

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
CITY OF LEBANON, TENNESSEE
YEAR ENDED JUNE 30, 2020

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CITY OF LEBANON TENNESSEE

**ROSTER OF PUBLICLY ELECTED OFFICIALS AND MANAGEMENT
OFFICIALS (UNAUDITED)**

June 30, 2020

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 Revenue	Stuart Lawson, CMFO
Commissioner of Public Works	Jeff Baines



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INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the budgetary comparison schedules of the City of Lebanon, Tennessee as of and for the year ended June 30, 2020, 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, 2020, 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 and the Roster of Officials on page iv 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 March 23, 2021, 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 + Follos PLLC

Lebanon, Tennessee
March 23, 2021

CITY OF LEBANON, TENNESSEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

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, 2020. Please read it conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- > The City's total net position increased \$19.91 million or 9.91%. Of this amount, the net position of the Government activities increased by almost \$7.95 million and the net position of the Business type activities increased by \$11.96 million.
- > The City's governmental activities revenues from taxes and other sources were \$50.3 million and exceeded expenditures by \$7.95 million. Last year, revenues exceeded expenditures by \$6.69 million. Compared to last year revenues increased by 26.97% and expenditures increased by 28.60%.
- > Revenues from the City's business-type activities were \$39.3 million, and revenues exceeded expenses by \$11.96 million. Last year revenues exceeded expenses by \$10.17 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of several parts: management's discussion and analysis (this section), basic financial statements, required supplementary information, schedule of federal awards, supplementary schedules, statistical information, and internal control and compliance. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City's operations, reporting the City's operations in more detail than the government-wide financial statements. Included in the fund financial statements are governmental funds and proprietary funds. The governmental funds statements tell how the general governmental activities were financed in the short term as well as what remains for future spending. Proprietary fund statements include both long and short-term information that the City operates like a business enterprise, such as the utilities departments. The financial statements also include notes to the financial statements that explain some of the information in the financial statements and provide more detail. The required supplementary information further explains and supports the financial statements. In addition to these required elements, we have chosen to include statements that detail and combine the nonmajor government funds. Other authorities, including OMB Circular A-133 and the State of Tennessee, require the remaining schedules in the report. The following further explains the basic financial statements:

Government-Wide Statements

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

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The City's combined net position increased \$19.91 million during the year ended June 30, 2020. Of this amount, Government activities increased by about \$7.95 million and the net position of the Business type activities increased by \$11.96 million. In comparison, for the year ended June 30, 2019, the City's net position increased \$16.86 million. The following table is a comparison of net assets of the City during the fiscal years ended June 30, 2020 and 2019:

CITY OF LEBANON, TENNESSEE NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2020-2019
	2020	2019	2020	2019	2020	2019	
Current and Other Assets	\$ 58,304,894	\$ 47,913,711	\$ 30,885,284	\$ 26,586,616	\$ 89,190,178	\$ 74,500,327	19.72%
Capital Assets, net	88,176,711	77,576,506	152,231,839	146,790,547	\$ 240,408,550	224,367,053	7.15%
Total Assets	146,481,605	125,490,217	183,117,123	173,377,163	329,598,728	298,867,380	10.28%
Deferred Outflows of Resources	5,165,120	5,432,271	4,138,531	5,568,507	9,303,651	11,000,778	-15.43%
Long-Term Debt, net	29,837,298	21,910,889	41,980,427	45,047,201	71,817,725	66,958,090	7.26%
Other Liabilities	23,786,484	31,749,634	8,111,795	7,695,664	31,898,279	39,445,299	-19.13%
Total Liabilities	53,623,782	53,660,523	50,092,222	52,742,865	103,716,004	106,403,389	-2.53%
Deferred Inflows of Resources	13,380,843	571,721	1,064,584	2,062,597	14,445,427	2,634,318	
Net Position							
Net Investment in Capital							
Assets	58,339,413	55,665,617	110,251,412	101,743,346	168,590,825	157,408,963	7.10%
Restricted	10,512,494	3,743,707	1,272,960	1,088,614	11,785,454	4,832,322	143.89%
Unrestricted	15,790,193	17,280,920	24,574,476	21,308,248	40,364,669	38,589,168	4.60%
Total Net Position	\$ 84,642,100	\$ 76,690,244	\$ 136,098,848	\$ 124,140,208	\$ 220,740,948	\$ 200,830,453	9.91%

Net position of the City's governmental activities increased by about \$7.95 million. Of this amount, total assets increased by \$20.99 million and total liabilities decreased by \$36.7 thousand. Over half of the governmental activities' net position is in net investment in capital assets.

The net position of the business-type activities increased \$11.96 million. Of this amount total assets increased by \$9.74 million and total liabilities decreased by \$2.65 million. Almost all of the net position is in net investment in capital assets.

Changes in Net Position

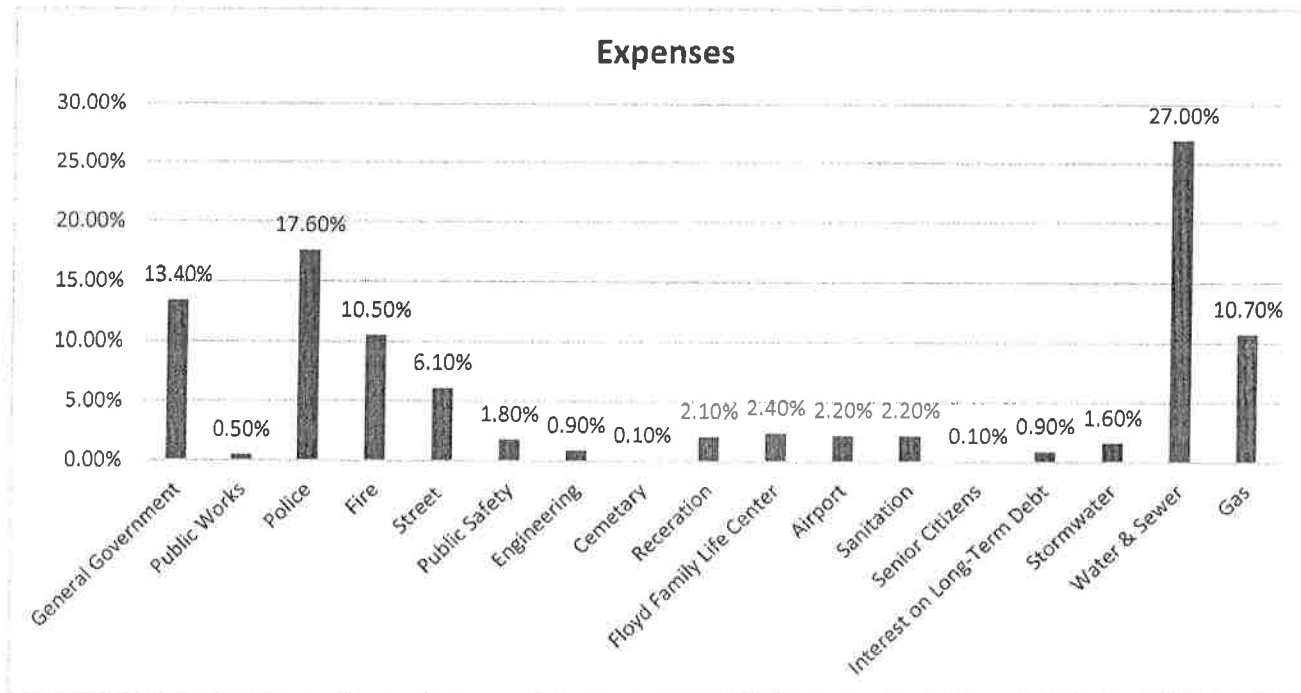
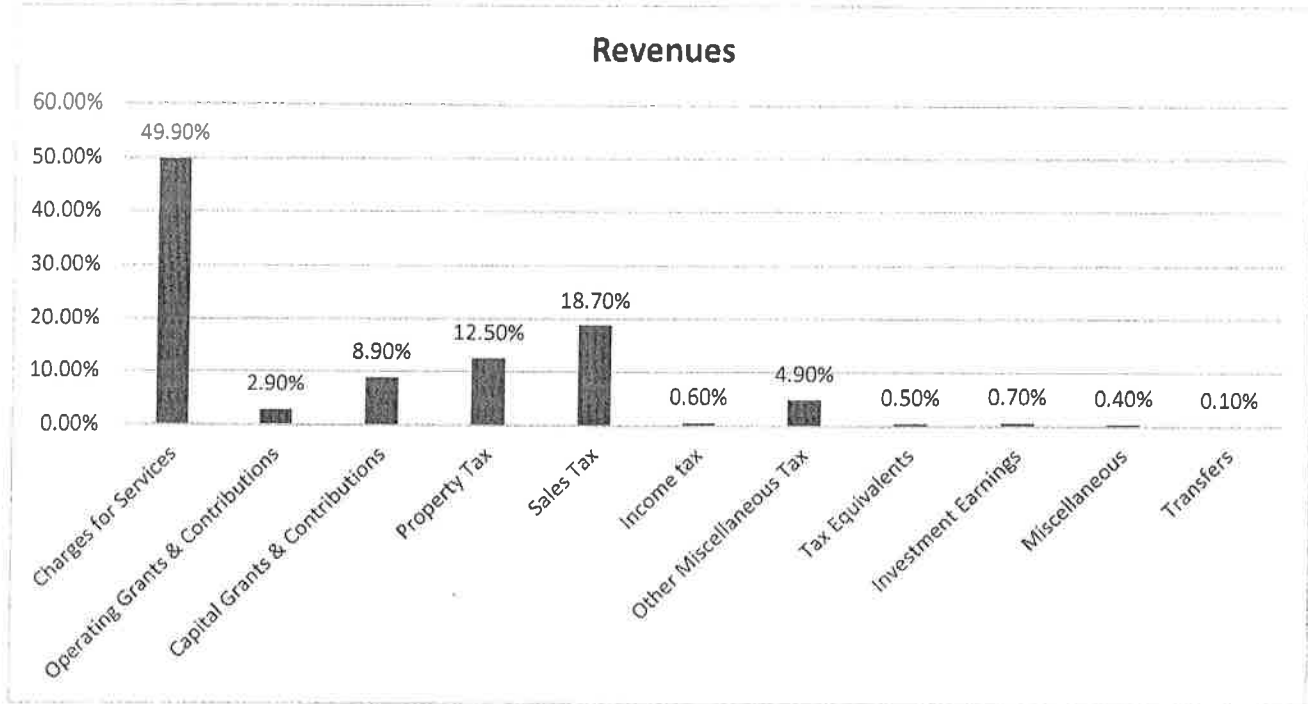
The following table shows the City's changes in net position for the fiscal years ended June 30, 2020 and 2019:

CITY OF LEBANON, TENNESSEE CHANGE IN NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2020-2019	% Total Revenue 2020
	2020	2019	2020	2019	2020	2019		
Revenues								
Program Revenues:								
Charges for Services	\$ 9,808,964	\$ 7,983,413	\$ 34,896,215	\$ 32,754,878	\$ 44,705,179	\$ 40,738,291	9.74%	49.9%
Operating Grants and Contributions	2,573,522	1,823,838	-	-	2,573,522	1,823,838	41.10%	2.9%
Capital Grants and Contribution	3,232,169	487,547	4,719,810	4,616,095	7,951,979	5,103,642	55.81%	8.9%
General Revenues:								
Property Tax	11,185,436	7,664,664	-	-	11,185,436	7,664,664	45.94%	12.5%
Sales Tax	16,756,724	15,559,506	-	-	16,756,724	15,559,506	7.69%	18.7%
Income Tax	561,781	464,533	-	-	561,781	464,533	20.93%	0.6%
Other Miscellaneous Tax	4,408,207	4,319,960	-	-	4,408,207	4,319,960	2.04%	4.9%
Tax Encumbrances	403,370	388,398	-	-	403,370	388,398	3.85%	0.5%
Investment Earnings	296,116	414,450	299,092	306,990	595,208	721,440	-17.50%	0.7%
Miscellaneous	-	-	381,511	85,612	381,511	85,612	345.63%	0.4%
Transfers	1,075,609	511,625	(992,265)	(504,083)	83,346	7,542	16.56%	0.1%
Total Revenues	50,301,898	39,617,934	39,304,365	37,259,492	89,606,263	76,877,426		
Expenses								
General Government	9,320,166	4,787,761	-	-	9,320,166	4,787,761	94.67%	13.4%
Public Works	363,506	337,496	-	-	363,506	337,496	7.71%	0.5%
Police	12,277,742	10,988,655	-	-	12,277,742	10,988,655	11.73%	17.6%
Fire	7,311,109	6,521,013	-	-	7,311,109	6,521,013	12.12%	10.5%
Street	4,229,730	3,461,162	-	-	4,229,730	3,461,162	22.21%	6.1%
Public Safety	1,275,972	495,781	-	-	1,275,972	495,781	157.37%	1.8%
Engineering	607,401	443,238	-	-	607,401	443,238	37.04%	0.9%
Cemetery	99,458	116,792	-	-	99,458	116,792	-14.84%	0.1%
Recreation	1,448,010	1,281,648	-	-	1,448,010	1,281,648	12.98%	2.1%
Floyd Family Life Center	1,652,351	1,659,781	-	-	1,652,351	1,659,781	-0.45%	2.4%
Airport	1,516,587	806,715	-	-	1,516,587	806,715	88.00%	2.2%
Sanitation	1,532,028	1,513,118	-	-	1,532,028	1,513,118	1.25%	2.2%
Senior Citizens	73,336	72,275	-	-	73,336	72,275	1.47%	0.1%
Interest on Long-Term Debt	642,646	446,564	-	-	642,646	446,564	43.91%	0.9%
Water & Sewer	-	-	18,804,516	17,635,078	18,804,516	17,635,078	6.63%	27.0%
Natural Gas	-	-	7,442,083	8,522,564	7,442,083	8,522,564	-12.68%	10.7%
Stormwater	-	-	1,099,125	930,459	1,099,125	930,459		1.6%
Increase (Decrease) in Net Position	\$ 7,951,855	\$ 6,685,936	\$ 11,958,641	\$ 10,171,391	\$ 19,910,496	\$ 16,857,326	18.11%	

The City's total revenues increased \$12.73 million from \$76.88 million to \$89.61 million.
 The total cost of the City's programs and services increased \$9.68 million from \$60.02 million to \$69.7 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2020.



Governmental Activities

The governmental revenues increased by \$10.68 million and expenditures increased by \$9.42 million. The City had an increase of about \$2.74 million in Capital Grants and Contributions and a \$3.52 million increase in property tax. These 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, 2020 and 2019:

CITY OF LEBANON, TENNESSEE NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost Of Services		Percent Change	Net Cost of Services		Percent Change
	2020	2019		2020	2019	
General Government	\$ 9,320,166	\$ 4,787,761	94.67%	\$ 1,743,475	\$ 2,326,595	-25.06%
Public Works	363,506	337,496	7.71%	363,506	337,496	7.71%
Police	12,277,742	10,988,655	11.73%	10,849,560	9,139,678	18.71%
Fire	7,311,109	6,521,013	12.12%	7,253,509	6,521,013	11.23%
Street	4,229,730	3,461,162	22.21%	858,387	(730,481)	-217.51%
Public Safety	1,275,972	495,781	157.37%	1,206,166	468,776	157.30%
Engineering	607,401	443,238	37.04%	607,401	443,238	37.04%
Cemetery	99,458	116,792	-14.84%	24,418	76,332	-68.01%
Recreation	1,448,010	1,281,648	12.98%	1,425,780	1,249,206	14.13%
Floyd Family Life Center	1,652,351	1,659,781	-0.45%	744,195	564,515	31.83%
Airport	1,516,587	806,715	88.00%	(589,020)	208,877	-381.99%
Sanitation	1,532,028	1,513,118	1.25%	1,532,028	1,513,118	1.25%
Senior Citizens	73,336	72,275	1.47%	73,336	72,275	1.47%
Total	\$ 41,707,397	\$ 32,485,434	28.39%	\$ 26,092,742	\$ 22,190,637	17.58%

Business-Type Activities

Revenues of the City's business-type activities increased by \$2.04 million. Expenses increased by \$257 thousand. Revenues increased by 5.49% and expenses increased by 0.95% 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 \$199,825 excess of revenues over expenditures for the General fund for the fiscal year ended June 30, 2020.

- > Revenues for the General Fund were \$5.73 million more than budgeted.
- > Expenditures were \$3.49 million less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020 the City had \$240.41 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 \$16.04 million or 7.15% over June 30, 2019 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2020 and 2019. 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 2020-2019
	2020	2019	2020	2019	2020	2019	
Land	\$ 12,263,848	\$ 11,815,645	\$ 2,563,087	\$ 2,563,087	\$ 14,826,935	\$ 14,378,732	3.12%
Buildings	19,240,482	17,014,747	42,650,670	44,052,210	61,891,152	61,066,957	1.35%
Improvements Other Than Buildings	44,564,577	41,000,047	96,371,785	91,294,294	140,936,362	132,294,341	6.53%
Equipment	12,107,803	7,746,067	3,742,684	3,429,650	15,850,487	11,175,717	41.83%
Construction in Process	-	-	6,903,610	5,451,305	6,903,610	5,451,305	26.64%
Total	\$ 88,176,711	\$ 77,576,508	\$ 152,231,836	\$ 146,790,546	\$ 240,408,547	\$ 224,367,053	7.15%

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

The fiscal year ended June 30, 2021 budget includes capital expenditures of \$17.24 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, 2020, the City had \$71.8 million in bonds, notes and capital leases outstanding. This is an increase of \$4.85 million or 7.24% from June 30, 2019. The following table summarizes and compares long-term debt at June 30, 2020 and 2019. See note 3 to the financial statements for more information on long-term debt activity.

CITY OF LEBANON, TENNESSEE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total		Total Percent Change 2020-2019
	2020	2019	2020	2019	2020	2019	
General Obligation Bonds and Notes (Backed by the City)	\$29,837,298	\$21,910,889	\$0	\$0	\$29,837,298	\$21,910,889	36.18%
Revenue Bonds & Notes (Backed by specific tax and fee revenues)	\$29,837,298	\$21,910,889	41,968,625	45,047,202	41,968,625	45,047,202	-6.83%
			\$41,968,625	\$45,047,202	\$71,805,923	\$66,958,091	7.24%

Bond ratings: Aa2

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

When preparing the General Fund for FY 2021, 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 \$37.76 million, a decrease of 17.93% compared to the amended budget for 19-20. Estimated property tax revenue is expected to increase by \$790 thousand, or 8.00%. Also, estimated sales tax revenue is expected to increase by \$650 thousand or 5.00%. Both of these are compared to the amended budget for 19-20. Expenditures will decrease by about 20.4% compared to the amended budget for 19-20. Revenues are expected to exceed expenditures by about \$18 thousand.

Water and Sewer revenues are projected to go up about 2.00% compared to last year and expenses are going to increase about 1.44%. Revenues are expected to exceed expenses by about \$399 thousand.

Gas revenues are expected to decrease by about 14.34% compared to the amended budget for 19-20. Expenses are projected to decrease by about 3.68% compared to last year. Revenues are expected to exceed expenses by about \$1.07 million.

Debt is expected to increase in FY 2021 due to:

- 1) General Fund - Remainder of \$5.7 million loan from TMBF for the Radio Communications System
- 2) Water and Sewer Fund - Remainder of \$1.4 million loan from the State Revolving Fund for Seay Hill One Million Gallon Storage Tank
- 3) Water and Sewer Fund - Remainder of \$4.3 million loan from the State Revolving Fund for Blair Lane Interceptor
- 4) Gas Fund - Proposed loan of \$1 million from TML for Annual Continuing Maintenance Contract
- 5) Gas Fund - Proposed loan of \$100 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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash	\$ 28,170,608	\$ 20,598,191	\$ 48,768,799	\$ 129,406
Investment in State Investment Pool	1,575,197	169,595	1,744,792	-
Certificate of Deposit	7,897,139	2,441,331	10,338,470	-
Investments	-	-	-	-
Other Restricted Funds	-	1,272,960	1,272,960	-
Accounts Receivable, Net	19,838,739	2,318,699	22,157,438	779
Internal Balances	3,475	(3,475)	-	-
Due from Component Unit	456	-	456	-
Inventories	121,540	366,320	487,860	-
Prepaid Expenses	221,136	85,549	306,685	-
Notes Receivable	-	3,510,106	3,510,106	-
Stabilization Reserve Asset	298,940	109,840	408,780	-
Net Pension Asset	177,664	16,168	193,832	-
Capital Assets:				
Non depreciable Assets	12,263,848	9,466,697	21,730,545	105,468
Depreciable Assets, Net of Depreciation	75,912,863	142,765,142	218,678,005	731,185
Total Capital Assets	88,176,711	152,231,839	240,408,550	836,653
Total Assets	146,481,605	183,117,123	329,598,728	966,838
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on 2008 Refunding	15,370	-	15,370	-
Deferred Amount Related to OPEB	2,219,486	892,720	3,112,206	-
Deferred Amount Related to Pensions	2,930,264	3,245,811	6,176,075	-
Total Deferred Outflows	5,165,120	4,138,531	9,303,651	-
LIABILITIES				
Bank Overdraft	853,337	-	853,337	-
Accounts Payable	4,986,220	1,671,379	6,657,599	-
Due to Primary Government	-	-	-	456
Due to Component Unit	-	-	-	-
Customer Deposits	23,955	250	24,205	-
Accrued Expenses	747,784	288,799	1,036,583	1,648
Unearned Revenue	336,150	-	336,150	-
Non-current Liabilities:				
Due in One Year:				
Compensated Absences	1,353,230	291,224	1,644,454	-
Debt	2,580,745	3,579,580	6,160,325	-
Due in More Than One Year:				
Debt, net	27,256,553	38,400,847	65,657,400	-
Net Pension Liability	3,831	1,408	5,239	-
OPEB Liability	15,481,977	5,858,735	21,340,712	-
Total Liabilities	53,623,782	50,092,222	103,716,004	2,104
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Property Taxes	11,666,289	-	11,666,289	-
Deferred Amount Related to Pensions	1,646,692	1,016,462	2,663,154	-
Deferred Amount on 2016 Refunding	67,862	48,122	115,984	-
	13,380,843	1,064,584	14,445,427	-
NET POSITION				
Net Investment in Capital Assets	58,339,413	110,251,412	168,590,825	836,653
Restricted for:				
Note Proceeds	7,907,482	-	7,907,482	-
Debt Service	668,084	1,272,960	1,941,044	-
Public works	1,388,868	-	1,388,868	-
Drug Enforcement	326,136	-	326,136	-
Community Service	75,948	-	75,948	-
Recreation	500	-	500	-
Economic Development	123,923	-	123,923	-
Police	21,553	-	21,553	-
Unrestricted	15,790,193	24,574,476	40,364,669	128,081
Total Net Position	\$ 84,642,100	\$ 136,098,848	\$ 220,740,948	\$ 964,734

