

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
CITY OF LEBANON, TENNESSEE
YEAR ENDED JUNE 30, 2022**

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CITY OF LEBANON TENNESSEE

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

June 30, 2022

Publicly Elected Officials:

Mayor	Rick Bell
Councilors:	
Ward 1	Joey Carmack
Ward 2	Fred Burton
Ward 3	Camille Burdine
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 AUDITORS' 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 Audit of the Financial Statements

Opinions

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 of the City of Lebanon, Tennessee as of and for the year ended June 30, 2022, 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.

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 of the City of Lebanon, Tennessee as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lebanon, Tennessee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lebanon, Tennessee's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Lebanon, Tennessee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lebanon, Tennessee's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 65-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information (other than those schedules marked as unaudited) has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, supplementary schedules (other than those marked as unaudited) and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Roster of Officials and the supplementary schedules marked as unaudited, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023, 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 City of Lebanon, Tennessee's internal control over financial reporting and compliance.

Demsey Ventrose + Follos PLLC

Lebanon, Tennessee
February 28, 2023

CITY OF LEBANON, TENNESSEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

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, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- > The City's total net position increased \$38.7 million or 15.42%. Of this amount, the net position of the Government activities increased by almost \$20.9 million and the net position of the Business type activities increased by \$17.8 million.
- > The City's governmental activities revenues from taxes and other sources were \$63.3 million and exceeded expenditures by \$20.9 million. Last year, revenues exceeded expenditures by \$15.7 million. Compared to last year revenues increased by 8% and expenditures decreased by .3%.
- > Revenues from the City's business-type activities were \$53.9 million, and revenues exceeded expenses by \$17.8 million. Last year revenues exceeded expenses by \$11 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when the cash is received or paid. These two statements report the City's net position and how they have changed during the current fiscal year. This is one way to measure the City's overall financial health. Increases in net position indicate that the City's financial health is improving, whereas decreases in net position 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 \$38.7 million during the year ended June 30, 2022. Of this amount, Government activities increased by about \$20.9 million and the net position of the Business type activities increased by \$17.8 million. In comparison, for the year ended June 30, 2021, the City's net position increased \$27.1 million. The following table is a comparison of net position of the City during the fiscal years ended June 30, 2022 and 2021:

CITY OF LEBANON, TENNESSEE NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2022-2021
	2022	2021	2022	2021	2022	2021	
Current and Other Assets	\$ 100,930,763	\$ 72,665,780	\$ 60,168,924	\$ 41,919,402	\$ 161,099,687	\$ 114,585,182	40.59%
Capital Assets, net	89,596,867	88,495,639	157,277,698	153,749,656	\$ 246,874,565	242,245,295	1.91%
Total Assets	190,527,630	161,161,419	217,446,622	195,669,058	407,974,252	356,830,477	14.33%
Deferred Outflows of Resources	12,307,544	8,641,851	4,731,715	5,640,070	17,039,259	14,281,921	19.31%
Long-Term Debt, net	26,158,167	27,882,992	39,526,293	39,965,627	65,684,460	67,848,619	-3.19%
Other Liabilities	29,103,061	27,867,788	9,594,646	10,694,713	38,697,707	38,562,501	0.35%
Total Liabilities	55,261,228	55,750,780	49,120,939	50,660,340	104,382,167	106,411,120	-1.91%
Deferred Inflows of Resources	25,301,946	12,760,091	8,146,597	3,537,577	33,448,543	16,297,668	
Net Position							
Net Investment in Capital Assets	63,438,699	60,612,647	117,751,405	113,784,029	181,190,104	174,396,676	3.90%
Restricted	9,978,228	3,066,602	4,061,059	1,752,189	14,039,287	4,818,791	191.34%
Unrestricted	48,855,072	37,613,149	43,098,338	31,574,993	91,953,410	69,188,142	32.90%
Total Net Position	\$ 122,271,999	\$ 101,292,398	\$ 164,910,802	\$ 147,111,211	\$ 287,182,801	\$ 248,403,609	15.61%

Net position of the City's governmental activities increased by about \$20.9 million. Of this amount, total assets increased by \$29.3 million and total liabilities decreased by \$489 thousand. Over half of the governmental activities' net position is in net investment in capital assets.

