

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
CITY OF LEBANON, TENNESSEE  
YEAR ENDED JUNE 30, 2019**

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**CITY OF LEBANON TENNESSEE**

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

**June 30, 2019**

**Publicly Elected Officials:**

|             |                    |
|-------------|--------------------|
| Mayor       | Bernie Ash         |
| Councilors: |                    |
| Ward 1      | Joey Carmack       |
| Ward 2      | Fred Burton        |
| Ward 3      | Camille Brudine    |
| Ward 4      | Chris Crowell      |
| Ward 5      | Tick Bryan         |
| Ward 6      | Jeni Lind Brinkman |

**Management Officials:**

|  |                     |
|--|---------------------|
| Commissioner of Finance and<br>Revenue | Stuart Lawson, CMFO |
| Commissioner of Public Works           | Jeff Baines         |

## 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, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements

The supplementary information, 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 24, 2020, 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.

*Dempsey Ventresca + Folles PLLC*

Lebanon, Tennessee  
February 24, 2020

## **CITY OF LEBANON, TENNESSEE**

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

June 30, 2019

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, 2019. Please read it conjunction with the City's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- > The City's total net position increased \$13.39 million or 7.28%. Of this amount, the net position of the Government activities increased by almost \$4.27 million and the net position of the Business type activities increased by \$9.12 million.
- > The City's governmental activities revenues from taxes and other sources were \$39.62 million and exceeded expenditures by \$4.27 million. Last year, revenues exceeded expenditures by \$7.71 million. Compared to last year revenues decreased by 1.72% and expenditures increased by 8.46%.
- > Revenues from the City's business-type activities were \$37.25 million, and revenues exceeded expenses by \$9.12 million. Last year revenues exceeded expenses by \$9.08 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 Uniform Guidance and the State of Tennessee, require the remaining schedules in the report. The following further explains the basic financial statements:

## **Government-Wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position 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 position 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 \$13.39 million during the year ended June 30, 2019. Of this amount, Government activities increased by about \$4.27 million and the net position of the Business type activities increased by \$9.12 million. In comparison, for the year ended June 30, 2018, the City's net position increased \$16.80 million. The following table is a comparison of net assets of the City during the fiscal years ended June 30, 2019 and 2018:

### CITY OF LEBANON , TENNESSEE NET POSITION

|                                | Governmental Activities |                      | Business Type Activities |                       | Total                 |                       | Total<br>Percentage<br>Change<br>2019-2018 |
|--------------------------------|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|--|
|                                | 2019                    | 2018                 | 2019                     | 2018                  | 2019                  | 2018                  |  |
| Current and Other Assets       | \$ 47,913,711           | \$ 48,017,481        | \$ 26,586,616            | \$ 25,850,386         | \$ 74,500,327         | \$ 73,867,867         | 86.00%                                     |
| Capital Assets, net            | 77,576,506              | 64,146,714           | 146,790,547              | 141,371,163           | 224,367,053           | 205,517,877           | 9.17%                                      |
| Total Assets                   | <b>125,490,217</b>      | <b>112,164,195</b>   | <b>173,377,163</b>       | <b>167,221,549</b>    | <b>298,867,380</b>    | <b>279,385,744</b>    | <b>6.97%</b>                               |
| Deferred Outflows of Resources | 2,672,228               | 4,162,599            | 3,110,414                | 2,928,129             | 5,782,642             | 7,090,728             | -18.45%                                    |
| Long-Term Debt, net            | 21,910,889              | 18,687,516           | 45,047,201               | 48,092,978            | 66,958,090            | 66,780,494            | 0.27%                                      |
| Other Liabilities              | 31,749,634              | 27,235,938           | 7,695,664                | 7,362,192             | 39,445,298            | 34,598,131            | 14.01%                                     |
| Total Liabilities              | <b>53,660,523</b>       | <b>45,923,454</b>    | <b>52,742,865</b>        | <b>55,455,170</b>     | <b>106,403,388</b>    | <b>101,378,625</b>    | <b>4.96%</b>                               |
| Deferred Inflows of Resources  | 231,294                 | 399,032              | 656,870                  | 725,691               | 888,164               | 1,124,723             |  |
| Net Position                   |                         |                      |                          |                       |                       |                       |  |
| Net Investment in Capital      |                         |                      |                          |                       |                       |                       |  |
| Assets                         | 55,665,617              | 45,459,198           | 101,743,346              | 93,278,185            | 157,408,963           | 138,737,383           | 13.46%                                     |
| Restricted                     | 3,743,707               | 2,930,278            | 1,088,614                | 822,606               | 4,832,321             | 3,752,885             | 28.76%                                     |
| Unrestricted                   | 14,861,304              | 21,614,832           | 20,255,882               | 19,868,026            | 35,117,186            | 41,482,858            | -15.35%                                    |
| Total Net Position             | <b>\$ 74,270,628</b>    | <b>\$ 70,004,308</b> | <b>\$ 123,087,842</b>    | <b>\$ 113,968,817</b> | <b>\$ 197,358,470</b> | <b>\$ 183,973,126</b> | <b>7.28%</b>                               |

Net position of the City's governmental activities increased by about \$4.27 million. Of this amount, total assets increased by \$13.32 million and total liabilities increased by \$7.74 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 \$9.12 million. Of this amount total assets increased by \$6.16 million and total liabilities decreased by \$2.71 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, 2019 and 2018:

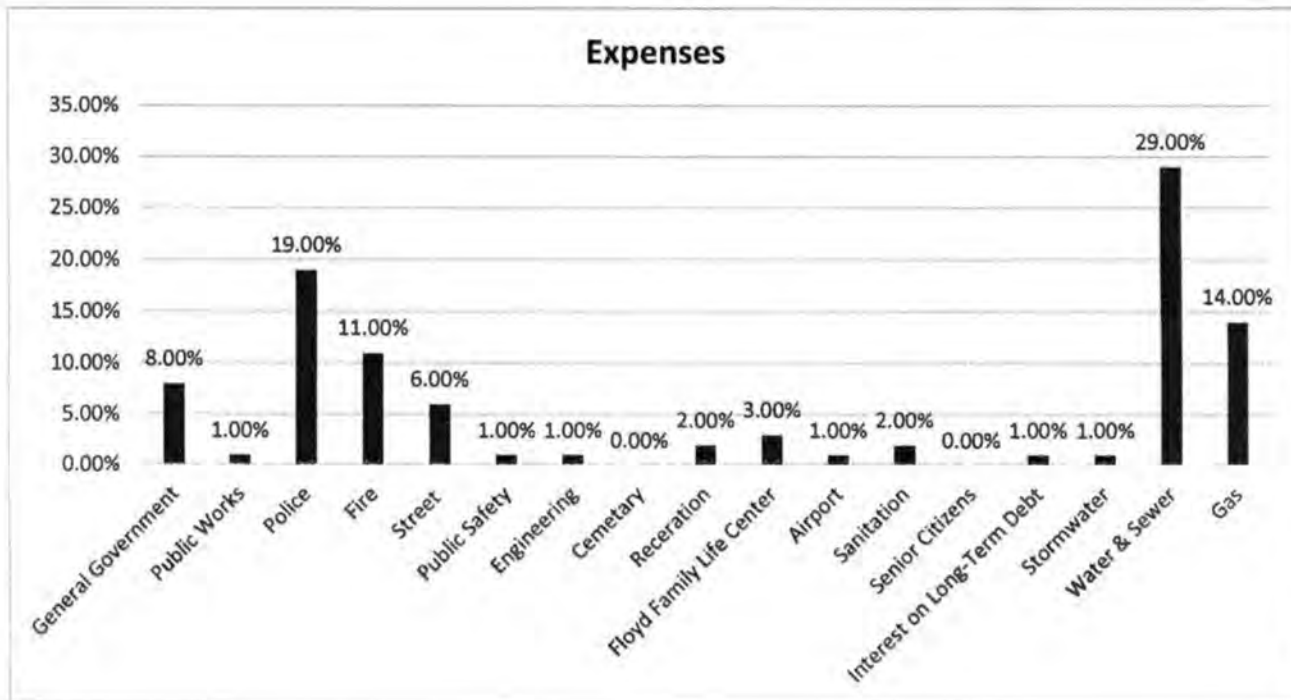
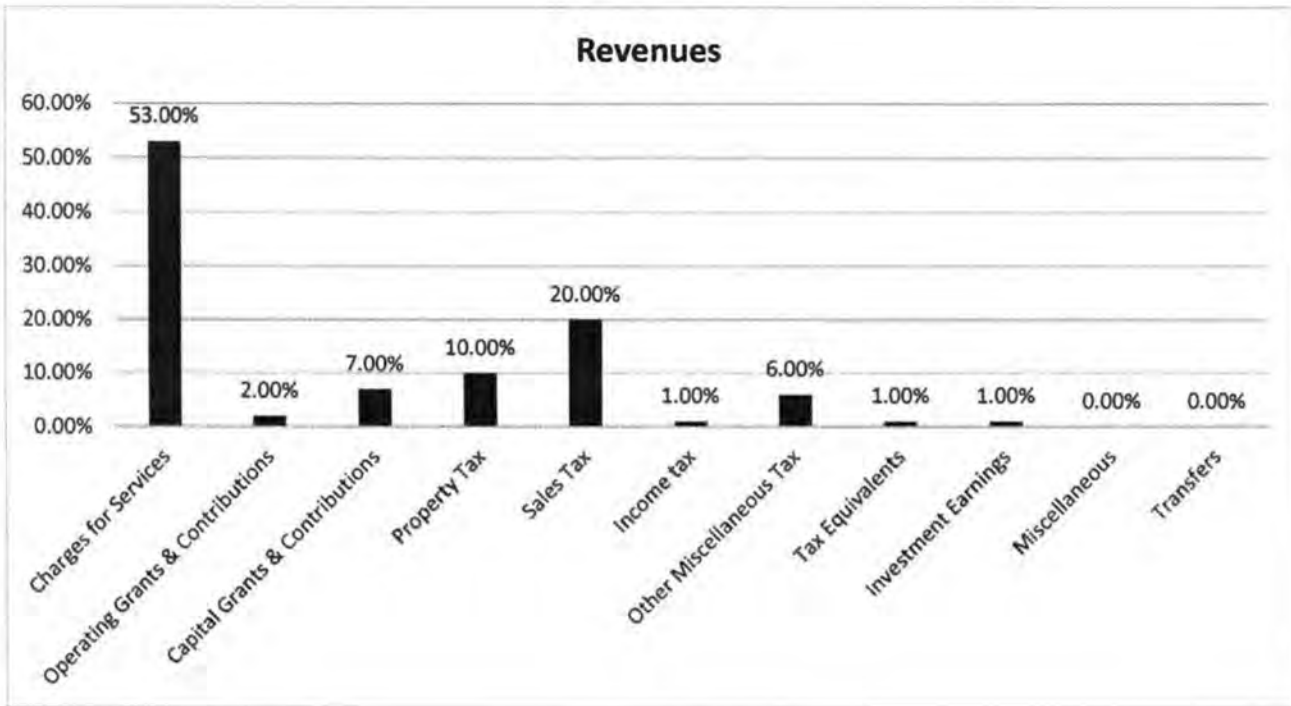
**CITY OF LEBANON, TENNESSEE CHANGE IN NET POSITION**

|  | Governmental Activities |                     | Business Type Activities |                     | Total                |                      | Total<br>Percentage<br>Change<br>2019-2018 | 2019<br>% Total Revenue |
|--|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|--|-------------------------|
|  | 2019                    | 2018                | 2019                     | 2018                | 2019                 | 2018                 |  |                         |
| <b>Revenues</b>                            |                         |                     |                          |                     |                      |                      |  |                         |
| <b>Program Revenues:</b>                   |                         |                     |                          |                     |                      |                      |  |                         |
| Charges for Services                       | \$ 7,983,413            | \$ 5,787,053        | \$ 32,754,878            | \$ 32,314,823       | \$ 40,738,291        | \$ 38,101,876        | 6.92%                                      | 53.10%                  |
| Operating Grants and Contributions         | 1,823,838               | 2,672,675           | -                        | -                   | \$ 1,823,838         | \$ 2,672,675         | -31.76%                                    | 2.40%                   |
| Capital Grants and Contribution            | 487,547                 | 3,616,656           | 4,616,095                | 3,263,697           | \$ 5,103,642         | \$ 6,880,353         | -25.82%                                    | 6.70%                   |
| <b>General Revenues:</b>                   |                         |                     |                          |                     |                      |                      |  |                         |
| Property Tax                               | 7,664,664               | 7,321,723           | -                        | -                   | \$ 7,664,664         | \$ 7,321,723         | 4.68%                                      | 10.00%                  |
| Sales Tax                                  | 15,559,506              | 14,964,597          | -                        | -                   | \$ 15,559,506        | \$ 14,964,597        | 3.98%                                      | 20.30%                  |
| Income Tax                                 | 464,533                 | 190,324             | -                        | -                   | \$ 464,533           | \$ 190,324           | 144.07%                                    | 0.60%                   |
| Other Miscellaneous Tax                    | 4,319,960               | 4,103,779           | -                        | -                   | \$ 4,319,960         | \$ 4,103,779         | 5.27%                                      | 5.60%                   |
| Tax Equivalents                            | 388,398                 | 371,949             | -                        | -                   | \$ 388,398           | \$ 371,949           | 4.42%                                      | 0.50%                   |
| Investment Earnings                        | 414,450                 | 245,801             | 306,990                  | 183,158             | \$ 721,440           | \$ 428,959           | 68.18%                                     | 0.90%                   |
| Miscellaneous                              | -                       | -                   | 85,612                   | 98,411              | \$ 85,612            | \$ 98,411            | -13.01%                                    | 0.10%                   |
| Transfers                                  | 511,625                 | 1,035,819           | (504,083)                | (994,484)           | \$ 7,542             | \$ 41,335            |  | 0.00%                   |
| <b>Total Revenues</b>                      | <b>39,617,934</b>       | <b>40,310,376</b>   | <b>37,259,492</b>        | <b>34,865,605</b>   | <b>76,877,426</b>    | <b>75,175,981</b>    | <b>2.26%</b>                               |                         |
| <b>Expenses</b>                            |                         |                     |                          |                     |                      |                      |  |                         |
| General Government                         | 5,156,268               | 5,511,561           | -                        | -                   | 5,156,268            | 5,511,561            | -6.45%                                     | 8.10%                   |
| Public Works                               | 364,112                 | 365,934             | -                        | -                   | 364,112              | 365,934              | -0.50%                                     | 0.60%                   |
| Police                                     | 11,971,019              | 10,587,539          | -                        | -                   | 11,971,019           | 10,587,539           | 13.07%                                     | 18.90%                  |
| Fire                                       | 7,077,282               | 5,911,207           | -                        | -                   | 7,077,282            | 5,911,207            | 19.73%                                     | 11.10%                  |
| Street                                     | 3,610,694               | 3,811,507           | -                        | -                   | 3,610,694            | 3,811,507            | -5.27%                                     | 5.70%                   |
| Public Safety                              | 525,300                 | 337,085             | -                        | -                   | 525,300              | 337,085              | 55.84%                                     | 0.80%                   |
| Engineering                                | 483,162                 | 458,493             | -                        | -                   | 483,162              | 458,493              | 5.38%                                      | 0.80%                   |
| Cemetery                                   | 127,680                 | 126,165             | -                        | -                   | 127,680              | 126,165              | 1.20%                                      | 0.20%                   |
| Recreation                                 | 1,376,255               | 1,290,080           | -                        | -                   | 1,376,255            | 1,290,080            | 6.68%                                      | 2.20%                   |
| Floyd Family Life Center                   | 1,788,746               | 1,732,740           | -                        | -                   | 1,788,746            | 1,732,740            | 3.23%                                      | 2.80%                   |
| Airport                                    | 839,138                 | 748,128             | -                        | -                   | 839,138              | 748,128              | 12.17%                                     | 1.30%                   |
| Sanitation                                 | 1,513,118               | 1,386,584           | -                        | -                   | 1,513,118            | 1,386,584            | 9.13%                                      | 2.40%                   |
| Senior Citizens                            | 72,275                  | 64,931              | -                        | -                   | 72,275               | 64,931               | 11.31%                                     | 0.10%                   |
| Interest on Long-Term Debt                 | 446,564                 | 261,185             | -                        | -                   | 446,564              | 261,185              | 70.98%                                     | 0.70%                   |
| Water & Sewer                              | -                       | -                   | 18,550,637               | 16,744,697          | 18,550,637           | 16,744,697           | 10.79%                                     | 29.20%                  |
| Natural Gas                                | -                       | -                   | 8,659,371                | 8,045,164           | 8,659,371            | 8,045,164            | 7.63%                                      | 13.60%                  |
| Stormwater                                 | -                       | -                   | 930,459                  | 992,075             | 930,459              | 992,075              |  | 1.50%                   |
|  | <b>35,351,614</b>       | <b>32,593,139</b>   | <b>28,140,467</b>        | <b>25,781,936</b>   | <b>63,492,081</b>    | <b>58,375,075</b>    | <b>8.77%</b>                               |                         |
| <b>Increase (Decrease) in Net Position</b> | <b>\$ 4,266,320</b>     | <b>\$ 7,717,238</b> | <b>\$ 9,119,025</b>      | <b>\$ 9,083,669</b> | <b>\$ 13,385,345</b> | <b>\$ 16,800,906</b> | <b>-21.68%</b>                             |                         |

The City's total revenues increased \$1.70 million from \$75.18 million to \$76.89 million.

The total cost of the City's programs and services increased \$5.11 million from \$58.38 million to \$63.49 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2019.



**Governmental Activities**

The governmental revenues decreased by \$692 thousand and expenditures increased by \$2.76 million. The City had a decrease of about \$3.13 million in Capital Grants and Contributions and a \$595 thousand increase 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, 2019 and 2018:

**CITY OF LEBANON, TENNESSEE NET COST OF GOVERNMENTAL ACTIVITIES**

|                          | Total Cost Of Services |                      | Percent             | Net Cost of Services |                      | Percent             |
|--------------------------|------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
|                          | 2019                   | 2018                 | Change<br>2019-2018 | 2019                 | 2018                 | Change<br>2019-2018 |
| General Government       | \$ 5,156,268           | \$ 5,511,561         | -6.45%              | \$ 2,695,102         | \$ 1,017,040         | 164.99%             |
| Public Works             | 364,112                | 365,934              | -0.50%              | 364,112              | 365,934              | -0.50%              |
| Police                   | 11,971,019             | 10,587,539           | 13.07%              | 10,122,041           | 9,636,441            | 5.04%               |
| Fire                     | 7,077,282              | 5,911,207            | 19.73%              | 7,077,282            | 5,911,207            | 19.73%              |
| Street                   | 3,610,694              | 3,811,507            | -5.27%              | (580,949)            | (1,277,927)          | -54.54%             |
| Public Safety            | 525,300                | 337,085              | 55.84%              | 498,295              | 337,085              | 47.82%              |
| Engineering              | 483,162                | 458,493              | 5.38%               | 483,162              | 458,493              | 5.38%               |
| Cemetery                 | 127,680                | 126,165              | 1.20%               | 87,220               | 76,865               | 13.47%              |
| Recreation               | 1,376,255              | 1,290,080            | 6.68%               | 1,343,813            | 1,254,890            | 7.09%               |
| Floyd Family Life Center | 1,788,746              | 1,732,740            | 3.23%               | 693,480              | 629,111              | 10.23%              |
| Airport                  | 839,138                | 748,128              | 12.17%              | 241,300              | 394,916              | -38.90%             |
| Sanitation               | 1,513,118              | 1,386,584            | 9.13%               | 1,513,118            | 1,386,584            | 9.13%               |
| Senior Citizens          | 72,275                 | 64,931               | 11.31%              | 72,275               | 64,931               | 11.31%              |
| <b>Total</b>             | <b>\$ 34,905,050</b>   | <b>\$ 32,331,953</b> | <b>7.96%</b>        | <b>\$ 24,610,252</b> | <b>\$ 20,255,569</b> | <b>21.50%</b>       |

**Business-Type Activities**

Revenues of the City's business-type activities increased by \$2.39 million. Expenses increased by \$2.36 million. Revenues increased by 7.00% and expenses increased by 9.00% 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 \$1,805,189 excess of expenditures over revenues for the General fund for the fiscal year ended June 30, 2019.

- > Revenues for the General Fund were \$3.85 million more than budgeted.
- > Expenditures were \$13.95 million less than budgeted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2019 the City had \$224.37 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 \$18.84 million or 9.17% over June 30, 2018 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2019 and 2018. 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<br>2019-2018 |
|-----------------------------------|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
|                                   | 2019                    | 2018                 | 2019                     | 2018                  | 2019                  | 2018                  |                             |
| Land                              | \$ 11,815,645           | \$ 8,132,387         | \$ 2,563,087             | \$ 2,563,087          | \$ 14,378,732         | \$ 10,695,474         | 34.44%                      |
| Buildings                         | 17,014,747              | 13,240,208           | 44,052,210               | 43,581,249            | 61,066,957            | 56,821,457            | 7.47%                       |
| Improvements Other Than Buildings | 41,000,047              | 36,299,872           | 91,294,294               | 88,249,577            | 132,294,341           | 124,549,449           | 6.22%                       |
| Equipment                         | 7,746,066               | 6,479,247            | 3,429,650                | 3,366,783             | 11,175,716            | 9,846,030             | 13.50%                      |
| Construction in Process           | -                       | -                    | 5,451,305                | 3,610,466             | 5,451,305             | 3,610,466             | 50.99%                      |
| Total                             | <u>\$ 77,576,506</u>    | <u>\$ 64,151,716</u> | <u>\$ 146,790,546</u>    | <u>\$ 141,371,162</u> | <u>\$ 224,367,052</u> | <u>\$ 205,522,877</u> | 9.17%                       |

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

This fiscal year ended June 30, 2020 budget includes capital expenditures of \$26.41 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, 2019, the City had \$66.96 million in bonds, notes and capital leases outstanding. This is an increase of \$178 thousand or 0.27% from June 30, 2018. The following table summarizes and compares long-term debt at June 30, 2019 and 2018. See note 3 to the financial statements for more information on long-term debt activity.

|  | Governmental Activities |                     | Business-Type Activities |                     | Total               |                     | Total Percent Change<br>2018-2019 |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|-----------------------------------|
|  | 2019                    | 2018                | 2019                     | 2018                | 2019                | 2018                |                                   |
| General Obligation Bonds and Notes<br>(Backed by the City)         | \$21,910,889            | \$18,687,515        | \$0                      | \$0                 | \$21,910,889        | \$18,687,515        | 17.25%                            |
| Revenue Bonds & Notes<br>(Backed by specific tax and fee revenues) | -                       | -                   | 45,047,202               | 48,092,979          | 45,047,202          | 48,092,979          | -6.33%                            |
|  | <u>\$21,910,889</u>     | <u>\$18,687,515</u> | <u>\$45,047,202</u>      | <u>\$48,092,979</u> | <u>\$66,958,091</u> | <u>\$66,780,494</u> | 0.27%                             |

Bond ratings: Aa3

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

When preparing the General Fund for FY 2020, increase for salaries, and other benefits, capital equipment and improvements were factored in. The amount available for revenues for appropriation in the General fund budget is \$40.76 million, an increase of 11.87% compared to the amended budget for 18-19. Estimated property tax revenue is expected to increase by \$3.36 million, or 52.00%, due to a property tax increase from .6025 to .8575. Also, estimated Sales Tax revenue is expected to increase by \$900 thousand or 8%. Both of these are compared to the amended budget for 18-19. Expenditures will decrease by about 2.76% compared to the amended budget for 18-19. Revenues are expected to exceed expenditures by about \$91 thousand.

Water and Sewer revenues are projected to go up about 5.79% compared to last year and expenses are going to increase about 8.60%. Revenues are expected to exceed expenses by about \$1.03 million.

Gas revenues are expected to increase by about 10% over the proposed budget for 2019. Expenses are projected to increase by about 4.65% compared to last year. Revenues are expected to exceed expenses by about \$2.64 million.

Debt is expected to increase in FY 2020 due to:

- 1) General Fund- Remainder of \$5.0 million loan from TML for the new Public Safety building.
- 2) General Fund - Remainder of \$5.7 million loan from TMBF for the Radio Communications System
- 3) General Fund - \$1.8 million loan from TMBF for Crowell Lane Intersection Improvements
- 4) Water and Sewer Fund - Proposed loan of \$1.4 million from the State Revolving Fund for Seay Hill One Million Gallon Storage Tank
- 5) Water and Sewer Fund - Proposed loan of \$1.5 million from the State Revolving Fund for WWTP Headworks
- 6) Water and Sewer Fund - Proposed loan of \$4.3 million from the State Revolving Fund for Blain Lane Interceptor
- 7) Gas Fund - Proposed loan of \$1 million from TML for Annual Continuing Maintenance Contract
- 8) Gas Fund - Proposed loan of \$80 thousand from TML for 100 Gallon CNG Tanks

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, 2019

|   | Primary Government      |                          |                | Component Unit |
|---|-------------------------|--------------------------|----------------|----------------|
|   | Governmental Activities | Business-Type Activities | Total          |                |
| <b>ASSETS</b>                           |                         |                          |                |                |
| Cash                                    | \$ 22,527,379           | \$ 16,666,748            | \$ 39,194,127  | \$ 88,141      |
| Investment in State Investment Pool     | 863,350                 | 375,110                  | 1,238,460      | -              |
| Certificate of Deposit                  | 7,666,653               | 2,393,976                | 10,060,629     | -              |
| Investments                             | -                       | -                        | -              | -              |
| Other Restricted Funds                  | -                       | 1,088,614                | 1,088,614      | -              |
| Accounts Receivable, Net                | 15,764,139              | 2,560,019                | 18,324,158     | 30,000         |
| Internal Balances                       | 954,077                 | (954,077)                | -              | -              |
| Due from Component Unit                 | 156                     | -                        | 156            | -              |
| Inventories                             | 138,161                 | 408,799                  | 546,960        | -              |
| Prepaid Expenses                        | (204)                   | 11,216                   | 11,012         | -              |
| Notes Receivable                        | -                       | 4,036,211                | 4,036,211      | -              |
| Capital Assets:                         |                         |                          |                |                |
| Non depreciable Assets                  | 11,815,645              | 8,014,391                | 19,830,036     | 105,468        |
| Depreciable Assets, Net of Depreciation | 65,760,861              | 138,776,156              | 204,537,017    | 770,738        |
| Total Capital Assets                    | 77,576,506              | 146,790,547              | 224,367,053    | 876,206        |
| Total Assets                            | 125,490,217             | 173,377,163              | 298,867,380    | 994,347        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |                         |                          |                |                |
| Deferred Amount on 2008 Refunding       | 20,493                  | -                        | 20,493         | -              |
| Deferred Amount Related to OPEB         | 2,473,389               | 991,706                  | 3,465,095      | -              |
| Deferred Amount Related to Pensions     | 178,346                 | 2,118,708                | 2,297,054      | -              |
| Total Deferred Outflows                 | 2,672,228               | 3,110,414                | 5,782,642      | -              |
| <b>LIABILITIES</b>                      |                         |                          |                |                |
| Bank Overdraft                          | 159,128                 | -                        | 159,128        | -              |
| Accounts Payable                        | 2,492,127               | 1,187,887                | 3,680,014      | -              |
| Due to Primary Government               | -                       | -                        | -              | 156            |
| Due to Component Unit                   | 30,000                  | -                        | 30,000         | -              |
| Customer Deposits                       | 22,955                  | 250                      | 23,205         | -              |
| Accrued Expenses                        | 503,699                 | 237,344                  | 741,043        | 2,422          |
| Unearned Revenue                        | 11,490,398              | -                        | 11,490,398     | -              |
| Non-current Liabilities:                |                         |                          |                |                |
| Due in One Year:                        |                         |                          |                |                |
| Compensated Absences                    | 1,208,353               | 240,952                  | 1,449,305      | -              |
| Debt                                    | 2,143,240               | 3,938,166                | 6,081,406      | -              |
| Due in More Than One Year:              |                         |                          |                |                |
| Debt, net                               | 19,767,649              | 41,109,035               | 60,876,684     | -              |
| Net Pension Liability                   | 862,881                 | 366,158                  | 1,229,039      | -              |
| OPEB Liability                          | 14,980,093              | 5,663,073                | 20,643,166     | -              |
| Total Liabilities                       | 53,660,523              | 52,742,865               | 106,403,388    | 2,578          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>    |                         |                          |                |                |
| Deferred Amount Related to Pensions     | 146,438                 | 604,681                  | 751,119        | -              |
| Deferred Amount on 2016 Refunding       | 84,856                  | 52,189                   | 137,045        | -              |
|   | 231,294                 | 656,870                  | 888,164        | -              |
| <b>NET POSITION</b>                     |                         |                          |                |                |
| Net Investment in Capital Assets        | 55,665,617              | 101,743,346              | 157,408,963    | 876,206        |
| Restricted for:                         |                         |                          |                |                |
| Note Proceeds                           | 1,892,031               | -                        | 1,892,031      | -              |
| Debt Service                            | 124,636                 | 1,088,614                | 1,213,250      | -              |
| Public works                            | 1,388,117               | -                        | 1,388,117      | -              |
| Drug Enforcement                        | 259,432                 | -                        | 259,432        | -              |
| Community Service                       | 54,996                  | -                        | 54,996         | -              |
| Recreation                              | -                       | -                        | -              | -              |
| Police                                  | 24,495                  | -                        | 24,495         | -              |
| Unrestricted                            | 14,861,304              | 20,255,882               | 35,117,186     | 115,563        |
| Total Net Position                      | \$ 74,270,628           | \$ 123,087,842           | \$ 197,358,470 | \$ 991,769     |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

| Functions/Programs                          | Expenses          | Program Revenues     |                                    |                                  | Net (Expense) Revenues and Changes in Net Position |                          |                       | Component Unit    |
|---|-------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|-----------------------|-------------------|
|   |                   | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                            | Business-Type Activities | Total                 |                   |
| <b>Primary Government:</b>                  |                   |                      |                                    |                                  |  |                          |                       |                   |
| <b>Governmental Activities:</b>             |                   |                      |                                    |                                  |  |                          |                       |                   |
| General Government                          | \$ 5,156,268      | \$ 2,287,891         | \$ 173,275                         | \$ -                             | \$ (2,695,102)                                     | \$ -                     | \$ (2,695,102)        | -                 |
| Public Works                                | 364,112           | -                    | -                                  | -                                | (364,112)  | -                        | (364,112)             | -                 |
| Police                                      | 11,971,019        | 1,410,979            | 437,998                            | -                                | (10,122,041)                                       | -                        | (10,122,041)          | -                 |
| Fire  | 7,077,282         | -                    | -                                  | -                                | (7,077,282)  | -                        | (7,077,282)           | -                 |
| Street                                      | 3,610,694         | 2,853,181            | 1,146,259                          | 192,203                          | 580,949  | -                        | 580,949               | -                 |
| Public Safety                               | 525,300           | -                    | 27,005                             | -                                | (498,295)  | -                        | (498,295)             | -                 |
| Engineering                                 | 483,162           | -                    | -                                  | -                                | (483,162)  | -                        | (483,162)             | -                 |
| Cemetery                                    | 127,680           | 40,460               | -                                  | -                                | (87,220)   | -                        | (87,220)              | -                 |
| Recreation                                  | 1,376,255         | 32,442               | -                                  | -                                | (1,343,813)  | -                        | (1,343,813)           | -                 |
| Floyd Family Life Center                    | 1,788,746         | 1,095,266            | -                                  | -                                | (693,480)  | -                        | (693,480)             | -                 |
| Airport                                     | 839,138           | 263,194              | 39,300                             | 295,344                          | (241,300)  | -                        | (241,300)             | -                 |
| Sanitation                                  | 1,513,118         | -                    | -                                  | -                                | (1,513,118)  | -                        | (1,513,118)           | -                 |
| Senior Citizens                             | 72,275            | -                    | -                                  | -                                | (72,275)   | -                        | (72,275)              | -                 |
| Interest on Long-Term Debt                  | 446,564           | -                    | -                                  | -                                | (446,564)  | -                        | (446,564)             | -                 |
| <b>Total Governmental Activities</b>        | <b>35,351,614</b> | <b>7,983,413</b>     | <b>1,823,838</b>                   | <b>487,547</b>                   | <b>(25,056,816)</b>                                | <b>-</b>                 | <b>(25,056,816)</b>   |                   |
| <b>Business-Type Activities:</b>            |                   |                      |                                    |                                  |  |                          |                       |                   |
| Water and Sewer                             | 18,550,637        | 20,729,938           | -                                  | 4,032,410                        | -  | 6,211,711                | 6,211,711             | -                 |
| Natural Gas                                 | 8,659,371         | 10,231,709           | -                                  | -                                | -  | 1,572,338                | 1,572,338             | -                 |
| Stormwater                                  | 930,459           | 1,793,231            | -                                  | 583,685                          | -  | 1,446,457                | 1,446,457             | -                 |
| <b>Total Business-Type Activities</b>       | <b>28,140,467</b> | <b>32,754,878</b>    | <b>-</b>                           | <b>4,616,095</b>                 | <b>-</b>   | <b>9,230,506</b>         | <b>9,230,506</b>      |                   |
| <b>Total Primary Government</b>             | <b>63,492,081</b> | <b>40,738,291</b>    | <b>1,823,838</b>                   | <b>5,103,642</b>                 | <b>(25,056,816)</b>                                | <b>9,230,506</b>         | <b>(15,826,310)</b>   |                   |
| <b>Component Unit:</b>                      |                   |                      |                                    |                                  |  |                          |                       |                   |
| Senior Citizens Center                      | \$ 620,663        | \$ 315,921           | \$ 224,416                         | \$ -                             |  |                          |                       | (47,639)          |
| <b>General Revenues:</b>                    |                   |                      |                                    |                                  |  |                          |                       |                   |
| <b>Taxes:</b>                               |                   |                      |                                    |                                  |  |                          |                       |                   |
| Property Taxes, Levied for General Purposes |                   |                      |                                    |                                  | 7,664,664  |                          | 7,664,664             | -                 |
| Sales Taxes                                 |                   |                      |                                    |                                  | 15,559,506   |                          | 15,559,506            | -                 |
| Income and Excise Tax                       |                   |                      |                                    |                                  | 464,533  |                          | 464,533               | -                 |
| Other Miscellaneous Taxes                   |                   |                      |                                    |                                  | 4,319,960  |                          | 4,319,960             | -                 |
| Tax Equivalent - TVA                        |                   |                      |                                    |                                  | 388,398  |                          | 388,398               | -                 |
| Unrestricted Investment Earnings            |                   |                      |                                    |                                  | 414,450  | 306,990                  | 721,440               | 248               |
| Miscellaneous                               |                   |                      |                                    |                                  |  | 85,612                   | 85,612                | -                 |
| Transfers                                   |                   |                      |                                    |                                  | 511,625  | (504,083)                | 7,542                 | -                 |
| <b>Total General Revenues and Transfers</b> |                   |                      |                                    |                                  | <b>29,323,136</b>                                  | <b>(111,481)</b>         | <b>29,211,655</b>     | <b>248</b>        |
| Change in Net Position                      |                   |                      |                                    |                                  | 4,266,320  | 9,119,025                | 13,385,345            | (47,391)          |
| <b>Net Position, Beginning</b>              |                   |                      |                                    |                                  | <b>70,004,308</b>                                  | <b>113,968,817</b>       | <b>183,973,125</b>    | <b>1,039,160</b>  |
| <b>Net Position, Ending</b>                 |                   |                      |                                    |                                  | <b>\$ 74,270,628</b>                               | <b>\$ 123,087,842</b>    | <b>\$ 197,358,470</b> | <b>\$ 991,769</b> |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

| ASSETS                               | General<br>Fund      | Street<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------------|----------------------|------------------------|--------------------------------|--------------------------------|
| Cash                                 | \$ 18,294,661        | \$ 1,602,113           | \$ 2,630,605                   | \$ 22,527,379                  |
| Investment in State Investment Pool  | 664,764              | -                      | 198,586                        | 863,350                        |
| Certificate of Deposit               | 7,631,123            | -                      | 35,530                         | 7,666,653                      |
| Investments                          | -                    | -                      | -                              | -                              |
| Accounts Receivable:                 |                      | -                      |                                |                                |
| State of Tennessee                   | 3,282,851            | 17,569                 | 185                            | 3,300,605                      |
| Federal Government                   | 16,178               | -                      | -                              | 16,178                         |
| Other                                | 1,184,343            | 495,348                | 74,560                         | 1,754,251                      |
| Due from Other Funds                 | 950,909              | 43,454                 | 200,000                        | 1,194,363                      |
| Due from Component Unit              | 156                  | -                      | -                              | 156                            |
| Inventories                          | 138,161              | -                      | -                              | 138,161                        |
| Property Taxes - Net of Allowance    |                      | -                      |                                |                                |
| For Uncollectible Taxes of \$893,814 | 10,693,105           | -                      | -                              | 10,693,105                     |
| Prepaid Expenses                     | (1,694)              | -                      | 1,490                          | (204)                          |
|                                      | <u>\$ 42,854,557</u> | <u>\$ 2,158,484</u>    | <u>\$ 3,140,956</u>            | <u>\$ 48,153,997</u>           |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

|  | General<br>Fund      | Street<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|------------------------|--------------------------------|--------------------------------|
| <b>LIABILITIES</b>                         |                      |                        |                                |                                |
| Accounts Payable                           |                      |                        |                                |                                |
| Vendors                                    | \$ 877,770           | \$ 1,406,934           | \$ 207,423                     | \$ 2,492,127                   |
| Due to Other Funds                         | 203,849              | -                      | 36,437                         | 240,286                        |
| Due to Component Unit                      | 30,000               | -                      | 0.00                           | 30,000                         |
| Bank Overdraft                             | -                    | -                      | 159,128                        | 159,128                        |
| Accrued Payroll and Related Items          | 399,227              | -                      | 24,491                         | 423,718                        |
| Accrued Vacation Pay                       | 290,914              | -                      | 7,960                          | 298,874                        |
| Customer Deposits                          | 22,955               | -                      | -                              | 22,955                         |
| Unearned Revenue                           | 11,490,398           | -                      | -                              | 11,490,398                     |
| <b>Total Liabilities</b>                   | <b>13,315,113</b>    | <b>1,406,934</b>       | <b>435,439</b>                 | <b>15,157,486</b>              |
| <b>FUND BALANCES</b>                       |                      |                        |                                |                                |
| Fund Balances:                             |                      |                        |                                |                                |
| Nonspendable                               | 136,467              | -                      | -                              | 136,467                        |
| Restricted for:                            |                      |                        |                                |                                |
| Bond Proceeds                              | 1,892,031            | -                      | -                              | 1,892,031                      |
| Recreation                                 | -                    | -                      | -                              | -                              |
| Debt Service                               | -                    | -                      | 204,617                        | 204,617                        |
| Street                                     | -                    | -                      | 1,388,117                      | 1,388,117                      |
| Drug Enforcement                           | -                    | -                      | 259,432                        | 259,432                        |
| Community Assistance                       | -                    | -                      | 54,996                         | 54,996                         |
| Police                                     | -                    | -                      | 24,495                         | 24,495                         |
| Committed to:                              |                      |                        |                                |                                |
| Airport                                    | -                    | -                      | -                              | -                              |
| Cemetery                                   | -                    | -                      | 146,758                        | 146,758                        |
| OPEB                                       | -                    | -                      | -                              | -                              |
| Police                                     | -                    | -                      | 211,691                        | 211,691                        |
| Assigned to:                               |                      |                        |                                |                                |
| Recreation                                 | 1,514                | -                      | 125,693                        | 127,207                        |
| Airport                                    | 1,641                | -                      | 145,817                        | 147,458                        |
| Street                                     | 21,322               | 751,550                | 103,337                        | 876,209                        |
| Fire                                       | 561,494              | -                      | -                              | 561,494                        |
| Police                                     | -                    | -                      | 2,314                          | 2,314                          |
| Floyd Family Life Center                   | -                    | -                      | 38,250                         | 38,250                         |
| MIS  | 43,722               | -                      | -                              | 43,722                         |
| Equipment                                  | 185                  | -                      | -                              | 185                            |
| Unassigned                                 | 26,881,068           | -                      | -                              | 26,881,068                     |
| <b>Total Fund Balances</b>                 | <b>29,539,444</b>    | <b>751,550</b>         | <b>2,705,517</b>               | <b>32,996,511</b>              |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 42,854,557</b> | <b>\$ 2,158,484</b>    | <b>\$ 3,140,956</b>            |                                |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