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Business-Type Activities		Total
Primary Government:								
Governmental Activities:								
General Government	\$ 9,320,166	\$ 7,322,209	\$ 254,482	\$ -	\$ (1,743,475)	\$ -	(1,743,475)	
Public Works	363,506	-	-	-	(363,506)	-	(363,506)	
Police	12,277,742	1,126,765	301,417	-	(10,849,560)	-	(10,849,560)	
Fire	7,311,109	-	57,600	-	(7,253,509)	-	(7,253,509)	
Street	4,229,730	41,933	1,169,010	2,160,400	(858,387)	-	(858,387)	
Public Safety	1,275,972	-	69,806	-	(1,206,166)	-	(1,206,166)	
Engineering	607,401	-	-	-	(607,401)	-	(607,401)	
Cemetery	99,458	75,040	-	-	(24,418)	-	(24,418)	
Recreation	1,448,010	22,230	-	-	(1,425,780)	-	(1,425,780)	
Floyd Family Life Center	1,652,351	860,813	47,342	-	(744,195)	-	(744,195)	
Airport	1,516,587	359,974	673,864	1,071,769	589,020	-	589,020	
Sanitation	1,532,028	-	-	-	(1,532,028)	-	(1,532,028)	
Senior Citizens	73,336	-	-	-	(73,336)	-	(73,336)	
Interest on Long-Term Debt	642,646	-	-	-	(642,646)	-	(642,646)	
Total Governmental Activities	42,350,042	9,808,964	2,573,522	3,232,169	(26,735,387)	-	(26,735,387)	
Business-Type Activities:								
Water and Sewer	18,804,516	23,977,373	-	4,035,691	-	9,208,548	9,208,548	
Natural Gas	7,442,083	8,818,796	-	-	-	1,376,713	1,376,713	
Stormwater	1,099,125	2,100,046	-	684,119	-	1,685,040	1,685,040	
Total Business-Type Activities	27,345,724	34,896,215	-	4,719,810	-	12,270,301	12,270,301	
Total Primary Government	69,695,766	44,705,179	2,573,522	7,951,979	(26,735,387)	12,270,301	(14,465,086)	
Component Unit:								
Senior Citizens Center	\$ 466,795	\$ 190,622	\$ 248,902	\$ -	-	-	(27,271)	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					11,185,436			
Sales Taxes					16,756,724			
Income and Excise Tax					561,781			
Other Miscellaneous Taxes					4,408,207			
Tax Equivalent - TVA					403,370			
Unrestricted Investment Earnings					299,092			
Miscellaneous					381,511		236	
Transfers					(992,263)			
Total General Revenues and Transfers					34,687,243			
Change in Net Position					(311,660)		236	
Net Position, Beginning, Restated					11,958,641		(27,035)	
Net Position, Ending					76,690,244		991,769	
					\$ 84,642,100	\$ 136,098,849	\$ 220,740,949	

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 24,834,026	\$ 3,336,582	\$ 28,170,608
Investment in State Investment Pool	791,760	783,437	1,575,197
Certificate of Deposit	7,860,438	36,701	7,897,139
Investments	-	-	-
Accounts Receivable:			
State of Tennessee	2,950,454	318,019	3,268,473
Federal Government	1,517	-	1,517
Other	4,130,813	1,411,067	5,541,880
Due from Other Funds	3,475	1,110,048	1,113,523
Due from Component Unit	456	-	456
Inventories	121,540	-	121,540
Property Taxes - Net of Allowance			
For Uncollectible Taxes of \$1,088,793	11,026,869	-	11,026,869
Prepaid Expenses	208,318	12,818	221,136
	<u>\$ 51,929,666</u>	<u>\$ 7,008,672</u>	<u>\$ 58,938,338</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
LIABILITIES			
Accounts Payable			
Vendors	\$ 3,146,516	\$ 1,839,704	\$ 4,986,220
Due to Other Funds	985,048	125,000	1,110,048
Due to Component Unit	-	-	-
Bank Overdraft	-	853,337	853,337
Accrued Payroll and Related Items	590,697	35,542	626,239
Accrued Vacation Pay	290,588	1,256	291,844
Customer Deposits	23,955	-	23,955
Unearned Revenue	336,150	-	336,150
	<u>5,372,954</u>	<u>2,854,839</u>	<u>8,227,793</u>
Deferred Inflows Related to Property Taxes	11,666,289	0.00	11,666,289
	<u>11,666,289</u>	<u>0.00</u>	<u>11,666,289</u>
FUND BALANCES			
Fund Balances:			
Nonspendable	329,858	-	329,858
Restricted for:			
Bond Proceeds	7,907,482	-	7,907,482
Recreation	-	500	500
Debt Service	-	789,629	789,629
Street	-	1,388,868	1,388,868
Drug Enforcement	-	326,136	326,136
Community Assistance	-	75,948	75,948
Police	-	21,553	21,553
Economic Development	-	123,923	123,923
Committed to:			
Airport	-	-	-
Cemetery	-	157,330	157,330
OPEB	-	-	-
Police	-	60,325	60,325
Assigned to:			
Recreation	20,538	226,506	247,044
Airport	1,667	274,483	276,150
Street	22,663	637,905	660,568
Fire	-	-	-
Police	10,755	20,184	30,939
Floyd Family Life Center	-	50,355	50,355
Public Safety	24,286	-	24,286
Sanitation	112,353	-	112,353
General Government	8,156	-	8,156
Economic Development	-	188	188
Unassigned	26,452,665	-	26,452,665
Total Fund Balances	<u>34,890,423</u>	<u>4,153,833</u>	<u>39,044,256</u>
Total Liabilities and Fund Balances	<u>\$ 51,929,666</u>	<u>\$ 7,008,672</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

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	\$ 39,044,256
Capital Assets used in governmental funds are not reported in the fund Balance Sheet	88,176,711
Deferred Outflows are not reported in the fund Balance Sheet	3,518,428
Long-term debt is not reported in the fund Balance Sheet	(29,837,298)
Accrued Interest on long-term debt is not reported in the fund Balance Sheet	(121,545)
Net Pension Asset is not reported in the fund Balance Sheet	173,833
Stabilization Asset is not reported in the fund Balance Sheet	298,940
OPEB Liability on governmental funds is not reported in the fund Balance Sheet	(15,481,977)
Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet	(1,061,386)
Deferred Inflows are not reported in the fund Balance Sheet	<u>(67,862)</u>
Net Position of Governmental Activities	<u><u>\$ 84,642,100</u></u>

See notes to financial statements

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

Year Ended June 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes and Licenses	\$ 27,955,855	\$ -	\$ 27,955,855
TVA In- Lieu of Tax	403,370	-	403,370
State and Regional Apportionments and Grants	5,331,208	2,379,702	7,710,910
Federal Grants	56,246	(2,141)	54,105
Fines and Costs	791,185	10,597	801,782
Rents	34,000	-	34,000
Interest	248,733	47,382	296,115
Other Revenues	7,484,189	4,485,963	11,970,152
Total Revenues	42,304,786	6,921,502	49,226,288
Expenditures			
General Government	7,367,177	26,888	7,394,065
Public Works	308,691	-	308,691
Police	11,613,818	130,147	11,743,965
Fire	6,838,818	-	6,838,818
Street	1,484,492	602,688	2,087,180
Public Safety	514,162	-	514,162
Engineering	569,476	-	569,476
Cemetery	99,158	-	99,158
Recreation	1,193,917	-	1,193,917
Floyd Family Life Center	-	1,361,953	1,361,953
Airport	-	959,944	959,944
Sanitation	1,520,793	-	1,520,793
Senior Citizens Center	73,336	-	73,336
Garage	359,567	-	359,567
Debt Service:			
Principal	464,576	1,507,463	1,972,039
Interest	55,937	545,145	601,082
Capital Outlay	9,641,043	6,484,170	16,125,213
Total Expenditures	42,104,961	11,618,398	53,723,359
Excess (Deficiency) of Revenues Over (Under) Expenditures	199,825	(4,696,896)	(4,497,071)
Other Financing Sources (Uses)			
Transfers from Other Funds	-	4,513,149	4,513,149
Transfers to Other Funds	(3,847,296)	(660,853)	(4,508,149)
Debt Proceeds	8,253,964	1,737,889	9,991,853
Transfers - Tax Equivalents	1,070,609	-	1,070,609
Net Other Financing Sources (Uses)	5,477,277	5,590,185	11,067,462
Net Change in Fund Balances	5,677,102	893,289	6,570,391
Fund Balances			
July 01, 2019	29,539,444	3,457,068	32,996,512
Change in Encumbrances	(326,124)	(93,188)	(419,312)
Transfer Fund Balance to General Fund	-	(103,337)	(103,337)
June 30, 2020	\$ 34,890,423	\$ 4,153,833	\$ 39,044,256

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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ 6,570,391
Increase in Encumbrances	(419,312)
Fund Balance Transferred	(103,337)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense is not reported as a expenditure in the governmental funds	(5,599,922)
Proceeds of long-term debt are not revenue on the Statement of Activities - instead they are an increase in the debt on the Statement of Net Assets	(10,023,447)
Principal payments on debt service are not an expense in the Statement of Activities - instead, they are a reduction of debt on the Statement of Net Assets	2,097,038
Amortization of Bond Premium/Discount/Issue Costs are not reported in the Statement of Activities - instead they are reported as a reduction of an asset/liability on the Statement of Net Assets	11,871
Other charges are not reported on the Statement of Activities - instead they are included in the Statement of Net Assets	5
Change in OPEB Liability is not reported as an expenditure in the governmental funds	(755,787)
Accrued interest on debt of the governmental funds is not reported as an expenditure in the governmental funds	(41,564)
Capital expenditures are not an expense in the Statement of Activities - instead, they are an addition to capital assets on the Statement of Net Assets	16,200,125
Current year change in net pension liability due to implementation of GASB 68 is not reported in the governmental funds	(131,234)
Change in stabilization reserve asset is not reported in the governmental funds	298,940
Accrued vacation not requiring the use of current resources is not reported as an expenditure in the governmental funds	(151,907)
Change in Net Position of Governmental Activities	<u>\$ 7,951,860</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2020

ASSETS	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Current Assets:				
Cash	\$ 3,207,062	\$ 15,033,556	\$ 2,357,573	\$ 20,598,191
Investment in State Investment Pool	169,595	-	-	169,595
Certificate of Deposit	609,007	1,821,754	10,570	2,441,331
Accounts Receivable - (Less Allowance for Doubtful Accts of \$ 272,350)	371,984	1,210,615	100,920	1,683,519
Due from Other Funds	-	-	-	-
Other Receivables	74,482	559,378	1,320	635,180
Inventories	142,742	223,578	-	366,320
Prepaid Expenses	21,289	61,528	2,732	85,549
Total Current Assets	4,596,161	18,910,409	2,473,115	25,979,685
Noncurrent Assets:				
Other Restricted Funds	-	1,272,960	-	1,272,960
Notes Receivable	1,641,857	1,868,249	-	3,510,106
Net Pension Asset	31,597	-	40,342	71,939
Stabilization Reserve Asset	22,810	77,832	9,198	109,840
Capital Assets:				
Land	866,063	1,697,023	-	2,563,086
Buildings	2,551,331	71,549,306	-	74,100,637
Equipment	3,864,969	6,222,078	846,349	10,933,396
Improvements Other than Building	40,042,475	128,244,618	1,672,953	169,960,046
Construction in Process	50,399	6,853,212	-	6,903,611
Accumulated Depreciation	(18,926,597)	(93,043,016)	(259,324)	(112,228,937)
Total Noncurrent Assets	30,144,904	124,742,262	2,309,518	157,196,684
Total Assets	34,741,065	143,652,671	4,782,633	183,176,369
DEFERRED OUTFLOWS OF RESOURCES				
Pension	577,592	2,677,690	(9,471)	3,245,811
OPEB	187,968	638,290	66,462	892,720
	765,560	3,315,980	56,991	4,138,531
LIABILITIES				
Current Liabilities:				
Current Portion of Long-Term Debt	103,000	3,476,580	-	3,579,580
Accounts Payable - Vendors	400,993	1,257,034	13,352	1,671,379
Due to Other Funds	-	-	3,475	3,475
Other Current Liabilities	26,380	73,491	-	99,871
Accrued Interest	-	42,563	-	42,563
Accrued Payroll and Related Items	36,732	99,202	10,681	146,615
Accrued Vacation Pay	79,283	196,774	15,167	291,224
Total Current Liabilities	646,388	5,145,644	42,675	5,834,707
Noncurrent Liabilities:				
Post Employment Benefits	1,287,422	4,270,116	301,197	5,858,735
Notes Payable	-	33,625,847	-	33,625,847
Utility Bonds Payable	1,275,000	3,500,000	-	4,775,000
Net Pension Liability	-	57,179	-	57,179
Total Noncurrent Liabilities	2,562,422	41,453,142	301,197	44,316,761
Total Liabilities	3,208,810	46,598,786	343,872	50,151,468
DEFERRED INFLOWS OF RESOURCES				
Pensions	234,668	788,942	(7,148)	1,016,462
Gain on Bond Refunding	-	48,122	-	48,122
	234,668	837,064	(7,148)	1,064,584
NET POSITION				
Net Investment in Capital Assets	27,070,640	80,920,794	2,259,978	110,251,412
Restricted for Debt Service	-	1,272,960	-	1,272,960
Unrestricted	4,992,507	17,339,047	2,242,922	24,574,476
Total Net Position	\$ 32,063,147	\$ 99,532,801	\$ 4,502,900	\$ 136,098,848

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

Year Ended June 30, 2020

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Operating Revenues				
Charges for Services	\$ 8,818,796	\$ 23,977,373	\$ 2,100,046	\$ 34,896,215
Operating Expenses				
Utility Operating Expense	3,124,172	11,687,528	1,027,748	15,839,448
Natural Gas Purchased	2,896,747	-	-	2,896,747
Gasification Plant Operating	-	-	-	-
Depreciation	1,363,282	6,154,680	69,473	7,587,435
Total Operating Expenses	7,384,201	17,842,208	1,097,221	26,323,630
Operating Income	1,434,595	6,135,165	1,002,825	8,572,585
Nonoperating Revenue (Expenses)				
Other Revenues	20,242	361,269	-	381,511
Interest Revenue	57,440	229,232	12,420	299,092
Interest Expense	(57,882)	(962,308)	(1,904)	(1,022,094)
Total Nonoperating Revenue (Expenses)	19,800	(371,807)	10,516	(341,491)
Income before Contributions and Transfers	1,454,395	5,763,358	1,013,341	8,231,094
Contributions and Transfers				
Contributed Capital	-	4,035,691	684,119	4,719,810
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	(5,000)	(5,000)
Transfers - Tax Equivalents	(350,640)	(636,623)	-	(987,263)
Total Contributions and Transfers	(350,640)	3,399,068	679,119	3,727,547
Change in Net Position	1,103,755	9,162,426	1,692,460	11,958,641
Net Position				
July 01, 2019 Restated	30,959,392	90,370,376	2,810,440	124,140,208
June 30, 2020	\$ 32,063,147	\$ 99,532,802	\$ 4,502,900	\$ 136,098,849

CITY OF LEBANON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2020

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 8,747,664	\$ 24,239,906	\$ 2,097,415	\$ 35,084,985
Payments to Suppliers	(3,683,118)	(4,599,023)	(238,090)	(8,520,231)
Payments to Employees	(2,054,436)	(6,734,417)	(769,637)	(9,558,490)
Internal Activity - Payments From Other Funds	(421,872)	(481,020)	(47,710)	(950,602)
Other Receipts (Payments)	-	53,449	(899)	52,550
Net Cash Provided By Operating Activities	<u>2,588,238</u>	<u>12,478,895</u>	<u>1,041,078</u>	<u>16,108,211</u>
Cash Flows From Noncapital Financing Activities:				
Transfers - Tax Equivalents	(350,640)	(636,623)	-	(987,263)
Transfers to Other Funds	-	-	(5,000)	(5,000)
Transfers from Other Funds	-	-	-	-
Net Cash (Used) By Noncapital Financing Activities	<u>(350,640)</u>	<u>(636,623)</u>	<u>(5,000)</u>	<u>(992,263)</u>
Cash Flows From Capital and Related Financing Activities:				
Other Revenues	20,242	161,269	-	181,511
Payments for Capital Acquisitions	(2,999,639)	(4,873,544)	(402,977)	(8,276,160)
Principal Paid on Notes	(99,000)	(2,767,774)	-	(2,866,774)
Interest Paid	(57,882)	(962,308)	(1,904)	(1,022,094)
Payments from Notes Receivable	235,303	290,803	-	526,106
Net Cash (Used) By Capital and Related Financing Activities	<u>(2,900,976)</u>	<u>(8,151,554)</u>	<u>(404,881)</u>	<u>(11,457,411)</u>
Cash Flows From Investing Activities:				
Interest Revenue	57,440	229,232	12,420	299,092
(Decrease) in Investments	(12,037)	(34,980)	(338)	(47,355)
Net Cash Provided By Investing Activities	<u>45,403</u>	<u>194,252</u>	<u>12,082</u>	<u>251,737</u>
Net Increase (Decrease) in Cash and Temporary Investments	(617,975)	3,884,970	643,279	3,910,274
Cash and Temporary Investments:				
July 01, 2019	<u>3,994,632</u>	<u>12,421,546</u>	<u>1,714,294</u>	<u>18,130,472</u>
June 30, 2020	<u>\$ 3,376,657</u>	<u>\$ 16,306,516</u>	<u>\$ 2,357,573</u>	<u>\$ 22,040,746</u>
Non-Cash Capital and Related Financing Activities:				
Capital Assets Acquired By Contributions From Developers	\$ -	\$ 4,035,691	\$ 684,119	\$ 4,719,810
Debt Forgiveness	\$ -	\$ 200,000	\$ -	\$ 200,000
Reconciliation to Statement of Net Position:				
Cash	\$ 3,207,062	\$ 15,033,556	\$ 2,357,573	\$ 20,598,191
Investment in State Investment Pool	169,595	-	-	169,595
Other Restricted Funds	-	1,272,960	-	1,272,960
	<u>\$ 3,376,657</u>	<u>\$ 16,306,516</u>	<u>\$ 2,357,573</u>	<u>\$ 22,040,746</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2020

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Cash Provided By Operating Activities:				
Operating Income	\$ 1,434,595	\$ 6,135,165	\$ 1,002,825	\$ 8,572,585
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,330,524	6,154,680	69,474	7,554,678
Provision for Losses on Accounts Receivable	39,530	119,006	11,432	169,968
Deferred Outflows of Resources	113,834	388,708	46,066	548,608
Deferred Inflows of Resources	(9,665)	(95,855)	(11,125)	(116,645)
Changes in Current and Deferred Items:				
(Increase) Decrease in Accounts Receivable	(110,661)	143,528	(14,064)	18,803
(Increase) Decrease in Other Receivables	-	53,449	(899)	52,550
Decrease in Due From Other Funds	4,326	28,274	3,372	35,972
Decrease in Inventories	13,433	29,046	-	42,479
Decrease in Prepaid Expenses	(17,473)	(54,128)	(2,732)	(74,333)
(Increase) in Net Pension Asset	-	-	(31,896)	(31,896)
(Increase) in Stabilization Reserve Asset	(22,810)	(77,832)	(9,198)	(109,840)
Increase in Accounts Payable	256,691	224,206	2,596	483,493
(Decrease) in Net Pension Liability	(79,104)	(269,918)	-	(349,022)
(Decrease) in Due to Other Funds	(426,198)	(509,294)	(51,082)	(986,574)
Increase in Accrued Payroll	12,095	34,532	4,826	51,453
Increase in Accrued Vacation Pay	8,518	36,654	5,100	50,272
Increase in Postemployment Benefits	40,604	138,674	16,384	195,662
Net Cash Provided By Operating Activities	<u>\$ 2,588,238</u>	<u>\$ 12,478,895</u>	<u>\$ 1,041,078</u>	<u>\$ 16,108,211</u>
	0.00	0.00	0.00	0.00

See notes to financial statements

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
Revenues				
Taxes:				
Real and Personalty	\$ 10,209,308	\$ 10,819,552	\$ 11,185,436	\$ 365,884
Wholesale Beer	1,050,000	1,050,000	1,184,350	134,350
Sales Tax	11,900,000	13,699,999	13,790,710	90,711
Cable TV Franchise Fee	355,000	355,000	365,424	10,424
Hotel and Motel Tax	370,000	370,000	400,675	30,675
Business Tax	-	-	552,640	552,640
Mixed Drink Tax	12,000	12,000	16,810	4,810
Liquor Tax	380,000	380,000	459,810	79,810
	<u>24,276,308</u>	<u>26,686,551</u>	<u>27,955,855</u>	<u>1,269,304</u>
Tax Equivalents:				
TVA In-Lieu of Tax	380,000	380,000	403,370	23,370
	<u>380,000</u>	<u>380,000</u>	<u>403,370</u>	<u>23,370</u>
Federal, State and Regional				
Apportionments and Grants:				
Sales Tax (St Sales C)	2,725,000	2,725,000	2,966,017	241,017
Income Tax	225,000	225,000	409,022	184,022
Petroleum Special	65,000	65,000	64,984	(16)
Highway Grants and Contracts	135,000	135,000	118,058	(16,942)
Beer Tax	15,000	15,000	15,333	333
Mixed Drink Tax	95,000	95,000	105,738	10,738
Excise Tax	90,000	90,000	152,758	62,758
Business Tax - County Clerk	-	-	116,399	116,399
Business Tax - Trustee	1,025,000	1,382,500	1,126,043	(256,457)
Police and Fire Salary Supplement	76,500	76,500	128,800	52,300
OJP Grants	-	-	8,380	8,380
D.E.A. Grant	-	-	-	-
HOME Grant	27,500	27,500	42,501	15,001
FBI Safe Streets	-	-	6,026	6,026
Highway Safety Grants	15,000	15,000	38,854	23,854
OCEDTF	-	-	4,101	4,101
Intelligent Transportation Grant	1,032,800	1,032,800	69,806	(962,994)
FEMA Torndao	-	-	(1,115)	(1,115)
GNRC	-	-	1,656	1,656
Telecommunications Sales Tax	12,000	12,000	14,092	2,092
	<u>5,538,800</u>	<u>5,896,300</u>	<u>5,387,454</u>	<u>(508,846)</u>
Fines and Costs	783,000	783,000	791,185	8,185
Rent - Other	24,000	24,000	34,000	10,000
Highway and Street Charges	40,000	40,000	41,933	1,933
Interest	115,000	115,000	248,733	133,733
Permits and Licenses	1,045,000	1,541,024	2,011,349	470,325

See notes to financial statements

	Budget		Actual	Variance
	Original	Final		
Cemetery Income	\$ 45,000	\$ 45,000	\$ 61,590	\$ 16,590
Park and Recreation Income	32,300	32,300	22,230	(10,070)
Interest and Penalty on Taxes and Licenses	25,000	25,000	37,956	12,956
Miscellaneous	832,250	977,673	5,275,319	4,297,646
Sale of Equipment	-	27,474	33,812	6,338
	<u>2,941,550</u>	<u>3,610,471</u>	<u>8,558,107</u>	<u>4,947,636</u>
Total Revenues	<u>33,136,658</u>	<u>36,573,322</u>	<u>42,304,786</u>	<u>5,731,464</u>

Expenditures

City Department:

Mayor and Council	282,856	293,260	282,594	10,666
City Attorney/Judicial	221,921	218,641	185,352	33,289
Financial Administration	260,087	260,087	238,951	21,136
Building Maintenance	212,613	247,102	130,047	117,055
Accounting	154,620	154,206	142,620	11,586
Customer Billing	24,921	25,175	19,471	5,704
Johnson Controls	245,863	245,863	245,863	-
Purchasing	46,907	46,586	43,437	3,149
Computer Equipment	479,481	523,203	460,456	62,747
Public Works	383,121	470,837	328,212	142,625
HOME Grant	-	-	-	-
Personnel	491,369	490,889	378,653	112,236
Traffic Maintenance	383,292	398,292	307,613	90,679
General Maintenance	531,439	549,320	391,152	158,168
Police	11,493,844	11,912,261	11,772,470	139,791
Fire	7,145,698	8,145,514	7,344,112	801,402
Building Inspection	494,018	494,018	443,502	50,516
Street	1,998,339	2,546,632	2,242,418	304,214
Animal Control	179,115	188,914	181,357	7,557
Public Safety	5,759,366	5,760,811	3,909,387	1,851,424
Engineering	454,232	621,319	430,895	190,424
Garage	444,918	444,584	384,947	59,637
Cemetery	131,677	131,693	99,158	32,535
Recreation	1,043,458	1,554,788	1,205,658	349,130
Special Events	39,500	39,500	34,590	4,910
Dues & Contributions	303,283	306,283	295,502	10,781
Community Park	264,598	248,360	218,333	30,027
EAC Committee	317	287	313	(26)
Sanitation	2,066,100	2,069,302	1,929,199	140,103
Drainage Migration	55,121	55,121	189,073	(133,952)
Risk Assessment	70,419	70,419	51,988	18,431
Accounting System Debt Service	18,000	18,000	17,935	65
Economic Development	220,321	217,062	185,677	31,385
Intelligent Transportation	1,301,000	1,301,000	87,438	1,213,562
Senior Citizens Center	282,812	282,812	268,865	13,947
Codes Enforcement	168,271	165,055	177,662	(12,607)
Mitchell House	94,704	277,204	251,216	25,988
Radio Communication	-	5,185,367	4,277,023	908,344
Disaster/COVID Relief	-	2,958,374	2,951,822	6,552
Total Expenditures	<u>37,747,601</u>	<u>48,918,141</u>	<u>42,104,961</u>	<u>6,813,180</u>

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
Excess of Revenues Over (Under)				
Expenditures	\$ (4,610,943)	\$ (12,344,819)	\$ 199,825	\$ 12,544,644
Other Financing Sources (Uses):				
Transfers - Tax Equivalents	1,025,963	1,025,963	1,070,609	44,646
Operating Transfers From Other Fun	-	-	-	-
Operating Transfers To Other Funds	(2,923,609)	(3,847,197)	(3,847,296)	(99)
Bond Proceeds	5,100,000	10,285,367	7,656,482	(2,628,885)
Bond Premium	-	-	-	-
Gain on Refunding	-	-	-	-
Payment to Refunding Bond Agent	-	-	-	-
Loan & Capital Lease Proceeds	1,500,000	1,500,000	597,482	(902,518)
Total Other Financing Sources (Uses)	<u>4,702,354</u>	<u>8,964,133</u>	<u>5,477,277</u>	<u>(3,486,856)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 91,411</u>	<u>\$ (3,380,686)</u>	5,677,102	<u>\$ 9,057,788</u>
Fund Balances:				
July 01, 2019			29,539,444	
Change in Encumbrances			(326,124)	
June 30, 2020			<u>\$ 34,890,422</u>	

CITY OF LEBANON, TENNESSEE

NOTE TO BUDGETARY COMPARISON STATEMENT

June 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020. 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, 2020

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, 2020 amounted to \$853,337.

