

AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
CITY OF LEBANON, TENNESSEE  
YEAR ENDED JUNE 30, 2021

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**CITY OF LEBANON TENNESSEE**

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

**June 30, 2021**

**Publicly Elected Officials:**

Mayor	Rick Bell
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

## 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, 2021, 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, 2021, 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 63-67 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 31, 2022, on our consideration of the City of Lebanon, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lebanon, Tennessee's internal control over financial reporting and compliance.

*Dempsey Ventresca + Folles PLLC*

Lebanon, Tennessee  
March 31, 2022

## **CITY OF LEBANON, TENNESSEE**

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

June 30, 2021

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, 2021. Please read it conjunction with the City's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- > The City's total net position increased \$27.8 million or 12.59%. Of this amount, the net position of the Government activities increased by almost \$16.8 million and the net position of the Business type activities increased by \$11 million.
- > The City's governmental activities revenues from taxes and other sources were \$58.6 million and exceeded expenditures by \$16.8 million. Last year, revenues exceeded expenditures by \$7.95 million. Compared to last year revenues increased by 16.5% and expenditures decreased by 1%.
- > Revenues from the City's business-type activities were \$41.9 million, and revenues exceeded expenses by \$11 million. Last year revenues exceeded expenses by \$11.96 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 shorter-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 \$27.8 million during the year ended June 30, 2021. Of this amount, Government activities increased by about \$16.8 million and the net position of the Business type activities increased by \$11 million. In comparison, for the year ended June 30, 2020, the City's net position increased \$19.91 million. The following table is a comparison of net assets of the City during the fiscal years ended June 30, 2021 and 2020:

### CITY OF LEBANON, TENNESSEE NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2021-2020
	2021	2020	2021	2020	2021	2020	
		\$	\$	\$	\$	\$	
Current and Other Assets	72,665,780	58,304,894	41,919,402	30,885,284	114,585,182	89,190,178	28.47%
Capital Assets, net	88,495,639	88,176,711	153,749,656	152,231,839	242,245,295	240,408,550	0.76%
Total Assets	<b>161,161,419</b>	<b>146,481,605</b>	<b>195,669,058</b>	<b>183,117,123</b>	<b>356,830,477</b>	<b>329,598,728</b>	<b>8.26%</b>
Deferred Outflows of Resources	<b>8,371,851</b>	<b>5,165,120</b>	<b>5,640,070</b>	<b>4,138,531</b>	<b>14,011,921</b>	<b>9,303,651</b>	<b>50.61%</b>
Long-Term Debt, net	27,901,875	29,837,298	39,965,627	41,980,427	67,867,502	71,817,725	-5.50%
Other Liabilities	27,461,297	23,786,484	10,694,713	8,111,795	38,156,010	31,898,279	19.62%
Total Liabilities	<b>55,363,172</b>	<b>53,623,782</b>	<b>50,660,340</b>	<b>50,092,222</b>	<b>106,023,512</b>	<b>103,716,004</b>	<b>2.22%</b>
Deferred Inflows of Resources	<b>12,760,091</b>	<b>13,380,843</b>	<b>3,537,577</b>	<b>1,064,584</b>	<b>16,297,668</b>	<b>14,445,427</b>	
Net Position							
Net Investment in Capital							
Assets	60,593,764	58,339,413	113,784,029	110,251,412	174,377,793	168,590,825	3.43%
Restricted	3,410,357	10,512,494	1,752,189	1,272,960	5,162,546	11,785,454	-56.20%
Unrestricted	37,405,886	15,790,193	31,574,993	24,574,476	68,980,879	40,364,669	70.89%
Total Net Position	<b>\$ 101,410,007</b>	<b>\$ 84,642,100</b>	<b>\$ 147,111,211</b>	<b>\$ 136,098,848</b>	<b>\$ 248,521,218</b>	<b>\$ 220,740,948</b>	<b>12.59%</b>

Net position of the City's governmental activities increased by about \$16.8 million. Of this amount, total assets increased by \$14.7 million and total liabilities increased by \$1.7 million. Over half of the governmental activities' net position is in net investment in capital assets.

The net position of the business-type activities increased \$11 million. Of this amount total assets increased by \$12.6 million and total liabilities increased by \$568 thousand. 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, 2021 and 2020:

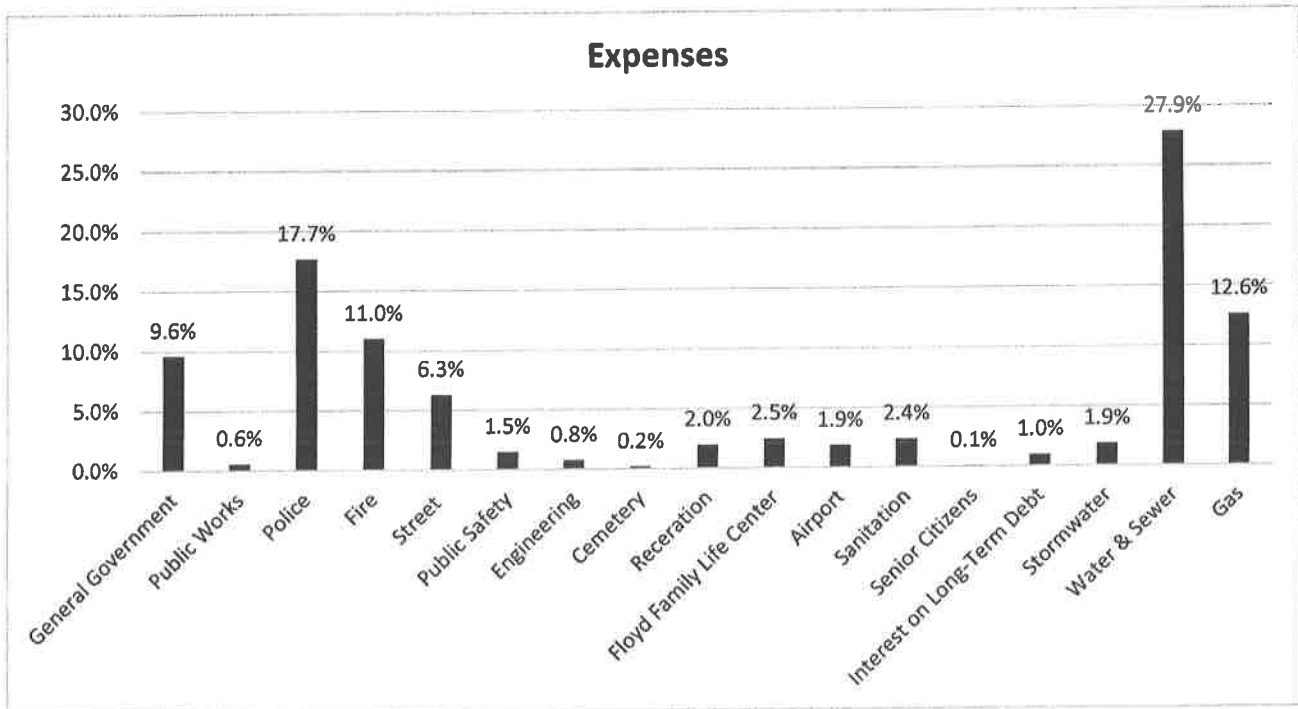
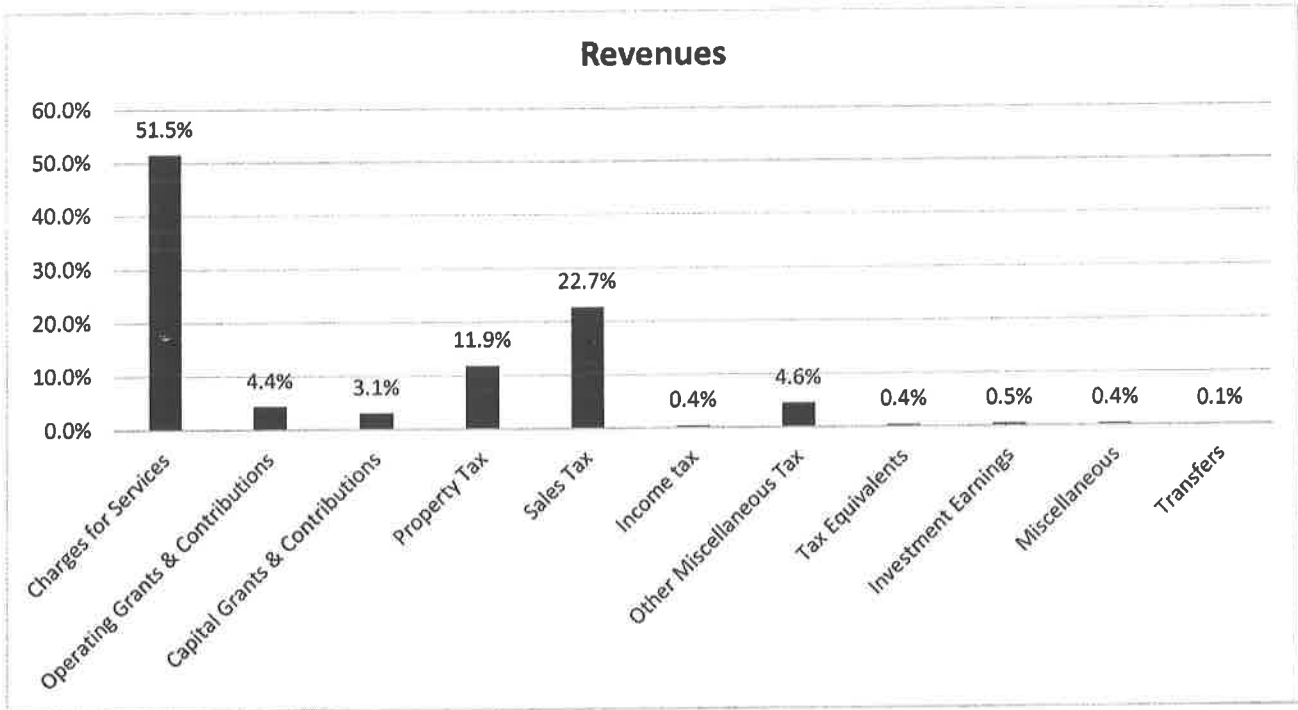
**CITY OF LEBANON, TENNESSEE CHANGE IN NET POSITION**

	Governmental Activities		Business Type Activities		Total		Total Percentage Change	2021 Total Revenue
	2021	2020	2021	2020	2021	2020		
<b>Revenues</b>								
<b>Program Revenues:</b>								
Charges for Services	\$ 10,902,575	\$ 9,808,964	\$ 40,839,786	\$ 34,896,215	\$ 51,742,361	\$ 44,705,179	15.74%	51.50%
Operating Grants and Contributions	4,446,937	2,573,522	-	-	4,446,937	2,573,522	72.80%	4.43%
Capital Grants and Contribution	1,813,648	3,232,169	1,349,349	4,719,810	3,162,997	7,951,979	-60.22%	3.15%
<b>General Revenues:</b>								
Property Tax	11,993,447	11,185,436	-	-	11,993,447	11,185,436	7.22%	11.94%
Sales Tax	22,753,712	16,756,724	-	-	22,753,712	16,756,724	35.79%	22.65%
Income Tax	360,941	561,781	-	-	360,941	561,781	-35.75%	0.36%
Other Miscellaneous Tax	4,624,555	4,408,207	-	-	4,624,555	4,408,207	4.91%	4.60%
Tax Equivalents	374,931	403,370	-	-	374,931	403,370	-7.05%	0.37%
Investment Earnings	252,218	296,116	258,744	299,092	510,962	595,208	-14.15%	0.51%
Miscellaneous	-	-	433,055	381,511	433,055	381,511	13.51%	0.43%
Transfers	1,095,388	1,075,609	(1,027,440)	(992,263)	67,948	83,346		0.07%
<b>Total Revenues</b>	<b>58,618,352</b>	<b>50,301,898</b>	<b>41,853,494</b>	<b>39,304,365</b>	<b>100,471,846</b>	<b>89,606,263</b>	<b>12.13%</b>	
<b>Expenses</b>								
General Government	6,967,609	9,320,166	-	-	6,967,609	9,320,166	-25.24%	9.6%
Public Works	455,992	363,506	-	-	455,992	363,506	25.44%	0.6%
Police	12,868,573	12,277,742	-	-	12,868,573	12,277,742	4.81%	17.7%
Fire	7,969,803	7,311,109	-	-	7,969,803	7,311,109	9.01%	11.0%
Street	4,608,501	4,229,730	-	-	4,608,501	4,229,730	8.95%	6.3%
Public Safety	1,093,466	1,275,972	-	-	1,093,466	1,275,972	-14.30%	1.5%
Engineering	561,679	607,401	-	-	561,679	607,401	-7.53%	0.8%
Cemetery	169,661	99,458	-	-	169,661	99,458	70.59%	0.2%
Recreation	1,419,686	1,448,010	-	-	1,419,686	1,448,010	-1.96%	2.0%
Floyd Family Life Center	1,824,540	1,652,351	-	-	1,824,540	1,652,351	10.42%	2.5%
Airport	1,389,264	1,516,587	-	-	1,389,264	1,516,587	-8.40%	1.9%
Sanitation	1,739,307	1,532,028	-	-	1,739,307	1,532,028	13.53%	2.4%
Senior Citizens	91,231	73,336	-	-	91,231	73,336	24.40%	0.1%
Interest on Long-Term Debt	691,132	642,646	-	-	691,132	642,646	7.54%	1.0%
Water & Sewer	-	-	20,303,446	18,804,516	20,303,446	18,804,516	7.97%	27.9%
Natural Gas	-	-	9,143,324	7,442,083	9,143,324	7,442,083	22.86%	12.6%
Stormwater	-	-	1,394,362	1,099,125	1,394,362	1,099,125		1.9%
	<b>41,850,445</b>	<b>42,350,043</b>	<b>30,841,132</b>	<b>27,345,724</b>	<b>72,691,577</b>	<b>69,695,766</b>	<b>4.30%</b>	
<b>Increase (Decrease) in Net Position</b>	<b>\$ 16,767,907</b>	<b>\$ 7,951,855</b>	<b>\$ 11,012,262</b>	<b>\$ 11,958,641</b>	<b>\$ 27,780,269</b>	<b>\$ 19,910,497</b>	<b>39.53%</b>	

The City's total revenues increased \$10.86 million from \$89.61 million to \$100.47 million.

The total cost of the City's programs and services increased \$3 million from \$69.7 million to \$72.7 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2021.



### Governmental Activities

The governmental revenues increased by \$8.32 million and expenditures decreased by \$500 thousand. The City had a decrease of about \$1.4 million in Capital Grants and Contributions and a \$808 thousand 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, 2021 and 2020:

	Total Cost Of Services		Percent Change 2021-2020	Net Cost of Services		Percent Change 2021-2020
	2021	2020		2021	2020	
General Government	\$ 6,967,609	\$ 9,320,166	-25.24%	\$ (4,525,496)	\$ 1,743,475	-359.57%
Public Works	455,992	363,506	25.44%	455,992	363,506	25.44%
Police	12,868,573	12,277,742	4.81%	11,540,025	10,849,560	6.36%
Fire	7,969,803	7,311,109	9.01%	7,913,003	7,253,509	9.09%
Street	4,608,501	4,229,730	8.95%	2,407,454	858,387	180.46%
Public Safety	1,093,466	1,275,972	-14.30%	970,536	1,206,166	-19.54%
Engineering	561,679	607,401	-7.53%	561,679	607,401	-7.53%
Cemetery	169,661	99,458	70.59%	88,281	24,418	261.54%
Recreation	1,419,686	1,448,010	-1.96%	1,396,697	1,425,780	-2.04%
Floyd Family Life Center	1,824,540	1,652,351	10.42%	851,105	744,195	14.37%
Airport	1,389,264	1,516,587	-8.40%	506,340	(589,020)	-185.96%
Sanitation	1,739,307	1,532,028	13.53%	1,739,307	1,532,028	13.53%
Senior Citizens	91,231	73,336	24.40%	91,231	73,336	24.40%
<b>Total</b>	<b>\$ 41,159,313</b>	<b>\$ 41,707,397</b>	<b>-1.31%</b>	<b>\$ 23,996,153</b>	<b>\$ 26,092,742</b>	<b>-8.04%</b>

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

### Business-Type Activities

Revenues of the City's business-type activities increased by \$2.55 million. Expenses increased by \$3.5 million. Revenues increased by 6.48% and expenses increased by 12.78% 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 \$14.42 million excess of revenues over expenditures for the General fund for the fiscal year ended June 30, 2021.

- > Revenues for the General Fund were \$10.32 million more than budgeted.
- > Expenditures were \$9.33 million less than budgeted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2021 the City had \$242.25 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 \$1.84 million or .76% over June 30, 2020 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2021 and 2020. 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 2021-2020
	2021	2020	2021	2020	2021	2020	
Land	\$ 11,829,476	\$ 12,263,848	\$ 2,563,087	\$ 2,563,087	\$ 14,392,563	\$ 14,826,935	-2.93%
Buildings	19,466,748	19,240,482	41,695,891	42,650,671	61,162,639	61,891,153	-1.18%
Improvements Other Than Buildings	45,677,391	44,564,577	99,842,483	96,371,787	145,519,874	140,936,364	3.25%
Equipment	11,522,024	12,107,803	3,478,845	3,742,684	15,000,869	15,850,487	-5.36%
Construction in Process	-	-	6,169,353	6,903,611	6,169,353	6,903,611	-10.64%
Total	\$ 88,495,639	\$ 88,176,712	\$ 153,749,660	\$ 152,231,840	\$ 242,245,299	\$ 240,408,551	0.76%

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

The fiscal year ended June 30, 2022 budget includes capital expenditures of \$24.24 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, 2021, the City had \$67.9 million in bonds, notes and capital leases outstanding. This is a decrease of \$3.95 million or 5.50% from June 30, 2020. The following table summarizes and compares long-term debt at June 30, 2021 and 2020. 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 2021-2020
	2021	2020	2021	2020	2021	2020	
General Obligation Bonds and Notes (Backed by the City)	\$27,901,875	\$29,837,298	\$0	\$0	\$27,901,875	\$29,837,298	-6.49%
Revenue Bonds & Notes (Backed by specific tax and fee revenues)	-	-	39,965,628	41,980,427	39,965,628	41,980,427	-4.80%
	\$27,901,875	\$29,837,298	\$39,965,628	\$41,980,427	\$67,867,503	\$71,817,725	-5.50%

Bond ratings: Aa2

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

When preparing the General Fund for FY 2022, 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 \$43.11 million, an increase of 5% compared to the amended budget for 20-21. Estimated property tax revenue is expected to increase by \$300 thousand, or 3.00%. Also, estimated sales tax revenue is expected to increase by \$2.8 million or 23%. Both of these are compared to the amended budget for 20-21. Expenditures will increase by about 7.14% compared to the amended budget for 20-21. Revenues are expected to exceed expenditures by about \$202 thousand.

Water and Sewer revenues are projected to go up about 5.32% compared to last year and expenses are going to increase about 6.01%. Revenues are expected to exceed expenses by about \$226 thousand.

Gas revenues are expected to increase by less than 1% compared to the amended budget for 20-21. Expenses are projected to increase by about 2.45% compared to last year. Revenues are expected to exceed expenses by about \$875 thousand.

Debt is expected to increase in FY 2022 due to:

- 1) Water and Sewer Fund - Proposed loan of \$1.3 million for Hwy. 231S water Main Replacement
- 2) Water and Sewer Fund - Proposed loan of \$2.5 million for Williams St. Booster Station and Water Main
- 3) Water and Sewer Fund - Proposed loan of \$1.5 million for Septage Receiving Station
- 4) Water and Sewer Fund - Proposed loan of \$1.2 million for Aeration Basin Refurbishment
- 5) Water and Sewer Fund - Proposed loan of \$1 million for sewer rehab/improvements

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash	\$ 42,983,663	\$ 31,536,821	\$ 74,520,484	\$ 123,575
Investment in State Investment Pool	2,366,069	213,150	2,579,219	-
Certificate of Deposit	7,417,385	2,463,553	9,880,938	-
Other Restricted Funds	-	1,546,812	1,546,812	-
Accounts Receivable, Net	17,858,265	3,364,854	21,223,119	293
Internal Balances	1,004,300	(1,004,300)	-	-
Due from Component Unit	7,692	10	7,702	-
Inventories	118,873	470,231	589,104	-
Prepaid Expenses	259,115	99,402	358,517	-
Notes Receivable	-	2,982,655	2,982,655	-
Stabilization Reserve Asset	542,540	205,377	747,917	-
Net Pension Asset	107,878	40,837	148,715	-
Capital Assets:				
Non depreciable Assets	11,829,476	8,732,439	20,561,915	105,468
Depreciable Assets, Net of Depreciation	76,666,163	145,017,217	221,683,380	691,633
Total Capital Assets	88,495,639	153,749,656	242,245,295	797,101
Total Assets	161,161,419	195,669,058	356,830,477	920,969
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Amount on Refundings	10,247	18,600	28,847	-
Deferred Amount Related to OPEB	6,221,724	2,409,374	8,631,098	-
Deferred Amount Related to Pensions	2,139,880	3,212,096	5,351,976	-
Total Deferred Outflows	8,371,851	5,640,070	14,011,921	-
<b>LIABILITIES</b>				
Bank Overdraft	220,761	-	220,761	-
Accounts Payable	3,352,027	1,792,405	5,144,432	1,411
Due to Primary Government	-	-	-	7,703
Due to Component Unit	293	-	293	-
Customer Deposits	29,955	250	30,205	-
Accrued Expenses	837,974	352,511	1,190,485	4,032
Unearned Revenue	497,446	250,352	747,798	-
Non-current Liabilities:				
Due in One Year:				
Compensated Absences	1,322,376	273,634	1,596,010	-
Debt	2,564,799	3,530,476	6,095,275	-
Due in More Than One Year:				
Debt, net	25,337,076	36,435,151	61,772,227	-
Net Pension Liability	506,374	191,688	698,062	-
OPEB Liability	20,694,091	7,833,873	28,527,964	-
Total Liabilities	55,363,172	50,660,340	106,023,512	13,146
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows Related to Property Taxes	12,230,613	-	12,230,613	-
Deferred Amount Related to Pensions	478,610	660,648	1,139,258	-
Deferred Amount on Refundings	50,868	2,876,929	2,927,797	-
	12,760,091	3,537,577	16,297,668	-
<b>NET POSITION</b>				
Net Investment in Capital Assets	60,593,764	113,784,029	174,377,793	797,101
Restricted for:				
Note Proceeds	-	-	-	-
Debt Service	790,847	1,546,812	2,337,659	-
Public works	1,333,433	-	1,333,433	-
Drug Enforcement	336,420	-	336,420	-
Community Service	99,308	-	99,308	-
Recreation	-	-	-	-
Economic Development	293,944	-	293,944	-
Police	13,865	-	13,865	-
Stabilization Reserves	542,540	205,377	747,917	-
Unrestricted	37,405,886	31,574,993	68,980,879	110,722
Total Net Position	\$ 101,410,007	\$ 147,111,211	\$ 248,521,218	\$ 907,823

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

Functions/Programs Primary Government	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	Business-Type Activities	
Governmental Activities:							
General Government	\$ 6,967,609	\$ 8,218,178	\$ 2,591,929	\$ 682,998	\$ 4,525,496	\$ -	\$ 4,525,496
Public Works	455,992	-	-	-	(455,992)	-	(455,992)
Police	12,868,573	932,652	395,896	-	(11,540,025)	-	(11,540,025)
Fire	7,969,803	-	56,800	-	(7,913,003)	-	(7,913,003)
Street	4,608,501	313,525	1,162,064	725,458	(2,407,454)	-	(2,407,454)
Public Safety	1,093,466	-	122,931	-	(970,536)	-	(970,536)
Engineering	561,679	-	-	-	(561,679)	-	(561,679)
Cemetery	169,661	81,380	-	-	(88,281)	-	(88,281)
Recreation	1,419,686	22,989	-	-	(1,396,697)	-	(1,396,697)
Floyd Family Life Center	1,824,540	965,119	8,316	-	(851,105)	-	(851,105)
Airport	1,389,264	368,732	109,000	405,193	(506,340)	-	(506,340)
Sanitation	1,739,307	-	-	-	(1,739,307)	-	(1,739,307)
Senior Citizens	91,231	-	-	-	(91,231)	-	(91,231)
Interest on Long-Term Debt	691,132	-	-	-	(691,132)	-	(691,132)
Total Governmental Activities	41,850,445	10,902,575	4,446,937	1,813,648	(24,687,285)	-	(24,687,285)
Business-Type Activities:							
Water and Sewer	20,303,446	28,098,183	-	913,188	-	8,707,925	8,707,925
Natural Gas	9,143,324	10,240,630	-	-	-	1,097,306	1,097,306
Stormwater	1,394,362	2,500,973	-	436,161	-	1,542,772	1,542,772
Total Business-Type Activities	30,841,132	40,839,786	-	1,349,349	-	11,348,003	11,348,003
Total Primary Government	72,691,577	51,742,361	4,446,937	3,162,997	(24,687,285)	11,348,003	(13,339,282)
Component Unit:							
Senior Citizens Center	400,910	\$ 92,677	251,239	\$ -	-	-	(56,994)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					11,993,447		11,993,447
Sales Taxes					22,753,712		22,753,712
Income and Excise Tax					360,941		360,941
Other Miscellaneous Taxes					4,624,555		4,624,555
Tax Equivalent - TVA					374,931		374,931
Unrestricted Investment Earnings					258,744		258,744
Miscellaneous					433,055		433,055
Tax Equivalents					67,948		67,948
Transfers					1,027,440	(1,027,440)	-
Total General Revenues and Transfers					41,455,192	(335,641)	41,119,551
Change in Net Position					16,767,907	11,012,362	27,780,269
Net Position, Beginning					84,642,100	136,098,849	220,740,949
Net Position, Ending					\$ 101,410,007	\$ 147,111,211	\$ 248,521,218