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   | \$ 32,996,511        |
| Capital Assets used in governmental funds are not reported in the fund Balance Sheet                            | 77,576,506           |
| Deferred Outflows are not reported in the fund Balance Sheet  | 2,525,790            |
| Long-term debt is not reported in the fund Balance Sheet  | (21,910,889)         |
| Accrued Interest on long-term debt is not reported in the fund Balance Sheet                                    | (79,981)             |
| Net Pension Liability is not reported in the fund Balance Sheet   | (862,881)            |
| OPEB Liability on governmental funds is not reported in the fund Balance Sheet                                  | (14,980,093)         |
| Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet | (909,479)            |
| Deferred Inflows are not reported in the fund Balance Sheet   | <u>(84,856)</u>      |
| Net Position of Governmental Activities   | <u>\$ 74,270,628</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, 2019

|  | General<br>Fund      | Street<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                      |                        |                                |                                |
| Taxes and Licenses   | \$ 22,712,013        | \$ -                   | \$ -                           | \$ 22,712,013                  |
| TVA In- Lieu of Tax  | 388,398              | -                      | -                              | 388,398                        |
| State and Regional Apportionments<br>and Grants              | 5,626,139            | -                      | 1,453,244                      | 7,079,383                      |
| Federal Grants   | 43,533               | -                      | -                              | 43,533                         |
| Fines and Costs  | 956,054              | -                      | 15,172                         | 971,226                        |
| Rents  | 24,000               | -                      | -                              | 24,000                         |
| Interest   | 359,091              | 10,143                 | 45,215                         | 414,449                        |
| Other Revenues   | 2,462,455            | 2,832,640              | 2,178,208                      | 7,473,303                      |
| <b>Total Revenues</b>  | <u>32,571,683</u>    | <u>2,842,783</u>       | <u>3,691,838</u>               | <u>39,106,304</u>              |
| <b>Expenditures</b>  |                      |                        |                                |                                |
| General Government   | 4,060,659            | -                      | 39,680                         | 4,100,339                      |
| Public Works   | 295,359              | -                      | -                              | 295,359                        |
| Police   | 10,717,010           | -                      | 218,021                        | 10,935,031                     |
| Fire   | 6,189,488            | -                      | -                              | 6,189,488                      |
| Street   | 1,140,226            | 93,751                 | 429,098                        | 1,663,075                      |
| Public Safety  | 327,679              | -                      | -                              | 327,679                        |
| Engineering  | 445,207              | -                      | -                              | 445,207                        |
| Cemetery   | 121,451              | -                      | -                              | 121,451                        |
| Recreation   | 1,052,675            | -                      | -                              | 1,052,675                      |
| Floyd Family Life Center                                     | -                    | -                      | 1,436,373                      | 1,436,373                      |
| Airport  | -                    | -                      | 361,243                        | 361,243                        |
| Sanitation   | 1,513,118            | -                      | -                              | 1,513,118                      |
| Senior Citizens Center                                       | 72,275               | -                      | -                              | 72,275                         |
| Garage   | 338,913              | -                      | -                              | 338,913                        |
| Debt Service:  |                      |                        |                                |                                |
| Principal  | 531,163              | -                      | 1,280,344                      | 1,811,507                      |
| Interest   | 69,308               | -                      | 342,011                        | 411,319                        |
| Capital Outlay   | 6,723,205            | 5,934,735              | 5,375,336                      | 18,033,276                     |
| <b>Total Expenditures</b>                                    | <u>33,597,736</u>    | <u>6,028,486</u>       | <u>9,482,106</u>               | <u>49,108,328</u>              |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,026,053)          | (3,185,703)            | (5,790,268)                    | (10,002,024)                   |
| <b>Other Financing Sources (Uses)</b>                        |                      |                        |                                |                                |
| Transfers from Other Funds                                   | 3,669                | 1,194,200              | 2,379,030                      | 3,576,899                      |
| Transfers to Other Funds                                     | (3,564,304)          | -                      | (176,999)                      | (3,741,303)                    |
| Debt Proceeds  | 2,105,470            | 1,276,495              | 2,223,569                      | 5,605,534                      |
| Transfers - Tax Equivalents                                  | 676,029              | -                      | -                              | 676,029                        |
| <b>Net Other Financing Sources (Uses)</b>                    | <u>(779,136)</u>     | <u>2,470,695</u>       | <u>4,425,600</u>               | <u>6,117,159</u>               |
| <b>Net Change in Fund Balances</b>                           | <u>(1,805,189)</u>   | <u>(715,008)</u>       | <u>(1,364,668)</u>             | <u>(3,884,865)</u>             |
| <b>Fund Balances</b>   |                      |                        |                                |                                |
| July 01, 2018  | 30,952,304           | 1,466,558              | 3,796,455                      | 36,215,317                     |
| Change in Encumbrances                                       | 392,329              | -                      | 273,729                        | 666,058                        |
| <b>June 30, 2019</b>   | <u>\$ 29,539,444</u> | <u>\$ 751,550</u>      | <u>\$ 2,705,517</u>            | <u>\$ 32,996,511</u>           |

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, 2019

|  |                     |
|--|---------------------|
| Net Change in Fund Balances - Total Governmental Funds   | \$ (3,884,865)      |
| Increase in Encumbrances   | 666,058             |
| Amounts reported for Governmental Activities in the Statement of Activities<br>are different because:  |                     |
| Depreciation expense is not reported as a expenditure in the governmental funds  | (4,633,690)         |
| Proceeds of long-term debt are not revenue on the Statement of Activities -<br>instead they are an increase in the debt on the Statement of Net Assets   | (5,605,534)         |
| Principal payments on debt service are not an expense in the Statement of Activities -<br>instead, they are a reduction of debt on the Statement of Net Assets                                       | 2,382,160           |
| Amortization of Bond Premium/Discount/Issue Costs are not reported in the Statement of Activities -<br>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 Activities - instead they are included in the<br>Statement of Net Assets  | (24,799)            |
| Change in OPEB Liability is not reported as an expenditure in the<br>governmental funds  | (1,457,456)         |
| Accrued interest on debt of the governmental funds is not reported as an<br>expenditure in the governmental funds  | (35,245)            |
| Capital expenditures are not an expense in the Statement of Activities -<br>instead, they are an addition to capital assets on the Statement of Net Assets   | 18,088,286          |
| Current year change in net pension liability due to implementation of GASB 68<br>is not reported in the governmental funds   | (1,202,984)         |
| Accrued vacation not requiring the use of current resources is not reported<br>as an expenditure in the governmental funds   | <u>(37,481)</u>     |
| Change in Net Position of Governmental Activities  | <u>\$ 4,266,320</u> |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2019

| ASSETS  | Natural Gas<br>Fund  | Water and Sewer<br>Fund | Stormwater<br>Fund  | Total                 |
|---|----------------------|-------------------------|---------------------|-----------------------|
| <b>Current Assets:</b>  |                      |                         |                     |                       |
| Cash  | \$ 3,825,770         | \$ 11,126,684           | \$ 1,714,294        | \$ 16,666,748         |
| Investment in State Investment Pool   | 168,862              | 206,248                 | -                   | 375,110               |
| Certificate of Deposit  | 596,970              | 1,786,774               | 10,232              | 2,393,976             |
| Accounts Receivable - (Less Allowance<br>for Doubtful Accts of \$ 102,382 ) | 300,852              | 1,473,149               | 98,288              | 1,872,289             |
| Due from Other Funds  | 4,326                | 28,274                  | 3,372               | 35,972                |
| Other Receivables   | 74,482               | 612,827                 | 421                 | 687,730               |
| Inventories   | 156,175              | 252,624                 | -                   | 408,799               |
| Prepaid Expenses  | 3,816                | 7,400                   | -                   | 11,216                |
| <b>Total Current Assets</b>   | <b>5,131,253</b>     | <b>15,493,980</b>       | <b>1,826,607</b>    | <b>22,451,840</b>     |
| <b>Noncurrent Assets:</b>   |                      |                         |                     |                       |
| Other Restricted Funds  | -                    | 1,088,614               | -                   | 1,088,614             |
| Notes Receivable  | 1,877,160            | 2,159,052               | -                   | 4,036,212             |
| Net Pension Asset   | -                    | -                       | 8,446               | 8,446                 |
| <b>Capital Assets:</b>  |                      |                         |                     |                       |
| Land  | 866,063              | 1,697,023               | -                   | 2,563,086             |
| Buildings   | 2,551,331            | 70,921,404              | -                   | 73,472,735            |
| Equipment   | 3,447,921            | 5,782,404               | 443,372             | 9,673,697             |
| Improvements Other than Building  | 37,498,267           | 121,816,882             | 988,834             | 160,303,983           |
| Construction in Process   | 12,016               | 5,439,289               | -                   | 5,451,305             |
| Accumulated Depreciation  | (17,596,073)         | (86,888,336)            | (189,851)           | (104,674,260)         |
| <b>Total Noncurrent Assets</b>  | <b>28,656,685</b>    | <b>122,016,332</b>      | <b>1,250,801</b>    | <b>151,923,818</b>    |
| <b>Total Assets</b>   | <b>33,787,938</b>    | <b>137,510,312</b>      | <b>3,077,408</b>    | <b>174,375,658</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                       |                      |                         |                     |                       |
| Pension   | 465,911              | 1,624,491               | 28,306              | 2,118,708             |
| OPEB  | 208,509              | 708,446                 | 74,751              | 991,706               |
|   | 674,420              | 2,332,937               | 103,057             | 3,110,414             |
| <b>LIABILITIES</b>  |                      |                         |                     |                       |
| <b>Current Liabilities:</b>   |                      |                         |                     |                       |
| Current Portion of Long-Term Debt   | 99,000               | 3,839,166               | -                   | 3,938,166             |
| Accounts Payable - Vendors  | 144,302              | 1,032,828               | 10,756              | 1,187,886             |
| Due to Other Funds  | 426,198              | 509,294                 | 54,557              | 990,049               |
| Other Current Liabilities   | 26,380               | 73,491                  | -                   | 99,871                |
| Accrued Interest  | -                    | 42,563                  | -                   | 42,563                |
| Accrued Payroll and Related Items   | 24,637               | 64,669                  | 5,855               | 95,161                |
| Accrued Vacation Pay  | 70,765               | 160,120                 | 10,067              | 240,952               |
| <b>Total Current Liabilities</b>  | <b>791,282</b>       | <b>5,722,131</b>        | <b>81,235</b>       | <b>6,594,648</b>      |
| <b>Noncurrent Liabilities:</b>  |                      |                         |                     |                       |
| Post Employment Benefits  | 1,246,818            | 4,131,442               | 284,813             | 5,663,073             |
| Notes Payable   | -                    | 36,231,035              | -                   | 36,231,035            |
| Utility Bonds Payable   | 1,378,000            | 3,500,000               | -                   | 4,878,000             |
| Net Pension Liability   | 47,507               | 327,097                 | -                   | 374,604               |
| <b>Total Noncurrent Liabilities</b>   | <b>2,672,325</b>     | <b>44,189,574</b>       | <b>284,813</b>      | <b>47,146,712</b>     |
| <b>Total Liabilities</b>  | <b>3,463,607</b>     | <b>49,911,705</b>       | <b>366,048</b>      | <b>53,741,360</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                         |                     |                       |
| Pensions  | 176,166              | 424,538                 | 3,977               | 604,681               |
| Gain on Bond Refunding  | -                    | 52,189                  | -                   | 52,189                |
|   | 176,166              | 476,727                 | 3,977               | 656,870               |
| <b>NET POSITION</b>   |                      |                         |                     |                       |
| Net Investment in Capital Assets  | 25,302,525           | 75,198,465              | 1,242,355           | 101,743,345           |
| Restricted for Debt Service   | -                    | 1,088,614               | -                   | 1,088,614             |
| Unrestricted  | 5,520,060            | 13,167,738              | 1,568,085           | 20,255,883            |
| <b>Total Net Position</b>   | <b>\$ 30,822,585</b> | <b>\$ 89,454,817</b>    | <b>\$ 2,810,440</b> | <b>\$ 123,087,842</b> |

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

Year Ended June 30, 2019

|   | Natural Gas<br>Fund | Water and Sewer<br>Fund | Stormwater<br>Fund | Total          |
|---|---------------------|-------------------------|--------------------|----------------|
| Operating Revenues                        |                     |                         |                    |                |
| Charges for Services                      | \$ 10,231,709       | \$ 20,729,938           | \$ 1,793,231       | \$ 32,754,878  |
| Operating Expenses                        |                     |                         |                    |                |
| Utility Operating Expense                 | 2,939,562           | 11,274,483              | 869,897            | 15,083,942     |
| Natural Gas Purchased                     | 4,395,194           | -                       | -                  | 4,395,194      |
| Gasification Plant Operating              | -                   | 396,493                 | -                  | 396,493        |
| Depreciation                              | 1,265,560           | 5,829,325               | 60,492             | 7,155,377      |
| Total Operating Expenses                  | 8,600,316           | 17,500,301              | 930,389            | 27,031,006     |
| Operating Income                          | 1,631,393           | 3,229,637               | 862,842            | 5,723,872      |
| Nonoperating Revenue (Expenses)           |                     |                         |                    |                |
| Other Revenues                            | 2,451               | 91,972                  | -                  | 94,423         |
| Interest Revenue                          | 54,391              | 242,487                 | 10,113             | 306,991        |
| Interest Expense                          | (59,055)            | (1,059,147)             | (71)               | (1,118,273)    |
| Total Nonoperating Revenue (Expenses)     | (2,213)             | (724,688)               | 10,042             | (716,859)      |
| Income before Contributions and Transfers | 1,629,180           | 2,504,949               | 872,884            | 5,007,013      |
| Contributions and Transfers               |                     |                         |                    |                |
| Contributed Capital                       | -                   | 4,032,410               | 583,685            | 4,616,095      |
| Transfers from Other Funds                | 36,795              | 471,259                 | -                  | 508,054        |
| Transfers to Other Funds                  | (100,000)           | (200,000)               | (43,650)           | (343,650)      |
| Transfers - Tax Equivalents               | (277,206)           | (391,281)               | -                  | (668,487)      |
| Total Contributions and Transfers         | (340,411)           | 3,912,388               | 540,035            | 4,112,012      |
| Change in Net Position                    | 1,288,769           | 6,417,337               | 1,412,919          | 9,119,025      |
| Net Position                              |                     |                         |                    |                |
| July 01, 2018                             | 29,533,816          | 83,037,480              | 1,397,521          | 113,968,817    |
| June 30, 2019                             | \$ 30,822,585       | \$ 89,454,817           | \$ 2,810,440       | \$ 123,087,842 |

CITY OF LEBANON, TENNESSEE  
STATEMENT CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2019

|  | Natural Gas<br>Fund | Water and Sewer<br>Fund | Stormwater<br>Fund  | Total                |
|--|---------------------|-------------------------|---------------------|----------------------|
| <b>Cash Flows From Operating Activities:</b>                       |                     |                         |                     |                      |
| Receipts from Customers  | \$ 10,229,965       | \$ 20,581,556           | \$ 1,795,588        | \$ 32,607,109        |
| Payments to Suppliers  | (5,431,890)         | (5,102,511)             | (167,034)           | (10,701,435)         |
| Payments to Employees  | (1,948,431)         | (6,414,780)             | (677,097)           | (9,040,308)          |
| Internal Activity - Payments From Other Funds                      | (404,672)           | (837,391)               | (2,953)             | (1,245,016)          |
| Other Receipts (Payments)  | (74,482)            | (303,254)               | 3,456               | (374,280)            |
| <b>Net Cash Provided By Operating Activities</b>                   | <b>2,370,489</b>    | <b>7,923,620</b>        | <b>951,959</b>      | <b>11,246,068</b>    |
| <b>Cash Flows From Noncapital Financing Activities:</b>            |                     |                         |                     |                      |
| Transfers - Tax Equivalents  | (277,206)           | (391,281)               | -                   | (668,487)            |
| Transfers to Other Funds   | (100,000)           | (200,000)               | (43,650)            | (343,650)            |
| Transfers from Other Funds   | 36,795              | 471,259                 | -                   | 508,054              |
| <b>Net Cash (Used) By Noncapital Financing Activities</b>          | <b>(340,411)</b>    | <b>(120,022)</b>        | <b>(43,650)</b>     | <b>(504,083)</b>     |
| <b>Cash Flows From Capital and Related Financing Activities:</b>   |                     |                         |                     |                      |
| Other Revenues   | 2,451               | 91,971                  | -                   | 94,422               |
| Payments for Capital Acquisitions                                  | (2,021,595)         | (5,640,272)             | (296,798)           | (7,958,665)          |
| Principal Paid on Notes  | (95,000)            | (2,950,777)             | -                   | (3,045,777)          |
| Interest Paid  | (59,055)            | (1,059,147)             | (71)                | (1,118,273)          |
| Payments from Notes Receivable                                     | 8,619               | 295,535                 | -                   | 304,154              |
| <b>Net Cash (Used) By Capital and Related Financing Activities</b> | <b>(2,164,580)</b>  | <b>(9,262,690)</b>      | <b>(296,869)</b>    | <b>(11,724,139)</b>  |
| <b>Cash Flows From Investing Activities:</b>                       |                     |                         |                     |                      |
| Interest Revenue   | 54,391              | 242,487                 | 10,113              | 306,991              |
| Increase (Decrease) in Investments                                 | 510,244             | (31,089)                | (307)               | 478,848              |
| <b>Net Cash Provided By Investing Activities</b>                   | <b>564,635</b>      | <b>211,398</b>          | <b>9,806</b>        | <b>785,839</b>       |
| <b>Net Increase (Decrease) in Cash and Temporary Investments</b>   | <b>430,133</b>      | <b>(1,247,694)</b>      | <b>621,246</b>      | <b>(196,315)</b>     |
| <b>Cash and Temporary Investments:</b>                             |                     |                         |                     |                      |
| July 01, 2018  | 3,564,499           | 13,669,240              | 1,093,048           | 18,326,787           |
| June 30, 2019  | <b>\$ 3,994,632</b> | <b>\$ 12,421,546</b>    | <b>\$ 1,714,294</b> | <b>\$ 18,130,472</b> |
| <b>Non-Cash Capital and Related Financing Activities:</b>          |                     |                         |                     |                      |
| Capital Assets Acquired By Contributions From Developers           | \$ -                | \$ 4,032,410            | \$ 583,685          | \$ 4,616,095         |
| <b>Reconciliation to Statement of Net Position:</b>                |                     |                         |                     |                      |
| Cash   | \$ 3,825,770        | \$ 11,126,684           | \$ 1,714,294        | \$ 16,666,748        |
| Investment in State Investment Pool                                | 168,862             | 206,248                 | -                   | 375,110              |
| Other Restricted Funds   | -                   | 1,088,614               | -                   | 1,088,614            |
|  | <b>\$ 3,994,632</b> | <b>\$ 12,421,546</b>    | <b>\$ 1,714,294</b> | <b>\$ 18,130,472</b> |

CITY OF LEBANON, TENNESSEE  
STATEMENT CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2019

|  | Natural Gas<br>Fund | Water and Sewer<br>Fund | Stormwater<br>Fund | Total                |
|--|---------------------|-------------------------|--------------------|----------------------|
| Cash Provided By Operating Activities:   |                     |                         |                    |                      |
| Operating Income   | \$ 1,631,393        | \$ 3,229,637            | \$ 862,842         | \$ 5,723,872         |
| Adjustments to Reconcile Net Operating Income to Net<br>Cash Provided by Operating Activities: |                     |                         |                    |                      |
| Depreciation and Amortization  | 1,265,560           | 5,829,325               | 60,493             | 7,155,378            |
| Provision for Losses on Accounts Receivable  | (12,843)            | (47,231)                | 4,124              | (55,950)             |
| Deferred Outflows of Resources   | (36,094)            | (134,810)               | (11,381)           | (182,285)            |
| Deferred Inflows of Resources  | (12,700)            | (51,458)                | (4,663)            | (68,821)             |
| Changes in Current and Deferred Items:   |                     |                         |                    |                      |
| (Increase) Decrease in Accounts Receivable   | 11,099              | (101,151)               | (1,768)            | (91,820)             |
| (Increase) Decrease in Other Receivables   | (74,482)            | (303,254)               | 3,456              | (374,280)            |
| (Increase) Decrease in Due From Other Funds  | 13,747              | (394)                   | 6,775              | 20,127               |
| (Increase) Decrease in Inventories   | 7,663               | (22,225)                | -                  | (14,562)             |
| Decrease in Prepaid Expenses   | 15,798              | 49,784                  | 501                | 66,083               |
| (Increase) in Net Pension Asset  | -                   | -                       | (8,446)            | (8,446)              |
| Increase (Decrease) in Accounts Payable  | (131,554)           | (59,598)                | 8,530              | (182,622)            |
| (Decrease) in Net Pension Liability  | (150,344)           | (504,809)               | (46,735)           | (701,888)            |
| (Decrease) in Due to Other Funds   | (418,419)           | (836,996)               | (9,728)            | (1,265,143)          |
| Increase (Decrease) in Accrued Payroll   | 64                  | 5,333                   | (599)              | 4,798                |
| Increase (Decrease) in Accrued Vacation Pay  | 6,020               | (8,454)                 | (7,626)            | (10,060)             |
| (Decrease) in Other Liabilities  | (6,480)             | -                       | -                  | (6,480)              |
| Increase in Postemployment Benefits  | 262,062             | 879,922                 | 96,185             | 1,238,169            |
| Net Cash Provided By Operating Activities  | <u>\$ 2,370,489</u> | <u>\$ 7,923,620</u>     | <u>\$ 951,959</u>  | <u>\$ 11,246,068</u> |

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2019

|                                   | Budget            |                   | Actual            | Variance         |
|-----------------------------------|-------------------|-------------------|-------------------|------------------|
|                                   | Original          | Final             |                   |                  |
| <b>Revenues</b>                   |                   |                   |                   |                  |
| Taxes:                            |                   |                   |                   |                  |
| Real and Personalty               | \$ 6,731,791      | \$ 7,181,791      | \$ 7,664,664      | \$ 482,873       |
| Wholesale Beer                    | 1,000,000         | 1,000,000         | 1,091,255         | 91,255           |
| Sales Tax                         | 11,000,000        | 11,233,641        | 12,675,829        | 1,442,188        |
| Cable TV Franchise Fee            | 290,000           | 290,000           | 381,733           | 91,733           |
| Hotel and Motel Tax               | 335,000           | 335,000           | 432,462           | 97,462           |
| Business Tax                      | -                 | -                 | 8,340             | 8,340            |
| Mixed Drink Tax                   | 12,000            | 12,000            | 17,190            | 5,190            |
| Liquor Tax                        | 335,000           | 335,000           | 440,540           | 105,540          |
|                                   | <u>19,703,791</u> | <u>20,387,432</u> | <u>22,712,013</u> | <u>2,324,581</u> |
| Tax Equivalents:                  |                   |                   |                   |                  |
| TVA In-Lieu of Tax                | 355,000           | 355,000           | 388,398           | 33,398           |
|                                   | <u>355,000</u>    | <u>355,000</u>    | <u>388,398</u>    | <u>33,398</u>    |
| Federal, State and Regional       |                   |                   |                   |                  |
| Apportionments and Grants:        |                   |                   |                   |                  |
| Sales Tax (St Sales C)            | 2,300,000         | 2,372,963         | 2,883,679         | 510,716          |
| Income Tax                        | 275,000           | 275,000           | 349,766           | 74,766           |
| Petroleum Special                 | 64,000            | 64,000            | 65,071            | 1,071            |
| Highway Grants and Contracts      | 120,000           | 120,000           | 155,382           | 35,382           |
| Beer Tax                          | 15,000            | 15,000            | 15,153            | 153              |
| Mixed Drink Tax                   | 80,000            | 80,000            | 110,282           | 30,282           |
| Excise Tax                        | 30,000            | 30,000            | 114,767           | 84,767           |
| Business Tax - County Clerk       | -                 | -                 | 161,564           | 161,564          |
| Business Tax - Trustee            | 925,000           | 925,000           | 1,596,370         | 671,370          |
| Police and Fire Salary Supplement | 38,500            | 38,500            | 87,600            | 49,100           |
| OJP Grants                        | -                 | -                 | 18,263            | 18,263           |
| D.E.A. Grant                      | -                 | -                 | 5,799             | 5,799            |
| HOME Grant                        | 25,000            | 25,000            | 45,450            | 20,450           |
| FBI Safe Streets                  | -                 | -                 | 3,454             | 3,454            |
| Highway Safety Grants             | 15,000            | 15,000            | 11,512            | (3,488)          |
| OCEDTF                            | -                 | -                 | 4,505             | 4,505            |
| Intelligent Transportation Grant  | 1,040,800         | 1,040,800         | 27,005            | (1,013,795)      |
| Telecommunications Sales Tax      | 2,000             | 2,000             | 14,051            | 12,051           |
|                                   | <u>4,930,300</u>  | <u>5,003,263</u>  | <u>5,669,672</u>  | <u>666,409</u>   |
| Fines and Costs                   | 722,000           | 722,000           | 956,054           | 234,054          |
| Rent - Other                      | -                 | -                 | 24,000            | 24,000           |
| Highway and Street Charges        | 40,000            | 40,000            | 57,358            | 17,358           |
| Interest                          | 44,000            | 44,000            | 359,091           | 315,091          |
| Permits and Licenses              | 914,500           | 914,500           | 1,247,054         | 332,554          |

See notes to financial statements

|  | Budget            |                   | Actual            | Variance          |
|--|-------------------|-------------------|-------------------|-------------------|
|  | Original          | Final             |                   |                   |
| Cemetery Income                            | 60,000            | 60,000            | 40,460            | (19,540)          |
| Park and Recreation Income                 | 32,300            | 32,300            | 32,442            | 142               |
| Interest and Penalty on Taxes and Licenses | 23,000            | 23,000            | 30,181            | 7,181             |
| Miscellaneous                              | 1,114,250         | 1,141,217         | 976,656           | (164,561)         |
| Sale of Equipment                          | -                 | -                 | 78,304            | 78,304            |
|  | <u>2,950,050</u>  | <u>2,977,017</u>  | <u>3,801,600</u>  | <u>824,583</u>    |
| Total Revenues                             | <u>27,939,141</u> | <u>28,722,712</u> | <u>32,571,683</u> | <u>3,848,971</u>  |
| Expenditures                               |                   |                   |                   |                   |
| City Department                            |                   |                   |                   |                   |
| Mayor and Council                          | 312,086           | 274,842           | 250,741           | 24,101            |
| City Attorney/Judicial                     | 248,579           | 242,482           | 186,487           | 55,995            |
| Financial Administration                   | 337,085           | 221,475           | 228,987           | (7,512)           |
| Building Maintenance                       | 112,391           | 122,250           | 115,939           | 6,311             |
| Accounting                                 | 197,807           | 195,606           | 124,701           | 70,905            |
| Customer Billing                           | 16,887            | 18,156            | 30,385            | (12,229)          |
| Johnson Controls                           | 512,406           | 514,077           | 402,177           | 111,900           |
| Purchasing                                 | 48,708            | 47,584            | 44,990            | 2,594             |
| Computer Equipment                         | 461,637           | 405,986           | 407,630           | (1,644)           |
| Public Works                               | 905,129           | 801,628           | 317,865           | 483,763           |
| HOME Grant                                 | -                 | -                 | (600)             | 600               |
| Personnel                                  | 640,550           | 549,491           | 366,787           | 182,704           |
| Traffic Maintenance                        | 212,017           | 283,672           | 229,215           | 54,457            |
| General Maintenance                        | 438,540           | 380,048           | 336,420           | 43,628            |
| Police                                     | 9,759,155         | 10,796,421        | 10,761,508        | 34,913            |
| Fire                                       | 6,570,909         | 7,089,104         | 6,993,700         | 95,404            |
| Building Inspection                        | 612,666           | 526,316           | 485,702           | 40,614            |
| Street                                     | 1,806,297         | 2,125,638         | 1,462,512         | 663,126           |
| Animal Control                             | 172,169           | 184,980           | 183,064           | 1,916             |
| Public Safety                              | 6,874,971         | 7,689,572         | 3,725,061         | 3,964,511         |
| Engineering                                | 895,013           | 706,291           | 308,263           | 398,028           |
| Garage                                     | 402,192           | 358,822           | 338,915           | 19,907            |
| Cemetery                                   | 124,245           | 124,895           | 121,450           | 3,445             |
| Recreation                                 | 1,086,273         | 1,507,750         | 1,059,117         | 448,633           |
| Special Events                             | 42,000            | 42,000            | 30,659            | 11,341            |
| Dues & Contributions                       | 268,892           | 298,892           | 313,634           | (14,742)          |
| Community Park                             | 420,318           | 505,111           | 266,945           | 238,166           |
| EAC Committee                              | 320               | 320               | 131               | 189               |
| Sanitation                                 | 1,550,121         | 1,846,852         | 1,690,648         | 156,204           |
| Drainage Migration                         | 427,828           | 55,075            | 55,422            | (347)             |
| Risk Assessment                            | 108,936           | 72,045            | 58,411            | 13,634            |
| Accounting System Debt Service             | 18,500            | 18,345            | 18,066            | 279               |
| Economic Development                       | 328,432           | 256,660           | 153,883           | 102,777           |
| Intelligent Transportation                 | 1,301,000         | 1,301,000         | 33,756            | 1,267,244         |
| Senior Citizens Center                     | 276,609           | 276,640           | 270,474           | 6,166             |
| Codes Enforcement                          | -                 | 181,992           | 123,383           | 58,609            |
| Mitchell House                             | -                 | 1,400,000         | 1,151,675         | 248,325           |
| Radio Communication                        | -                 | 6,135,000         | 949,633           | 5,185,367         |
| Total Expenditures                         | <u>37,490,668</u> | <u>47,557,018</u> | <u>33,597,736</u> | <u>13,959,282</u> |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2019

|   | Budget                |                       | Actual               | Variance            |
|---|-----------------------|-----------------------|----------------------|---------------------|
|   | Original              | Final                 |                      |                     |
| Excess of Revenues Over (Under)   |                       |                       |                      |                     |
| Expenditures  | (9,551,527)           | (18,834,306)          | (1,026,053)          | 17,808,253          |
| Other Financing Sources (Uses):   |                       |                       |                      |                     |
| Transfers - Tax Equivalents   | 659,484               | 678,487               | 676,029              | (2,458)             |
| Operating Transfers From Other Fun  | -                     | -                     | 3,669                | 3,669               |
| Operating Transfers To Other Funds  | (2,491,453)           | (3,856,008)           | (3,564,304)          | 291,704             |
| Bond Proceeds   | 5,500,000             | 11,200,000            | 1,899,239            | (9,300,761)         |
| Bond Premium  | -                     | -                     | -                    | -                   |
| Gain on Refunding   | -                     | -                     | -                    | -                   |
| Payment to Refunding Bond Agent   | -                     | -                     | -                    | -                   |
| Loan Proceeds   | 2,000,000             | 2,318,588             | 206,231              | (2,112,357)         |
| Total Other Financing Sources (Uses)  | <u>5,668,031</u>      | <u>10,341,067</u>     | <u>(779,136)</u>     | <u>(11,120,203)</u> |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | <u>\$ (3,883,496)</u> | <u>\$ (8,493,239)</u> | (1,805,189)          | <u>\$ 6,688,050</u> |
| Fund Balances:  |                       |                       |                      |                     |
| July 01, 2018   |                       |                       | 30,952,304           |                     |
| Change in Encumbrances  |                       |                       | 392,329              |                     |
| June 30, 2019   |                       |                       | <u>\$ 29,539,444</u> |                     |

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

Year Ended June 30, 2019

|  | Original<br>Budget  | Final<br>Budget     | Actual            | Variance           |
|--|---------------------|---------------------|-------------------|--------------------|
| <b>Revenues</b>                                  |                     |                     |                   |                    |
| Interest Earnings                                | \$ -                | \$ -                | \$ 10,143         | \$ 10,143          |
| Contracts  | 348,800             | 1,636,479           | 36,821            | (1,599,658)        |
| Contributions                                    | 150,000             | 2,763,791           | 2,795,819         | 32,028             |
| Total Revenues                                   | <u>498,800</u>      | <u>4,400,270</u>    | <u>2,842,783</u>  | <u>(1,557,487)</u> |
| <b>Expenditures</b>                              |                     |                     |                   |                    |
| Capital Outlay                                   | -                   | 7,729,969           | 5,934,735         | 1,795,234          |
| Other Operating Expenditures                     | -                   | 156,950             | 93,751            | 63,199             |
| Total Expenditures                               | <u>-</u>            | <u>7,886,919</u>    | <u>6,028,486</u>  | <u>1,858,433</u>   |
| <b>Excess of Revenues Over (Under)</b>           |                     |                     |                   |                    |
| Expenditures                                     | 498,800             | (3,486,649)         | (3,185,703)       | 300,946            |
| <b>Other Financing Sources (Uses)</b>            |                     |                     |                   |                    |
| Operating Transfers In                           | 662,200             | 1,469,200           | 1,194,200         | 275,000            |
| Bond Proceeds                                    | -                   | 1,276,495           | 1,276,495         | -                  |
| Total Other Financing Sources (Uses)             | <u>662,200</u>      | <u>2,745,695</u>    | <u>2,470,695</u>  | <u>275,000</u>     |
| <b>Excess of Revenues and Other Sources Over</b> |                     |                     |                   |                    |
| (Under) Expenditures and Other Uses              | <u>\$ 1,161,000</u> | <u>\$ (740,954)</u> | (715,008)         | <u>\$ (25,946)</u> |
| <b>Fund Balances</b>                             |                     |                     |                   |                    |
| July 01, 2018                                    |                     |                     | <u>1,466,558</u>  |                    |
| June 30, 2019                                    |                     |                     | <u>\$ 751,550</u> |                    |

See notes to financial statements

**CITY OF LEBANON, TENNESSEE**

**NOTE TO BUDGETARY COMPARISON STATEMENT**

**June 30, 2019**

**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, 2019**

**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, 2019

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, 2019

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, 2019

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, 2019. 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, 2019

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, 2019 amounted to \$159,128.