The net position of the business-type activities increased \$17.8 million. Of this amount total assets increased by \$21.7 million and total liabilities decreased by \$1.5 million. Almost all of the net position is in net investment in capital assets.

Changes in Net Position

The following table shows the City's changes in net position for the fiscal years ended June 30, 2022 and 2021:

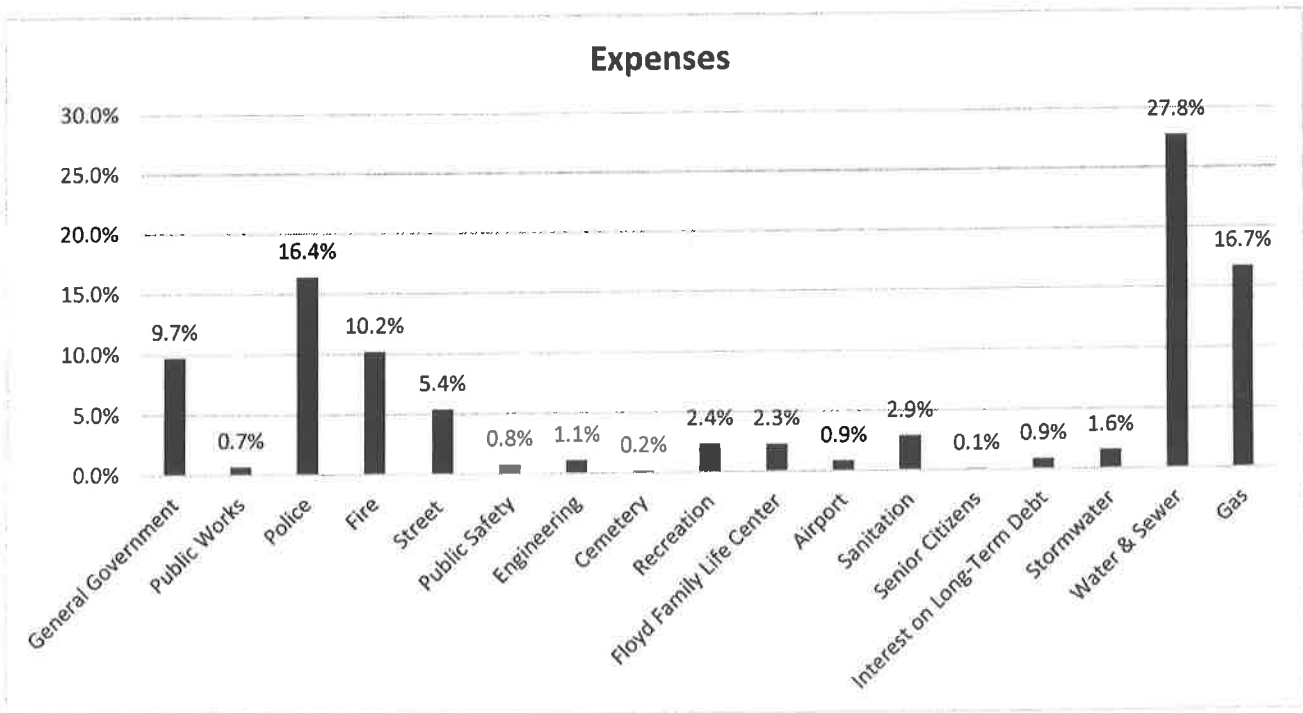
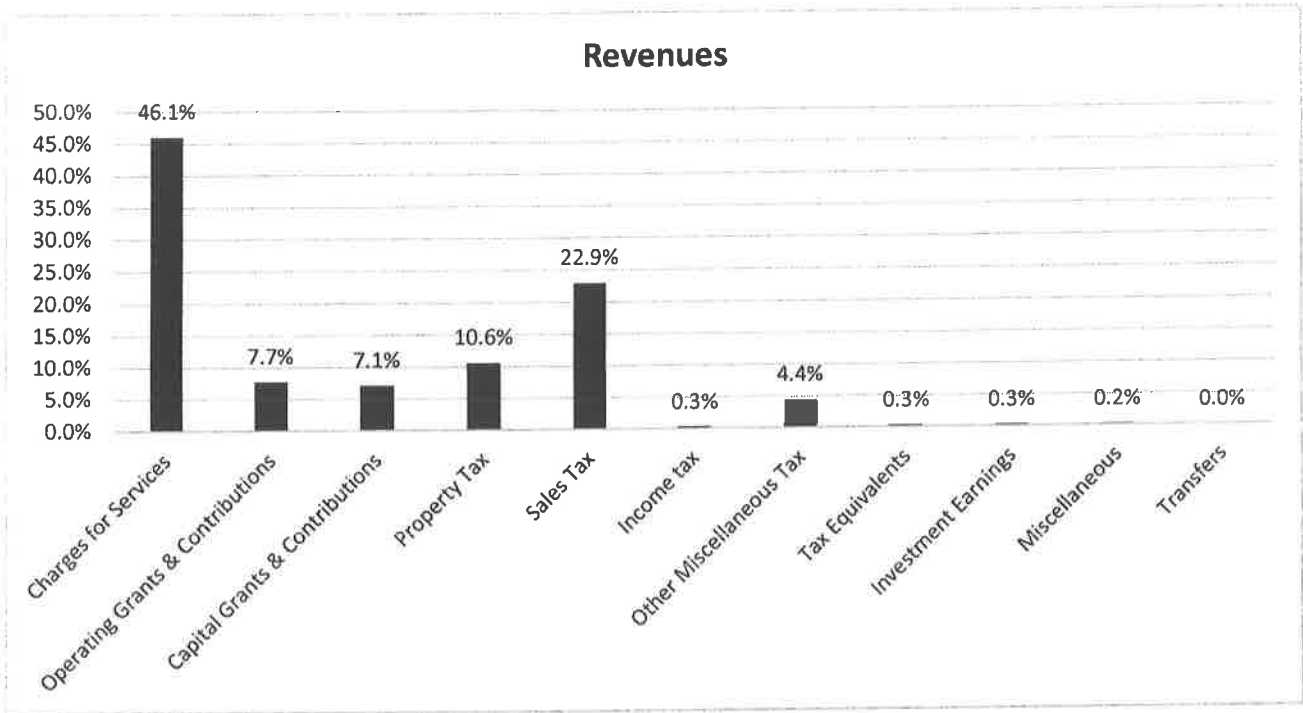
CITY OF LEBANON, TENNESSEE CHANGE IN NET POSITION