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 38,536,859	\$ 4,446,804	\$ 42,983,663
Investment in State Investment Pool	1,460,361	905,708	2,366,069
Certificate of Deposit	7,380,526	36,859	7,417,385
Investments	-	-	-
Accounts Receivable:			
State of Tennessee	3,714,093	553,158	4,267,251
Federal Government	8,185	-	8,185
Other	1,111,890	66,426	1,178,316
Due from Other Funds	1,004,054	427,443	1,431,497
Due from Component Unit	7,692	-	7,692
Inventories	118,873	-	118,873
Property Taxes - Net of Allowance			
For Uncollectible Taxes of \$324,199	12,404,513	-	12,404,513
Prepaid Expenses	244,311	14,804	259,115
Stabilization Reserve Asset	542,540	-	542,540
	<u>\$ 66,533,897</u>	<u>\$ 6,451,202</u>	<u>\$ 72,985,099</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES</b>			
Accounts Payable			
Vendors	\$ 1,654,998	\$ 1,697,029	\$ 3,352,027
Due to Other Funds	416,383	10,814	427,197
Due to Component Unit	293	-	293
Bank Overdraft	-	220,761	220,761
Accrued Payroll and Related Items	673,177	42,346	715,523
Accrued Vacation Pay	326,306	11,692	337,998
Customer Deposits	29,955	-	29,955
Unearned Revenue	497,446	-	497,446
<b>Total Liabilities</b>	<b>3,598,558</b>	<b>1,982,642</b>	<b>5,581,200</b>
<b>Deferred Inflows Related to Property Taxes</b>	<b>12,230,613</b>	<b>-</b>	<b>12,230,613</b>
<b>FUND BALANCES</b>			
Fund Balances:			
Nonspendable	363,184	-	363,184
Restricted for:			
Bond Proceeds	-	-	-
Recreation	-	-	-
Debt Service		913,298	913,298
Street		1,333,433	1,333,433
Drug Enforcement		336,420	336,420
Community Assistance		99,308	99,308
Police		13,865	13,865
Economic Development		293,944	293,944
Stabilization Reserve	542,540		542,540
Committed to:			
Airport		-	-
Cemetery		124,320	124,320
OPEB		-	-
Police		56,017	56,017
Assigned to:			
Recreation	1,540	165,585	167,125
Airport	1,670	186,016	187,686
Street	22,695	854,243	876,938
Fire		-	-
Police	161,668	5,797	167,465
Floyd Family Life Center		85,177	85,177
Public Safety	26,898		26,898
Sanitation	67,389	-	67,389
General Government	11,329	-	11,329
Economic Development		1,137	1,137
Unassigned	49,505,813	-	49,505,813
<b>Total Fund Balances</b>	<b>50,704,726</b>	<b>4,468,560</b>	<b>55,173,286</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 66,533,897</b>	<b>\$ 6,451,202</b>	

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

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	\$ 55,173,286
Capital Assets used in governmental funds are not reported in the fund Balance Sheet	88,495,639
Deferred Outflows are not reported in the fund Balance Sheet	7,893,241
Long-term debt is not reported in the fund Balance Sheet	(27,901,875)
Accrued Interest on long-term debt is not reported in the fund Balance Sheet	(122,451)
Net Pension Asset is not reported in the fund Balance Sheet	(398,496)
OPEB Liability on governmental funds is not reported in the fund Balance Sheet	(20,694,091)
Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet	(984,378)
Deferred Inflows are not reported in the fund Balance Sheet	<u>(50,868)</u>
Net Position of Governmental Activities	<u><u>\$ 101,410,007</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, 2021

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes and Licenses	\$ 34,559,477	\$ -	\$ 34,559,477
TVA In- Lieu of Tax	374,931	-	374,931
State and Regional Apportionments and Grants	6,240,053	2,015,303	8,255,356
Federal Grants	1,608,447	3,655	1,612,102
Fines and Costs	647,761	22,401	670,162
Rents	25,500	-	25,500
Interest	215,410	38,338	253,748
Other Revenues	9,027,335	2,747,347	11,774,682
<b>Total Revenues</b>	<b>52,698,914</b>	<b>4,827,043</b>	<b>57,525,957</b>
<b>Expenditures</b>			
General Government	6,260,116	242,975	6,503,091
Public Works	376,334	-	376,334
Police	11,869,179	180,615	12,049,794
Fire	7,419,030	-	7,419,030
Street	1,418,038	629,075	2,047,113
Public Safety	332,729	-	332,729
Engineering	535,914	-	535,914
Cemetery	167,221	-	167,221
Recreation	1,033,138	-	1,033,138
Floyd Family Life Center	-	1,514,805	1,514,805
Airport	-	522,701	522,701
Sanitation	1,739,307	-	1,739,307
Senior Citizens Center	91,231	-	91,231
Garage	356,021	-	356,021
Debt Service:			
Principal	503,311	1,894,412	2,397,723
Interest	56,493	633,733	690,226
Capital Outlay	4,444,847	2,135,001	6,579,848
<b>Total Expenditures</b>	<b>36,602,909</b>	<b>7,753,317</b>	<b>44,356,226</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,096,005	(2,926,272)	13,169,731
<b>Other Financing Sources (Uses)</b>			
Transfers from Other Funds	29	3,860,363	3,860,392
Transfers to Other Funds	(3,298,408)	(558,983)	(3,857,391)
Debt Proceeds	531,962	15,849	547,811
Transfers - Tax Equivalents - External	67,948	-	67,948
Transfers - Tax Equivalents - Internal	1,024,439	-	1,024,439
<b>Net Other Financing Sources (Uses)</b>	<b>(1,674,030)</b>	<b>3,317,229</b>	<b>1,643,199</b>
<b>Net Change in Fund Balances</b>	<b>14,421,975</b>	<b>390,957</b>	<b>14,812,930</b>
<b>Fund Balances</b>			
July 1, 2020, Restated	35,189,362	4,153,840	39,343,202
Change in Encumbrances	1,093,389	(76,237)	1,017,152
Transfer Fund Balance to General Fund	-	-	-
<b>June 30, 2021</b>	<b>\$ 50,704,726</b>	<b>\$ 4,468,560</b>	<b>\$ 55,173,286</b>

See notes to financial statements

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

Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 14,812,930
Increase in Encumbrances	1,017,152
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	(6,641,487)
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	(553,803)
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	2,489,226
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	(26,310)
Change in OPEB Liability is not reported as an expenditure in the governmental funds	(1,209,876)
Accrued interest on debt of the governmental funds is not reported as an expenditure in the governmental funds	(906)
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	6,986,725
Current year change in net pension liability due to implementation of GASB 68 is not reported in the governmental funds	(194,631)
Accrued vacation not requiring the use of current resources is not reported as an expenditure in the governmental funds	77,016
Change in Net Position of Governmental Activities	\$ 16,767,907

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

June 30, 2021

ASSETS	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
<b>Current Assets:</b>				
Cash	\$ 4,241,717	\$ 23,585,912	\$ 3,709,195	\$ 31,536,824
Investment in State Investment Pool	213,150	-	-	213,150
Certificate of Deposit	614,632	1,838,306	10,615	2,463,553
Accounts Receivable - (Less Allowance for Doubtful Accts of \$ 72,604 )	567,893	1,373,966	90,639	2,032,498
Due from Other Funds	0	29	2,500	2,529
Other Receivables	74,482	1,192,730	65,144	1,332,356
Inventories	215,945	254,286	-	470,231
Prepaid Expenses	24,628	71,557	3,217	99,402
<b>Total Current Assets</b>	<b>5,952,447</b>	<b>28,316,786</b>	<b>3,881,310</b>	<b>38,150,543</b>
<b>Noncurrent Assets:</b>				
Other Restricted Funds	-	1,546,812	-	1,546,812
Notes Receivable	1,412,334	1,570,321	-	2,982,655
Net Pension Asset	8,417	28,732	3,688	40,837
Stabilization Reserve Asset	42,331	144,498	18,548	205,377
<b>Capital Assets:</b>				
Land	866,063	1,697,023	-	2,563,086
Buildings	2,551,331	72,692,374	-	75,243,705
Equipment	3,923,692	6,900,454	940,042	11,764,188
Improvements Other than Building	41,133,866	135,015,134	2,109,114	178,258,114
Construction in Process	889,861	5,191,235	88,258	6,169,354
Accumulated Depreciation	(20,349,891)	(99,519,581)	(379,319)	(120,248,791)
<b>Total Noncurrent Assets</b>	<b>30,478,004</b>	<b>125,267,002</b>	<b>2,780,331</b>	<b>158,525,337</b>
<b>Total Assets</b>	<b>36,430,451</b>	<b>153,583,788</b>	<b>6,661,641</b>	<b>196,675,880</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	570,643	2,653,968	(12,515)	3,212,096
OPEB	500,387	1,705,518	203,469	2,409,374
Debt	-	18,600	-	18,600
	1,071,030	4,378,086	190,954	5,640,070
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Current Portion of Long-Term Debt	167,000	3,363,476	-	3,530,476
Accounts Payable - Vendors	360,761	1,411,720	19,924	1,792,405
Due to Other Funds	207,722	573,438	225,661	1,006,821
Other Current Liabilities	25,582	73,491	-	99,073
Accrued Interest	-	96,618	-	96,618
Accrued Payroll and Related Items	37,136	104,286	15,648	157,070
Accrued Vacation Pay	64,885	190,128	18,621	273,634
<b>Total Current Liabilities</b>	<b>863,086</b>	<b>5,813,157</b>	<b>279,854</b>	<b>6,956,097</b>
<b>Noncurrent Liabilities:</b>				
Post Employment Benefits	1,694,285	5,659,967	479,621	7,833,873
Notes Payable	-	20,425,110	-	20,425,110
Utility Bonds Payable	1,800,041	14,210,000	-	16,010,041
Net Pension Liability	39,510	134,866	17,312	191,688
<b>Total Noncurrent Liabilities</b>	<b>3,533,836</b>	<b>40,429,943</b>	<b>496,933</b>	<b>44,460,712</b>
<b>Total Liabilities</b>	<b>4,396,922</b>	<b>46,243,100</b>	<b>776,787</b>	<b>51,416,809</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pensions	161,328	538,602	(39,282)	660,648
Debt	-	44,056	-	44,056
Refunding	-	2,832,873	-	2,832,873
Revenue	-	250,352	-	250,352
	161,328	3,665,883	(39,282)	3,787,929
<b>NET POSITION</b>				
Net Investment in Capital Assets	27,047,881	83,978,053	2,758,095	113,784,029
Restricted for Debt Service	-	1,546,812	-	1,546,812
Restricted for Stabilization Reserve	42,331	144,498	18,548	205,377
Unrestricted	5,853,019	22,383,528	3,338,447	31,574,994
<b>Total Net Position</b>	<b>\$ 32,943,231</b>	<b>\$ 108,052,891</b>	<b>\$ 6,115,090</b>	<b>\$ 147,111,212</b>

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

Year Ended June 30, 2021

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Operating Revenues				
Charges for Services	\$ 10,240,630	\$ 28,098,183	\$ 2,500,973	\$ 40,839,786
Operating Expenses				
Utility Operating Expense	3,191,633	12,691,771	1,274,370	17,157,774
Natural Gas Purchased	4,468,643	-	-	4,468,643
Gasification Plant Operating	-	42,084	-	42,084
Depreciation	1,432,836	6,476,612	119,992	8,029,440
Total Operating Expenses	9,093,112	19,210,467	1,394,362	29,697,941
Operating Income	1,147,518	8,887,716	1,106,611	11,141,845
Nonoperating Revenue (Expenses)				
Other Revenues	34,661	337,118	61,276	433,055
Capital Grant	76,327	114,723	-	191,050
Interest Revenue	46,505	201,097	11,142	258,744
Interest Expense	(50,212)	(1,092,979)	-	(1,143,191)
Total Nonoperating Revenue (Expenses)	107,281	(440,041)	72,418	(260,342)
Income before Contributions and Transfers	1,254,799	8,447,675	1,179,029	10,881,503
Contributions and Transfers				
Contributed Capital	-	722,138	436,161	1,158,299
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	(3,000)	(3,000)
Transfers - Tax Equivalents	(374,715)	(649,724)	-	(1,024,439)
Total Contributions and Transfers	(374,715)	72,414	433,161	130,860
Change in Net Position	880,084	8,520,089	1,612,190	11,012,363
Net Position				
July 01, 2020   Restated	32,063,147	99,532,802	4,502,900	136,098,849
June 30, 2021	\$ 32,943,231	\$ 108,052,891	\$ 6,115,090	\$ 147,111,212

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2021

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers	\$ 10,044,721	\$ 27,934,833	\$ 2,511,256	\$ 40,490,810
Payments to Suppliers	(5,632,213)	(5,711,696)	(377,459)	(11,721,368)
Payments to Employees	(2,097,949)	(3,716,911)	(825,457)	(6,640,317)
Internal Activity - Payments From Other Funds	207,722	573,409	219,686	1,000,816
Other Receipts (Payments)	-	(633,352)	(63,824)	(697,176)
Net Cash Provided By Operating Activities	<u>2,522,281</u>	<u>18,446,283</u>	<u>1,464,201</u>	<u>22,432,764</u>
<b>Cash Flows From Noncapital Financing Activities:</b>				
Transfers - Tax Equivalents	(374,715)	(649,724)	-	(1,024,439)
Transfers to Other Funds	-	-	(3,000)	(3,000)
Transfers from Other Funds	-	-	-	-
Net Cash (Used) By Noncapital Financing Activities	<u>(374,715)</u>	<u>(649,724)</u>	<u>(3,000)</u>	<u>(1,027,439)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Other Revenues	110,988	337,119	61,276	509,383
Payments for Capital Acquisitions	(1,989,576)	(6,093,122)	(181,951)	(8,264,649)
Principal Paid on Notes	589,041	(17,029,206)	-	(16,440,165)
Proceeds on Notes	-	14,425,365	-	14,425,365
Interest Paid	(50,212)	(1,092,979)	-	(1,143,191)
Payments from Notes Receivable	229,523	297,928	-	527,451
Net Cash (Used) By Capital and Related Financing Activities	<u>(1,110,236)</u>	<u>(9,154,895)</u>	<u>(120,675)</u>	<u>(10,385,806)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest Revenue	46,505	201,097	11,142	258,744
(Decrease) in Investments	(5,625)	(16,552)	(45)	(22,222)
Net Cash Provided By Investing Activities	<u>40,880</u>	<u>184,545</u>	<u>11,097</u>	<u>236,522</u>
Net Increase (Decrease) in Cash and Temporary Investments	1,078,210	8,826,209	1,351,623	11,256,042
<b>Cash and Temporary Investments:</b>				
July 01, 2020	<u>3,376,657</u>	<u>16,306,516</u>	<u>2,357,573</u>	<u>22,040,746</u>
June 30, 2021	<u>\$ 4,454,867</u>	<u>\$ 25,132,725</u>	<u>\$ 3,709,196</u>	<u>\$ 33,296,788</u>
<b>Non-Cash Capital and Related Financing Activities:</b>				
Capital Assets Acquired By Contributions From Developers	\$ -	\$ 722,138	\$ 436,161	\$ 1,158,299
Debt Forgiveness	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation to Statement of Net Position:</b>				
Cash	\$ 4,241,717	\$ 23,585,912	\$ 3,709,195	\$ 31,536,824
Investment in State Investment Pool	213,150	-	-	213,150
Other Restricted Funds	-	1,546,812	-	1,546,812
	<u>\$ 4,454,867</u>	<u>\$ 25,132,724</u>	<u>\$ 3,709,195</u>	<u>\$ 33,296,786</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

Year Ended June 30, 2021

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Cash Provided By Operating Activities:				
Operating Income	\$ 1,147,518	\$ 8,887,716	\$ 1,106,611	\$ 11,141,845
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,423,294	6,476,565	119,996	8,019,855
Provision for Losses on Accounts Receivable	(40,897)	(145,751)	(13,095)	(199,743)
Deferred Outflows of Resources	(305,470)	(1,062,106)	(133,963)	(1,501,539)
Deferred Inflows of Resources	(73,340)	2,828,819	(32,134)	2,723,345
Changes in Current and Deferred Items:				
(Increase) Decrease in Accounts Receivable	(155,011)	(17,600)	23,376	(149,235)
(Increase) Decrease in Other Receivables	-	(633,352)	(63,824)	(697,176)
Decrease in Due From Other Funds	7,700	7,671	(2,500)	12,871
Decrease in Inventories	(73,203)	(30,708)	-	(103,911)
Decrease in Prepaid Expenses	(3,339)	(10,029)	(485)	(13,853)
(Increase) in Net Pension Asset	-	-	36,654	36,654
(Increase) in Stabilization Reserve Asset	(19,521)	(66,666)	(9,350)	(95,537)
Increase in Accounts Payable	(40,232)	154,686	6,572	121,026
Increase in Due to State	(798)	-	-	(798)
(Decrease) in Net Pension Liability	62,690	48,955	17,312	128,957
(Decrease) in Due to Other Funds	200,022	565,738	222,186	987,946
Increase in Accrued Payroll	404	5,084	4,967	10,455
Increase in Accrued Vacation Pay	(14,398)	(6,646)	3,454	(17,590)
Increase in Other Liabilities	-	54,055	-	54,055
Increase in Postemployment Benefits	406,863	1,389,851	178,424	1,975,138
Net Cash Provided By Operating Activities	<u>\$ 2,522,281</u>	<u>\$ 18,446,282</u>	<u>\$ 1,464,200</u>	<u>\$ 22,432,762</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
<b>Revenues</b>				
<b>Taxes:</b>				
Real and Personalty	\$ 11,175,000	\$ 11,175,000	\$ 11,993,447	\$ 818,447
Wholesale Beer	1,050,000	1,050,000	1,252,305	202,305
Sales Tax	12,550,000	15,556,610	19,392,772	3,836,162
Cable TV Franchise Fee	355,000	355,000	347,752	(7,248)
Hotel and Motel Tax	280,000	280,000	367,287	87,287
Business Tax	-	-	608,970	608,970
Mixed Drink Tax	12,000	12,000	16,240	4,240
Liquor Tax	390,000	390,000	580,704	190,704
	<u>25,812,000</u>	<u>28,818,610</u>	<u>34,559,477</u>	<u>5,740,867</u>
<b>Tax Equivalents:</b>				
TVA In-Lieu of Tax	400,000	400,000	374,931	(25,069)
	<u>400,000</u>	<u>400,000</u>	<u>374,931</u>	<u>(25,069)</u>
<b>Federal, State and Regional</b>				
<b>Apportionments and Grants:</b>				
Sales Tax (St Sales C)	2,720,000	2,720,000	3,360,939	640,939
Income Tax	200,000	200,000	100,948	(99,052)
Petroleum Special	65,000	65,000	64,983	(17)
Highway Grants and Contracts	135,000	135,000	118,058	(16,942)
Beer Tax	15,000	15,000	15,496	496
Mixed Drink Tax	100,000	100,000	128,374	28,374
Excise Tax	90,000	90,000	259,993	169,993
Business Tax - County Clerk	-	-	116,399	116,399
Business Tax - Trustee	1,025,000	1,025,000	1,126,043	101,043
Police and Fire Salary Supplement	76,500	76,500	136,800	60,300
OJP Grants	-	-	61,759	61,759
D.E.A. Grant	-	-	-	-
HOME Grant	27,500	27,500	46,846	19,346
FBI Safe Streets	-	-	13,464	13,464
Highway Safety Grants	15,000	15,000	44,168	29,168
OCEDTF	-	-	0	-
Intelligent Transportation Grant	2,024,800	2,024,800	122,931	(1,901,869)
Sports Betting	-	-	12,095	12,095
Tornado Traffic Signal Repair	0	0	(6,000)	(6,000)
FEMA Torndao	-	514,640	784,692	270,052
Covid Funding	803,500	803,500	1,324,218	520,718
	-	-	0	-
Telecommunications Sales Tax	12,000	12,000	16,293	4,293
	<u>7,309,300</u>	<u>7,823,940</u>	<u>7,848,500</u>	<u>24,560</u>
Fines and Costs	739,000	739,000	647,761	(91,239)
Rent - Other	31,500	31,500	25,500	(6,000)
Highway and Street Charges	45,000	45,000	38,124	(6,876)
Interest	175,000	175,000	215,410	40,410
Permits and Licenses	1,065,000	902,972	2,724,602	1,821,630

	Budget		Actual	Variance
	Original	Final		
Cemetery Income	\$ 45,000	\$ 45,000	\$ 67,780	\$ 22,780
Park and Recreation Income	27,300	27,300	22,989	(4,311)
Interest and Penalty on Taxes and License:	30,000	30,000	45,492	15,492
Miscellaneous	1,016,750	3,336,657	6,118,988	2,782,331
Sale of Equipment	-	-	9,360	9,360
	<u>3,174,550</u>	<u>5,332,429</u>	<u>9,916,006</u>	<u>4,583,577</u>
Total Revenues	<u>36,695,850</u>	<u>42,374,979</u>	<u>52,698,914</u>	<u>10,323,935</u>

Expenditures

City Department:

Mayor and Council	322,117	327,856	299,374	28,482
City Attorney/Judicial	220,490	223,134	184,082	39,052
Financial Administration	175,029	179,369	174,930	4,439
Building Maintenance	132,483	147,365	122,880	24,485
Accounting	153,896	157,502	137,742	19,760
Customer Billing	24,178	25,802	31,694	(5,892)
Johnson Controls	259,329	259,329	244,033	15,296
Purchasing	46,502	50,861	45,642	5,219
Computer Equipment	492,300	495,766	460,246	35,520
Public Works	594,352	829,840	643,502	186,338
HOME Grant	4,000	4,000	3,980	20
Personnel	482,866	464,019	434,246	29,773
Traffic Maintenance	344,914	392,099	346,405	45,694
General Maintenance	505,600	564,385	453,257	111,128
Police	12,247,385	13,211,560	12,416,354	795,206
Fire	7,663,070	8,428,029	8,055,318	372,711
Building Inspection	495,281	502,084	410,483	91,601
Street	1,697,477	3,679,058	2,061,303	1,617,755
Animal Control	192,969	290,180	164,348	125,832
Public Safety	800,089	1,674,376	1,209,999	464,377
Engineering	502,439	506,218	392,512	113,706
Garage	375,302	391,996	356,022	35,974
Cemetery	129,557	159,401	167,221	(7,820)
Recreation	1,283,354	1,385,709	924,265	461,444
Special Events	39,500	39,500	29,697	9,803
Dues & Contributions	296,047	331,046	323,036	8,010
Community Park	220,539	737,623	160,553	577,070
EAC Committee	30,317	30,537	341	30,196
Sanitation	1,664,549	2,163,150	2,002,196	160,954
Drainage Migration	55,121	55,596	67,007	(11,411)
Risk Assessment	71,422	74,065	58,674	15,391
Accounting System Debt Service	18,150	18,150	18,095	55
Economic Development	125,958	127,835	117,227	10,608
Intelligent Transportation	2,531,000	2,531,000	153,911	2,377,089
Senior Citizens Center	291,900	312,239	311,607	632
Codes Enforcement	169,137	180,198	141,463	38,735
Mitchell House	92,280	93,971	65,545	28,426
Radio Communication	-	908,344	29,280	879,064
Disaster/COVID Relief	-	3,981,556	3,384,439	597,117
Total Expenditures	<u>34,750,899</u>	<u>45,934,748</u>	<u>36,602,909</u>	<u>9,331,839</u>

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
Excess of Revenues Over (Under) Expenditures	\$ 1,944,951	\$ (3,559,769)	\$ 16,096,005	\$ 19,655,774
Other Financing Sources (Uses):				
Transfers - Tax Equivalents - Interfi	1,063,239	1,063,239	1,024,439	(38,800)
Transfers - Tax Equivalents - Exterr	38,800	38,800	67,948	29,148
Operating Transfers From Other Fun	-	25,000	29	(24,971)
Operating Transfers To Other Funds	(2,987,605)	(3,416,315)	(3,298,408)	117,907
Bond Proceeds	-	1,639,127	531,962	(1,107,165)
Bond Premium	-	-	-	-
Gain on Refunding	-	-	-	-
Payment to Refunding Bond Agent	-	-	-	-
Loan & Capital Lease Proceeds	0	0	0	-
Total Other Financing Sources (Uses)	(1,885,566)	(650,149)	(1,674,030)	(1,023,881)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 59,385	\$ (4,209,918)	14,421,975	\$ 18,631,893
Fund Balances:				
July 1, 2020, Restated			35,189,362	
Change in Encumbrances			1,093,389	
June 30, 2021			<u>\$ 50,704,726</u>	

**CITY OF LEBANON, TENNESSEE**

**NOTE TO BUDGETARY COMPARISON STATEMENT**

**June 30, 2021**

**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, 2021**

**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. Private purpose trust funds are used to account for trust arrangements where the principal and interest benefit individuals, private organizations, or other governments. There are no Private purpose trust funds required to be reported in the City's financial statements.