(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, 2019**

**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, 2019 in the amount of \$11,313,354 have been accrued in the General Fund and the Governmental Activities as receivable and unearned revenue at June 30, 2019.

**(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 \$6,800 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, 2019**

**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, 2019.

The carrying amount of the City's deposits with financial institutions was \$43,240,582 including \$3,325,422 in certificates of deposit, and the bank balance was \$44,574,740. 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 \$1,606,779 at June 30, 2019, of which \$367,579 is included in "Other Restricted Funds" and is restricted for debt service.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 3 - LONG-TERM DEBT**

The City has the following bonds outstanding at June 30, 2019:

|                                  | <u>Amount of<br/>Original<br/>Issue</u> | <u>Range of<br/>Maturity<br/>Dates</u> | <u>Range of<br/>Interest<br/>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%                                  |
| 2018 TMBF Public Safety          | 5,500,000                               | 2020-2039                              | 3.80%                                  |
| 2018 TMBF Radio Communications   | 5,700,000                               | 2020-2039                              | 3.55%                                  |
| <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%                                   |
| TMBF 2014 Bonds                  | 1,000,000                               | 2014-2033                              | 2.43%                                  |

In addition, the City has various equipment notes secured by governmental capital assets. These notes are reported in the governmental activities section of the Statement of Net 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, 2019**

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

Long-term liability activity for the year ended June 30, 2019 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>     | <u>Ending<br/>Balance</u> | <u>Amounts Due<br/>Within One Year</u> |
|---|------------------------------|---------------------|-----------------------|---------------------------|--|
| <b>GOVERNMENTAL ACTIVITIES</b>                  |                              |                     |                       |                           |  |
| Bonds and Notes Payable                         |                              |                     |                       |                           |  |
| General Obligation Debt                         | \$ 16,765,100                | \$ 11,200,000       | \$ (1,099,900)        | \$ 26,865,200             | \$ 1,322,700                           |
| Notes & Leases                                  | 7,436,939                    | -                   | (1,282,260)           | 6,154,679                 | 820,540                                |
|   | <u>24,202,039</u>            | <u>11,200,000</u>   | <u>(2,382,160)</u>    | <u>33,019,879</u>         | <u>2,143,240</u>                       |
| Less:   |                              |                     |                       |                           |  |
| Amounts not yet borrowed                        | (5,514,524)                  | (5,594,466)         |                       | (11,108,990)              | -                                      |
| Gain on Refunding                               | -                            | -                   |                       | -                         | -                                      |
| Total Governmental Activities                   |                              |                     |                       |                           |  |
| Long-Term Debt                                  | <u>\$ 18,687,515</u>         | <u>\$ 5,605,534</u> | <u>\$ (2,382,160)</u> | <u>\$ 21,910,889</u>      | <u>\$ 2,143,240</u>                    |
| <br>  |                              |                     |                       |                           |  |
|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u>     | <u>Ending<br/>Balance</u> | <u>Amounts Due<br/>Within One Year</u> |
| <b>BUSINESS-TYPE ACTIVITIES</b>                 |                              |                     |                       |                           |  |
| Bonds and Notes Payable:                        |                              |                     |                       |                           |  |
| Natural Gas                                     | \$ 1,572,000                 | \$ -                | \$ (95,000)           | \$ 1,477,000              | \$ 99,000                              |
| Water & Sewer                                   | 47,249,285                   | 800,000             | (3,814,058)           | 44,235,227                | 3,839,166                              |
| Stormwater                                      | -                            | -                   | -                     | -                         | -                                      |
|   | <u>48,821,285</u>            | <u>800,000</u>      | <u>(3,909,058)</u>    | <u>45,712,227</u>         | <u>3,938,166</u>                       |
| Less:   |                              |                     |                       |                           |  |
| Amounts not yet borrowed,<br>net of forgiveness | (728,306)                    | 63,281              |                       | (665,025)                 | -                                      |
| Gain on Refunding                               | -                            | -                   |                       | -                         | -                                      |
| Total Business-Type Activities                  |                              |                     |                       |                           |  |
| Long-Term Debt                                  | <u>\$ 48,092,979</u>         | <u>\$ 863,281</u>   | <u>\$ (3,909,058)</u> | <u>\$ 45,047,202</u>      | <u>\$ 3,938,166</u>                    |

Annual Requirements to Maturity on Long-Term Debt:

| <u>Year Ended June 30,</u> | <u>Primary Government<br/>Governmental Activities</u> |                     |                        |                   |
|----------------------------|---|---------------------|------------------------|-------------------|
|                            | <u>General Obligation Bonds</u>                       |                     | <u>Equipment Notes</u> |                   |
|                            | <u>Principal</u>                                      | <u>Interest</u>     | <u>Principal</u>       | <u>Interest</u>   |
| 2020                       | \$ 1,322,700  | \$ 845,047          | \$ 820,540             | \$ 78,447         |
| 2021                       | 1,554,500   | 810,338             | 846,741                | 75,011            |
| 2022                       | 1,596,300   | 759,370             | 849,184                | 69,796            |
| 2023                       | 1,641,100   | 705,395             | 863,357                | 56,654            |
| 2024                       | 1,364,900   | 651,299             | 883,775                | 45,384            |
| 2025-2029                  | 6,394,700   | 2,576,690           | 1,891,082              | 54,094            |
| 2030-2034                  | 5,987,100   | 1,625,610           | -                      | -                 |
| 2035-2039                  | 5,682,500   | 677,963             | -                      | -                 |
| 2040-2042                  | 1,321,400   | 51,311              | -                      | -                 |
| Total                      | <u>\$ 26,865,200</u>                                  | <u>\$ 8,703,023</u> | <u>\$ 6,154,679</u>    | <u>\$ 379,386</u> |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

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

|           | Primary Government       |                     |                       |                     |
|-----------|--------------------------|---------------------|-----------------------|---------------------|
|           | Business-Type Activities |                     |                       |                     |
|           | Water and Sewer Bonds    |                     | Water and Sewer Notes |                     |
|           | Principal                | Interest            | Principal             | Interest            |
| 2020      | \$ 1,587,800             | \$ 630,395          | \$ 2,251,366          | \$ 500,846          |
| 2021      | 1,554,000                | 576,512             | 1,815,456             | 460,364             |
| 2022      | 1,603,000                | 524,880             | 1,844,232             | 420,782             |
| 2023      | 1,656,000                | 471,475             | 1,893,072             | 380,310             |
| 2024      | 1,384,000                | 416,132             | 1,933,116             | 339,007             |
| 2025-2029 | 5,707,778                | 1,402,206           | 9,992,641             | 1,106,527           |
| 2030-2034 | 1,894,000                | 829,525             | 4,230,735             | 240,232             |
| 2035-2039 | 3,600,000                | 143,000             | 1,251,267             | 34,362              |
| 2040-2042 | -                        | -                   | 36,764                | 126                 |
| Total     | <u>\$ 18,986,578</u>     | <u>\$ 4,994,125</u> | <u>\$ 25,248,649</u>  | <u>\$ 3,482,556</u> |

|           | Primary Government       |                   |
|-----------|--------------------------|-------------------|
|           | Business-Type Activities |                   |
|           | Natural Gas Bonds        |                   |
|           | Principal                | Interest          |
| 2020      | \$ 99,000                | \$ 52,872         |
| 2021      | 103,000                  | 49,066            |
| 2022      | 107,000                  | 45,086            |
| 2023      | 111,000                  | 40,932            |
| 2024      | 115,000                  | 36,603            |
| 2025-2029 | 645,000                  | 111,529           |
| 2030-2034 | 297,000                  | 18,359            |
| Total     | <u>\$ 1,477,000</u>      | <u>\$ 354,447</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, 2019

**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, 2019 the liability for accrued PTO is \$1,449,305.

**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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2019

NOTE 6 - PENSION EXPENSE – CONTINUED

Employees hired after April 1, 2015 are covered under a hybrid plan of the TCRS – see Note 7.

*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, 2018, the following employees were covered by the benefit terms:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 200        |
| Inactive employees entitled to but not yet receiving benefits    | 351        |
| Active employees   | 257        |
|  | <u>808</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, 2019, the Actuarially Determined Contribution (ADC) for Lebanon was \$2,110,521 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

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 6 - PENSION EXPENSE – CONTINUED**

amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Lebanon's net pension liability (asset) was measured as of June 30, 2018, 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, 2018 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 8.72 to 3.44 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, 2018 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.

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, 2019**

**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<br>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<br>Liability<br>(a) | Increase (Decrease)<br>Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (Asset)<br>(a) – (b) |
|---|-----------------------------------|--|---|
| Balance at 6/30/17  | \$ 61,151,414                     | \$ 57,326,685  | \$ 3,824,729                                  |
| Changes for the year:   |                                   |  |   |
| Service cost  | 1,131,382                         |  | 1,131,382                                     |
| Interest  | 4,444,447                         |  | 4,444,447                                     |
| Differences between expected and actual experience            | (1,050,216)                       |  | (1,050,216)                                   |
| Changes in assumptions  | -                                 |  | -   |
| Contributions-employer  | -                                 | 2,157,052  | (2,157,052)                                   |
| Contributions-employees                                       | -                                 | -  | -   |
| Net investment income   | -                                 | 4,765,579  | (4,765,579)                                   |
| Benefit payments, including refunds of employee contributions | (1,960,155)                       | (1,960,155)  | -   |
| Administrative expense  | -                                 | (25,191)   | 25,191  |
| Net changes   | <u>2,565,458</u>                  | <u>4,937,285</u>   | <u>(2,371,827)</u>                            |
| Balance at 6/30/18  | <u>\$ 63,716,872</u>              | <u>\$ 62,263,970</u>   | <u>\$ 1,452,902</u>                           |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**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<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Lebanon's net pension liability (asset) | \$ 10,822,217          | \$ 1,452,902                        | \$ (6,279,152)         |

**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, 2019, Lebanon recognized pension expense of \$1,730,373.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2019, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflow<br>of Resources |
|---|-----------------------------------|---------------------------------|
| Differences between expected and actual experience                                  | \$ 3,863,388                      | \$ 2,217,747                    |
| Net difference between projected and actual earnings<br>on pension plan investments | -                                 | 266,594                         |
| Changes in Assumptions  | 905,415                           | -                               |
| Contributions subsequent to the measurement date of June 30, 2018                   | 2,110,521                         | -                               |
| <b>Total</b>  | <b><u>\$ 6,879,324</u></b>        | <b><u>\$ 2,484,341</u></b>      |

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018 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, 2019**

**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:

|            |    |           |
|------------|----|-----------|
| 2020       | \$ | 1,045,712 |
| 2021       |    | 617,187   |
| 2022       |    | 39,348    |
| 2023       |    | 582,207   |
| 2024       |    | -         |
| Thereafter |    | -         |

**Payable to the Pension Plan**

At June 30, 2019, 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, 2019.

**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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

*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, 2019

NOTE 7 - PENSION EXPENSE – CONTINUED

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    | 34         |
| Active employees   | 126        |
|  | <u>160</u> |

*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, 2019 to the Public Employee Retirement Plan was \$248,919 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, 2018, 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, 2019**

**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 8.72 to 3.44 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, 2018 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.

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:

| Asset Class                           | Long-Term Expected<br>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%                |
|                                       |   | <hr/> 100%        |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 7 - PENSION EXPENSE – CONTINUED**

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<br>Liability<br>(a) | Increase (Decrease)<br>Plan Fiduciary<br>Net Position<br>(b) | Net Pension<br>Liability (Asset)<br>(a) – (b) |
|---|-----------------------------------|--|---|
| Balance at 6/30/17  | \$ 190,987                        | \$ 291,957   | \$ (100,970)                                  |
| Changes for the year:   |                                   |  |   |
| Service cost  | 137,695                           |  | 137,695                                       |
| Interest  | 23,829                            |  | 23,829  |
| Differences between expected and actual experience            | 95,335                            |  | 95,335  |
| Changes in Assumptions  | -                                 |  | -   |
| Contributions-employer  | -                                 | 156,337  | (156,337)                                     |
| Contributions-employees                                       | -                                 | 195,422  | (195,422)                                     |
| Net investment income   | -                                 | 38,401   | (38,401)                                      |
| Benefit payments, including refunds of employee contributions | -                                 |  | -   |
| Administrative expense  | -                                 | (10,412)   | 10,412  |
| Other Changes   | -                                 |  | -   |
| Net changes   | <u>256,859</u>                    | <u>379,748</u>   | <u>(122,889)</u>                              |
| Balance at 6/30/18  | <u>\$ 447,846</u>                 | <u>\$ 671,705</u>  | <u>\$ (223,859)</u>                           |

*Sensitivity of the net pension liability (asset) to changes in the discount rate.* The following presents the net pension liability (asset) of Lebanon calculated using the discount rate of 7.25 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<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|---|------------------------|-------------------------------------|------------------------|
| Lebanon's net pension liability (asset) | \$ (87,143)            | \$ (223,859)                        | \$ (324,889)           |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 7 - PENSION EXPENSE – CONTINUED**

**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, 2019, Lebanon recognized negative pension expense of (\$48,299).

*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<br>of Resources | Deferred Inflow<br>of Resources |
|---|-----------------------------------|---------------------------------|
| Differences between expected and actual experience                                  | \$ 108,981                        | \$ 7,244                        |
| Net difference between projected and actual earnings<br>on pension plan investments | -                                 | 7,219                           |
| Changes in Assumptions  | 4,028                             | -                               |
| Contributions subsequent to the measurement date of June 30, 2017                   | 560,471                           | -                               |
| <b>Total</b>  | <b><u>\$ 673,480</u></b>          | <b><u>\$ 14,463</u></b>         |

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018 will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:

|  |            |    |        |
|--|------------|----|--------|
|  | 2020       | \$ | 8,728  |
|  | 2021       |    | 8,728  |
|  | 2022       |    | 8,363  |
|  | 2023       |    | 9,716  |
|  | 2024       |    | 10,688 |
|  | Thereafter |    | 52,324 |

**Payable to the Pension Plan**

At June 30, 2019, Lebanon reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2019.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 8 – CAPITAL ASSETS**

A summary of changes in Capital Assets follows:

|   | Beginning<br>Balance | Increases            | Decreases        | Ending<br>Balance    |
|---|----------------------|----------------------|------------------|----------------------|
| Governmental Activities:                      |                      |                      |                  |                      |
| Capital Assets Not being Depreciated:         |                      |                      |                  |                      |
| Land  | \$ 8,132,387         | \$ 3,683,258         | \$ -             | \$ 11,815,645        |
| Other Capital Assets:                         |                      |                      |                  |                      |
| Buildings                                     | 27,489,589           | 4,683,735            | -                | 32,173,324           |
| Improvements Other Than Buildings             | 63,750,629           | 6,767,376            | -                | 70,518,005           |
| Equipment                                     | 24,186,976           | 2,953,917            | 161,597          | 26,979,296           |
| Total Other Capital Assets at Historical Cost | <u>115,427,194</u>   | <u>14,405,028</u>    | <u>161,597</u>   | <u>129,670,625</u>   |
| Less Accumulated Depreciation for:            |                      |                      |                  |                      |
| Buildings                                     | 14,249,381           | 909,196              |                  | 15,158,577           |
| Improvements Other Than Buildings             | 27,450,757           | 2,067,201            |                  | 29,517,958           |
| Equipment                                     | 17,707,729           | 1,657,293            | 131,793          | 19,233,229           |
| Total Accumulated Depreciation                | <u>59,407,867</u>    | <u>4,633,690</u>     | <u>131,793</u>   | <u>63,909,764</u>    |
| Other Capital Assets, Net                     | <u>56,019,327</u>    | <u>9,771,337</u>     | <u>29,804</u>    | <u>65,760,861</u>    |
| Governmental Activities Capital Assets, Net   | <u>\$ 64,151,715</u> | <u>\$ 13,454,595</u> | <u>\$ 29,804</u> | <u>\$ 77,576,506</u> |

Depreciation Expense was charged to functions as follows:

|                                |                     |
|--------------------------------|---------------------|
| General Government             | \$ 317,686          |
| Public Works                   | 55,558              |
| Public Safety                  | 182,982             |
| Police                         | 547,474             |
| Fire                           | 611,283             |
| Street                         | 1,873,323           |
| Cemetery                       | 803                 |
| Recreation                     | 276,553             |
| Jimmy Floyd Family Life Center | 288,204             |
| Engineering                    | 18,066              |
| Airport                        | 461,757             |
|                                | <u>\$ 4,633,690</u> |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 8 – CAPITAL ASSETS – CONTINUED**

|   | <u>Balance</u>        | <u>Increases</u>    | <u>Decreases</u> | <u>Balance</u>        |
|---|-----------------------|---------------------|------------------|-----------------------|
| Business Type Activities:                     |                       |                     |                  |                       |
| Capital Assets Not being Depreciated:         |                       |                     |                  |                       |
| Land  | \$ 2,563,087          | \$ -                | \$ -             | \$ 2,563,087          |
| Construction in Process                       | 3,610,466             | 1,840,839           | -                | 5,451,305             |
| Total Capital Assets Not Being Depreciated    | <u>6,173,553</u>      | <u>1,840,839</u>    | <u>-</u>         | <u>8,014,392</u>      |
| Other Capital Assets:                         |                       |                     |                  |                       |
| Buildings                                     | 71,077,767            | 2,114,019           | (280,948)        | 73,472,734            |
| Improvements Other Than Buildings             | 152,960,000           | 7,617,661           | 273,678          | 160,303,982           |
| Equipment                                     | 8,678,726             | 1,002,242           | 7,270            | 9,673,698             |
| Total Other Capital Assets at Historical Cost | <u>232,716,493</u>    | <u>10,733,922</u>   | <u>-</u>         | <u>243,450,415</u>    |
| Less Accumulated Depreciation for:            |                       |                     |                  |                       |
| Buildings                                     | 27,496,518            | 1,924,006           | -                | 29,420,524            |
| Improvements Other Than Buildings             | 64,710,423            | 4,299,265           | -                | 69,009,688            |
| Equipment                                     | 5,311,943             | 932,106             | -                | 6,244,049             |
| Total Accumulated Depreciation                | <u>97,518,884</u>     | <u>7,155,377</u>    | <u>-</u>         | <u>104,674,261</u>    |
| Other Capital Assets, Net                     | <u>135,197,608</u>    | <u>3,578,545</u>    | <u>-</u>         | <u>138,776,154</u>    |
| Business Type Activities Capital Assets, Net  | <u>\$ 141,371,161</u> | <u>\$ 5,419,384</u> | <u>\$ -</u>      | <u>\$ 146,790,546</u> |

**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> |                    |
| 2020       | \$              | 24,000             |
| 2021       |                 | 24,000             |
| 2022       |                 | 24,000             |
| 2023       |                 | 24,000             |
| 2024       |                 | 24,000             |
| Thereafter |                 | <u>864,000</u>     |
|            | \$              | <u>984,000</u>     |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**NOTE 10 - CONSTRUCTION COMMITMENTS**

Water and sewer and gas improvements projects in progress at June 30, 2019 totaled 5,525,787. At June 30, 2019, the City closed \$6,820,198 of completed water and sewer projects into capital assets and expenses. The City also closed \$3,143,042 of completed gas projects into capital assets and expenses during the current fiscal year. Construction cost during the fiscal year ended June 30, 2019 for the water and sewer and gas improvements totaled \$12,129,087. At June 30, 2019, the City had total contracts outstanding for building and road construction of \$6,555,795. The majority of this is for buildings, trails, road construction, and airport projects. The City had incurred construction costs of \$8,235,850 during the current fiscal year, including \$4,616,095 of developer's contributions.

**NOTE 11 - TRANSFERS**

Transfers during the year ended June 30, 2019, are summarized as follows:

|                                      | Governmental Funds       |  | Proprietary Funds |            |            |
|--------------------------------------|--------------------------|--|-------------------|------------|------------|
|                                      | Major<br>Fund<br>General | Other<br>Nonmajor<br>Governmental<br>Funds | Water<br>Sewer    | Stormwater | Gas        |
| Transfers<br>From                    |                          |  |                   |            |            |
| Transfers<br>To                      |                          |  |                   |            |            |
| Governmental Funds:                  |                          |  |                   |            |            |
| Major Funds:                         |                          |  |                   |            |            |
| General                              | \$ -                     | \$ 2,169                                   | \$ -              | \$ -       | \$ -       |
| Street Improvements                  | 854,200                  | -  | 200,000           | 40,000     | 100,000    |
| Other Nonmajor<br>Governmental Funds | 2,200,550                | 174,830                                    | -                 | 3,650      | -          |
| Proprietary Funds:                   |                          |  |                   |            |            |
| Water/Sewer                          | 471,259                  | -  | -                 | -          | -          |
| Gas                                  | 36,795                   | -  | -                 | -          | -          |
|                                      | \$ 3,562,804             | \$ 176,999                                 | \$ 200,000        | \$ 43,650  | \$ 100,000 |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**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, 2019 are as follows:

|                      | Primary Government |                      |                   |                  |                   |                     | Total |
|----------------------|--------------------|----------------------|-------------------|------------------|-------------------|---------------------|-------|
|                      | Governmental Funds |                      | Proprietary Funds |                  |                   |                     |       |
|                      | Major Fund         | Other Nonmajor Funds | Water & Sewer     | Stormwater       | Natural Gas       |                     |       |
| Due From             | General            |                      |                   |                  |                   |                     |       |
| Due To               |                    |                      |                   |                  |                   |                     |       |
| Governmental Funds:  |                    |                      |                   |                  |                   |                     |       |
| Major Funds:         |                    |                      |                   |                  |                   |                     |       |
| General              | \$ -               | 4,314                | \$ 509,294        | \$ 54,557        | \$ 382,744        | \$ 950,909          |       |
| Street Improvements  | -                  | -                    |                   |                  | 43,454            | 43,454              |       |
| Other Nonmajor Funds | 194,257            | 5,742                | -                 |                  | -                 | 199,999             |       |
| Proprietary Funds:   |                    |                      |                   |                  |                   |                     |       |
| Water & Sewer        | 4,946              | 23,329               | -                 |                  |                   | 28,275              |       |
| Natural Gas          | 2,074              | 2,252                | -                 |                  |                   | 4,326               |       |
| Stormwater           | 2,572              | 800                  |                   |                  |                   | 3,372               |       |
|                      | <u>\$ 203,849</u>  | <u>\$ 36,437</u>     | <u>\$ 509,294</u> | <u>\$ 54,557</u> | <u>\$ 426,198</u> | <u>\$ 1,230,335</u> |       |

**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, 2019**

**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, 2019, the City spent \$420.

**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, 2019, the audited financial statements for the Board presented a net position of \$221,097.

**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, 2019

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, 2018, the following employees of City of Lebanon, Tennessee, were covered by the benefit terms of the plan:

|                                  |                   |
|----------------------------------|-------------------|
| Actives (With Coverage)          | 404               |
| Retirees (With Coverage)         | <u>142</u>        |
| Total participants with Coverage | <u><u>546</u></u> |

The insurance carrier establishes the required payments to the plan through plan premiums. For the fiscal year ended June 30, 2019, the City of Lebanon, Tennessee paid \$617,329 to the plan for OPEB benefits as they came due.

*Total OPEB Liability* – the City's total OPEB Liability of \$20,643,164 was measured as of July 1, 2018 and was determined by and actuarial valuation as of that date.

*Actuarial assumptions* – The total OPEB liability in the July 1, 2018 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, 2019**

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

|  |   |
|--|---|
| Salary increases                         | 2.5% per annum  |
| Healthcare cost trend rates              | Medical costs at 7.5% graded uniformly to 6.5% over 3 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075<br>After January 1, 2017 the COLAs will be applied to post-65 benefits for grandfathered retirees, at 1.5% annually.<br>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   |

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-2018.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 3.23%, 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<br>Liability<br>(a) | Increase (Decrease)<br>Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) – (b) |
|---|--------------------------------|--|------------------------------------|
| Balance at 6/30/17  | \$ 16,294,675                  | \$ -   | \$ 16,294,675                      |
| Changes for the year:   |                                |  |                                    |
| Service cost  | 635,119                        |  | 635,119                            |
| Interest  | 526,893                        |  | 526,893                            |
| Benefit Changes   | -                              |  | -                                  |
| Differences between expected and actual experience            | 1,193,921                      |  | 1,193,921                          |
| Changes in Assumptions  | 2,609,885                      |  | 2,609,885                          |
| Contributions-employer  |                                | 617,329  | (617,329)                          |
| Contributions-employees                                       |                                | -  | -                                  |
| Net investment income   |                                | -  | -                                  |
| Benefit payments, including refunds of employee contributions | (617,329)                      | (617,329)  | -                                  |
| Administrative expense  |                                | -  | -                                  |
| Other Changes   |                                | -  | -                                  |
| Net changes   | <u>4,348,489</u>               | <u>-</u>   | <u>4,348,489</u>                   |
| Balance at 6/30/18  | <u>\$ 20,643,164</u>           | <u>\$ -</u>  | <u>\$ 20,643,164</u>               |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

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

*Changes in Assumptions* – effective July 1, 2018 the following changes were made to the actuarial assumptions and methods:

1. The discount rate is 3.23% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 29, 2019, compared with the prior Statement No. 75 discount rate of 3.13%
2. The mortality assumption was changed from RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2016 as of July 1, 2017 to RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2018 as of July 1, 2018.
3. The medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
4. The assumed trend rate for the medical claims was changed from 8% grading uniformly to to 5% grade over 12 years to 7.5% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.

*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<br>(2.23%) | Current<br>Discount Rate<br>(3.23%) | 1% Increase<br>(4.23%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB liability | \$ 23,626,823          | \$ 20,643,164                       | \$ 18,155,820          |

*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<br>6.5% to 5.75%<br>over 3 years and<br>following the Getzen<br>model thereafter | Current<br>Discount Rate<br>7.5% to 6.75%<br>over 3 years and<br>following the Getzen<br>model thereafter | 1% Increase<br>8.5% to 7.75%<br>over 3 years and<br>following the Getzen<br>model thereafter |
|--------------------|--|---|--|
| Net OPEB liability | \$ 17,685,336  | \$ 20,643,164   | \$ 24,341,148  |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

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

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

*OPEB Expense* – for the fiscal year ended June 30, 2019, 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, 2019 City of Lebanon, Tennessee reported deferred outflows and deferred inflows of resources related to OPEB benefits from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                  | \$ 1,085,383                      | \$ -                             |
| Net difference between projected and actual earnings<br>on pension plan investments |                                   | -                                |
| Changes in Assumptions  | 2,372,623                         | -                                |
| Total   | \$ 3,458,006                      | \$ -                             |

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:

|            |            |
|------------|------------|
| 2020       | \$ 345,800 |
| 2021       | 345,800    |
| 2022       | 345,800    |
| 2023       | 345,800    |
| 2024       | 345,800    |
| Thereafter | 1,729,006  |

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

**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.

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,

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2019**

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

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, 2019:

| Investments by fair value level    | Total at<br>June 30, 2019 | Level 1 | Level 2      | Level 3 |
|------------------------------------|---------------------------|---------|--------------|---------|
| Debt Securities                    |                           |         |              |         |
| Fixed Rate Certificates of Deposit | \$ 6,529,650              | \$ -    | \$ 6,529,650 | \$ -    |

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

|  | 2018                 | 2019                 |
|--|----------------------|----------------------|
| Balance, beginning of year                                       | \$ 15,766,712        | \$ 16,294,675        |
| Changes for the year:  |                      |                      |
| Service cost   | 480,821              | 635,119              |
| Interest   | 494,544              | 526,893              |
| Benefit Changes  | -                    | -                    |
| Experience losses  | -                    | 1,193,921            |
| Changes in Assumptions   | -                    | 2,609,885            |
| Contributions - Employer   | -                    | (617,329)            |
| Benefit payments, including refunds of employee contributions    | (447,402)            | -                    |
| Net changes  | <u>527,963</u>       | <u>4,348,489</u>     |
| Balance, end of year   | <u>\$ 16,294,675</u> | <u>\$ 20,643,164</u> |
| Covered employee payroll   | \$ 15,591,573        | \$ 18,467,210        |
| Total OPEB Liability as a percentage of covered employee payroll | 104.51%              | 111.78%              |

Notes to Schedule:

*Changes in Assumptions* – effective July 1, 2018 the following changes were made to the actuarial assumptions and methods:

1. The discount rate is 3.23% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 29, 2019, compared with the prior Statement No. 75 discount rate of 3.13%
2. The mortality assumption was changed from RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2016 as of July 1, 2017 to RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2018 as of July 1, 2018.
3. The medical claims aging table was updated to be based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
4. The assumed trend rate for the medical claims was changed from 8% grading uniformly to to 5% grade over 12 years to 7.5% grading uniformly to 6.75% over 3 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.

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                 | 2018                 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Total pension liability   |                      |                       |                      |                      |                      |
| Service cost  | \$ 936,571           | \$ 989,346            | \$ 944,930           | \$ 989,129           | \$ 1,131,382         |
| Interest  | 3,399,484            | 3,646,565             | 3,607,189            | 3,947,625            | 4,444,447            |
| Changes in benefit terms  | -                    | -                     | -                    | -                    | -                    |
| Differences between actual & expected experience                          | 661,593              | (3,214,342)           | 1,856,474            | 4,119,182            | (1,050,216)          |
| 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>   | <u>(1,960,155)</u>   |
| Net change in total pension liability                                     | 3,279,673            | (372,484)             | 4,398,328            | 8,597,024            | 2,565,458            |
| Total pension liability-beginning   | 45,248,873           | 48,528,546            | 48,156,062           | 52,554,390           | 61,151,414           |
| 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> | <u>\$ 63,716,872</u> |
| Plan fiduciary net position   |                      |                       |                      |                      |                      |
| Contributions-employer  | \$ 1,828,142         | \$ 1,774,194          | 1,834,691            | \$ 2,279,703         | \$ 2,157,052         |
| Contributions-employee  | -                    | -                     | -                    | -                    | -                    |
| Net investment income   | 6,887,411            | 1,492,974             | 1,322,269            | 5,812,495            | 4,765,579            |
| Benefit payments, including refunds of employee contributions             | (1,717,975)          | (1,794,053)           | (2,010,265)          | (1,817,035)          | (1,960,155)          |
| Administrative expense  | <u>(13,375)</u>      | <u>(13,288)</u>       | <u>(22,551)</u>      | <u>(23,677)</u>      | <u>(25,191)</u>      |
| Net change in plan fiduciary net position                                 | 6,984,203            | 1,459,827             | 1,124,144            | 6,251,486            | 4,937,285            |
| Plan fiduciary net position-beginning                                     | 41,507,025           | 48,491,228            | 49,951,055           | 51,075,199           | 57,326,685           |
| 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> | <u>\$ 62,263,970</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>  | <u>\$ 1,452,902</u>  |
| Plan fiduciary net position as a percentage of total pension liability    | 99.92%               | 103.73%               | 97.19%               | 93.75%               | 97.72%               |
| Covered-employee payroll  | \$ 12,938,008        | \$ 13,339,802         | \$ 13,790,787        | \$ 15,198,013        | \$ 14,303,140        |
| Net pension liability (asset) as a percentage of covered-employee payroll | 0.29%                | -13.46%               | 10.73%               | 25.17%               | 10.16%               |

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        | \$ 2,157,052 |
| Contributions in relation to the actuarially determined contribution | 1,828,142     | 1,774,194     | 1,834,691     | 2,279,703           | 2,157,052    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ (255,328)</u> | <u>\$ -</u>  |
| Covered-employee payroll   | \$ 12,938,008 | \$ 13,339,802 | \$ 13,790,787 | \$ 15,198,013       | 14,303,140   |
| Contributions as a percentage covered-employee payroll               | 14.13%        | 13.30%        | 13.30%        | 15.00%              | 15.08%       |

Valuation date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017 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                     | 2.5 percent  |
| Salary increases              | Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent |
| Investment Rate of Return     | 7.25 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    | 2.25 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                | 2018                |
|---|--------------------|---------------------|---------------------|
| Total pension liability   |                    |                     |                     |
| Service cost  | \$ 60,774          | \$ 92,342           | \$ 137,695          |
| Interest  | 4,558              | 11,079              | 23,829              |
| Changes in benefit terms  | -                  | -                   | -                   |
| Differences between actual & expected experience                          | (9,959)            | 27,271              | 95,335              |
| 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>      | <u>256,859</u>      |
| Total pension liability-beginning   | -                  | 55,373              | 190,987             |
| Total pension liability-ending (a)  | <u>\$ 55,373</u>   | <u>\$ 190,987</u>   | <u>\$ 447,846</u>   |
| <br>  |                    |                     |                     |
| Plan fiduciary net position   |                    |                     |                     |
| Contributions-employer  | \$ 34,759          | \$ 89,004           | 156,337             |
| Contributions-employee  | 43,449             | 111,256             | 195,422             |
| Net investment income   | 1,043              | 19,876              | 38,401              |
| Benefit payments, including refunds of employee contributions             | -                  | -                   | -                   |
| Administrative expense  | (2,675)            | (5,688)             | (10,412)            |
| Other   | 933                | -                   | -                   |
| Net change in plan fiduciary net position                                 | <u>77,509</u>      | <u>214,448</u>      | <u>379,748</u>      |
| Plan fiduciary net position-beginning                                     | -                  | 77,509              | 291,957             |
| Plan fiduciary net position-ending (b)                                    | <u>\$ 77,509</u>   | <u>\$ 291,957</u>   | <u>\$ 671,705</u>   |
| <br>  |                    |                     |                     |
| Net Pension Liability (asset)-ending (a) – (b)                            | <u>\$ (22,136)</u> | <u>\$ (100,970)</u> | <u>\$ (223,859)</u> |
| <br>  |                    |                     |                     |
| Plan fiduciary net position as a percentage of total pension liability    | 139.98%            | 152.87%             | 149.99%             |
| <br>  |                    |                     |                     |
| Covered-employee payroll  | \$ 871,710         | 2,225,577           | \$ 3,908,422        |
| <br>  |                    |                     |                     |
| Net pension liability (asset) as a percentage of covered-employee payroll | -2.54%             | -4.54%              | -5.73%              |

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

|  | <u>2016</u>        | <u>2017</u>        | <u>2018</u>         | <u>2019</u>         |
|--|--------------------|--------------------|---------------------|---------------------|
| Actuarially determined contribution                                  | \$ 17,325          | \$ 25,149          | \$ 53,545           | \$ 248,919          |
| Contributions in relation to the actuarially determined contribution | 34,759             | 89,004             | 156,337             | 560,471             |
| Contribution deficiency (excess)                                     | <u>\$ (17,434)</u> | <u>\$ (63,855)</u> | <u>\$ (102,792)</u> | <u>\$ (311,552)</u> |
| Covered-employee payroll   | 871,710            | 2,225,577          | 3,908,422           | \$ 6,222,983        |
| Contributions as a percentage covered-employee payroll               | 3.99%              | 4.00%              | 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                     | 2.5 percent  |
| Salary increases              | Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent |
| Investment Rate of Return     | 7.25 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    | 2.25 percent   |