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2022-2021	% Total Revenue 2022
	2022	2021	2022	2021	2022	2021		
Revenues								
Program Revenues:								
Charges for Services	\$ 6,295,899	\$ 10,902,575	\$ 47,679,943	\$ 40,839,786	\$ 53,975,842	\$ 51,742,361	4.32%	46.1%
Operating Grants and Contributions	9,069,433	4,446,937	-	-	\$ 9,069,433	\$ 4,446,937	103.95%	7.7%
Capital Grants and Contributions	1,753,776	1,813,648	6,583,605	1,349,349	\$ 8,337,381	\$ 3,162,997	163.59%	7.1%
General Revenues:								
Property Tax	12,426,458	11,993,447	-	-	\$ 12,426,458	\$ 11,993,447	3.61%	10.6%
Sales Tax	26,814,443	22,753,712	-	-	\$ 26,814,443	\$ 22,753,712	17.85%	22.9%
Income Tax	368,002	360,941	-	-	\$ 368,002	\$ 360,941	1.96%	0.3%
Other Miscellaneous Tax	5,169,484	4,624,548	-	-	\$ 5,169,484	\$ 4,624,548	11.78%	4.4%
Tax Equivalents	399,804	374,931	-	-	\$ 399,804	\$ 374,931	6.63%	0.3%
Investment Earnings	93,734	252,218	261,047	258,744	\$ 354,781	\$ 510,962	-30.57%	0.3%
Miscellaneous	-	-	290,483	433,055	\$ 290,483	\$ 433,055	-32.92%	0.2%
Transfers	921,470	1,093,388	(921,470)	(1,027,440)	\$ -	\$ 67,948		0.0%
Total Revenues	63,312,503	58,618,345	53,893,608	41,853,494	117,206,111	100,471,839	16.66%	
Expenses								
General Government	7,620,082	7,900,508	-	-	7,620,082	7,900,508	-3.55%	9.7%
Public Works	556,568	452,862	-	-	556,568	452,862	22.90%	0.7%
Police	12,870,475	13,032,363	-	-	12,870,475	13,032,363	-1.24%	16.4%
Fire	7,994,955	7,908,099	-	-	7,994,955	7,908,099	1.10%	10.2%
Street	4,232,073	4,591,475	-	-	4,232,073	4,591,475	-7.83%	5.4%
Public Safety	612,057	1,088,093	-	-	612,057	1,088,093	-43.75%	0.8%
Engineering	860,725	557,222	-	-	860,725	557,222	54.47%	1.1%
Cemetery	132,374	168,271	-	-	132,374	168,271	-21.33%	0.2%
Recreation	1,858,111	1,430,049	-	-	1,858,111	1,430,049	29.93%	2.4%
Floyd Family Life Center	1,817,428	1,811,941	-	-	1,817,428	1,811,941	0.30%	2.3%
Airport	694,329	1,384,917	-	-	694,329	1,384,917	-49.86%	0.9%
Sanitation	2,287,488	1,784,271	-	-	2,287,488	1,784,271	28.20%	2.9%
Senior Citizens	92,453	91,231	-	-	92,453	91,231	1.34%	0.1%
Interest on Long-Term Debt	703,786	691,132	-	-	703,786	691,132	1.83%	0.9%
Water & Sewer	-	-	21,773,193	20,303,446	21,773,193	20,303,446	7.24%	27.8%
Natural Gas	-	-	13,096,006	9,143,324	13,096,006	9,143,324	43.23%	16.7%
Stormwater	-	-	1,224,818	1,394,362	1,224,818	1,394,362		1.6%
Increase (Decrease) in Net Position	\$ 20,979,600	\$ 15,725,910	\$ 17,799,591	\$ 11,012,362	\$ 38,779,191	\$ 26,738,274	45.03%	