**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, 2021

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, 2021

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, 2021

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) 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.

(G) 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.

(H) Inventories

Inventories are stated at average cost.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(I) **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, 2021 amounted to \$220,761.

(J) **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.

(K) **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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(L) 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 \$12,230,613 have been accrued in the General Fund and the Governmental Activities as receivable and deferred inflows at June 30, 2021.

(M) 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.

(N) 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.

(O) Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. These are reported as Restricted Funds on the statement of net position.

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the City's employees enrolled in the Hybrid plan of the TCRS – see note 7. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the City in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the City

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**(O) Restricted Assets, continued**

employees enrolled in the Hybrid plan to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the City has not withdrawn any funds from the trust to pay pension cost. Trust documents provide funds are not subject to the claims of general creditors of the City.

**NOTE 2 - CASH AND INVESTMENTS**

Cash on the balance sheet includes petty cash and cash on hand in the amount of \$6,700 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 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

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 2 - CASH AND INVESTMENTS – CONTINUED**

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, 2021.

The carrying amount of the City's deposits with financial institutions was \$78,965,283 including \$9,880,939 in certificates of deposit, and the bank balance was \$78,885,252. 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 \$2,579,954 at June 30, 2021, of which \$467,139 is included in "Other Restricted Funds" and is restricted for debt service.

**NOTE 3 - LONG-TERM DEBT**

The City has the following bonds outstanding at June 30, 2021:

	<u>Amount of Original Issue</u>	<u>Range of Maturity Dates</u>	<u>Range of Interest Rates</u>
<b>Primary Government:</b>			
<b>Governmental Activities:</b>			
<b>General Obligation Bonds:</b>			
2004 TMBF Bonds	\$ 2,725,000	2006 - 2025	3.0%
2008 GO Refunding	3,840,000	2009 - 2023	3.0% - 4.1%
2008 TMBF Bonds	3,500,000	2008 - 2027	5.0%
2016 TMBF Airport Terminal	1,600,000	2017 - 2036	3.00%
2016 GO Refunding	2,220,000	2017 - 2030	1.5% - 3.0%
2016 TML Legends Drive	4,700,000	2018 - 2036	2.50%
2017 TMBF Airport Hangar	1,000,000	2018 - 2042	2.52%
2017 TML West Side Park	5,000,000	2018 - 2042	2.29%
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%
<b>Business-Type Activities:</b>			
<b>Water and Sewer:</b>			
TMBF 2001 Bonds	4,000,000	2004 - 2023	Variable
TMBF 2005 Bonds	1,400,000	2007 - 2026	4.0%
TMBF 2006 Bonds	5,000,000	2008 - 2027	5.0%
TMBF 2008 Bonds	4,150,000	2010 - 2029	5.0%
TMBF 2011 Bonds	1,631,150	2012 - 2031	2.86%
TMBF 2012 Bonds	1,387,000	2013 - 2032	2.23%
TMBF 2012 Bonds	4,657,079	2014 - 2028	1.82%
TMBF 2013 Bonds	1,800,000	2014 - 2033	2.28%
TML 2014 Bonds	1,800,000	2016 - 2035	3.00%
2015 QEC Bonds	3,500,000	2035	4.00%
2016 Refunding Bonds	2,285,000	2018 - 2032	1.5% - 3.0%
2020 Refunding Bonds	12,500,000	2021 - 2030	4.0% - 5.0%
<b>Natural Gas:</b>			
2008 Refunding Bond	1,175,000	2009 - 2018	3.0% - 4.0%
TMBF 2008 Bonds	1,100,000	2010 - 2029	5.0%
TMBF 2014 Bonds	1,000,000	2014 - 2033	2.43%
TML 2020 Bonds	1,500,000	2021 - 2040	2.24%

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

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.

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds and Notes Payable					
General Obligation Debt	\$ 27,342,500	\$ -	\$ (1,616,047)	\$ 25,726,453	\$ 1,666,300
Notes & Leases	5,999,162	-	(1,448,696)	4,550,466	898,499
	<u>33,341,662</u>	<u>-</u>	<u>(3,064,743)</u>	<u>30,276,919</u>	<u>2,564,799</u>
Less:					
Amounts not yet borrowed	(3,504,363)	1,129,319	-	(2,375,044)	-
Gain on Refunding	-	-	-	-	-
Total Governmental Activities					
Long-Term Debt	<u>\$ 29,837,298</u>	<u>\$ 1,129,319</u>	<u>\$ (3,064,743)</u>	<u>\$ 27,901,875</u>	<u>\$ 2,564,799</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds and Notes Payable:					
Natural Gas	\$ 1,378,000	\$ 1,500,000	\$ (103,000)	\$ 2,775,000	\$ 167,000
Water & Sewer	44,803,873	13,900,000	(18,192,861)	40,511,012	3,363,476
Stormwater	-	-	-	-	-
	<u>46,181,873</u>	<u>15,400,000</u>	<u>(18,295,861)</u>	<u>43,286,012</u>	<u>3,530,476</u>
Less:					
Amounts not yet borrowed, net of forgiveness	(4,201,446)	881,061	-	(3,320,385)	-
Gain on Refunding	-	-	-	-	-
Total Business-Type Activities					
Long-Term Debt	<u>\$ 41,980,427</u>	<u>\$ 16,281,061</u>	<u>\$ (18,295,861)</u>	<u>\$ 39,965,628</u>	<u>\$ 3,530,476</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

Annual Requirements to Maturity on Long-Term Debt:

Year Ended June 30,	Primary Government Governmental Activities			
	General Obligation Bonds		Equipment Notes	
	Principal	Interest	Principal	Interest
2022	\$ 1,666,300	\$ 806,688	\$ 898,499	\$ 74,980
2023	1,713,100	750,733	983,752	57,783
2024	1,438,900	694,600	910,207	44,972
2025	1,484,800	646,417	861,233	30,040
2026	1,408,600	597,372	586,993	12,512
2027-2031	6,405,100	2,332,948	309,785	4,185
2032-2036	6,772,053	1,347,594	-	-
2037-2041	4,517,500	362,392	-	-
2042-2046	320,100	7,452	-	-
Total	<u>\$ 25,726,453</u>	<u>\$ 7,546,196</u>	<u>\$ 4,550,469</u>	<u>\$ 224,472</u>

	Primary Government Business-Type Activities			
	Water and Sewer Bonds		Water and Sewer Notes	
	Principal	Interest	Principal	Interest
2022	\$ 2,651,000	\$ 1,091,455	\$ 712,476	\$ 200,832
2023	2,762,000	983,923	723,228	190,080
2024	2,543,000	871,511	734,268	179,040
2025	2,646,000	764,620	745,452	167,856
2026	2,704,000	655,657	756,840	156,468
2027-2031	9,070,778	1,727,593	3,961,238	605,302
2032-2036	4,378,000	604,070	4,043,676	294,655
2037-2041	-	-	2,061,283	67,300
2042-2046	-	-	6,012	(5,963)
Total	<u>\$ 26,754,778</u>	<u>\$ 6,698,829</u>	<u>\$ 13,744,473</u>	<u>\$ 1,855,570</u>

	Primary Government Business-Type Activities Natural Gas Bonds	
	Principal	Interest
	2022	\$ 167,000
2023	173,000	73,188
2024	178,000	67,471
2025	183,000	61,557
2026	190,000	55,446
2027-2031	869,000	180,988
2032-2036	575,000	82,777
2037-2041	440,000	30,016
2042-2046	-	-
Total	<u>\$ 2,775,000</u>	<u>\$ 630,129</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 4 - LIABILITY FOR COMPENSATED ABSENCES**

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

Paid time off (PTO) accrual rates:

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

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

Paid time off (PTO) rollover:

Years of service	Regular Full time Employees	Full Time Fire Department Employees
Any	160 hours	244 hours

As of June 30, 2021 the liability for accrued PTO is \$1,596,010.

**NOTE 5 - INDUSTRIAL BUILDING BONDS**

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

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>.

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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	212
Inactive employees entitled to but not yet receiving benefits	337
Active employees	<u>232</u>
	<u>781</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE 6 - PENSION EXPENSE – CONTINUED

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees 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, 2021, the Actuarially Determined Contribution (ADC) for Lebanon was \$2,085,774 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 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, 2020 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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE 6 - PENSION EXPENSE – CONTINUED

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

Asset Class	Long-Term Expected 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.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 6 - PENSION EXPENSE – CONTINUED**

**Changes in the Net Pension Liability (Asset)**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/19	\$ 66,859,384	\$ 66,854,145	\$ 5,239
Changes for the year:			
Service cost	1,050,414		1,050,414
Interest	4,842,450		4,842,450
Differences between expected and actual experience	281,713		281,713
Changes in assumptions	-		-
Contributions-employer	-	2,188,630	(2,188,630)
Contributions-employees	-	-	-
Net investment income	-	3,314,355	(3,314,355)
Benefit payments, including refunds of employee contributions	(2,234,764)	(2,234,764)	-
Administrative expense	-	(21,231)	21,231
Net changes	<u>3,939,813</u>	<u>3,246,990</u>	<u>692,823</u>
Balance at 6/30/20	<u>\$ 70,799,197</u>	<u>\$ 70,101,135</u>	<u>\$ 698,062</u>

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Lebanon's net pension liability (asset)	\$ 10,748,188	\$ 698,062	\$ (7,628,399)

**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, 2021, Lebanon recognized pension expense of \$1,939,926.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2021, 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	\$ 1,907,846	\$ 1,133,824
Net difference between projected and actual earnings on pension plan investments	516,574	-
Changes in Assumptions	452,707	-
Contributions subsequent to the measurement date of June 30, 2020	2,085,774	-
Total	<u>\$ 4,962,901</u>	<u>\$ 1,133,824</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

**NOTE 6 - PENSION EXPENSE – CONTINUED**

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

2022	\$	292,474
2023		835,333
2024		253,126
2025		362,369
2026		-
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, 2021, 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, 2021.

**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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE 7 - PENSION EXPENSE – CONTINUED

rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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, 2020, 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	80
Active employees	200
	<hr/>
	280
	<hr/>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. 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, 2021 to the Public Employee Retirement Plan was \$356,152 based on a rate of 1.56% 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, 2021

**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, 2020, 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, 2020 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, 2021**

**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 6/30/19	\$ 905,458	\$ 1,099,290	\$ (193,832)
Changes for the year:			
Service cost	404,373		404,373
Interest	94,223		94,223
Differences between expected and actual experience	91,187		91,187
Changes in Assumptions	-		-
Contributions-employer	-	108,449	(108,449)
Contributions-employees	-	387,767	(387,767)
Net investment income	-	65,894	(65,894)
Benefit payments, including refunds of employee contributions	(20,415)	(20,415)	-
Administrative expense	-	(17,444)	17,444
Other Changes	-		-
Net changes	<u>569,368</u>	<u>524,251</u>	<u>45,117</u>
Balance at 6/30/20	<u>\$ 1,474,826</u>	<u>\$ 1,623,541</u>	<u>\$ (148,715)</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**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)	\$ 309,439	\$ (148,715)	\$ (486,325)

**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, 2021, Lebanon recognized pension expense of \$66,966.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2021, 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	\$ 279,754	\$ 5,434
Net difference between projected and actual earnings		
on pension plan investments	20,035	-
Changes in Assumptions	3,134	-
Contributions subsequent to the measurement date of June 30, 2020	356,152	-
<b>Total</b>	<b>\$ 659,075</b>	<b>\$ 5,434</b>

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

	2022	\$	34,643
	2023		35,996
	2024		36,968
	2025		37,303
	2026		21,219
	Thereafter		121,362

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**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, 2021, Lebanon reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2021.

**Deferred Compensation**

As noted in Note 6 above, employees hired after April 1, 2015 are required to participate in the hybrid pension plan. This plan consists of: a defined benefit portion, managed by the Tennessee Consolidated Retirement System, detailed above; and a defined contribution portion, which is placed into the State's 401(k) plan and managed by the employee. The defined contribution portion of the plan requires the following contributions by the employer and the employee:

	<b>TCRS – Defined Benefit Plan</b>	<b>State of Tennessee 401(k) Defined Contribution Plan</b>	<b>Total Retirement Contributions</b>
Employer	4% Mandatory	5% Mandatory	9% Mandatory
Employee	5% Mandatory	2% - Auto Enrollment, Voluntary	7% with 5% to TCRS Mandatory
<b>TOTAL</b>		<b>9%      7%</b>	<b>16%</b>

**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>
<b>Governmental Activities:</b>				
Capital Assets Not being Depreciated:				
Land	\$ 12,263,848	\$ 658	\$ 435,030	\$ 11,829,476
<b>Other Capital Assets:</b>				
Buildings	35,432,152	1,247,547	-	36,679,699
Improvements Other Than Buildings	76,471,103	3,996,902	(435,030)	80,903,035
Equipment	33,519,294	1,741,618	26,310	35,234,602
Total Other Capital Assets at Historical Cost	<u>145,422,548</u>	<u>6,986,067</u>	<u>(408,720)</u>	<u>152,817,336</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	16,191,669	1,021,282	-	17,212,951
Improvements Other Than Buildings	31,906,525	3,319,118	-	35,225,644
Equipment	21,411,491	2,301,087	-	23,712,578
Total Accumulated Depreciation	<u>69,509,686</u>	<u>6,641,487</u>	<u>-</u>	<u>76,151,173</u>
Other Capital Assets, Net	<u>75,912,862</u>	<u>344,580</u>	<u>(408,720)</u>	<u>76,666,163</u>
Governmental Activities Capital Assets, Net	<u>\$ 88,176,709</u>	<u>\$ 345,238</u>	<u>\$ 26,310</u>	<u>\$ 88,495,639</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 8 – CAPITAL ASSETS – CONTINUED**

Depreciation Expense was charged to functions as follows:

General Government	\$	434,789
Public Works		77,404
Public Safety		758,745
Police		746,621
Fire		506,346
Street		2,549,129
Cemetery		1,439
Recreation		380,361
Jimmy Floyd Family Life Center		300,664
Engineering		22,556
Airport		863,433
	<u>\$</u>	<u>6,641,487</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 2,563,087	\$ -	\$ -	\$ 2,563,087
Construction in Process	6,903,611	(734,258)	-	6,169,353
Total Capital Assets Not Being Depreciated	<u>9,466,698</u>	<u>(734,258)</u>	<u>-</u>	<u>8,732,440</u>
Other Capital Assets:				
Buildings	74,100,637	1,152,657	9,588	75,243,707
Improvements Other Than Buildings	169,960,046	8,298,070	-	178,258,116
Equipment	10,933,396	830,792	-	11,764,188
Total Other Capital Assets at Historical Cost	<u>254,994,079</u>	<u>10,281,519</u>	<u>9,588</u>	<u>265,266,011</u>
Less Accumulated Depreciation for:				
Buildings	31,449,966	2,097,898	48	33,547,816
Improvements Other Than Buildings	73,588,259	4,827,373	-	78,415,632
Equipment	7,190,712	1,094,631	-	8,285,343
Total Accumulated Depreciation	<u>112,228,937</u>	<u>8,019,902</u>	<u>48</u>	<u>120,248,791</u>
Other Capital Assets, Net	<u>142,765,141</u>	<u>2,261,617</u>	<u>9,540</u>	<u>145,017,220</u>
Business Type Activities Capital Assets, Net	<u>\$ 152,231,839</u>	<u>\$ 1,527,359</u>	<u>\$ 9,540</u>	<u>\$ 153,749,660</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**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>
	2022	\$ 24,000
	2023	24,000
	2024	24,000
	2025	24,000
	2026	24,000
	Thereafter	<u>816,000</u>
		<u>\$ 936,000</u>

**NOTE 10 - CONSTRUCTION COMMITMENTS**

Water and sewer and gas improvements projects in progress at June 30, 2021 totaled \$6,081,095. At June 30, 2021, the City closed \$8,822,165 of completed water and sewer projects into capital assets and expenses. The City also closed \$1,150,114 of completed gas projects into capital assets and expenses during the current fiscal year. Construction cost during the fiscal year ended June 30, 2021 for the water and sewer and gas improvements totaled \$9,149,763. During the fiscal year ended June 30, 2021, the stormwater department had projects totaling \$207,766 and developers' contributions of \$436,161 that the City assumed. The City incurred construction costs of \$5,224,587 for the year ended June 30, 2021, for renovating the old police station, improvements to various fire buildings, park construction, airport construction and street work. . In addition, the City assumed \$276,209 of developers' contributions. At June 30, 2021, the City had total contracts outstanding for building and road construction and airport projects of \$9,060,192.

**NOTE 11 - TRANSFERS**

Transfers during the year ended June 30, 2021, are summarized as follows:

	<u>Governmental Funds</u>		
	<u>Major Fund General</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Proprietary Funds Stormwater</u>
Transfers From			
Transfers To			
<u>Governmental Funds:</u>			
Major Funds:			
General		29	
Other Nonmajor Governmental Funds	3,298,408	558,955	3,000
	<u>\$ 3,298,408</u>	<u>\$ 558,984</u>	<u>\$ 3,000</u>

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES**

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

Amounts outstanding at June 30, 2021 are as follows:

	<u>Primary Government</u>						Total
	<u>Governmental Funds</u>			<u>Proprietary Funds</u>			
	Major Fund	Other Nonmajor		Stormwater	Water & Sewer	Gas	
	General	Funds					
Due From							
Due To							
Governmental Funds:							
Major Funds:							
General	\$ -	\$ 973	\$ 225,661	\$ 571,698	\$ 205,722		\$ 1,004,054
Other Nonmajor Funds	416,383	9,841	-	1,738	2,000		\$ 429,962
	<u>\$ 416,383</u>	<u>\$ 10,814</u>	<u>\$ 225,661</u>	<u>\$ 573,437</u>	<u>\$ 207,722</u>		<u>\$ 1,434,016</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

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**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, 2021, the City spent \$276,422.

**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, 2021, the audited financial statements for the Board presented a net position of \$199,300.

**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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

for health insurance coverage, the plan will also provide health coverage for the retiree’s spouse. This coverage will continue until the retiree dies. Eligible retirees and dependents are required to share the cost of health insurance.

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

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

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

*Employees covered by benefit terms* – at July 1, 2021, the following employees of City of Lebanon, Tennessee, were covered by the benefit terms of the plan:

Actives (With Coverage)	408
Retirees (With Coverage)	<u>132</u>
Total participants with Coverage	<u><u>540</u></u>

The insurance carrier establishes the required payments to the plan through plan premiums. For the fiscal year ended June 30, 2021, the City of Lebanon, Tennessee paid \$678,432 to the plan for OPEB benefits as they came due.

*Total OPEB Liability* – the City’s total OPEB Liability of \$28,527,963 was measured as of July 1, 2021 and was determined by and actuarial valuation as of that date.

*Actuarial assumptions* – The total OPEB liability in the July 1, 2021 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

Salary increases	2.5% per annum
Healthcare cost trend rates	Medical costs at 6.25% graded uniformly to 5.75% over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04% 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.

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 PubG.H-2010(the total dataset headcount weighted Pub-2010 mortality table) with Improvement Scale MP-2021.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 2.22%, 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 6/30/20	\$ 21,340,711
Changes for the year:	
Service cost	723,754
Interest	690,769
Benefit Changes	-
Differences between expected and actual experience	3,734,489
Changes in Assumptions	2,716,672
Contributions-employer	
Contributions-employees	
Net investment income	
Benefit payments, including refunds of employee contributions	(678,432)
Administrative expense	
Other Changes	
Net changes	7,187,252
Balance at 6/30/21	\$ 28,527,963

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

*Changes in Assumptions* – effective July 1, 2021 the following changes were made to the actuarial assumptions and methods:

1. The discount rate is 2.22% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 29, 2021, compared with the prior Statement No. 75 discount rate of 3.23%
2. The mortality assumption was changed from RP-2014 Total Dataset Generational Mortality Tables Projected with Improvement Scale MP-2018 as of July 1, 2018 to PubG.H-2010(the total dataset headcount weighted Pub-2010 mortality table) with Improvement Scale MP-2021 as of July 1, 2021.
3. The assumed trend rate for the medical claims was changed from 7.5% grading uniformly to 6.75% grade over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075 to 6.25% grading uniformly to 5.75% over 2 years, and following the upgraded Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075.

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

	1% Decrease (1.22%)	Current Discount Rate (2.22%)	1% Increase (3.22%)
Net OPEB liability	\$ 24,541,971	\$ 28,527,963	\$ 33,499,801

*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 5.25% to 4.75 % over 2 years and following the Getzen model thereafter	Current Discount Rate 6.25% to 5.75% over 2 years and following the Getzen model thereafter	1% Increase 7.25% to 6.75% over 2 years and following the Getzen model thereafter
Net OPEB liability	\$ 32,740,333	\$ 28,527,963	\$ 35,007,007

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

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

*OPEB Expense* – for the fiscal year ended June 30, 2021, City of Lebanon, Tennessee recognized OPEB expense of \$2,346,792.

*Deferred outflows of resources and deferred inflows of resources* – for the fiscal year ended June 30, 2021 City of Lebanon, Tennessee reported deferred outflows and deferred inflows of resources related to OPEB benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,263,207	\$ -
Changes in Assumptions	4,367,801	-
Other Changes		-
		-
Total	\$ 8,631,008	\$ -

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

	2022	\$ 932,269
	2023	932,269
	2024	932,269
	2025	932,269
	2026	932,269
	Thereafter	3,969,753

**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:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

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

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

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

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

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

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

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, 2021:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

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

Investments by fair value level	Total at			
	June 30, 2021	Level 1	Level 2	Level 3
Debt Securities:				
US Treasury	\$ 375,000	\$ 375,000	\$ -	\$ -
Taxfree Muni	1,570,000	-	1,570,000	-
Taxable Muni	215,000		215,000	
Fixed Rate Certificates of Deposit	4,750,000	-	4,750,000	-
	<u>\$ 6,910,000</u>	<u>\$ 375,000</u>	<u>\$ 6,535,000</u>	<u>\$ -</u>

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

**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	\$ 375,000
Taxfree Muni	1,570,000
Taxable Muni	215,000
Fixed Rate Certificates of Deposit	4,750,000
	<u>\$ 6,910,000</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

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 19 – INTEREST RATE RISK, CONTINUED**

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	Remaining Maturity (in Months)		Rating as of Year End			
		12 or less	13-24	Moody's		S&P	Other
				AAA	AA(1-3)		
US Treasury	\$ 375,000	\$ -	\$ 375,000	\$ 375,000	\$ -	\$ -	\$ -
Taxfree Muni	1,570,000	1,350,000	220,000	-	1,000,000	790,000	-
Taxable Muni	215,000	-	215,000	-	215,000	-	-
Fixed Rate Certificates of Deposit	4,750,000	2,750,000	2,000,000	-	-	-	4,750,000
	<u>\$ 6,910,000</u>	<u>\$ 4,100,000</u>	<u>\$ 2,810,000</u>	<u>\$ 375,000</u>	<u>\$ 1,215,000</u>	<u>\$ 790,000</u>	<u>\$ 4,750,000</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	\$ 375,000	5.43%
Madison County Tennessee	Taxfree Muni (Non-Callable) Secu	620,000	8.97%

**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 City.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The City of Lebanon, Tennessee may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

**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

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED**

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 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.

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED**

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.

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, 2021, the City of Lebanon, Tennessee had the following investments held by the trust on its behalf:

**CITY OF LEBANON, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED**

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
<b>Investments at Fair Value:</b>			
Domestic Equity	N/A	N/A	\$ 224,374
Domestic Fixed Income	N/A	N/A	209,417
International Equity	N/A	N/A	104,709
International Fixed Income	N/A	N/A	-
Short Term Securitites	N/A	N/A	44,875
Real Estate	N/A	N/A	59,834
Private Equities & Strategic Lending	N/A	N/A	104,709
			<u>\$ 747,917</u>

Investment by Fair Value Level	Fair Value Measurements Using				NAV
	Fair Value 06/30/21	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Domestic Equity	\$ 224,374	\$ 224,374	\$ -	\$ -	\$ -
Domestic Fixed Income	209,417	-	209,417	-	-
International Equity	104,709	104,709	-	-	-
International Fixed Income	-	-	-	-	-
Short Term Securitites	44,875	-	44,875	-	-
Real Estate	59,834	-	-	59,834	-
Private Equities & Strategic Lending	104,709	-	-	-	104,709
	<u>\$ 747,917</u>	<u>\$ 329,083</u>	<u>\$ 254,293</u>	<u>\$ 59,834</u>	<u>\$ 104,709</u>

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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

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>.