Changes of Assumptions - in 20174, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost of living adjustment from 2.5 percent to 2.25 percent; and decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent

**SUPPLEMENTARY INFORMATION**

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

| ASSETS                              | Nonmajor<br>Special<br>Revenue | Nonmajor<br>Debt<br>Service | Nonmajor<br>Capital<br>Projects | Total<br>Nonmajor<br>Funds |
|-------------------------------------|--------------------------------|-----------------------------|---------------------------------|----------------------------|
| Cash                                | \$ 2,101,340                   | \$ 10,374                   | \$ 518,891                      | \$ 2,630,605               |
| Investment in State Investment Pool | -                              | 198,586                     | -                               | 198,586                    |
| Certificates of Deposit             | 35,530                         | -                           | -                               | 35,530                     |
| Accounts Receivable:                |                                |                             |                                 |                            |
| State of Tennessee                  | 185                            | -                           | -                               | 185                        |
| Other                               | 57,054                         | -                           | 17,506                          | 74,560                     |
| Due from Other Funds                | 200,000                        | -                           | -                               | 200,000                    |
| Prepaid Expenses                    | 1,490                          | -                           | -                               | 1,490                      |
|                                     | <u>\$ 2,395,599</u>            | <u>\$ 208,960</u>           | <u>\$ 536,397</u>               | <u>\$ 3,140,956</u>        |

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

| LIABILITIES                                | Nonmajor<br>Special<br>Revenue | Nonmajor<br>Debt<br>Service | Nonmajor<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|-----------------------------|---------------------------------|-----------------------------------|
| Accounts Payable                           |                                |                             |                                 |                                   |
| Vendors                                    | \$ 179,710                     | \$ -                        | \$ 27,713                       | \$ 207,423                        |
| Due to Other Funds                         | 34,268                         | 2,169                       | -                               | 36,437                            |
| Bank Overdraft                             | 156,954                        | 2,174                       | -                               | 159,128                           |
| Accrued Payroll and Related Items          | 24,491                         | -                           | -                               | 24,491                            |
| Accrued Vacation Pay                       | 7,960                          | -                           | -                               | 7,960                             |
| <b>Total Liabilities</b>                   | <b>403,383</b>                 | <b>4,343</b>                | <b>27,713</b>                   | <b>435,439</b>                    |
| <b>FUND BALANCES</b>                       |                                |                             |                                 |                                   |
| Fund Balances:                             |                                |                             |                                 |                                   |
| Restricted for:                            |                                |                             |                                 |                                   |
| Debt Service                               |                                | 204,617                     | -                               | 204,617                           |
| Street                                     | 1,388,117                      | -                           | -                               | 1,388,117                         |
| Recreation                                 | -                              | -                           | -                               | -                                 |
| Drug Enforcement                           | 259,432                        | -                           | -                               | 259,432                           |
| Community Assistance                       | 54,996                         | -                           | -                               | 54,996                            |
| Police                                     | 24,495                         | -                           | -                               | 24,495                            |
| Airport                                    | -                              | -                           | -                               | -                                 |
| Committed to:                              |                                |                             |                                 |                                   |
| Airport                                    | -                              | -                           | -                               | -                                 |
| Cemetery                                   | 146,758                        | -                           | -                               | 146,758                           |
| Police                                     | 47,691                         | -                           | 164,000                         | 211,691                           |
| OPEB                                       | -                              | -                           | -                               | -                                 |
| Assigned to:                               |                                |                             |                                 |                                   |
| Recreation                                 | -                              | -                           | 125,693                         | 125,693                           |
| Airport                                    | 30,163                         | -                           | 115,654                         | 145,817                           |
| Street                                     | -                              | -                           | 103,337                         | 103,337                           |
| Public Works                               | -                              | -                           | -                               | -                                 |
| Police                                     | 2,314                          | -                           | -                               | 2,314                             |
| Floyd Family Life Center                   | 38,250                         | -                           | -                               | 38,250                            |
| <b>Total Fund Balances</b>                 | <b>1,992,216</b>               | <b>204,617</b>              | <b>508,684</b>                  | <b>2,705,517</b>                  |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 2,395,599</b>            | <b>\$ 208,960</b>           | <b>\$ 536,397</b>               | <b>\$ 3,140,956</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, 2019

|   | Nonmajor<br>Special<br>Revenue | Nonmajor<br>Debt<br>Service | Nonmajor<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------|-----------------------------|---------------------------------|-----------------------------------|
| <b>Revenues</b>   |                                |                             |                                 |                                   |
| State and Regional Apportionments and Grants  | \$ 1,157,900                   | \$ -                        | \$ 295,344                      | \$ 1,453,244                      |
| Fines and Costs   | 15,172                         | -                           | -                               | 15,172                            |
| Interest  | 22,271                         | 11,830                      | 11,114                          | 45,215                            |
| Other Revenues  | 1,751,209                      | -                           | 426,999                         | 2,178,208                         |
| <b>Total Revenues</b>   | <b>2,946,552</b>               | <b>11,830</b>               | <b>733,457</b>                  | <b>3,691,838</b>                  |
| <b>Expenditures</b>   |                                |                             |                                 |                                   |
| General Government  | 39,680                         | -                           | -                               | 39,680                            |
| Public Works  | -                              | -                           | -                               | -                                 |
| Police  | 194,509                        | -                           | 23,512                          | 218,021                           |
| Street  | 429,098                        | -                           | -                               | 429,098                           |
| Jimmy Floyd Family Life Center  | 1,436,373                      | -                           | -                               | 1,436,373                         |
| Airport   | 348,365                        | -                           | 12,878                          | 361,243                           |
| Recreation  | -                              | -                           | -                               | -                                 |
| Debt Service:   |                                |                             |                                 |                                   |
| Principal   | -                              | 1,280,344                   | -                               | 1,280,344                         |
| Interest  | -                              | 342,011                     | -                               | 342,011                           |
| Capital Outlay  | 217,966                        | -                           | 5,157,370                       | 5,375,336                         |
| <b>Total Expenditures</b>   | <b>2,665,991</b>               | <b>1,622,355</b>            | <b>5,193,760</b>                | <b>9,482,106</b>                  |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>  | <b>280,561</b>                 | <b>(1,610,525)</b>          | <b>(4,460,303)</b>              | <b>(5,790,268)</b>                |
| <b>Other Financing Sources (Uses)</b>   |                                |                             |                                 |                                   |
| Loan Proceeds   | -                              | -                           | 2,223,569                       | 2,223,569                         |
| Transfers From Other Funds  | 455,148                        | 1,763,882                   | 160,000                         | 2,379,030                         |
| Transfers To Other Funds  | (174,830)                      | (2,169)                     | -                               | (176,999)                         |
| <b>Total Other Financing Sources (Uses)</b>   | <b>280,318</b>                 | <b>1,761,713</b>            | <b>2,383,569</b>                | <b>4,425,600</b>                  |
| <b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b> | <b>560,879</b>                 | <b>151,188</b>              | <b>(2,076,734)</b>              | <b>(1,364,668)</b>                |
| <b>Fund Balances</b>  |                                |                             |                                 |                                   |
| July 01, 2018   | 1,440,337                      | 53,429                      | 2,302,689                       | 3,796,455                         |
| Increase (Decrease) in Encumbrances   | (9,000)                        | -                           | 282,729                         | 273,729                           |
| <b>June 30, 2019</b>  | <b>\$ 1,992,216</b>            | <b>\$ 204,617</b>           | <b>\$ 508,684</b>               | <b>\$ 2,705,517</b>               |

See notes to financial statements

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

June 30, 2019

| ASSETS                                    | State<br>Street<br>Aid | Drug<br>Enforcement<br>Fund | Jimmy Floyd<br>Family Life<br>Center | Spirit Of<br>Christmas<br>Fund | Airport<br>Operations | Beautification<br>Committee | Lebanon<br>Housing<br>Authority |
|---|------------------------|-----------------------------|--------------------------------------|--------------------------------|-----------------------|-----------------------------|---------------------------------|
| Cash                                      | \$ 1,432,604           | \$ 191,303                  | \$ -                                 | \$ 54,910                      | \$ 43,892             | \$ 299                      | \$ 22,344                       |
| Certificates of Deposit                   | \$ -                   | \$ -                        | \$ 35,530                            | \$ -                           | \$ -                  | \$ -                        | \$ -                            |
| Due From Other Funds                      | -                      | -                           | 200,000                              | -                              | -                     | -                           | -                               |
| Prepaid Expenses                          | -                      | -                           | -                                    | -                              | 1,490                 | -                           | -                               |
| Other Receivables                         | -                      | 3,826                       | 14,617                               | -                              | 34,123                | -                           | 3,360                           |
| <b>Total Assets</b>                       | <b>\$ 1,432,604</b>    | <b>\$ 195,129</b>           | <b>\$ 250,147</b>                    | <b>\$ 54,910</b>               | <b>\$ 79,505</b>      | <b>\$ 299</b>               | <b>\$ 25,704</b>                |
| <b>LIABILITIES AND FUND BALANCE</b>       |                        |                             |                                      |                                |                       |                             |                                 |
| Accounts Payable                          | \$ 44,487              | \$ 180                      | \$ 17,899                            | \$ -                           | \$ 43,500             | \$ 213                      | \$ -                            |
| Due to Other Funds                        | -                      | 21,021                      | 4,593                                | -                              | 6,569                 | -                           | 2,085                           |
| Bank Overdraft                            | -                      | -                           | 156,954                              | -                              | -                     | -                           | -                               |
| Accrued Payroll and Related Items         | -                      | -                           | 24,491                               | -                              | -                     | -                           | -                               |
| Accrued Vacation Pay                      | -                      | -                           | 7,960                                | -                              | -                     | -                           | -                               |
| <b>Total Liabilities</b>                  | <b>44,487</b>          | <b>21,201</b>               | <b>211,897</b>                       | <b>-</b>                       | <b>50,069</b>         | <b>213</b>                  | <b>2,085</b>                    |
| <b>Fund Balances:</b>                     |                        |                             |                                      |                                |                       |                             |                                 |
| <b>Restricted for:</b>                    |                        |                             |                                      |                                |                       |                             |                                 |
| Street                                    | 1,388,117              | -                           | -                                    | -                              | -                     | -                           | -                               |
| Drug Enforcement                          | -                      | 173,928                     | -                                    | -                              | -                     | -                           | -                               |
| Community Assistance                      | -                      | -                           | -                                    | 54,910                         | -                     | 86                          | -                               |
| Police                                    | -                      | -                           | -                                    | -                              | -                     | -                           | 22,748                          |
| <b>Committed to:</b>                      |                        |                             |                                      |                                |                       |                             |                                 |
| Airport                                   | -                      | -                           | -                                    | -                              | -                     | -                           | -                               |
| Cemetery                                  | -                      | -                           | -                                    | -                              | -                     | -                           | -                               |
| Police                                    | -                      | -                           | -                                    | -                              | -                     | -                           | -                               |
| <b>Assigned to:</b>                       |                        |                             |                                      |                                |                       |                             |                                 |
| Floyd Family Life Center                  | -                      | -                           | 38,250                               | -                              | -                     | -                           | -                               |
| Police                                    | -                      | -                           | -                                    | -                              | -                     | -                           | 871                             |
| Airport                                   | -                      | -                           | -                                    | -                              | 29,436                | -                           | -                               |
| <b>Total Fund Balance</b>                 | <b>1,388,117</b>       | <b>173,928</b>              | <b>38,250</b>                        | <b>54,910</b>                  | <b>29,436</b>         | <b>86</b>                   | <b>23,619</b>                   |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 1,432,604</b>    | <b>\$ 195,129</b>           | <b>\$ 250,147</b>                    | <b>\$ 54,910</b>               | <b>\$ 79,505</b>      | <b>\$ 299</b>               | <b>\$ 25,704</b>                |

See notes to financial statements

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

June 30, 2019

| ASSETS                                    | Cemetary<br>Maintenance | Federal<br>Asset<br>Seizure | Law Enforcement<br>Support<br>Organization | Citizens<br>Emergency<br>Response Team | Electronic<br>Citation | Total<br>Nonmajor<br>Funds |
|---|-------------------------|-----------------------------|--|--|------------------------|----------------------------|
| Cash                                      | \$ 146,758              | \$ 2,991                    | \$ 154,667                                 | \$ 3,190                               | \$ 48,382              | \$ 2,101,340               |
| Certificates of Deposit                   | \$ -                    | \$ -                        | \$ -                                       | \$ -                                   | \$ -                   | 35,530                     |
| Due From Other Funds                      | -                       | -                           | -  | -                                      | -                      | 200,000                    |
| Prepaid Expenses                          | -                       | -                           | -  | -                                      | -                      | 1,490                      |
| Other Receivables                         | -                       | 1,277                       | -  | -                                      | 36                     | 57,239                     |
| <b>Total Assets</b>                       | <b>\$ 146,758</b>       | <b>\$ 4,268</b>             | <b>\$ 154,667</b>                          | <b>\$ 3,190</b>                        | <b>\$ 48,418</b>       | <b>\$ 2,395,599</b>        |
| <b>LIABILITIES AND FUND BALANCE</b>       |                         |                             |  |  |                        |                            |
| Accounts Payable                          | \$ -                    | \$ -                        | \$ 73,431                                  | \$ -                                   | \$ -                   | \$ 179,710                 |
| Due to Other Funds                        | -                       | -                           | -  | -                                      | -                      | 34,268                     |
| Bank Overdraft                            | -                       | -                           | -  | -                                      | -                      | 156,954                    |
| Accrued Payroll and Related Items         | -                       | -                           | -  | -                                      | -                      | 24,491                     |
| Accrued Vacation Pay                      | -                       | -                           | -  | -                                      | -                      | 7,960                      |
| <b>Total Liabilities</b>                  | <b>-</b>                | <b>-</b>                    | <b>73,431</b>                              | <b>-</b>                               | <b>-</b>               | <b>403,383</b>             |
| <b>Fund Balances:</b>                     |                         |                             |  |  |                        |                            |
| <b>Restricted for:</b>                    |                         |                             |  |  |                        |                            |
| Street                                    | -                       | -                           | -  | -                                      | -                      | 1,388,117                  |
| Drug Enforcement                          | -                       | 4,268                       | 81,236                                     | -                                      | -                      | 259,432                    |
| Community Assistance                      | -                       | -                           | -  | -                                      | -                      | 54,996                     |
| Police                                    | -                       | -                           | -  | 1,747                                  | -                      | 24,495                     |
| <b>Committed to:</b>                      |                         |                             |  |  |                        |                            |
| Airport                                   | -                       | -                           | -  | -                                      | -                      | -                          |
| Cemetary                                  | 146,758                 | -                           | -  | -                                      | -                      | 146,758                    |
| Police                                    | -                       | -                           | -  | -                                      | 47,691                 | 47,691                     |
| <b>Assigned to:</b>                       |                         |                             |  |  |                        |                            |
| Floyd Family Life Center                  | -                       | -                           | -  | -                                      | -                      | 38,250                     |
| Police                                    | -                       | -                           | -  | 1,443                                  | -                      | 2,314                      |
| Airport                                   | -                       | -                           | -  | -                                      | 727                    | 30,163                     |
| <b>Total Fund Balance</b>                 | <b>146,758</b>          | <b>4,268</b>                | <b>81,236</b>                              | <b>3,190</b>                           | <b>48,418</b>          | <b>1,992,216</b>           |
| <b>Total Liabilities and Fund Balance</b> | <b>\$ 146,758</b>       | <b>\$ 4,268</b>             | <b>\$ 154,667</b>                          | <b>\$ 3,190</b>                        | <b>\$ 48,418</b>       | <b>\$ 2,395,599</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, 2019

|   | State<br>Street<br>Aid | Drug<br>Enforcement<br>Fund | Jimmy Floyd<br>Family Life<br>Center | Spirit Of<br>Christmas<br>Fund | Airport<br>Operations | Beautification<br>Committee | Lebanon<br>Housing<br>Authority |
|---|------------------------|-----------------------------|--------------------------------------|--------------------------------|-----------------------|-----------------------------|---------------------------------|
| Revenues:   |                        |                             |                                      |                                |                       |                             |                                 |
| State and Regional  |                        |                             |                                      |                                |                       |                             |                                 |
| Apportionments and Grants   | \$ 1,143,600           | \$ -                        | \$ -                                 | \$ -                           | \$ 14,300             | \$ -                        | \$ -                            |
| Federal Grants  | -                      | 17,722                      | -                                    | -                              | -                     | -                           | -                               |
| Contributions   | -                      | -                           | -                                    | 21,270                         | 25,000                | 13,200                      | -                               |
| Interest Income   | 9,507                  | 555                         | 5,903                                | 154                            | 1,603                 | 248                         | 173                             |
| Fines and Costs   | -                      | 15,172                      | -                                    | -                              | -                     | -                           | -                               |
| Memberships, Fees and Concessions   | -                      | -                           | 1,063,027                            | -                              | -                     | -                           | 57,578                          |
| Other   | -                      | 119,002                     | 32,239                               | -                              | 263,194               | -                           | -                               |
| <b>Total Revenues</b>   | <b>1,153,107</b>       | <b>152,451</b>              | <b>1,101,169</b>                     | <b>21,424</b>                  | <b>304,097</b>        | <b>13,448</b>               | <b>57,751</b>                   |
| Expenditures:   |                        |                             |                                      |                                |                       |                             |                                 |
| Salaries  | -                      | -                           | 740,611                              | -                              | -                     | -                           | 40,500                          |
| Payroll Taxes   | -                      | -                           | 54,652                               | -                              | -                     | -                           | 2,834                           |
| Benefits  | -                      | -                           | 195,921                              | -                              | -                     | -                           | 12,435                          |
| Other Operating Expenditures  | 429,098                | 90,331                      | 445,189                              | 15,622                         | 348,365               | 21,900                      | -                               |
| Capital Outlay  | 420                    | 29,173                      | 96,297                               | -                              | -                     | -                           | -                               |
| <b>Total Expenditures</b>   | <b>429,518</b>         | <b>119,504</b>              | <b>1,532,670</b>                     | <b>15,622</b>                  | <b>348,365</b>        | <b>21,900</b>               | <b>55,769</b>                   |
| Excess of Revenues Over (Under)<br>Expenditures                                     | 723,589                | 32,947                      | (431,501)                            | 5,802                          | (44,268)              | (8,452)                     | 1,982                           |
| Other Financing Sources (Uses):   |                        |                             |                                      |                                |                       |                             |                                 |
| Operating Transfers To Other funds  | -                      | -                           | -                                    | -                              | (174,830)             | -                           | -                               |
| Operating Transfers From Other Funds  | -                      | -                           | 421,498                              | -                              | 30,000                | 3,650                       | -                               |
| <b>Total Other Financing Sources (Uses)</b>   | <b>-</b>               | <b>-</b>                    | <b>421,498</b>                       | <b>-</b>                       | <b>(144,830)</b>      | <b>3,650</b>                | <b>-</b>                        |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | 723,589                | 32,947                      | (10,003)                             | 5,802                          | (189,098)             | (4,802)                     | 1,982                           |
| Fund Balances:  |                        |                             |                                      |                                |                       |                             |                                 |
| July 01, 2018   | 664,528                | 140,981                     | 48,253                               | 49,108                         | 218,534               | 4,888                       | 21,637                          |
| Increase in Encumbrance<br>June 30, 2019  | \$ 1,388,117           | \$ 173,928                  | \$ 38,250                            | \$ 54,910                      | \$ 29,436             | \$ 86                       | \$ 23,619                       |

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, 2019

|   | Cemetery<br>Maintenance | Federal<br>Asset<br>Seizure | Law Enforcement<br>Support<br>Organization | Citizens<br>Emergency<br>Response Team | Electronic<br>Citation | Total<br>Nonmajor<br>Funds |
|---|-------------------------|-----------------------------|--|--|------------------------|----------------------------|
| Revenues:   |                         |                             |  |  |                        |                            |
| State and Regional  |                         |                             |  |  |                        |                            |
| Apportionments and Grants   | \$ -                    | \$ -                        | \$ -                                       | \$ -                                   | \$ -                   | \$ 1,157,900               |
| Federal Grants  | -                       | -                           | 2,875                                      | -                                      | -                      | 20,597                     |
| Contributions   | -                       | -                           | -  | 1,000                                  | -                      | 60,470                     |
| Interest Income   | 1,044                   | 1,248                       | 1,320                                      | 33                                     | 483                    | 22,271                     |
| Fines and Costs   | -                       | -                           | -  | -                                      | -                      | 15,172                     |
| Memberships, Fees and Concessions   | 10,000                  | -                           | -  | -                                      | -                      | 1,130,605                  |
| Other   | -                       | 9,688                       | 100,001                                    | -                                      | 15,413                 | 539,537                    |
| <b>Total Revenues</b>   | <b>11,044</b>           | <b>10,936</b>               | <b>104,196</b>                             | <b>1,033</b>                           | <b>15,896</b>          | <b>2,946,552</b>           |
| Expenditures:   |                         |                             |  |  |                        |                            |
| Salaries  | -                       | -                           | -  | -                                      | -                      | 781,111                    |
| Payroll Taxes   | -                       | -                           | -  | -                                      | -                      | 57,486                     |
| Benefits  | -                       | -                           | -  | -                                      | -                      | 208,356                    |
| Other Operating Expenditures  | 1,550                   | 21,074                      | 36,335                                     | 608                                    | (9,000)                | 1,401,072                  |
| Capital Outlay  | -                       | 22,373                      | 69,703                                     | -                                      | -                      | 217,966                    |
| <b>Total Expenditures</b>   | <b>1,550</b>            | <b>43,447</b>               | <b>106,038</b>                             | <b>608</b>                             | <b>(9,000)</b>         | <b>2,665,991</b>           |
| Excess of Revenues Over (Under)<br>Expenditures                                     | 9,494                   | (32,511)                    | (1,842)                                    | 425                                    | 24,896                 | 280,561                    |
| Other Financing Sources (Uses):   |                         |                             |  |  |                        |                            |
| Operating Transfers To Other funds  | -                       | -                           | -  | -                                      | -                      | (174,830)                  |
| Operating Transfers From Other Funds  | -                       | -                           | -  | -                                      | -                      | 455,148                    |
| <b>Total Other Financing Sources (Uses)</b>   | <b>-</b>                | <b>-</b>                    | <b>-</b>                                   | <b>-</b>                               | <b>-</b>               | <b>280,318</b>             |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | 9,494                   | (32,511)                    | (1,842)                                    | 425                                    | 24,896                 | 560,879                    |
| Fund Balances:  |                         |                             |  |  |                        |                            |
| July 01, 2018   | 137,264                 | 36,779                      | 83,078                                     | 2,765                                  | 32,522                 | 1,440,337                  |
| Increase in Encumbrance   | -                       | -                           | -  | -                                      | (9,000)                | (9,000)                    |
| <b>June 30, 2019</b>  | <b>\$ 146,758</b>       | <b>\$ 4,268</b>             | <b>\$ 81,236</b>                           | <b>\$ 3,190</b>                        | <b>\$ 48,418</b>       | <b>\$ 1,992,216</b>        |

See notes to financial statements

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

June 30, 2019

| ASSETS                                     | Police Local<br>Option Fine | Airport<br>Capital<br>Projects | Payment in<br>Lieu of<br>Sidewalks | Lebanon-<br>Wilson County<br>Community Park | Total<br>Nonmajor<br>Funds |
|--|-----------------------------|--------------------------------|------------------------------------|---|----------------------------|
| Cash                                       | \$ 177,750                  | \$ 112,111                     | \$ 103,337                         | \$ 125,693                                  | \$ 518,891                 |
| Other Receivables                          | 1,776                       | 15,730                         | -                                  | -   | 17,506                     |
| <b>Total Assets</b>                        | <b>\$ 179,526</b>           | <b>\$ 127,841</b>              | <b>\$ 103,337</b>                  | <b>\$ 125,693</b>                           | <b>\$ 536,397</b>          |
| <b>LIABILITIES AND FUND BALANCES</b>       |                             |                                |                                    |   |                            |
| Accounts Payable                           | \$ 15,526                   | \$ 12,187                      | \$ -                               | \$ -  | \$ 27,713                  |
| <b>Total Liabilities</b>                   | <b>15,526</b>               | <b>12,187</b>                  | <b>-</b>                           | <b>-</b>                                    | <b>27,713</b>              |
| <b>Fund Balances:</b>                      |                             |                                |                                    |   |                            |
| Committed to:                              |                             |                                |                                    |   |                            |
| Police                                     | 164,000                     | -                              | -                                  | -   | 164,000                    |
| Assigned to:                               |                             |                                |                                    |   |                            |
| Recreation                                 | -                           | -                              | -                                  | 125,693                                     | 125,693                    |
| Airport                                    | -                           | 115,654                        | -                                  | -   | 115,654                    |
| Street                                     | -                           | -                              | 103,337                            | -   | 103,337                    |
| <b>Total Fund Balances</b>                 | <b>164,000</b>              | <b>115,654</b>                 | <b>103,337</b>                     | <b>125,693</b>                              | <b>508,684</b>             |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 179,526</b>           | <b>\$ 127,841</b>              | <b>\$ 103,337</b>                  | <b>\$ 125,693</b>                           | <b>\$ 536,397</b>          |

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

Year Ended June 30, 2019

|   | Police Local      | Airport<br>Capital | Payment in<br>Lieu of | Lebanon-<br>Wilson County | Total<br>Nonmajor |
|---|-------------------|--------------------|-----------------------|---------------------------|-------------------|
| <b>Revenues</b>   |                   |                    |                       |                           |                   |
| State Grants  | \$ -              | \$ 295,344         | \$ -                  | \$ -                      | \$ 295,344        |
| Other Revenues  | 424,340           | -                  | 2,659                 | -                         | 426,999           |
| Interest Earnings   | 4,098             | 626                | 755                   | 5,635                     | 11,114            |
| <b>Total Revenues</b>   | <u>428,438</u>    | <u>295,970</u>     | <u>3,414</u>          | <u>5,635</u>              | <u>733,457</u>    |
| <b>Expenditures</b>   |                   |                    |                       |                           |                   |
| Other Operating Expenditures  | 23,512            | 12,878             | -                     | -                         | 36,390            |
| Capital Outlay  | 612,654           | 801,570            | -                     | 3,743,146                 | 5,157,370         |
| <b>Total Expenditures</b>   | <u>636,166</u>    | <u>814,448</u>     | <u>-</u>              | <u>3,743,146</u>          | <u>5,193,760</u>  |
| Excess of Revenues Over (Under)<br>Expenditures   | (207,728)         | (518,478)          | 3,414                 | (3,737,511)               | (4,460,303)       |
| <b>Other Financing Sources (Uses)</b>   |                   |                    |                       |                           |                   |
| Bond Proceeds   | -                 | 33,292             | -                     | 2,190,277                 | 2,223,569         |
| Operating Transfers From Other Funds  | -                 | 160,000            | -                     | -                         | 160,000           |
| <b>Total Other Financing Sources (Uses)</b>   | <u>-</u>          | <u>193,292</u>     | <u>-</u>              | <u>2,190,277</u>          | <u>2,383,569</u>  |
| Excess of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other<br>Uses | (207,728)         | (325,186)          | 3,414                 | (1,547,234)               | (2,076,734)       |
| <b>Fund Balances</b>  |                   |                    |                       |                           |                   |
| July 01, 2018   | 275,095           | 440,840            | 99,923                | 1,486,831                 | 2,302,689         |
| Increase in Encumbrances  | 96,633            | -                  | -                     | 186,096                   | 282,729           |
| <b>June 30, 2019</b>  | <u>\$ 164,000</u> | <u>\$ 115,654</u>  | <u>\$ 103,337</u>     | <u>\$ 125,693</u>         | <u>\$ 508,684</u> |

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

June 30, 2019

| ASSETS                                      | 2013<br>Bond Fund | 2004<br>Bond Fund | 2003<br>Bond Fund | 2008 Refunding<br>2016 Refunding<br>Bond Fund | 2008<br>Bond Fund | 2011<br>Bond Fund | 2016 Legends<br>Drive |
|---|-------------------|-------------------|-------------------|---|-------------------|-------------------|-----------------------|
| Cash  | \$ 116            | \$ -              | \$ 1              | \$ -  | \$ -              | \$ -              | \$ -                  |
| Investment in State Investment Pool         | 421               | 12,607            | 2,168             | 6,346   | 12,005            | 850               | 22,713                |
| <b>Total Assets</b>                         | <b>\$ 537</b>     | <b>\$ 12,607</b>  | <b>\$ 2,169</b>   | <b>\$ 6,346</b>                               | <b>\$ 12,005</b>  | <b>\$ 850</b>     | <b>\$ 22,713</b>      |
| <b>LIABILITIES AND FUND BALANCES</b>        |                   |                   |                   |   |                   |                   |                       |
| Due to Other Funds                          | \$ -              | \$ -              | \$ 2,169          | \$ -  | \$ -              | \$ -              | \$ -                  |
| Bank Overdraft                              | -                 | -                 | -                 | 1,742   | -                 | 182               | -                     |
| Fund Balances - Restricted for Debt Service | 537               | 12,607            | -                 | 4,604   | 12,005            | 668               | 22,713                |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$ 537</b>     | <b>\$ 12,607</b>  | <b>\$ 2,169</b>   | <b>\$ 6,346</b>                               | <b>\$ 12,005</b>  | <b>\$ 850</b>     | <b>\$ 22,713</b>      |

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

Year Ended June 30, 2019

|   | 2013<br>Bond Fund | 2004<br>Bond Fund | 2003<br>Bond Fund | 2008 Refunding<br>2016 Refunding<br>Bond Fund | 2008<br>Bond Fund | 2011<br>Bond Fund | 2016 Legends<br>Drive |
|---|-------------------|-------------------|-------------------|---|-------------------|-------------------|-----------------------|
| <b>Revenues</b>                             |                   |                   |                   |   |                   |                   |                       |
| Interest Income                             | \$ 282            | \$ 1,067          | \$ 54             | \$ 1,876                                      | \$ 1,471          | \$ 361            | \$ 2,286              |
| <b>Expenditures</b>                         |                   |                   |                   |   |                   |                   |                       |
| Principal                                   | 180,444           | 99,000            | -                 | 285,000                                       | 183,000           | 45,000            | 226,000               |
| Interest                                    | 31,063            | 17,459            | -                 | 41,850  | 46,085            | 14,625            | 90,949                |
| <b>Total Expenditures</b>                   | <b>211,507</b>    | <b>116,459</b>    | <b>-</b>          | <b>326,850</b>                                | <b>229,085</b>    | <b>59,625</b>     | <b>316,949</b>        |
| <b>Excess of Revenues Over (Under)</b>      |                   |                   |                   |   |                   |                   |                       |
| Expenditures                                | (211,225)         | (115,392)         | 54                | (324,974)                                     | (227,614)         | (59,264)          | (314,663)             |
| <b>Other Financing Sources (Uses)</b>       |                   |                   |                   |   |                   |                   |                       |
| Operating Transfers to Other Funds          | -                 | -                 | (2,169)           | -   | -                 | -                 | -                     |
| Operating Transfers From Other Funds        | 211,507           | 116,626           | -                 | 326,850                                       | 229,835           | 59,625            | 317,199               |
| <b>Total Other Financing Sources (Uses)</b> | <b>211,507</b>    | <b>116,626</b>    | <b>(2,169)</b>    | <b>326,850</b>                                | <b>229,835</b>    | <b>59,625</b>     | <b>317,199</b>        |
| <b>Excess of Revenues and Other Sources</b> |                   |                   |                   |   |                   |                   |                       |
| Over (Under) Expenditures and Other Uses    | 282               | 1,234             | (2,115)           | 1,876   | 2,221             | 361               | 2,536                 |
| <b>Fund Balances</b>                        |                   |                   |                   |   |                   |                   |                       |
| July 01, 2018                               | 255               | 11,373            | 2,115             | 2,728   | 9,784             | 307               | 20,177                |
| <b>June 30, 2019</b>                        | <b>\$ 537</b>     | <b>\$ 12,607</b>  | <b>\$ -</b>       | <b>\$ 4,604</b>                               | <b>\$ 12,005</b>  | <b>\$ 668</b>     | <b>\$ 22,713</b>      |

See notes to financial statements

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

June 30, 2019

| 2016 Airport<br>Terminal | Westside<br>Park  | Airport Maintenance<br>Hangar | Public Safety<br>Building | Total<br>Nonmajor<br>Funds |
|--------------------------|-------------------|-------------------------------|---------------------------|----------------------------|
| \$ -                     | \$ -              | \$ 10,257                     | \$ -                      | \$ 10,374                  |
| 7,516                    | 109,182           | 2,655                         | 22,123                    | 198,586                    |
| <u>\$ 7,516</u>          | <u>\$ 109,182</u> | <u>\$ 12,912</u>              | <u>\$ 22,123</u>          | <u>\$ 208,960</u>          |
| \$ -                     | \$ -              | \$ -                          | \$ -                      | \$ 2,169                   |
| -                        | 245               | -                             | 5                         | 2,174                      |
| 7,516                    | 108,937           | 12,912                        | 22,118                    | 204,617                    |
| <u>\$ 7,516</u>          | <u>\$ 109,182</u> | <u>\$ 12,912</u>              | <u>\$ 22,123</u>          | <u>\$ 208,960</u>          |

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

Year Ended June 30, 2019

| 2016 Airport<br>Terminal | Westside<br>Park  | Airport Maintenance<br>Hangar | Public Safety<br>Building | Total<br>Nonmajor<br>Funds |
|--------------------------|-------------------|-------------------------------|---------------------------|----------------------------|
| \$ 743                   | \$ 2,937          | \$ 676                        | \$ 77                     | \$ 11,830                  |
| 73,000                   | 159,000           | 29,900                        | -                         | 1,280,344                  |
| 37,096                   | 36,285            | 22,515                        | 4,084                     | 342,011                    |
| <u>110,096</u>           | <u>195,285</u>    | <u>52,415</u>                 | <u>4,084</u>              | <u>1,622,355</u>           |
| (109,353)                | (192,348)         | (51,739)                      | (4,007)                   | (1,610,525)                |
| -                        | -                 | -                             | -                         | (2,169)                    |
| 110,179                  | 301,285           | 64,651                        | 26,125                    | 1,763,882                  |
| <u>110,179</u>           | <u>301,285</u>    | <u>64,651</u>                 | <u>26,125</u>             | <u>1,761,713</u>           |
| 826                      | 108,937           | 12,912                        | 22,118                    | 151,188                    |
| 6,690                    | -                 | -                             | -                         | 53,429                     |
| <u>\$ 7,516</u>          | <u>\$ 108,937</u> | <u>\$ 12,912</u>              | <u>\$ 22,118</u>          | <u>\$ 204,617</u>          |

