered:	<input type="text" value="7"/>	<input type="text" value="1,157.639"/>	MG/Yr
Billed unmetered:	<input type="text" value="7"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled metered:	<input type="text" value="n/a"/>	<input type="text" value="0.000"/>	MG/Yr
Unbilled unmetered:	<input type="text" value="6"/>	<input type="text" value="23.943"/>	MG/Yr
Unbilled unmetered volume entered is greater than the recommended default value			
<b>AUTHORIZED CONSUMPTION:</b>		<input type="text" value="1,181.582"/>	MG/Yr

Click here:  for help using option buttons below

Pcnt:  Value:  MG/Yr

Use buttons to select percentage of water supplied OR value

**WATER LOSSES (Water Supplied - Authorized Consumption)**

MG/Yr

**Apparent Losses**

Unauthorized consumption:	<input type="text" value="5"/>	<input type="text" value="4.235"/>	MG/Yr
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed			
Customer metering inaccuracies:	<input type="text" value="8"/>	<input type="text" value="35.803"/>	MG/Yr
Systematic data handling errors:	<input type="text" value="5"/>	<input type="text" value="31.897"/>	MG/Yr
<b>Apparent Losses:</b>		<input type="text" value="71.935"/>	MG/Yr

Pcnt:  Value: 

MG/Yr

**Real Losses (Current Annual Real Losses or CARL)**

Real Losses = Water Losses - Apparent Losses:	<input type="text" value="512.228"/>	<input type="text" value="440.294"/>	MG/Yr
<b>WATER LOSSES:</b>		<input type="text" value="512.228"/>	MG/Yr

**NON-REVENUE WATER**

**NON-REVENUE WATER:**  MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

**SYSTEM DATA**

Length of mains:	<input type="text" value="9"/>	<input type="text" value="256.2"/>	miles
Number of active AND inactive service connections:	<input type="text" value="8"/>	<input type="text" value="11,460"/>	
Service connection density:	<input type="text" value=""/>	<input type="text" value="45"/>	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:

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:	<input type="text" value="9"/>	<input type="text" value="\$7,128,625"/>	\$/Year
Customer retail unit cost (applied to Apparent Losses):	<input type="text" value="6"/>	<input type="text" value="\$14.42"/>	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	<input type="text" value="10"/>	<input type="text" value="\$652.10"/>	\$/Million gallons <input type="checkbox"/> 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: Unauthorized consumption



## AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.  
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Water Audit Report for: **City of Lebanon**  
Reporting Year: **2018**    **7/2017 - 6/2018**

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

**System Attributes:**

	Apparent Losses:	71.935	MG/Yr
+	Real Losses:	440.294	MG/Yr
=	<b>Water Losses:</b>	<b>512.228</b>	MG/Yr

? Unavoidable Annual Real Losses (UARL): 68.00 MG/Yr

Annual cost of Apparent Losses: \$1,037,300

Annual cost of Real Losses: \$287,115    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:	<span style="border: 1px solid black; padding: 2px;">31.7%</span>	
		Non-revenue water as percent by cost of operating system:	<span style="border: 1px solid black; padding: 2px;">18.8%</span>	Real Losses valued at Variable Production Cost

Operational Efficiency:	{	Apparent Losses per service connection per day:	<span style="border: 1px solid black; padding: 2px;">17.20</span>	gallons/connection/day
		Real Losses per service connection per day:	<span style="border: 1px solid black; padding: 2px;">105.26</span>	gallons/connection/day
		Real Losses per length of main per day*:	<span style="border: 1px solid black; padding: 2px;">N/A</span>	
		Real Losses per service connection per day per psi pressure:	<span style="border: 1px solid black; padding: 2px;">1.75</span>	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 440.29 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 6.47

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

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

Year Ended June 30, 2018

FEDERAL GRANTOR/PASS THROUGH GRANTOR	PROGRAM/CLUSTER NAME	CFDA#	CONTRACT #	EXPENDITURES
<b>FEDERAL AWARDS:</b>				
Pass Through Funding:				
Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWF 2015+162	\$ 39,747
Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW2 2015-161	7,633
Total Program 66.468				<u>\$ 47,380</u>
Pass Through Funding:				
Department of Transportation through TN Department of Transportation	DUI Enforcement Initiative	20.607	Z14GHS174	\$ 14,529
Department of Transportation through TN Department of Safety and Homeland Security	DUI Enforcement Initiative	20.607	Z17THS215	6,089
Total Program 20.607				<u>\$ 20,617</u>
Department of Housing and Urban Development passed through TN Housing Development Agency	Home Investment Partership Program	14.239	HM-1515-24	304,410
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0160-18	\$ 67,500
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0161-18	(12,500)
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	Not available	(3,750)
Total Program 20.106				<u>\$ 51,250</u>
Direct Funding:				
Department of Justice	Bullet Proof Vest Partnership Program	16.607		6,695
TOTAL FEDERAL AWARDS				<u>\$ 430,352</u>
<b>STATE FINANCIAL ASSISTANCE:</b>				
Tennessee Department of Transportation	Airport Maintenance	N/A	95-555-1533-04	\$ 14,300
Tennessee Department of Transportation	Grounds Maintenance Equipment	N/A	95-555-0357-17	30,000

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

Year Ended June 30, 2018

FEDERAL GRANTOR/PASS THROUGH GRANTOR	PROGRAM/CLUSTER NAME	CFDA#	CONTRACT #	EXPENDITURES
Tennessee Department of Transportation	Security Cameras	N/A	95-555-0160-18	3,000
Tennessee Department of Environment and Conservation	S Hartmann Water System Improvements	N/A	DW2 2015-161	17,179
Tennessee Department of Environment and Conservation	S Hartmann Water System Improvements	N/A	DWF 2015-162	213,110
TOTAL STATE AWARDS				<u>\$ 277,589</u>
TOTAL FEDERAL AND STATE AWARDS				<u>\$ 707,941</u>

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.

NOTE B - LOANS OUTSTANDING

At June 20, 2017, there were the following balances outstanding on loans obtained in prior years:

Loan #	Outstanding Balance	Percent Federal Funding	Payments in Current Fiscal Year
DWF 2015-161		30.76%	\$ 7,633
DWF 2015-162		38.46%	39,747

NOTE C - INDIRECT COST RATE

None of the expenditures listed above include indirect costs, therefore, the City of Lebanon does not use the 10% de minimus indirect cost rate allowed by Uniform Guidance.

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 units, each major fund, and the aggregate remaining fund information of the City of Lebanon, Tennessee, as of and for the year ended June 30, 2018, 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 February 22, 2019.

**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.

*Dempsey Ventresca + Follos PLLC*

Lebanon, Tennessee  
February 22, 2019

**CITY OF LEBANON**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2018**

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.