NOTE 21 – RESTATEMENT OF FUND BALANCE

At June 30, 2020, the Stabilization Reserve Asset for the Governmental Activities was included in the net position of the activities, but was not included in the fund balance. This error was corrected in the current year by restating the opening fund balance of the general fund by the following amount:

General Fund	<u>\$ 298,940</u>
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CITY OF LEBANON TENNESSEE  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS

	2018	2019	2020	2021
Balance, beginning of year	\$ 15,766,712	\$ 16,294,675	\$ 20,643,164	\$ 21,340,711
Changes for the year:				
Service cost	480,821	635,119	677,990	723,754
Interest	494,544	526,893	667,737	690,769
Benefit Changes	-	-	-	-
Experience losses	-	1,193,921		3,734,489
Changes in Assumptions	-	2,609,885		2,716,672
Contributions - Employer	-			
Benefit payments, including refunds of employee contributions	(447,402)	(617,329)	(648,180)	(678,432)
Net changes	<u>527,963</u>	<u>4,348,489</u>	<u>697,547</u>	<u>7,187,252</u>
Balance, end of year	<u>\$ 16,294,675</u>	<u>\$ 20,643,164</u>	<u>\$ 21,340,711</u>	<u>\$ 28,527,963</u>
Covered employee payroll	\$ 15,591,573	\$ 18,467,210	\$ 18,928,890	\$ 20,244,976
Total OPEB Liability as a percentage of covered employee payroll	104.51%	111.78%	112.74%	140.91%

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 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.

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No 75 related to this OPEB plan

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	2020
Total pension liability	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129	\$ 1,131,382	\$ 1,081,735	\$ 1,050,414
Service cost	3,399,484	3,646,565	3,607,189	3,947,625	4,444,447	4,620,488	4,842,450
Interest	-	-	-	-	-	-	-
Changes in benefit terms	661,593	(3,214,342)	1,856,474	4,119,182	(1,050,216)	(424,245)	281,713
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)	(2,234,764)
Benefit payments, including refunds of employee contributions	3,279,673	(372,484)	4,398,328	8,597,024	2,565,458	3,142,512	3,939,813
Net change in total pension liability	45,248,873	48,528,546	48,156,062	52,554,390	61,151,414	63,716,872	66,859,384
Total pension liability-beginning	\$ 48,528,546	\$ 48,156,062	\$ 52,554,390	\$ 61,151,414	\$ 63,716,872	\$ 66,859,384	\$ 70,799,197
Total pension liability-ending (a)	\$ 1,828,142	\$ 1,774,194	1,834,691	2,279,703	2,157,052	2,113,275	2,188,630
Plan fiduciary net position							
Contributions-employer	6,887,411	1,492,974	1,322,269	5,812,495	4,765,579	4,634,503	3,314,355
Contributions-employee	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)	(2,234,764)
Net investment income	(13,375)	(13,288)	(22,551)	(23,677)	(25,191)	(22,137)	(21,231)
Benefit payments, including refunds of employee contributions	6,984,203	1,459,827	1,124,144	6,251,486	4,937,285	4,590,175	3,246,990
Administrative expense	41,507,025	48,491,228	49,951,055	51,075,199	57,326,685	62,263,970	66,854,145
Net change in plan fiduciary net position	\$ 48,491,228	\$ 49,951,055	\$ 51,075,199	\$ 57,326,685	\$ 62,263,970	\$ 66,854,145	\$ 70,101,135
Plan fiduciary net position-beginning	\$ 37,318	\$ (1,794,993)	\$ 1,479,191	\$ 3,824,729	\$ 1,452,902	\$ 5,239	\$ 698,062
Plan fiduciary net position-ending (b)	\$ 99.92%	103.73%	97.19%	93.75%	97.72%	99.99%	99.01%
Plan fiduciary net position as a percentage of total pension liability	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	\$ 14,303,140	\$ 14,070,055	\$ 14,149,094
Covered-employee payroll							
Net pension liability (asset) as a percentage of covered-employee payroll	0.29%	-13.46%	10.73%	25.17%	10.16%	0.04%	4.93%

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	2021
Actuarially determined contribution	\$ 1,828,142	\$ 1,774,194	\$ 1,834,691	\$ 2,024,375	\$ 2,157,052	\$ 2,110,521	2,181,335	2,085,774
Contributions in relation to the actuarially determined contribution	1,828,142	1,774,194	1,834,691	2,279,703	2,157,052	2,110,521	2,188,630	2,085,774
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (255,328)	\$ -	\$ -	\$ (7,295)	\$ -
Covered-employee payroll	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	14,303,140	\$ 14,070,138	\$ 14,149,094	\$ 13,951,663
Contributions as a percentage covered-employee payroll	14.13%	13.30%	13.30%	15.00%	15.08%	15.00%	15.47%	14.95%

Valuation date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 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	2020
Total pension liability					
Service cost	\$ 60,774	\$ 92,342	\$ 137,695	\$ 271,168	\$ 404,373
Interest	4,558	11,079	23,829	52,117	94,223
Changes in benefit terms	-	-	-	-	-
Differences between actual & expected experience	(9,959)	27,271	95,335	134,650	91,187
Change of assumptions	-	4,922	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-	(323)	(20,415)
Net change in total pension liability	55,373	135,614	256,859	457,612	569,368
Total pension liability-beginning	-	55,373	190,987	447,846	905,458
Total pension liability-ending (a)	<u>\$ 55,373</u>	<u>\$ 190,987</u>	<u>\$ 447,846</u>	<u>\$ 905,458</u>	<u>\$ 1,474,826</u>
Plan fiduciary net position					
Contributions-employer	\$ 34,759	\$ 89,004	\$ 156,337	\$ 67,833	\$ 108,449
Contributions-employee	43,449	111,256	195,422	311,157	387,767
Net investment income	1,043	19,876	38,401	63,567	65,894
Benefit payments, including refunds of employee contributions	-	-	-	(323)	(20,415)
Administrative expense	(2,675)	(5,688)	(10,412)	(14,649)	(17,444)
Other	933	-	-	-	-
Net change in plan fiduciary net position	77,509	214,448	379,748	427,585	524,251
Plan fiduciary net position-beginning	-	77,509	291,957	671,705	1,099,290
Plan fiduciary net position-ending (b)	<u>\$ 77,509</u>	<u>\$ 291,957</u>	<u>\$ 671,705</u>	<u>\$ 1,099,290</u>	<u>\$ 1,623,541</u>
Net Pension Liability (asset)-ending (a) – (b)	<u>\$ (22,136)</u>	<u>\$ (100,970)</u>	<u>\$ (223,859)</u>	<u>\$ (193,832)</u>	<u>\$ (148,715)</u>
Plan fiduciary net position as a percentage of total pension liability	139.98%	152.87%	149.99%	121.41%	110.08%
Covered-employee payroll	\$ 871,710	2,225,577	\$ 3,908,422	\$ 6,223,123	\$ 8,158,315
Net pension liability (asset) as a percentage of covered-employee payroll	-2.54%	-4.54%	-5.73%	-3.11%	-1.82%

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	2021
Actuarially determined contribution	\$ 17,325	\$ 25,149	\$ 53,545	\$ 248,919	\$ 108,449	\$ 356,152
Contributions in relation to the actuarially determined contribution	34,759	89,004	156,337	560,471	108,449	356,152
Contribution deficiency (excess)	<u>\$ (17,434)</u>	<u>\$ (63,855)</u>	<u>\$ (102,792)</u>	<u>\$ (311,552)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	871,710	2,225,577	3,908,422	6,222,983	8,158,315	22,830,272
Contributions as a percentage covered-employee payroll	3.99%	4.00%	4.00%	4.00%	1.33%	1.56%

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 2017, 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

The contributions are allocated to the funds based on the employees' main work department. The Stabilization Reserve asset is allocated to the funds

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

ASSETS	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
Cash	\$ 2,400,436	\$ 10,491	\$ 2,035,877	\$ 4,446,804
Investment in State Investment Pool	-	905,708	-	905,708
Certificates of Deposit	36,859	-	-	36,859
Accounts Receivable:				
State of Tennessee	185	-	552,973	553,158
Other	53,876	-	12,550	66,426
Due from Other Funds	329,153	-	98,290	427,443
Prepaid Expenses	14,804	-	-	14,804
	<u>\$ 2,835,313</u>	<u>\$ 916,199</u>	<u>\$ 2,699,690</u>	<u>\$ 6,451,202</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE  
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021

LIABILITIES	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Accounts Payable				
Vendors	\$ 240,468	\$ -	\$ 1,456,561	\$ 1,697,029
Due to Other Funds	991	-	9,823	10,814
Bank Overdraft	189,439	2,901	28,421	220,761
Accrued Payroll and Related Items	42,346	-	-	42,346
Accrued Vacation Pay	11,692	-	-	11,692
<b>Total Liabilities</b>	<b>484,936</b>	<b>2,901</b>	<b>1,494,805</b>	<b>1,982,642</b>
<b>FUND BALANCES</b>				
Fund Balances:				
Restricted for:				
Debt Service		913,298	-	913,298
Street	1,333,433	-	-	1,333,433
Recreation	-	-	-	-
Drug Enforcement	336,420	-	-	336,420
Community Assistance	99,308	-	-	99,308
Police	13,865	-	-	13,865
Airport	-	-	-	-
Economic Development	293,944	-	-	293,944
Committed to:				
Airport	-	-	-	-
Cemetery	124,320	-	-	124,320
Police	56,017	-	-	56,017
OPEB	-	-	-	-
Assigned to:				
Recreation	-	-	165,585	165,585
Airport	4,008	-	182,008	186,016
Street	-	-	854,243	854,243
Public Works	-	-	-	-
Police	2,748	-	3,049	5,797
Economic Development	1,137	-	-	1,137
Floyd Family Life Center	85,177	-	-	85,177
<b>Total Fund Balances</b>	<b>2,350,377</b>	<b>913,298</b>	<b>1,204,885</b>	<b>4,468,560</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,835,313</b>	<b>\$ 916,199</b>	<b>\$ 2,699,690</b>	<b>\$ 6,451,202</b>

See notes to financial statements

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

Year Ended June 30, 2021

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
<b>Revenues</b>				
State and Regional Apportionments and Grants	\$ 1,610,110	\$ -	405,193	\$ 2,015,303
Federal Grants	3,655			3,655
Fines and Costs	22,401	-	-	22,401
Interest	22,996	1,685	13,657	38,338
Other Revenues	1,588,984	-	1,158,363	2,747,347
<b>Total Revenues</b>	<b>3,248,146</b>	<b>1,685</b>	<b>1,577,214</b>	<b>4,827,043</b>
<b>Expenditures</b>				
General Government	242,169	806	-	242,975
Public Works	-	-	-	-
Police	161,829	-	18,786	180,615
Street	537,604	-	91,471	629,075
Jimmy Floyd Family Life Center	1,514,805	-	-	1,514,805
Airport	503,665	-	19,036	522,701
Recreation	-	-	-	-
Debt Service:				
Principal	-	1,894,412	-	1,894,412
Interest	-	633,733	-	633,733
Capital Outlay	391,003	-	1,743,998	2,135,001
<b>Total Expenditures</b>	<b>3,351,075</b>	<b>2,528,951</b>	<b>1,873,291</b>	<b>7,753,317</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(102,929)</b>	<b>(2,527,266)</b>	<b>(296,077)</b>	<b>(2,926,272)</b>
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	-	-	15,849	15,849
Transfers From Other Funds	765,200	2,650,963	444,200	3,860,363
Transfers To Other Funds	(558,954)	(29)	-	(558,983)
<b>Total Other Financing Sources (Uses)</b>	<b>206,246</b>	<b>2,650,934</b>	<b>460,049</b>	<b>3,317,229</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>103,317</b>	<b>123,668</b>	<b>163,972</b>	<b>390,957</b>
<b>Fund Balances</b>				
July 01, 2020	2,260,560	789,630	1,103,650	4,153,840
Increase (Decrease) in Encumbrances	(13,500)	-	(62,737)	(76,237)
Transfer Fund Balance to General Fund	-	-	-	-
<b>June 30, 2021</b>	<b>\$ 2,350,377</b>	<b>\$ 913,298</b>	<b>\$ 1,204,885</b>	<b>\$ 4,468,560</b>

See notes to financial statements

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

June 30, 2021

ASSETS	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Cash	\$ 1,396,535	\$ 181,349	\$ -	\$ 90,103	\$ 82,548	\$ 9,205	\$ 5,872
Investment in State Investment Pool	-	-	-	-	-	-	-
Certificates of Deposit	-	-	36,860	-	-	-	-
Due From Other Funds	10,610	-	300,000	-	18,543	-	-
Prepaid Expenses	-	-	11,333	-	3,471	-	-
Other Receivables	-	1,692	12,054	-	32,583	-	7,620
<b>Total Assets</b>	<b>\$ 1,407,145</b>	<b>\$ 183,041</b>	<b>\$ 360,247</b>	<b>\$ 90,103</b>	<b>\$ 137,145</b>	<b>\$ 9,205</b>	<b>\$ 13,492</b>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 73,712	\$ -	\$ 31,593	\$ -	\$ 134,173	\$ -	\$ -
Due to Other Funds	-	-	-	-	991	-	-
Bank Overdraft	-	-	189,439	-	-	-	-
Accrued Payroll and Related Items	-	-	42,346	-	-	-	-
Accrued Vacation Pay	-	-	11,692	-	-	-	-
<b>Total Liabilities</b>	<b>73,712</b>	<b>-</b>	<b>275,070</b>	<b>-</b>	<b>135,164</b>	<b>-</b>	<b>-</b>

Fund Balances:

Restricted for:							
Street	1,333,433	-	-	-	-	-	-
Drug Enforcement	-	183,041	-	-	-	-	-
Community Assistance	-	-	-	90,103	-	9,205	-
Police	-	-	-	-	-	-	12,246
Economic Development	-	-	-	-	-	-	-
Committed to:							
Airport	-	-	-	-	(13,500)	-	-
Cemetery	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Assigned to:							
Floyd Family Life Center	-	-	85,177	-	-	-	-
Police	-	-	-	-	-	-	1,246
Airport	-	-	-	-	15,481	-	-
Economic Development	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>1,333,433</b>	<b>183,041</b>	<b>85,177</b>	<b>90,103</b>	<b>1,981</b>	<b>9,205</b>	<b>13,492</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,407,145</b>	<b>\$ 183,041</b>	<b>\$ 360,247</b>	<b>\$ 90,103</b>	<b>\$ 137,145</b>	<b>\$ 9,205</b>	<b>\$ 13,492</b>

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

June 30, 2021

ASSETS	Cemetery Maintenance	Federal Asset Seizure	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	Tourism & Economic Development	Total Nonmajor Funds
Cash	\$ 124,320	\$ 15,132	\$ 139,237	\$ 3,121	\$ 57,932	\$ 295,081	\$ 2,400,436
Investment in State Investment Pool	-	-	-	-	-	-	-
Certificates of Deposit	-	-	-	-	-	-	36,860
Due From Other Funds	-	-	-	-	-	-	329,153
Prepaid Expenses	-	-	-	-	-	-	14,804
Other Receivables	-	-	-	-	112	-	54,061
<b>Total Assets</b>	<b>\$ 124,320</b>	<b>\$ 15,132</b>	<b>\$ 139,237</b>	<b>\$ 3,121</b>	<b>\$ 58,044</b>	<b>\$ 295,081</b>	<b>\$ 2,835,314</b>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -	\$ -	\$ 990	\$ -	\$ -	\$ -	\$ 240,468
Due to Other Funds	-	-	-	-	-	-	991
Bank Overdraft	-	-	-	-	-	-	189,439
Accrued Payroll and Related Items	-	-	-	-	-	-	42,346
Accrued Vacation Pay	-	-	-	-	-	-	11,692
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 484,936</b>

Fund Balances:

Restricted for:	Street	Drug Enforcement	Community Assistance	Police	Economic Development	Airport	Cemetery	Police	Assigned to:	Floyd Family Life Center	Police	Airport	Economic Development	Total Fund Balance	Total Liabilities and Fund Balance
Restricted for:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street	-	-	-	-	-	-	-	-	-	-	-	-	-	1,333,433	-
Drug Enforcement	-	15,132	138,247	-	-	-	-	-	-	-	-	-	-	336,420	-
Community Assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	99,308	-
Police	-	-	-	1,619	-	-	-	-	-	-	-	-	-	13,865	-
Economic Development	-	-	-	-	-	293,944	-	-	-	-	-	-	-	293,944	-
Committed to:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,500)	-
Cemetery	124,320	-	-	-	-	-	-	-	-	-	-	-	-	124,320	-
Police	-	-	-	-	-	-	56,017	-	-	-	-	-	-	56,017	-
Assigned to:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Floyd Family Life Center	-	-	-	-	-	-	-	-	-	-	-	-	-	85,177	-
Police	-	-	-	1,502	-	-	-	-	-	-	-	-	-	2,748	-
Airport	-	-	-	-	-	-	-	2,027	-	-	-	-	-	17,508	-
Economic Development	-	-	-	-	-	-	-	-	-	-	-	-	-	1,137	-
<b>Total Fund Balance</b>	<b>124,320</b>	<b>15,132</b>	<b>138,247</b>	<b>3,121</b>	<b>58,044</b>	<b>295,081</b>	<b>56,017</b>	<b>2,027</b>	<b>1,137</b>	<b>85,177</b>	<b>2,748</b>	<b>17,508</b>	<b>1,137</b>	<b>2,350,377</b>	<b>2,835,314</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 124,320</b>	<b>\$ 15,132</b>	<b>\$ 139,237</b>	<b>\$ 3,121</b>	<b>\$ 58,044</b>	<b>\$ 295,081</b>	<b>\$ 56,017</b>	<b>\$ 2,027</b>	<b>\$ 1,137</b>	<b>\$ 85,177</b>	<b>\$ 2,748</b>	<b>\$ 17,508</b>	<b>\$ 1,137</b>	<b>\$ 2,350,377</b>	<b>\$ 2,835,314</b>

CITY OF LEBANON, TENNESSEE  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Year End June 30, 2021

	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
<b>Revenues:</b>							
State and Regional							
Apportionments and Grants	\$ 1,159,364	\$ -	\$ -	\$ -	\$ 84,000	\$ -	\$ -
Federal Grants	-	-	-	-	-	-	-
Contributions	-	-	-	37,775	25,000	-	-
Interest Income	11,982	735	4,650	165	958	198	182
Fines and Costs	-	22,401	-	-	-	-	-
Memberships, Fees and Concessions	-	-	938,872	-	-	-	51,308
Other	2,700	54,105	34,563	-	343,232	-	-
<b>Total Revenues</b>	<b>1,174,046</b>	<b>77,241</b>	<b>978,085</b>	<b>37,940</b>	<b>453,190</b>	<b>198</b>	<b>51,490</b>
<b>Expenditures:</b>							
Salaries	-	-	804,196	-	-	-	47,260
Payroll Taxes	-	-	59,045	-	-	-	3,615
Benefits	-	-	202,843	-	-	-	8,019
Other Operating Expenditures	537,604	69,678	448,721	19,215	503,665	63	-
Capital Outlay	277,677	19,854	30,459	-	-	-	-
<b>Total Expenditures</b>	<b>815,281</b>	<b>89,532</b>	<b>1,545,264</b>	<b>19,215</b>	<b>503,665</b>	<b>63</b>	<b>58,894</b>
<b>Excess of Revenues Over (Under)</b>	<b>358,765</b>	<b>(12,291)</b>	<b>(567,179)</b>	<b>18,725</b>	<b>(50,475)</b>	<b>135</b>	<b>(7,404)</b>
<b>Expenditures</b>							
Other Financing Sources (Uses):							
Operating Transfers To Other funds	(414,200)	-	-	-	(144,754)	-	-
Operating Transfers From Other Funds	-	-	602,000	-	158,700	4,500	-
<b>Total Other Financing Sources (Uses)</b>	<b>(414,200)</b>	<b>-</b>	<b>602,000</b>	<b>-</b>	<b>13,946</b>	<b>4,500</b>	<b>-</b>
<b>Excess of Revenues and Other Sources</b>	<b>(55,435)</b>	<b>(12,291)</b>	<b>34,821</b>	<b>18,725</b>	<b>(36,529)</b>	<b>4,635</b>	<b>(7,404)</b>
<b>Over (Under) Expenditures and Other</b>							
Uses							
<b>Fund Balances:</b>							
July 01, 2020	1,388,868	195,332	50,356	71,378	52,010	4,570	20,896
Change in Encumbrances	-	-	-	-	(13,500)	-	-
June 30, 2021	\$ 1,333,433	\$ 183,041	\$ 85,177	\$ 90,103	\$ 1,981	\$ 9,205	\$ 13,492

CITY OF LEBANON, TENNESSEE  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
Year Ended June 30, 2021

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	\$ -	\$ -	-	\$ -	-	\$ 366,746	\$ 1,610,110
Federal Grants	-	3,655	-	-	-	-	3,655
Contributions	-	-	-	-	-	-	62,775
Interest Income	653	989	865	23	647	949	22,996
Fines and Costs	-	-	-	-	-	-	22,401
Memberships, Fees and Concessions	13,600	-	-	-	-	-	1,003,780
Other	-	-	78,443	-	9,386	-	522,429
Total Revenues	14,253	4,644	79,308	23	10,033	367,695	3,248,146
Expenditures:							
Salaries	-	-	-	-	-	-	851,456
Payroll Taxes	-	-	-	-	-	-	62,660
Benefits	-	-	-	-	-	-	210,862
Other Operating Expenditures	26,063	-	19,564	102	13,694	196,725	1,835,094
Capital Outlay	21,200	19,828	21,985	-	-	-	391,003
Total Expenditures	47,263	19,828	41,549	102	13,694	196,725	3,351,075
Excess of Revenues Over (Under) Expenditures	(33,010)	(15,184)	37,759	(79)	(3,661)	170,970	(102,929)
Other Financing Sources (Uses):							
Operating Transfers To Other funds	-	-	-	-	-	-	(558,954)
Operating Transfers From Other Funds	-	-	-	-	-	-	765,200
Total Other Financing Sources (Uses)	-	-	-	-	-	-	206,246
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(33,010)	(15,184)	37,759	(79)	(3,661)	170,970	103,317
Fund Balances:							
July 01, 2020	157,330	30,316	100,488	3,200	61,705	124,111	2,260,560
Increase in Encumbrance	-	-	-	-	-	-	(13,500)
June 30, 2021	\$ 124,320	\$ 15,132	\$ 138,247	\$ 3,121	\$ 58,044	\$ 295,081	\$ 2,350,377

See notes to financial statements

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

June 30, 2021

ASSETS	Police Local Option Fine	Airport Capital Projects	Lebanon- Wilson County Community Park	Street Improvements	Total Nonmajor Funds
Cash	\$ -	\$ 176,462	\$ 165,585	\$ 1,693,830	\$ 2,035,877
Due from State	-	5,906	-	547,067	552,973
Due from Other Funds	30,000	18	-	68,272	98,290
Other Receivables	2,220	10,330	-	-	12,550
<b>Total Assets</b>	<b>\$ 32,220</b>	<b>\$ 192,716</b>	<b>\$ 165,585</b>	<b>\$ 2,309,169</b>	<b>\$ 2,699,690</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Bank Overdrafts	\$ 28,421	\$ -	\$ -	\$ -	\$ 28,421
Due to Other Funds	-	9,823	-	-	9,823
Accounts Payable	750	885	-	1,454,926	1,456,561
<b>Total Liabilities</b>	<b>29,171</b>	<b>10,708</b>	<b>-</b>	<b>1,454,926</b>	<b>1,494,805</b>
<b>Fund Balances:</b>					
Restricted for:					
Recreation	-	-	-	-	-
Assigned to:					
Police	3,049	-	-	-	3,049
Recreation	-	-	165,585	-	165,585
Airport	-	182,008	-	-	182,008
Street	-	-	-	854,243	854,243
<b>Total Fund Balances</b>	<b>3,049</b>	<b>182,008</b>	<b>165,585</b>	<b>854,243</b>	<b>1,204,885</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 32,220</b>	<b>\$ 192,716</b>	<b>\$ 165,585</b>	<b>\$ 2,309,169</b>	<b>\$ 2,699,690</b>

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

Year Ended June 30, 2021

	Police Local	Airport Capital	Lebanon- Wilson County	Street Improvements	Total Nonmajor
<b>Revenues</b>					
State Grants	\$ -	\$ 405,193	\$ -	\$ -	\$ 405,193
Federal Grants	-	-	-	-	-
Other Revenues	275,563	-	-	882,801	1,158,364
Interest Earnings	3,706	2,553	1,316	6,082	13,657
<b>Total Revenues</b>	<u>279,269</u>	<u>407,746</u>	<u>1,316</u>	<u>888,883</u>	<u>1,577,214</u>
<b>Expenditures</b>					
Other Operating Expenditures	18,786	19,036	-	91,471	129,293
Debt Service	-	-	-	-	-
Capital Outlay	305,075	427,800	37	1,011,086	1,743,998
<b>Total Expenditures</b>	<u>323,861</u>	<u>446,836</u>	<u>37</u>	<u>1,102,557</u>	<u>1,873,291</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(44,592)	(39,090)	1,279	(213,674)	(296,077)
<b>Other Financing Sources (Uses)</b>					
Bond Proceeds	-	-	37	15,812	15,849
Operating Transfers To Other Funds	-	-	-	-	-
Operating Transfers From Other Funds	30,000	-	-	414,200	444,200
<b>Total Other Financing Sources (Uses)</b>	<u>30,000</u>	<u>-</u>	<u>37</u>	<u>430,012</u>	<u>460,049</u>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</b>	(14,592)	(39,090)	1,316	216,338	163,972
<b>Fund Balances</b>					
July 01, 2020	17,641	221,098	227,006	637,905	1,103,650
Increase in Encumbrances	-	-	(62,737)	-	(62,737)
Transfer Fund Balance to General Fur	-	-	-	-	-
<b>June 30, 2021</b>	<u>\$ 3,049</u>	<u>\$ 182,008</u>	<u>\$ 165,585</u>	<u>\$ 854,243</u>	<u>\$ 1,204,885</u>