See notes to financial statements

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

Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget  | Actual              | Variance          |
|--|--------------------|------------------|---------------------|-------------------|
| <b>Revenues</b>                                  |                    |                  |                     |                   |
| Gas 1989   | \$ 1,080,000       | \$ 1,080,000     | \$ 99,291           | \$ (980,709)      |
| Gas 3 cent                                       | -                  | -                | 183,979             | 183,979           |
| Gas 2017   | -                  | -                | 237,506             | 237,506           |
| Gasoline & Motor Fuel Tax                        | -                  | -                | 622,825             | 622,825           |
| Interest Income                                  | 1,000              | 1,000            | 9,507               | 8,507             |
| <b>Total Revenues</b>                            | <u>1,081,000</u>   | <u>1,081,000</u> | <u>1,153,107</u>    | <u>72,107</u>     |
| <b>Expenditures</b>                              |                    |                  |                     |                   |
| Utilities and Other                              |                    |                  |                     |                   |
| Operating Expenditures                           | 575,000            | 675,000          | 429,098             | 245,902           |
| Capital Expenditures                             | 175,000            | 390,000          | 420                 | 389,580           |
| <b>Total Expenditures</b>                        | <u>750,000</u>     | <u>1,065,000</u> | <u>429,518</u>      | <u>635,482</u>    |
| <b>Excess of Revenues Over (Under)</b>           |                    |                  |                     |                   |
| <b>Expenditures</b>                              | 331,000            | 16,000           | 723,589             | 707,589           |
| <b>Other Financing Sources (Uses):</b>           |                    |                  |                     |                   |
| Transfers to Other Funds                         | -                  | -                | -                   | -                 |
| <b>Excess of Revenues and Other Sources Over</b> |                    |                  |                     |                   |
| <b>(Under) Expenditures and Other Uses</b>       | <u>\$ 331,000</u>  | <u>\$ 16,000</u> | 723,589             | <u>\$ 707,589</u> |
| <b>Fund Balances</b>                             |                    |                  |                     |                   |
| July 01, 2018                                    |                    |                  | <u>664,528</u>      |                   |
| June 30, 2019                                    |                    |                  | <u>\$ 1,388,117</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, 2019

|   | Original<br>Budget  | Final<br>Budget     | Actual            | Variance          |
|---|---------------------|---------------------|-------------------|-------------------|
| <b>Revenues</b>   |                     |                     |                   |                   |
| Court Fines and Cost                                    | \$ 15,000           | \$ 15,000           | \$ 15,172         | \$ 172            |
| Interest Income   | 500                 | 500                 | 555               | 55                |
| Federal Grants  | -                   | -                   | 17,722            | 17,722            |
| Other   | 45,000              | 64,755              | 119,002           | 54,247            |
| <b>Total Revenues</b>                                   | <u>60,500</u>       | <u>80,255</u>       | <u>152,451</u>    | <u>72,196</u>     |
| <b>Expenditures</b>                                     |                     |                     |                   |                   |
| Capital Expenditures                                    | 37,000              | 37,000              | 29,173            | 7,827             |
| Other Operating Expenditures                            | 124,700             | 157,455             | 90,331            | 67,124            |
| <b>Total Expenditures</b>                               | <u>161,700</u>      | <u>194,455</u>      | <u>119,504</u>    | <u>74,951</u>     |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b> | <u>\$ (101,200)</u> | <u>\$ (114,200)</u> | 32,947            | <u>\$ (2,755)</u> |
| <b>Fund Balances</b>                                    |                     |                     |                   |                   |
| July 01, 2018   |                     |                     | <u>140,981</u>    |                   |
| June 30, 2019   |                     |                     | <u>\$ 173,928</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, 2019

|  | Original<br>Budget | Final<br>Budget     | Actual           | Variance          |
|--|--------------------|---------------------|------------------|-------------------|
| <b>Revenues</b>                                  |                    |                     |                  |                   |
| Memberships, Fees and Concessions                | \$ 1,182,500       | \$ 1,197,062        | \$ 1,063,027     | \$ (134,035)      |
| Rent   | 29,500             | 29,500              | 32,239           | 2,739             |
| Other Revenues                                   | -                  | -                   | -                | -                 |
| Interest   | 500                | 500                 | 5,903            | 5,403             |
| <b>Total Revenues</b>                            | <b>1,212,500</b>   | <b>1,227,062</b>    | <b>1,101,169</b> | <b>(125,893)</b>  |
| <b>Expenditures:</b>                             |                    |                     |                  |                   |
| Salaries   | 697,062            | 748,864             | 740,611          | 8,253             |
| Payroll Taxes                                    | 53,325             | 55,090              | 54,652           | 438               |
| Benefits   | 198,872            | 197,472             | 195,921          | 1,551             |
| Utilities  | 192,000            | 206,450             | 206,409          | 41                |
| Telephone  | 25,150             | 25,150              | 23,738           | 1,412             |
| Maintenance                                      | 40,000             | 40,000              | 38,359           | 1,641             |
| Contractual Services                             | 20,600             | 20,600              | 19,439           | 1,161             |
| Supplies   | 103,250            | 104,645             | 96,886           | 7,759             |
| Insurance  | 15,525             | 19,260              | 19,257           | 3                 |
| Other Operating Expenditures                     | 41,620             | 45,490              | 41,101           | 4,389             |
| Capital Outlay                                   | 118,300            | 98,300              | 96,297           | 2,003             |
| <b>Total Expenditures</b>                        | <b>1,505,704</b>   | <b>1,561,321</b>    | <b>1,532,670</b> | <b>28,651</b>     |
| <b>Excess of Revenues Over (Under)</b>           |                    |                     |                  |                   |
| Expenditures                                     | (293,204)          | (334,259)           | (431,501)        | (97,242)          |
| <b>Other Financing Sources (Uses)</b>            |                    |                     |                  |                   |
| Operating Transfers In                           | 221,498            | 221,498             | 421,498          | 200,000           |
| <b>Total Other Financing Sources (Uses)</b>      | <b>221,498</b>     | <b>221,498</b>      | <b>421,498</b>   | <b>200,000</b>    |
| <b>Excess of Revenues and Other Sources Over</b> |                    |                     |                  |                   |
| <b>(Under) Expenditures and Other Uses</b>       | <b>\$ (71,706)</b> | <b>\$ (112,761)</b> | <b>(10,003)</b>  | <b>\$ 102,758</b> |
| <b>Fund Balances</b>                             |                    |                     |                  |                   |
| July 01, 2018                                    |                    |                     | 48,253           |                   |
| June 30, 2019                                    |                    |                     | <b>\$ 38,250</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, 2019

|  | Original<br>Budget | Final<br>Budget   | Actual           | Variance        |
|--|--------------------|-------------------|------------------|-----------------|
| <b>Revenues</b>                        |                    |                   |                  |                 |
| Interest Income                        | \$ -               | \$ -              | \$ 154           | \$ 154          |
| Contributions and Fundraiser           | 16,500             | 16,500            | 21,270           | 4,770           |
| Total Revenues                         | <u>16,500</u>      | <u>16,500</u>     | <u>21,424</u>    | <u>4,924</u>    |
| <b>Expenditures</b>                    |                    |                   |                  |                 |
| Other                                  | <u>18,000</u>      | <u>18,000</u>     | <u>15,622</u>    | <u>2,378</u>    |
| <b>Excess of Revenues Over (Under)</b> |                    |                   |                  |                 |
| Expenditures                           | <u>\$ (1,500)</u>  | <u>\$ (1,500)</u> | 5,802            | <u>\$ 7,302</u> |
| <b>Fund Balances</b>                   |                    |                   |                  |                 |
| July 01, 2018                          |                    |                   | <u>49,108</u>    |                 |
| June 30, 2019                          |                    |                   | <u>\$ 54,910</u> |                 |

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

Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget     | Actual           | Variance         |
|--|--------------------|---------------------|------------------|------------------|
| <b>Revenues:</b>   |                    |                     |                  |                  |
| State Grant  | \$ 14,300          | \$ 14,300           | \$ 14,300        | \$ -             |
| Rent   | 293,227            | 303,337             | 238,003          | (65,334)         |
| Fuel Sales   | 13,000             | 25,191              | 25,191           | -                |
| Contributions  | 25,000             | 25,000              | 25,000           | -                |
| Other Revenues   | -                  | -                   | -                | -                |
| Interest   | 500                | 1,600               | 1,603            | 3                |
| Total Revenues   | <u>346,027</u>     | <u>369,428</u>      | <u>304,097</u>   | <u>(65,331)</u>  |
| <b>Expenditures:</b>   |                    |                     |                  |                  |
| Utilities  | 20,000             | 41,253              | 41,253           | -                |
| Repairs & Maintenance  | 51,000             | 106,000             | 104,232          | 1,768            |
| Contractual Services   | 15,000             | 66,983              | 66,983           | -                |
| Management Fee   | 21,438             | 23,938              | 23,928           | 10               |
| Other Operating  | 94,350             | 126,694             | 111,969          | 14,725           |
| Total Expenditures   | <u>201,788</u>     | <u>364,868</u>      | <u>348,365</u>   | <u>16,503</u>    |
| Excess of Revenues Over<br>(Under) Expenditures                                  | 144,239            | 4,560               | (44,268)         | (48,828)         |
| <b>Other Financing Sources (Uses):</b>   |                    |                     |                  |                  |
| Transfers from Other Funds   | -                  | 30,000              | 30,000           | -                |
| Transfers to Other Funds   | (175,000)          | (240,335)           | (174,830)        | 65,505           |
| Total Other Financing Sources (Uses)   | <u>(175,000)</u>   | <u>(210,335)</u>    | <u>(144,830)</u> | <u>65,505</u>    |
| Excess of Revenues and Other Sources Over<br>(Under) Expenditures and Other Uses | <u>\$ (30,761)</u> | <u>\$ (205,775)</u> | (189,098)        | <u>\$ 16,677</u> |
| <b>Fund Balance</b>  |                    |                     |                  |                  |
| July 01, 2018  |                    |                     | <u>218,534</u>   |                  |
| June 30, 2019  |                    |                     | <u>\$ 29,436</u> |                  |

See notes to financial statements

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

Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget | Actual  | Variance |
|---|--------------------|-----------------|---------|----------|
| Revenues  |                    |                 |         |          |
| Interest  | \$ -               | \$ -            | \$ 248  | \$ 248   |
| Contributions   | 15,500             | 15,500          | 13,200  | (2,300)  |
|   | 15,500             | 15,500          | 13,448  | (2,052)  |
| Expenditures  |                    |                 |         |          |
| Operating Expenditures  | 15,000             | 21,901          | 21,900  | 1        |
| Excess of Revenues Over (Under)<br>Expenditures                                     | 500                | (6,401)         | (8,452) | (2,053)  |
| Other Financing Sources (Uses):   |                    |                 |         |          |
| Transfer from Other Funds   | -                  | -               | 3,650   | 3,650    |
| Excess of Revenues and Other Sources Over<br>(Under) Expenditures and Other Sources | \$ 500             | \$ (6,401)      | (4,802) | \$ 1,597 |
| Fund Balances   |                    |                 |         |          |
| July 01, 2018   |                    |                 | 4,888   |          |
| June 30, 2019   |                    |                 | \$ 86   |          |

See notes to financial statements

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

Year Ended June 30, 2019

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance</u>    |
|--|----------------------------|-------------------------|------------------|--------------------|
| <b>Revenues</b>                        |                            |                         |                  |                    |
| Contract Fees                          | \$ 82,667                  | \$ 82,667               | \$ 57,578        | \$ (25,089)        |
| Interest                               | -                          | -                       | 173              | 173                |
| Total Revenues                         | <u>82,667</u>              | <u>82,667</u>           | <u>57,751</u>    | <u>(24,916)</u>    |
| <b>Expenditures</b>                    |                            |                         |                  |                    |
| Salaries                               | 66,040                     | 65,186                  | 40,500           | 24,686             |
| Payroll Taxes                          | 5,052                      | 5,052                   | 2,834            | 2,218              |
| Employee Benefits                      | 18,927                     | 26,940                  | 12,435           | 14,505             |
| Total Expenditures                     | <u>90,019</u>              | <u>97,178</u>           | <u>55,769</u>    | <u>41,409</u>      |
| <b>Excess of Revenues Over (Under)</b> |                            |                         |                  |                    |
| Expenditures                           | <u>\$ (7,352)</u>          | <u>\$ (14,511)</u>      | 1,982            | <u>\$ (16,493)</u> |
| <b>Fund Balances</b>                   |                            |                         |                  |                    |
| July 01, 2018                          |                            |                         | <u>21,637</u>    |                    |
| June 30, 2019                          |                            |                         | <u>\$ 23,619</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, 2019

|                                 | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance</u>   |
|---------------------------------|----------------------------|-------------------------|-------------------|-------------------|
| Revenues:                       |                            |                         |                   |                   |
| Cemetery Maintenance Fees       | \$ 15,000                  | \$ 15,000               | \$ 10,000         | \$ (5,000)        |
| Interest Income                 | -                          | -                       | 1,044             | 1,044             |
| Total Revenues                  | <u>15,000</u>              | <u>15,000</u>           | <u>11,044</u>     | <u>(3,956)</u>    |
| Expenditures                    |                            |                         |                   |                   |
| Other Operating Expense         | <u>8,175</u>               | <u>8,175</u>            | <u>1,550</u>      | <u>6,625</u>      |
| Excess of Revenues Over (Under) |                            |                         |                   |                   |
| Expenditures                    | <u>\$ 6,825</u>            | <u>\$ 6,825</u>         | 9,494             | <u>\$ (3,956)</u> |
| Fund Balances                   |                            |                         |                   |                   |
| July 01, 2018                   |                            |                         | <u>137,264</u>    |                   |
| June 30, 2019                   |                            |                         | <u>\$ 146,758</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, 2019

|  | Original<br>Budget | Final<br>Budget    | Actual          | Variance          |
|--|--------------------|--------------------|-----------------|-------------------|
| <b>Revenues:</b>                       |                    |                    |                 |                   |
| Interest                               | \$ 500             | \$ 500             | \$ 1,248        | \$ 748            |
| Federal Payment - Asset Seizure        | 25,000             | 25,000             | 9,688           | (15,312)          |
| <b>Total Revenues</b>                  | <u>25,500</u>      | <u>25,500</u>      | <u>10,936</u>   | <u>(14,564)</u>   |
| <b>Expenditures:</b>                   |                    |                    |                 |                   |
| Other Operating                        | 25,000             | 25,000             | 21,074          | 3,926             |
| Capital Outlay                         | -                  | 24,500             | 22,373          | 2,127             |
| <b>Total Expenditures</b>              | <u>25,000</u>      | <u>49,500</u>      | <u>43,447</u>   | <u>6,053</u>      |
| <b>Excess of Revenues Over (Under)</b> |                    |                    |                 |                   |
| Expenditures                           | <u>\$ 500</u>      | <u>\$ (24,000)</u> | (32,511)        | <u>\$ (8,511)</u> |
| <b>Fund Balances</b>                   |                    |                    |                 |                   |
| July 01, 2018                          |                    |                    | 36,779          |                   |
| June 30, 2019                          |                    |                    | <u>\$ 4,268</u> |                   |

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, 2019

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance</u>   |
|--|----------------------------|-------------------------|------------------|-------------------|
| <b>Revenues:</b>                       |                            |                         |                  |                   |
| Interest Income                        | \$ -                       | \$ -                    | \$ 1,320         | \$ 1,320          |
| Federal Grants                         | -                          | -                       | 2,875            | 2,875             |
| Other Revenues                         | 40,000                     | 69,703                  | 100,001          | 30,298            |
| Total Revenues                         | <u>40,000</u>              | <u>69,703</u>           | <u>104,196</u>   | <u>34,493</u>     |
| <b>Expenditures</b>                    |                            |                         |                  |                   |
| Salaries                               | 9,064                      | 9,064                   | -                | 9,064             |
| Payroll Taxes                          | 693                        | 693                     | -                | 693               |
| Other Operating                        | 103,000                    | 63,000                  | 36,335           | 26,665            |
| Capital Expenditures                   | -                          | 104,703                 | 69,703           | 35,000            |
|  | <u>112,757</u>             | <u>177,460</u>          | <u>106,038</u>   | <u>71,422</u>     |
| <b>Excess of Revenues Over (Under)</b> |                            |                         |                  |                   |
| Expenditures                           | <u>\$ (72,757)</u>         | <u>\$ (107,757)</u>     | (1,842)          | <u>\$ 105,915</u> |
| <b>Fund Balances</b>                   |                            |                         |                  |                   |
| July 01, 2018                          |                            |                         | <u>83,078</u>    |                   |
| June 30, 2019                          |                            |                         | <u>\$ 81,236</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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual          | Variance       |
|---|--------------------|-----------------|-----------------|----------------|
| Revenues  |                    |                 |                 |                |
| Interest Income                                 | \$ -               | \$ -            | \$ 33           | \$ 33          |
| Contributions                                   | 5,000              | 5,000           | 1,000           | (4,000)        |
| Total Revenues                                  | <u>5,000</u>       | <u>5,000</u>    | <u>1,033</u>    | <u>(3,967)</u> |
| Expenditures                                    |                    |                 |                 |                |
| Operating Expenses                              | 5,000              | 5,000           | 608             | 4,392          |
| Total Expenditures                              | <u>5,000</u>       | <u>5,000</u>    | <u>608</u>      | <u>4,392</u>   |
| Excess of Revenues Over (Under)<br>Expenditures | <u>\$ -</u>        | <u>\$ -</u>     | 425             | <u>\$ 425</u>  |
| Fund Balances                                   |                    |                 |                 |                |
| July 01, 2018                                   |                    |                 | <u>2,765</u>    |                |
| June 30, 2019                                   |                    |                 | <u>\$ 3,190</u> |                |

See notes to financial statements

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

Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget | Actual    | Variance    |
|---|--------------------|-----------------|-----------|-------------|
| Revenues  |                    |                 |           |             |
| Other Revenues                                  | \$ 10,000          | \$ 10,000       | \$ 15,413 | \$ 5,413    |
| Interest  | -                  | -               | 483       | 483         |
| Total Revenues                                  | 10,000             | 10,000          | 15,896    | 5,896       |
| Expenditures                                    |                    |                 |           |             |
| Other Operating Expenditure                     | 10,000             | 10,000          | (9,000)   | 19,000      |
| Excess of Revenues Over<br>(Under) Expenditures | \$ -               | \$ -            | 24,896    | \$ (13,104) |
| Fund Balances                                   |                    |                 |           |             |
| July 01, 2018                                   |                    |                 | 32,522    |             |
| Decrease in Encumbrances                        |                    |                 | (9,000)   |             |
| June 30, 2019                                   |                    |                 | \$ 48,418 |             |

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual     | Variance   |
|---|--------------------|-----------------|------------|------------|
| Revenues:                                       |                    |                 |            |            |
| Interest  | \$ -               | \$ -            | \$ 4,098   | \$ 4,098   |
| Other Income                                    | -                  | -               | 8,273      | 8,273      |
| Local Option Court Fines                        | 340,000            | 340,000         | 416,067    | 76,067     |
| Total Revenues                                  | 340,000            | 340,000         | 428,438    | 88,438     |
| Expenditures:                                   |                    |                 |            |            |
| Other Operating                                 | 37,495             | 52,495          | 23,512     | 28,983     |
| Debt Service                                    | 254,000            | 89,000          | 0          | 89,000     |
| Capital Outlay                                  | 315,000            | 744,000         | 612,654    | 131,346    |
| Total Expenditures                              | 606,495            | 885,495         | 636,166    | 249,329    |
| Excess of Revenues Over (Under)<br>Expenditures | \$ (266,495)       | \$ (545,495)    | (207,728)  | \$ 337,767 |
| Fund Balances                                   |                    |                 |            |            |
| July 01, 2018                                   |                    |                 | 275,095    |            |
| Increase in Encumbrances                        |                    |                 | 96,633     |            |
| June 30, 2019                                   |                    |                 | \$ 164,000 |            |

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

Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget     | Actual            | Variance           |
|--|--------------------|---------------------|-------------------|--------------------|
| <b>Revenues</b>  |                    |                     |                   |                    |
| State Grant  | \$ 225,000         | \$ 2,020,750        | \$ 295,344        | \$ (1,725,406)     |
| Interest Earnings  | -                  | -                   | 626               | 626                |
| Total Revenues   | <u>225,000</u>     | <u>2,020,750</u>    | <u>295,970</u>    | <u>(1,724,780)</u> |
| <b>Expenditures</b>  |                    |                     |                   |                    |
| Other Operating Expenditures   | 100,000            | 185,324             | 12,878            | 172,446            |
| Airport Capital Outlay   | 300,000            | 2,862,762           | 801,570           | 2,061,192          |
| Total Expenditures   | <u>400,000</u>     | <u>3,048,086</u>    | <u>814,448</u>    | <u>2,233,638</u>   |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b>                                      |                    |                     |                   |                    |
|  | (175,000)          | (1,027,336)         | (518,478)         | 508,858            |
| <b>Other Financing Sources (Uses)</b>  |                    |                     |                   |                    |
| Bond Proceeds  | -                  | -                   | 33,292            | 33,292             |
| Operating Transfers In   | 175,000            | 335,000             | 160,000           | (175,000)          |
| Total Other Financing Sources (Uses)   | <u>175,000</u>     | <u>335,000</u>      | <u>193,292</u>    | <u>(141,708)</u>   |
| <b>Excess of Revenues and Other Sources<br/>Over (Under) Expenditures and Other<br/>Uses</b> |                    |                     |                   |                    |
|  | <u>\$ -</u>        | <u>\$ (692,336)</u> | (325,186)         | <u>\$ 367,150</u>  |
| <b>Fund Balances</b>   |                    |                     |                   |                    |
| July 01, 2018  |                    |                     | <u>440,840</u>    |                    |
| June 30, 2019  |                    |                     | <u>\$ 115,654</u> |                    |

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, 2019

|  | Original<br>Budget | Final<br>Budget | Actual     | Variance   |
|--|--------------------|-----------------|------------|------------|
| Revenues   |                    |                 |            |            |
| Interest Earnings  | \$ -               | \$ -            | \$ 755     | \$ 755     |
| Fees   | 5,000              | 5,000           | 2,659      | (2,341)    |
| Total Revenues   | 5,000              | 5,000           | 3,414      | (1,586)    |
| Other Financing Sources (Uses)   |                    |                 |            |            |
| Transfer to Other Funds  | -                  | -               | -          | -          |
| Total Other Financing Sources (Uses)   | -                  | -               | -          | -          |
| Excess of Revenues and Other Sources Over<br>(Under) Expenditures and Other Uses | \$ 5,000           | \$ 5,000        | 3,414      | \$ (1,586) |
| Fund Balances  |                    |                 |            |            |
| July 01, 2018  |                    |                 | 99,923     |            |
| June 30, 2019  |                    |                 | \$ 103,337 |            |

See notes to financial statements

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual      | Variance     |
|---|--------------------|-----------------|-------------|--------------|
| Revenues  |                    |                 |             |              |
| Miscellaneous   | \$ -               | \$ -            | \$ -        | \$ -         |
| Interest Earnings   | -                  | -               | 5,635       | 5,635        |
| Total Revenues  | -                  | -               | 5,635       | 5,635        |
| Expenditures  |                    |                 |             |              |
| Other Operating Expenditures  | -                  | -               | -           | -            |
| Capital Outlay  | -                  | 4,266,273       | 3,743,146   | 523,127      |
| Total Expenditures  | -                  | 4,266,273       | 3,743,146   | 523,127      |
| Excess of Revenues<br>Over (Under) Expenditures                                     | -                  | (4,266,273)     | (3,737,511) | 528,762      |
| Other Financing Sources (Uses)  |                    |                 |             |              |
| Bond Proceeds   | -                  | 2,880,285       | 2,190,277   | 690,008      |
| Total Other Financing Sources (Uses)  | -                  | 2,880,285       | 2,190,277   | 690,008      |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | \$ -               | \$ (1,385,988)  | (1,547,234) | \$ 1,218,770 |
| Fund Balances   |                    |                 |             |              |
| June 30, 2018   |                    |                 | 1,486,831   |              |
| Increase in Encumbrances  |                    |                 | 186,096     |              |
| June 30, 2019   |                    |                 | \$ 125,693  |              |

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual    | Variance |
|---|--------------------|-----------------|-----------|----------|
| Revenues  |                    |                 |           |          |
| Interest Income   | \$ -               | \$ -            | \$ 282    | \$ 282   |
| Expenditures  |                    |                 |           |          |
| Principal Expense   | 180,450            | 180,450         | 180,444   | 6        |
| Interest Expense  | 31,070             | 31,070          | 31,063    | 7        |
| Total Expenditures  | 211,520            | 211,520         | 211,507   | 13       |
| Excess of Revenues Over (Under)<br>Expenditures                                     | (211,520)          | (211,520)       | (211,225) | 269      |
| Other Financing Sources (Uses)  |                    |                 |           |          |
| Operating Transfers In (Out)  | 211,520            | 211,520         | 211,507   | (13)     |
|   | 211,520            | 211,520         | 211,507   | (13)     |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | \$ -               | \$ -            | 282       | \$ 256   |
| Fund Balances   |                    |                 |           |          |
| July 01, 2018   |                    |                 | 255       |          |
| June 30, 2019   |                    |                 | \$ 537    |          |

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual           | Variance        |
|---|--------------------|-----------------|------------------|-----------------|
| <b>Revenues</b>   |                    |                 |                  |                 |
| Interest Income   | \$ -               | \$ -            | \$ 1,067         | \$ 1,067        |
| <b>Expenses</b>   |                    |                 |                  |                 |
| Principal Expense   | 99,000             | 99,000          | 99,000           | -               |
| Interest Expense  | 22,410             | 22,410          | 17,459           | 4,951           |
| Total Expenses  | <u>121,410</u>     | <u>121,410</u>  | <u>116,459</u>   | <u>4,951</u>    |
| Excess of Revenues Over (Under)<br>Expenditures                                     | (121,410)          | (121,410)       | (115,392)        | 6,018           |
| <b>Other Financing Sources (Uses)</b>   |                    |                 |                  |                 |
| Operating Transfers In  | 121,410            | 121,410         | 116,626          | (4,784)         |
|   | <u>121,410</u>     | <u>121,410</u>  | <u>116,626</u>   | <u>(4,784)</u>  |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | <u>\$ -</u>        | <u>\$ -</u>     | 1,234            | <u>\$ 1,234</u> |
| <b>Fund Balances</b>  |                    |                 |                  |                 |
| July 01, 2018   |                    |                 | <u>11,373</u>    |                 |
| June 30, 2019   |                    |                 | <u>\$ 12,607</u> |                 |

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, 2019

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance</u> |
|---|----------------------------|-------------------------|----------------|-----------------|
| Revenues  |                            |                         |                |                 |
| Interest Income   | \$ -                       | \$ -                    | \$ 54          | \$ 54           |
| Excess of Revenues Over (Under)   |                            |                         |                |                 |
| Expenditures  | -                          | -                       | 54             | 54              |
| Other Financing Sources (Uses)  |                            |                         |                |                 |
| Operating Transfers Out   | -                          | (2,170)                 | (2,169)        | 1               |
| Total Other Financing Sources (Uses)  | -                          | (2,170)                 | (2,169)        | 1               |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | <u>\$ -</u>                | <u>\$ (2,170)</u>       | <u>(2,115)</u> | <u>\$ 55</u>    |
| Fund Balances   |                            |                         |                |                 |
| July 01, 2018   |                            |                         | <u>2,115</u>   |                 |
| June 30, 2019   |                            |                         | <u>\$ -</u>    |                 |

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual    | Variance  |
|---|--------------------|-----------------|-----------|-----------|
| Revenues  |                    |                 |           |           |
| Interest Income   | \$ 250             | \$ 250          | \$ 1,876  | \$ 1,626  |
| Expenses  |                    |                 |           |           |
| Bank Service Charges  | 500                | 500             | -         | 500       |
| Principal Expense   | 285,000            | 285,000         | 285,000   | -         |
| Interest Expense  | 63,150             | 63,150          | 41,850    | 21,300    |
| Total Expenses  | 348,650            | 348,650         | 326,850   | 21,800    |
| Excess of Revenues Over (Under)<br>Expenditures                                     | (348,400)          | (348,400)       | (324,974) | 23,426    |
| Other Financing Sources (Uses)  |                    |                 |           |           |
| Operating Transfers In  | 326,850            | 326,850         | 326,850   | -         |
| Total Other Financing Sources (Uses)  | 326,850            | 326,850         | 326,850   | -         |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | \$ (21,550)        | \$ (21,550)     | 1,876     | \$ 23,426 |
| Fund Balances   |                    |                 |           |           |
| July 01, 2018   |                    |                 | 2,728     |           |
| June 30, 2019   |                    |                 | \$ 4,604  |           |

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual    | Variance |
|---|--------------------|-----------------|-----------|----------|
| Revenues  |                    |                 |           |          |
| Interest Income   | \$ -               | \$ -            | \$ 1,471  | \$ 1,471 |
| Expenditures  |                    |                 |           |          |
| Principal   | 183,000            | 183,000         | 183,000   | -        |
| Interest  | 100,800            | 100,800         | 46,085    | 54,715   |
| Total Expenditures  | 283,800            | 283,800         | 229,085   | 54,715   |
| Excess of Revenues Over (Under)<br>Expenditures                                     | (283,800)          | (283,800)       | (227,614) | 56,186   |
| Other Financing Sources (Uses)  |                    |                 |           |          |
| Operating Transfers In  | 283,800            | 283,800         | 229,835   | (53,965) |
|   | 283,800            | 283,800         | 229,835   | (53,965) |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | \$ -               | \$ -            | 2,221     | \$ 2,221 |
| Fund Balances   |                    |                 |           |          |
| July 01, 2018   |                    |                 | 9,784     |          |
| June 30, 2019   |                    |                 | \$ 12,005 |          |

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

Year Ended June 30, 2019

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|----------------------------|-------------------------|---------------|-----------------|
| <b>Revenues</b>  |                            |                         |               |                 |
| Interest Income  | \$ -                       | \$ -                    | \$ 361        | \$ 361          |
| <b>Expenses</b>  |                            |                         |               |                 |
| Principal Expense  | 45,000                     | 45,000                  | 45,000        | -               |
| Interest Expense   | 14,625                     | 14,625                  | 14,625        | -               |
| Total Expenses   | <u>59,625</u>              | <u>59,625</u>           | <u>59,625</u> | <u>-</u>        |
| <b>Excess of Revenues Over (Under)<br/>Expenditures</b>                                      | (59,625)                   | (59,625)                | (59,264)      | 361             |
| <b>Other Financing Sources (Uses)</b>  |                            |                         |               |                 |
| Operating Transfers In   | 59,625                     | 59,625                  | 59,625        | -               |
| Total Other Financing Sources (Uses)   |                            |                         |               |                 |
| <b>Excess of Revenues and Other Sources<br/>Over (Under) Expenditures and Other<br/>Uses</b> | <u>\$ -</u>                | <u>\$ -</u>             | 361           | <u>\$ 361</u>   |
| <b>Fund Balances</b>   |                            |                         |               |                 |
| July 01, 2018  |                            |                         | <u>307</u>    |                 |
| June 30, 2019  |                            |                         | <u>\$ 668</u> |                 |

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, 2019

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance</u>    |
|---|----------------------------|-------------------------|------------------|--------------------|
| Revenues  |                            |                         |                  |                    |
| Interest Income   | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 2,286</u>  | <u>\$ 2,286</u>    |
| Expenditures  |                            |                         |                  |                    |
| Principal   | 226,000                    | 226,000                 | 226,000          | -                  |
| Interest Expense  | 111,900                    | 111,900                 | 90,949           | 20,951             |
| Total Expenditures  | <u>337,900</u>             | <u>337,900</u>          | <u>316,949</u>   | <u>20,951</u>      |
| Excess of Revenues Over (Under)<br>Expenditures                                     | (337,900)                  | (337,900)               | (314,663)        | (18,665)           |
| Other Financing Sources (Uses)  |                            |                         |                  |                    |
| Operating Transfers In (Out)  | <u>337,900</u>             | <u>337,900</u>          | <u>317,199</u>   | <u>(20,701)</u>    |
|   | <u>337,900</u>             | <u>337,900</u>          | <u>317,199</u>   | <u>(20,701)</u>    |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | <u>\$ -</u>                | <u>\$ -</u>             | 2,536            | <u>\$ (39,366)</u> |
| Fund Balances   |                            |                         |                  |                    |
| July 01, 2018   |                            |                         | <u>20,177</u>    |                    |
| June 30, 2019   |                            |                         | <u>\$ 22,713</u> |                    |

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, 2019

|   | Original<br>Budget | Final<br>Budget | Actual    | Variance    |
|---|--------------------|-----------------|-----------|-------------|
| Revenues  |                    |                 |           |             |
| Interest Income   | \$ -               | \$ -            | \$ 743    | \$ 743      |
| Expenditures  |                    |                 |           |             |
| Principal Expense   | 73,000             | 73,000          | 73,000    | -           |
| Interest Expense  | 43,650             | 43,650          | 37,096    | 6,554       |
| Total Expenditures  | 116,650            | 116,650         | 110,096   | 6,554       |
| Excess of Revenues Over (Under)<br>Expenditures                                     | (116,650)          | (116,650)       | (109,353) | (5,811)     |
| Other Financing Sources (Uses)  |                    |                 |           |             |
| Operating Transfers In (Out)  | 116,650            | 116,650         | 110,179   | (6,471)     |
|   | 116,650            | 116,650         | 110,179   | (6,471)     |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | \$ -               | \$ -            | 826       | \$ (12,282) |
| Fund Balances   |                    |                 |           |             |
| July 01, 2018   |                    |                 | 6,690     |             |
| June 30, 2019   |                    |                 | \$ 7,516  |             |

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

Year Ended June 30, 2019

|  | Original<br>Budget | Final<br>Budget | Actual            | Variance          |
|--|--------------------|-----------------|-------------------|-------------------|
| <b>Revenues</b>  |                    |                 |                   |                   |
| Interest Income  | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 2,937</u>   | <u>\$ 2,937</u>   |
| <b>Expenditures</b>  |                    |                 |                   |                   |
| Principal Expense  | 100,000            | 159,000         | 159,000           | -                 |
| Interest Expense   | <u>-</u>           | <u>36,300</u>   | <u>36,285</u>     | <u>15</u>         |
| Total Expenditures   | 100,000            | 195,300         | 195,285           | 15                |
| <b>Excess of Expenditures (Over)</b>   |                    |                 |                   |                   |
| Revenues   | (100,000)          | (195,300)       | (192,348)         | 2,952             |
| <b>Other Financing Sources (Uses)</b>  |                    |                 |                   |                   |
| Operating Transfers In (Out)   | <u>100,000</u>     | <u>195,300</u>  | <u>301,285</u>    | <u>105,985</u>    |
|  | 100,000            | 195,300         | 301,285           | 105,985           |
| <b>Excess of Revenues and Other Sources<br/>Over (Under) Expenditures and Other<br/>Uses</b> |                    |                 |                   |                   |
|  | <u>\$ -</u>        | <u>\$ -</u>     | <u>108,937</u>    | <u>\$ 108,937</u> |
| <b>Fund Balances</b>   |                    |                 |                   |                   |
| July 01, 2018  |                    |                 | <u>-</u>          |                   |
| June 30, 2019  |                    |                 | <u>\$ 108,937</u> |                   |

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

Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget | Actual           | Variance         |
|---|--------------------|-----------------|------------------|------------------|
| Revenues  |                    |                 |                  |                  |
| Interest Income   | \$ -               | \$ -            | \$ 676           | \$ 676           |
| Expenditures  |                    |                 |                  |                  |
| Principal   | -                  | 29,900          | 29,900           | -                |
| Interest Expense  | -                  | 22,550          | 22,515           | 35               |
| Total Expenditures  | <u>-</u>           | <u>52,450</u>   | <u>52,415</u>    | <u>35</u>        |
| Excess of Revenues Over (Under)<br>Expenditures                                     | -                  | (52,450)        | (51,739)         | 641              |
| Other Financing Sources (Uses)  |                    |                 |                  |                  |
| Operating Transfers In (Out)  | <u>-</u>           | <u>52,450</u>   | <u>64,651</u>    | <u>12,201</u>    |
|   | -                  | 52,450          | 64,651           | 12,201           |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | <u>\$ -</u>        | <u>\$ -</u>     | 12,912           | <u>\$ 12,842</u> |
| Fund Balances   |                    |                 |                  |                  |
| July 01, 2018   |                    |                 | <u>-</u>         |                  |
| June 30, 2019   |                    |                 | <u>\$ 12,912</u> |                  |

CITY OF LEBANON, TENNESSEE  
PUBLIC SAFETY BUILDING SINKING FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

Year Ended June 30, 2019

|   | Original<br>Budget | Final<br>Budget | Actual           | Variance         |
|---|--------------------|-----------------|------------------|------------------|
| Revenues  |                    |                 |                  |                  |
| Interest Income   | <u>\$ -</u>        | <u>\$ -</u>     | <u>\$ 77</u>     | <u>\$ 77</u>     |
| Expenditures  |                    |                 |                  |                  |
| Interest Expense  | <u>-</u>           | <u>4,100</u>    | <u>4,084</u>     | <u>16</u>        |
| Total Expenditures  | <u>-</u>           | <u>4,100</u>    | <u>4,084</u>     | <u>16</u>        |
| Excess of Revenues Over (Under)<br>Expenditures                                     | -                  | (4,100)         | (4,007)          | 93               |
| Other Financing Sources (Uses)  |                    |                 |                  |                  |
| Operating Transfers In (Out)  | <u>-</u>           | <u>4,100</u>    | <u>26,125</u>    | <u>22,025</u>    |
|   | <u>-</u>           | <u>4,100</u>    | <u>26,125</u>    | <u>22,025</u>    |
| Excess of Revenues and Other Sources<br>Over (Under) Expenditures and Other<br>Uses | <u>\$ -</u>        | <u>\$ -</u>     | 22,118           | <u>\$ 22,118</u> |
| Fund Balances   |                    |                 |                  |                  |
| July 01, 2018   |                    |                 | <u>-</u>         |                  |
| June 30, 2019   |                    |                 | <u>\$ 22,118</u> |                  |