The City's total revenues increased \$16.73 million from \$100.47 million to \$117.2 million.

The total cost of the City's programs and services increased \$4.6 million from \$73.7 million to \$78.4 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2022.



Governmental Activities

The governmental revenues increased by \$4.69 million and expenditures decreased by \$559 thousand. The City had an increase of about \$4.6 million in Operating Grants and Contributions and a \$4.1 million increase in sales 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, 2022 and 2021:

CITY OF LEBANON, TENNESSEE NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost Of Services		Percent Change		Net Cost of Services		Percent Change 2022-2021
	2022	2021	2022-2021		2022	2021	
General Government	\$ 7,620,082	\$ 7,900,508	-3.55%		\$ (4,264,194)	\$ (3,592,597)	18.69%
Public Works	556,568	452,862	22.90%		(416,560)	452,862	-191.98%
Police	12,870,475	13,032,363	-1.24%		12,870,475	11,297,323	13.92%
Fire	7,994,955	7,908,099	1.10%		5,563,583	7,851,299	-29.14%
Street	4,232,073	4,591,475	-7.83%		4,193,344	2,390,428	75.42%
Public Safety	612,057	1,088,093	-43.75%		612,057	965,163	-36.59%
Engineering	860,725	557,222	54.47%		860,725	557,222	54.47%
Cemetery	132,374	168,271	-21.33%		49,404	86,891	-43.14%
Recreation	1,858,111	1,430,049	29.93%		1,825,245	1,407,060	29.72%
Floyd Family Life Center	1,817,428	1,811,941	0.30%		708,477	838,506	-15.51%
Airport	694,329	1,384,917	-49.86%		127,513	501,993	-74.60%
Sanitation	2,287,488	1,784,271	28.20%		2,287,488	1,784,271	28.20%
Senior Citizens	92,453	91,231	1.34%		92,453	91,231	1.34%
Total	\$ 41,629,117	\$ 42,201,303	-1.36%		\$ 24,510,009	\$ 24,631,651	-0.49%

Business-Type Activities

Revenues of the City's business-type activities increased by \$12.04 million. Expenses increased by \$5.25 million. Revenues increased by 28.76% and expenses increased by 17.03% 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 \$13.9 million excess of revenues over expenditures for the General fund for the fiscal year ended June 30, 2022.