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

June 30, 2021

ASSETS

	2013 Bond Fund	2004 Bond Fund	2003 Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	2016 Legends Drive
Cash	\$ 118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in State Investment Pool	(28)	13,968	-	7,771	15,111	1,099	24,983
Total Assets	\$ 90	\$ 13,968	\$ -	\$ 7,771	\$ 15,111	\$ 1,099	\$ 24,983

LIABILITIES AND FUND BALANCES

Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Overdraft	-	-	-	1,672	-	977	-
Fund Balances - Restricted for Debt Service	90	13,968	-	6,099	15,111	122	24,983
Total Liabilities and Fund Balances	\$ 90	\$ 13,968	\$ -	\$ 7,771	\$ 15,111	\$ 1,099	\$ 24,983

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES

Year Ended June 30, 2021

	2013 Bond Fund	2004 Bond Fund	2003 Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	2016 Legends Drive
Revenues	\$ (71)	\$ 64	\$ -	\$ 122	\$ 107	\$ 18	\$ 136
Interest Income							
Expenditures							
Bank Charge						806	
Principal	185,912	104,000	-	300,000	202,000	50,000	231,000
Interest	22,590	5,120	-	27,600	14,008	12,225	44,971
Total Expenditures	208,502	109,120	-	327,600	216,008	63,031	275,971
Excess of Revenues Over (Under) Expenditures	(208,573)	(109,056)	-	(327,478)	(215,901)	(63,013)	(275,835)
Other Financing Sources (Uses)							
Operating Transfers To Other Funds	-	-	(29)	-	-	-	-
Operating Transfers From Other Funds	208,502	109,370	-	327,600	216,841	62,225	276,221
Total Other Financing Sources (Uses)	208,502	109,370	(29)	327,600	216,841	62,225	276,221
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(71)	314	(29)	122	940	(788)	386
Fund Balances							
July 01, 2020	161	13,654	29	5,977	14,171	910	24,597
June 30, 2021	\$ 90	\$ 13,968	\$ -	\$ 6,099	\$ 15,111	\$ 122	\$ 24,983

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

June 30, 2021

2016 Airport Terminal	Westside Park	Airport Maintenance Hangar	Public Safety Building	Radio Systems	Road Improvements	Equipment	Total Nonmajor Funds
\$ -	\$ -	\$ 10,373	\$ -	\$ -	\$ -	\$ -	\$ 10,491
8,285	159,251	2,983	377,715	149,793	76,051	68,726	905,708
<u>8,285</u>	<u>159,251</u>	<u>13,356</u>	<u>377,715</u>	<u>149,793</u>	<u>76,051</u>	<u>68,726</u>	<u>916,199</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	247	-	5	-	-	-	2,901
8,285	159,004	13,356	377,710	149,793	76,051	68,726	913,298
<u>8,285</u>	<u>159,251</u>	<u>13,356</u>	<u>377,715</u>	<u>149,793</u>	<u>76,051</u>	<u>68,726</u>	<u>916,199</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

Year Ended June 30, 2021

2016 Airport Terminal	Westside Park	Airport Maintenance Hangar	Public Safety Building	Radio Systems	Road Improvements	Equipment	Total Nonmajor Funds
\$ 44	\$ 259	\$ 78	\$ 449	\$ 309	\$ 101	\$ 69	\$ 1,685
75,000	166,000	31,500	189,000	206,000	69,000	85,000	806
15,226	90,077	22,945	169,369	164,158	34,115	11,329	1,894,412
<u>90,226</u>	<u>256,077</u>	<u>54,445</u>	<u>358,369</u>	<u>370,158</u>	<u>103,115</u>	<u>96,329</u>	<u>633,733</u>
(90,182)	(255,818)	(54,367)	(357,920)	(369,849)	(103,014)	(96,260)	(2,527,266)
-	-	-	-	-	-	-	(29)
90,310	273,199	54,445	397,864	401,343	124,430	108,613	2,650,963
<u>90,310</u>	<u>273,199</u>	<u>54,445</u>	<u>397,864</u>	<u>401,343</u>	<u>124,430</u>	<u>108,613</u>	<u>2,650,934</u>
128	17,381	78	39,944	31,494	21,416	12,353	123,668
8,157	141,623	13,278	337,766	118,299	54,635	56,373	789,630
<u>8,285</u>	<u>159,004</u>	<u>13,356</u>	<u>377,710</u>	<u>149,793</u>	<u>76,051</u>	<u>68,726</u>	<u>913,298</u>

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Gas 1989	\$ 1,085,000	\$ 1,085,000	\$ 92,703	\$ (992,297)
Gas 3 cent	-	-	171,773	171,773
Gas 2017	-	-	299,546	299,546
Gasoline & Motor Fuel Tax	-	-	595,341	595,341
Insurance Recoveries	-	2,700	2,700	-
Interest Income	8,500	8,500	11,982	3,482
<b>Total Revenues</b>	<u>1,093,500</u>	<u>1,096,200</u>	<u>1,174,046</u>	<u>77,846</u>
<b>Expenditures</b>				
Utilities and Other				
Operating Expenditures	705,000	707,700	537,604	170,096
Capital Expenditures	225,000	513,443	277,677	235,766
<b>Total Expenditures</b>	<u>930,000</u>	<u>1,221,143</u>	<u>815,281</u>	<u>405,862</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	163,500	(124,943)	358,765	483,708
<b>Other Financing Sources (Uses):</b>				
Transfers to Other Funds	(414,200)	(414,200)	(414,200)	-
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ (250,700)</u>	<u>\$ (539,143)</u>	<u>(55,435)</u>	<u>\$ 483,708</u>
<b>Fund Balances</b>				
July 01, 2020			<u>1,388,868</u>	
June 30, 2021			<u>\$ 1,333,433</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Court Fines and Cost	\$ 14,000	\$ 14,000	\$ 22,401	\$ 8,401
Interest Income	500	500	735	235
Federal Grants	-	-	0	-
Other	35,500	35,500	54,105	18,605
<b>Total Revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>77,241</u>	<u>27,241</u>
<b>Expenditures</b>				
Capital Expenditures	19,900	39,900	19,854	20,046
Other Operating Expenditures	124,700	124,700	69,678	55,022
<b>Total Expenditures</b>	<u>144,600</u>	<u>164,600</u>	<u>89,532</u>	<u>75,068</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ (94,600)</u>	<u>\$ (114,600)</u>	(12,291)	<u>\$ (47,827)</u>
<b>Fund Balances</b>				
July 01, 2020			<u>195,332</u>	
June 30, 2021			<u>\$ 183,041</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Memberships, Fees and Concessions	\$ 1,153,500	\$ 1,192,187	\$ 938,872	\$ (253,315)
Rent	30,000	30,000	26,247	(3,753)
Other Revenues	-	16,633	8,316	(8,317)
Interest	2,500	2,500	4,650	2,150
<b>Total Revenues</b>	<b>1,186,000</b>	<b>1,241,320</b>	<b>978,085</b>	<b>(263,235)</b>
<b>Expenditures:</b>				
Salaries	726,118	790,281	804,196	(13,915)
Payroll Taxes	55,548	59,074	59,045	29
Benefits	194,339	204,643	202,843	1,800
Utilities	200,000	200,000	199,430	570
Telephone	23,550	23,550	23,452	98
Maintenance	50,000	62,041	52,028	10,013
Contractual Services	25,000	25,000	24,707	293
Supplies	106,500	96,866	96,178	688
Insurance	19,523	21,787	21,787	-
Other Operating Expenditures	42,975	44,793	31,139	13,654
Capital Outlay	17,500	30,459	30,459	-
<b>Total Expenditures</b>	<b>1,461,053</b>	<b>1,558,494</b>	<b>1,545,264</b>	<b>13,230</b>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(275,053)	(317,174)	(567,179)	(250,005)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	302,000	302,000	602,000	300,000
Loan Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>302,000</b>	<b>302,000</b>	<b>602,000</b>	<b>300,000</b>
<b>Excess of Revenues and Other Sources Over</b>				
(Under) Expenditures and Other Uses	\$ 26,947	\$ (15,174)	34,821	\$ 49,995
<b>Fund Balances</b>				
July 01, 2020			50,356	
June 30, 2021			\$ 85,177	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ 100	\$ 100	\$ 165	\$ 65
Contributions and Fundraiser	18,000	20,665	37,775	17,110
<b>Total Revenues</b>	<b>18,100</b>	<b>20,765</b>	<b>37,940</b>	<b>17,175</b>
<b>Expenditures</b>				
Other	16,550	19,215	19,215	-
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<b>\$ 1,550</b>	<b>\$ 1,550</b>	18,725	<b>\$ 17,175</b>
<b>Fund Balances</b>				
July 01, 2020			71,378	
June 30, 2021			<b>\$ 90,103</b>	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
State Grant	\$ 15,000	\$ 84,000	\$ 84,000	\$ -
Rent	307,900	370,207	326,572	(43,635)
Fuel Sales	20,000	20,000	16,660	(3,340)
Contributions	25,000	25,000	25,000	-
Other Revenues	-	-	-	-
Interest	1,300	1,300	958	(342)
<b>Total Revenues</b>	<u>369,200</u>	<u>500,507</u>	<u>453,190</u>	<u>(47,317)</u>
<b>Expenditures:</b>				
Utilities	27,000	31,520	31,519	1
Repairs & Maintenance	72,000	105,353	103,622	1,731
Contractual Services	15,000	55,000	48,516	6,484
Management Fee	22,000	42,764	40,742	2,022
Other Operating	117,140	291,240	279,266	11,974
<b>Total Expenditures</b>	<u>253,140</u>	<u>525,877</u>	<u>503,665</u>	<u>22,212</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>116,060</b>	<b>(25,370)</b>	<b>(50,475)</b>	<b>(25,105)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers from Other Funds	60,000	158,700	158,700	-
Transfers to Other Funds	(168,685)	(144,755)	(144,754)	1
<b>Total Other Financing Sources (Uses)</b>	<u>(108,685)</u>	<u>13,945</u>	<u>13,946</u>	<u>1</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 7,375</b>	<b>\$ (11,425)</b>	<b>(36,529)</b>	<b>\$ (25,104)</b>
<b>Fund Balance</b>				
July 01, 2020			52,010	
Increase in Encumbrances			(13,500)	
June 30, 2021			<u>\$ 1,981</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest	\$ 100	\$ 100	\$ 198	\$ 98
Contributions	15,000	15,000	0	(15,000)
	15,100	15,100	198	(14,902)
<b>Expenditures</b>				
Operating Expenditures	15,000	15,000	63	14,937
<b>Excess of Revenues Over (Under) Expenditures</b>	100	100	135	(29,839)
<b>Other Financing Sources (Uses):</b>				
Transfer from Other Funds	3,000	3,000	4,500	1,500
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources</b>	\$ 3,100	\$ 3,100	4,635	\$ (28,339)
<b>Fund Balances</b>				
July 01, 2020			4,570	
June 30, 2021			\$ 9,205	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Contract Fees	\$ 63,600	\$ 64,986	\$ 51,308	\$ (13,678)
Interest	150	150	182	32
<b>Total Revenues</b>	<u>63,750</u>	<u>65,136</u>	<u>51,490</u>	<u>(13,646)</u>
<b>Expenditures</b>				
Salaries	45,973	47,260	47,260	-
Payroll Taxes	3,517	3,616	3,615	1
Employee Benefits	13,570	13,570	8,019	5,551
<b>Total Expenditures</b>	<u>63,060</u>	<u>64,446</u>	<u>58,894</u>	<u>5,552</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ 690</u>	<u>\$ 690</u>	(7,404)	<u>\$ 8,094</u>
<b>Fund Balances</b>				
July 01, 2020			<u>20,896</u>	
June 30, 2021			<u>\$ 13,492</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Cemetery Maintenance Fees	\$ 11,000	\$ 13,600	\$ 13,600	\$ -
Interest Income	500	566	653	87
<b>Total Revenues</b>	<u>11,500</u>	<u>14,166</u>	<u>14,253</u>	<u>87</u>
<b>Expenditures</b>				
Capital Outlay	25,000	28,100	21,200	6,900
Transfer To Other Funds	-	25,000	-	25,000
Other Operating Expense	10,500	30,326	26,063	(15,563)
<b>Total Expenditures</b>	<u>35,500</u>	<u>83,426</u>	<u>47,263</u>	<u>36,163</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ (24,000)</u>	<u>\$ (69,260)</u>	(33,010)	<u>\$ 87</u>
<b>Fund Balances</b>				
July 01, 2020			<u>157,330</u>	
June 30, 2021			<u>\$ 124,320</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest	\$ 500	\$ 500	\$ 989	\$ 489
Federal Grant - FASF	25,000	25,000	3,655	\$ (21,345)
Federal Payment - Asset Seizure	-	-	-	-
Total Revenues	<u>25,500</u>	<u>25,500</u>	<u>4,644</u>	<u>(20,856)</u>
<b>Expenditures:</b>				
Other Operating	25,000	25,000	-	25,000
Capital Outlay	-	23,000	19,828	3,172
Total Expenditures	<u>25,000</u>	<u>48,000</u>	<u>19,828</u>	<u>28,172</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	500	(22,500)	(15,184)	7,316
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>				
	<u>\$ 500</u>	<u>\$ (22,500)</u>	<u>(15,184)</u>	<u>\$ 7,316</u>
<b>Fund Balances</b>				
July 01, 2020			30,316	
June 30, 2021			<u>\$ 15,132</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest Income	\$ 350	\$ 350	\$ 865	\$ 515
Federal Grants	-	-	-	-
Other Revenues	110,000	110,000	78,443	(31,557)
Total Revenues	110,350	110,350	79,308	(31,042)
<b>Expenditures</b>				
Salaries	9,200	9,200	-	9,200
Payroll Taxes	704	704	-	704
Other Operating	95,500	95,500	19,564	75,936
Capital Expenditures	75,000	75,000	21,985	53,015
	180,404	180,404	41,549	138,855
<b>Excess of Revenues Over (Under)</b>				
Expenditures	\$ (70,054)	\$ (70,054)	37,759	\$ 107,813
<b>Fund Balances</b>				
July 01, 2020			100,488	
June 30, 2021			\$ 138,247	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 23	\$ 23
Contributions	3,000	3,000	-	(3,000)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>23</u>	<u>(2,977)</u>
<b>Expenditures</b>				
Operating Expenses	3,850	3,850	102	3,748
Total Expenditures	<u>3,850</u>	<u>3,850</u>	<u>102</u>	<u>3,748</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ (850)</u>	<u>\$ (850)</u>	(79)	<u>\$ 771</u>
<b>Fund Balances</b>				
July 01, 2020			<u>3,200</u>	
June 30, 2021			<u>\$ 3,121</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Other Revenues	\$ 15,000	\$ 15,000	\$ 9,386	\$ (5,614)
Interest	200	200	647	447
<b>Total Revenues</b>	<u>15,200</u>	<u>15,200</u>	<u>10,033</u>	<u>(5,167)</u>
<b>Expenditures</b>				
Other Operating Expenditures	60,267	60,267	13,694	46,573
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>\$ (45,067)</u>	<u>\$ (45,067)</u>	(3,661)	<u>\$ (51,740)</u>
<b>Fund Balances</b>				
July 01, 2020			61,705	
June 30, 2021			<u>\$ 58,044</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Hotel and Motel Tax	\$ 280,000	\$ 280,000	\$ 366,746	\$ 86,746
Interest	-	-	949	949
<b>Total Revenues</b>	<u>280,000</u>	<u>280,000</u>	<u>367,695</u>	<u>87,695</u>
<b>Expenditures</b>				
Other Operating Expenditures	<u>255,764</u>	<u>255,764</u>	<u>196,725</u>	<u>59,039</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	<u>\$ 24,236</u>	<u>\$ 24,236</u>	170,970	<u>\$ 28,656</u>
<b>Fund Balances</b>				
July 01, 2020			<u>124,111</u>	
June 30, 2021			<u>\$ 295,081</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest	\$ 2,500	\$ 2,500	\$ 3,706	\$ 1,206
Other Income	-	11,015	22,459	11,444
Local Option Court Fines	345,000	345,000	253,104	(91,896)
Total Revenues	<u>347,500</u>	<u>358,515</u>	<u>279,269</u>	<u>(79,246)</u>
<b>Expenditures:</b>				
Other Operating	53,000	31,940	18,786	13,154
Capital Outlay	273,000	305,075	305,075	-
Total Expenditures	<u>326,000</u>	<u>337,015</u>	<u>323,861</u>	<u>13,154</u>
Excess of Revenues Over (Under) Expenditures	21,500	21,500	(44,592)	(66,092)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	30,000	30,000
	<u>\$ 21,500</u>	<u>\$ 21,500</u>	<u>(14,592)</u>	<u>\$ (36,092)</u>
<b>Fund Balances</b>				
July 01, 2020			17,641	
Decrease in Encumbrances			-	
June 30, 2021			<u>\$ 3,049</u>	

See notes to financial statements

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
State Grant	\$ -	\$ 329,378	\$ 405,193	\$ 75,815
Other Revenues	-	69,000	0	(69,000)
Interest Earnings	-	-	2,553	2,553
<b>Total Revenues</b>	<u>-</u>	<u>398,378</u>	<u>407,746</u>	<u>9,368</u>
<b>Expenditures</b>				
Other Operating Expenditures	-	19,040	19,036	4
Airport Capital Outlay	-	469,338	427,800	41,538
<b>Total Expenditures</b>	<u>-</u>	<u>488,378</u>	<u>446,836</u>	<u>41,542</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	-	(90,000)	(39,090)	50,910
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	-
Operating Transfers In	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of Revenues and Other Sources</b>				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (90,000)</u>	<u>(39,090)</u>	<u>\$ 50,910</u>
<b>Fund Balances</b>				
July 01, 2020			<u>221,098</u>	
June 30, 2021			<u>\$ 182,008</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	-	1,316	1,316
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>1,316</u>	<u>1,316</u>
<b>Expenditures</b>				
Capital Outlay	1,100,000	1,100,000	37	1,099,963
<b>Total Expenditures</b>	<u>1,100,000</u>	<u>1,100,000</u>	<u>37</u>	<u>1,099,963</u>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	(1,100,000)	(1,100,000)	1,279	1,101,279
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	0	0	-
Bond Proceeds	923,128	923,128	37	923,091
<b>Total Other Financing Sources (Uses)</b>	<u>923,128</u>	<u>923,128</u>	<u>37</u>	<u>923,091</u>
<b>Excess of Revenues and Other Sources</b>				
Over (Under) Expenditures and Other Uses	<u>\$ (176,872)</u>	<u>\$ (176,872)</u>	1,316	<u>\$ 2,024,370</u>
<b>Fund Balances</b>				
June 30, 2020			227,006	
Increase in Encumbrances			(62,737)	
June 30, 2021			<u>\$ 165,585</u>	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Earnings	\$ -	\$ -	\$ 6,082	\$ 6,082
Permits & Licenses	-	-	100	100
Contracts	2,484,800	2,785,010	607,400	(2,177,610)
Contributions	450,000	450,000	275,301	(174,699)
<b>Total Revenues</b>	<u>2,934,800</u>	<u>3,235,010</u>	<u>888,883</u>	<u>(2,346,127)</u>
<b>Expenditures</b>				
Capital Outlay	4,548,000	4,954,210	1,011,086	3,943,124
Other Operating Expenditures	551,000	551,000	91,471	459,529
<b>Total Expenditures</b>	<u>5,099,000</u>	<u>5,505,210</u>	<u>1,102,557</u>	<u>4,402,653</u>
<b>Excess of Revenues Over (Under)</b>				
Expenditures	(2,164,200)	(2,270,200)	(213,674)	2,056,526
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	414,200	414,200	414,200	-
Bond and Loan Proceeds	1,750,000	1,850,000	15,812	1,834,188
<b>Total Other Financing Sources (Uses)</b>	<u>2,164,200</u>	<u>2,264,200</u>	<u>430,012</u>	<u>1,834,188</u>
<b>Excess of Revenues and Other Sources Over</b>				
<b>(Under) Expenditures and Other Uses</b>	<u>\$ -</u>	<u>\$ (6,000)</u>	216,338	<u>\$ (222,338)</u>
<b>Fund Balances</b>				
July 01, 2020			<u>637,905</u>	
June 30, 2021			<u>\$ 854,243</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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ 200	\$ 200	\$ (71)	\$ (271)
<b>Expenditures</b>				
Principal Expense	185,912	185,912	185,912	-
Interest Expense	22,590	22,590	22,590	-
Total Expenditures	208,502	208,502	208,502	-
Excess of Revenues Over (Under) Expenditures	(208,302)	(208,302)	(208,573)	(271)
Other Financing Sources (Uses) Operating Transfers In (Out)	208,502	208,502	208,502	-
	208,502	208,502	208,502	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 200	\$ 200	(71)	\$ (271)
<b>Fund Balances</b>				
July 01, 2020			161	
June 30, 2021			\$ 90	

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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 500	\$ 500	\$ 64	\$ (436)
Expenses				
Principal Expense	104,000	104,000	104,000	-
Interest Expense	16,410	16,410	5,120	11,290
Total Expenses	120,410	120,410	109,120	11,290
Excess of Revenues Over (Under) Expenditures	(119,910)	(119,910)	(109,056)	10,854
Other Financing Sources (Uses) Operating Transfers In	120,410	120,410	109,370	(11,040)
	120,410	120,410	109,370	(11,040)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 500	\$ 500	314	\$ (186)
Fund Balances				
July 01, 2020			13,654	
June 30, 2021			\$ 13,968	

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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ -	\$ -
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Operating Transfers To	-	-	(29)	(29)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	(29)	<u>\$ (29.00)</u>
Fund Balances				
July 01, 2020			<u>29</u>	
June 30, 2021			<u>\$ -</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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 1,000	\$ 1,000	\$ 122	\$ (878)
Expenses				
Bank Service Charges	-	-	-	-
Principal Expense	300,000	300,000	300,000	-
Interest Expense	27,600	27,600	27,600	-
Total Expenses	327,600	327,600	327,600	-
Excess of Revenues Over (Under)				
Expenditures	(326,600)	(326,600)	(327,478)	(878)
Other Financing Sources (Uses)				
Operating Transfers In	327,600	327,600	327,600	-
Total Other Financing Sources (Uses)	327,600	327,600	327,600	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,000	\$ 1,000	122	\$ (878)
Fund Balances				
July 01, 2020			5,977	
June 30, 2021			\$ 6,099	

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 550	\$ 550	\$ 107	\$ (443)
Expenditures				
Principal	202,000	202,000	202,000	-
Interest	82,600	82,600	14,008	68,592
Total Expenditures	<u>284,600</u>	<u>284,600</u>	<u>216,008</u>	<u>68,592</u>
Excess of Revenues Over (Under) Expenditures	(284,050)	(284,050)	(215,901)	68,149
Other Financing Sources (Uses)				
Operating Transfers In	<u>284,050</u>	<u>284,050</u>	<u>216,841</u>	<u>(67,209)</u>
	<u>284,050</u>	<u>284,050</u>	<u>216,841</u>	<u>(67,209)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	940	<u>\$ 940</u>
Fund Balances				
July 01, 2020			<u>14,171</u>	
June 30, 2021			<u>\$ 15,111</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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 175	\$ 332	\$ 18	\$ (314)
Expenses				
Bank Charge	0.00	810.00	806	4
Principal Expense	50,000	50,000	50,000	-
Interest Expense	12,225	12,225	12,225	-
Total Expenses	<u>62,225</u>	<u>63,035</u>	<u>63,031</u>	<u>4</u>
Excess of Revenues Over (Under) Expenditures	(62,050)	(62,703)	(63,013)	(318)
Other Financing Sources (Uses)				
Operating Transfers In	<u>62,225</u>	<u>62,225</u>	<u>62,225</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 175</u>	<u>\$ (478)</u>	(788)	<u>\$ (318)</u>
Fund Balances				
July 01, 2020			<u>910</u>	
June 30, 2021			<u>\$ 122</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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 875	\$ 875	\$ 136	\$ (739)
Expenditures				
Principal	231,000	231,000	231,000	-
Interest Expense	100,525	100,525	44,971	55,554
Total Expenditures	331,525	331,525	275,971	55,554
Excess of Revenues Over (Under) Expenditures	(330,650)	(330,650)	(275,835)	(56,293)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	331,525	331,525	276,221	(55,304)
	331,525	331,525	276,221	(55,304)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 875	\$ 875	386	\$ (111,597)
Fund Balances				
July 01, 2020			24,597	
June 30, 2021			\$ 24,983	