**SUPPLEMENTARY SCHEDULES**

CITY OF LEBANON, TENNESSEE  
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
Year Ended June 30, 2019

|                           | Total                | Mayor<br>&<br>Council | City<br>Attorney  | Financial<br>Admin. | Accounting        | Customer<br>Billing | Johnson<br>Controls and<br>Liquor Tax | Purchasing       | Computer<br>Equipment | Public<br>Works   | HOME<br>Grant   | Intelligent<br>Transportation | Radio<br>Communication |
|---------------------------|----------------------|-----------------------|-------------------|---------------------|-------------------|---------------------|---------------------------------------|------------------|-----------------------|-------------------|-----------------|-------------------------------|------------------------|
| Salaries                  | \$ 14,382,934        | \$ 106,356            | \$ 109,284        | \$ 142,598          | \$ 57,182         | \$ 15,107           | \$ -                                  | \$ 28,874        | \$ 75,983             | \$ 171,400        | \$ -            | \$ -                          | \$ -                   |
| Payroll Taxes             | 1,051,495            | 7,840                 | 7,951             | 10,409              | 4,234             | 610                 | -                                     | 2,000            | 5,632                 | 12,707            | -               | -                             | -                      |
| Employer Paid Benefits    | 3,217,272            | 39,229                | 28,452            | 28,149              | 26,869            | 7,401               | -                                     | 2,916            | 16,813                | 36,384            | -               | -                             | -                      |
| Retirement                | 1,790,734            | 13,725                | 16,592            | 19,787              | 5,712             | 1,133               | -                                     | 4,013            | 11,515                | 22,948            | -               | -                             | -                      |
| Workmen's Compensation    | 436,177              | 1,670                 | 663               | 603                 | 941               | 78                  | -                                     | 148              | 2,522                 | 1,770             | -               | -                             | -                      |
| Unemployment              | -                    | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | -                 | -               | -                             | -                      |
| Training                  | 152,040              | 765                   | 232               | 397                 | 810               | -                   | -                                     | -                | 218                   | 1,011             | -               | -                             | -                      |
| Communications            | 34,303               | -                     | -                 | -                   | -                 | -                   | -                                     | (181)            | -                     | -                 | -               | -                             | -                      |
| Postage and Shipping      | 11,123               | 6                     | 45                | 4,255               | 997               | 6                   | -                                     | 2,001            | 33                    | 89                | -               | -                             | -                      |
| Transportation Expense    | 4,590                | 4                     | -                 | 3                   | -                 | -                   | -                                     | -                | 4                     | 51                | -               | -                             | -                      |
| Printing                  | 30,654               | 1,293                 | 862               | 989                 | 911               | 50                  | -                                     | 181              | -                     | 799               | -               | -                             | -                      |
| Subscriptions             | 7,058                | 333                   | 2,868             | -                   | 333               | -                   | -                                     | -                | -                     | 83                | -               | -                             | -                      |
| Dues                      | 145,753              | 3,725                 | 1,248             | 969                 | 1,219             | 340                 | -                                     | 424              | 680                   | 1,178             | -               | -                             | -                      |
| Utilities                 | 279,667              | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | 14,333            | -               | -                             | -                      |
| Telephone                 | 392,791              | 5,719                 | 1,110             | 2,179               | 1,183             | 155                 | -                                     | 1,279            | 15,422                | 9,348             | -               | -                             | -                      |
| Engineering and Architect | 86,752               | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | -                 | -               | 33,756                        | -                      |
| Professional Fees         | 43,550               | -                     | 16,554            | -                   | 21,525            | -                   | -                                     | -                | -                     | -                 | -               | -                             | -                      |
| Data Processing           | 83,937               | -                     | -                 | -                   | -                 | -                   | -                                     | -                | 83,937                | -                 | -               | -                             | -                      |
| Medical                   | 32,442               | (437)                 | -                 | 35                  | 36                | -                   | -                                     | -                | 0                     | 32                | -               | -                             | -                      |
| Maintenance               | 540,227              | 7                     | -                 | -                   | -                 | -                   | 86,920                                | -                | 870                   | 2,790             | -               | -                             | -                      |
| Travel and Meals          | 19,989               | 1,853                 | 39                | 65                  | -                 | -                   | -                                     | -                | -                     | 435               | -               | -                             | -                      |
| Public Relations          | 51,631               | 15,525                | -                 | 2,148               | -                 | -                   | -                                     | -                | 80                    | 174               | -               | -                             | -                      |
| Contractual Services      | 1,031,374            | 586                   | 140               | 2,609               | 1,228             | 5,217               | -                                     | -                | 156,808               | 1,872             | (600)           | -                             | -                      |
| Janitorial Services       | 416                  | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | 416               | -               | -                             | -                      |
| Office Supplies           | 64,763               | 2,157                 | 91                | 3,037               | 1,333             | 189                 | -                                     | 605              | 2,042                 | 1,351             | -               | -                             | -                      |
| Operating Supplies        | 565,963              | 6,063                 | 19                | 538                 | -                 | 59                  | -                                     | (1,211)          | (40)                  | 11,300            | -               | -                             | -                      |
| Street Signs              | 6,599                | 6,599                 | -                 | -                   | -                 | -                   | -                                     | -                | -                     | -                 | -               | -                             | -                      |
| Uniforms                  | 194,775              | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | -                 | -               | -                             | -                      |
| Gas                       | 484,025              | 470                   | -                 | 63                  | -                 | -                   | -                                     | -                | 508                   | 1,933             | -               | -                             | -                      |
| Motor Vehicle Parts       | 311,051              | 101                   | -                 | 43                  | -                 | -                   | -                                     | -                | 286                   | 301               | -               | -                             | -                      |
| Materials                 | 78,585               | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | 232               | -               | -                             | -                      |
| Insurance                 | 415,448              | 2,280                 | 337               | 10,111              | 174               | -                   | -                                     | 3,081            | -                     | 6,049             | -               | -                             | -                      |
| Rent                      | 23,597               | -                     | -                 | -                   | 347               | 40                  | -                                     | 860              | -                     | -                 | -               | -                             | -                      |
| Contributions             | 302,346              | -                     | -                 | -                   | -                 | -                   | -                                     | -                | -                     | -                 | -               | -                             | -                      |
| Debt Service              | 600,470              | 34,872                | -                 | -                   | -                 | -                   | 315,257                               | -                | 1,413                 | (848)             | -               | -                             | -                      |
| Capital Outlay            | 6,723,205            | -                     | -                 | -                   | -                 | -                   | -                                     | -                | 32,904                | 19,727            | -               | -                             | 949,633                |
| <b>Totals</b>             | <b>\$ 33,597,736</b> | <b>\$ 250,741</b>     | <b>\$ 186,487</b> | <b>\$ 228,987</b>   | <b>\$ 124,701</b> | <b>\$ 30,385</b>    | <b>\$ 402,177</b>                     | <b>\$ 44,990</b> | <b>\$ 407,630</b>     | <b>\$ 317,865</b> | <b>\$ (600)</b> | <b>\$ 33,756</b>              | <b>\$ 949,633</b>      |

CITY OF LEBANON, TENNESSEE  
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
 Year Ended June 30, 2019

|                           | Public<br>Safety    | Personnel         | Traffic<br>Maintenance | General<br>Maintenance | Police               | Fire                | Building<br>Inspection | Building<br>Maintenance | Street              | Animal<br>Control | Drainage<br>Migration | Risk<br>Assesment | Mitchell<br>House   |
|---------------------------|---------------------|-------------------|------------------------|------------------------|----------------------|---------------------|------------------------|-------------------------|---------------------|-------------------|-----------------------|-------------------|---------------------|
| Salaries                  | \$ 318,624          | \$ 198,361        | \$ 107,144             | \$ 192,158             | \$ 6,546,361         | \$ 3,708,321        | \$ 286,104             | \$ 16,409               | \$ 507,540          | \$ 112,744        | \$ 1,014              | \$ 40,713         | \$ -                |
| Payroll Taxes             | 23,123              | 14,120            | 7,682                  | 14,134                 | 480,550              | 270,578             | 20,853                 | 1,230                   | 37,828              | 8,274             | -                     | 2,880             | -                   |
| Employer Paid Benefits    | 81,772              | 28,872            | 13,895                 | 44,606                 | 1,323,017            | 864,792             | 72,671                 | 3,455                   | 131,961             | 25,976            | -                     | 3,460             | -                   |
| Retirement                | 44,639              | 26,387            | 15,210                 | 19,609                 | 803,615              | 478,454             | 35,696                 | 2,497                   | 54,713              | 11,557            | -                     | 3,538             | -                   |
| Workmen's Compensation    | 6,268               | 885               | 3,042                  | 12,641                 | 213,523              | 82,479              | 8,218                  | 2,180                   | 38,368              | 1,475             | -                     | 1,608             | -                   |
| Unemployment              | -                   | -                 | -                      | -                      | -                    | -                   | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Training                  | 435                 | 98                | -                      | -                      | 70,473               | 73,887              | 25                     | -                       | -                   | 1,190             | -                     | -                 | -                   |
| Communications            | -                   | -                 | -                      | -                      | 21,822               | 11,303              | -                      | -                       | 365                 | -                 | -                     | -                 | -                   |
| Postage and Shipping      | -                   | 456               | -                      | -                      | 2,016                | 118                 | 393                    | -                       | 30                  | -                 | -                     | -                 | -                   |
| Transportation Expense    | 162                 | -                 | 9                      | 47                     | 1,921                | 271                 | 27                     | -                       | 548                 | 18                | -                     | -                 | -                   |
| Printing                  | 1,116               | 975               | -                      | -                      | 14,443               | 2,828               | 1,614                  | -                       | 299                 | -                 | -                     | -                 | -                   |
| Subscriptions             | -                   | (176)             | -                      | -                      | 80                   | 2,706               | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Dues                      | 425                 | 1,336             | 340                    | 1,550                  | 18,092               | 13,185              | 2,220                  | 265                     | 1,550               | 50                | -                     | 508               | -                   |
| Utilities                 | 29,768              | -                 | -                      | 1,302                  | 28,563               | 51,010              | -                      | 27,082                  | 44                  | 4,310             | -                     | -                 | -                   |
| Telephone                 | 8,902               | 5,524             | 58                     | 4,230                  | 123,302              | 141,754             | 8,333                  | 875                     | 4,714               | -                 | -                     | 245               | -                   |
| Engineering and Architect | -                   | -                 | 12,024                 | -                      | -                    | -                   | -                      | -                       | 2,225               | -                 | -                     | -                 | -                   |
| Professional Fees         | 5,471               | -                 | -                      | -                      | -                    | -                   | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Data Processing           | -                   | -                 | -                      | -                      | -                    | -                   | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Medical                   | 2,441               | -                 | -                      | 793                    | 6,403                | 11,242              | 69                     | (144)                   | 1,876               | 3,274             | -                     | 5,209             | -                   |
| Maintenance               | 33,666              | -                 | 60,702                 | 17,751                 | 83,794               | 90,050              | -                      | 26,634                  | 73,023              | 2,097             | -                     | -                 | -                   |
| Travel                    | 792                 | (15)              | -                      | -                      | 13,611               | (80)                | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Public Relations          | 500                 | -                 | -                      | -                      | 9,636                | 4,317               | 12                     | -                       | 1,013               | -                 | -                     | -                 | -                   |
| Contractual Services      | 7,070               | 85,942            | 76                     | 3,256                  | 145,675              | 58,045              | 34,130                 | 15,311                  | 10,397              | 193               | 54,408                | 232               | -                   |
| Janitorial Services       | -                   | -                 | -                      | -                      | -                    | -                   | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Office Supplies           | 5,060               | 2,545             | -                      | 804                    | 24,672               | 10,803              | 3,530                  | (235)                   | 426                 | 62                | -                     | 18                | -                   |
| Operating Supplies        | 8,232               | -                 | 1,258                  | 6,517                  | 168,872              | 110,973             | 165                    | 5,897                   | 28,311              | 4,570             | -                     | -                 | -                   |
| Street Signs              | -                   | -                 | -                      | -                      | -                    | -                   | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Uniforms                  | 4,288               | -                 | 973                    | 2,546                  | 108,841              | 53,182              | -                      | 60                      | 9,572               | 1,686             | -                     | -                 | -                   |
| Gas                       | 26,655              | -                 | 4,653                  | 7,366                  | 228,356              | 44,157              | 4,828                  | -                       | 68,681              | 3,503             | -                     | -                 | -                   |
| Motor Vehicle Parts       | 9,660               | -                 | 2,149                  | 3,626                  | 99,028               | 19,377              | 1,859                  | -                       | 89,159              | 1,440             | -                     | -                 | -                   |
| Materials                 | 7,988               | -                 | -                      | -                      | 1,762                | 2,733               | -                      | (2,509)                 | 55,423              | -                 | -                     | -                 | -                   |
| Insurance                 | -                   | 1,477             | -                      | 3,484                  | 166,565              | 79,911              | 4,955                  | 16,932                  | 11,573              | 645               | -                     | -                 | -                   |
| Rent                      | 3,092               | -                 | -                      | -                      | 12,000               | 600                 | -                      | -                       | 5,200               | -                 | -                     | -                 | -                   |
| Contributions             | -                   | -                 | -                      | -                      | -                    | -                   | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Debt Service              | -                   | -                 | -                      | -                      | -                    | 121,296             | -                      | -                       | -                   | -                 | -                     | -                 | -                   |
| Capital Outlay            | 3,094,912           | -                 | -                      | -                      | 44,515               | 685,408             | -                      | -                       | 327,673             | -                 | -                     | -                 | 1,151,675           |
| <b>Totals</b>             | <b>\$ 3,725,061</b> | <b>\$ 366,787</b> | <b>\$ 229,215</b>      | <b>\$ 336,420</b>      | <b>\$ 10,761,508</b> | <b>\$ 6,993,700</b> | <b>\$ 485,702</b>      | <b>\$ 115,939</b>       | <b>\$ 1,462,512</b> | <b>\$ 183,064</b> | <b>\$ 55,422</b>      | <b>\$ 58,411</b>  | <b>\$ 1,151,675</b> |

CITY OF LEBANON, TENNESSEE  
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
 Year Ended June 30, 2019

|                           | Engineering       | Garage            | Cemetery          | Recreation          | Accounting System | Special Events   | Contributions & Dues | Community Park    | Sanitation          | EAC Committee | Senior Citizens Center | Economic Development | Codes Enforcement | Total                |
|---------------------------|-------------------|-------------------|-------------------|---------------------|-------------------|------------------|----------------------|-------------------|---------------------|---------------|------------------------|----------------------|-------------------|----------------------|
| Salaries                  | \$ 179,963        | \$ 192,120        | \$ 56,419         | \$ 443,351          | \$ -              | \$ -             | \$ -                 | \$ 21,841         | \$ 522,033          | \$ -          | \$ 151,104             | \$ 25,983            | \$ 47,843         | \$ 14,382,934        |
| Payroll Taxes             | 13,868            | 13,876            | 4,181             | 31,913              | -                 | -                | -                    | 1,449             | 37,236              | -             | 11,156                 | 1,755                | 3,426             | 1,051,495            |
| Employer Paid Benefits    | 19,785            | 63,606            | 6,379             | 105,197             | -                 | -                | -                    | 19,958            | 148,749             | -             | 39,841                 | 8,190                | 24,877            | 3,217,272            |
| Retirement                | 21,588            | 25,016            | 8,371             | 49,569              | -                 | -                | -                    | 1,905             | 63,950              | -             | 21,278                 | 2,309                | 5,408             | 1,790,734            |
| Workmen's Compensation    | 956               | 6,427             | 1,843             | 15,946              | -                 | -                | -                    | 1,383             | 28,764              | -             | -                      | 276                  | 1,500             | 436,177              |
| Unemployment              | -                 | -                 | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | -                    | -                 | -                    |
| Training                  | 1,817             | 280               | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | 402                  | -                 | 152,040              |
| Communications            | -                 | -                 | -                 | -                   | -                 | -                | -                    | -                 | 994                 | -             | -                      | -                    | -                 | 34,303               |
| Postage and Shipping      | 514               | -                 | 53                | -                   | -                 | -                | -                    | -                 | 19                  | 74            | -                      | 18                   | -                 | 11,123               |
| Transportation Expense    | 12                | 22                | 9                 | 63                  | -                 | -                | -                    | -                 | 1,329               | -             | -                      | 4                    | 86                | 4,590                |
| Printing                  | 1,715             | 812               | 748               | 871                 | -                 | -                | -                    | -                 | -                   | -             | -                      | 148                  | -                 | 30,654               |
| Subscriptions             | 66                | 994               | 104               | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | -                    | -                 | 7,058                |
| Dues                      | 3,578             | 1,625             | 265               | 1,210               | -                 | -                | 45,425               | -                 | 1,890               | -             | 605                    | 41,851               | -                 | 145,753              |
| Utilities                 | -                 | 9,235             | 5,451             | 84,814              | -                 | -                | -                    | 23,354            | 401                 | -             | -                      | -                    | -                 | 279,667              |
| Telephone                 | 2,290             | 3,914             | 23,970            | 21,790              | -                 | -                | -                    | -                 | 876                 | -             | -                      | 585                  | 5,034             | 392,791              |
| Engineering and Architect | 15,009            | -                 | -                 | 15,738              | -                 | -                | -                    | -                 | 8,000               | -             | -                      | -                    | -                 | 86,752               |
| Professional Fees         | -                 | -                 | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | -                    | -                 | 43,550               |
| Data Processing           | -                 | -                 | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | -                    | -                 | 83,937               |
| Medical                   | 52                | 104               | -                 | 1,225               | -                 | -                | -                    | -                 | 232                 | -             | -                      | -                    | -                 | 32,442               |
| Maintenance               | 231               | 6,659             | 631               | 6,072               | -                 | -                | -                    | 6,738             | 41,504              | -             | -                      | -                    | 88                | 540,227              |
| Travel                    | 1,195             | -                 | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | 2,094                | -                 | 19,989               |
| Public Relations          | 140               | -                 | -                 | 200                 | -                 | -                | 5,863                | -                 | -                   | -             | -                      | 12,023               | -                 | 51,631               |
| Contractual Services      | 37,478            | 420               | 2,080             | 23,750              | -                 | -                | -                    | 15,000            | 351,848             | -             | -                      | 16,006               | 2,197             | 1,031,374            |
| Janitorial Services       | -                 | -                 | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | -                    | -                 | 416                  |
| Office Supplies           | 3,118             | 451               | 129               | 232                 | -                 | -                | 5                    | 117               | 57                  | -             | -                      | 164                  | 2,000             | 64,763               |
| Operating Supplies        | 211               | 6,396             | 2,989             | 48,651              | -                 | 30,659           | -                    | 14,254            | 110,397             | -             | -                      | 16                   | 867               | 565,963              |
| Street Signs              | -                 | -                 | -                 | -                   | -                 | -                | -                    | -                 | -                   | -             | -                      | -                    | -                 | 6,599                |
| Uniforms                  | 305               | 2,023             | 237               | 2,000               | -                 | -                | -                    | -                 | 8,951               | -             | -                      | -                    | 111               | 194,775              |
| Gas                       | (78)              | 1,870             | 229               | 10,729              | -                 | -                | -                    | -                 | 77,950              | -             | -                      | -                    | 2,152             | 484,023              |
| Motor Vehicle Parts       | (164)             | 387               | 94                | 3,130               | -                 | -                | -                    | -                 | 78,935              | -             | -                      | -                    | 1,640             | 311,051              |
| Materials                 | -                 | -                 | 837               | 10,274              | -                 | -                | -                    | 1,845             | -                   | -             | -                      | -                    | -                 | 78,585               |
| Insurance                 | (165)             | 2,678             | 6,431             | 64,791              | -                 | -                | -                    | 2,135             | 28,945              | -             | -                      | 2,059                | 1,000             | 415,448              |
| Rent                      | 163               | -                 | -                 | 1,037               | -                 | -                | -                    | 258               | -                   | -             | -                      | -                    | -                 | 23,597               |
| Contributions             | -                 | -                 | -                 | -                   | -                 | -                | 262,346              | -                 | -                   | -             | -                      | 40,000               | -                 | 302,346              |
| Debt Service              | -                 | -                 | -                 | -                   | 18,066            | -                | -                    | 63,924            | -                   | -             | 46,490                 | -                    | -                 | 600,470              |
| Capital Outlay            | 4,616             | -                 | -                 | 116,564             | -                 | -                | -                    | 92,896            | 177,528             | -             | -                      | -                    | 25,134            | 6,723,205            |
| <b>Totals</b>             | <b>\$ 308,263</b> | <b>\$ 338,915</b> | <b>\$ 121,450</b> | <b>\$ 1,059,117</b> | <b>\$ 18,066</b>  | <b>\$ 30,659</b> | <b>\$ 313,634</b>    | <b>\$ 266,945</b> | <b>\$ 1,690,648</b> | <b>\$ 131</b> | <b>\$ 270,474</b>      | <b>\$ 153,883</b>    | <b>\$ 123,383</b> | <b>\$ 33,597,736</b> |

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

Year Ended June 30, 2019

|                               | Transmission<br>and<br>Distribution | Customer<br>Accounting &<br>Collection | Administrative<br>and<br>General | Shop<br>and<br>Maintenance | Meter<br>Reader  | Total<br>(Memorandum<br>Only) |
|-------------------------------|-------------------------------------|--|----------------------------------|----------------------------|------------------|-------------------------------|
| Salaries                      | \$ 674,081                          | \$ 35,388                              | \$ 467,075                       | \$ 65,215                  | \$ 39,049        | \$ 1,280,808                  |
| Payroll Taxes                 | 48,338                              | 2,684                                  | 33,551                           | 4,681                      | 2,753            | 92,007                        |
| Employee Benefits             | 317,397                             | 14,152                                 | 156,053                          | 28,912                     | 26,751           | 543,265                       |
| Pension Costs                 | 140,033                             | 3,316                                  | 36,117                           | (80,654)                   | 2,547            | 101,359                       |
| Communications                | 2,517                               | -                                      | (91)                             | -                          | -                | 2,426                         |
| Supplies and Publications     | 12,026                              | 245                                    | 11,353                           | 142                        | 16               | 23,782                        |
| Dues                          | 29,295                              | -                                      | 6,743                            | 160                        | 136              | 36,334                        |
| Utilities                     | 69,771                              | 684                                    | 21,669                           | 9,066                      | 1,034            | 102,224                       |
| Professional Services         | 45,753                              | -                                      | 26,068                           | -                          | -                | 71,821                        |
| Repair and Maintenance        | 133,340                             | -                                      | 1,451                            | 10,115                     | 49               | 144,955                       |
| Travel                        | 5,791                               | -                                      | 2,554                            | -                          | -                | 8,345                         |
| Operating Supplies            | 42,151                              | 1,161                                  | 26,657                           | 3,940                      | (2,158)          | 71,751                        |
| Maintenance Supplies          | 84,163                              | -                                      | 2,605                            | 2,876                      | 4,537            | 94,181                        |
| Contractual Services          | 69,734                              | 22,953                                 | 116,081                          | 3,369                      | 1,604            | 213,741                       |
| Insurance                     | 43,089                              | -                                      | 9,835                            | 3,308                      | 1,030            | 57,262                        |
| Bad Debt Expense              | -                                   | 780                                    | -                                | -                          | -                | 780                           |
| Rent                          | 4,822                               | 177                                    | 459                              | -                          | -                | 5,458                         |
| Community Relations/Marketing | 36,988                              | -                                      | 6,737                            | -                          | -                | 43,725                        |
| Miscellaneous                 | 14,479                              | -                                      | 30,605                           | 212                        | 42               | 45,338                        |
|                               | <u>\$ 1,773,768</u>                 | <u>\$ 81,540</u>                       | <u>\$ 955,522</u>                | <u>\$ 51,342</u>           | <u>\$ 77,390</u> | <u>\$ 2,939,562</u>           |

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

Year Ended June 30, 2019

|                               | Water                     | Sewer       | Total               |
|-------------------------------|---------------------------|-------------|---------------------|
|                               | <u>Purification Plant</u> |             |                     |
| Expenses                      |                           |             |                     |
| Salaries                      | \$ 556,366                | \$ -        | \$ 556,366          |
| Payroll Taxes                 | 40,202                    | -           | 40,202              |
| Employee Benefits             | 241,993                   | -           | 241,993             |
| Pension Costs                 | 44,895                    | -           | 44,895              |
| Communications                | 7                         | -           | 7                   |
| Supplies and Publications     | 4,809                     | -           | 4,809               |
| Dues and Subscriptions        | 3,293                     | -           | 3,293               |
| Utilities                     | 447,805                   | -           | 447,805             |
| Professional Services         | -                         | -           | -                   |
| Miscellaneous                 | 1,821                     | -           | 1,821               |
| Repair and Maintenance        | 101,716                   | -           | 101,716             |
| Travel                        | -                         | -           | -                   |
| Operating Supplies            | 287,888                   | -           | 287,888             |
| Maintenance Supplies          | 9,679                     | -           | 9,679               |
| Insurance                     | 37,231                    | -           | 37,231              |
| Community Relations/Marketing | -                         | -           | -                   |
| Contractual Services          | 149,185                   | -           | 149,185             |
| Rent                          | -                         | -           | -                   |
| Totals                        | <u>\$ 1,926,890</u>       | <u>\$ -</u> | <u>\$ 1,926,890</u> |

|                           | <u>Shop and Maintenance</u> |                   |                   |
|---------------------------|-----------------------------|-------------------|-------------------|
| Expenses                  |                             |                   |                   |
| Salaries                  | \$ 85,218                   | \$ 78,760         | \$ 163,978        |
| Payroll Taxes             | 6,116                       | 5,653             | 11,769            |
| Employee Benefits         | 37,784                      | 34,921            | 72,705            |
| Pension Costs             | 5,646                       | 5,220             | 10,866            |
| Communications            | -                           | -                 | -                 |
| Supplies and Publications | 184                         | 170               | 354               |
| Dues                      | 209                         | 192               | 401               |
| Miscellaneous             | 281                         | 260               | 541               |
| Utilities                 | 12,497                      | 11,692            | 24,189            |
| Repair and Maintenance    | 13,884                      | 12,977            | 26,861            |
| Travel                    | -                           | -                 | -                 |
| Operating Supplies        | 5,244                       | 4,868             | 10,112            |
| Maintenance Supplies      | 3,831                       | 3,557             | 7,388             |
| Insurance                 | 4,573                       | 4,282             | 8,855             |
| Contractual Services      | 4,707                       | 4,417             | 9,124             |
| Rent                      | -                           | -                 | -                 |
| Totals                    | <u>\$ 180,174</u>           | <u>\$ 166,969</u> | <u>\$ 347,143</u> |

| Water                                | Sewer               | Total               |
|--------------------------------------|---------------------|---------------------|
| <u>Transmission and Distribution</u> |                     |                     |
| \$ 751,454                           | \$ 524,169          | \$ 1,275,623        |
| 54,455                               | 37,381              | 91,836              |
| 316,625                              | 210,399             | 527,024             |
| 59,318                               | 43,276              | 102,594             |
| -                                    | -                   | -                   |
| 1,779                                | 1,262               | 3,041               |
| 9,173                                | 880                 | 10,053              |
| 116,329                              | 144,152             | 260,481             |
| -                                    | 1,860               | 1,860               |
| 4,841                                | 2,066               | 6,907               |
| 40,476                               | 19,596              | 60,072              |
| 471                                  | -                   | 471                 |
| 42,174                               | 61,639              | 103,813             |
| 65,665                               | 64,751              | 130,416             |
| 30,595                               | 16,969              | 47,564              |
| -                                    | -                   | -                   |
| 83,055                               | 79,609              | 162,664             |
| -                                    | 770                 | 770                 |
| <u>\$ 1,576,410</u>                  | <u>\$ 1,208,779</u> | <u>\$ 2,785,189</u> |

| Water                             | Sewer               | Total               |
|-----------------------------------|---------------------|---------------------|
| <u>Administrative and General</u> |                     |                     |
| \$ 634,886                        | \$ 667,691          | \$ 1,302,577        |
| 45,585                            | 48,013              | 93,598              |
| 212,984                           | 226,484             | 439,468             |
| 46,880                            | 49,371              | 96,251              |
| (91)                              | (91)                | (182)               |
| 14,819                            | 14,637              | 29,456              |
| 9,256                             | 9,332               | 18,588              |
| 28,854                            | 29,841              | 58,695              |
| 35,843                            | 35,843              | 71,686              |
| 50,394                            | 50,319              | 100,713             |
| 1,929                             | 1,929               | 3,858               |
| 3,504                             | 3,504               | 7,008               |
| 35,272                            | 34,705              | 69,977              |
| 3,634                             | 4,379               | 8,013               |
| 13,206                            | 13,825              | 27,031              |
| 9,263                             | 9,263               | 18,526              |
| 148,700                           | 146,069             | 294,769             |
| 557                               | 557                 | 1,114               |
| <u>\$ 1,295,475</u>               | <u>\$ 1,345,671</u> | <u>\$ 2,641,146</u> |

| <u>Customer Accounting</u> |                   |                   |
|----------------------------|-------------------|-------------------|
| \$ 49,865                  | \$ 48,257         | \$ 98,122         |
| 3,782                      | 3,660             | 7,442             |
| 19,924                     | 19,283            | 39,207            |
| 4,514                      | 4,369             | 8,883             |
| -                          | -                 | -                 |
| 345                        | 334               | 679               |
| -                          | -                 | -                 |
| -                          | -                 | -                 |
| 964                        | 933               | 1,897             |
| -                          | -                 | -                 |
| -                          | -                 | -                 |
| 1,636                      | 1,583             | 3,219             |
| -                          | -                 | -                 |
| -                          | -                 | -                 |
| 32,343                     | 31,299            | 63,642            |
| 250                        | 242               | 492               |
| <u>\$ 113,623</u>          | <u>\$ 109,960</u> | <u>\$ 223,583</u> |

| <u>Sewer System Direct</u> |                     |                     |
|----------------------------|---------------------|---------------------|
| \$ -                       | \$ 746,029          | \$ 746,029          |
| -                          | 55,420              | 55,420              |
| -                          | 248,424             | 248,424             |
| -                          | 68,871              | 68,871              |
| -                          | -                   | -                   |
| -                          | 2,957               | 2,957               |
| -                          | 17,724              | 17,724              |
| -                          | 5,791               | 5,791               |
| -                          | 988,682             | 988,682             |
| -                          | 87,775              | 87,775              |
| -                          | -                   | -                   |
| -                          | 754,374             | 754,374             |
| -                          | 26,527              | 26,527              |
| -                          | 42,366              | 42,366              |
| -                          | 54,992              | 54,992              |
| -                          | -                   | -                   |
| <u>\$ -</u>                | <u>\$ 3,099,932</u> | <u>\$ 3,099,932</u> |

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

Year Ended June 30, 2019

| Expenses                  | Meter Readers |           |            | Gasification |       |            |
|---------------------------|---------------|-----------|------------|--------------|-------|------------|
|                           | Water         | Sewer     | Total      | Water        | Sewer | Total      |
| Salaries                  | \$ 29,286     | \$ 29,286 | \$ 58,572  | \$ 99,286    | \$ -  | \$ 99,286  |
| Payroll Taxes             | 2,065         | 2,065     | 4,130      | 7,510        | -     | 7,510      |
| Employee Benefits         | 19,546        | 20,063    | 39,609     | 39,283       | -     | 39,283     |
| Pension Costs             | 1,817         | 1,817     | 3,634      | 4,337        | -     | 4,337      |
| Supplies and Publications | 14            | 14        | 28         | 21           | -     | 21         |
| Dues                      | 102           | 102       | 204        | -            | -     | -          |
| Utilities                 | 776           | 776       | 1,552      | 19,843       | -     | 19,843     |
| Repair and Maintenance    | 3,699         | 37        | 3,736      | 22,367       | -     | 22,367     |
| Travel                    | -             | -         | -          | -            | -     | -          |
| Operating Supplies        | 90,584        | 27,980    | 118,564    | 1,164        | -     | 1,164      |
| Insurance                 | 775           | 775       | 1,550      | 2,481        | -     | 2,481      |
| Contractual Services      | 1,203         | 10,379    | 11,582     | 177,697      | -     | 177,697    |
| Miscellaneous             | 3,965         | 31        | 3,996      | 22,504       | -     | 22,504     |
| Repair and Maintenance    | -             | 3,443     | 3,443      | -            | -     | -          |
| Totals                    | \$ 153,832    | \$ 96,768 | \$ 250,600 | \$ 396,493   | \$ -  | \$ 396,493 |

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

Year Ended June 30, 2019

|                           | Stormwater        | Administrative<br>and<br>General | Customer<br>Service &<br>Accounting | Drainage<br>Mitigation | Total<br>(Memorandum<br>Only) |
|---------------------------|-------------------|----------------------------------|-------------------------------------|------------------------|-------------------------------|
| Salaries                  | \$ 125,098        | \$ 213,080                       | \$ 8,400                            | \$ 132,938             | \$ 479,516                    |
| Payroll Taxes             | 9,809             | 15,308                           | -                                   | -                      | 25,117                        |
| Employee Benefits         | 30,104            | 58,112                           | 9,994                               | 55,673                 | 153,883                       |
| Pension Costs             | 8,916             | 12,764                           | 1,481                               | 12,155                 | 35,316                        |
| Communications            | -                 | -                                | -                                   | -                      | -                             |
| Supplies and Publications | 1,382             | 2,242                            | 273                                 | 45                     | 3,942                         |
| Dues                      | 905               | 530                              | 1                                   | -                      | 1,436                         |
| Utilities                 | 4,831             | 6,477                            | 542                                 | 267                    | 12,117                        |
| Professional Services     | -                 | 9,006                            | 3,075                               | -                      | 12,081                        |
| Repair and Maintenance    | 403               | 851                              | -                                   | 8,791                  | 10,045                        |
| Travel                    | 331               | 775                              | -                                   | -                      | 1,106                         |
| Operating Supplies        | 360               | 5,173                            | 190                                 | 27,294                 | 33,017                        |
| Maintenance Supplies      | 5,623             | 6,807                            | -                                   | 27,779                 | 40,209                        |
| Contractual Services      | 5,036             | 50,746                           | 175                                 | 95                     | 56,052                        |
| Insurance                 | -                 | 1,765                            | 25                                  | -                      | 1,790                         |
| Rent                      | -                 | 194                              | 50                                  | -                      | 244                           |
| Miscellaneous             | 444               | 3,329                            | 121                                 | 132                    | 4,026                         |
|                           | <u>\$ 193,242</u> | <u>\$ 387,159</u>                | <u>\$ 24,327</u>                    | <u>\$ 265,169</u>      | <u>\$ 869,897</u>             |

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2019

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               |
| 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 |                   |                  |                   |                     |                   |                     |                            |                   |                     |                     |                   |                     |                        |                   |                     |
|      | <u>\$ 648,000</u> | <u>\$ 69,480</u> | <u>\$ 717,480</u> | <u>\$ 1,833,000</u> | <u>\$ 435,700</u> | <u>\$ 2,268,700</u> | <u>\$ 1,382,000</u>        | <u>\$ 384,480</u> | <u>\$ 1,766,480</u> | <u>\$ 1,770,000</u> | <u>\$ 171,350</u> | <u>\$ 1,941,350</u> | <u>\$ 4,250,000</u>    | <u>\$ 984,025</u> | <u>\$ 5,234,025</u> |