(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, 2020

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 \$11,666,289 have been accrued in the General Fund and the Governmental Activities as receivable and deferred inflows at June 30, 2020.

(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, 2020

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, 2020.

The carrying amount of the City's deposits with financial institutions was \$52,050,021 including \$3,381,222 in certificates of deposit, and the bank balance was \$53,050,484. 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 \$2,118,974 at June 30, 2020, of which \$373,443 is included in "Other Restricted Funds" and is restricted for debt service.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 3 - LONG-TERM DEBT

The City has the following bonds outstanding at June 30, 2020:

	<u>Amount of Original Issue</u>	<u>Range of Maturity Dates</u>	<u>Range of Interest Rates</u>
Primary Government:			
Governmental Activities:			
General Obligation Bonds:			
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%
2018 TMBF Crowell Lane	1,800,000	2021-2040	2.79%
Business-Type Activities:			
Water and Sewer:			
TMBF 2001 Bonds	4,000,000	2004 - 2023	Variable
TMBF 2005 Bonds	1,400,000	2007 - 2026	4.0%
TMBF 2006 Bonds	5,000,000	2008 - 2027	5.0%
TMBF 2008 Bonds	4,150,000	2010 - 2029	5.0%
TMBF 2011 Bonds	1,631,150	2012 - 2031	2.86%
TMBF 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%
Natural Gas:			
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, 2020

NOTE 3 - LONG-TERM DEBT - CONTINUED

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Debt	\$ 26,865,200	\$ 1,800,000	\$ (1,322,700)	\$ 27,342,500	\$ 1,623,500
Notes & Leases	6,154,679	618,821	(774,338)	5,999,162	957,245
	<u>33,019,879</u>	<u>2,418,821</u>	<u>(2,097,038)</u>	<u>33,341,662</u>	<u>2,580,745</u>
Less:					
Amounts not yet borrowed	(11,108,990)	7,604,627	-	(3,504,363)	-
Gain on Refunding	-	-	-	-	-
Total Governmental Activities					
Long-Term Debt	<u>\$ 21,910,889</u>	<u>\$ 10,023,447</u>	<u>\$ (2,097,038)</u>	<u>\$ 29,837,298</u>	<u>\$ 2,580,745</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
Natural Gas	\$ 1,477,000	\$ -	\$ (99,000)	\$ 1,378,000	\$ 103,000
Water & Sewer	44,235,227	4,600,000	(4,031,354)	44,803,873	3,476,580
Stormwater	-	-	-	-	-
	<u>45,712,227</u>	<u>4,600,000</u>	<u>(4,130,354)</u>	<u>46,181,873</u>	<u>3,579,580</u>
Less:					
Amounts not yet borrowed, net of forgiveness	(665,025)	(3,536,421)	-	(4,201,446)	-
Gain on Refunding	-	-	-	-	-
Total Business-Type Activities					
Long-Term Debt	<u>\$ 45,047,202</u>	<u>\$ 1,063,579</u>	<u>\$ (4,130,354)</u>	<u>\$ 41,980,427</u>	<u>\$ 3,579,580</u>

Annual Requirements to Maturity on Long-Term Debt:

<u>Year Ended June 30,</u>	<u>Primary Government Governmental Activities</u>			
	<u>General Obligation Bonds</u>		<u>Equipment Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,623,500	\$ 859,596	\$ 957,245	\$ 87,088
2022	1,666,300	806,688	962,680	79,466
2023	1,713,100	750,733	1,048,534	61,681
2024	1,438,900	694,600	974,625	50,452
2025	1,484,800	646,417	926,639	34,535
2026-2030	6,565,300	2,541,270	1,129,439	26,316
2031-2035	6,587,300	1,550,635	-	-
2036-2040	5,630,400	533,668	-	-
2041	632,900	22,187	-	-
Total	<u>\$ 27,342,500</u>	<u>\$ 8,405,794</u>	<u>\$ 5,999,162</u>	<u>\$ 339,538</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 3 - LONG-TERM DEBT - CONTINUED

	Primary Government			
	Business-Type Activities			
	Water and Sewer Bonds		Water and Sewer Notes	
	Principal	Interest	Principal	Interest
2021	\$ 1,554,000	\$ 576,512	\$ 1,922,580	\$ 493,502
2022	1,603,000	524,880	2,047,398	480,248
2023	1,656,000	471,475	2,099,010	437,004
2024	1,384,000	416,132	2,141,844	392,911
2025	1,425,000	368,988	2,185,608	347,850
2026-2030	4,833,778	1,224,553	10,994,691	1,103,319
2031-2035	4,943,000	781,190	4,075,249	308,979
2036-2040	-	-	2,004,106	69,847
2041-2043	-	-	121,702	803
Total	<u>\$ 17,398,778</u>	<u>\$ 4,363,730</u>	<u>\$ 27,592,188</u>	<u>\$ 3,634,463</u>

	Primary Government	
	Business-Type Activities	
	Natural Gas Bonds	
	Principal	Interest
2021	\$ 103,000	\$ 49,066
2022	107,000	45,086
2023	111,000	40,932
2024	115,000	36,603
2025	119,000	32,101
2026-2030	583,000	85,953
2031-2035	240,000	11,834
Total	<u>\$ 1,378,000</u>	<u>\$ 301,575</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, 2020

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, 2020 the liability for accrued PTO is \$1,644,454.

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, 2020

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	205
Inactive employees entitled to but not yet receiving benefits	331
Active employees	244
	<hr/>
	780
	<hr/>

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, 2020, the Actuarially Determined Contribution (ADC) for Lebanon was \$2,183,694 based on a rate of 14.95% 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, 2020

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, 2019, 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, 2019 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, 2019 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, 2020

NOTE 6 - PENSION EXPENSE – CONTINUED

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

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
US 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%
US fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00%	1%
		<hr style="width: 100%; border: 0.5px solid black;"/> 100%

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Lebanon will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/18	\$ 63,716,872	\$ 62,263,970	\$ 1,452,902
Changes for the year:			
Service cost	1,081,735		1,081,735
Interest	4,620,488		4,620,488
Differences between expected and actual experience	(424,245)		(424,245)
Changes in assumptions	-		-
Contributions-employer	-	2,113,275	(2,113,275)
Contributions-employees	-	-	-
Net investment income	-	4,634,503	(4,634,503)
Benefit payments, including refunds of employee contributions	(2,135,466)	(2,135,466)	-
Administrative expense	-	(22,137)	22,137
Net changes	<hr style="width: 100%; border: 0.5px solid black;"/> 3,142,512	<hr style="width: 100%; border: 0.5px solid black;"/> 4,590,175	<hr style="width: 100%; border: 0.5px solid black;"/> 1,447,663
Balance at 6/30/19	<hr style="width: 100%; border: 0.5px solid black;"/> \$ 66,859,384	<hr style="width: 100%; border: 0.5px solid black;"/> \$ 66,854,145	<hr style="width: 100%; border: 0.5px solid black;"/> \$ 5,239

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Lebanon's net pension liability (asset)	\$ 9,668,796	\$ 5,239	\$ (7,982,465)

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, 2020, Lebanon recognized pension expense of \$2,148,298.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2020, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 2,772,933	\$ 1,887,908
Net difference between projected and actual earnings on pension plan investments	-	762,310
Changes in Assumptions	679,061	-
Contributions subsequent to the measurement date of June 30, 2019	2,183,694	-
Total	<u>\$ 5,635,688</u>	<u>\$ 2,650,218</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2019" 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, 2020

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:

2021	\$	507,944
2022		(69,895)
2023		472,964
2024		(109,243)
2025		-
Thereafter		-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2020, 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, 2020.

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 7 - PENSION EXPENSE – CONTINUED

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. 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, 2019, 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	53
Active employees	176
	<u>229</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, 2020 to the Public Employee Retirement Plan was \$316,563 based on a rate of 1.45% 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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 7 - PENSION EXPENSE – CONTINUED

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, 2019, 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, 2019 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, 2019 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:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 7 - PENSION EXPENSE – CONTINUED

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Lebanon will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/18	\$ 447,846	\$ 671,705	\$ (223,859)
Changes for the year:			
Service cost	271,168		271,168
Interest	52,117		52,117
Differences between expected and actual experience	134,650		134,650
Changes in Assumptions	-		-
Contributions-employer	-	67,833	(67,833)
Contributions-employees	-	311,157	(311,157)
Net investment income	-	63,567	(63,567)
Benefit payments, including refunds of employee contributions	(323)	(323)	-
Administrative expense	-	(14,649)	14,649
Other Changes	-		-
Net changes	<u>457,612</u>	<u>427,585</u>	<u>30,027</u>
Balance at 6/30/19	<u>\$ 905,458</u>	<u>\$ 1,099,290</u>	<u>\$ (193,832)</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 7 - PENSION EXPENSE – CONTINUED

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of Lebanon calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Lebanon's net pension liability (asset)	\$ 85,698	\$ (193,832)	\$ (399,983)

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, 2020, Lebanon recognized negative pension expense of (\$14,483).

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2020, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 220,244	\$ 6,339
Net difference between projected and actual earnings on pension plan investments	-	6,597
Changes in Assumptions	3,581	-
Contributions subsequent to the measurement date of June 30, 2019	316,563	-
Total	<u>\$ 540,388</u>	<u>\$ 12,936</u>

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

2021	\$ 20,634
2022	20,269
2023	21,622
2024	22,594
2025	22,929
Thereafter	102,841

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 7 - PENSION EXPENSE – CONTINUED

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Payable to the Pension Plan

At June 30, 2020, Lebanon reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2020.

NOTE 8 – CAPITAL ASSETS

A summary of changes in Capital Assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 11,815,645	\$ 448,203	\$ -	\$ 12,263,848
Other Capital Assets:				
Buildings	32,173,324	3,258,827	-	35,432,152
Improvements Other Than Buildings	70,518,005	5,953,097	-	76,471,103
Equipment	26,979,296	6,590,151	50,154	33,519,294
Total Other Capital Assets at Historical Cost	<u>129,670,625</u>	<u>15,802,076</u>	<u>50,154</u>	<u>145,422,549</u>
Less Accumulated Depreciation for:				
Buildings	15,158,577	1,033,092	-	16,191,669
Improvements Other Than Buildings	29,517,958	2,388,567	-	31,906,525
Equipment	19,233,229	2,178,262	-	21,411,491
Total Accumulated Depreciation	<u>63,909,764</u>	<u>5,599,922</u>	<u>-</u>	<u>69,509,686</u>
Other Capital Assets, Net	<u>65,760,861</u>	<u>10,202,154</u>	<u>50,154</u>	<u>75,912,863</u>
Governmental Activities Capital Assets, Net	<u>\$ 77,576,505.51</u>	<u>\$ 10,650,357</u>	<u>\$ 50,154</u>	<u>\$ 88,176,711</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 365,109
Public Works	56,380
Public Safety	764,417
Police	593,331
Fire	506,970
Street	2,153,135
Cemetery	803
Recreation	260,148
Jimmy Floyd Family Life Center	297,304
Engineering	40,813
Airport	561,511
	<u>\$ 5,599,922</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 8 – CAPITAL ASSETS – CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business Type Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 2,563,087	\$ -	\$ -	\$ 2,563,087
Construction in Process	5,451,305	1,452,306	-	6,903,611
Total Capital Assets Not Being Depreciated	8,014,392	1,452,306	-	9,466,698
Other Capital Assets:				
Buildings	73,472,734	627,903	-	74,100,637
Improvements Other Than Buildings	160,303,982	9,656,064	-	169,960,046
Equipment	9,673,698	1,304,884	45,186	10,933,396
Total Other Capital Assets at Historical Cost	243,450,414	11,588,851	45,186	254,994,079
Less Accumulated Depreciation for:				
Buildings	29,420,524	2,029,442	-	31,449,966
Improvements Other Than Buildings	69,009,688	4,578,571	-	73,588,259
Equipment	6,244,048	979,422	32,758	7,190,712
Total Accumulated Depreciation	104,674,260	7,587,435	32,758	112,228,937
Other Capital Assets, Net	138,776,153	4,001,415	12,428	142,765,141
Business Type Activities Capital Assets, Net	\$ 146,790,545	\$ 5,453,721	\$ 12,428	\$ 152,231,839

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>June 30,</u>	<u>Collections</u>
2021	\$	24,000
2022		24,000
2023		24,000
2024		24,000
2025		24,000
Thereafter		840,000
	\$	960,000

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 10 - CONSTRUCTION COMMITMENTS

Water and sewer and gas improvements projects in progress at June 30, 2020 totaled \$6,903,610. At June 30, 2020, the City closed \$7,651,437 of completed water and sewer projects into capital assets and expenses. The City also closed \$3,053,090 of completed gas projects into capital assets and expenses during the current fiscal year. Construction cost during the fiscal year ended June 30, 2020 for the water and sewer and gas improvements totaled \$12,082,351. During the fiscal year ended June 30, 2020, the stormwater department had projects totaling \$402,977 and developers' contributions of \$684,119 that the City assumed. The City incurred construction costs of \$1,782,299 for the year ended June 30, 2020, for a new radio communications tower, construction of a new Public Safety building, park constructions, airport construction and street work. In addition, the City assumed \$1,766,152 of developers' contributions. At June 30, 2020, the City had total contracts outstanding for building and road construction and airport projects of \$3,999,126.

NOTE 11 - TRANSFERS

Transfers during the year ended June 30, 2020, are summarized as follows:

	Governmental Funds		
	Major	Other	Proprietary
Transfers	Fund	Nonmajor	Funds
From	General	Governmental	Stormwater
	Funds	Funds	
Transfers			
To			
Governmental Funds:			
Major Funds:			
General			
Other Nonmajor			
Governmental Funds	3,847,296	660,853	5,000
	\$ 3,847,296	\$ 660,853	\$ 5,000

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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES, CONTINUED

Amounts outstanding at June 30, 2020 are as follows:

	Primary Government			Total
	Governmental Funds		Proprietary Funds	
	Major Fund	Other Nonmajor Funds	Stormwater	
Due From	General			
Due To				
Governmental Funds:				
Major Funds:				
General	\$ -	\$ -	\$ 3,475	\$ 3,475
Other Nonmajor Funds	985,048	125,000		1,110,048
	<u>\$ 985,048</u>	<u>\$ 125,000</u>	<u>\$ 3,475</u>	<u>\$ 1,113,523</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.

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, 2020, the City spent \$101,557.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

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, 2020, the audited financial statements for the Board presented a net position of \$201,199.

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. 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 No. 75.

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 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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

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)	142
Total participants with Coverage	546

The insurance carrier establishes the required payments to the plan through plan premiums. For the fiscal year ended June 30, 2020, the City of Lebanon, Tennessee paid \$648,180 to the plan for OPEB benefits as they came due.

Total OPEB Liability – the City's total OPEB Liability of \$21,340,711 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:

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
	After January 1, 2017 the COLAs will be applied to post-65 benefits for grandfathered retirees, at 1.5% annually.
	Vision costs at 4% annually
Retiree's share of benefit related costs	Pre medicare retirees must contribute a monthly amount based on the plan option chosen, smoking status and tier of coverage.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

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 Liability (a)
Balance at 6/30/19	\$ 20,643,164
Changes for the year:	
Service cost	677,990
Interest	667,738
Benefit Changes	-
Differences between expected and actual experience	
Changes in Assumptions	
Contributions-employer	
Contributions-employees	
Net investment income	
Benefit payments, including refunds of employee contributions	(648,180)
Administrative expense	
Other Changes	
Net changes	697,548
Balance at 6/30/20	\$ 21,340,712

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 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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

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 (2.23%)	Current Discount Rate (3.23%)	1% Increase (4.23%)
Net OPEB liability	\$ 24,393,957	\$ 21,340,711	\$ 18,791,685

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 6.5% to 5.75% over 3 years and following the Getzen model thereafter	Current Discount Rate 7.5% to 6.75% over 3 years and following the Getzen model thereafter	1% Increase 8.5% to 7.75% over 3 years and following the Getzen model thereafter
Net OPEB liability	\$ 18,139,431	\$ 21,340,711	\$ 25,356,122

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

OPEB Expense – for the fiscal year ended June 30, 2020, 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, 2020 City of Lebanon, Tennessee reported deferred outflows and deferred inflows of resources related to OPEB benefits from the following sources:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,085,383	\$ -
Changes in Assumptions	2,372,623	-
Other Changes	(345,800)	-
	-	-
Total	\$ 3,112,206	\$ -

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:

2021	\$	345,800
2022		345,800
2023		345,800
2024		345,800
2025		345,800
Thereafter		1,383,206

NOTE 18 – FAIR VALUE MEASUREMENTS

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

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

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 18 – FAIR VALUE MEASUREMENTS, CONTINUED

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

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

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

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 investments include private equity funds, real estate investment,

limited partnerships, certain mortgage and asset backed and common and collective trust funds that are primarily invested in real estate. The fair value of these investments is determined by estimated provided by independent pricing sources in asset classes, non-binding bid prices from industry vendors and managers, and the net asset value on the last day of plan year.

The following table summarizes the classification of fair value assets as of June 30, 2020:

Investments by fair value level	Total at			
	June 30, 2020	Level 1	Level 2	Level 3
Debt Securities:				
US Treasury	\$ 399,816	\$ 399,816	\$ -	\$ -
Taxfree Muni	444,489	-	444,489	-
Fixed Rate Certificates of Deposit	6,083,132	-	6,083,132	-
	<u>\$ 6,927,437</u>	<u>\$ 399,816</u>	<u>\$ 6,527,621</u>	<u>\$ -</u>

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 19 – INTEREST RATE RISK

The City of Lebanon, Tennessee’s investments are invested in the following investment types which have been aggregated into the following categories due to their similar nature:

Investment Type	Par
US Treasury	\$ 400,000
Taxfree Muni	410,000
Fixed Rate Certificates of Deposit	6,000,000
	<u>\$ 6,810,000</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Lebanon, Tennessee manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is the measure by the assignment of a rating by a nationally recognized statistical rating organization

Information about the sensitivity of the fair values of the City of Lebanon, Tennessee’s investments (including investments held by the bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City of Lebanon, Tennessee’s investments by time to expected redemption and the actual rating as of the end of year for each investment type:

Investment Type	Par	Rating as of Year End				
		Remaining Maturity (in Months)		Moody's	S&P	Other
		12 or less	13-24	AA(1-3)	AA	Unrated
US Treasury	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Taxfree Muni	410,000	-	410,000	160,000	250,000	
Fixed Rate Certificates of Deposit	6,000,000	3,500,000	2,500,000			6,000,000
	<u>\$ 6,810,000</u>	<u>\$ 3,900,000</u>	<u>\$ 2,910,000</u>	<u>\$ 160,000</u>	<u>\$ 250,000</u>	<u>\$ 6,400,000</u>

Investments in any one issuer that represent 5% or more of the total of the City of Lebanon, Tennessee’s investments are as follows:

Issuer	Investment Type	Report Amount	% of Portfolio
United States Treasury	Treasury Securities	\$ 400,000	5.87%

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 20 – TCRS STABILIZATION TRUST

Legal Provisions. The City of Lebanon, Tennessee is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The City of Lebanon, Tennessee has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Typical County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest and dividend income. Interest income is recognized when earned. Securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.

- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.

- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments where fair value is measured using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined to be calculated consistent with FASB principles for investment companies.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter's NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

On June 30, 2020, the City of Lebanon, Tennessee had the following investments held by the trust on its behalf:

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Fair Value</u>
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 126,722
Developed Market International Equity	N/A	N/A	57,229
Emerging Market International Equity	N/A	N/A	16,351
U.S. Fixed Income	N/A	N/A	81,756
Real Estate	N/A	N/A	40,878
Short-Term Securities	N/A	N/A	4,088
NAV - Private Equity and Strategic Lending	N/A	N/A	81,756
			<u>\$ 408,780</u>

<u>Investment by Fair Value Level</u>	<u>Fair Value Measurements Using</u>				<u>NAV</u>
	<u>Fair Value 06/30/20</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
U.S. Equity	\$ 126,722	126,722	-	-	-
Developed Market International Equity	57,229	57,229	-	-	-
Emerging Market International Equity	16,351	16,351	-	-	-
U.S. Fixed Income	81,756	-	81,756	-	-
Real Estate	40,878	-	-	40,878	-
Short-Term Securities	4,088	-	4,088	-	-
NAV - Private Equity and Strategic Lending	81,756	-	-	-	81,756
	<u>\$ 408,780</u>	<u>\$ 200,302</u>	<u>\$ 85,844</u>	<u>\$ 40,878</u>	<u>\$ 81,756</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City of Lebanon, Tennessee does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City of Lebanon, Tennessee does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. City of Lebanon, Tennessee places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the

trust agreement, investments are held in the name of the trust for the benefit of the City of Lebanon, Tennessee to pay retirement benefits of the City of Lebanon, Tennessee's employees.