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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 400	\$ 400	\$ 44	\$ (356)
Expenditures				
Principal Expense	75,000	75,000	75,000	-
Interest Expense	39,240	39,240	15,226	24,014
Total Expenditures	114,240	114,240	90,226	24,014
Excess of Revenues Over (Under) Expenditures	(113,840)	(113,840)	(90,182)	(24,370)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	114,240	114,240	90,310	(23,930)
	114,240	114,240	90,310	(23,930)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 400	\$ 400	128	\$ (48,300)
Fund Balances				
July 01, 2020			8,157	
June 30, 2021			\$ 8,285	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ 1,000	\$ 1,000	\$ 259	\$ (741)
<b>Expenditures</b>				
Principal Expense	167,000	167,000	166,000	1,000
Interest Expense	106,199	106,199	90,077	16,122
Total Expenditures	<u>273,199</u>	<u>273,199</u>	<u>256,077</u>	<u>17,122</u>
<b>Excess of Expenditures (Over)</b>				
Revenues	(272,199)	(272,199)	(255,818)	16,381
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Out)	<u>273,199</u>	<u>273,199</u>	<u>273,199</u>	<u>-</u>
	<u>273,199</u>	<u>273,199</u>	<u>273,199</u>	<u>-</u>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	17,381	<u>\$ 16,381</u>
<b>Fund Balances</b>				
July 01, 2020			<u>141,623</u>	
June 30, 2021			<u>\$ 159,004</u>	

See notes to financial statements

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ 78	\$ (122)
Expenditures				
Principal	31,500	31,500	31,500	-
Interest Expense	22,945	22,945	22,945	-
Total Expenditures	54,445	54,445	54,445	-
Excess of Revenues Over (Under) Expenditures	(54,245)	(54,245)	(54,367)	(122)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	54,445	54,445	54,445	-
	54,445	54,445	54,445	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 200	\$ 200	78	\$ (122)
Fund Balances				
July 01, 2020			13,278	
June 30, 2021			\$ 13,356	

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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 500	\$ 500	\$ 449	\$ (51)
Expenditures				
Interest Expense	203,614	203,614	169,369	34,245
Principal Expense	194,250	194,250	189,000	5,250
Total Expenditures	<u>397,864</u>	<u>397,864</u>	<u>358,369</u>	<u>39,495</u>
Excess of Revenues Over (Under) Expenditures	(397,364)	(397,364)	(357,920)	5,199
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>397,864</u>	<u>397,864</u>	<u>397,864</u>	<u>-</u>
	<u>397,864</u>	<u>397,864</u>	<u>397,864</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 500</u>	<u>\$ 500</u>	39,944	<u>\$ 5,199</u>
Fund Balances				
July 01, 2020			<u>337,766</u>	
June 30, 2021			<u>\$ 377,710</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, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 1,500	\$ 1,500	\$ 309	\$ (1,191)
Expenditures				
Principal	206,667	206,667	206,000	667
Interest Expense	194,676	194,676	164,158	30,518
Total Expenditures	401,343	401,343	370,158	31,185
Excess of Revenues Over (Under) Expenditures	(399,843)	(399,843)	(369,849)	(32,376)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	401,343	401,343	401,343	-
	401,343	401,343	401,343	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,500	\$ 1,500	31,494	\$ (32,376)
Fund Balances				
July 01, 2020			118,299	
June 30, 2021			\$ 149,793	

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, 2021

	Original Budget	Final Budget	Actual	Variance
<b>Revenues</b>				
Interest Income	\$ -	\$ -	\$ 101	\$ 101
<b>Expenditures</b>				
Principal Expense	75,334	75,334	69,000	6,334
Interest Expense	49,097	49,097	34,115	14,982
Total Expenditures	<u>124,431</u>	<u>124,431</u>	<u>103,115</u>	<u>21,316</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(124,431)	(124,431)	(103,014)	(21,215)
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Out)	<u>124,431</u>	<u>124,431</u>	<u>124,430</u>	<u>(1)</u>
	124,431	124,431	124,430	(1)
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>\$ -</u>	<u>\$ -</u>	21,416	<u>\$ (21,216)</u>
<b>Fund Balances</b>				
July 01, 2020			<u>54,635</u>	
June 30, 2021			<u>\$ 76,051</u>	

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 69	\$ 69
Expenditures				
Principal Expense	97,875	97,284	85,000	12,284
Interest Expense	10,738	11,329	11,329	-
Total Expenditures	<u>108,613</u>	<u>108,613</u>	<u>96,329</u>	<u>12,284</u>
Excess of Revenues Over (Under) Expenditures	(108,613)	(108,613)	(96,260)	(12,215)
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>108,613</u>	<u>108,613</u>	<u>108,613</u>	<u>-</u>
	108,613	108,613	108,613	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	12,353	<u>\$ (12,215)</u>
Fund Balances				
July 01, 2020			<u>56,373</u>	
June 30, 2021			<u>\$ 68,726</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	Johnson Controls and Liquor Tax	Purchasing	Computer Equipment	Public Works	Museum and Archives	Intelligent Transportation	Radio Communication
Salaries	\$ 16,577,536	138,999	\$ 116,815	\$ 100,776	\$ 71,030	\$ 15,540	\$ -	\$ 28,124	\$ 80,916	\$ 214,775	\$ -	\$ -	\$ -
Payroll Taxes	1,212,803	9,629	8,498	7,485	4,853	661	-	2,119	5,959	14,823	-	-	-
Employer Paid Benefits	3,576,937	44,153	27,032	27,274	28,675	6,848	-	2,473	20,543	35,139	-	-	-
Retirement	1,732,308	14,738	17,656	14,105	6,195	1,221	-	4,245	12,244	26,806	-	-	-
Workmen's Compensation	449,588	1,640	755	742	934	98	-	182	2,498	1,822	-	-	-
Unemployment	5,221	-	-	-	-	-	-	-	-	144	-	-	-
Training	114,060	-	61	76	427	-	-	-	-	336	-	-	-
Communications	39,116	-	-	-	-	-	-	-	-	-	-	-	-
Postage and Shipping	11,819	16	29	4,652	1,031	4	-	2,140	15	64	-	-	-
Transportation Expense	2,355	-	-	-	-	-	-	-	-	-	-	-	-
Printing	29,751	952	956	1,351	1,089	33	-	-	-	967	-	-	-
Subscriptions	5,019	268	3,618	268	-	-	-	-	-	-	-	-	-
Dues	107,241	4,046	1,243	680	1,161	340	-	432	680	1,236	-	-	-
Utilities	286,084	-	-	-	-	-	-	-	-	10,276	-	-	-
Telephone	546,879	7,415	3,133	2,344	2,036	282	-	2,293	12,436	15,379	-	153,663	-
Engineering and Architect	213,895	-	-	-	-	-	-	-	-	29,643	-	-	-
Professional Fees	25,364	-	2,971	-	18,288	-	-	-	41,885	-	-	-	-
Data Processing	41,885	-	-	-	-	-	-	-	0	20	-	-	-
Medical	7,544	-	-	-	-	-	-	-	-	5,321	-	-	-
Maintenance	590,287	-	-	-	-	-	13,430	-	312	114	-	-	-
Travel and Meals	12,373	2,268	-	-	-	-	-	-	-	-	-	-	-
Public Relations	60,879	10,203	-	472	-	-	-	78	-	65	-	248	-
Contractual Services	2,974,267	1,691	160	2,310	960	6,331	-	-	281,252	3,230	-	-	-
Janitorial Services	666	-	-	-	-	-	-	-	-	260	-	-	-
Office Supplies	108,139	4,518	164	1,565	453	219	-	482	1,089	998	109	-	-
Operating Supplies	868,376	10,968	285	258	-	57	13,433	(35)	42	11,927	3,757	-	-
Street Signs	9,706	-	-	-	-	-	-	-	-	-	-	-	-
Uniforms	184,904	-	-	-	-	-	-	-	-	66	-	-	-
Gas	454,432	129	-	-	-	-	-	-	286	1,348	-	-	-
Motor Vehicle Parts	416,658	415	-	56	-	-	-	-	89	558	-	-	-
Materials	114,897	-	-	-	-	-	-	-	-	277	-	-	-
Insurance	483,117	2,225	706	10,784	215	20	-	2,587	-	7,213	-	-	-
Rent	41,980	-	-	-	395	40	-	522	-	-	-	-	-
Contributions	292,173	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	559,803	35,395	-	-	-	-	217,170	-	0	-	-	-	-
Capital Outlay	4,444,847	-	-	-	-	-	-	-	-	260,809	-	-	-
Totals	\$ 36,602,909	\$ 299,374	\$ 184,082	\$ 174,930	\$ 137,742	\$ 31,694	\$ 244,033	\$ 45,642	\$ 460,246	\$ 643,502	\$ 3,980	\$ 153,911	\$ 29,280

CITY OF LEBANON, TENNESSEE  
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
 Year Ended June 30, 2021

	Public Safety	Personnel	Traffic Maintenance	General Maintenance	Police	Fire	Building Inspection	Building Maintenance	Street	Animal Control	Drainage Migration	Risk Assessment	Mitchell House
Salaries	\$ 350,207	\$ 264,908	\$ 193,618	\$ 253,844	\$ 7,240,781	\$ 4,692,099	\$ 265,323	\$ 16,961	\$ 577,268	\$ 97,149	\$ 11,803	\$ 41,430	\$ 14,167
Payroll Taxes	25,420	18,681	10,726	18,521	533,129	344,440	19,162	1,327	44,383	8,539	-	2,962	870
Employer Paid Benefits	92,120	39,363	21,380	61,093	1,512,752	960,005	58,212	3,468	143,880	33,917	-	3,896	-
Retirement	50,891	29,156	19,433	22,874	706,499	482,944	30,298	2,701	61,407	11,093	-	5,963	-
Workman's Compensation	6,246	1,015	3,904	15,647	212,865	84,578	10,084	2,075	36,694	2,967	-	937	-
Unemployment	-	-	-	853	3,359	-	-	-	-	-	796	-	-
Training	-	1,624	-	-	55,136	53,241	1,581	-	-	-	-	315	-
Communications	-	-	-	-	5,880	33,236	-	-	-	-	-	-	-
Postage and Shipping	251	451	-	-	2,589	56	29	-	-	-	-	-	-
Transportation Expense	-	-	18	-	1,046	54	50	-	434	-	-	-	-
Printing	-	-	-	-	13,063	2,942	1,114	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues	800	2,020	340	1,475	24,950	14,970	1,534	265	1,815	-	-	310	-
Utilities	25,148	-	-	1,719	44,987	58,078	-	27,574	-	2,349	-	-	17,155
Telephone	12,561	7,089	1,327	3,962	159,892	233,461	9,429	852	10,254	-	-	1,197	70
Engineering and Architect	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	4,105	-	-	-	-	787	-	-	-	-	-	-	-
Data Processing	-	-	-	-	3,309	-	-	-	985	1,045	-	827	-
Medical	-	30	-	-	106,585	106,381	587	18,227	86,000	119	-	-	12,691
Maintenance	22,094	-	51,024	17,278	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	9,878	-	-	-	-	-	-	-	-
Public Relations	-	32	-	-	4,397	1,153	-	-	744	-	-	-	0
Contractual Services	4,785	62,736	-	2,074	141,099	50,817	(95)	18,647	62,460	269	54,408	837	2,353
Janitorial Services	-	-	-	-	406	-	-	-	-	-	-	-	-
Office Supplies	509	3,560	-	216	78,067	6,910	2,136	6,574	211	-	-	-	123
Operating Supplies	8,105	421	14,589	6,918	364,384	91,082	328	-	28,245	2,576	-	-	4,700
Street Signs	-	-	-	-	-	-	-	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	22,559	-	1,363	2,875	104,645	51,990	-	79	10,841	750	-	-	-
Motor Vehicle Parts	22,424	-	3,441	7,838	216,360	44,253	2,709	-	66,583	1,412	-	-	-
Materials	6,091	-	1,925	2,493	94,495	25,054	2,313	-	147,523	1,534	-	-	-
Insurance	4,037	-	-	436	2,882	2,962	-	-	96,355	-	-	-	-
Rent	12,000	1,442	670	4,720	213,735	77,537	5,689	13,797	17,409	629	-	-	13,314
Contributions	-	-	-	15,031	12,000	-	-	-	1,992	-	-	-	-
Debt Service	-	-	-	-	15,294	123,132	-	-	26,254	-	-	-	-
Capital Outlay	539,646	-	22,647	13,390	531,890	513,156	-	10,333	627,512	-	-	-	0
Totals	\$ 1,209,999	\$ 434,246	\$ 346,405	\$ 453,257	\$ 12,416,354	\$ 8,053,318	\$ 410,483	\$ 122,880	\$ 2,061,303	\$ 164,348	\$ 67,007	\$ 58,674	\$ 65,545

CITY OF LEBANON, TENNESSEE  
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS  
 Year Ended June 30, 2021

	Engineering	Garage	Cemetery	Recreation	Accounting System	Special Events	Contributions & Dues	Community Park	Sanitation	EAC Committee	Senior Citizens Center	Economic Development	Codes Enforcement	Disaster/COVID Relief	Total
Salaries	\$ 201,280	\$ 212,149	\$ 84,276	\$ 453,317	\$ -	\$ -	\$ -	\$ 31,908	\$ 530,717	\$ -	\$ 172,189	\$ 29,552	\$ 76,615	\$ -	\$ 16,577,536
Payroll Taxes	16,541	15,344	4,341	34,721	-	-	-	2,475	37,942	-	11,683	1,932	5,637	-	1,212,803
Employer Paid Benefits	41,661	53,943	6,364	120,548	-	-	-	3,174	134,863	-	59,230	8,324	26,407	-	3,576,937
Retirement	24,778	25,856	8,738	55,171	-	-	-	2,980	64,080	-	20,969	2,507	6,760	-	1,732,308
Workmen's Compensation	1,155	7,866	1,561	18,542	-	-	-	1,301	30,995	-	-	338	2,147	-	449,588
Unemployment	-	-	-	69	-	-	-	-	-	-	-	-	-	-	5,221
Training	1,263	-	-	-	-	-	-	-	-	-	-	-	-	-	114,060
Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,116
Postage and Shipping	182	-	41	1	-	-	-	-	33	73	-	-	162	-	11,819
Transportation Expense	(8)	-	-	68	-	-	-	-	693	-	-	-	-	-	2,355
Printing	1,584	686	880	951	-	-	-	-	501	-	-	-	548	-	29,751
Subscriptions	35	994	104	-	-	-	-	-	-	-	-	416	-	-	5,019
Dues	4,058	1,890	265	1,135	-	-	28,793	340	1,550	-	340	10,573	-	-	107,241
Utilities	-	11,756	3,070	63,331	-	-	-	19,906	735	-	-	-	-	-	286,084
Telephone	3,649	3,864	16,735	25,297	-	-	-	-	1,671	-	-	3,160	7,091	-	546,879
Engineering and Architect	16,819	-	-	1,399	-	-	-	-	317	-	-	-	-	-	213,895
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,364
Data Processing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,885
Medical	-	68	-	-	-	-	-	-	371	-	-	-	-	-	7,544
Maintenance	50	4,670	3,286	14,802	-	-	-	848	121,596	-	-	-	4,872	-	590,287
Travel	227	-	-	-	-	-	-	-	-	-	-	-	-	-	12,373
Public Relations	264	-	315	450	-	-	2,070	-	-	-	-	40,388	-	-	60,879
Contractual Services	62,133	696	26,380	27,419	-	-	-	16,515	446,156	-	-	17,599	50	1,681,195	2,974,267
Janitorial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	666
Office Supplies	3,074	905	516	355	-	-	-	-	115	48	-	84	1,713	-	108,139
Operating Supplies	506	9,652	3,598	39,574	-	29,697	-	16,480	140,393	220	-	85	2,598	57,059	868,376
Street Signs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,706
Uniforms	366	1,984	44	1,134	-	-	-	54	8,713	-	-	-	-	-	184,904
Gas	387	1,511	208	9,886	-	-	-	-	71,579	-	-	-	3,943	-	454,432
Motor Vehicle Parts	102	631	23	3,021	-	-	-	-	112,292	-	-	-	1,710	-	416,658
Materials	-	-	-	5,894	-	-	-	-	-	-	-	-	-	-	114,897
Insurance	(289)	1,557	6,276	61,071	-	-	-	-	34,094	-	-	2,469	3,210	-	483,117
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,980
Contributions	-	-	-	-	-	-	292,173	64,572	-	-	47,196	-	-	-	292,173
Debt Service	12,695	-	-	-	18,095	-	-	-	-	-	-	-	-	-	559,803
Capital Outlay	-	-	-	(12,891)	-	-	-	-	262,890	-	-	-	-	1,646,185	4,444,847
Totals	\$ 392,512	\$ 356,022	\$ 167,221	\$ 924,265	\$ 18,095	\$ 29,697	\$ 323,036	\$ 160,553	\$ 2,002,196	\$ 341	\$ 311,607	\$ 117,227	\$ 141,463	\$ 3,384,439	\$ 36,607,909

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

Year Ended June 30, 2021

	Transmission and Distribution	Customer Accounting & Collection	Administrative and General	Shop and Maintenance	Meter Reader	Total (Memorandum Only)
Salaries	\$ 684,664	\$ 38,489	\$ 506,266	\$ 76,233	\$ 47,393	\$ 1,353,045
Payroll Taxes	50,398	2,907	37,059	5,614	3,420	99,398
Employee Benefits	344,102	12,286	152,003	28,437	21,853	558,681
Pension Costs	86,026	4,120	44,475	5,794	3,638	144,053
Communications	3,716	-	-	-	-	3,716
Supplies and Publications	11,670	164	17,076	111	-	29,021
Dues	34,448	-	6,707	160	-	41,315
Utilities	68,409	1,242	30,313	9,595	970	110,529
Professional Services	4,340	-	31,429	-	-	35,769
Repair and Maintenance	143,308	-	4,913	7,388	27	155,636
Travel	1,148	-	1,081	-	-	2,229
Operating Supplies	67,583	1,215	14,292	4,739	4,403	92,232
Maintenance Supplies	74,338	-	98,592	2,002	4,860	179,792
Contractual Services	84,643	27,857	163,126	4,514	1,382	281,522
Insurance	57,891	86	14,327	3,988	1,271	77,563
Bad Debt Expense	-	(23,494)	-	-	-	(23,494)
Rent	5,035	176	441	2,312	-	7,964
Community Relations/Marketing	17,737	-	11,548	-	-	29,285
Miscellaneous	2,586	-	6,466	4,325	-	13,377
	<u>\$ 1,742,042</u>	<u>\$ 65,048</u>	<u>\$ 1,140,114</u>	<u>\$ 155,212</u>	<u>\$ 89,217</u>	<u>\$ 3,191,633</u>

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

Year Ended June 30, 2021

	Water	Sewer	Total
	<u>Purification Plant</u>		
Expenses			
Salaries	\$ 650,591	\$ -	\$ 650,591
Payroll Taxes	47,370	-	47,370
Employee Benefits	223,591	-	223,591
Pension Costs	60,331	-	60,331
Communications	-	-	-
Supplies and Publications	4,758	-	4,758
Dues and Subscriptions	3,476	-	3,476
Utilities	466,733	-	466,733
Professional Services	-	-	-
Miscellaneous	2,635	-	2,635
Repair and Maintenance	97,689	-	97,689
Travel	-	-	-
Operating Supplies	351,493	-	351,493
Maintenance Supplies	11,588	-	11,588
Insurance	47,810	-	47,810
Community Relations/Marketing	-	-	-
Contractual Services	162,666	-	162,666
Rent	-	-	-
Totals	<u>\$ 2,130,731</u>	<u>\$ -</u>	<u>\$ 2,130,731</u>

	<u>Shop and Maintenance</u>		
Expenses			
Salaries	\$ 99,576	\$ 92,021	\$ 191,597
Payroll Taxes	7,332	6,775	14,107
Employee Benefits	37,142	34,323	71,465
Pension Costs	7,591	7,013	14,604
Communications	-	-	-
Supplies and Publications	144	133	277
Dues	209	192	401
Miscellaneous	5,886	5,491	11,377
Utilities	13,197	12,341	25,538
Repair and Maintenance	10,069	9,396	19,465
Travel	-	-	-
Operating Supplies	6,307	5,854	12,161
Maintenance Supplies	2,602	2,402	5,004
Insurance	5,535	5,187	10,722
Contractual Services	6,343	5,960	12,303
Rent	3,006	2,775	5,781
Totals	<u>\$ 204,939</u>	<u>\$ 189,863</u>	<u>\$ 394,802</u>

	Water	Sewer	Total
<u>Transmission and Distribution</u>			
\$	865,539	\$ 553,489	\$ 1,419,028
	63,712	39,751	103,463
	319,726	214,007	533,733
	30,378	8,998	39,376
	-	-	-
	2,254	1,938	4,192
	9,038	1,807	10,845
	130,350	155,276	285,626
	-	-	-
	4,230	4,897	9,127
	46,351	42,480	88,831
	49	-	49
	50,668	60,438	111,106
	64,681	57,391	122,072
	38,732	18,761	57,493
	-	-	-
	17,686	284,076	301,762
	-	790	790
<b>\$</b>	<b>1,643,394</b>	<b>\$ 1,444,099</b>	<b>\$ 3,087,493</b>

	Water	Sewer	Total
<u>Administrative and General</u>			
\$	687,606	\$ 716,498	\$ 1,404,104
	50,326	52,441	102,767
	207,321	217,463	424,784
	60,136	62,556	122,692
	-	-	-
	22,918	22,887	45,805
	9,204	9,271	18,475
	40,759	41,534	82,293
	42,751	42,751	85,502
	8,870	8,978	17,848
	6,784	6,632	13,416
	1,486	1,486	2,972
	34,861	18,639	53,500
	260,342	3,402	263,744
	19,277	19,751	39,028
	15,879	15,879	31,758
	209,777	202,412	412,189
	509	509	1,018
<b>\$</b>	<b>1,678,806</b>	<b>\$ 1,443,089</b>	<b>\$ 3,121,895</b>

	Water	Sewer	Total
<u>Customer Accounting</u>			
\$	54,235	\$ 52,485	\$ 106,720
	4,097	3,964	8,061
	16,966	16,419	33,385
	5,808	5,610	11,418
	-	-	-
	231	223	454
	-	-	-
	-	-	-
	1,750	1,694	3,444
	-	-	-
	-	-	-
	1,712	1,656	3,368
	-	-	-
	121	117	238
	39,253	37,987	77,240
	248	240	488
<b>\$</b>	<b>124,421</b>	<b>\$ 120,395</b>	<b>\$ 244,816</b>

	Water	Sewer	Total
<u>Sewer System Direct</u>			
\$	-	\$ 778,889	\$ 778,889
	-	57,851	57,851
	-	250,575	250,575
	-	68,896	68,896
	-	-	-
	-	4,050	4,050
	-	7,060	7,060
	-	12,242	12,242
	-	1,452,009	1,452,009
	-	97,686	97,686
	-	-	-
	-	483,503	483,503
	-	25,031	25,031
	-	56,362	56,362
	-	165,166	165,166
	-	-	-
<b>\$</b>	<b>-</b>	<b>\$ 3,459,320</b>	<b>\$ 3,459,320</b>

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

Year Ended June 30, 2021

Expenses	Meter Readers			Gasification		
	Water	Sewer	Total	Water	Sewer	Total
Salaries	\$ 35,545	\$ 35,545	\$ 71,090	\$ -	\$ -	\$ -
Payroll Taxes	2,565	2,565	5,130	-	-	-
Employee Benefits	16,566	16,566	33,132	-	-	-
Pension Costs	2,726	2,726	5,452	-	-	-
Supplies and Publications	-	-	-	-	-	-
Dues	-	-	-	-	-	-
Utilities	725	725	1,450	-	-	-
Repair and Maintenance	3,549	22	3,571	42,084	-	42,084
Travel	-	-	-	-	-	-
Operating Supplies	56,495	56,504	112,999	-	-	-
Insurance	968	968	1,936	-	-	-
Contractual Services	1,036	13,393	14,429	-	-	-
Miscellaneous	-	-	-	-	-	-
Repair and Maintenance	-	3,525	3,525	-	-	-
Totals	\$ 120,175	\$ 132,539	\$ 252,714	\$ 42,084	\$ -	\$ 42,084

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

Year Ended June 30, 2021

	Stormwater	Administrative and General	Customer Service & Accounting	Drainage Mitigation	Total (Memorandum Only)
Salaries	\$ 163,651	\$ 236,818	\$ 10,050	\$ 197,024	\$ 607,543
Payroll Taxes	11,958	17,166	-	-	29,124
Employee Benefits	42,026	59,893	9,295	58,687	169,901
Pension Costs	46,745	16,605	545	20,358	84,253
Communications	-	-	-	-	-
Community Relations & Marketing	-	10	-	-	10
Supplies and Publications	12,478	1,937	303	18	14,736
Dues	1,555	380	4	-	1,939
Utilities	3,580	7,642	969	2,237	14,428
Professional Services	-	13,797	2,613	-	16,410
Repair and Maintenance	54	987	-	12,496	13,537
Travel	-	136	-	-	136
Operating Supplies	23,766	5,297	65	37,430	66,558
Maintenance Supplies	5,368	33,742	-	26,368	65,478
Contractual Services	4,414	64,748	137	110,598	179,897
Insurance	3,631.16	1,930	31	3,631	9,223
Rent	-	96	56	-	152
Miscellaneous	-	984	61	-	1,045
	<u>\$ 319,226</u>	<u>\$ 462,168</u>	<u>\$ 24,129</u>	<u>\$ 468,847</u>	<u>\$ 1,274,370</u>