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2019

BONDS PAYABLE

|      | 2017 TMBF Airport Hangar |                   |                     | 2017 TML West Side Park |                     |                     | 2018 TMBF Public Safety |                     |                     | 2019 TMBF Radio Communication |                     |                     | Total Bonds Payable  |                     |                      |
|------|--------------------------|-------------------|---------------------|-------------------------|---------------------|---------------------|-------------------------|---------------------|---------------------|-------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
|      | Principal                | Interest          | Total               | Principal               | Interest            | Total               | Principal               | Interest            | Total               | Principal                     | Interest            | Total               | Principal            | Interest            | Total                |
| 2020 | \$ 30,700                | \$ 23,718         | \$ 54,418           | \$ 162,000              | \$ 110,859          | \$ 272,859          | \$ -                    | \$ 209,000          | \$ 209,000          | \$ 199,000                    | \$ 192,795          | \$ 391,795          | \$ 1,322,700         | \$ 845,047          | \$ 2,167,747         |
| 2021 | 31,500                   | 22,945            | 54,445              | 166,000                 | 107,149             | 273,149             | 189,000                 | 205,409             | 394,409             | 206,000                       | 195,286             | 401,286             | 1,554,500            | 810,338             | 2,364,838            |
| 2022 | 32,300                   | 22,151            | 54,451              | 170,000                 | 103,348             | 273,348             | 196,000                 | 198,094             | 394,094             | 214,000                       | 187,973             | 401,973             | 1,596,300            | 759,370             | 2,355,670            |
| 2023 | 33,100                   | 21,337            | 54,437              | 174,000                 | 99,455              | 273,455             | 203,000                 | 190,513             | 393,513             | 222,000                       | 180,376             | 402,376             | 1,641,100            | 705,395             | 2,346,495            |
| 2024 | 33,900                   | 20,503            | 54,403              | 178,000                 | 95,470              | 273,470             | 211,000                 | 182,647             | 393,647             | 230,000                       | 172,495             | 402,495             | 1,364,900            | 651,299             | 2,016,199            |
| 2025 | 34,800                   | 19,648            | 54,448              | 182,000                 | 91,394              | 273,394             | 219,000                 | 174,477             | 393,477             | 238,000                       | 164,330             | 402,330             | 1,408,800            | 605,209             | 2,014,009            |
| 2026 | 35,600                   | 18,771            | 54,371              | 186,000                 | 87,226              | 273,226             | 227,000                 | 166,003             | 393,003             | 246,000                       | 155,881             | 401,881             | 1,329,600            | 558,326             | 1,887,926            |
| 2027 | 36,500                   | 17,874            | 54,374              | 190,000                 | 82,967              | 272,967             | 236,000                 | 157,206             | 393,206             | 255,000                       | 147,148             | 402,148             | 1,369,500            | 513,495             | 1,882,995            |
| 2028 | 37,400                   | 16,955            | 54,355              | 194,000                 | 78,616              | 272,616             | 245,000                 | 148,067             | 393,067             | 265,000                       | 138,095             | 403,095             | 1,127,400            | 466,857             | 1,594,257            |
| 2029 | 38,400                   | 16,012            | 54,412              | 199,000                 | 74,173              | 273,173             | 254,000                 | 138,586             | 392,586             | 274,000                       | 128,688             | 402,688             | 1,159,400            | 432,804             | 1,592,204            |
| 2030 | 39,400                   | 15,044            | 54,444              | 203,000                 | 69,616              | 272,616             | 264,000                 | 128,744             | 392,744             | 284,000                       | 118,961             | 402,961             | 1,163,400            | 397,450             | 1,560,850            |
| 2031 | 40,400                   | 14,052            | 54,452              | 208,000                 | 64,967              | 272,967             | 274,000                 | 118,522             | 392,522             | 294,000                       | 108,879             | 402,879             | 1,158,400            | 361,764             | 1,520,164            |
| 2032 | 41,400                   | 13,033            | 54,433              | 213,000                 | 60,204              | 273,204             | 284,000                 | 107,920             | 391,920             | 305,000                       | 98,442              | 403,442             | 1,189,400            | 325,974             | 1,515,374            |
| 2033 | 42,400                   | 11,990            | 54,390              | 218,000                 | 55,326              | 273,326             | 295,000                 | 96,919              | 391,919             | 316,000                       | 87,614              | 403,614             | 1,221,400            | 289,150             | 1,510,550            |
| 2034 | 43,500                   | 10,922            | 54,422              | 223,000                 | 50,334              | 273,334             | 306,000                 | 85,500              | 391,500             | 328,000                       | 76,396              | 404,396             | 1,254,500            | 251,272             | 1,505,772            |
| 2035 | 44,600                   | 9,825             | 54,425              | 228,000                 | 45,228              | 273,228             | 318,000                 | 73,644              | 391,644             | 339,000                       | 64,752              | 403,752             | 1,286,600            | 212,284             | 1,498,884            |
| 2036 | 45,700                   | 8,702             | 54,402              | 233,000                 | 40,006              | 273,006             | 330,000                 | 61,332              | 391,332             | 352,000                       | 52,718              | 404,718             | 1,321,700            | 172,227             | 1,493,927            |
| 2037 | 46,900                   | 7,550             | 54,450              | 238,000                 | 34,671              | 272,671             | 342,000                 | 48,564              | 390,564             | 364,000                       | 40,222              | 404,222             | 990,900              | 131,006             | 1,121,906            |
| 2038 | 48,000                   | 6,368             | 54,368              | 244,000                 | 29,220              | 273,220             | 355,000                 | 35,321              | 390,321             | 378,000                       | 27,300              | 405,300             | 1,025,000            | 98,209              | 1,123,209            |
| 2039 | 49,300                   | 5,158             | 54,458              | 249,000                 | 23,633              | 272,633             | 369,000                 | 21,565              | 390,565             | 391,000                       | 13,881              | 404,881             | 1,058,300            | 64,237              | 1,122,537            |
| 2040 | 50,500                   | 3,916             | 54,416              | 255,000                 | 17,931              | 272,931             | 383,000                 | 7,277               | 390,277             | -                             | -                   | -                   | 688,500              | 29,124              | 717,624              |
| 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>\$ 941,200</u>        | <u>\$ 310,456</u> | <u>\$ 1,251,656</u> | <u>\$ 4,841,000</u>     | <u>\$ 1,439,998</u> | <u>\$ 6,280,998</u> | <u>\$ 5,500,000</u>     | <u>\$ 2,555,310</u> | <u>\$ 8,055,310</u> | <u>\$ 5,700,000</u>           | <u>\$ 2,352,224</u> | <u>\$ 8,052,224</u> | <u>\$ 26,865,200</u> | <u>\$ 8,703,023</u> | <u>\$ 35,568,223</u> |

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2019

NOTES PAYABLE

|      | Floyd Center Johnson Controls |                  |                   | General Fund Johnson Controls |                  |                   | 2012 TML          |                  |                   | Loan to Street Improvements (Gas) |                  |                   | 16/17 Loan to General (Gas) |                  |                     |
|------|-------------------------------|------------------|-------------------|-------------------------------|------------------|-------------------|-------------------|------------------|-------------------|-----------------------------------|------------------|-------------------|-----------------------------|------------------|---------------------|
|      | Principal                     | Interest         | Total             | Principal                     | Interest         | Total             | Principal         | Interest         | Total             | Principal                         | Interest         | Total             | Principal                   | Interest         | Total               |
| 2020 | \$ 63,388                     | \$ 9,351         | \$ 72,739         | \$ 121,376                    | \$ 17,525        | \$ 138,901        | \$ 52,000         | \$ 7,783         | \$ 59,783         | \$ 74,705                         | \$ 6,655         | \$ 81,360         | \$ 215,586                  | \$ 16,787        | \$ 232,373          |
| 2021 | 64,858                        | 7,881            | 72,739            | 121,054                       | 14,709           | 135,763           | 54,000            | 6,317            | 60,317            | 75,455                            | 5,907            | 81,362            | 217,751                     | 14,714           | 232,465             |
| 2022 | 66,363                        | 6,376            | 72,739            | 123,862                       | 11,901           | 135,763           | 55,000            | 4,794            | 59,794            | 76,213                            | 5,161            | 81,374            | 217,170                     | 18,810           | 235,980             |
| 2023 | 67,902                        | 4,837            | 72,739            | 126,736                       | 9,027            | 135,763           | 57,000            | 3,243            | 60,243            | 76,010                            | 6,584            | 82,594            | 220,450                     | 15,531           | 235,981             |
| 2024 | 69,478                        | 3,261            | 72,739            | 129,676                       | 6,087            | 135,763           | 58,000            | 1,636            | 59,636            | 77,160                            | 5,436            | 82,596            | 223,779                     | 12,199           | 235,978             |
| 2025 | 71,090                        | 1,649            | 72,739            | 132,685                       | 3,078            | 135,763           |                   |                  |                   | 78,322                            | 4,269            | 82,591            | 226,015                     | 11,873           | 237,888             |
| 2026 |                               |                  |                   |                               |                  |                   |                   |                  |                   | 79,103                            | 4,122            | 83,225            | 230,577                     | 7,110            | 237,687             |
| 2027 |                               |                  |                   |                               |                  |                   |                   |                  |                   | 80,702                            | 2,524            | 83,226            | 235,231                     | 2,557            | 237,788             |
| 2028 |                               |                  |                   |                               |                  |                   |                   |                  |                   | 82,330                            | 896              | 83,226            |                             |                  |                     |
|      | <u>\$ 403,079</u>             | <u>\$ 33,355</u> | <u>\$ 436,434</u> | <u>\$ 755,389</u>             | <u>\$ 62,327</u> | <u>\$ 817,716</u> | <u>\$ 276,000</u> | <u>\$ 23,773</u> | <u>\$ 299,773</u> | <u>\$ 709,000</u>                 | <u>\$ 41,554</u> | <u>\$ 741,554</u> | <u>\$ 1,786,559</u>         | <u>\$ 99,581</u> | <u>\$ 1,886,140</u> |

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2019

NOTES PAYABLE

|      | 16/17 Loan to General (W/S) RTA |                  |                   | 16/17 Loan to General (W/S) Fire Trucks |                  |                   | 6/17 Loan to General (W/S) Senior Citizen |                  |                   | 16/17 Loan to General (W/S) Don Fox Park |                  |                   | Total Notes Payable |                   |                     |
|------|---------------------------------|------------------|-------------------|---|------------------|-------------------|---|------------------|-------------------|--|------------------|-------------------|---------------------|-------------------|---------------------|
|      | Principal                       | Interest         | Total             | Principal                               | Interest         | Total             | Principal                                 | Interest         | Total             | Principal                                | Interest         | Total             | Principal           | Interest          | Total               |
| 2020 | \$ 67,765                       | \$ 4,881         | \$ 72,646         | \$ 122,484                              | \$ 8,274         | \$ 130,758        | \$ 43,554                                 | \$ 2,946         | \$ 46,500         | \$ 59,682                                | \$ 4,245         | \$ 63,927         | \$ 820,540          | \$ 78,447         | \$ 898,987          |
| 2021 | 88,288                          | 6,311            | 94,599            | 122,158                                 | 10,580           | 132,738           | 43,434                                    | 3,762            | 47,196            | 59,743                                   | 4,830            | 64,573            | 846,741             | 75,011            | 921,752             |
| 2022 | 82,163                          | 6,339            | 88,502            | 124,004                                 | 8,736            | 132,740           | 44,088                                    | 3,106            | 47,194            | 60,321                                   | 4,573            | 64,894            | 849,184             | 69,796            | 918,980             |
| 2023 | 83,395                          | 5,098            | 88,493            | 125,877                                 | 6,233            | 132,110           | 44,755                                    | 2,440            | 47,195            | 61,232                                   | 3,661            | 64,893            | 863,357             | 56,654            | 920,011             |
| 2024 | 91,434                          | 4,475            | 95,909            | 127,133                                 | 6,622            | 133,755           | 45,201                                    | 2,355            | 47,556            | 61,914                                   | 3,313            | 65,227            | 883,775             | 45,384            | 929,159             |
| 2025 | 85,891                          | 3,276            | 89,167            | 129,697                                 | 4,056            | 133,753           | 46,113                                    | 1,442            | 47,555            | 62,988                                   | 2,404            | 65,392            | 832,801             | 32,047            | 864,848             |
| 2026 | 80,939                          | 1,544            | 82,483            | 130,394                                 | 1,439            | 131,833           | 43,337                                    | 510              | 43,847            | 64,258                                   | 1,132            | 65,390            | 628,608             | 15,857            | 644,465             |
| 2027 | 13,249                          | 123              | 13,372            | -                                       | -                | -                 | -   | -                | -                 | 18,162                                   | 90               | 18,252            | 347,344             | 5,294             | 352,638             |
| 2028 | -                               | -                | -                 | -                                       | -                | -                 | -   | -                | -                 | -  | -                | -                 | 82,330              | 896               | 83,226              |
|      | <u>\$ 593,124</u>               | <u>\$ 32,047</u> | <u>\$ 625,171</u> | <u>\$ 881,747</u>                       | <u>\$ 45,940</u> | <u>\$ 927,687</u> | <u>\$ 310,482</u>                         | <u>\$ 16,561</u> | <u>\$ 327,043</u> | <u>\$ 448,300</u>                        | <u>\$ 24,248</u> | <u>\$ 472,548</u> | <u>\$ 6,154,680</u> | <u>\$ 379,386</u> | <u>\$ 6,534,066</u> |

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2019

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               |
| 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                          | 3,793             | 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 |                                  |                   |                     |                                  |                  |                   |                                  |                     |                      |                                  |                   |                     |                                  |                  |                   |                                  |                   |                     |
| 2040 |                                  |                   |                     |                                  |                  |                   |                                  |                     |                      |                                  |                   |                     |                                  |                  |                   |                                  |                   |                     |
|      | <u>\$ 2,444,977</u>              | <u>\$ 270,039</u> | <u>\$ 2,715,016</u> | <u>\$ 245,582</u>                | <u>\$ 32,480</u> | <u>\$ 278,062</u> | <u>\$ 11,420,106</u>             | <u>\$ 1,591,055</u> | <u>\$ 13,011,161</u> | <u>\$ 1,643,611</u>              | <u>\$ 251,837</u> | <u>\$ 1,895,448</u> | <u>\$ 408,000</u>                | <u>\$ 59,763</u> | <u>\$ 467,763</u> | <u>\$ 2,421,414</u>              | <u>\$ 356,767</u> | <u>\$ 2,778,181</u> |

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2019

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 |                   |                     | TMDF 2014         |                 |                   | Loan - State of Tennessee 18-202 |                   |                   | 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             | Principal                   | Interest            | Total                |
| 2020 | \$ 59,236                        | \$ 19,320         | \$ 78,576           | \$ 76,200                        | \$ 18,312         | \$ 94,512           | \$ 53,052                        | \$ 12,888         | \$ 65,940           | \$ 23,728                        | \$ 8,988         | \$ 34,716         | \$ 54,612                        | \$ 20,472         | \$ 75,084           | \$ 490,000        | \$ 9,065        | \$ 499,065        | \$ 16,074                        | \$ 7,176          | \$ 23,850         | \$ 2,251,366                | \$ 500,846          | \$ 2,752,212         |
| 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              |                   |                 |                   | 33,804                           | 13,896            | 47,700            | 1,815,456                   | 460,364             | 2,275,820            |
| 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              |                   |                 |                   | 34,416                           | 13,284            | 47,700            | 1,844,232                   | 420,782             | 2,265,014            |
| 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              |                   |                 |                   | 35,052                           | 12,648            | 47,700            | 1,893,072                   | 380,316             | 2,273,388            |
| 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              |                   |                 |                   | 35,688                           | 12,012            | 47,700            | 1,933,116                   | 339,907             | 2,273,023            |
| 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              |                   |                 |                   | 36,336                           | 11,364            | 47,700            | 1,974,036                   | 296,790             | 2,270,826            |
| 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              |                   |                 |                   | 36,996                           | 10,704            | 47,700            | 2,015,844                   | 313,672             | 2,329,516            |
| 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            | 61,540                           | 13,524            | 75,084              |                   |                 |                   | 37,680                           | 10,020            | 47,700            | 2,058,576                   | 295,594             | 2,354,170            |
| 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              |                   |                 |                   | 38,364                           | 9,336             | 47,700            | 2,102,320                   | 164,569             | 2,266,889            |
| 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              |                   |                 |                   | 39,060                           | 8,640             | 47,700            | 1,841,856                   | 121,902             | 1,963,758            |
| 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              |                   |                 |                   | 39,768                           | 7,932             | 47,700            | 1,874,300                   | 82,208              | 1,956,508            |
| 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              |                   |                 |                   | 40,500                           | 7,200             | 47,700            | 682,704                     | 54,927              | 737,631              |
| 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              |                   |                 |                   | 41,244                           | 6,456             | 47,700            | 591,379                     | 43,313              | 634,692              |
| 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              |                   |                 |                   | 42,000                           | 5,700             | 47,700            | 536,796                     | 34,272              | 571,068              |
| 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              |                   |                 |                   | 42,756                           | 4,944             | 47,700            | 545,556                     | 25,512              | 571,068              |
| 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              |                   |                 |                   | 43,536                           | 4,164             | 47,700            | 539,982                     | 16,627              | 556,609              |
| 2036 | 39,180                           | 180               | 39,360              | 93,648                           | 864               | 94,512              | 65,196                           | 744               | 65,940              | 33,816                           | 900              | 34,716            | 71,796                           | 3,288             | 75,084              |                   |                 |                   | 44,340                           | 3,360             | 47,700            | 347,982                     | 9,336               | 357,318              |
| 2037 |                                  |                   |                     | 15,744                           | 18                | 15,762              | 21,844                           | 55                | 21,899              | 34,292                           | 301              | 34,593            | 73,032                           | 2,052             | 75,084              |                   |                 |                   | 45,144                           | 2,556             | 47,700            | 190,061                     | 4,982               | 195,043              |
| 2038 |                                  |                   |                     |                                  |                   |                     |                                  |                   |                     |                                  |                  |                   | 74,292                           | 792               | 75,084              |                   |                 |                   | 45,972                           | 1,728             | 47,700            | 120,264                     | 2,520               | 122,784              |
| 2039 |                                  |                   |                     |                                  |                   |                     |                                  |                   |                     |                                  |                  |                   | 6,166                            | 9                 | 6,175               |                   |                 |                   | 46,812                           | 888               | 47,700            | 52,978                      | 897                 | 53,875               |
| 2040 |                                  |                   |                     |                                  |                   |                     |                                  |                   |                     |                                  |                  |                   |                                  |                   |                     |                   |                 |                   | 23,858                           | 126               | 23,984            | 23,858                      | 126                 | 23,984               |
|      | <u>\$ 1,124,574</u>              | <u>\$ 172,008</u> | <u>\$ 1,296,582</u> | <u>\$ 1,454,669</u>              | <u>\$ 167,802</u> | <u>\$ 1,622,471</u> | <u>\$ 1,023,616</u>              | <u>\$ 119,263</u> | <u>\$ 1,142,879</u> | <u>\$ 337,452</u>                | <u>\$ 87,513</u> | <u>\$ 424,965</u> | <u>\$ 1,221,742</u>              | <u>\$ 211,029</u> | <u>\$ 1,432,771</u> | <u>\$ 490,000</u> | <u>\$ 9,065</u> | <u>\$ 499,065</u> | <u>\$ 800,000</u>                | <u>\$ 154,134</u> | <u>\$ 954,134</u> | <u>\$ 25,235,743</u>        | <u>\$ 3,482,535</u> | <u>\$ 28,718,278</u> |

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2019

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               |
| 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>\$ 1,146,000</u> | <u>\$ 91,572</u> | <u>\$ 1,237,572</u> | <u>\$ 77,800</u> | <u>\$ 3,890</u> | <u>\$ 81,690</u> | <u>\$ 2,379,000</u> | <u>\$ 554,850</u> | <u>\$ 2,933,850</u> | <u>\$ 2,116,778</u> | <u>\$ 538,401</u> | <u>\$ 2,655,179</u> | <u>\$ 1,086,000</u> | <u>\$ 196,825</u> | <u>\$ 1,282,825</u> | <u>\$ 970,000</u> | <u>\$ 158,018</u> | <u>\$ 1,128,018</u> |

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2019

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                |
| 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             | -                     | 140,000             | 140,000             |                      |                   |                     | 3,600,000                   | 143,000             | 3,743,000            |
|      | <u>\$ 2,870,000</u>        | <u>\$ 223,678</u> | <u>\$ 3,093,678</u> | <u>\$ 1,344,000</u> | <u>\$ 240,996</u> | <u>\$ 1,584,996</u> | <u>\$ 1,472,000</u> | <u>\$ 386,520</u> | <u>\$ 1,858,520</u> | <u>\$ 3,500,000</u>   | <u>\$ 2,240,000</u> | <u>\$ 5,740,000</u> | <u>\$ 2,025,000</u>  | <u>\$ 359,375</u> | <u>\$ 2,384,375</u> | <u>\$ 18,986,578</u>        | <u>\$ 4,994,125</u> | <u>\$ 23,980,703</u> |

CITY OF LEBANON TENNESSEE  
SCHEDULE OF PROPRIETARY FUND DEBT  
June 30, 2019

GAS BONDS

|      | 2008 TML          |                   |                   | 2014 TMBF         |                   |                   | Total Gas Bonds     |                   |                     |
|------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|---------------------|
|      | Principal         | Interest          | Total             | Principal         | Interest          | Total             | Principal           | Interest          | Total               |
| 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>\$ 682,000</u> | <u>\$ 201,150</u> | <u>\$ 883,150</u> | <u>\$ 795,000</u> | <u>\$ 153,297</u> | <u>\$ 948,297</u> | <u>\$ 1,477,000</u> | <u>\$ 354,447</u> | <u>\$ 1,831,447</u> |

CITY OF LEBANON, TENNESSEE  
SCHEDULE OF CHANGES IN LONG TERM DEBT BY INDIVIDUAL ISSUE

June 30, 2019

| Description of Indebtedness                             | Original<br>Amount of<br>Issue | Interest<br>Rate | Date of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>July 01, 2018 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Refunded<br>During<br>Period | Outstanding<br>June 30, 2019 |
|---|--------------------------------|------------------|------------------|--------------------------|------------------------------|----------------------------|--|------------------------------|------------------------------|
| <b>Governmental Activities:</b>                         |                                |                  |                  |                          |                              |                            |  |                              |                              |
| <b>Bonds Payable Through Debt Service Fund</b>          |                                |                  |                  |                          |                              |                            |  |                              |                              |
| General Obligation, 2004                                | \$ 2,725,000                   | 3.00%            | 11/15/2004       | 5/25/2025                | \$ 747,000                   | \$ -                       | \$ 99,000                                  | \$ -                         | \$ 648,000                   |
| General Obligation, 2008                                | 3,500,000                      | 5.00%            | 12/20/2007       | 5/25/2027                | 2,016,000                    | -                          | 183,000                                    | -                            | 1,833,000                    |
| 2016 Airport Terminal                                   | 1,600,000                      | 3.00%            | 6/14/2016        | 5/25/2036                | 1,421,807                    | 7,453                      | 73,000                                     | -                            | 1,356,260                    |
| 2016 Refunding  | 705,000                        | Variable         | 8/24/2016        | 6/30/2032                | 2,100,000                    | -                          | 330,000                                    | -                            | 1,770,000                    |
| 2017 West Side Park                                     | 5,000,000                      | 2.29%            | 3/16/2017        | 3/1/2042                 | 1,700,000                    | 2,190,277                  | 159,000                                    | -                            | 3,731,277                    |
| 2017 Airport Maintenance Hangar                         | 1,000,000                      | 2.52%            | 6/22/2017        | 6/1/2042                 | 945,261                      | 25,839                     | 29,900                                     | -                            | 941,200                      |
| 2016 Legends Drive                                      | 4,700,000                      | 2.50%            | 8/24/2016        | 5/25/2036                | 3,199,505                    | 1,276,495                  | 226,000                                    | -                            | 4,250,000                    |
| 2018 Public Safety Complex                              | 5,500,000                      | 3.80%            | 11/14/2018       | 10/1/2039                | -                            | 1,384,898                  | -  | -                            | 1,384,898                    |
| 2018 Radio Communication System                         | 5,700,000                      | 3.55%            | 6/18/2019        | 6/1/2039                 | -                            | 514,342                    | -  | -                            | 514,342                      |
| Total Bonds Payable Through Debt Service Fund           |                                |                  |                  |                          | \$ 12,129,573                | \$ 5,399,303               | \$ 1,099,900                               | \$ -                         | \$ 16,428,976                |
| <b>Notes Payable Through Debt Service Fund</b>          |                                |                  |                  |                          |                              |                            |  |                              |                              |
| Floyd Center Johnson Controls                           | \$ 775,548                     | 2.32%            | 9/26/2012        | 9/26/2024                | \$ 465,028                   | \$ -                       | \$ 61,950                                  | \$ -                         | \$ 403,078                   |
| General Fund Johnson Controls                           | 1,521,914                      | 2.32%            | 9/26/2012        | 9/26/2024                | 873,882                      | -                          | 118,494                                    | -                            | 755,388                      |
| Total Notes Payable Through Debt Service Fund           |                                |                  |                  |                          | \$ 1,338,911                 | \$ -                       | \$ 180,444                                 | \$ -                         | \$ 1,158,467                 |
| <b>Notes Payable Through General Fund</b>               |                                |                  |                  |                          |                              |                            |  |                              |                              |
| 2012 Software   | \$ 600,000                     | 2.82%            | 6/27/2012        | 6/1/2024                 | \$ 327,000                   | \$ -                       | \$ 51,000                                  | \$ -                         | \$ 276,000                   |
| 2014 Liquor Tax   | 811,215                        | 0.00%            | 5/30/2014        | 7/1/2023                 | 554,052                      | -                          | 554,052                                    | -                            | -                            |
| Loan from Gas Dept - Public Works                       | 24,850                         | 1.50%            | 8/10/2015        | 8/10/2018                | 1,410                        | -                          | 1,410                                      | -                            | -                            |
| Loan from Gas Dept - Fire Hall                          | 2,000,000                      | Variable         | 6/7/2019         | 6/30/2027                | 1,758,214                    | 206,231                    | 213,440                                    | -                            | 1,751,005                    |
| Loan from Water/Sewer - Regional Transportation         | 750,000                        | Variable         | 8/16/2016        | 6/30/2026                | 660,443                      | -                          | 67,319                                     | -                            | 593,124                      |
| Loan from Water/Sewer - Fire Trucks                     | 1,125,000                      | Variable         | 9/20/2016        | 6/30/2026                | 932,181                      | -                          | 112,489                                    | -                            | 819,692                      |
| Loan from Water/Sewer - Senior Citizens Building        | 400,000                        | Variable         | 12/6/2016        | 6/30/2026                | 353,504                      | -                          | 43,022                                     | -                            | 310,482                      |
| Loan from Water/Sewer - Don Fox Park                    | 550,000                        | Variable         | 12/1/2017        | 10/31/2026               | 513,774                      | -                          | 59,084                                     | -                            | 454,690                      |
| Total Notes Payable Through General Fund                |                                |                  |                  |                          | \$ 5,100,578                 | \$ 206,231                 | \$ 1,101,816                               | \$ -                         | \$ 4,204,993                 |
| <b>Notes Payable Through Street Improvements</b>        |                                |                  |                  |                          |                              |                            |  |                              |                              |
| Loan from Gas Dept - Quiet Zones                        | \$ 700,000                     | Variable         | 6/20/2017        | 6/30/2016                | \$ 118,454                   | \$ -                       | \$ -                                       | \$ -                         | \$ 118,454                   |
| Total Notes Payable - Governmental Activities           |                                |                  |                  |                          | \$ 6,557,943                 | \$ 206,231                 | \$ 1,282,260                               | \$ -                         | \$ 5,481,914                 |
| Total Bonds and Notes Payable - Governmental Activities |                                |                  |                  |                          | \$ 18,687,515                | \$ 5,605,534               | \$ 2,382,160                               | \$ -                         | \$ 21,910,890                |
| <b>Business-Type Activities:</b>                        |                                |                  |                  |                          |                              |                            |  |                              |                              |
| <b>Bonds Payable - Water/Sewer</b>                      |                                |                  |                  |                          |                              |                            |  |                              |                              |
| 2015 Energy Bond  | \$ 3,500,000                   | 4.00%            | 4/24/2015        | 4/1/2035                 | \$ 3,500,000                 | \$ -                       | \$ -                                       | \$ -                         | \$ 3,500,000                 |
| <b>Bonds Payable - Gas Fund</b>                         |                                |                  |                  |                          |                              |                            |  |                              |                              |
| 2008 Bond   | \$ 1,100,000                   | 5.00%            | 12/30/2008       | 5/25/2029                | \$ 734,000                   | \$ -                       | \$ 52,000                                  | \$ -                         | \$ 682,000                   |
| 2014 Bond   | 1,000,000                      | 2.43%            | 9/18/2013        | 9/1/2033                 | 838,000                      | -                          | 43,000                                     | -                            | 795,000                      |
| Total Bonds Payable - Gas Fund                          |                                |                  |                  |                          | \$ 1,572,000                 | \$ -                       | \$ 95,000                                  | \$ -                         | \$ 1,477,000                 |
| Total Bonds Payable - Business-Type Activities          |                                |                  |                  |                          | 5,072,000                    | -                          | 95,000                                     | -                            | 4,977,000                    |
| <b>Notes Payable - Water/Sewer</b>                      |                                |                  |                  |                          |                              |                            |  |                              |                              |
| STATE OF TN 02-165                                      | \$ 4,797,340                   | 2.35%            | 1/28/2004        | 6/30/2028                | \$ 2,686,093                 | \$ -                       | \$ 241,116                                 | \$ -                         | \$ 2,444,977                 |
| STATE OF TN 08-220                                      | 420,332                        | 2.40%            | 6/9/2008         | 12/30/2029               | 265,910                      | -                          | 20,328                                     | -                            | 245,582                      |
| STATE OF TN 08-222                                      | 18,990,658                     | 2.20%            | 1/18/2008        | 6/30/2030                | 12,328,002                   | -                          | 907,896                                    | -                            | 11,420,106                   |
| STATE OF TN 08-079                                      | 2,079,642                      | 2.33%            | 2/15/2008        | 11/30/2031               | 1,756,460                    | -                          | 112,848                                    | -                            | 1,643,612                    |
| STATE OF TN 08-080                                      | 651,884                        | 2.45%            | 5/5/2008         | 10/31/2030               | 438,852                      | -                          | 30,852                                     | -                            | 408,000                      |
| STATE OF TN 12-126                                      | 2,940,832                      | 1.76%            | 4/23/2012        | 5/31/2025                | 2,552,082                    | -                          | 130,668                                    | -                            | 2,421,414                    |

CITY OF LEBANON, TENNESSEE  
SCHEDULE OF CHANGES IN LONG TERM DEBT BY INDIVIDUAL ISSUE

June 30, 2019

| Description of Indebtedness                              | Original<br>Amount of<br>Issue | Interest<br>Rate | Date of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>July 01, 2018 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Refunded<br>During<br>Period | Outstanding<br>June 30, 2019 |
|--|--------------------------------|------------------|------------------|--------------------------|------------------------------|----------------------------|--|------------------------------|------------------------------|
| STATE OF TN 12-127                                       | 1,323,960                      | 1.76%            | 4/23/2012        | 12/31/2035               | 1,182,798                    | -                          | 58,224                                     | -                            | 1,124,574                    |
| STATE OF TN 12-128                                       | 1,622,555                      | 1.29%            | 1/2/2013         | 8/31/2036                | 1,529,885                    | -                          | 75,216                                     | -                            | 1,454,669                    |
| STATE OF TN 12-129                                       | 1,140,502                      | 1.29%            | 1/2/2013         | 10/31/2036               | 1,075,983                    | -                          | 52,368                                     | -                            | 1,023,615                    |
| STATE OF TN 15-161                                       | 587,600                        | 1.71%            | 5/11/2015        | 6/30/2037                | 575,643                      | -                          | 25,284                                     | -                            | 550,359                      |
| STATE OF TN 15-162                                       | 1,271,000                      | 1.71%            | 5/11/2015        | 7/31/2038                | 542,694                      | 431,101                    | 49,258                                     | -                            | 924,537                      |
| STATE OF TN 18-202                                       | 800,000                        | 1.81%            | 2/12/2018        | 12/31/2039               | -                            | 432,180                    | -  | -                            | 432,180                      |
| 2014 Refunding Bond                                      | 4,887,665                      | 1.85%            | 2/18/2014        | 6/1/2020                 | 1,060,000                    | -                          | 570,000                                    | -                            | 490,000                      |
| 2001 Revenue Bonds                                       | 4,000,000                      | 3.12%            | 7/28/2003        | 5/25/2003                | 1,400,000                    | -                          | 254,000                                    | -                            | 1,146,000                    |
| 2006 Revenue Bonds                                       | 1,400,000                      | 4.00%            | 7/11/2006        | 5/25/2026                | 152,800                      | -                          | 75,000                                     | -                            | 77,800                       |
| 2007 Revenue Bonds                                       | 5,000,000                      | 5.00%            | 6/28/2007        | 5/25/2007                | 2,637,000                    | -                          | 258,000                                    | -                            | 2,379,000                    |
| 2008 Revenue Bonds                                       | 4,150,000                      | 5.00%            | 12/30/2008       | 5/25/2029                | 2,311,778                    | -                          | 195,000                                    | -                            | 2,116,778                    |
| 2011 Water and Sewer System Improvements                 | 1,631,150                      | 2.86%            | 11/30/2010       | 11/1/2030                | 1,161,000                    | -                          | 75,000                                     | -                            | 1,086,000                    |
| 2016 Refunding   | 2,285,000                      | Variable         | 8/24/2016        | 6/30/2032                | 2,155,000                    | -                          | 130,000                                    | -                            | 2,025,000                    |
| 2012 Water and Sewer System Improvements                 | 1,387,000                      | 2.23%            | 2/22/2012        | 3/1/2032                 | 1,034,000                    | -                          | 64,000                                     | -                            | 970,000                      |
| 2012 Johnson Controls                                    | 4,657,079                      | 1.82%            | 9/28/2012        | 10/1/2027                | 3,195,000                    | -                          | 325,000                                    | -                            | 2,870,000                    |
| 2013 Water and Sewer System Improvements                 | 1,800,000                      | 2.28%            | 5/15/2013        | 5/1/2033                 | 1,425,000                    | -                          | 81,000                                     | -                            | 1,344,000                    |
| 2014 Water and Sewer System Improvements                 | 1,800,000                      | 3.00%            | 12/9/2014        | 5/25/2035                | 1,555,000                    | -                          | 83,000                                     | -                            | 1,472,000                    |
| Total Notes Payable - Business-Type Activities           |                                |                  |                  |                          | <u>\$ 43,020,979</u>         | <u>\$ 863,281</u>          | <u>\$ 3,814,058</u>                        | <u>\$ -</u>                  | <u>\$ 40,070,202</u>         |
| Total Bonds and Notes Payable - Business-Type Activities |                                |                  |                  |                          | <u>\$ 48,092,979</u>         | <u>\$ 863,281</u>          | <u>\$ 3,909,058</u>                        | <u>\$ -</u>                  | <u>\$ 45,047,202</u>         |

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2019

|                                   | Balance<br>June 30, 2018 | Additions           | Retirements | Balance<br>June 30, 2019 |
|-----------------------------------|--------------------------|---------------------|-------------|--------------------------|
| Department of Natural Gas:        |                          |                     |             |                          |
| Land and Improvements             | \$ 866,063               | \$ -                |             | \$ 866,063               |
| Buildings                         | 2,542,581                | 8,750               |             | 2,551,331                |
| Equipment                         | 3,413,750                | 34,171              |             | 3,447,921                |
| Transmission and Distribution     | 34,444,121               | 3,054,145           |             | 37,498,266               |
|                                   | <u>\$ 41,266,515</u>     | <u>\$ 3,097,066</u> | <u>\$ -</u> | <u>\$ 44,363,581</u>     |
| Department of Water and Sewer:    |                          |                     |             |                          |
| Land and Improvements             | \$ 1,697,023             | \$ -                |             | \$ 1,697,023             |
| Buildings                         | 68,535,187               | 2,105,269           | 280,948     | 70,921,404               |
| Equipment                         | 5,096,302                | 693,373             | (7,270)     | 5,782,405                |
| Improvements Other Than Buildings | 118,132,830              | 3,957,731           | (273,678)   | 121,816,883              |
|                                   | <u>\$ 193,461,341</u>    | <u>\$ 6,756,373</u> | <u>\$ -</u> | <u>\$ 200,217,715</u>    |
| Stormwater Fund                   |                          |                     |             |                          |
| Equipment                         | 168,674                  | \$ 274,698          |             | \$ 443,372               |
| Improvements Other Than Buildings | 383,049                  | 605,785             |             | 988,834                  |
|                                   | <u>\$ 551,723</u>        | <u>\$ 880,483</u>   | <u>\$ -</u> | <u>\$ 1,432,206</u>      |

CITY OF LEBANON, TENNESSEE  
SCHEDULE OF TAXES RECEIVABLE

June 30, 2019

General Fund

Uncollected Taxes:

|                  |                      |
|------------------|----------------------|
| Deferred 2019    | \$ 11,313,354        |
| Vouchers on Hand | -                    |
| 2018             | 227,399              |
| 2017             | 37,233               |
| 2016             | 2,546                |
| 2015             | 2,019                |
| 2014             | 3                    |
| 2013             | 131                  |
| 2012             | 1,482                |
| 2011             | 104                  |
| 2010             | 2,422                |
| 2009             | 226                  |
|                  | <u>\$ 11,586,919</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, 2019**

| Tax Year | Property Tax Receivable Balance June 30, 2018 | Property Tax Levied | Anticipated Current Year Levy | Abatements and Adjustments | Collections         | Allowance for Uncollectibles | Net Receivable Balance June 30, 2019 |
|----------|---|---------------------|-------------------------------|----------------------------|---------------------|------------------------------|--------------------------------------|
| 2019     | \$ -  | \$ -                | \$ 11,313,354                 | \$ -                       | \$ -                | \$ -                         | \$ 11,313,354                        |
| Vouchers | \$ -  | \$ 8,790            | \$ -                          | \$ -                       | \$ 8,790            | \$ -                         | \$ -                                 |
| 2018     | \$ 7,596,977                                  | \$ 232,469          | \$ -                          | \$ 22,683                  | \$ 7,579,365        | \$ -                         | \$ 227,399                           |
| 2017     | \$ 172,127                                    | \$ -                | \$ -                          | \$ (12,066)                | \$ 146,960          | \$ -                         | \$ 37,233                            |
| 2016     | \$ 34,272                                     | \$ -                | \$ -                          | \$ 414                     | \$ 31,312           | \$ -                         | \$ 2,546                             |
| 2015     | \$ 2,303                                      | \$ -                | \$ -                          | \$ -                       | \$ 284              | \$ -                         | \$ 2,019                             |
| 2014     | \$ 310  | \$ -                | \$ -                          | \$ -                       | \$ 307              | \$ -                         | \$ 3                                 |
| 2013     | \$ 131  | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ -                         | \$ 131                               |
| 2012     | \$ 1,482                                      | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ -                         | \$ 1,482                             |
| 2011     | \$ 104  | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ -                         | \$ 104                               |
| 2010     | \$ 2,422                                      | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ -                         | \$ 2,422                             |
| 2009     | \$ 226  | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ -                         | \$ 226                               |
| 2008     | \$ 232  | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ 232                       | \$ -                                 |
| 2007     | \$ 642  | \$ -                | \$ -                          | \$ -                       | \$ -                | \$ 642                       | \$ (0)                               |
|          | <u>\$ 7,811,228</u>                           | <u>\$ 241,259</u>   | <u>\$ 11,313,354</u>          | <u>\$ 11,030</u>           | <u>\$ 7,767,018</u> | <u>\$ 874</u>                | <u>\$ 11,586,919</u>                 |

**CITY OF LEBANON TENNESSEE**

**SCHEDULE OF TAX RATES AND ASSESSMENTS**

**UNAUDITED**

**June 30, 2019**

|      | <u>Rate per \$100 of<br/>Assessed Valuation</u> | <u>Total Assessed<br/>Valuation</u> |
|------|---|-------------------------------------|
| 2019 | \$ 0.8575                                       | \$ 1,319,563,834                    |
| 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                         |

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF NATURAL GAS RATES**

**UNAUDITED**

**Year Ended June 30, 2019**

There were 8,826 metered customers billed during the month of June, 2019. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2019 are as follows:

|                                      | <u>Inside<br/>City</u> | <u>Outside<br/>City</u> |
|--------------------------------------|------------------------|-------------------------|
| <b>1) Residential</b>                |                        |                         |
| Minimum                              | \$5.00                 | \$5.00                  |
| First 1,000 Cubic Feet               | \$7.17                 | \$8.77                  |
| All Over 1,000 Cubic Feet            | \$7.39/1000            | \$9.03/1000             |
| <b>2) Commercial</b>                 |                        |                         |
| Customer Charge                      | \$20.00                | \$20.00                 |
| First 10,000 Cubic Feet              | \$8.29                 | \$10.15                 |
| All Over 10,000 Cubic Feet           | \$7.01/1000            | \$8.56/1000             |
| <b>2) Multiple Dwellings- L.H.A.</b> |                        |                         |
| Minimum                              | \$5.00                 |                         |
| First 1,000 Cubic Feet               | \$7.17                 |                         |
| All Over 1,000 Cubic Feet            | \$7.39/1000            |                         |
| <b>4) Interruptible</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) Industrial</b>                 |                        |                         |
| Customer Charge                      | \$100.00               | \$100.00                |
| First 100,000 Cubic Feet             | \$7.44/1000            | \$9.09/1000             |
| All Over 100,000 Cubic Feet          | \$6.59/100MCF          | \$8.03/100MCF           |

Number of miles of the Distribution System of Line: 283 \*

\*this is miles of distribution main only. Gas service lines are not included in the number.