For further information concerning the City of Lebanon, Tennessee's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2020/ag19091.pdf>.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020

NOTE 21 – RESTATEMENT OF NET POSITION

During the current year, it was discovered that the amounts reported on the June 30, 2019 financial statements for Deferred Outflows Related to Pension and Deferred Inflows Related to Pension were understated. The net of these overstatements resulted in the following increases to opening net position:

Governmental Activities	\$ 2,419,616
Business Type Activities:	
Water/Sewer	915,559
Gas	136,807
Total Restatement	<u>\$ 3,471,982</u>

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

	2018	2019	2020
Balance, beginning of year	\$ 15,766,712	\$ 16,294,675	\$ 20,643,164
Changes for the year:			
Service cost	480,821	635,119	677,990
Interest	494,544	526,893	667,737
Benefit Changes	-	-	-
Experience losses	-	1,193,921	-
Changes in Assumptions	-	2,609,885	-
Contributions - Employer	-	-	-
Benefit payments, including refunds of employee contributions	(447,402)	(617,329)	(648,180)
Net changes	<u>527,963</u>	<u>4,348,489</u>	<u>697,547</u>
Balance, end of year	<u>\$ 16,294,675</u>	<u>\$ 20,643,164</u>	<u>\$ 21,340,711</u>
Covered employee payroll	\$ 15,591,573	\$ 18,467,210	\$ 18,928,890
Total OPEB Liability as a percentage of covered employee payroll	104.51%	111.78%	112.74%

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	2019
Total pension liability	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129	\$ 1,131,382	\$ 1,081,735
Service cost	3,399,484	3,646,565	3,607,189	3,947,625	4,444,447	4,620,488
Interest	-	-	-	-	-	-
Changes in benefit terms	661,593	(3,214,342)	1,856,474	4,119,182	(1,050,216)	(424,245)
Differences between actual & expected experience	-	-	-	1,358,123	-	-
Change of assumptions	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)
Benefit payments, including refunds of employee contributions	3,279,673	(372,484)	4,398,328	8,597,024	2,565,458	3,142,512
Net change in total pension liability	45,248,873	48,528,546	48,156,062	52,554,390	61,151,414	63,716,872
Total pension liability-beginning	\$ 48,528,546	\$ 48,156,062	\$ 52,554,390	\$ 61,151,414	\$ 63,716,872	\$ 66,859,384
Total pension liability-ending (a)	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129	\$ 1,131,382	\$ 1,081,735
Plan fiduciary net position	\$ 1,828,142	\$ 1,774,194	1,834,691	\$ 2,279,703	\$ 2,157,052	\$ 2,113,275
Contributions-employer	-	-	-	-	-	-
Contributions-employee	6,887,411	1,492,974	1,322,269	5,812,495	4,765,579	4,634,503
Net investment income	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)
Benefit payments, including refunds of employee contributions	(13,375)	(13,288)	(22,551)	(23,677)	(25,191)	(22,137)
Administrative expense	6,984,203	1,459,827	1,124,144	6,251,486	4,937,285	4,590,175
Net change in plan fiduciary net position	41,507,025	48,491,228	49,951,055	51,075,199	57,326,685	62,263,970
Plan fiduciary net position-beginning	\$ 48,491,228	\$ 49,951,055	\$ 51,075,199	\$ 57,326,685	\$ 62,263,970	\$ 66,854,145
Plan fiduciary net position-ending (b)	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129	\$ 1,131,382	\$ 1,081,735
Net Pension Liability (asset)-ending (a) - (b)	\$ 37,318	\$ (1,794,993)	\$ 1,479,191	\$ 3,824,729	\$ 1,452,902	\$ 5,239
Plan fiduciary net position as a percentage of total pension liability	99.92%	103.73%	97.19%	93.75%	97.72%	99.99%
Covered-employee payroll	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	\$ 14,303,140	\$ 14,070,055
Net pension liability (asset) as a percentage of covered-employee payroll	0.29%	-13.46%	10.73%	25.17%	10.16%	0.04%

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	2019	2020
Actuarially determined contribution	\$ 1,828,142	\$ 1,774,194	\$ 1,834,691	\$ 2,024,375	\$ 2,157,052	\$ 2,110,521	2,183,694
Contributions in relation to the actuarially determined contributic	1,828,142	1,774,194	1,834,691	2,279,703	2,157,052	2,110,521	2,183,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (255,328)	\$ -	\$ (0)	\$ -
Covered-employee payroll	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	14,303,140	\$ 14,070,138	\$ 14,606,649
Contributions as a percentage covered-employee payroll	14.13%	13.30%	13.30%	15.00%	15.08%	15.00%	14.95%

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	2019
Total pension liability				
Service cost	\$ 60,774	\$ 92,342	\$ 137,695	\$ 271,168
Interest	4,558	11,079	23,829	52,117
Changes in benefit terms	-	-	-	-
Differences between actual & expected experience	(9,959)	27,271	95,335	134,650
Change of assumptions	-	4,922	-	-
Benefit payments, including refunds of employee contributions	-	-	-	(323)
Net change in total pension liability	55,373	135,614	256,859	457,612
Total pension liability-beginning	-	55,373	190,987	447,846
Total pension liability-ending (a)	<u>\$ 55,373</u>	<u>\$ 190,987</u>	<u>\$ 447,846</u>	<u>\$ 905,458</u>
Plan fiduciary net position				
Contributions-employer	\$ 34,759	\$ 89,004	\$ 156,337	\$ 67,833
Contributions-employee	43,449	111,256	195,422	311,157
Net investment income	1,043	19,876	38,401	63,567
Benefit payments, including refunds of employee contributions	-	-	-	(323)
Administrative expense	(2,675)	(5,688)	(10,412)	(14,649)
Other	933	-	-	-
Net change in plan fiduciary net position	77,509	214,448	379,748	427,585
Plan fiduciary net position-beginning	-	77,509	291,957	671,705
Plan fiduciary net position-ending (b)	<u>\$ 77,509</u>	<u>\$ 291,957</u>	<u>\$ 671,705</u>	<u>\$ 1,099,290</u>
Net Pension Liability (asset)-ending (a) – (b)	<u>\$ (22,136)</u>	<u>\$ (100,970)</u>	<u>\$ (223,859)</u>	<u>\$ (193,832)</u>
Plan fiduciary net position as a percentage of total pension liability	139.98%	152.87%	149.99%	121.41%
Covered-employee payroll	\$ 871,710	2,225,577	\$ 3,908,422	\$ 6,223,123
Net pension liability (asset) as a percentage of covered-employee payroll	-2.54%	-4.54%	-5.73%	-3.11%

Notes to Schedule:

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

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

	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 17,325	\$ 25,149	\$ 53,545	\$ 248,919	\$ 67,833
Contributions in relation to the actuarially determined contribution	34,759	89,004	156,337	560,471	316,563
Contribution deficiency (excess)	<u>\$ (17,434)</u>	<u>\$ (63,855)</u>	<u>\$ (102,792)</u>	<u>\$ (311,552)</u>	<u>\$ (248,730)</u>
Covered-employee payroll	871,710	2,225,577	3,908,422	6,222,983	6,223,211
Contributions as a percentage covered-employee payroll	3.99%	4.00%	4.00%	4.00%	1.09%

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

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

ASSETS	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
Cash	\$ 2,382,343	\$ 10,435	\$ 943,804	\$ 3,336,582
Investment in State Investment Pool	-	783,437	-	783,437
Certificates of Deposit	36,701	-	-	36,701
Accounts Receivable:				
State of Tennessee	185	-	317,834	318,019
Other	372,869	-	1,038,198	1,411,067
Due from Other Funds	705,048	-	405,000	1,110,048
Prepaid Expenses	12,818	-	-	12,818
	<u>\$ 3,509,964</u>	<u>\$ 793,872</u>	<u>\$ 2,704,836</u>	<u>\$ 7,008,672</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2020

LIABILITIES	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Accounts Payable				
Vendors	\$ 501,222	\$ -	\$ 1,338,482	\$ 1,839,704
Due to Other Funds	125,000	-	-	125,000
Bank Overdraft	586,390	4,243	262,704	853,337
Accrued Payroll and Related Items	35,542	-	-	35,542
Accrued Vacation Pay	1,256	-	-	1,256
Total Liabilities	1,249,410	4,243	1,601,186	2,854,839
FUND BALANCES				
Fund Balances:				
Restricted for:				
Debt Service		789,629	-	789,629
Street	1,388,868	-	-	1,388,868
Recreation	-	-	500	500
Drug Enforcement	326,136	-	-	326,136
Community Assistance	75,948	-	-	75,948
Police	21,553	-	-	21,553
Airport	-	-	-	-
Economic Development	123,923	-	-	123,923
Committed to:				
Airport	-	-	-	-
Cemetery	157,330	-	-	157,330
Police	60,325	-	-	60,325
OPEB	-	-	-	-
Assigned to:				
Recreation	-	-	226,506	226,506
Airport	53,385	-	221,098	274,483
Street	-	-	637,905	637,905
Public Works	-	-	-	-
Police	2,543	-	17,641	20,184
Economic Development	188	-	-	188
Floyd Family Life Center	50,355	-	-	50,355
Total Fund Balances	2,260,554	789,629	1,103,650	4,153,833
Total Liabilities and Fund Balances	\$ 3,509,964	\$ 793,872	\$ 2,704,836	\$ 7,008,672

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, 2020

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Revenues				
State and Regional Apportionments and Grants	\$ 1,307,933	\$ -	\$ 1,071,769	\$ 2,379,702
Federal Grants	(2,141)			(2,141)
Fines and Costs	10,597	-	-	10,597
Interest	21,786	13,721	11,875	47,382
Other Revenues	2,131,265	-	2,354,698	4,485,963
Total Revenues	3,469,440	13,721	3,438,342	6,921,502
Expenditures				
General Government	26,888	-	-	26,888
Public Works	-	-	-	-
Police	103,754	-	26,393	130,147
Street	577,557	-	25,131	602,688
Jimmy Floyd Family Life Center	1,361,953	-	-	1,361,953
Airport	902,900	-	57,044	959,944
Recreation	-	-	-	-
Debt Service:				
Principal	-	1,507,463	-	1,507,463
Interest	-	545,145	-	545,145
Capital Outlay	311,798	-	6,172,372	6,484,170
Total Expenditures	3,284,850	2,052,608	6,280,940	11,618,398
Excess (Deficiency) of Revenues Over Expenditures	184,590	(2,038,887)	(2,842,598)	(4,696,896)
Other Financing Sources (Uses)				
Loan Proceeds	-	-	1,737,889	1,737,889
Transfers From Other Funds	731,100	2,623,899	1,158,150	4,513,149
Transfers To Other Funds	(660,853)	-	-	(660,853)
Total Other Financing Sources (Uses)	70,247	2,623,899	2,896,039	5,590,185
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	254,837	585,012	53,441	893,289
Fund Balances				
July 01, 2019	1,992,217	204,617	1,260,234	3,457,068
Increase (Decrease) in Encumbrances	13,500	-	(106,688)	(93,188)
Transfer Fund Balance to General Fund	-	-	(103,337)	(103,337)
June 30, 2020	\$ 2,260,554	\$ 789,629	\$ 1,103,650	\$ 4,153,832

See notes to financial statements

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

June 30, 2020

ASSETS	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Cash	\$ 1,604,308	\$ 206,696	\$ -	\$ 71,378	\$ -	\$ 4,570	\$ 20,896
Certificates of Deposit	-	-	36,701	-	-	-	-
Due From Other Funds	-	-	350,000	-	355,048	-	-
Prepaid Expenses	-	-	9,707	-	3,111	-	-
Other Receivables	-	11,660	43,223	-	314,474	-	-
Total Assets	\$ 1,604,308	\$ 218,356	\$ 439,631	\$ 71,378	\$ 672,633	\$ 4,570	\$ 20,896
LIABILITIES AND FUND BALANCE							
Accounts Payable	\$ 90,440	\$ 23,023	\$ 86,284	\$ -	\$ 300,432	\$ -	\$ -
Due to Other Funds	125,000	-	-	-	-	-	-
Bank Overdraft	-	-	266,194	-	320,196	-	-
Accrued Payroll and Related Items	-	-	35,542	-	-	-	-
Accrued Vacation Pay	-	-	1,256	-	-	-	-
Total Liabilities	215,440	23,023	389,276	-	620,628	-	-
Fund Balances:							
Restricted for:							
Street	1,388,868	-	-	-	-	-	-
Drug Enforcement	-	195,333	-	-	-	-	-
Community Assistance	-	-	-	71,378	-	4,570	-
Police	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	19,832
Committed to:							
Airport	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Assigned to:							
Floyd Family Life Center	-	-	50,355	-	-	-	-
Police	-	-	-	-	-	-	-
Airport	-	-	-	-	52,005	-	1,064
Economic Development	-	-	-	-	-	-	-
Total Fund Balance	1,388,868	195,333	50,355	71,378	52,005	4,570	20,896
Total Liabilities and Fund Balance	\$ 1,604,308	\$ 218,356	\$ 439,631	\$ 71,378	\$ 672,633	\$ 4,570	\$ 20,896

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

June 30, 2020

ASSETS	Cemetery Maintenance	Federal Asset Seizure	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	Tourism & Economic Development	Total Nonmajor Funds
Cash	\$ 157,293	\$ 30,316	\$ 100,487	\$ 3,200	\$ 61,641	\$ 121,558	\$ 2,382,343
Certificates of Deposit	-	-	-	-	-	-	36,701
Due From Other Funds	-	-	-	-	-	-	705,048
Prepaid Expenses	-	-	-	-	-	-	12,818
Other Receivables	37	-	-	-	64	3,596	373,054
Total Assets	\$ 157,330	\$ 30,316	\$ 100,487	\$ 3,200	\$ 61,705	\$ 125,154	\$ 3,509,964

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,043	\$ 501,222
Due to Other Funds	-	-	-	-	-	-	125,000
Bank Overdraft	-	-	-	-	-	-	586,390
Accrued Payroll and Related Items	-	-	-	-	-	-	35,542
Accrued Vacation Pay	-	-	-	-	-	-	1,256
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,043	\$ 1,249,410

Fund Balances:

Restricted for:

Street	-	-	-	-	-	-	1,388,868
Drug Enforcement	-	30,316	100,487	-	-	-	326,136
Community Assistance	-	-	-	-	-	-	75,948
Police	-	-	-	1,721	-	-	21,553
Economic Development	-	-	-	-	-	123,923	123,923
Committed to:							
Airport	-	-	-	-	-	-	-
Cemetery	157,330	-	-	-	-	-	157,330
Police	-	-	-	-	60,325	-	60,325
Assigned to:							
Floyd Family Life Center	-	-	-	-	-	-	50,355
Police	-	-	-	1,479	-	-	2,543
Airport	-	-	-	-	1,380	-	53,385
Economic Development	-	-	-	-	-	188	188
Total Fund Balance	\$ 157,330	\$ 30,316	\$ 100,487	\$ 3,200	\$ 61,705	\$ 124,111	\$ 2,260,554
Total Liabilities and Fund Balance	\$ 157,330	\$ 30,316	\$ 100,487	\$ 3,200	\$ 61,705	\$ 125,154	\$ 3,509,964

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, 2020

Revenues:	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
State and Regional							
Apportionments and Grants	\$ 1,169,010	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -
Federal Grants	-	(2,141)	-	-	-	-	-
Contributions	-	-	-	34,198	25,000	3,000	-
Interest Income	10,853	601	5,145	121	991	214	193
Fines and Costs	-	10,597	-	-	-	-	-
Memberships, Fees and Concessions	-	-	838,281	-	-	-	51,901
Other	-	43,476	69,874	-	959,831	-	-
Total Revenues	1,179,863	52,533	913,300	34,319	1,000,822	3,214	52,094
Expenditures:							
Salaries	-	-	722,451	-	-	-	43,912
Payroll Taxes	-	-	53,811	-	-	-	3,359
Benefits	-	-	154,502	-	-	-	7,546
Other Operating Expenditures	577,557	31,128	431,190	17,850	902,900	5,230	-
Capital Outlay	101,557	-	191,241	-	-	-	-
Total Expenditures	679,114	31,128	1,553,195	17,850	902,900	5,230	54,817
Excess of Revenues Over (Under) Expenditures	500,749	21,405	(639,895)	16,469	97,922	(2,016)	(2,723)
Other Financing Sources (Uses):							
Operating Transfers To Other funds	(500,000)	-	-	-	(160,853)	-	-
Operating Transfers From Other Funds	-	-	652,000	-	72,000	6,500	-
Total Other Financing Sources (Uses)	(500,000)	-	652,000	-	(88,853)	6,500	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	749	21,405	12,105	16,469	9,069	4,484	(2,723)
Fund Balances:							
July 01, 2019	1,388,119	173,928	38,250	54,909	29,436	86	23,619
Change in Encumbrances	-	-	-	-	13,500	-	-
June 30, 2020	\$ 1,388,868	\$ 195,333	\$ 50,355	\$ 71,378	\$ 52,005	\$ 4,570	\$ 20,896

CITY OF LEBANON, TENNESSEE
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2020

Revenues:	Cemetery Maintenance	Federal Asset Seizure	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	Tourism & Economic Development	Total Nonmajor Funds
State and Regional							
Apportionments and Grants	\$ -	\$ -	-	\$ -	-	\$ 123,923	\$ 1,307,933
Federal Grants	-	-	-	-	-	-	(2,141)
Contributions	-	-	-	-	-	-	62,198
Interest Income	904	1,224	663	36	653	188	21,786
Fines and Costs	-	-	-	-	-	-	10,597
Memberships, Fees and Concessions	13,450	-	-	-	-	-	903,632
Other	-	43,224	36,396	-	12,634	-	1,165,435
Total Revenues	<u>14,354</u>	<u>44,448</u>	<u>37,059</u>	<u>36</u>	<u>13,287</u>	<u>124,111</u>	<u>3,469,440</u>
Expenditures:							
Salaries	-	-	-	-	-	-	766,363
Payroll Taxes	-	-	-	-	-	-	57,170
Benefits	-	-	-	-	-	-	162,048
Other Operating Expenditures	3,782	-	17,808	26	-	-	1,987,471
Capital Outlay	-	19,000	-	-	-	-	311,798
Total Expenditures	<u>3,782</u>	<u>19,000</u>	<u>17,808</u>	<u>26</u>	<u>-</u>	<u>-</u>	<u>3,284,850</u>
Excess of Revenues Over (Under) Expenditures	10,572	25,448	19,251	10	13,287	124,111	184,590
Other Financing Sources (Uses):							
Operating Transfers To Other funds	-	-	-	-	-	-	(660,853)
Operating Transfers From Other Funds	-	600	-	-	-	-	731,100
Total Other Financing Sources (Uses)	<u>-</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,247</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	10,572	26,048	19,251	10	13,287	124,111	254,837
Fund Balances:							
July 01, 2019	146,758	4,268	81,236	3,190	48,418	-	1,992,217
Decrease in Encumbrances	-	-	-	-	-	-	13,500
June 30, 2020	<u>\$ 157,330</u>	<u>\$ 30,316</u>	<u>\$ 100,487</u>	<u>\$ 3,200</u>	<u>\$ 61,705</u>	<u>\$ 124,111</u>	<u>\$ 2,260,554</u>

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

June 30, 2020

ASSETS	Police Local Option Fine	Airport Capital Projects	Payment in Lieu of Sidewalks	Lebanon- Wilson County Community Park	Street Improvements	Total Nonmajor Funds
Cash	\$ -	\$ 197,535	\$ -	\$ 227,006	\$ 519,263	\$ 943,804
Due from State	-	23,563	-	-	294,271	317,834
Due from Other Funds	280,000	-	-	-	125,000	405,000
Other Receivables	1,095	-	-	-	1,037,103	1,038,198
Total Assets	\$ 281,095	\$ 221,098	\$ -	\$ 227,006	\$ 1,975,637	\$ 2,704,836
LIABILITIES AND FUND BALANCES						
Due to Other Funds	\$ 262,704	\$ -	\$ -	\$ -	\$ -	\$ 262,704
Accounts Payable	750	-	-	-	1,337,732	1,338,482
Total Liabilities	263,454	-	-	-	1,337,732	1,601,186
Fund Balances:						
Restricted for:						
Recreation	-	-	-	500	-	500
Assigned to:						
Police	17,641	-	-	-	-	17,641
Recreation	-	-	-	226,506	-	226,506
Airport	-	221,098	-	-	-	221,098
Street	-	-	-	-	637,905	637,905
Total Fund Balances	17,641	221,098	-	227,006	637,905	1,103,650
Total Liabilities and Fund Balances	\$ 281,095	\$ 221,098	\$ -	\$ 227,006	\$ 1,975,637	\$ 2,704,836

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

Year Ended June 30, 2020

	Police Local	Airport Capital	Payment in Lieu of	Lebanon- Wilson County	Street Improvements	Total Nonmajor
Revenues						
State Grants	\$ -	\$ 1,071,769	\$ -	\$ -	\$ -	\$ 1,071,769
Federal Grants	-	-	-	-	-	-
Other Revenues	312,349	7	-	-	2,042,342	2,354,698
Interest Earnings	5,042	906	-	813	5,114	11,875
Total Revenues	<u>317,391</u>	<u>1,072,682</u>	<u>-</u>	<u>813</u>	<u>2,047,456</u>	<u>3,438,342</u>
Expenditures						
Other Operating Expenditures	26,393	57,044	-	-	25,131	108,568
Debt Service	-	-	-	-	-	-
Capital Outlay	620,724	1,038,344	-	389,194	4,124,110	6,172,372
Total Expenditures	<u>647,117</u>	<u>1,095,388</u>	<u>-</u>	<u>389,194</u>	<u>4,149,241</u>	<u>6,280,940</u>
Excess of Revenues Over (Under) Expenditures	(329,726)	(22,706)	-	(388,381)	(2,101,785)	(2,842,598)
Other Financing Sources (Uses)						
Bond Proceeds	-	-	-	399,749	1,338,140	1,737,889
Operating Transfers To Other Funds	-	-	-	-	-	-
Operating Transfers From Other Funds	280,000	128,150	-	100,000	650,000	1,158,150
Total Other Financing Sources (Uses)	<u>280,000</u>	<u>128,150</u>	<u>-</u>	<u>499,749</u>	<u>1,988,140</u>	<u>2,896,039</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(49,726)	105,444	-	111,368	(113,645)	53,441
Fund Balances						
July 01, 2019	164,000	115,654	103,337	125,693	751,550	1,260,234
Increase in Encumbrances	(96,633)	-	-	(10,055)	-	(106,688)
Transfer Fund Balance to General Fund	-	-	(103,337)	-	-	(103,337)
June 30, 2020	<u>\$ 17,641</u>	<u>\$ 221,098</u>	<u>\$ -</u>	<u>\$ 227,006</u>	<u>\$ 637,905</u>	<u>\$ 1,103,650</u>