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2021

BONDS PAYABLE

	2003 TMBF Loan			2008 TML Loan			2016 TWBF Airport Terminal			2016 GO Refunding			2016 TML Legends Drive		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 107,000	\$ 13,290	\$ 120,290	\$ 212,000	\$ 71,950	\$ 283,950	\$ 76,000	\$ 36,990	\$ 112,990	\$ 335,000	\$ 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	78,060	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							80,000	25,350	105,350	55,000	4,575	59,575	247,000	64,875	311,875
2028				270,000		270,000	81,000	22,950	103,950	55,000	3,475	58,475	250,000	58,700	308,700
2029							82,000	20,570	102,570	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							96,453	2,670	99,123				272,000	6,800	278,800
2037															
2038															
2039															
2040															
2041															
2042															
	\$ 443,000	\$ 33,630	\$ 476,630	\$ 1,439,000	\$ 262,000	\$ 1,701,000	\$ 1,240,453	\$ 303,780	\$ 1,544,233	\$ 1,085,000	\$ 80,150	\$ 1,165,150	\$ 3,790,000	\$ 777,250	\$ 4,567,250

CITY OF LEBANON, TENNESSEE  
 SCHEDULE OF GENERAL LONG TERM DEBT  
 June 30, 2021

BONDS PAYABLE

	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	\$ 32,300	\$ 22,151	\$ 54,451	\$ 170,000	\$ 103,348	\$ 273,348	\$ 196,000	\$ 198,094	\$ 394,094	\$ 214,000	\$ 187,973	\$ 401,973	\$ 70,000	\$ 47,318	\$ 117,318	\$ 1,666,300	\$ 806,688	\$ 2,472,988
2023	33,100	21,337	54,437	174,000	99,455	273,455	203,000	190,513	393,513	222,000	180,376	402,376	72,000	45,338	117,338	1,713,100	750,733	2,463,833
2024	33,900	20,503	54,403	178,000	95,470	273,470	211,000	182,647	393,647	230,000	172,495	402,495	74,000	43,301	117,301	1,438,900	694,600	2,133,500
2025	34,800	19,648	54,448	182,000	91,394	273,394	219,000	174,477	393,477	238,000	164,330	402,330	76,000	41,208	117,208	1,484,800	646,417	2,131,217
2026	35,600	18,771	54,371	186,000	87,226	273,226	227,000	166,003	393,003	246,000	155,881	401,881	79,000	39,046	118,046	1,408,600	597,372	2,005,972
2027	36,500	17,874	54,374	190,000	82,967	272,967	236,000	157,206	393,206	255,000	147,148	402,148	81,000	36,814	117,814	1,450,500	550,309	2,000,809
2028	37,400	16,955	54,355	194,000	78,616	272,616	245,000	148,067	393,067	265,000	138,095	403,095	83,000	34,526	117,526	1,210,400	501,384	1,711,784
2029	38,400	16,012	54,412	199,000	74,173	273,173	254,000	138,586	392,586	274,000	128,688	402,688	85,000	32,183	117,183	1,244,400	464,986	1,709,386
2030	39,400	15,044	54,444	203,000	69,616	272,616	264,000	128,744	392,744	284,000	118,961	402,961	88,000	29,769	117,769	1,251,400	427,219	1,678,619
2031	40,400	14,052	54,452	208,000	64,967	272,967	274,000	118,522	392,522	294,000	108,879	402,879	90,000	27,286	117,286	1,248,400	389,051	1,637,451
2032	41,400	13,033	54,433	213,000	60,204	273,204	284,000	107,920	391,920	305,000	98,442	403,442	93,000	24,733	117,733	1,282,400	350,707	1,633,107
2033	42,400	11,990	54,390	218,000	55,326	273,326	295,000	96,919	391,919	316,000	87,614	403,614	95,000	22,111	117,111	1,316,400	311,260	1,627,660
2034	43,500	10,922	54,422	223,000	50,334	273,334	306,000	85,500	391,500	328,000	76,396	404,396	98,000	19,418	117,418	1,352,500	270,690	1,623,190
2035	44,600	9,825	54,425	228,000	45,228	273,228	318,000	73,644	391,644	339,000	64,732	403,732	101,000	16,642	117,642	1,387,600	228,926	1,616,526
2036	45,700	8,702	54,402	233,000	40,066	273,066	330,000	61,332	391,332	352,000	52,718	404,718	104,000	13,783	117,783	1,433,153	186,010	1,619,163
2037	46,900	7,590	54,490	238,000	34,671	272,671	342,000	48,564	390,564	364,000	40,222	404,222	106,000	10,853	116,853	1,096,900	141,859	1,238,759
2038	48,000	6,368	54,368	244,000	29,220	273,220	355,000	35,321	390,321	378,000	27,300	405,300	109,000	7,854	116,854	1,134,000	106,063	1,240,063
2039	49,300	5,158	54,458	249,000	23,633	272,633	369,000	21,565	390,565	391,000	13,881	404,881	112,000	4,771	116,771	1,170,300	69,008	1,239,308
2040	50,500	3,916	54,416	255,000	17,931	272,931	383,000	7,277	390,277	-	-	-	115,000	-	115,000	803,500	30,728	834,228
2041	51,800	2,643	54,443	261,000	12,091	273,091	-	-	-	-	-	-	-	-	-	312,800	14,735	327,535
2042	53,100	1,338	54,438	267,000	6,114	273,114	-	-	-	-	-	-	-	-	-	320,100	7,452	327,552
	\$ 879,000	\$ 263,794	\$ 1,142,794	\$ 4,513,000	\$ 1,221,990	\$ 5,734,990	\$ 5,511,000	\$ 2,140,901	\$ 7,651,901	\$ 5,295,000	\$ 1,964,144	\$ 7,259,144	\$ 1,731,000	\$ 498,559	\$ 2,229,559	\$ 25,726,453	\$ 7,546,197	\$ 33,272,650





CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2021

WATER AND SEWER FUND BONDS

	TMBF 2001			TMBF 2006			TMBF 2008			2020 Refunding Bond			TMBF 2012			TMBF 2012 Johnson Controls		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 293,000	\$ 18,751	\$ 311,751	\$ 283,000	\$ 91,950	\$ 374,950	\$ 225,000	\$ 84,889	\$ 309,889	\$ 1,130,000	\$ 592,000	\$ 1,722,000	\$ 68,000	\$ 18,687	\$ 86,687	\$ 340,000	\$ 37,037	\$ 377,037
2023	308,000	9,610	317,610	292,000	77,800	369,800	237,000	73,639	310,639	1,190,000	535,500	1,725,500	70,000	17,171	87,171	345,000	30,804	375,804
2024				301,000	63,200	364,200	248,000	61,789	309,789	1,245,000	476,000	1,721,000	71,000	15,610	86,610	350,000	24,479	374,479
2025				311,000	48,150	359,150	261,000	49,389	310,389	1,310,000	413,750	1,723,750	73,000	14,027	87,027	355,000	18,064	373,064
2026				321,000	32,600	353,600	274,000	36,339	310,339	1,375,000	348,250	1,723,250	74,000	12,399	86,399	320,000	11,921	331,921
2027				331,000	16,550	347,550	288,000	22,639	310,639	1,445,000	279,500	1,724,500	76,000	10,749	86,749	250,000	6,734	256,734
2028							164,778	8,239	173,017	1,515,000	207,250	1,722,250	78,000	9,054	87,054	245,000	2,230	247,230
2029										1,290,000	131,500	1,421,500	79,000	7,314	86,314			
2030										1,340,000	67,000	1,407,000	81,000	5,553	86,553			
2031													83,000	3,746	86,746			
2032													85,000	1,896	86,896			
2033																		
2034																		
2035																		
	\$ 601,000	\$ 28,361	\$ 629,361	\$ 1,839,000	\$ 330,250	\$ 2,169,250	\$ 1,697,778	\$ 336,923	\$ 2,034,701	\$ 11,840,000	\$ 3,050,750	\$ 14,890,750	\$ 838,000	\$ 116,205	\$ 954,205	\$ 2,205,000	\$ 131,268	\$ 2,336,268

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2021

WATER AND SEWER FUND BONDS

	TMBF 2013			TML 2014			2015 QEC Energy Bonds			2016 Refunding Bonds			Total Water and Sewer Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 86,000	\$ 26,813	\$ 112,813	\$ 86,000	\$ 39,090	\$ 125,090	\$ -	\$ 140,000	\$ 140,000	\$ 140,000	\$ 42,238	\$ 182,238	\$ 2,651,000	\$ 1,091,455	\$ 3,742,455
2023	88,000	24,852	112,852	87,000	36,510	123,510	-	140,000	140,000	145,000	38,038	183,038	2,762,000	983,923	3,745,923
2024	90,000	22,846	112,846	88,000	33,900	121,900	-	140,000	140,000	150,000	33,688	183,688	2,543,000	871,511	3,414,511
2025	92,000	20,794	112,794	89,000	31,260	120,260	-	140,000	140,000	155,000	29,188	184,188	2,646,000	764,620	3,410,620
2026	95,000	18,696	113,696	90,000	28,590	118,590	-	140,000	140,000	155,000	26,863	181,863	2,704,000	655,657	3,359,657
2027	97,000	16,530	113,530	91,000	25,890	116,890	-	140,000	140,000	160,000	24,538	184,538	2,738,000	543,129	3,281,129
2028	99,000	14,318	113,318	93,000	23,160	116,160	-	140,000	140,000	160,000	21,338	181,338	2,354,778	425,388	2,780,366
2029	101,000	12,061	113,061	94,000	20,370	114,370	-	140,000	140,000	165,000	18,138	183,138	1,729,000	329,383	2,058,383
2030	103,000	9,758	112,758	95,000	17,550	112,550	-	140,000	140,000	170,000	14,013	184,013	1,789,000	253,874	2,042,874
2031	106,000	7,410	113,410	96,000	14,700	110,700	-	140,000	140,000	175,000	9,763	184,763	460,000	175,619	635,619
2032	108,000	4,993	112,993	97,000	11,820	108,820	-	140,000	140,000	180,000	4,950	184,950	470,000	163,659	633,659
2033	111,000	2,531	113,531	98,000	8,910	106,910	-	140,000	140,000	-	-	-	209,000	151,441	360,441
2034	-	-	-	99,000	5,970	104,970	-	140,000	140,000	-	-	-	99,000	145,970	244,970
2035	-	-	-	100,000	3,000	103,000	-	140,000	140,000	-	-	-	3,600,000	143,000	3,743,000
	\$ 1,176,000	\$ 181,602	\$ 1,357,602	\$ 1,303,000	\$ 300,720	\$ 1,603,720	\$ 3,500,000	\$ 1,960,000	\$ 5,460,000	\$ 1,755,000	\$ 262,750	\$ 2,017,750	\$ 26,754,778	\$ 6,698,829	\$ 33,453,607

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2021

WATER AND SEWER FUND NOTES

	Loan - State of Tennessee 12-126			Loan - State of Tennessee 12-127			Loan - State of Tennessee 12-128			Loan - State of Tennessee 12-129			Loan - State of Tennessee 15-161			Loan - State of Tennessee 15-162		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 137,748	\$ 36,792	\$ 174,540	\$ 61,380	\$ 17,196	\$ 78,576	\$ 78,180	\$ 16,332	\$ 94,512	\$ 54,432	\$ 11,508	\$ 65,940	\$ 26,616	\$ 8,100	\$ 34,716	\$ 56,520	\$ 18,564	\$ 75,084
2023	140,196	34,344	174,540	62,472	16,104	78,576	79,200	15,312	94,512	55,140	10,800	65,940	27,084	7,632	34,716	57,492	17,592	75,084
2024	142,680	31,860	174,540	63,576	15,000	78,576	80,232	14,280	94,512	55,848	10,092	65,940	27,552	7,164	34,716	58,476	16,608	75,084
2025	145,212	29,328	174,540	64,704	13,872	78,576	81,276	13,236	94,512	56,580	9,360	65,940	28,020	6,696	34,716	59,484	15,600	75,084
2026	147,792	26,748	174,540	65,856	12,720	78,576	82,220	12,192	94,512	57,312	8,628	65,940	28,500	6,216	34,716	60,516	14,568	75,084
2027	150,420	24,120	174,540	67,020	11,556	78,576	83,388	11,124	94,512	58,056	7,884	65,940	28,992	5,724	34,716	61,560	13,524	75,084
2028	153,084	21,456	174,540	68,208	10,368	78,576	84,480	10,032	94,512	58,812	7,128	65,940	29,496	5,220	34,716	62,616	12,468	75,084
2029	155,796	18,744	174,540	69,420	9,156	78,576	85,572	8,940	94,512	59,580	6,360	65,940	30,000	4,716	34,716	63,696	11,388	75,084
2030	158,568	15,972	174,540	70,656	7,920	78,576	86,676	7,836	94,512	60,348	5,592	65,940	30,516	4,200	34,716	64,800	10,284	75,084
2031	161,376	13,164	174,540	71,904	6,672	78,576	87,804	6,708	94,512	61,128	4,812	65,940	31,044	3,672	34,716	65,916	9,168	75,084
2032	164,244	10,296	174,540	73,188	5,388	78,576	88,944	5,568	94,512	61,920	4,020	65,940	31,584	3,132	34,716	67,044	8,040	75,084
2033	167,160	7,380	174,540	74,484	4,092	78,576	90,096	4,416	94,512	62,724	3,216	65,940	32,124	2,592	34,716	68,208	6,876	75,084
2034	170,124	4,416	174,540	75,804	2,772	78,576	91,272	3,240	94,512	63,540	2,400	65,940	32,676	2,040	34,716	69,384	5,700	75,084
2035	158,670	1,411	160,081	77,148	1,428	78,576	92,448	2,064	94,512	64,368	1,572	65,940	33,240	1,476	34,716	70,572	4,512	75,084
2036				39,186	180	39,366	15,749	864	15,767	21,844	55	21,899	34,292	301	34,593	71,796	3,288	75,084
2037																		
2038																		
2039																		
2040																		
2041																		
2042																		
	\$ 2,153,070	\$ 276,051	\$ 2,429,101	\$ 1,005,006	\$ 134,424	\$ 1,139,430	\$ 1,301,285	\$ 132,162	\$ 1,433,447	\$ 916,828	\$ 94,171	\$ 1,010,999	\$ 485,552	\$ 69,781	\$ 555,333	\$ 1,133,170	\$ 171,033	\$ 1,304,203

CITY OF LEBANON TENNESSEE  
 SCHEDULE OF PROPRIETARY FUND DEBT  
 June 30, 2021

WATER AND SEWER FUND NOTES

	Loan - State of Tennessee 18-202			Loan - State of Tennessee 18-203			Loan - State of Tennessee 19-435			Loan - State of Tennessee 19-217			Total Water and Sewer Notes		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 34,416	\$ 13,284	\$ 47,700	\$ 12,564	\$ 5,328	\$ 17,892	\$ 189,120	\$ 55,620	\$ 244,740	\$ 61,500	\$ 18,108	\$ 79,608	\$ 712,476	\$ 200,832	\$ 913,308
2023	35,052	12,648	47,700	12,792	5,100	17,892	191,628	53,112	244,740	62,172	17,436	79,608	723,228	190,080	913,308
2024	35,688	12,012	47,700	13,032	4,860	17,892	194,184	50,556	244,740	63,000	16,608	79,608	734,268	179,040	913,308
2025	36,336	11,364	47,700	13,260	4,632	17,892	196,752	47,988	244,740	63,828	15,780	79,608	745,452	167,856	913,308
2026	36,996	10,704	47,700	13,512	4,380	17,892	199,368	45,372	244,740	64,668	14,940	79,608	756,840	156,468	913,308
2027	37,680	10,020	47,700	13,752	4,140	17,892	202,020	42,720	244,740	65,520	14,088	79,608	768,408	144,900	913,308
2028	38,364	9,336	47,700	14,004	3,888	17,892	204,686	40,054	244,740	66,384	13,224	79,608	780,134	133,174	913,308
2029	39,060	8,640	47,700	14,256	3,636	17,892	207,420	37,320	244,740	67,260	12,348	79,608	792,060	121,248	913,308
2030	39,768	7,932	47,700	14,520	3,372	17,892	210,168	34,572	244,740	68,148	11,460	79,608	804,168	109,140	913,308
2031	40,500	7,200	47,700	14,784	3,108	17,892	212,964	31,776	244,740	69,048	10,560	79,608	816,468	96,840	913,308
2032	41,244	6,456	47,700	15,060	2,832	17,892	215,796	28,944	244,740	69,948	9,660	79,608	828,972	84,336	913,308
2033	42,000	5,700	47,700	15,336	2,556	17,892	218,652	26,088	244,740	70,872	8,736	79,608	841,656	71,652	913,308
2034	42,756	4,944	47,700	15,612	2,280	17,892	221,556	23,184	244,740	71,808	7,800	79,608	854,532	58,776	913,308
2035	43,536	4,164	47,700	15,900	1,992	17,892	224,508	20,232	244,740	72,756	6,852	79,608	867,468	45,703	898,849
2036	44,340	3,360	47,700	16,188	1,704	17,892	227,484	17,256	244,740	73,716	5,892	79,608	880,416	34,188	699,558
2037	45,144	2,556	47,700	16,476	1,416	17,892	230,508	14,232	244,740	74,688	4,920	79,608	893,376	25,550	537,283
2038	45,972	1,728	47,700	16,788	1,104	17,892	233,568	11,172	244,740	75,672	3,936	79,608	906,348	18,732	465,024
2039	46,812	888	47,700	17,088	804	17,892	236,664	8,076	244,740	76,668	2,940	79,608	919,324	12,717	417,715
2040	23,858	126	23,984	17,400	492	17,892	239,808	4,932	244,740	77,676	1,932	79,608	932,300	7,482	366,224
2041				17,676	178	17,854	243,146	1,729	244,875	78,696	912	79,608	945,276	2,819	342,337
2042										5,972	(5,963)	9	5,972	(5,963)	9
	\$ 749,522	\$ 133,062	\$ 882,584	\$ 300,000	\$ 57,802	\$ 357,802	\$ 4,300,000	\$ 594,935	\$ 4,894,935	\$ 1,400,000	\$ 192,169	\$ 1,592,169	\$ 13,744,433	\$ 1,855,570	\$ 15,600,003



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

June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2021
<b>Governmental Activities:</b>									
<b>Bonds Payable Through Debt Service Fund</b>									
General Obligation, 2004	\$ 2,725,000	3.00%	11/15/2004	5/25/2025	\$ 547,000	\$ -	\$ 104,000	\$ -	\$ 443,000
General Obligation, 2008	3,500,000	5.00%	12/20/2007	5/25/2027	1,641,000	-	202,000	-	1,439,000
2016 Airport Terminal	1,600,000	3.00%	6/14/2016	5/25/2036	1,282,260	-	75,000	-	1,207,260
2016 Refunding	705,000	Variable	8/24/2016	6/30/2032	1,435,000	-	350,000	-	1,085,000
2017 West Side Park	5,000,000	2.29%	3/16/2017	3/1/2042	3,967,621	-	164,595	-	3,803,026
2017 Airport Maintenance Hangar	1,000,000	2.52%	6/22/2017	6/1/2042	910,500	-	31,500	-	879,000
2016 Legends Drive	4,700,000	2.50%	8/24/2016	5/25/2036	4,021,000	-	231,000	-	3,790,000
2018 Public Safety Complex	5,500,000	3.80%	11/14/2018	10/1/2039	4,800,705	502,683	189,000	-	5,114,387
2018 Radio Communication System	5,700,000	3.55%	6/18/2019	6/1/2039	4,589,016	35,310	206,000	-	4,418,326
Total Bonds Payable Through Debt Service Fund					\$ 23,194,102	\$ 537,993	\$ 1,553,095	\$ -	\$ 22,178,999
<b>Notes Payable Through Debt Service Fund</b>									
Floyd Center Johnson Controls	\$ 775,548	2.32%	9/26/2012	9/26/2024	\$ 339,691	\$ -	\$ 64,858	\$ -	\$ 274,832
General Fund Johnson Controls	1,521,914	2.32%	9/26/2012	9/26/2024	634,012	-	121,054	-	512,959
Total Notes Payable Through Debt Service Fund					\$ 973,703	\$ -	\$ 185,912	\$ -	\$ 787,791
<b>Notes Payable Through General Fund</b>									
2012 Software	\$ 600,000	2.82%	6/27/2012	6/1/2024	\$ 224,000	\$ -	\$ 54,000	\$ -	\$ 170,000
Equipment Note	450,000	2.78%	4/1/2020	10/1/2024	450,000	-	85,000	-	365,000
Loan from Gas Dept - Fire Hall	2,000,000	Variable	6/7/2019	6/30/2027	1,533,254	-	217,150	-	1,316,104
Loan from Water/Sewer - Regional Transportation	750,000	Variable	8/16/2016	6/30/2026	511,462	-	81,435	-	430,027
Loan from Water/Sewer - Fire Trucks	1,125,000	Variable	9/20/2016	6/30/2026	684,751	-	104,817	-	579,934
Loan from Water/Sewer - Senior Citizens Building	400,000	Variable	12/6/2016	6/30/2026	266,940	-	43,434	-	223,506
Loan from Water/Sewer - Don Fox Park	550,000	Variable	12/1/2017	10/31/2026	395,011	-	57,357	-	337,654
Caterpillar Lease	147,482	3.59%	2/25/2021	2/25/2023	147,482	-	26,228	-	121,228
Total Notes Payable Through General Fund					\$ 4,212,900	\$ -	\$ 669,447	\$ -	\$ 3,543,453
<b>Notes Payable Through Street Improvements</b>									
Loan from Gas Dept - Quiet Zones	\$ 700,000	Variable	6/20/2017	6/30/2016	\$ 118,454	\$ -	\$ 11,773	\$ -	\$ 106,681
2019 TMBF Crowell Lane	1,800,000	2.79%	12/20/2019	12/1/2039	1,338,140	15,811	69,000	-	1,284,951
Total Notes Payable Through Street Improvements					\$ 1,456,594	\$ 15,811	\$ 80,773	\$ -	\$ 1,391,631
Total Notes Payable - Governmental Activities					\$ 6,643,197	\$ 15,811	\$ 936,132	\$ -	\$ 5,722,875
Total Bonds and Notes Payable - Governmental Activities					\$ 29,837,298	\$ 553,803	\$ 2,489,227	\$ -	\$ 27,901,874
<b>Business-Type Activities:</b>									
<b>Bonds Payable - Water/Sewer</b>									
2015 Energy Bond	\$ 3,500,000	4.00%	4/24/2015	4/1/2035	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
2020 Refunding Bond	12,500,000	5.00%	12/15/2020	6/1/2030	-	12,500,000	660,000	-	11,840,000
Total Bonds Payable - Water/Sewer Fund					\$ 3,500,000	\$ 12,500,000	\$ 660,000	\$ -	\$ 15,340,000
<b>Bonds Payable - Gas Fund</b>									
2008 Bond	\$ 1,100,000	5.00%	12/30/2008	5/25/2029	\$ 628,000	\$ -	\$ 57,000	\$ -	\$ 571,000
2014 Bond	1,000,000	2.43%	9/18/2013	9/1/2033	750,000	-	46,000	-	704,000
2020 Bond	1,500,000	2.24%	12/1/2020	12/1/2040	-	692,041	-	-	692,041
Total Bonds Payable - Gas Fund					\$ 1,378,000	\$ 692,041	\$ 103,000	\$ -	\$ 1,967,041
Total Bonds Payable - Business-Type Activities					\$ 4,878,000	\$ 13,192,041	\$ 763,000	\$ -	\$ 17,307,041
Notes Payable - Water/Sewer									
STATE OF TN 02-165	\$ 4,797,340	2.35%	1/28/2004	6/30/2028	\$ 2,198,125	\$ -	\$ 2,198,125	\$ -	\$ -

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

June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2021
STATE OF TN 08-220	420,332	2.40%	6/9/2008	12/30/2029	224,762	-	-	224,762	-
STATE OF TN 08-222	18,990,658	2.20%	1/18/2008	6/30/2030	10,492,038	-	-	10,492,038	-
STATE OF TN 08-079	2,079,642	2.33%	2/15/2008	11/30/2031	1,528,112	-	-	1,528,112	0
STATE OF TN 08-080	651,884	2.45%	5/5/2008	10/31/2030	376,392	-	-	376,392	-
STATE OF TN 12-126	2,940,832	1.76%	4/23/2012	5/31/2025	2,288,418	-	135,346	-	2,153,072
STATE OF TN 12-127	1,323,960	1.76%	4/23/2012	12/31/2035	1,065,318	-	60,312	-	1,005,006
STATE OF TN 12-128	1,622,555	1.29%	1/2/2013	8/31/2036	1,378,469	-	77,184	-	1,301,285
STATE OF TN 12-129	1,140,502	1.29%	1/2/2013	10/31/2036	970,563	-	53,736	-	916,827
STATE OF TN 15-161	587,600	1.71%	5/11/2015	6/30/2037	524,631	-	39,079	-	485,552
STATE OF TN 15-162	1,271,000	1.71%	5/11/2015	7/31/2038	877,737	-	41,772	-	835,965
STATE OF TN 18-202	800,000	1.81%	2/12/2018	12/31/2039	782,220	-	32,698	-	749,522
STATE OF TN 18-203	300,000	1.81%	7/1/2020	6/30/2039	117,544	13,341	-	-	130,885
STATE OF TN 19-435	4,300,000	1.32%	1/21/2021	6/20/2040	379,320	1,912,024	-	-	2,291,344
STATE OF TN 19-217	1,400,000	1.31%	12/13/2019	10/31/2041	-	1,362,590	-	-	1,362,590
2001 Revenue Bonds	4,000,000	3.12%	7/28/2003	5/25/2003	880,000	-	279,000	-	601,000
2007 Revenue Bonds	5,000,000	5.00%	6/28/2007	5/25/2007	2,113,000	-	274,000	-	1,839,000
2008 Revenue Bonds	4,150,000	5.00%	12/30/2008	5/25/2029	1,912,778	-	215,000	-	1,697,778
2011 Water and Sewer System Improvements	1,631,150	2.86%	11/30/2010	11/1/2030	1,009,000	-	-	1,009,000	-
2016 Refunding	2,285,000	Variable	8/24/2016	6/30/2032	1,890,000	-	-	-	1,755,000
2012 Water and Sewer System Improvements	1,387,000	2.23%	2/22/2012	3/1/2032	905,000	-	67,000	-	838,000
2012 Johnson Controls	4,657,079	1.82%	9/28/2012	10/1/2027	2,540,000	-	335,000	-	2,205,000
2013 Water and Sewer System Improvements	1,800,000	2.28%	5/15/2013	5/1/2033	1,261,000	-	85,000	-	1,176,000
2014 Water and Sewer System Improvements	1,800,000	3.00%	12/9/2014	5/25/2035	1,388,000	-	85,000	-	1,303,000
Total Notes Payable - Business-Type Activities					\$ 37,102,427	\$ 3,287,955	\$ 1,915,127	\$ 15,828,429	\$ 22,646,826
Total Bonds and Notes Payable - Business-Type Activities					\$ 41,980,427	\$ 16,479,996	\$ 2,678,127	\$ 15,828,429	\$ 39,953,868

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2021

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
<b>Department of Natural Gas:</b>				
Land and Improvements	\$ 866,063	\$ -	\$ -	\$ 866,063
Buildings	2,551,331			2,551,331
Equipment	3,864,968	58,724		3,923,692
Transmission and Distribution	40,042,474	1,091,390		41,133,864
	<u>\$ 47,324,836</u>	<u>\$ 1,150,114</u>	<u>\$ -</u>	<u>\$ 48,474,950</u>
<b>Department of Water and Sewer:</b>				
Land and Improvements	\$ 1,697,023	\$ -	\$ -	\$ 1,697,023
Buildings	71,549,306	1,152,656	(9,588)	72,692,375
Equipment	6,222,079	678,376		6,900,455
Improvements Other Than Buildings	128,244,617	6,770,516		135,015,133
	<u>\$ 207,713,025</u>	<u>\$ 8,601,548</u>	<u>\$ -</u>	<u>\$ 216,304,986</u>
<b>Stormwater Fund</b>				
Equipment	846,349	\$ 93,693		\$ 940,042
Improvements Other Than Buildings	1,672,953	436,161		2,109,114
	<u>\$ 2,519,302</u>	<u>\$ 529,854</u>	<u>\$ -</u>	<u>\$ 3,049,156</u>

CITY OF LEBANON, TENNESSEE  
SCHEDULE OF TAXES RECEIVABLE

June 30, 2021

General Fund

Uncollected Taxes:

Deferred 2021	\$ 12,230,613
Vouchers on Hand	49
2020	310,051
2019	172,975
2018	7,907
2017	971
2016	809
2015	448
2014	290
2013	591
2012	1,482
2011	104
2010	2,422
	<u>\$ 12,728,712</u>

-NOTE

All delinquent taxes through 2019 Tax year have been filed with the Clerk and Master.