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

**UNAUDITED**

**Year Ended June 30, 2019**

There were 11,846 metered water customers and 12,651 sewer customers billed during June, 2019. 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, 2019, are as follows:

**WATER**

|                    |              |    | <u>Inside City</u>  |         | <u>Outside City</u> |         |
|--------------------|--------------|----|---------------------|---------|---------------------|---------|
| <b>Residential</b> |              |    |                     |         |                     |         |
| First              | 0-1500       | GA | 0.006913 Per Gallon | \$10.37 | 0.010367 Per Gallon | \$15.55 |
| Next               | 15-01-over   | GA | 0.007312 Per Gallon |         | 0.010968 Per Gallon |         |
| <b>Commercial</b>  |              |    |                     |         |                     |         |
| First              | 0-1500       | GA | 0.007150 Per Gallon | \$10.73 | 0.010725 Per Gallon | \$16.09 |
| Next               | 1501-99,999  | GA | 0.007312 Per Gallon |         | 0.011500 Per Gallon |         |
| Next               | 100,000-over | GA | 0.006700 Per Gallon |         | 0.011500 Per Gallon |         |

**SEWER (Water customers also)**

|                    |            |    | <u>Inside City</u>  |         | <u>Outside City</u> |         |
|--------------------|------------|----|---------------------|---------|---------------------|---------|
| <b>Residential</b> |            |    |                     |         |                     |         |
| First              | 0-1500     | GA | 0.007333 Per Gallon | \$11.00 | 0.011000 Per Gallon | \$16.50 |
| Next               | 1501- over | GA | 0.007700 Per Gallon |         | 0.012500 Per Gallon |         |
| <b>Commercial</b>  |            |    |                     |         |                     |         |
| First              | 0-1500     | GA | 0.007533 Per Gallon | \$11.30 | 0.011300 Per Gallon | \$16.95 |
| Next               | 1501- over | GA | 0.007700 Per Gallon |         | 0.012750 Per Gallon |         |

**SEWER ONLY (Metered Sewer)**

|                    |            |    | <u>Inside City</u>  |         | <u>Outside City</u> |         |
|--------------------|------------|----|---------------------|---------|---------------------|---------|
| <b>Residential</b> |            |    |                     |         |                     |         |
| First              | 0-1500     | GA | 0.007333 Per Gallon | \$11.00 | 0.014275 Per Gallon | \$21.41 |
| Next               | 1501- over | GA | 0.007700 Per Gallon |         | 0.015625 Per Gallon |         |
| <b>Commercial</b>  |            |    |                     |         |                     |         |
| First              | 0-1500     | GA | 0.007533 Per Gallon | \$11.25 | 0.014750 Per Gallon | \$22.13 |
| Next               | 1501- over | GA | 0.007700 Per Gallon |         | 0.017000 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, 2019**

**TRAVELERS**

**POLICY # ZLP-15D5662A**

|  |                            |
|--|----------------------------|
| General Liability and Employee Benefits E&O                  | Aggregate \$2,000,000      |
| Workplace Offenses   | Per Occurrence \$1,000,000 |
|  | Each Claim \$1,000,000     |
| D&O Management Professional and Law Enforcement Professional | Aggregate \$2,000,000      |
|  | Each Claim \$1,000,000     |
|  | Aggregate \$2,000,000      |

**POLICY # 810-2C411711**

|                               |                           |
|-------------------------------|---------------------------|
| Automobile Physical Damage    | Each Accident \$1,000,000 |
| Automobile Uninsured Motorist | \$65,000                  |
|                               | Each Accident \$1,000,000 |

**POLICY 630-1F499717**

|                        |                                |
|------------------------|--------------------------------|
| Buildings and Contents | Replacement Cost \$175,266,829 |
| Equipment              | \$1,759,058                    |
| Employee Dishonesty    | Per loss \$150,000             |

**POLICY UB6J943857**

|                      |                             |
|----------------------|-----------------------------|
| Workers Compensation | Employee Policy \$1,000,000 |
|                      | Limit \$1,000,000           |

**POLICY ZUP-81M1569A**

|          |                            |
|----------|----------------------------|
| Umbrella | Aggregate \$5,000,000      |
|          | Per Occurrence \$5,000,000 |

**POLICY ZPL-81M16704**

|                 |                              |
|-----------------|------------------------------|
| Cyber Liability | Claims Aggregate \$1,000,000 |
|-----------------|------------------------------|

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF FIDELITY BONDS OF PRINCIPAL  
FINANCIAL OFFICIALS**

**UNAUDITED**

**June 30, 2019**

|   | <u>Bond</u> |
|---|-------------|
| Commissioner of Finance<br>and Revenue- Stuart Lawson | \$500,000   |
| Commissioner of Public Works-<br>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, 2019

| Transfers<br>From        | Governmental Funds |                      |                       | Proprietary Funds |            |            | Total        |
|--------------------------|--------------------|----------------------|-----------------------|-------------------|------------|------------|--------------|
|                          | Major Funds        | Nonmajor Funds       |                       | Water<br>Sewer    | Stormwater | Gas        |              |
|                          | General            | 2003 Bond<br>Sinking | Airport<br>Operations |                   |            |            |              |
| Transfers<br>To          |                    |                      |                       |                   |            |            |              |
| Governmental Funds:      |                    |                      |                       |                   |            |            |              |
| Major Funds:             |                    |                      |                       |                   |            |            |              |
| General                  | \$ -               | \$ 2,169             | \$ -                  | \$ -              | \$ -       | \$ -       | \$ 2,169     |
| Street Improvements      | 854,200            | -                    | -                     | 200,000           | 40,000     | 100,000    | 1,194,200    |
| Nonmajor Funds:          |                    |                      |                       |                   |            |            |              |
| Floyd Family Life Center | 421,498            | -                    | -                     | -                 | -          | -          | 421,498      |
| Airport Operations       | 30,000             | -                    | -                     | -                 | -          | -          | 30,000       |
| 2008 G.O. Refunding      |                    |                      |                       |                   |            |            |              |
| Bond Sinking             | 326,850            | -                    | -                     | -                 | -          | -          | 326,850      |
| 2004 G.O. Bond           |                    |                      |                       |                   |            |            |              |
| Sinking                  | 116,626            | -                    | -                     | -                 | -          | -          | 116,626      |
| 2008 G.O. Bond           |                    |                      |                       |                   |            |            |              |
| Sinking                  | 229,835            | -                    | -                     | -                 | -          | -          | 229,835      |
| 2011 G.O. Bond           |                    |                      |                       |                   |            |            |              |
| Sinking                  | 59,625             | -                    | -                     | -                 | -          | -          | 59,625       |
| 2013 G.O. Bond           |                    |                      |                       |                   |            |            |              |
| Sinking                  | 211,507            | -                    | -                     | -                 | -          | -          | 211,507      |
| 2016 Legends Drive       |                    |                      |                       |                   |            |            |              |
| Sinking                  | 317,199            | -                    | -                     | -                 | -          | -          | 317,199      |
| 2016 Airport Terminal    |                    |                      |                       |                   |            |            |              |
| Sinking                  | -                  | -                    | 110,179               | -                 | -          | -          | 110,179      |
| Public Safety Building   |                    |                      |                       |                   |            |            |              |
| Sinking                  | 26,125             | -                    | -                     | -                 | -          | -          | 26,125       |
| West Side Park Sinking   | 301,285            | -                    | -                     | -                 | -          | -          | 301,285      |
| Airport Maintenance      |                    |                      |                       |                   |            |            |              |
| Hangar Sinking           | -                  | -                    | 64,651                | -                 | -          | -          | 64,651       |
| Airport Capital          |                    |                      |                       |                   |            |            |              |
| Projects                 | 160,000            | -                    | -                     | -                 | -          | -          | 160,000      |
| Beatification Committee  |                    |                      |                       |                   | 3,650      | -          | 3,650        |
| Proprietary Funds:       |                    |                      |                       |                   |            |            |              |
| Water/Sewer              | 471,259            | -                    | -                     | -                 | -          | -          | 471,259      |
| Gas                      | 36,795             | -                    | -                     | -                 | -          | -          | 36,795       |
| Total                    | \$ 3,562,804       | \$ 2,169             | \$ 174,830            | \$ 200,000        | \$ 43,650  | \$ 100,000 | \$ 4,083,453 |

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

|  | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues                                   |                      |                      |                      |                      |                      |
| Taxes:                                     |                      |                      |                      |                      |                      |
| Real and Personally                        | \$ 7,664,664         | \$ 7,321,723         | \$ 6,830,294         | \$ 5,761,718         | \$ 5,777,997         |
| Business Tax                               | 1,766,273            | 1,707,902            | 1,594,583            | 1,364,190            | 1,481,951            |
| Wholesale Beer                             | 1,091,255            | 1,084,790            | 1,071,598            | 1,083,966            | 1,043,791            |
| Sales Tax                                  | 12,675,829           | 12,194,034           | 11,842,555           | 11,276,908           | 10,262,957           |
| Cable TV Franchise Fee                     | 381,733              | 394,224              | 380,825              | 373,771              | 327,270              |
| Hotel and Motel Tax                        | 432,462              | 399,298              | 394,197              | 361,250              | 311,746              |
| Liquor Tax                                 | 440,540              | 390,016              | 382,897              | 362,639              | 327,390              |
|  | <u>24,452,756</u>    | <u>23,491,987</u>    | <u>22,496,949</u>    | <u>20,584,442</u>    | <u>19,533,102</u>    |
| Tax Equivalents:                           |                      |                      |                      |                      |                      |
| TVA Tax Replacement                        | 388,398              | 371,949              | 370,099              | 308,125              | 304,331              |
|  | <u>388,398</u>       | <u>371,949</u>       | <u>370,099</u>       | <u>308,125</u>       | <u>304,331</u>       |
| Federal, State and Regional                |                      |                      |                      |                      |                      |
| Apportionments and Grants:                 |                      |                      |                      |                      |                      |
| Sales Tax                                  | 2,883,679            | 2,770,561            | 2,607,033            | 2,105,150            | 1,960,284            |
| Income Tax                                 | 349,766              | 84,619               | 518,316              | 390,497              | 407,221              |
| Street and Transportation Fund             | 65,071               | 65,966               | 63,974               | 53,296               | 53,455               |
| Highway Grants and Contracts               | 155,382              | 155,382              | 155,382              | 164,701              | 117,791              |
| Beer Tax                                   | 15,153               | 15,270               | 15,804               | 12,788               | 12,526               |
| Alcoholic Beverage Tax                     | 127,472              | 112,278              | 105,379              | 90,452               | 98,116               |
| Corporate Excise Tax                       | 114,767              | 105,705              | 92,462               | 76,319               | 47,652               |
| Police and Fire Salary Supplement          | 87,600               | 75,000               | 72,000               | 70,200               | 69,000               |
| COPS/JAG Grants                            | 63,713               | 336,105              | 211,029              | 21,592               | 20,650               |
| D.E.A. Grant                               | 5,799                | 24,435               | 11,252               | 17,199               | 31,447               |
| Highway Safety/Safe Street Grants          | 14,966               | 30,829               | 22,131               | 19,121               | 29,164               |
| Organized Drug Task Force                  | 4,505                | -                    | -                    | -                    | 6,191                |
| Intelligent Transportation                 | 27,005               | -                    | -                    | -                    | -                    |
| Telecommunications                         | 14,051               | 14,004               | 2,691                | 2,305                | 2,507                |
|  | <u>3,928,929</u>     | <u>3,790,154</u>     | <u>3,877,453</u>     | <u>3,023,620</u>     | <u>2,856,004</u>     |
| Fines and Costs                            | 956,054              | 1,038,177            | 852,113              | 844,868              | 713,305              |
| Rents from Other City Departments          | -                    | -                    | 0                    | -                    | 3,987                |
| Rent - Other                               | 24,000               | 24,000               | 24,000               | 42,000               | 54,000               |
| Highway and Street Charges                 | 57,358               | 26,441               | 72,654               | 75,318               | 32,471               |
| Interest                                   | 359,091              | 214,155              | 101,417              | 58,129               | 70,886               |
| Permits and Licenses                       | 1,247,054            | 1,792,087            | 1,336,638            | 1,260,722            | 905,997              |
| Cemetery Income                            | 40,460               | 49,300               | 56,820               | 55,080               | 60,828               |
| Park and Recreation Income                 | 32,442               | 33,940               | 38,064               | 31,290               | 31,373               |
| Interest and Penalty on Taxes and Licenses | 30,181               | 36,946               | 27,409               | 27,810               | 37,680               |
| Miscellaneous                              | 976,656              | 1,192,886            | 840,927              | 433,375              | 347,700              |
| Financing Sources                          | 78,304               | 18,281               | 71,503               | 35,838               | 66,610               |
|  | <u>3,801,600</u>     | <u>4,426,213</u>     | <u>3,421,545</u>     | <u>2,864,430</u>     | <u>2,324,837</u>     |
|  | <u>\$ 32,571,683</u> | <u>\$ 32,080,303</u> | <u>\$ 30,166,046</u> | <u>\$ 26,780,617</u> | <u>\$ 25,018,274</u> |

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

|                                   | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Mayor and Council                 | \$ 250,741           | 372,404              | \$ 455,131           | \$ 339,139           | \$ 303,638           |
| City Attorney/Judicial            | 186,487              | 177,417              | 199,719              | 179,469              | 185,883              |
| Financial Administration          | 228,987              | 183,965              | 176,490              | 179,001              | 163,905              |
| EAC Committee                     | 131                  | 168                  | 134                  | 228                  | 171                  |
| Accounting                        | 124,701              | 137,944              | 174,224              | 180,987              | 175,321              |
| Sanitation                        | 1,690,648            | 1,814,667            | 1,800,601            | 1,186,318            | 1,335,785            |
| Customer Billing                  | 30,385               | 25,863               | 26,338               | 26,959               | 35,226               |
| Purchasing                        | 44,990               | 40,869               | 41,260               | 44,416               | 43,399               |
| Computer Equipment                | 407,630              | 374,054              | 311,645              | 211,214              | 229,730              |
| Public Works                      | 317,865              | 294,076              | 294,580              | 251,822              | 175,132              |
| Warehouse                         | (600)                | 304,410              | 178,585              | (380)                | 40,449               |
| Personnel                         | 366,787              | 335,104              | 233,280              | 288,329              | 231,613              |
| General Maintenance               | 336,420              | 329,057              | 289,329              | 236,634              | 253,245              |
| Police                            | 10,761,508           | 9,368,957            | 8,526,304            | 7,791,166            | 7,577,294            |
| Fire                              | 6,993,700            | 5,513,872            | 6,624,137            | 4,697,257            | 3,998,986            |
| Building Inspection               | 485,702              | 601,365              | 508,581              | 430,478              | 359,256              |
| Building Maintenance              | 115,939              | 92,491               | 86,019               | 84,276               | 107,711              |
| Street                            | 1,462,512            | 1,186,473            | 3,055,543            | 1,408,746            | 2,960,669            |
| Animal Control                    | 183,064              | 139,738              | 153,101              | 215,803              | 159,085              |
| Engineering                       | 308,263              | 331,221              | 302,500              | 292,259              | 268,312              |
| Garage                            | 338,915              | 311,647              | 310,661              | 299,730              | 345,642              |
| Cemetery                          | 121,450              | 119,551              | 108,313              | 97,442               | 85,797               |
| Recreation                        | 1,059,117            | 934,728              | 729,665              | 724,948              | 993,132              |
| Drainage Migration                | 55,422               | 78,226               | 297,359              | 56,131               | 50,000               |
| Special Events                    | 30,659               | 31,130               | 29,830               | 32,184               | 28,544               |
| Dues                              | 313,634              | 292,923              | 353,829              | 260,373              | 264,322              |
| Community Park                    | 266,945              | 727,084              | 222,734              | 89,450               | 214,947              |
| Regional Transportation Authority | -                    | 601,569              | 298,128              | 158,569              | 163,017              |
| Traffic Maintenance               | 229,215              | 200,012              | 199,319              | 210,005              | 148,423              |
| Public Safety                     | 3,725,061            | 2,293,639            | 754,438              | 671,656              | 487,633              |
| Johnson Controls                  | 402,177              | 26,090               | 93,055               | 160,667              | 92,359               |
| Risk Assessment                   | 58,411               | 46,062               | 20,372               | -                    | -                    |
| Accounting System Debt Service    | 18,066               | 17,881               | 17,987               | 36,169               | 38,641               |
| Intelligent Transportation        | 33,756               | 287                  | -                    | -                    | -                    |
| Economic Development              | 153,883              | 159,029              | 114,737              | 35,074               | -                    |
| Senior Citizens Center            | 270,474              | -                    | -                    | -                    | -                    |
| Codes Enforcement                 | 123,383              | -                    | -                    | -                    | -                    |
| Mitchell House                    | 1,151,675            | -                    | -                    | -                    | -                    |
| Radio Communication               | 949,633              | -                    | -                    | -                    | -                    |
| <b>Total Expenditures</b>         | <b>\$ 33,597,736</b> | <b>\$ 27,463,973</b> | <b>\$ 26,987,928</b> | <b>\$ 20,876,519</b> | <b>\$ 21,517,267</b> |

**CITY OF LEBANON, TENNESSEE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Years Ended June 30, 2019**

|   | <u>2019</u> |
|---|-------------|
| Total Tax Levy  | 7,829,542   |
| Current Tax Collections                                       | 6,355,301   |
| Percent of Levy Collected                                     | 81.17%      |
| Delinquent Tax Collections                                    | 1,402,763   |
| Total Tax Collections   | 7,758,064   |
| Total Collections as<br>Percent of Current Levy               | 99.09%      |
| Outstanding Delinquent<br>Taxes                               | 273,223     |
| Outstanding Delinquent<br>Taxes as Percent of<br>Current Levy | 3.49%       |

**CITY OF LEBANON, TENNESSEE**

**ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY**

**Year Ended June 30, 2019**

|   | <u>2019</u>        |
|---|--------------------|
| <b>Real Property:</b>   |                    |
| Assessed Value  | 1,180,503,870      |
| Estimated Actual Value  | 3,791,189,700      |
| <br>  |                    |
| <b>Personal Property:</b>   |                    |
| Assessed Value  | 139,059,964        |
| Estimated Actual Value  | 525,888,644        |
| <br>  |                    |
| <b>Public Utility Property:</b>                                     |                    |
| Assessed Value  | 38,266,836         |
| Estimated Actual Value  | 38,266,836         |
| <br>  |                    |
| <b>Total:</b>   |                    |
| Assessed Value  | 1,357,830,670      |
| Estimated Actual Value  | 4,355,345,180      |
| <br>  |                    |
| Ratio of Total Assessed<br>Value to Total<br>Estimated Actual Value | <br><br><br>31.18% |

**CITY OF LEBANON, TENNESSEE**

**PROPERTY TAX RATES AND LEVIES - ALL OVERLAPPING GOVERNMENTS**

**UNAUDITED**

**Last Five Fiscal Years**

Tax Rates

| <u>Fiscal Year</u> | <u>Tax Year</u> | <u>City</u> | <u>County</u>     |
|--------------------|-----------------|-------------|-------------------|
| 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 |
| 2019               | 2018            | \$ 0.60750  | \$2.5189/\$2.9016 |

Tax Levies

|           | <u>City</u>  | <u>County</u>  |
|-----------|--------------|----------------|
| 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 |
| 2019 2018 | \$ 7,576,977 | \$ 106,423,487 |

**CITY OF LEBANON, TENNESSEE**  
**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2019**

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  
2019 - 40.2

Paved Streets- 200.1 Miles

Sidewalks- 72.74 Miles

Sanitary Sewer Lines- 302.5 Miles

Fire Protection:

Number of Fire Stations- 4

Number of Full and Part-Time Employees- 72

Police Protection:

Number of Full and Part-Time Employees- 143

Vehicular Patrol Units- 135

## **CITY OF LEBANON, TENNESSEE**

### **MISCELLANEOUS STATISTICAL DATA**

**June 30, 2019**

#### Elections:

Number of Registered Voters- 17,943

Number of Votes Cast-

Last General Election- 17,143

Last Municipal Election- 8,316

Special Called Election- 1,450

#### Percentage of Registered Voters Voting

Last General Election- 95%

Last Municipal Election- 46%

Special Called Election- 9%

#### Population:

2019- 33,391

#### Gas System:

Number of Consumers- 8,826

Cubic Feet Billed for the

Year- 1,381,551,364

Distribution System- 313.20 Miles  
of Lines

#### Water System:

Number of Consumers- 11,846

Cubic Feet Billed for the

Year- 1,484,348,544

Distribution System- 261.47  
miles of Water Mains

Water Treatment Plant

Capacity- 12,000,000

Gallons Per Day

**CITY OF LEBANON, TENNESSEE**

**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2019**

Sewer System:

Number of Users- 12,404

Sewer Plant Capacity-

10,000,000 Gallons Per Day

Number of Full and Part-Time Employees- 551

Principal Taxpayers

Type of Business

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

## AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0  
American Water Works Association  
Copyright © 2014. All Rights Reserved.

Click to access definition  
 Click to add a comment

Water Audit Report for: City of Lebanon  
Reporting Year: 2019 7/2019 - 6/2019

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.

### WATER SUPPLIED

|   |   |   |       |
|---|---|---|-------|
| ← Enter grading in column 'E' and 'J' → |   | Master Meter and Supply Error Adjustments |       |
| Volume from own sources:                | <input type="button" value="+"/> <input type="button" value="?"/> 9   | 1,911.650                                 | MG/Yr |
| Water imported:                         | <input type="button" value="+"/> <input type="button" value="?"/> n/a | 0.000                                     | MG/Yr |
| Water exported:                         | <input type="button" value="+"/> <input type="button" value="?"/> 8   | 404.897                                   | MG/Yr |

|   |  |
|---|--|
| Pcnt:   | Value:   |
| <input type="button" value="+"/> <input type="button" value="?"/> 5 | 2.00% <input type="radio"/> <input checked="" type="radio"/> |
| <input type="button" value="+"/> <input type="button" value="?"/> 5 | <input type="radio"/> <input checked="" type="radio"/> 2.003 |

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

**WATER SUPPLIED:** 1,471.273 MG/Yr

### AUTHORIZED CONSUMPTION

|                     |  |           |       |
|---------------------|--|-----------|-------|
| Billed metered:     | <input type="button" value="+"/> <input type="button" value="?"/> 10 | 1,082.477 | MG/Yr |
| Billed unmetered:   | <input type="button" value="+"/> <input type="button" value="?"/> 7  | 0.000     | MG/Yr |
| Unbilled metered:   | <input type="button" value="+"/> <input type="button" value="?"/> 9  | 0.000     | MG/Yr |
| Unbilled unmetered: | <input type="button" value="+"/> <input type="button" value="?"/> 9  | 8.069     | MG/Yr |

Click here: for help using option buttons below

|  |        |
|--|--------|
| Pcnt:  | Value: |
| <input type="radio"/> <input checked="" type="radio"/> | 8.069  |

Use buttons to select percentage of water supplied OR value

**AUTHORIZED CONSUMPTION:** 1,090.546 MG/Yr

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

380.727 MG/Yr

#### Apparent Losses

Unauthorized consumption:   3.678 MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

|                                  |   |        |       |
|----------------------------------|---|--------|-------|
| Customer metering inaccuracies:  | <input type="button" value="+"/> <input type="button" value="?"/> 8 | 33.479 | MG/Yr |
| Systematic data handling errors: | <input type="button" value="+"/> <input type="button" value="?"/> 8 | 31.897 | MG/Yr |

|  |        |
|--|--------|
| Pcnt:  | Value: |
| <input type="radio"/> <input checked="" type="radio"/> | 0.25%  |
| <input type="radio"/> <input checked="" type="radio"/> | 3.00%  |
| <input type="radio"/> <input checked="" type="radio"/> | 31.897 |

**Apparent Losses:** 69.054 MG/Yr

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

Real Losses = Water Losses - Apparent Losses: 311.673 MG/Yr

**WATER LOSSES:** 380.727 MG/Yr

### NON-REVENUE WATER

**NON-REVENUE WATER:** 388.796 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

### SYSTEM DATA

|  |   |        |                 |
|--|---|--------|-----------------|
| Length of mains:                                   | <input type="button" value="+"/> <input type="button" value="?"/> 9 | 252.4  | miles           |
| Number of active AND inactive service connections: | <input type="button" value="+"/> <input type="button" value="?"/> 9 | 15,567 |                 |
| Service connection density:                        | <input type="button" value="+"/> <input type="button" value="?"/> 7 | 62     | conn./mile main |

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

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

Average operating pressure:   7 60.0 psi

### COST DATA

|   |  |             |  |
|---|--|-------------|--|
| Total annual cost of operating water system:            | <input type="button" value="+"/> <input type="button" value="?"/> 9  | \$7,271,884 | \$/Year  |
| Customer retail unit cost (applied to Apparent Losses): | <input type="button" value="+"/> <input type="button" value="?"/> 8  | \$15.31     | \$/1000 gallons (US)   |
| Variable production cost (applied to Real Losses):      | <input type="button" value="+"/> <input type="button" value="?"/> 10 | \$0.65      | \$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses |

### WATER AUDIT DATA VALIDITY SCORE:

\*\*\* YOUR SCORE IS: 86 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: Unauthorized consumption
- 2: Volume from own sources
- 3: Customer metering inaccuracies



## 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:   
 Reporting Year:

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 \*\*\*

**System Attributes:**

|   |                      |   |       |
|---|----------------------|---|-------|
|   | Apparent Losses:     | <input type="text" value="69.054"/>         | MG/Yr |
| + | Real Losses:         | <input type="text" value="311.673"/>        | MG/Yr |
| = | <b>Water Losses:</b> | <b><input type="text" value="380.727"/></b> | MG/Yr |

Unavoidable Annual Real Losses (UARL):  MG/Yr

Annual cost of Apparent Losses:

Annual cost of Real Losses:

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:   
 Non-revenue water as percent by cost of operating system:  Real Losses valued at Variable Production Cost

Operational Efficiency: { Apparent Losses per service connection per day:  gallons/connection/day  
 Real Losses per service connection per day:  gallons/connection/day  
 Real Losses per length of main per day\*:   
 Real Losses per service connection per day per psi pressure:  gallons/connection/day/psi

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

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

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

**FEDERAL AND STATE FINANCIAL ASSISTANCE**

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

Year Ended June 30, 2019

| FEDERAL GRANTOR/PASS<br>THROUGH GRANTOR   | PROGRAM/CLUSTER NAME  | CFDA#  | CONTRACT #      | EXPENDITURES      |
|---|---|--------|-----------------|-------------------|
| <b>FEDERAL AWARDS:</b>  |   |        |                 |                   |
| Pass Through Funding:   |   |        |                 |                   |
| Environmental Protection Agency through<br>TN Department of Environment and Conservation    | Capitalization Grants for Drinking Water State<br>Revolving Funds | 66.468 | DWF 2015-162    | \$ 165,666        |
| Environmental Protection Agency through<br>TN Department of Environment and Conservation    | Capitalization Grants for Drinking Water State<br>Revolving Funds | 66.468 | DW6 2018-202    | 405,470           |
| Total Program 66.468  |   |        |                 | <u>571,136</u>    |
| Pass Through Funding:   |   |        |                 |                   |
| Department of Transportation through TN Department<br>of Transportation                     | DUI Enforcement Initiative  | 20.607 | Z14GHS174       | -                 |
| Department of Transportation through TN Department<br>of Safety and Homeland Security       | DUI Enforcement Initiative  | 20.607 | Z19THS158       | 11,512            |
| Total Program 20.607  |   |        |                 | <u>11,512</u>     |
| Department of Housing and Urban Development passed<br>through TN Housing Development Agency | Home Investment Partnershp Program                                | 14.239 | HM-1516-24      | (600)             |
| Department of Transportation passed through TN<br>Department of Transportation              | Airport Improvement Program                                       | 20.106 | 95-555-0616-18  | 225,000           |
| Department of Transportation passed through TN<br>Department of Transportation              | Airport Improvement Program                                       | 20.106 | 95-555-0165-19  | (3,142)           |
| Department of Transportation passed through TN<br>Department of Transportation              | Airport Improvement Program                                       | 20.106 | 95-555-0164-19  | 14,250            |
| Total Program 20.106  |   |        |                 | <u>236,108</u>    |
| Direct Funding:   |   |        |                 |                   |
| Department of Justice   | Bullet Proof Vest Partnership Program                             | 16.607 |                 | 16,178            |
| Department of Justice   | Edward Byrne Memorial Justice Assistance Grant                    | 16.738 | 2018-DJ-BX-0450 | 9,730             |
| Department of Justice   | Edward Byrne Memorial Justice Assistance Grant                    | 16.738 | 2017-DJ-BX-0674 | 12,952            |
|   |   |        |                 | <u>22,682</u>     |
| Department of Justice   | Federal Asset Seizure Equitable Sharing                           | 16.922 |                 | 3,064             |
| Department of Treasury  | Federal Asset Seizure Equitable Sharing                           | 21.016 |                 | 3,651             |
| TOTAL FEDERAL AWARDS  |   |        |                 | <u>\$ 863,731</u> |
| <b>STATE FINANCIAL ASSISTANCE:</b>  |   |        |                 |                   |
| Tennessee Department of Transportation  | Airport Maintenance   | N/A    | 95-555-1533-04  | \$ 14,300         |
| Tennessee Department of Transportation  | Westside Land Purchase  | N/A    | 95-555-0161-18  | 7,188             |

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

Year Ended June 30, 2019

| FEDERAL GRANTOR/PASS<br>THROUGH GRANTOR              | PROGRAM/CLUSTER NAME                 | CFDA# | CONTRACT #     | EXPENDITURES        |
|--|--------------------------------------|-------|----------------|---------------------|
| Tennessee Department of Transportation               | Reils Lights                         | N/A   | 95-555-0762-18 | 68,625              |
| Tennessee Department of Transportation               | Replace Runway Lighting              | N/A   | 95-555-0763-19 | (52,980)            |
| Tennessee Department of Transportation               | Partial Parallel Taxiway             | N/A   | 95-555-0165-19 | -                   |
| Tennessee Department of Transportation               | Security Keypads                     | N/A   | 95-555-0164-18 | -                   |
| Tennessee Department of Transportation               | Equipment                            | N/A   | 95-555-0365-19 | 36,000              |
| Tennessee Department of Environment and Conservation | S Hartmann Water System Improvements | N/A   | DWF 2015-162   | 265,435             |
| Tennessee Department of Environment and Conservation | S Hartmann Water System Improvements | N/A   | DW6 2018-202   | 26,710              |
| TOTAL STATE AWARDS                                   |                                      |       |                | <u>\$ 365,277</u>   |
| TOTAL FEDERAL AND STATE AWARDS                       |                                      |       |                | <u>\$ 1,229,008</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 30, 2019, there were the following balances outstanding on loans obtained in prior years:

| Loan #       | Outstanding Balance | Percent Federal Funding | Payments in Current<br>Fiscal Year |
|--------------|---------------------|-------------------------|------------------------------------|
| DWF 2015-162 | \$ 924,537          | 38.43%                  | \$ 165,666                         |
| DW6 2018-202 | \$ 432,180          | 93.82%                  | 405,470                            |

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, 2019, 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 24, 2020.

**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 Vantrasse + Follos PLLC*

Lebanon, Tennessee  
February 24, 2020

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Lebanon, Tennessee's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Lebanon, Tennessee's major federal programs for the year ended June 30, 2019. City of Lebanon, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, the City of Lebanon, Tennessee, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

### **Report on Internal Control over Compliance**

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

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

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

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

*Dempsey Vantrasse + Folles PLLC*

Lebanon, Tennessee  
February 24, 2020

**CITY OF LEBANON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2019**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified  
Internal control over financial reporting:  
Material weakness(es) identified?   yes Xno  
Significant Deficiency(ies) identified  
not considered to be material weaknesses?   yes Xnone reported  
  
Noncompliance material to financial statements  
noted?   yes Xno

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified?   yes Xno  
Significant Deficiency(ies) identified  
not considered to be material weaknesses?   yes Xnone reported

Type of auditor's report issued on compliance  
for major programs: Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR section 200.516(a)?   yes Xno

Identification of major programs:

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

Dollar threshold used to distinguish  
between Type A and Type B programs: \$750,000

Audit qualified as low-risk auditee? Xyes   no

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

**CITY OF LEBANON**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2019**

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.