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

June 30, 2020

ASSETS	2013		2004		2003		2008 Refunding 2016 Refunding		2008		2011		2016 Legends	
	Bond Fund		Bond Fund		Bond Fund		Bond Fund		Bond Fund		Bond Fund		Drive	Drive
Cash	\$ 116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in State Investment Pool	45	13,654	2,201	2,201	7,631	7,631	14,171	14,171	1,075	1,075	24,597	24,597	24,597	24,597
Total Assets	\$ 161	\$ 13,654	\$ 2,201	\$ 2,201	\$ 7,631	\$ 7,631	\$ 14,171	\$ 14,171	\$ 1,075	\$ 1,075	\$ 24,597	\$ 24,597	\$ 24,597	\$ 24,597
LIABILITIES AND FUND BALANCES														
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Overdraft	-	-	2,172	2,172	1,655	1,655	14,171	14,171	910	910	24,597	24,597	24,597	24,597
Fund Balances - Restricted for Debt Service	161	13,654	29	29	5,976	5,976	14,171	14,171	1,075	1,075	24,597	24,597	24,597	24,597
Total Liabilities and Fund Balances	\$ 161	\$ 13,654	\$ 2,201	\$ 2,201	\$ 7,631	\$ 7,631	\$ 14,171	\$ 14,171	\$ 1,075	\$ 1,075	\$ 24,597	\$ 24,597	\$ 24,597	\$ 24,597

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2020

	2013		2004		2003		2008 Refunding 2016 Refunding		2008		2011		2016 Legends	
	Bond Fund		Bond Fund		Bond Fund		Bond Fund		Bond Fund		Bond Fund		Drive	Drive
Revenues	\$ (376)	\$ 797	\$ 29	\$ 29	\$ 1,372	\$ 1,372	\$ 1,332	\$ 1,332	\$ 242	\$ 242	\$ 1,717	\$ 1,717	\$ 1,717	\$ 1,717
Interest Income	184,763	101,000	-	-	285,000	285,000	192,000	192,000	50,000	50,000	229,000	229,000	229,000	229,000
Expenditures	26,876	12,701	-	-	36,150	36,150	34,678	34,678	13,725	13,725	98,703	98,703	98,703	98,703
Principal	211,639	113,701	-	-	321,150	321,150	226,678	226,678	63,725	63,725	327,703	327,703	327,703	327,703
Interest	(212,015)	(112,904)	29	29	(319,778)	(319,778)	(225,346)	(225,346)	(63,483)	(63,483)	(325,986)	(325,986)	(325,986)	(325,986)
Excess of Revenues Over (Under) Expenditures	211,639	113,951	-	-	321,150	321,150	227,512	227,512	63,725	63,725	327,870	327,870	327,870	327,870
Operating Transfers From Other Funds	211,639	113,951	-	-	321,150	321,150	227,512	227,512	63,725	63,725	327,870	327,870	327,870	327,870
Total Other Financing Sources (Uses)	(376)	1,047	29	29	1,372	1,372	2,166	2,166	242	242	1,884	1,884	1,884	1,884
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	537	12,607	-	-	4,604	4,604	12,005	12,005	668	668	22,713	22,713	22,713	22,713
Fund Balances	\$ 161	\$ 13,654	\$ 29	\$ 29	\$ 5,976	\$ 5,976	\$ 14,171	\$ 14,171	\$ 910	\$ 910	\$ 24,597	\$ 24,597	\$ 24,597	\$ 24,597
July 01, 2019														
June 30, 2020														

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

June 30, 2020

2016 Airport Terminal	Westside Park	Airport Maintenance Hangar	Public Safety Building	Radio Systems	Road Improvements	Equipment	Total Nonmajor Funds
\$ -	\$ -	\$ 10,319	\$ -	\$ -	\$ -	\$ -	\$ 10,435
8,157	141,868	2,959	337,771	118,299	54,636	56,373	783,437
<u>8,157</u>	<u>141,868</u>	<u>13,278</u>	<u>337,771</u>	<u>118,299</u>	<u>54,636</u>	<u>56,373</u>	<u>793,872</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	246	-	5	-	-	-	-
8,157	141,622	13,278	337,766	118,299	54,636	56,373	4,243
<u>8,157</u>	<u>141,868</u>	<u>13,278</u>	<u>337,771</u>	<u>118,299</u>	<u>54,636</u>	<u>56,373</u>	<u>789,629</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>8,157</u>	<u>141,868</u>	<u>13,278</u>	<u>337,771</u>	<u>118,299</u>	<u>54,636</u>	<u>56,373</u>	<u>793,872</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2020

2016 Airport Terminal	Westside Park	Airport Maintenance Hangar	Public Safety Building	Radio Systems	Road Improvements	Equipment	Total Nonmajor Funds
\$ 558	\$ 2,227	\$ 366	\$ 2,528	\$ 2,682	\$ 126	\$ 121	\$ 13,721
74,000	162,000	30,700	-	199,000	-	-	1,507,463
32,352	80,473	23,718	63,755	110,618	6,635	4,761	545,145
<u>106,352</u>	<u>242,473</u>	<u>54,418</u>	<u>63,755</u>	<u>309,618</u>	<u>6,635</u>	<u>4,761</u>	<u>2,052,608</u>
(105,794)	(240,246)	(54,052)	(61,227)	(306,936)	(6,509)	(4,640)	(2,038,887)
106,435	272,931	54,418	376,875	425,235	61,145	61,013	2,623,899
<u>106,435</u>	<u>272,931</u>	<u>54,418</u>	<u>376,875</u>	<u>425,235</u>	<u>61,145</u>	<u>61,013</u>	<u>2,623,899</u>
641	32,685	366	315,648	118,299	54,636	56,373	585,012
7,516	108,937	12,912	22,118	-	-	-	204,617
<u>8,157</u>	<u>141,622</u>	<u>13,278</u>	<u>337,766</u>	<u>118,299</u>	<u>54,636</u>	<u>56,373</u>	<u>789,629</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Gas 1989	\$ 1,100,000	\$ 1,100,000	\$ 95,662	\$ (1,004,338)
Gas 3 cent	-	-	177,256	177,256
Gas 2017	-	-	291,978	291,978
Gasoline & Motor Fuel Tax	-	-	604,115	604,115
Interest Income	2,000	2,000	10,853	8,853
Total Revenues	<u>1,102,000</u>	<u>1,102,000</u>	<u>1,179,863</u>	<u>77,863</u>
Expenditures				
Utilities and Other				
Operating Expenditures	615,000	725,000	577,557	147,443
Capital Expenditures	-	390,000	101,557	288,443
Total Expenditures	<u>615,000</u>	<u>1,115,000</u>	<u>679,114</u>	<u>435,886</u>
Excess of Revenues Over (Under)				
Expenditures	487,000	(13,000)	500,749	513,749
Other Financing Sources (Uses):				
Transfers to Other Funds	(500,000)	(500,000)	(500,000)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (13,000)</u>	<u>\$ (513,000)</u>	749	<u>\$ 513,749</u>
Fund Balances				
July 01, 2019			<u>1,388,119</u>	
June 30, 2020			<u>\$ 1,388,868</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Court Fines and Cost	\$ 12,000	\$ 12,000	\$ 10,597	\$ (1,403)
Interest Income	500	500	601	101
Federal Grants	-	-	(2,141)	(2,141)
Other	45,000	45,000	43,476	(1,524)
Total Revenues	<u>57,500</u>	<u>57,500</u>	<u>52,533</u>	<u>(4,967)</u>
Expenditures				
Capital Expenditures	-	-	-	-
Other Operating Expenditures	124,700	124,700	31,128	93,572
Total Expenditures	<u>124,700</u>	<u>124,700</u>	<u>31,128</u>	<u>93,572</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (67,200)</u>	<u>\$ (67,200)</u>	21,405	<u>\$ (98,539)</u>
Fund Balances				
July 01, 2019			<u>173,928</u>	
June 30, 2020			<u>\$ 195,333</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Memberships, Fees and Concessions	\$ 1,189,500	\$ 1,193,711	\$ 838,281	\$ (355,430)
Rent	27,000	27,000	22,532	(4,468)
Other Revenues	-	8,805	47,342	38,537
Interest	1,500	1,500	5,145	3,645
Total Revenues	<u>1,218,000</u>	<u>1,231,016</u>	<u>913,300</u>	<u>(317,716)</u>
Expenditures:				
Salaries	721,379	732,471	722,451	10,020
Payroll Taxes	55,185	55,185	53,811	1,374
Benefits	196,408	198,418	154,502	43,916
Utilities	200,000	205,404	205,403	1
Telephone	24,899	24,899	24,063	836
Maintenance	37,620	34,425	34,134	291
Contractual Services	24,354	24,354	24,126	228
Supplies	99,548	100,548	97,414	3,134
Insurance	18,000	15,686	14,478	1,208
Other Operating Expenditures	43,381	42,400	31,572	10,828
Capital Outlay	121,000	214,629	191,241	23,388
Total Expenditures	<u>1,541,774</u>	<u>1,648,419</u>	<u>1,553,195</u>	<u>95,224</u>
Excess of Revenues Over (Under)				
Expenditures	(323,774)	(417,403)	(639,895)	(222,492)
Other Financing Sources (Uses)				
Operating Transfers In	299,000	299,000	652,000	353,000
Loan Proceeds	25,000	25,000	-	-
Total Other Financing Sources (Uses)	<u>324,000</u>	<u>324,000</u>	<u>652,000</u>	<u>353,000</u>
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	<u>\$ 226</u>	<u>\$ (93,403)</u>	<u>12,105</u>	<u>\$ 130,508</u>
Fund Balances				
July 01, 2019			<u>38,250</u>	
June 30, 2020			<u>\$ 50,355</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 50	\$ 50	\$ 121	\$ 71
Contributions and Fundraiser	16,500	17,950	34,198	16,248
Total Revenues	<u>16,550</u>	<u>18,000</u>	<u>34,319</u>	<u>16,319</u>
Expenditures				
Other	16,550	18,000	17,850	150
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	16,469	<u>\$ 16,469</u>
Fund Balances				
July 01, 2019			<u>54,909</u>	
June 30, 2020			<u>\$ 71,378</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
State Grant	\$ 14,300	\$ 14,300	\$ 15,000	\$ 700
Rent	289,300	320,100	306,913	(13,187)
Fuel Sales	16,000	16,695	19,054	2,359
Contributions	25,000	25,000	25,000	-
Other Revenues	-	633,855	633,864	9
Interest	1,000	1,000	991	(9)
Total Revenues	<u>345,600</u>	<u>1,010,950</u>	<u>1,000,822</u>	<u>(10,128)</u>
Expenditures:				
Utilities	27,000	35,440	35,440	-
Repairs & Maintenance	72,000	110,302	89,640	20,662
Contractual Services	15,000	25,125	25,124	1
Management Fee	22,000	24,264	24,264	-
Other Operating	108,813	731,363	728,432	2,931
Total Expenditures	<u>244,813</u>	<u>926,494</u>	<u>902,900</u>	<u>23,594</u>
Excess of Revenues Over (Under) Expenditures	100,787	84,456	97,922	13,466
Other Financing Sources (Uses):				
Transfers from Other Funds	72,000	72,000	72,000	-
Transfers to Other Funds	(170,030)	(160,880)	(160,853)	27
Total Other Financing Sources (Uses)	<u>(98,030)</u>	<u>(88,880)</u>	<u>(88,853)</u>	<u>27</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 2,757</u>	<u>\$ (4,424)</u>	9,069	<u>\$ 13,493</u>
Fund Balance				
July 01, 2019			29,436	
Increase in Encumbrances			13,500	
June 30, 2020			<u><u>\$ 52,005</u></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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ 100	\$ 100	\$ 214	\$ 114
Contributions	11,000	11,000	3,000	(8,000)
	<u>11,100</u>	<u>11,100</u>	<u>3,214</u>	<u>(7,886)</u>
Expenditures				
Operating Expenditures	11,100	11,100	5,230	5,870
Excess of Revenues Over (Under)				
Expenditures	-	-	(2,016)	(13,756)
Other Financing Sources (Uses):				
Transfer from Other Funds	-	-	6,500	6,500
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources				
	<u>\$ -</u>	<u>\$ -</u>	<u>4,484</u>	<u>\$ (7,256)</u>
Fund Balances				
July 01, 2019			<u>86</u>	
June 30, 2020			<u>\$ 4,570</u>	

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Contract Fees	\$ 63,600	\$ 63,600	\$ 51,901	\$ (11,699)
Interest	100	100	193	93
Total Revenues	<u>63,700</u>	<u>63,700</u>	<u>52,094</u>	<u>(11,606)</u>
Expenditures				
Salaries	55,000	52,657	43,912	8,745
Payroll Taxes	2,200	3,360	3,359	1
Employee Benefits	6,500	7,683	7,546	137
Total Expenditures	<u>63,700</u>	<u>63,700</u>	<u>54,817</u>	<u>8,883</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	(2,723)	<u>\$ 2,723</u>
Fund Balances				
July 01, 2019			<u>23,619</u>	
June 30, 2020			<u>\$ 20,896</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Cemetery Maintenance Fees	\$ 10,000	\$ 10,000	\$ 13,450	\$ 3,450
Interest Income	500	500	904	404
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>14,354</u>	<u>3,854</u>
Expenditures				
Other Operating Expense	10,500	10,500	3,782	6,718
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	10,572	<u>\$ 3,854</u>
Fund Balances				
July 01, 2019			<u>146,758</u>	
June 30, 2020			<u>\$ 157,330</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	\$ 500	\$ 500	\$ 1,224	\$ 724
Federal Payment - Asset Seizure	25,000	25,000	43,224	18,224
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>44,448</u>	<u>18,948</u>
Expenditures:				
Other Operating	25,000	6,000	-	6,000
Capital Outlay	-	19,000	19,000	-
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>19,000</u>	<u>6,000</u>
Excess of Revenues Over (Under) Expenditures	500	500	25,448	24,948
Other Financing Sources (Uses)				
Operating Transfers In	-	-	600	600
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 500</u>	<u>\$ 500</u>	26,048	<u>\$ 25,548</u>
Fund Balances				
July 01, 2019			4,268	
June 30, 2020			<u>\$ 30,316</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest Income	\$ 350	\$ 350	\$ 663	\$ 313
Federal Grants	-	-	-	-
Other Revenues	40,000	40,000	36,396	(3,604)
Total Revenues	<u>40,350</u>	<u>40,350</u>	<u>37,059</u>	<u>(3,291)</u>
Expenditures				
Salaries	9,200	9,200	-	9,200
Payroll Taxes	704	704	-	704
Other Operating	103,000	103,000	17,808	85,192
Capital Expenditures	-	25,000	-	25,000
	<u>112,904</u>	<u>137,904</u>	<u>17,808</u>	<u>120,096</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (72,554)</u>	<u>\$ (97,554)</u>	19,251	<u>\$ 116,805</u>
Fund Balances				
July 01, 2019			<u>81,236</u>	
June 30, 2020			<u>\$ 100,487</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 36	\$ 36
Contributions	3,000	3,000	-	(3,000)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>36</u>	<u>(2,964)</u>
Expenditures				
Operating Expenses	3,850	3,850	26	3,824
Total Expenditures	<u>3,850</u>	<u>3,850</u>	<u>26</u>	<u>3,824</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ (850)</u>	<u>\$ (850)</u>	10	<u>\$ 860</u>
Fund Balances				
July 01, 2019			<u>3,190</u>	
June 30, 2020			<u>\$ 3,200</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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Other Revenues	\$ 15,000	\$ 15,000	\$ 12,634	\$ (2,366)
Interest	200	200	653	453
Total Revenues	<u>15,200</u>	<u>15,200</u>	<u>13,287</u>	<u>(1,913)</u>
Expenditures				
Other Operating Expenditures	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 5,200</u>	<u>\$ 5,200</u>	13,287	<u>\$ (11,913)</u>
Fund Balances				
July 01, 2019			48,418	
June 30, 2020			<u>\$ 61,705</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 TOURISM & ECONOMIC DEVELOPMENT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Hotel and Motel Tax	\$ -	\$ -	\$ 123,923	\$ 123,923
Interest	-	-	188	188
Total Revenues	<u>-</u>	<u>-</u>	<u>124,111</u>	<u>124,111</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	124,111	<u>\$ 124,111</u>
Fund Balances				
July 01, 2019			<u>-</u>	
June 30, 2020			<u>\$ 124,111</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	\$ 1,500	\$ 1,500	\$ 5,042	\$ 3,542
Other Income	-	-	3,420	3,420
Local Option Court Fines	400,000	400,000	308,929	(91,071)
Total Revenues	<u>401,500</u>	<u>401,500</u>	<u>317,391</u>	<u>(84,109)</u>
Expenditures:				
Other Operating	53,000	53,000	26,393	26,607
Capital Outlay	347,000	620,725	620,724	1
Total Expenditures	<u>400,000</u>	<u>673,725</u>	<u>647,117</u>	<u>26,608</u>
Excess of Revenues Over (Under)				
Expenditures	1,500	(272,225)	(329,726)	(57,501)
Other Financing Sources (Uses)				
Operating Transfers In	-	-	280,000	280,000
	<u>\$ 1,500</u>	<u>\$ (272,225)</u>	<u>(49,726)</u>	<u>\$ 222,499</u>
Fund Balances				
July 01, 2019			164,000	
Decrease in Encumbrances			(96,633)	
June 30, 2020			<u>\$ 17,641</u>	

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
State Grant	\$ 344,850	\$ 1,711,882	\$ 1,071,769	\$ (640,113)
Other Revenues	-	69,000	7	(68,993)
Interest Earnings	-	-	906	906
Total Revenues	<u>344,850</u>	<u>1,780,882</u>	<u>1,072,682</u>	<u>(708,200)</u>
Expenditures				
Other Operating Expenditures	38,000	95,050	57,044	38,006
Airport Capital Outlay	405,000	1,908,566	1,038,344	870,222
Total Expenditures	<u>443,000</u>	<u>2,003,616</u>	<u>1,095,388</u>	<u>908,228</u>
Excess of Revenues Over (Under) Expenditures				
	(98,150)	(222,734)	(22,706)	200,028
Other Financing Sources (Uses)				
Bond Proceeds	-	-	-	-
Operating Transfers In	98,150	128,150	128,150	-
Total Other Financing Sources (Uses)	<u>98,150</u>	<u>128,150</u>	<u>128,150</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	<u>\$ -</u>	<u>\$ (94,584)</u>	105,444	<u>\$ 200,028</u>
Fund Balances				
July 01, 2019			<u>115,654</u>	
June 30, 2020			<u>\$ 221,098</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ -	\$ -
Fees	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfer to Other Funds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balances				
July 01, 2019			103,337	
Transfer Fund Balance to General Fund			(103,337)	
June 30, 2020			<u>\$ -</u>	

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	-	813	813
Total Revenues	-	-	813	813
Expenditures				
Capital Outlay	1,100,000	1,286,096	389,194	896,902
Total Expenditures	1,100,000	1,286,096	389,194	896,902
Excess of Revenues Over (Under) Expenditures	(1,100,000)	(1,286,096)	(388,381)	897,715
Other Financing Sources (Uses)				
Operating Transfers In	100,000	100,000	100,000	-
Bond Proceeds	910,000	910,000	399,749	510,251
Total Other Financing Sources (Uses)	1,010,000	1,010,000	499,749	510,251
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (90,000)	\$ (276,096)	111,368	\$ 1,407,966
Fund Balances				
June 30, 2019			125,693	
Increase in Encumbrances			(10,055)	
June 30, 2020			\$ 227,006	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ 5,114	\$ 5,114
Contracts	860,000	860,000	276,190	(583,810)
Contributions	-	1,754,456	1,766,152	11,696
Total Revenues	<u>860,000</u>	<u>2,614,456</u>	<u>2,047,456</u>	<u>(567,000)</u>
Expenditures				
Capital Outlay	3,380,000	5,947,867	4,124,110	1,823,757
Other Operating Expenditures	700,500	626,459	25,131	601,328
Total Expenditures	<u>4,080,500</u>	<u>6,574,326</u>	<u>4,149,241</u>	<u>2,425,085</u>
Excess of Revenues Over (Under)				
Expenditures	(3,220,500)	(3,959,870)	(2,101,785)	1,858,085
Other Financing Sources (Uses)				
Operating Transfers In	650,000	650,000	650,000	-
Bond and Loan Proceeds	2,373,846	2,373,846	1,338,140	1,035,706
Total Other Financing Sources (Uses)	<u>3,023,846</u>	<u>3,023,846</u>	<u>1,988,140</u>	<u>1,035,706</u>
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	<u>\$ (196,654)</u>	<u>\$ (936,024)</u>	(113,645)	<u>\$ (822,379)</u>
Fund Balances				
July 01, 2019			<u>751,550</u>	
June 30, 2020			<u>\$ 637,905</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ (376)	\$ (576)
Expenditures				
Principal Expense	184,764	184,764	184,763	1
Interest Expense	26,877	26,877	26,876	1
Total Expenditures	211,641	211,641	211,639	2
Excess of Revenues Over (Under)				
Expenditures	(211,441)	(211,441)	(212,015)	(578)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	211,641	211,641	211,639	(2)
	211,641	211,641	211,639	(2)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 200	\$ 200	(376)	\$ (580)
Fund Balances				
July 01, 2019			537	
June 30, 2020			\$ 161	

See notes to financial statements

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 400	\$ 400	\$ 797	\$ 397
Expenses				
Principal Expense	101,000	101,000	101,000	-
Interest Expense	19,420	19,420	12,701	6,719
Total Expenses	<u>120,420</u>	<u>120,420</u>	<u>113,701</u>	<u>6,719</u>
Excess of Revenues Over (Under) Expenditures	(120,020)	(120,020)	(112,904)	7,116
Other Financing Sources (Uses) Operating Transfers In	<u>120,450</u>	<u>120,450</u>	<u>113,951</u>	<u>(6,499)</u>
	<u>120,450</u>	<u>120,450</u>	<u>113,951</u>	<u>(6,499)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 430</u>	<u>\$ 430</u>	1,047	<u>\$ 617</u>
Fund Balances				
July 01, 2019			<u>12,607</u>	
June 30, 2020			<u>\$ 13,654</u>	

See notes to financial statements

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ -	\$ -	\$ 29	\$ 29
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	29	<u>\$ 29</u>
Fund Balances				
July 01, 2019			<u>-</u>	
June 30, 2020			<u>\$ 29</u>	