**CITY OF LEBANON TENNESSEE**  
**SCHEDULE OF CHANGES IN TAXES RECEIVABLE**  
**Year Ended June 30, 2021**

Tax Year	Property Tax Receivable Balance June 30, 2020	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2021
2021	\$ -	\$ -	\$ 12,230,613			\$ -	\$ 12,230,613
Vouchers	\$ -	\$ 16,650	-	\$ -	\$ 16,601	\$ -	\$ 49
2020	\$ 11,666,289	\$ 358,584	-	\$ (58,301)	\$ 11,773,123	\$ -	\$ 310,051
2019	\$ 369,018	\$ 744	-	\$ (620)	\$ 197,408	\$ -	\$ 172,975
2018	\$ 68,513	\$ 744	-	\$ 1,448	\$ 59,902	\$ -	\$ 7,907
2017	\$ 2,192	\$ -	-	\$ (1,654)	\$ 2,875	\$ -	\$ 971
2016	\$ 1,921	\$ -	-	\$ -	\$ 1,112	\$ -	\$ 809
2015	\$ 1,483	\$ -	-	\$ (0)	\$ 1,035	\$ -	\$ 448
2014	\$ (289)	\$ -	-	\$ (579)	\$ -	\$ -	\$ 290
2013	\$ 591	\$ -	-	\$ -	\$ -	\$ -	\$ 591
2012	\$ 1,482	\$ -	-	\$ -	\$ -	\$ -	\$ 1,482
2011	\$ 104	\$ -	-	\$ -	\$ -	\$ -	\$ 104
2010	\$ 2,422	\$ -	-	\$ -	\$ -	\$ -	\$ 2,422
	\$ 12,113,727	\$ 376,722	\$ 12,230,613	\$ (59,707)	\$ 12,052,056	\$ -	\$ 12,728,712

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF TAXES RATES AND ASSESSMENTS**

**June 30, 2021**

	<u>Rate Per \$100 of Assessed Valuation</u>	<u>Total Assessed Valuation</u>
2021	0.6855	1,784,484,763
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

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF NATURAL GAS RATES**

**UNAUDITED**

**Year Ended June 30, 2021**

There were 9,834 metered customers billed during the month of June, 2021. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2021 are as follows:

	<u>Inside City</u>	<u>Outside City</u>
<b>1) <u>Residential</u></b>		
Minimum	\$5.00	\$5.00
First 1,000 Cubic Feet	\$7.34	\$8.94
All Over 1,000 Cubic Feet	\$7.56/1000	\$9.20/1000
<b>2) <u>Commercial</u></b>		
Customer Charge	\$20.00	\$20.00
First 10,000 Cubic Feet	\$8.46	\$10.32
All Over 10,000 Cubic Feet	\$7.18/1000	\$8.73/1000
<b>2) <u>Multiple Dwellings- L.H.A.</u></b>		
Minimum	\$5.00	
First 1,000 Cubic Feet	\$7.34	
All Over 1,000 Cubic Feet	\$7.56/1000	
<b>4) <u>Interruptible</u></b>		
Demand Charge	\$750.00	\$750.00
First 3,500,000 Cubic Feet	\$2.06/1000	\$2.46/1000
All Over 3,500,000 Cubic Feet	\$1.74/3500	\$2.06/1000
Transport Fee	Variable	
<b>5) <u>Industrial</u></b>		
Customer Charge	\$100.00	\$100.00
First 100,000 Cubic Feet	\$7.61/1000	\$9.26/1000
All Over 100,000 Cubic Feet	\$6.76/100MCF	\$8.20/100MCF

Number of miles of the Distribution System of Line: 328.5 \*

\*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, 2021**

There were 12,539 metered water customers and 13,959 sewer customers billed during June, 2021. 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, 2021, are as follows:

**WATER**

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

**SEWER (Water customers also)**

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

**SEWER ONLY (Metered Sewer)**

		<u>Inside City</u>			<u>Outside City</u>			
<b>Residential</b>								
First	0-1500	GA	0.007333	Per Gallon	\$11.00	0.014275	Per Gallon	\$21.41
Next	1501-over	GA	0.007700	Per Gallon		0.015625	Per Gallon	
<b>Commercial</b>								
First	0-1500	GA	0.007533	Per Gallon	\$11.30	0.014750	Per Gallon	\$22.13
Next	1501-over	GA	0.007700	Per Gallon		0.017000	Per Gallon	

Fee for replacing destroyed meter locks: \$35

Fee for Service call per trip required: \$50

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, 2021**

**TRAVELERS**

**POLICY # ZLP-15S5662A**

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
Damage to Premises Rented to You	Each Claim \$1,000,000
Defense Expense Reimbursement	Aggregate \$2,000,000
Workplace Violence	\$100,000 per premise
	\$50,000 Each Wrongful Act
	\$250,000

**POLICY # 810-2C411711**

Automobile Liability	\$1,000,000 Each Occurrence
Automobile Uninsured Motorist	\$65,000 Each Occurrence
Medical Payments	\$5,000 Each Person

**POLICY 630-1F499717**

Buildings and Contents	Replacement Cost \$209,042,571
Equipment	\$1,410,800
Employee Dishonesty	Per loss \$150,000
Flood	\$5,000,000 or \$1,000,000 based on location
Earthquake	\$5,000,000
Business Income & Extra Expense	\$4,500,000
Business Income from Dependent	\$1,750,000
Scheduled Property	\$681,086

**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
Crisis Management Services	\$50,000 All Events

**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, 2021**

	<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, 2021

Transfers From	Governmental Funds				Proprietary	Total
	Major Funds	Nonmajor Funds			Fund	
	General	State Street Aid	Airport Operations	2003 G.O. Bond	Stormwater	
Transfers To						
Governmental Funds:						
Major Funds:						
General	\$ -	\$ -	\$ -	\$ 29	\$ -	\$ 29
Nonmajor Funds:						
Street Improvements	-	414,200	-	-	-	414,200
Floyd Family Life Center	602,000	-	-	-	-	602,000
Airport Operations	158,700	-	-	-	-	158,700
2008 G.O. Refunding						
Bond Sinking	327,600	-	-	-	-	327,600
2004 G.O. Bond						
Sinking	109,370	-	-	-	-	109,370
2008 G.O. Bond						
Sinking	216,841	-	-	-	-	216,841
2011 G.O. Bond						
Sinking	62,225	-	-	-	-	62,225
2013 G.O. Bond						
Sinking	208,502	-	-	-	-	208,502
2016 Legends Drive						
Sinking	276,221	-	-	-	-	276,221
2016 Airport Terminal						
Sinking	-	-	90,310	-	-	90,310
Public Safety Building						
Sinking	397,864	-	-	-	-	397,864
West Side Park Sinking	273,199	-	-	-	-	273,199
Airport Maintenance						
Hangar Sinking	-	-	54,445	-	-	54,445
Beatification Committee	1,500	-	-	-	3,000	4,500
Police Local Option Fund	30,000	-	-	-	-	30,000
Radio Systems	401,343	-	-	-	-	401,343
Road Improvements	124,430	-	-	-	-	124,430
Equipment Bond	108,613	-	-	-	-	108,613
Total	\$ 3,298,408	\$ 414,200	\$ 144,755	\$ 29	\$ 3,000	\$ 3,860,392

CITY OF LEBANON, TENNESSEE  
GENERAL FUND  
BUDGETARY COMPARISON STATEMENT  
Year Ended June 30, 2021

	Budget		Actual	Variance	
	Original	Final			
CITY OF LEBANON, TENNESSEE GENERAL REVENUES BY SOURCE UNAUDITED YEARS ENDED JUNE 30,					
	2021	2020	2019	2018	2017
<b>Revenues</b>					
<b>Taxes:</b>					
Real and Personalty	\$ 11,993,447	\$ 11,185,436	\$ 7,664,664	\$ 7,321,723	\$ 6,830,294
Business Tax	1,851,413	1,795,083	1,766,273	1,707,902	1,594,583
Wholesale Beer	1,252,305	1,184,350	1,091,255	1,084,790	1,071,598
Sales Tax	19,392,772	13,790,710	12,675,829	12,194,034	11,842,555
Cable TV Franchise Fee	347,752	365,424	381,733	394,224	380,825
Hotel and Motel Tax	367,287	400,675	432,462	399,298	394,197
Liquor Tax	580,704	459,810	440,540	390,016	382,897
	<u>35,785,680</u>	<u>29,181,488</u>	<u>24,452,756</u>	<u>23,491,987</u>	<u>22,496,949</u>
<b>Tax Equivalents:</b>					
TVA Tax Replacement	374,931	403,370	388,398	371,949	370,099
	<u>374,931</u>	<u>403,370</u>	<u>388,398</u>	<u>371,949</u>	<u>370,099</u>
<b>Federal, State and Regional</b>					
<b>Apportionments and Grants:</b>					
Sales Tax	3,360,939	2,966,017	2,883,679	2,770,561	2,607,033
Income Tax	100,948	409,022	349,766	84,619	518,316
Street and Transportation Fund	64,983	64,984	65,071	65,966	63,974
Highway Grants and Contracts	118,058	118,058	155,382	155,382	155,382
Beer Tax	15,496	15,333	15,153	15,270	15,804
Alcoholic Beverage Tax	144,614	122,548	127,472	112,278	105,379
Corporate Excise Tax	259,993	152,758	114,767	105,705	92,462
Police and Fire Salary Supplement	136,800	128,800	87,600	75,000	72,000
COPS/JAG Grants	108,605	50,881	63,713	336,105	211,029
D.E.A. Grant	-	0	5,799	24,435	11,252
Highway Safety/Safe Street Grants	57,632	44,880	14,966	30,829	22,131
Organized Drug Task Force	-	4,101	4,505	-	-
Intelligent Transportation	122,931	69,806	27,005	-	-
FEMA Tornado	784,692	(1,115)	-	-	-
GNRC	-	1,656	-	-	-
Telecommunications	16,293	14,092	14,051	14,004	2,691
Sports Betting	12,095	-	-	-	-
Traffic Signal Repair	(6,000)	-	-	-	-
COVID Funding	1,324,218	-	-	-	-
	<u>6,622,297</u>	<u>4,161,821</u>	<u>3,928,929</u>	<u>3,790,154</u>	<u>3,877,453</u>
Fines and Costs	647,761	791,185	956,054	1,038,177	852,113
Rents from Other City Departments	-	-	0	-	-
Rent - Other	25,500	34,000	24,000	24,000	24,000
Highway and Street Charges	38,124	41,933	57,358	26,441	72,654
Interest	215,410	248,733	359,091	214,155	101,417
Permits and Licenses	2,724,602	2,011,349	1,247,054	1,792,087	1,336,638
Cemetery Income	67,780	61,590	40,460	49,300	56,820
Park and Recreation Income	22,989	22,230	32,442	33,940	38,064
Interest and Penalty on Taxes and Licenses	45,492	37,956	30,181	36,946	27,409
Miscellaneous	6,118,988	5,275,319	976,656	1,192,886	840,927
Financing Sources	9,360	33,812	78,304	18,281	71,503
	<u>9,916,006</u>	<u>8,558,107</u>	<u>3,801,600</u>	<u>4,426,213</u>	<u>3,421,545</u>
	<u>\$ 52,698,914</u>	<u>\$ 42,304,786</u>	<u>\$ 32,571,683</u>	<u>\$ 32,080,303</u>	<u>\$ 30,166,046</u>

	Budget		Actual	Variance
	Original	Final		

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

	2021	2020	2019	2018	2017
Mayor and Council	\$ 299,374	\$ 250,741	\$ 372,404	\$ 455,131	\$ 339,139
City Attorney/Judicial	184,082	186,487	177,417	199,719	179,469
Financial Administration	174,930	228,987	183,965	176,490	179,001
EAC Committee	341	131	168	134	228
Accounting	137,742	124,701	137,944	174,224	180,987
Sanitation	2,002,196	1,690,648	1,814,667	1,800,601	1,186,318
Customer Billing	31,694	30,385	25,863	26,338	26,959
Purchasing	45,642	44,990	40,869	41,260	44,416
Computer Equipment	460,246	407,630	374,054	311,645	211,214
Public Works	643,502	317,865	294,076	294,580	251,822
Warehouse	3,980	(600)	304,410	178,585	(380)
Personnel	434,246	366,787	335,104	233,280	288,329
General Maintenance	453,257	336,420	329,057	289,329	236,634
Police	12,416,354	10,761,508	9,368,957	8,526,304	7,791,166
Fire	8,055,318	6,993,700	5,513,872	6,624,137	4,697,257
Building Inspection	410,483	485,702	601,365	508,581	430,478
Building Maintenance	122,880	115,939	92,491	86,019	84,276
Street	2,061,303	1,462,512	1,186,473	3,055,543	1,408,746
Animal Control	164,348	183,064	139,738	153,101	215,803
Engineering	392,512	308,263	331,221	302,500	292,259
Garage	356,022	338,915	311,647	310,661	299,730
Cemetery	167,221	121,450	119,551	108,313	97,442
Recreation	924,265	1,059,117	934,728	729,665	724,948
Drainage Migration	67,007	55,422	78,226	297,359	56,131
Special Events	29,697	30,659	31,130	29,830	32,184
Dues	323,036	313,634	292,923	353,829	260,373
Community Park	160,553	266,945	727,084	222,734	89,450
Regional Transportation Authority	-	-	601,569	298,128	158,569
Traffic Maintenance	346,405	229,215	200,012	199,319	210,005
Public Safety	1,209,999	3,725,061	2,293,639	754,438	671,656
Johnson Controls	244,033	402,177	26,090	93,055	160,667
Risk Assessment	58,674	58,411	46,062	20,372	-
Accounting System Debt Service	18,095	18,066	17,881	17,987	36,169
Intelligent Transportation	153,911	33,756	287	-	-
Economic Development	117,227	153,883	159,029	114,737	35,074
Senior Citizens Center	311,607	270,474	-	-	-
Codes Enforcement	141,463	123,383	-	-	-
Mitchell House	65,545	1,151,675	-	-	-
Radio Communication	29,280	949,633	-	-	-
Disaster/COVID Relief	3,384,439	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 36,602,909</b>	<b>\$ 33,597,736</b>	<b>\$ 27,463,973</b>	<b>\$ 26,987,928</b>	<b>\$ 20,876,519</b>

**CITY OF LEBANON, TENNESSEE**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**Years Ended June 30, 2021**

	<u>2021</u>
Total Tax Levy	\$ 12,617,096
Current Tax Collections	11,457,150
Percent of Levy Collected	90.81%
Delinquent Tax Collections	560,426
Total Tax Collections	12,017,575
Total Collections as Percent of Current Levy	95.25%
Outstanding Delinquent Taxes	498,050
Outstanding Delinquent Taxes as Percent of Current Levy	3.95%

CITY OF LEBANON, TENNESSEE

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

Year Ended June 30, 2021

	<u>2021</u>
<b>Real Property:</b>	
Assessed Value	\$ 1,591,184,980
Estimated Actual Value	5,215,521,400
<b>Personal Property:</b>	
Assessed Value	193,299,783
Estimated Actual Value	644,332,339
<b>Public Utility Property:</b>	
Assessed Value	56,379,961
Estimated Actual Value	56,379,961
<b>Total:</b>	
Assessed Value	1,840,864,724
Estimated Actual Value	5,916,233,700
Ratio of Total Assessed Value to Total Estimated Actual Value	31.12%

**CITY OF LEBANON, TENNESSEE**

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

Tax Rates

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2016	2015	\$ 0.6075	\$2.5189 / \$2.90165
2017	2016	0.6075	\$2.5189 / \$2.90165
2018	2017	0.6075	\$2.5189 / \$2.90165
2019	2018	0.6075	\$2.5189 / \$2.90165
2020	2019	0.8575	\$2.5189 / \$2.90165
2021	2020	0.8575	\$2.5189 / \$2.90165

Tax Levies

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2017	2016	\$ 6,708,480	\$ 97,936,335
2018	2017	7,142,341	103,304,436
2019	2018	7,596,977	106,423,487
2020	2019	11,313,354	108,869,779
2021	2020	11,666,289	?

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

**June 30, 2021**

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  
2021 - 41

Paved Streets- 252.8 Miles

Sidewalks- 79 Miles

Sanitary Sewer Lines- 315.4 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- 133

Vehicular Patrol Units- 171

**CITY OF LEBANON, TENNESSEE**

**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2021**

Elections:

Number of Registered Voters- 20,735

Number of Votes Cast-

Last General Election- 20,403

Last Municipal Election-15,511

Special Called Election- 4,550

Percentage of Registered Voters Voting

Last General Election- 92%

Last Municipal Election- 74%

Special Called Election- 20%

Population:

2021- 38,431

Gas System:

Number of Consumers- 9,834

Cubic Feet Billed for the

Year- 1,806,612,263

Distribution System- 328.50 Miles

of Lines

Water System:

Number of Consumers- 12,539

Cubic Feet Billed for the

Year- 1,558,949,174

Distribution System- 256.65

miles of Water Mains

Water Treatment Plant

Capacity- 12,000,000

Gallons Per Day

**CITY OF LEBANON, TENNESSEE**

**MISCELLANEOUS STATISTICAL DATA**

**June 30, 2021**

Sewer System:

Number of Users- 13,959

Sewer Plant Capacity-

22,000,000 Gallons Per Day

Number of Full and Part-Time Employees- 548

Principal Taxpayers

Type of Business

Middle Tennessee Electric Membership Corp	Electric Co-op
Hamilton Station	Real Estate
Venue 109 Apartments LP	Apartments
Revere at Barton's Run LLC	Apartments
McNabb Teresa	Real Estate
Industrial Development Board	Development
Bridgestone Americas Tire	Manufacturing
Commerce Farms	Real Estate
Tennessee Service Corp	Auto Auction
Lochinvar LLC	Manufacturing

## AWWA Free Water Audit Software: Reporting Worksheet

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

Water Audit Report for: City of Lebanon  
Reporting Year: 2021 7/2020 - 6/2021

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

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

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

Master Meter and Supply Error Adjustments

### WATER SUPPLIED

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

Enter grading in column 'E' and 'J' Pcnt:       MG/Yr  
Value:     MG/Yr

**WATER SUPPLIED:**   MG/Yr

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

### AUTHORIZED CONSUMPTION

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

Click here:  for help using option buttons below  
Pcnt:     MG/Yr

**AUTHORIZED CONSUMPTION:**   MG/Yr

Use buttons to select percentage of water supplied  
OR  
value

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

MG/Yr

#### Apparent Losses

Unauthorized consumption:    MG/Yr

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

Customer metering inaccuracies:     MG/Yr  
Systematic data handling errors:     MG/Yr

Pcnt:    MG/Yr

**Apparent Losses:**   MG/Yr

MG/Yr

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

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

**WATER LOSSES:**  MG/Yr

### NON-REVENUE WATER

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

= Water Losses + Unbilled Metered + Unbilled Unmetered

### SYSTEM DATA

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

Are customer meters typically located at the curbside or property line?

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:     psi

### COST DATA

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

### WATER AUDIT DATA VALIDITY SCORE:

\*\*\* YOUR SCORE IS: 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

Water Audit Report for: City of Lebanon  
Reporting Year: 2021 7/2020 - 6/2021

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

System Attributes:

Apparent Losses:	71.470	MG/Yr
+ Real Losses:	403.455	MG/Yr
= <b>Water Losses:</b>	<b>474.925</b>	<b>MG/Yr</b>
<b>?</b> Unavoidable Annual Real Losses (UARL):	72.98	MG/Yr
Annual cost of Apparent Losses:	\$1,227,851	
Annual cost of Real Losses:	\$295	

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:	29.6%
	Non-revenue water as percent by cost of operating system:	15.1%
Operational Efficiency:	Apparent Losses per service connection per day:	15.11 gallons/connection/day
	Real Losses per service connection per day:	85.30 gallons/connection/day
	Real Losses per length of main per day*:	N/A
	Real Losses per service connection per day per psi pressure:	1.42 gallons/connection/day/psi
From Above, Real Losses = Current Annual Real Losses (CARL):		403.46 million gallons/year
<b>?</b> Infrastructure Leakage Index (ILI) [CARL/UARL]:		5.53

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

**FEDERAL AND STATE FINANCIAL ASSISTANCE**

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

Year Ended June 30, 2021

FEDERAL GRANTOR/PASS THROUGH GRANTOR	STATE FINANCIAL ASSISTANCE:	PROGRAM/CLUSTER NAME	CFDA#	CONTRACT #	EXPENDITURES
Direct Appropriation Grant	COVID 19 Cares Act		N/A		\$ 803,500
Tennessee Department of Transportation	Airport Maintenance		N/A	95-555-0769-21	15,000
Tennessee Department of Transportation	Construction Taxiway Widening		N/A	95-555-0568-20	150,642
Tennessee Department of Transportation	Eastside 100LL Self Serve Fuel Farm		N/A	95-555-0167-20	478
Tennessee Emergency Management Agency	Tornado Relief 4476-DR-TN		N/A		125,530
<b>TOTAL STATE AWARDS</b>					<u>\$ 1,095,151</u>
<b>TOTAL FEDERAL AND STATE AWARDS</b>					<u>\$ 6,213,552</u>

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

**NOTE B - LOANS OUTSTANDING**  
 At June 30, 2021, 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	\$ 130,885	38.43%	\$ 13,341

**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, 2021, 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 31, 2022.

**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) as a basis for designing 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 Kuntz + Folles PLLC*

Lebanon, Tennessee  
March 31, 2022

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, 2021. 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, 2021.

### ***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 + Folles PLLC*

Lebanon, Tennessee  
March 31, 2022

**CITY OF LEBANON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2021**

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

**Financial Statements**

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

**Federal Awards**

Internal Control over major programs:	
Material weakness(es) identified?	__yes <u>X</u> no
Significant Deficiency(ies) identified not considered to be material weaknesses?	__yes <u>X</u> none reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	__yes <u>X</u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Audit qualified as low-risk auditee?	<u>X</u> yes __no

**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, 2021**

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.