See notes to financial statements

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 1,000	\$ 1,000	\$ 1,372	\$ 372
Expenses				
Bank Service Charges	-	-	-	-
Principal Expense	285,000	285,000	285,000	-
Interest Expense	36,150	36,150	36,150	-
Total Expenses	<u>321,150</u>	<u>321,150</u>	<u>321,150</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	(320,150)	(320,150)	(319,778)	372
Other Financing Sources (Uses)				
Operating Transfers In	321,150	321,150	321,150	-
Total Other Financing Sources (Uses)	<u>321,150</u>	<u>321,150</u>	<u>321,150</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 1,000</u>	<u>\$ 1,000</u>	1,372	<u>\$ 372</u>
Fund Balances				
July 01, 2019			<u>4,604</u>	
June 30, 2020			<u>\$ 5,976</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 500	\$ 500	\$ 1,332	\$ 832
Expenditures				
Principal	192,000	192,000	192,000	-
Interest	91,650	91,650	34,678	56,972
Total Expenditures	<u>283,650</u>	<u>283,650</u>	<u>226,678</u>	<u>56,972</u>
Excess of Revenues Over (Under) Expenditures	(283,150)	(283,150)	(225,346)	57,804
Other Financing Sources (Uses)				
Operating Transfers In	<u>283,650</u>	<u>283,650</u>	<u>227,512</u>	<u>(56,138)</u>
	<u>283,650</u>	<u>283,650</u>	<u>227,512</u>	<u>(56,138)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 500</u>	<u>\$ 500</u>	2,166	<u>\$ 1,666</u>
Fund Balances				
July 01, 2019			<u>12,005</u>	
June 30, 2020			<u>\$ 14,171</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 100	\$ 100	\$ 242	\$ 142
Expenses				
Principal Expense	50,000	50,000	50,000	-
Interest Expense	13,725	13,725	13,725	-
Total Expenses	<u>63,725</u>	<u>63,725</u>	<u>63,725</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	(63,625)	(63,625)	(63,483)	142
Other Financing Sources (Uses)				
Operating Transfers In	63,725	63,725	63,725	-
Total Other Financing Sources (Uses)				
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 100</u>	<u>\$ 100</u>	242	<u>\$ 142</u>
Fund Balances				
July 01, 2019			<u>668</u>	
June 30, 2020			<u>\$ 910</u>	

See notes to financial statements

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 750	\$ 750	\$ 1,717	\$ 967
Expenditures				
Principal	229,000	229,000	229,000	-
Interest Expense	106,250	106,250	98,703	7,547
Total Expenditures	335,250	335,250	327,703	7,547
Excess of Revenues Over (Under)				
Expenditures	(334,500)	(334,500)	(325,986)	(6,580)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	335,250	335,250	327,870	(7,380)
	335,250	335,250	327,870	(7,380)
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other				
Uses	\$ 750	\$ 750	1,884	\$ (13,960)
Fund Balances				
July 01, 2019			22,713	
June 30, 2020			\$ 24,597	

See notes to financial statements

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ 558	\$ 358
Expenditures				
Principal Expense	74,000	74,000	74,000	-
Interest Expense	41,460	41,460	32,352	9,108
Total Expenditures	115,460	115,460	106,352	9,108
Excess of Revenues Over (Under)				
Expenditures	(115,260)	(115,260)	(105,794)	(8,750)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	115,460	115,460	106,435	(9,025)
	115,460	115,460	106,435	(9,025)
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other				
Uses	\$ 200	\$ 200	641	\$ (17,775)
Fund Balances				
July 01, 2019			7,516	
June 30, 2020			\$ 8,157	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 500	\$ 500	\$ 2,227	\$ 1,727
Expenditures				
Principal Expense	162,000	162,000	162,000	-
Interest Expense	110,860	110,860	80,473	30,387
Total Expenditures	<u>272,860</u>	<u>272,860</u>	242,473	<u>30,387</u>
Excess of Expenditures (Over)				
Revenues	(272,360)	(272,360)	(240,246)	32,114
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>272,860</u>	<u>272,860</u>	<u>272,931</u>	<u>71</u>
	272,860	272,860	272,931	71
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 500</u>	<u>\$ 500</u>	32,685	<u>\$ 32,185</u>
Fund Balances				
July 01, 2019			<u>108,937</u>	
June 30, 2020			<u>\$ 141,622</u>	

See notes to financial statements

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 100	\$ 100	\$ 366	\$ 266
Expenditures				
Principal	30,700	30,700	30,700	-
Interest Expense	23,720	23,720	23,718	2
Total Expenditures	54,420	54,420	54,418	2
Excess of Revenues Over (Under)				
Expenditures	(54,320)	(54,320)	(54,052)	264
Other Financing Sources (Uses)				
Operating Transfers In (Out)	54,420	54,420	54,418	(2)
	54,420	54,420	54,418	(2)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 100</u>	<u>\$ 100</u>	366	<u>\$ 262</u>
Fund Balances				
July 01, 2019			<u>12,912</u>	
June 30, 2020			<u>\$ 13,278</u>	

See notes to financial statements

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, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,528</u>	<u>\$ 2,528</u>
Expenditures				
Interest Expense	209,000	204,915	63,755	141,160
Principal Expense	<u>-</u>	<u>4,085</u>	<u>-</u>	<u>4,085</u>
Total Expenditures	209,000	209,000	63,755	145,245
Excess of Revenues Over (Under) Expenditures	(209,000)	(209,000)	(61,227)	6,613
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>209,000</u>	<u>209,000</u>	<u>376,875</u>	<u>167,875</u>
	209,000	209,000	376,875	167,875
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	315,648	<u>\$ 174,488</u>
Fund Balances				
July 01, 2019			<u>22,118</u>	
June 30, 2020			<u>\$ 337,766</u>	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 2,682	\$ 2,682
Expenditures				
Principal	199,000	199,000	199,000	-
Interest Expense	206,340	206,340	110,618	95,722
Total Expenditures	405,340	405,340	309,618	95,722
Excess of Revenues Over (Under) Expenditures	(405,340)	(405,340)	(306,936)	(93,040)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	405,340	405,340	425,235	19,895
	405,340	405,340	425,235	19,895
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	118,299	\$ (73,145)
Fund Balances				
July 01, 2019			-	
June 30, 2020			\$ 118,299	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 126	\$ 126
Expenditures				
Interest Expense	-	7,000	6,635	365
Total Expenditures	-	7,000	6,635	365
Excess of Revenues Over (Under) Expenditures	-	(7,000)	(6,509)	(239)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	-	7,000	61,145	54,145
	-	7,000	61,145	54,145
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	54,636	\$ 53,906
Fund Balances				
July 01, 2019			-	
June 30, 2020			\$ 54,636	

See notes to financial statements

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

Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 121	\$ 121
Expenditures				
Interest Expense	-	5,000	4,761	239
Total Expenditures	-	5,000	4,761	239
Excess of Revenues Over (Under) Expenditures	-	(5,000)	(4,640)	(118)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	-	5,000	61,013	56,013
	-	5,000	61,013	56,013
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	56,373	<u>\$ 55,895</u>
Fund Balances				
July 01, 2019			-	
June 30, 2020			<u>\$ 56,373</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS

	Total	Mayor & Council	City Attorney	Financial Admin.	Accounting	Customer Billing
Salaries	\$ 16,127,061	119,242	\$ 118,593	\$ 159,654	\$ 64,427	\$ 3,075
Payroll Taxes	1,183,499	8,132	8,313	11,370	4,746	650
Employer Paid Benefits	3,518,292	42,136	30,373	27,932	30,431	7,166
Retirement	1,983,924	14,462	17,319	19,570	5,924	1,204
Workmen's Compensation	333,627	1,204	535	549	679	71
Unemployment	423	-	-	-	-	-
Training	164,863	-	428	181	793	-
Communications	13,268	-	-	-	-	-
Postage and Shipping	11,927	13	40	4,401	1,147	2
Transportation Expense	5,449	56	-	3	-	-
Printing	31,606	1,220	919	1,029	925	40
Subscriptions	5,472	423	3,218	-	-	-
Dues	153,117	3,730	1,359	964	1,219	340
Utilities	263,449	-	-	-	-	-
Telephone	494,011	5,987	1,765	2,303	1,743	236
Engineering and Architect	268,061	-	-	-	-	-
Professional Fees	35,626	-	848	-	28,910	-
Data Processing	76,634	-	-	-	-	-
Medical	18,044	80	-	-	-	-
Maintenance	433,777	695	-	-	-	-
Travel and Meals	13,800	680	-	19	-	-
Public Relations	59,645	8,312	-	614	49	6
Contractual Services	4,183,521	1,232	19	1,740	807	6,422
Janitorial Services	1,512	-	-	-	-	-
Office Supplies	99,012	3,851	1,277	936	280	206
Operating Supplies	741,003	15,418	105	206	6	14
Street Signs	19,032	19,032	-	-	-	-
Uniforms	160,642	-	-	-	-	-
Gas	430,738	311	-	41	-	-
Motor Vehicle Parts	372,426	8	-	50	-	-
Materials	85,190	-	-	-	-	-
Insurance	341,253	1,498	241	7,389	141	-
Rent	23,329	-	-	-	393	39
Contributions	290,173	-	-	-	-	-
Debt Service	520,513	34,872	-	-	-	-
Capital Outlay	9,641,042	-	-	-	-	-
Totals	\$ 42,104,961	\$ 282,594	\$ 185,352	\$ 238,951	\$ 142,620	\$ 19,471

Johnson Controls and Liquor Tax	Purchasing	Computer Equipment	Public Works	HOME Grant	Intelligent Transportation	Radio Communication
\$ -	\$ 26,934	\$ 79,574	\$ 178,863	\$ -	\$ -	\$ -
-	2,110	5,850	13,534	-	-	-
-	2,423	17,694	40,427	-	-	-
-	4,228	12,034	24,119	-	-	-
-	106	1,819	1,277	-	-	-
-	-	-	-	-	-	-
-	-	2,713	352	-	-	-
-	-	-	129	-	-	-
-	2,180	7	71	-	-	-
-	-	4	14	-	-	-
-	-	-	945	-	-	-
-	-	-	-	-	-	-
-	432	680	1,211	-	-	-
-	-	-	11,001	-	-	-
-	1,814	9,703	11,733	-	-	-
-	-	-	1,694	-	87,438	-
-	-	-	-	-	-	-
-	-	73,489	-	-	-	-
-	-	0	-	-	-	-
13,039	-	1,295	5,227	-	-	-
-	-	-	788	-	-	-
-	-	66	-	-	-	-
-	-	253,055	2,710	0	-	-
-	-	-	1,512	-	-	-
-	762	1,820	1,936	-	-	-
-	-	121	10,149	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	364	1,455	-	-	-
-	-	168	805	-	-	-
-	-	-	-	-	-	-
-	1,860	-	4,504	-	-	-
-	588	-	-	-	-	-
-	-	-	-	-	-	-
232,824	-	0	-	-	-	-
-	-	-	13,756	-	-	4,277,023
<u>\$ 245,863</u>	<u>\$ 43,437</u>	<u>\$ 460,456</u>	<u>\$ 328,212</u>	<u>\$ -</u>	<u>\$ 87,438</u>	<u>\$ 4,277,023</u>

CITY OF LEBANON, TENNESSEE
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
Year Ended June 30, 2020

	Public Safety	Personnel	Traffic Maintenance	General Maintenance	Police	Fire
Salaries	\$ 382,115	\$ 226,118	\$ 86,294	\$ 210,464	\$ 7,238,816	\$ 4,248,397
Payroll Taxes	27,282	16,979	9,853	15,481	532,307	310,530
Employer Paid Benefits	91,594	30,294	14,553	42,769	1,499,812	926,991
Retirement	54,851	30,324	18,509	21,471	880,220	536,727
Workmen's Compensation	4,521	540	2,788	11,649	158,270	61,986
Unemployment	-	-	-	222	201	-
Training	-	600	-	-	78,717	75,653
Communications	-	-	-	-	-	11,709
Postage and Shipping	196	432	5	-	2,622	167
Transportation Expense	135	-	27	109	1,560	1,636
Printing	830	1,826	-	-	14,634	2,621
Subscriptions	-	-	-	-	-	-
Dues	265	1,438	340	1,210	23,654	14,968
Utilities	22,854	-	-	2,607	30,037	47,036
Telephone	14,699	5,328	1,096	4,588	156,504	190,904
Engineering and Architect	-	-	-	-	-	-
Professional Fees	5,868	-	-	-	-	-
Data Processing	-	-	-	-	645	2,500
Medical	200	1,281	104	556	7,270	3,847
Maintenance	15,100	-	55,557	14,578	70,161	86,337
Travel	-	(137)	-	-	8,941	921
Public Relations	-	34	-	-	7,898	1,215
Contractual Services	1,879	57,766	31	2,707	143,591	43,668
Janitorial Services	-	-	-	-	-	-
Office Supplies	243	4,628	-	195	63,679	7,594
Operating Supplies	218,141	244	1,802	6,766	153,726	79,773
Street Signs	-	-	-	-	-	-
Uniforms	-	-	1,315	2,340	81,630	47,908
Gas	21,303	-	4,010	5,837	195,928	51,220
Motor Vehicle Parts	14,795	-	4,469	5,351	89,068	31,611
Materials	8,638	-	-	1,782	1,661	664
Insurance	-	958	-	4,185	160,266	51,527
Rent	1,909	-	-	-	12,000	-
Contributions	-	-	-	-	-	-
Debt Service	-	-	-	-	-	121,296
Capital Outlay	3,021,969	-	106,860	36,285	158,652	384,706
Totals	\$ 3,909,387	\$ 378,653	\$ 307,613	\$ 391,152	\$ 11,772,470	\$ 7,344,112

Building Inspection	Building Maintenance	Street	Animal Control	Drainage Migration	Risk Assessment	Mitchell House
\$ 276,163	\$ 17,764	\$ 723,990	\$ 116,551	\$ (12,817)	\$ 38,170	\$ 9,082
20,028	1,290	51,692	9,030	-	3,254	378
71,792	3,832	169,610	27,983	-	3,968	-
32,402	2,633	78,964	12,330	-	3,942	-
7,467	1,572	27,677	1,064	-	717	-
-	-	-	-	-	-	-
410	-	820	175	-	354	-
-	-	1,230	-	-	-	-
142	-	-	-	-	-	-
27	-	498	18	-	-	-
1,732	-	-	-	-	-	-
-	-	-	-	-	-	-
1,695	265	2,495	170	-	265	-
-	27,378	-	2,869	-	-	15,600
10,154	1,079	6,878	-	-	245	6,525
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90	-	1,832	1,242	-	924	0
54	43,718	69,491	2,296	-	-	10,021
-	-	-	-	-	-	-
42	-	181	-	-	-	171
7,240	15,126	49,658	40	54,408	149	99,464
-	-	-	-	-	-	-
3,113	2	794	35	-	-	273
2,234	6,044	22,041	2,332	-	-	4,937
-	-	-	-	-	-	-
-	68	14,001	741	-	-	-
2,992	-	63,290	2,895	-	-	-
252	-	106,820	1,168	-	-	-
-	107	65,551	-	-	-	-
5,473	9,169	11,348	418	-	-	8,848
-	-	8,400	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	765,157	-	147,482	-	95,917
<u>\$ 443,502</u>	<u>\$ 130,047</u>	<u>\$ 2,242,418</u>	<u>\$ 181,357</u>	<u>\$ 189,073</u>	<u>\$ 51,988</u>	<u>\$ 251,216</u>

CITY OF LEBANON, TENNESSEE
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
Year Ended June 30, 2020

	Engineering	Garage	Cemetery	Recreation	Accounting System	Special Events	Contributions & Dues
Salaries	\$ 218,539	\$ 215,644	\$ 32,955	\$ 517,718	\$ -	\$ -	\$ -
Payroll Taxes	15,647	15,484	4,344	35,717	-	-	-
Employer Paid Benefits	35,895	56,442	6,952	110,215	-	-	-
Retirement	24,168	26,874	8,649	54,690	-	-	-
Workmen's Compensation	871	5,864	1,329	13,939	-	-	-
Unemployment	-	-	-	-	-	-	-
Training	668	-	-	-	-	-	-
Communications	-	-	-	-	-	-	-
Postage and Shipping	225	-	24	1	-	-	-
Transportation Expense	12	11	9	54	-	-	-
Printing	1,512	478	807	945	-	-	-
Subscriptions	302	1,425	104	-	-	-	-
Dues	3,550	1,625	265	870	-	-	45,329
Utilities	-	10,533	3,438	68,587	-	-	-
Telephone	3,068	3,789	18,020	24,694	-	-	-
Engineering and Architect	46,846	-	-	126,332	-	-	-
Professional Fees	-	-	-	-	-	-	-
Data Processing	-	-	-	-	-	-	-
Medical	-	160	55	-	-	-	-
Maintenance	123	7,045	8,117	4,822	-	-	-
Travel	927	-	-	-	-	-	-
Public Relations	297	-	-	747	-	-	-
Contractual Services	64,597	467	4,926	33,026	-	-	-
Janitorial Services	-	-	-	-	-	-	-
Office Supplies	3,376	330	650	259	-	-	-
Operating Supplies	399	4,571	3,485	43,085	-	34,590	-
Street Signs	-	-	-	-	-	-	-
Uniforms	513	2,160	31	1,372	-	-	-
Gas	113	1,646	197	8,560	-	-	-
Motor Vehicle Parts	185	3,982	630	2,416	-	-	-
Materials	-	-	-	4,109	-	-	-
Insurance	(446)	1,035	4,171	40,585	-	-	-
Rent	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	250,173
Debt Service	3,174	-	-	-	17,935	-	-
Capital Outlay	6,334	25,382	-	112,915	-	-	-
Totals	\$ 430,895	\$ 384,947	\$ 99,158	\$ 1,205,658	\$ 17,935	\$ 34,590	\$ 295,502

Community Park	Sanitation	EAC Committee	Senior Citizens Center	Economic Development	Codes Enforcement	Disaster/COVID Relief	Total
\$ 25,390	\$ 547,669	\$ -	\$ 148,436	\$ 25,102	\$ 84,139	\$ -	\$ 16,127,061
1,787	38,447	-	11,205	1,878	6,181	-	1,183,499
3,899	143,468	-	41,149	8,525	29,967	-	3,518,292
2,175	65,235	-	20,982	2,448	7,470	-	1,983,924
996	24,393	-	-	251	1,493	-	333,627
-	-	-	-	-	-	-	423
-	-	-	-	430	2,569	-	164,863
-	200	-	-	-	-	-	13,268
-	2	82	-	10	158	-	11,927
-	1,236	-	-	4	36	-	5,449
-	-	-	-	630	513	-	31,606
-	-	-	-	-	-	-	5,472
340	2,080	-	605	41,753	-	-	153,117
20,809	700	-	-	-	-	-	263,449
-	930	-	-	1,729	8,497	-	494,011
-	5,751	-	-	-	-	-	268,061
-	-	-	-	-	-	-	35,626
-	-	-	-	-	-	-	76,634
-	348	-	-	-	55	-	18,044
4,829	21,254	-	-	-	18	-	433,777
-	-	-	-	1,478	183	-	13,800
-	-	-	-	40,013	-	-	59,645
22,216	394,617	-	-	18,828	109	2,903,023	4,183,521
-	-	-	-	-	-	-	1,512
-	135	231	-	862	1,545	-	99,012
16,056	62,422	-	-	95	3,442	48,799	741,003
-	-	-	-	-	-	-	19,032
-	8,508	-	-	-	55	-	160,642
-	67,574	-	-	-	3,002	-	430,738
-	110,185	-	-	-	463	-	372,426
2,678	-	-	-	-	-	-	85,190
-	25,638	-	-	1,641	804	-	341,253
-	-	-	-	-	-	-	23,329
-	-	-	-	40,000	-	-	290,173
63,924	-	-	46,488	-	-	-	520,513
53,234	408,407	-	-	-	26,963	-	9,641,042
\$ 218,333	\$ 1,929,199	\$ 313	\$ 268,865	\$ 185,677	\$ 177,662	2,951,822	\$ 42,104,961

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

Year Ended June 30, 2020

	Transmission and Distribution	Customer Accounting & Collection	Administrative and General	Shop and Maintenance	Meter Reader	Total (Memorandum Only)
Salaries	\$ 702,698	\$ 38,655	\$ 505,035	\$ 70,866	\$ 45,374	\$ 1,362,628
Payroll Taxes	50,147	2,860	36,524	5,161	3,310	98,002
Employee Benefits	317,533	12,486	135,916	22,815	17,722	506,472
Pension Costs	72,705	4,718	53,953	7,149	12,281	150,806
Communications	2,801	-	48	-	-	2,849
Supplies and Publications	8,843	211	15,522	96	25	24,697
Dues	32,195	-	6,916	230	-	39,341
Utilities	68,358	1,040	26,485	9,626	992	106,501
Professional Services	597	-	44,172	-	-	44,769
Repair and Maintenance	104,894	-	3,961	12,918	7	121,780
Travel	2,437	-	1,993	-	-	4,430
Operating Supplies	48,218	967	29,805	3,643	1,037	83,670
Maintenance Supplies	86,482	-	1,671	2,926	5,202	96,281
Contractual Services	51,635	28,259	177,376	3,792	1,340	262,402
Insurance	36,568	-	9,493	2,811	845	49,717
Bad Debt Expense	-	72,243	-	-	-	72,243
Rent	4,927	172	474	-	-	5,573
Community Relations/Marketing	25,735	-	11,937	-	-	37,672
Miscellaneous	10,626	-	33,883	9,788	42	54,339
	<u>\$ 1,627,399</u>	<u>\$ 161,611</u>	<u>\$ 1,095,164</u>	<u>\$ 151,821</u>	<u>\$ 88,177</u>	<u>\$ 3,124,172</u>

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

Year Ended June 30, 2020

	Water	Sewer	Total
	<u>Purification Plant</u>		
Expenses			
Salaries	\$ 589,765	\$ -	\$ 589,765
Payroll Taxes	42,460	-	42,460
Employee Benefits	205,580	-	205,580
Pension Costs	94,378	-	94,378
Communications	-	-	-
Supplies and Publications	5,034	-	5,034
Dues and Subscriptions	3,036	-	3,036
Utilities	464,915	-	464,915
Professional Services	-	-	-
Miscellaneous	4,052	-	4,052
Repair and Maintenance	114,583	-	114,583
Travel	-	-	-
Operating Supplies	249,736	-	249,736
Maintenance Supplies	8,915	-	8,915
Insurance	31,772	-	31,772
Community Relations/Marketing	-	-	-
Contractual Services	149,635	-	149,635
Rent	-	-	-
Totals	<u>\$ 1,963,861</u>	<u>\$ -</u>	<u>\$ 1,963,861</u>

	Water	Sewer	Total
	<u>Shop and Maintenance</u>		
Expenses			
Salaries	\$ 92,574	\$ 85,551	\$ 178,125
Payroll Taxes	6,742	6,230	12,972
Employee Benefits	29,817	27,558	57,375
Pension Costs	9,355	8,649	18,004
Communications	-	-	-
Supplies and Publications	124	115	239
Dues	299	276	575
Miscellaneous	12,724	11,745	24,469
Utilities	13,238	12,379	25,617
Repair and Maintenance	17,906	16,773	34,679
Travel	-	-	-
Operating Supplies	4,868	4,523	9,391
Maintenance Supplies	3,807	3,515	7,322
Insurance	3,888	3,640	7,528
Contractual Services	5,315	4,990	10,305
Rent	-	-	-
Totals	<u>\$ 200,657</u>	<u>\$ 185,944</u>	<u>\$ 386,601</u>

Water	Sewer	Total
<u>Transmission and Distribution</u>		
\$ 880,513	\$ 561,482	\$ 1,441,995
63,178	39,544	102,722
280,163	208,040	488,203
52,717	65,049	117,766
-	-	-
2,956	1,370	4,326
9,714	1,826	11,540
111,377	149,512	260,889
5,757	114,696	120,453
5,956	2,127	8,083
60,270	11,512	71,782
-	-	-
57,996	47,458	105,454
57,845	50,834	108,679
25,739	12,467	38,206
-	-	-
33,663	97,820	131,483
-	777	777
<u>\$ 1,647,844</u>	<u>\$ 1,364,514</u>	<u>\$ 3,012,358</u>

Water	Sewer	Total
<u>Administrative and General</u>		
\$ 686,417	\$ 718,096	\$ 1,404,513
49,624	51,891	101,515
185,609	196,743	382,352
73,085	76,251	149,336
64	64	128
20,933	21,145	42,078
9,491	9,549	19,040
35,752	36,591	72,343
60,710	60,710	121,420
46,300	46,303	92,603
5,385	5,286	10,671
2,728	2,725	5,453
47,281	37,499	84,780
2,281	2,703	4,984
12,767	13,302	26,069
16,413	16,413	32,826
298,033	222,984	521,017
541	541	1,082
<u>\$ 1,553,414</u>	<u>\$ 1,518,796</u>	<u>\$ 3,072,210</u>

<u>Customer Accounting</u>		
\$ 54,468	\$ 52,711	\$ 107,179
4,030	3,900	7,930
17,594	17,027	34,621
6,649	6,435	13,084
-	-	-
297	287	584
-	-	-
-	-	-
1,466	1,418	2,884
-	-	-
-	-	-
1,362	1,318	2,680
-	-	-
-	-	-
39,819	38,535	78,354
242	234	476
<u>\$ 125,927</u>	<u>\$ 121,865</u>	<u>\$ 247,792</u>

<u>Sewer System Direct</u>		
\$ -	\$ 864,131	\$ 864,131
-	63,242	63,242
-	249,084	249,084
-	52,939	52,939
-	-	-
-	3,601	3,601
-	18,203	18,203
-	45,018	45,018
-	878,257	878,257
-	67,121	67,121
-	1,032	1,032
-	365,821	365,821
-	20,731	20,731
-	35,794	35,794
-	125,683	125,683
-	26,217	26,217
<u>\$ -</u>	<u>\$ 2,816,874</u>	<u>\$ 2,816,874</u>

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

Year Ended June 30, 2020

	Water	Sewer	Total
	<u>Meter Readers</u>		
Expenses			
Salaries	\$ 34,030	\$ 34,030	\$ 68,060
Payroll Taxes	2,483	2,483	4,966
Employee Benefits	15,235	15,235	30,470
Pension Costs	3,307	3,307	6,614
Supplies and Publications	14	23	37
Dues	-	-	-
Utilities	685	745	1,430
Repair and Maintenance	3,894	5	3,899
Travel	-	-	-
Operating Supplies	27,287	27,247	54,534
Insurance	643	643	1,286
Contractual Services	1,005	11,553	12,558
Miscellaneous	31	31	62
Repair and Maintenance	-	3,916	3,916
Totals	<u>\$ 88,614</u>	<u>\$ 99,218</u>	<u>\$ 187,832</u>

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

Year Ended June 30, 2020

	Stormwater	Administrative and General	Customer Service & Accounting	Drainage Mitigation	Total (Memorandum Only)
Salaries	\$ 164,945	\$ 232,832	\$ 9,480	\$ 163,463	\$ 570,720
Payroll Taxes	11,817	16,712	-	-	28,529
Employee Benefits	31,734	51,989	9,976	51,219	144,918
Pension Costs	4,298	20,402	704	20,223	45,627
Communications	-	16	-	-	16
Supplies and Publications	4,343	1,976	318	36	6,673
Dues	815	608	1	-	1,424
Utilities	2,841	6,830	816	673	11,160
Professional Services	-	28,319	4,130	-	32,449
Repair and Maintenance	5,517	1,127	-	9,507	16,151
Travel	-	655	-	-	655
Operating Supplies	1,880	5,275	41	36,722	43,918
Maintenance Supplies	5,016	6,572	-	19,541	31,129
Contractual Services	23,006	65,821	115	644	89,586
Insurance	-	1,227	20	-	1,247
Rent	-	94	56	-	150
Miscellaneous	2,090	1,089	113	104	3,396
	<u>\$ 258,302</u>	<u>\$ 441,544</u>	<u>\$ 25,770</u>	<u>\$ 302,132</u>	<u>\$ 1,027,748</u>

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF GENERAL LONG TERM DEBT
 June 30, 2020

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
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															
	\$ 547,000	\$ 50,040	\$ 597,040	\$ 1,641,000	\$ 344,050	\$ 1,985,050	\$ 1,308,000	\$ 345,020	\$ 1,653,020	\$ 1,435,000	\$ 121,475	\$ 1,556,475	\$ 4,021,000	\$ 877,775	\$ 4,898,775

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF GENERAL LONG TERM DEBT
 June 30, 2020

BONDS PAYABLE

2021	2017 TMBF Airport Hangar			2017 TML West Side Park			2018 TMBF Public Safety			2019 TMBF Radio Communication			2019 TMBF Crowell Lane			Total Bonds Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 31,500	\$ 22,945	\$ 54,445	\$ 166,000	\$ 107,149	\$ 273,149	\$ 189,000	\$ 205,409	\$ 394,409	\$ 206,000	\$ 195,286	\$ 401,286	\$ 69,000	\$ 49,257	\$ 118,257	\$ 1,623,300	\$ 839,596	\$ 2,462,896
2023	32,300	22,151	54,451	170,000	103,348	273,348	196,000	198,094	394,094	214,000	187,972	401,972	70,000	47,318	117,318	1,666,300	806,688	2,472,988
2024	33,100	21,337	54,437	174,000	99,455	273,455	203,000	190,513	393,513	222,000	180,376	402,376	72,000	45,338	117,338	1,713,100	750,733	2,463,833
2025	33,900	20,503	54,403	178,000	95,470	273,470	211,000	182,647	393,647	230,000	172,495	402,495	74,000	43,301	117,301	1,438,900	694,600	2,133,500
2026	34,800	19,648	54,448	182,000	91,394	273,394	219,000	174,377	393,377	238,000	164,330	402,330	76,000	39,046	115,046	1,484,800	646,417	2,131,217
2027	35,600	18,771	54,371	186,000	87,226	273,226	227,000	166,003	393,003	246,000	147,148	402,148	81,000	36,814	117,814	1,408,600	597,372	2,005,972
2028	36,500	17,874	54,374	190,000	82,967	272,967	236,000	157,206	393,206	255,000	138,095	403,095	83,000	34,526	117,526	1,450,500	550,309	2,000,809
2029	37,400	16,955	54,355	194,000	78,616	272,616	245,000	148,067	393,067	265,000	128,688	402,688	85,000	32,183	117,183	1,210,400	501,384	1,711,784
2030	38,400	16,012	54,412	199,000	74,173	273,173	254,000	138,586	392,586	274,000	118,961	402,961	88,000	29,769	117,769	1,244,400	464,986	1,709,386
2031	39,400	15,044	54,444	203,000	69,616	272,616	264,000	128,744	392,744	284,000	108,879	402,879	90,000	27,286	117,286	1,251,400	427,219	1,678,619
2032	41,400	14,052	55,452	208,000	64,967	272,967	274,000	118,522	392,522	294,000	98,442	402,442	93,000	24,733	117,733	1,248,400	389,051	1,637,451
2033	42,400	13,033	55,433	213,000	60,204	273,204	284,000	107,920	391,920	305,000	87,614	402,614	95,000	22,111	117,111	1,316,400	350,707	1,667,107
2034	42,400	11,990	54,390	218,000	55,226	273,226	295,000	96,919	391,919	316,000	86,442	402,442	98,000	19,418	117,418	1,352,500	270,690	1,623,190
2035	43,500	10,922	54,422	223,000	50,334	273,334	306,000	85,500	391,500	328,000	84,752	402,752	101,000	16,642	117,642	1,387,600	228,926	1,616,526
2036	44,600	9,825	54,425	228,000	45,228	273,228	318,000	73,644	391,644	339,000	82,718	402,718	104,000	13,783	117,783	1,425,700	186,010	1,611,710
2037	45,700	8,702	54,402	233,000	40,006	273,006	330,000	61,332	391,332	352,000	80,564	402,564	106,000	10,853	116,853	1,496,900	141,859	1,638,759
2038	46,900	7,550	54,450	238,000	34,671	272,671	342,000	48,564	390,564	364,000	40,222	404,222	109,000	7,854	116,854	1,534,000	106,063	1,640,063
2039	48,000	6,368	54,368	244,000	29,220	273,220	355,000	35,321	390,321	378,000	27,300	405,300	112,000	4,771	116,771	1,570,500	69,008	1,639,508
2040	49,300	5,158	54,458	249,000	23,633	272,633	369,000	21,565	390,565	391,000	13,881	404,881	115,000	1,604	116,604	803,500	30,728	834,228
2041	50,500	3,916	54,416	255,000	17,951	272,951	383,000	7,277	390,277	-	-	-	-	-	-	312,800	14,735	327,535
2042	51,800	2,643	54,443	261,000	12,091	273,091	-	-	-	-	-	-	-	-	-	320,100	7,452	327,552
	\$ 910,500	\$ 386,738	\$ 1,297,238	\$ 4,679,000	\$ 1,329,139	\$ 6,008,139	\$ 5,501,000	\$ 2,236,310	\$ 7,737,310	\$ 5,501,000	\$ 2,159,430	\$ 7,660,430	\$ 1,800,000	\$ 547,817	\$ 2,347,817	\$ 27,242,500	\$ 8,405,793	\$ 35,648,293

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF GENERAL LONG TERM DEBT
 June 30, 2020

\$ (7,437)

NOTES PAYABLE

2021	1617 Loan to General (065) RTA			1617 Loan to General (065) Fire Trucks			1617 Loan to General (065) Senior Citizens			1617 Loan to General (065) Deer Fox Park			Commercial Capital Lease			Equipment Loan			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 82,238	\$ 6,311	\$ 88,549	\$ 123,138	\$ 1,762	\$ 124,900	\$ 43,634	\$ 3,762	\$ 47,396	\$ 39,743	\$ 4,830	\$ 44,573	\$ 26,254	\$ 26,254	\$ 52,508	\$ 83,000	\$ 11,329	\$ 94,329	\$ 957,245	\$ 87,088	\$ 1,044,332
2022	82,163	6,339	88,502	124,004	1,786	125,790	44,088	3,106	47,194	60,271	4,573	64,844	26,254	26,254	52,508	88,000	8,574	96,574	962,680	79,466	1,042,146
2023	83,395	5,098	88,493	125,877	2,285	128,162	45,735	2,285	48,020	61,232	3,661	64,893	94,974	94,974	109,948	90,000	6,450	96,450	1,048,534	61,681	1,110,214
2024	91,434	4,475	95,909	127,133	1,442	128,575	45,735	1,442	47,177	61,914	3,313	65,227	-	-	92,000	3,290	95,290	978,625	50,452	1,029,077	
2025	85,891	3,276	89,167	129,697	4,065	133,762	46,135	1,442	47,577	62,388	2,404	64,792	-	-	95,000	1,321	96,321	976,639	34,335	1,010,974	
2026	80,291	1,544	81,835	139,257	1,439	140,696	43,339	510	43,849	64,258	1,132	65,390	-	-	-	-	-	636,654	16,004	652,658	
2027	-	123	123	-	-	-	-	-	-	18,162	90	18,252	-	-	-	-	-	-	330,352	6,892	337,244
2028	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,702	2,524	83,226
2029	\$ 311,462	\$ 27,166	\$ 338,628	\$ 768,136	\$ 37,666	\$ 805,792	\$ 266,940	\$ 13,615	\$ 280,555	\$ 388,618	\$ 20,000	\$ 408,618	\$ 147,482	\$ 147,482	\$ 450,000	\$ 31,942	\$ 481,942	\$ 5,999,161	\$ 339,536	\$ 6,338,697	

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2020

WATER AND SEWER FUND BONDS

	TMBF 2012 Johnson Controls			TMBF 2013			TML 2014			2015 OEC 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
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	\$ 1,534,000	\$ 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	135,000	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	180,000		184,950	209,000	151,441	360,441
2034							99,000	5,970	104,970	-	140,000	140,000	180,000		184,950	99,000	145,970	244,970
2035							100,000	3,000	103,000	-	140,000	140,000	180,000		184,950	3,600,000	143,000	3,743,000
	\$ 2,540,000	\$ 174,447	\$ 2,714,447	\$ 1,261,000	\$ 210,353	\$ 1,471,353	\$ 1,388,000	\$ 342,360	\$ 1,730,360	\$ 3,500,000	\$ 2,100,000	\$ 5,600,000	\$ 1,890,000	\$ 309,038	\$ 2,199,038	\$ 17,308,778	\$ 4,363,730	\$ 21,762,508

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2020

WATER AND SEWER FUND NOTES

	Loan - State of Tennessee 02-165			Loan - State of Tennessee 08-270			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
2021	\$ 252,708	\$ 48,948	\$ 301,656	\$ 21,324	\$ 5,160	\$ 26,484	\$ 948,696	\$ 234,008	\$ 1,182,704	\$ 118,224	\$ 34,428	\$ 152,652	\$ 32,388	\$ 8,868	\$ 41,256	\$ 135,348	\$ 39,192	\$ 174,540
2022	258,708	42,948	301,656	21,840	4,644	26,484	960,180	211,718	1,171,898	121,008	31,644	152,652	33,204	8,052	41,256	137,748	36,792	174,540
2023	264,864	36,792	301,656	22,368	4,116	26,484	991,332	188,934	1,180,266	123,852	28,800	152,652	34,020	7,236	41,256	140,196	34,344	174,540
2024	271,152	30,504	301,656	22,920	3,564	26,484	1,013,364	165,643	1,179,007	126,768	25,884	152,652	34,860	6,396	41,256	142,680	31,860	174,540
2025	277,596	24,060	301,656	23,472	3,012	26,484	1,035,876	141,834	1,177,710	129,756	22,896	152,652	35,724	5,532	41,256	145,212	29,328	174,540
2026	284,184	17,472	301,656	24,036	2,448	26,484	1,058,904	177,496	1,236,400	132,816	19,836	152,652	36,612	4,644	41,256	147,792	26,748	174,540
2027	290,940	10,716	301,656	24,624	1,860	26,484	1,082,436	92,618	1,175,054	135,936	16,716	152,652	37,524	3,732	41,256	150,420	24,120	174,540
2028	297,973	3,795	301,768	25,224	1,260	26,484	1,106,484	67,186	1,173,670	139,140	13,512	152,652	38,448	2,808	41,256	153,084	21,456	174,540
2029				25,836	648	26,484	1,131,072	41,190	1,172,262	142,416	10,236	152,652	39,408	1,884	41,292	155,796	18,744	174,540
2030				13,118	104	13,222	1,163,694	14,616	1,178,310	145,776	6,876	152,652	40,380	876	41,256	158,568	15,972	174,540
2031										149,208	3,444	152,652	13,824	87	13,911	161,376	13,164	174,540
2032										63,211	413	63,624				164,244	10,296	174,540
2033																167,160	7,380	174,540
2034																170,124	4,416	174,540
2035																158,670	1,411	160,081
2036																		
2037																		
2038																		
2039																		
2040																		
2041																		
	\$ 2,198,125	\$ 215,235	\$ 2,413,360	\$ 224,762	\$ 26,816	\$ 251,578	\$ 10,492,038	\$ 1,355,243	\$ 11,827,281	\$ 1,528,111	\$ 214,685	\$ 1,742,796	\$ 376,392	\$ 50,115	\$ 426,507	\$ 2,288,418	\$ 315,223	\$ 2,603,641

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

June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2020
Governmental Activities:									
Bonds Payable Through Debt Service Fund									
General Obligation, 2004	\$ 2,725,000	3.00%	11/15/2004	5/25/2025	\$ 648,000	\$ -	\$ 101,000	\$ -	\$ 547,000
General Obligation, 2008	3,500,000	5.00%	12/20/2007	5/25/2027	1,833,000	-	192,000	-	1,641,000
2016 Airport Terminal	1,600,000	3.00%	6/14/2016	5/25/2036	1,356,260	-	74,000	-	1,282,260
2016 Refunding	705,000	Variable	8/24/2016	6/30/2032	1,770,000	-	335,000	-	1,435,000
2017 West Side Park	5,000,000	2.29%	3/16/2017	3/1/2042	3,731,277	398,344	162,000	-	3,967,621
2017 Airport Maintenance Hangar	1,000,000	2.52%	6/22/2017	6/1/2042	941,200	-	30,700	-	910,500
2016 Legends Drive	4,700,000	2.50%	8/24/2016	5/25/2036	4,250,000	-	229,000	-	4,021,000
2018 Public Safety Complex	5,500,000	3.80%	11/14/2018	10/1/2039	1,384,898	3,415,807	-	-	4,800,705
2018 Radio Communication System	5,700,000	3.55%	6/18/2019	6/1/2039	514,342	4,273,674	199,000	-	4,589,016
Total Bonds Payable Through Debt Service Fund					\$ 16,428,977	\$ 8,087,825	\$ 1,322,700	\$ -	\$ 23,194,102
Notes Payable Through Debt Service Fund									
Floyd Center Johnson Controls	\$ 775,548	2.32%	9/26/2012	9/26/2024	\$ 403,078	\$ -	\$ 63,388	\$ -	\$ 339,691
General Fund Johnson Controls	1,521,914	2.32%	9/26/2012	9/26/2024	755,388	-	121,376	-	634,012
Total Notes Payable Through Debt Service Fund					\$ 1,158,466	\$ -	\$ 184,763	\$ -	\$ 973,703
Notes Payable Through General Fund									
2012 Software	\$ 600,000	2.82%	6/27/2012	6/1/2024	\$ 276,000	\$ -	\$ 52,000	\$ -	\$ 224,000
2014 Liquor Tax	811,215	0.00%	5/30/2014	7/1/2023	-	-	-	-	-
Equipment Note	450,000	2.78%	4/1/2020	10/1/2024	-	450,000	-	-	450,000
Loan from Gas Dept - Public Works	24,850	1.50%	8/10/2015	8/10/2018	-	-	-	-	-
Loan from Gas Dept - Fire Hall	2,000,000	Variable	6/7/2019	6/30/2027	1,751,005	-	217,751	-	1,533,254
Loan from Water/Sewer - Regional Transportation	750,000	Variable	8/16/2016	6/30/2026	593,124	-	81,662	-	511,462
Loan from Water/Sewer - Fire Trucks	1,125,000	Variable	9/20/2016	6/30/2026	819,692	-	134,941	-	684,751
Loan from Water/Sewer - Senior Citizens Building	400,000	Variable	12/6/2016	6/30/2026	310,482	-	43,542	-	266,940
Loan from Water/Sewer - Don Fox Park	550,000	Variable	12/1/2017	10/31/2026	454,690	-	59,679	-	395,011
Caterpillar Lease	147,482	3.59%	2/25/2021	2/25/2023	-	147,482	-	-	147,482
Total Notes Payable Through General Fund					\$ 4,204,993	\$ 597,482	\$ 589,575	\$ -	\$ 4,212,900
Notes Payable Through Street Improvements									
Loan from Gas Dept - Quiet Zones	\$ 700,000	Variable	6/20/2017	6/30/2016	\$ 118,454	\$ -	\$ -	\$ -	\$ 118,454
2019 TMBF Crowell Lane	1,800,000	2.79%	12/20/2019	12/1/2039	-	1,338,140	-	-	1,338,140
Total Notes Payable Through Street Improvements					\$ 118,454	\$ 1,338,140	\$ -	\$ -	\$ 1,456,594
Total Notes Payable - Governmental Activities					\$ 5,481,913	\$ 1,935,622	\$ 774,338	\$ -	\$ 6,643,197
Total Bonds and Notes Payable - Governmental Activities					\$ 21,910,890	\$ 10,023,446	\$ 2,097,038	\$ -	\$ 29,837,298
Business-Type Activities:									
Bonds Payable - Water/Sewer									
2015 Energy Bond	\$ 3,500,000	4.00%	4/24/2015	4/1/2035	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
Bonds Payable - Gas Fund									
2008 Bond	\$ 1,100,000	5.00%	12/30/2008	5/25/2029	\$ 682,000	\$ -	\$ 54,000	\$ -	\$ 628,000
2014 Bond	1,000,000	2.43%	9/18/2013	9/1/2033	795,000	-	45,000	-	750,000
Total Bonds Payable - Gas Fund					\$ 1,477,000	\$ -	\$ 99,000	\$ -	\$ 1,378,000
Total Bonds Payable - Business-Type Activities					\$ 4,977,000	\$ -	\$ 99,000	\$ -	\$ 4,878,000
Notes Payable - Water/Sewer									
STATE OF TN 02-165	\$ 4,797,340	2.35%	1/28/2004	6/30/2028	\$ 2,444,977	\$ -	\$ 246,852	\$ -	\$ 2,198,125
STATE OF TN 08-220	420,332	2.40%	6/9/2008	12/30/2029	245,582	-	20,820	-	224,762

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

June 30, 2020

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2019	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2020
STATE OF TN 08-222	18,990,658	2.20%	1/18/2008	6/30/2030	11,420,106	-	928,068	-	10,492,038
STATE OF TN 08-079	2,079,642	2.33%	2/15/2008	11/30/2031	1,643,612	-	115,500	-	1,528,112
STATE OF TN 08-080	651,884	2.45%	5/5/2008	10/31/2030	408,000	-	31,608	-	376,392
STATE OF TN 12-126	2,940,832	1.76%	4/23/2012	5/31/2025	2,421,414	-	132,996	-	2,288,418
STATE OF TN 12-127	1,323,960	1.76%	4/23/2012	12/31/2035	1,124,574	-	59,256	-	1,065,318
STATE OF TN 12-128	1,622,555	1.29%	1/2/2013	8/31/2036	1,454,669	-	76,200	-	1,378,469
STATE OF TN 12-129	1,140,502	1.29%	1/2/2013	10/31/2036	1,023,615	-	53,052	-	970,563
STATE OF TN 15-161	587,600	1.71%	5/11/2015	6/30/2037	550,359	-	25,728	-	524,631
STATE OF TN 15-162	1,271,000	1.71%	5/11/2015	7/31/2038	924,537	-	46,800	-	877,737
STATE OF TN 18-202	800,000	1.81%	2/12/2018	12/31/2039	432,180	566,714	216,674	-	782,220
STATE OF TN 18-203	300,000	1.81%	7/1/2020	6/30/2039	-	117,544	-	-	117,544
STATE OF TN 19-435	4,300,000	1.32%	1/21/2021	6/20/2040	-	379,320	-	-	379,320
2014 Refunding Bond	4,887,665	1.85%	2/18/2014	6/1/2020	490,000	-	490,000	-	-
2001 Revenue Bonds	4,000,000	3.12%	7/28/2003	5/25/2003	1,146,000	-	266,000	-	880,000
2006 Revenue Bonds	1,400,000	4.00%	7/11/2006	5/25/2026	77,800	-	77,800	-	-
2007 Revenue Bonds	5,000,000	5.00%	6/28/2007	5/25/2007	2,379,000	-	266,000	-	2,113,000
2008 Revenue Bonds	4,150,000	5.00%	12/30/2008	5/25/2029	2,116,778	-	204,000	-	1,912,778
2011 Water and Sewer System Improvements	1,631,150	2.86%	11/30/2010	11/1/2030	1,086,000	-	77,000	-	1,009,000
2016 Refunding	2,285,000	Variable	8/24/2016	6/30/2032	2,025,000	-	135,000	-	1,890,000
2012 Water and Sewer System Improvements	1,387,000	2.23%	2/22/2012	3/1/2032	970,000	-	65,000	-	905,000
2012 Johnson Controls	4,657,079	1.82%	9/28/2012	10/1/2027	2,870,000	-	330,000	-	2,540,000
2013 Water and Sewer System Improvements	1,800,000	2.28%	5/15/2013	5/1/2033	1,344,000	-	83,000	-	1,261,000
2014 Water and Sewer System Improvements	1,800,000	3.00%	12/9/2014	5/25/2035	1,472,000	-	84,000	-	1,388,000
Total Notes Payable - Business-Type Activities					\$ 40,070,203	\$ 1,063,578	\$ 4,031,354	\$ -	\$ 37,102,427
Total Bonds and Notes Payable - Business-Type Activities					\$ 45,047,203	\$ 1,063,578	\$ 4,130,354	\$ -	\$ 41,980,427

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2020

	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020
Department of Natural Gas:				
Land and Improvements	\$ 866,063	\$ -	\$ -	\$ 866,063
Buildings	2,551,331	-	-	2,551,331
Equipment	3,447,921	462,233	(45,186)	3,864,968
Transmission and Distribution	37,498,266	2,544,208	-	40,042,474
	<u>\$ 44,363,581</u>	<u>\$ 3,006,441</u>	<u>\$ (45,186)</u>	<u>\$ 47,324,836</u>
Department of Water and Sewer:				
Land and Improvements	\$ 1,697,023	\$ -	\$ -	\$ 1,697,023
Buildings	70,921,404	627,902	-	71,549,306
Equipment	5,782,405	439,674	-	6,222,079
Improvements Other Than Buildings	121,816,882	6,427,735	-	128,244,617
	<u>\$ 200,217,713</u>	<u>\$ 7,495,311</u>	<u>\$ -</u>	<u>\$ 207,713,025</u>
Stormwater Fund				
Equipment	443,372	\$ 402,977	\$ -	\$ 846,349
Improvements Other Than Buildings	988,834	684,119	-	1,672,953
	<u>\$ 1,432,206</u>	<u>\$ 1,087,096</u>	<u>\$ -</u>	<u>\$ 2,519,302</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF TAXES RECEIVABLE

June 30, 2020

General Fund

Uncollected Taxes:

Deferred 2020	\$ 11,666,289
Vouchers on Hand	-
2019	370,665
2018	68,575
2017	2,192
2016	1,921
2015	1,483
2014	-289
2013	591
2012	1,482
2011	104
2010	2,422
2009	226
	<u>\$ 12,115,662</u>

-NOTE

All delinquent taxes through 2018 Tax year have been filed with the Clerk and Master.

CITY OF LEBANON TENNESSEE
SCHEDULE OF CHANGES IN TAXES RECEIVABLE
Year Ended June 30, 2020

Tax Year	Property Tax Receivable Balance June 30, 2019	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2020
2020	\$ -	\$ -	\$ 11,666,289	-	\$ 14,145	\$ -	\$ 11,666,289
Vouchers	\$ -	\$ 14,145	-	\$ -	\$ -	\$ -	\$ -
2019	\$ 11,313,354	\$ 326,345	-	\$ 82,146	\$ 11,186,887	\$ -	\$ 370,666
2018	\$ 227,057	-	-	\$ 1,576	\$ 156,906	\$ -	\$ 68,575
2017	\$ 37,233	-	-	\$ 158	\$ 34,883	\$ -	\$ 2,192
2016	\$ 2,546	-	-	\$ (422)	\$ 1,047	\$ -	\$ 1,921
2015	\$ 2,019	-	-	\$ -	\$ 536	\$ -	\$ 1,483
2014	\$ 3	-	-	\$ (0)	\$ 292	\$ -	\$ (289)
2013	\$ 131	-	-	\$ (460)	-	\$ -	\$ 591
2012	\$ 1,482	-	-	\$ -	-	\$ -	\$ 1,482
2011	\$ 104	-	-	\$ -	-	\$ -	\$ 104
2010	\$ 2,422	-	-	\$ -	-	\$ -	\$ 2,422
2009	\$ 226	-	-	\$ -	-	\$ -	\$ 226
	\$ 11,586,577	\$ 340,490	\$ 11,666,289	\$ 82,998	\$ 11,394,696	\$ -	\$ 12,115,662

CITY OF LEBANON TENNESSEE

SCHEDULE OF TAX RATES AND ASSESSMENTS

UNAUDITED

June 30, 2020

	<u>Rate per \$100 of Assessed Valuation</u>	<u>Total Assessed Valuation</u>
2020	\$ 0.8575	\$ 1,360,648,761
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

CITY OF LEBANON, TENNESSEE

SCHEDULE OF NATURAL GAS RATES

UNAUDITED

Year Ended June 30, 2020

There were 9,196 metered customers billed during the month of June, 2020. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2020 are as follows:

	<u>Inside City</u>	<u>Outside City</u>
1) Residential		
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
2) Commercial		
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
2) Multiple Dwellings- L.H.A.		
Minimum	\$5.00	
First 1,000 Cubic Feet	\$7.17	
All Over 1,000 Cubic Feet	\$7.39/1000	
4) Interruptible		
Demand Charge	\$750.00	\$750.00
First 3,500,000 Cubic Feet	\$2.06/1000	\$2.46/1000
All Over 3,500,000 Cubic Feet	\$1.74/3500	\$2.06/1000
Transport Fee	Variable	
5) Industrial		
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: 319.2 *

*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, 2020

There were 12,097 metered water customers and 13,138 sewer customers billed during June, 2020. 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, 2020, are as follows:

WATER

Residential			<u>Inside City</u>			<u>Outside City</u>		
First	0-1500	GA	0.006913	Per Gallon	\$10.37	0.010367	Per Gallon	\$15.55
Next	1501-over	GA	0.007312	Per Gallon		0.010968	Per Gallon	
Commercial								
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)

Residential			<u>Inside City</u>			<u>Outside City</u>		
First	0-1500	GA	0.007333	Per Gallon	\$11.00	0.011000	Per Gallon	\$16.50
Next	1501- over	GA	0.007700	Per Gallon		0.012500	Per Gallon	
Commercial								
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)

Residential			<u>Inside City</u>			<u>Outside City</u>		
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	
Commercial								
First	0-1500	GA	0.007533	Per Gallon	\$11.30	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, 2020

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 \$157,933,750
Equipment	\$1,609,058
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
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CITY OF LEBANON, TENNESSEE

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

UNAUDITED

June 30, 2020

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

The fidelity bond coverage is carried with First Insurance Group.

CITY OF LEBANON, TENNESSEE
SCHEDULE OF TRANSFERS

Year Ended June 30, 2020

Transfers From	Governmental Funds				Proprietary Fund	Total
	Major Funds	Nonmajor Funds		Stormwater		
	General	State Street Aid	Airport Operations			
Transfers To						
Governmental Funds:						
Major Funds:						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:						
Street Improvements	150,000	500,000	-	-	-	650,000
Floyd Family Life Center	652,000		-	-	-	652,000
Airport Operations	72,000		-	-	-	72,000
2008 G.O. Refunding						
Bond Sinking	321,150		-	-	-	321,150
2004 G.O. Bond						
Sinking	113,951		-	-	-	113,951
2008 G.O. Bond						
Sinking	227,512		-	-	-	227,512
2011 G.O. Bond						
Sinking	63,725		-	-	-	63,725
2013 G.O. Bond						
Sinking	211,639		-	-	-	211,639
2016 Legends Drive						
Sinking	327,870		-	-	-	327,870
2016 Airport Terminal						
Sinking	-		106,435	-	-	106,435
Public Safety Building						
Sinking	376,875		-	-	-	376,875
West Side Park Sinking	272,931		-	-	-	272,931
Airport Maintenance						
Hangar Sinking	-		54,418	-	-	54,418
Airport Capital						
Projects	128,150		-	-	-	128,150
Beatification Committee	1,500		-	5,000	-	6,500
Police Local Option Fund	280,000		-	-	-	280,000
Federal Asset Seizure	600		-	-	-	600
Radio Systems	425,235		-	-	-	425,235
Road Improvements	61,145		-	-	-	61,145
Equipment Bond	61,013		-	-	-	61,013
Lebanon/Wilson County						
Community Park	100,000		-	-	-	100,000
Total	\$ 3,847,296	\$ 500,000	\$ 160,853	\$ 5,000	\$ 4,513,149	

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues					
Taxes:					
Real and Personalty	\$ 11,185,436	\$ 7,664,664	\$ 7,321,723	\$ 6,830,294	\$ 5,761,718
Business Tax	1,795,083	1,766,273	1,707,902	1,594,583	1,364,190
Wholesale Beer	1,184,350	1,091,255	1,084,790	1,071,598	1,083,966
Sales Tax	13,790,710	12,675,829	12,194,034	11,842,555	11,276,908
Cable TV Franchise Fee	365,424	381,733	394,224	380,825	373,771
Hotel and Motel Tax	400,675	432,462	399,298	394,197	361,250
Liquor Tax	459,810	440,540	390,016	382,897	362,639
	<u>29,181,488</u>	<u>24,452,756</u>	<u>23,491,987</u>	<u>22,496,949</u>	<u>20,584,442</u>
Tax Equivalents:					
TVA Tax Replacement	403,370	388,398	371,949	370,099	308,125
	<u>403,370</u>	<u>388,398</u>	<u>371,949</u>	<u>370,099</u>	<u>308,125</u>
Federal, State and Regional					
Apportionments and Grants:					
Sales Tax	2,966,017	2,883,679	2,770,561	2,607,033	2,105,150
Income Tax	409,022	349,766	84,619	518,316	390,497
Street and Transportation Fund	64,984	65,071	65,966	63,974	53,296
Highway Grants and Contracts	118,058	155,382	155,382	155,382	164,701
Beer Tax	15,333	15,153	15,270	15,804	12,788
Alcoholic Beverage Tax	122,548	127,472	112,278	105,379	90,452
Corporate Excise Tax	152,758	114,767	105,705	92,462	76,319
Police and Fire Salary Supplement	128,800	87,600	75,000	72,000	70,200
COPS/JAG Grants	50,881	63,713	336,105	211,029	21,592
D.E.A. Grant	-	5,799	24,435	11,252	17,199
Highway Safety/Safe Street Grants	44,880	14,966	30,829	22,131	19,121
Organized Drug Task Force	4,101	4,505	-	-	-
Intelligent Transportation	69,806	27,005	-	-	-
FEMA Tornado	(1,115)	-	-	-	-
GNRC	1,656	-	-	-	-
Telecommunications	14,092	14,051	14,004	2,691	2,305
	<u>4,161,821</u>	<u>3,928,929</u>	<u>3,790,154</u>	<u>3,877,453</u>	<u>3,023,620</u>
Fines and Costs	791,185	956,054	1,038,177	852,113	844,868
Rents from Other City Departments	-	-	0	-	-
Rent - Other	34,000	24,000	24,000	24,000	42,000
Highway and Street Charges	41,933	57,358	26,441	72,654	75,318
Interest	248,733	359,091	214,155	101,417	58,129
Permits and Licenses	2,011,349	1,247,054	1,792,087	1,336,638	1,260,722
Cemetery Income	61,590	40,460	49,300	56,820	55,080
Park and Recreation Income	22,230	32,442	33,940	38,064	31,290
Interest and Penalty on Taxes and Licenses	37,956	30,181	36,946	27,409	27,810
Miscellaneous	5,275,319	976,656	1,192,886	840,927	433,375
Financing Sources	33,812	78,304	18,281	71,503	35,838
	<u>8,558,107</u>	<u>3,801,600</u>	<u>4,426,213</u>	<u>3,421,545</u>	<u>2,864,430</u>
	<u>\$ 42,304,786</u>	<u>\$ 32,571,683</u>	<u>\$ 32,080,303</u>	<u>\$ 30,166,046</u>	<u>\$ 26,780,617</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Mayor and Council	\$ 282,594	250,741	372,404	\$ 455,131	\$ 339,139
City Attorney/Judicial	185,352	186,487	177,417	199,719	179,469
Financial Administration	238,951	228,987	183,965	176,490	179,001
EAC Committee	313	131	168	134	228
Accounting	142,620	124,701	137,944	174,224	180,987
Sanitation	1,929,199	1,690,648	1,814,667	1,800,601	1,186,318
Customer Billing	19,471	30,385	25,863	26,338	26,959
Purchasing	43,437	44,990	40,869	41,260	44,416
Computer Equipment	460,456	407,630	374,054	311,645	211,214
Public Works	328,212	317,865	294,076	294,580	251,822
Warehouse	-	(600)	304,410	178,585	(380)
Personnel	378,653	366,787	335,104	233,280	288,329
General Maintenance	391,152	336,420	329,057	289,329	236,634
Police	11,772,470	10,761,508	9,368,957	8,526,304	7,791,166
Fire	7,344,112	6,993,700	5,513,872	6,624,137	4,697,257
Building Inspection	443,502	485,702	601,365	508,581	430,478
Building Maintenance	130,047	115,939	92,491	86,019	84,276
Street	2,242,418	1,462,512	1,186,473	3,055,543	1,408,746
Animal Control	181,357	183,064	139,738	153,101	215,803
Engineering	430,895	308,263	331,221	302,500	292,259
Garage	384,947	338,915	311,647	310,661	299,730
Cemetery	99,158	121,450	119,551	108,313	97,442
Recreation	1,205,658	1,059,117	934,728	729,665	724,948
Drainage Migration	189,073	55,422	78,226	297,359	56,131
Special Events	34,590	30,659	31,130	29,830	32,184
Dues	295,502	313,634	292,923	353,829	260,373
Community Park	218,333	266,945	727,084	222,734	89,450
Regional Transportation Authority	-	-	601,569	298,128	158,569
Traffic Maintenance	307,613	229,215	200,012	199,319	210,005
Public Safety	3,909,387	3,725,061	2,293,639	754,438	671,656
Johnson Controls	245,863	402,177	26,090	93,055	160,667
Risk Assessment	51,988	58,411	46,062	20,372	-
Accounting System Debt Service	17,935	18,066	17,881	17,987	36,169
Intelligent Transportation	87,438	33,756	287	-	-
Economic Development	185,677	153,883	159,029	114,737	35,074
Senior Citizens Center	268,865	270,474	-	-	-
Codes Enforcement	177,662	123,383	-	-	-
Mitchell House	251,216	1,151,675	-	-	-
Radio Communication	4,277,023	949,633	-	-	-
Disaster/COVID Relief	2,951,822	-	-	-	-
Total Expenditures	<u>\$ 42,104,961</u>	<u>\$ 33,597,736</u>	<u>\$ 27,463,973</u>	<u>\$ 26,987,928</u>	<u>\$ 20,876,519</u>

CITY OF LEBANON, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS
Years Ended June 30, 2020

	<u>2020</u>
Total Tax Levy	11,639,699
Current Tax Collections	11,049,220
Percent of Levy Collected	94.93%
Delinquent Tax Collections	330,626
Total Tax Collections	11,379,846
Total Collections as Percent of Current Levy	97.77%
Outstanding Delinquent Taxes	447,664
Outstanding Delinquent Taxes as Percent of Current Levy	3.85%

CITY OF LEBANON, TENNESSEE

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

Year Ended June 30, 2020

	<u>2020</u>
Real Property:	
Assessed Value	1,225,450,925
Estimated Actual Value	3,937,467,500
Personal Property:	
Assessed Value	135,197,836
Estimated Actual Value	555,921,413
Public Utility Property:	
Assessed Value	41,585,468
Estimated Actual Value	41,585,468
Total:	
Assessed Value	1,402,234,229
Estimated Actual Value	4,534,974,381
Ratio of Total Assessed Value to Total Estimated Actual Value	 30.92%

CITY OF LEBANON, TENNESSEE

PROPERTY TAX RATES AND LEVIES - ALL OVERLAPPING GOVERNMENTS

UNAUDITED

Last Five Fiscal Years

Tax Rates

<u>Fiscal</u>	<u>Tax</u>		<u>City</u>	<u>County</u>
<u>Year</u>	<u>Year</u>			
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
2020	2019	\$	0.85750	\$2.5189/\$2.9016

Tax Levies

			<u>City</u>	<u>County</u>
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
2020	2019	\$	11,313,354	\$ 108,869,779

CITY OF LEBANON, TENNESSEE
MISCELLANEOUS STATISTICAL DATA

June 30, 2020

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
2020 - 40.5

Paved Streets- 211 Miles

Sidewalks- 72.74 Miles

Sanitary Sewer Lines- 305.8 Miles

Fire Protection:

Number of Fire Stations- 4

Number of Full and Part-Time Employees- 76

Police Protection:

Number of Full and Part-Time Employees- 151

Vehicular Patrol Units- 161

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2020

Elections:

Number of Registered Voters- 22,065

Number of Votes Cast-

Last General Election- 20,403

Last Municipal Election-20,403

Special Called Election- 4,550

Percentage of Registered Voters Voting

Last General Election- 92%

Last Municipal Election- 92%

Special Called Election- 20%

Population:

2020- 38,039

Gas System:

Number of Consumers- 9,196

Cubic Feet Billed for the

Year- 1,643,648,306

Distribution System- 319.20 Miles
of Lines

Water System:

Number of Consumers- 12,097

Cubic Feet Billed for the

Year- 1,729,977,677

Distribution System- 254.05

miles of Water Mains

Water Treatment Plant

Capacity- 12,000,000

Gallons Per Day

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2020

Sewer System:

Number of Users- 13,138

Sewer Plant Capacity-

22,000,000 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
Revere at Barton's Run LLC	Apartments
Maplehurst Bakeries (IDB)	Manufacturing
Bridgeston Americas Tire	Manufacturing
Commerce Farms	Real Estate
Tennessee Service Corp	Auto Auction
McNabb Teresa	Real Estate
Lochinvar LLC	Manufacturing
Duke Realty LTD	Real Estate

AWWA Free Water Audit Software: Reporting Worksheet

WAS v5.0
American Water Works Association
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Click to access definition
 Click to add a comment

Water Audit Report for: **City of Lebanon**
Reporting Year: **2020** **7/2019 - 6/2020**

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' ----->

Volume from own sources:		2,001,853	MG/Yr
Water imported:		0,000	MG/Yr
Water exported:		649,078	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:	MG/Yr
	2.00%	
		2,003

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

WATER SUPPLIED: **1,315.526** MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:		1,087,793	MG/Yr
Billed unmetered:		0,209	MG/Yr
Unbilled metered:		0,000	MG/Yr
Unbilled unmetered:		8,069	MG/Yr

Click here: for help using option buttons below

Pcnt:	Value:	MG/Yr
	8.069	

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: **1,096.071** MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

219.455 MG/Yr

Apparent Losses

Unauthorized consumption: **3,289** MG/Yr

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

Customer metering inaccuracies:		33,643	MG/Yr
Systematic data handling errors:		31,897	MG/Yr

Apparent Losses: **68.829** MG/Yr

Pcnt:	Value:	MG/Yr
0.25%		

3.00%		31,897
-------	--	--------

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: **150.626** MG/Yr

WATER LOSSES: **219.455** MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: **227.524** MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:		254.1	miles
Number of active AND inactive service connections:		12,326	
Service connection density:		49	conn /mile main

Are customer meters typically located at the curbside or property line? No Yes

Average length of customer service line: (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: **60.0** psi

COST DATA

Total annual cost of operating water system:		\$7,761,888	\$/Year
Customer retail unit cost (applied to Apparent Losses):		\$15.89	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):		\$0.64	\$/Million gallons <input type="checkbox"/> Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 85 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: Volume from own sources
- 2: Unauthorized consumption
- 3: Billed unmetered



AWWA Free Water Audit Software: System Attributes and Performance Indicators

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

Water Audit Report for: City of Lebanon
Reporting Year: 2020 | 7/2019 - 6/2020

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 85 out of 100 ***

System Attributes:

Apparent Losses:	68.829	MGYr
+	150.626	MGYr
=	219.455	MGYr
Unavoidable Annual Real Losses (UARL):	70.59	MGYr
Annual cost of Apparent Losses:	\$1,093,691	
Annual cost of Real Losses:	\$96	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:	17.3%	
	Non-revenue water as percent by cost of operating system:	14.1%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	15.30	gallons/connection/day
	Real Losses per service connection per day:	33.48	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.56	gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		150.63	million gallons/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:		2.13	

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

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

Year Ended June 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR FEDERAL AWARDS:	PROGRAM/CLUSTER NAME	CFDA#	CONTRACT #	EXPENDITURES
Pass Through Funding:				
Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW6 2018-203	\$ 117,544
Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW6 2018-202	567,820
Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Funds	66.468	CW7 2019-435	379,320
	Total Program 66.468			<u>1,064,684</u>
Pass Through Funding:				
Department of Transportation through TN Department of Transportation	State and Community Highway Safety	20.600	Z20THS137	38,854
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0165-19	56,556
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0166-20	41,587
	Total Program 20.106			<u>98,143</u>
Direct Funding:				
Department of Justice	Bullet Proof Vest Partnership Program	16.607		5,369
Department of Justice	Bullet Proof Vest Partnership Program	16.607		3,011
	Total Program 16.607			<u>8,380</u>
Department of Justice	Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0450	(2,141)
Department of Justice	Federal Asset Seizure Equitable Sharing	16.922		43,224
	TOTAL FEDERAL AWARDS			\$ 1,251,145
STATE FINANCIAL ASSISTANCE:				
Tennessee Department of Transportation	Airport Maintenance	N/A	95-555-1533-04	\$ 15,000
Tennessee Department of Transportation	Westside Land Purchase	N/A	95-555-0161-18	6,831

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

Year Ended June 30, 2020

FEDERAL GRANTOR/PASS THROUGH GRANTOR	PROGRAM/CLUSTER NAME	CFDA#	CONTRACT #	EXPENDITURES
Tennessee Department of Transportation	Replace Runway Lighting	N/A	95-555-0763-19	960,846
Tennessee Department of Transportation	Partial Parallel Taxiway	N/A	95-555-0165-19	6,284
Tennessee Department of Transportation	Taxiway Rows D-E	N/A	95-555-0166-20	1,255
Tennessee Department of Transportation	Equipment	N/A	95-555-0365-19	375
Tennessee Department of Transportation	Eastside LL 100 Slef Serve Fuel Farm	N/A	95-555-0167-20	(2,000)
TOTAL STATE AWARDS				\$ 988,591
TOTAL FEDERAL AND STATE AWARDS				\$ 2,239,735

NOTE A - BASIS OF PRESENTATION

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

NOTE B - LOANS OUTSTANDING

At June 20, 2019, there were the following balances outstanding on loans obtained in prior years:

Loan #	Outstanding Balance	Percent Federal Funding	Payments in Current Fiscal Year
DW6 2018-203	\$ 924,537	38.43%	\$ 117,544
DW6 2018-202	\$ 432,180	93.82%	567,820

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, 2020, 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 March 23, 2021.

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 + Folles PLLC

Lebanon, Tennessee
March 23, 2021

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, 2020. 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, 2020.

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 Vantrouse + Follos PLLC

Lebanon, Tennessee
March 23, 2021

CITY OF LEBANON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

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: Unmodified

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, 2020

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.