- > Revenues for the General Fund were \$9.55 million more than budgeted.
- > Expenditures were \$6.16 million less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the City had \$246.87 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 \$4.41 million or 1.82% over June 30, 2021 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2022, and 2021. 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 2022-2021
	2022	2021	2022	2021	2022	2021	
Land	\$ 12,429,476	\$ 11,829,476	\$ 2,563,086	\$ 2,563,086	\$ 14,992,562	\$ 14,392,562	4.17%
Buildings	19,780,560	19,466,748	41,694,129	41,695,890	61,474,689	61,162,638	0.51%
Improvements Other Than Buildings	45,682,889	45,677,391	101,258,607	99,842,480	146,941,496	145,519,871	0.98%
Equipment	11,490,858	11,522,024	3,124,933	3,478,845	14,615,791	15,000,869	-2.57%
Leased Assets, Net	213,083	170,958	57,906	47,595	270,989	218,553	23.99%
Construction in Process	-	-	8,579,037	6,169,353	8,579,037	6,169,353	39.06%
Total	\$ 89,596,867	\$ 88,666,596	\$ 157,277,698	\$ 153,797,249	\$ 246,874,564	\$ 242,463,846	1.82%

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

The fiscal year ended June 30, 2023 budget includes capital expenditures of \$59.88 million. The City plans for developers to pay for part of these projects, receive grants, and the remainder will come from funds on hand.

Long-Term Debt

At June 30, 2022, the City had \$65.68 million in bonds, notes and capital leases outstanding. This is a decrease of \$2.38 million or 3.50% from June 30, 2021. The following table summarizes and compares long-term debt at June 30, 2022 and 2021. 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 2022-2021
	2022	2021	2022	2021	2022	2021	
General Obligation Bonds and Notes (Backed by the City)	\$25,959,628	\$27,882,992	\$0	\$0	\$25,959,628	\$27,882,992	-6.90%
Lease Liabilities	\$198,539	\$170,958	\$58,355	\$47,595	\$256,894	\$218,553	17.54%
Revenue Bonds & Notes (Backed by specific tax and fee revenues)	-	-	39,467,938	39,965,627	39,467,938	39,965,627	-1.25%
	\$26,158,167	\$28,053,950	\$39,526,293	\$40,013,222	\$65,684,460	\$68,067,172	-3.50%

Bond ratings: Aa2

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

When preparing the General Fund for FY 2023, increase for salaries, benefits, capital equipment and improvements were factored in. The City of Lebanon passed a 7% cost-of-living adjustment for its employees. The amount available for revenues for appropriation in the General Fund budget is \$48.13 million, an increase of 6.68% compared to the amended budget for 21-22. Estimated property tax revenue is expected to increase by \$850 thousand, or 8%. Also, estimated sales tax revenue is expected to increase by \$3.6 million or 23%. Both were compared to the original budget for 2021-2022. Expenditures will increase by 6.94% compared to the amended budget for 2021-2022. Revenues are expected to exceed expenditures by approximately \$442 thousand.

Water & Sewer revenues are projected to increase 162.05% compared to last year and expenses are expected to increase by 8.11%. Revenues are expected to exceed expenses by approximately \$24.4 million. The main reason for this increase is due to Developer's Contributions and the American Rescue Funds for capital projects. The cash over for the Water & Sewer fund is estimated to be \$1.28 million after factoring in non-cash expenses less principal and capital outlay.

Gas revenues are projected to increase 30.5% compared to the amended budget for 2021-2022. Expenses are projected to increase by about 19.18% compared to last year. Revenues are expected to exceed expenses by about \$2.25 million. The cash over for the Gas fund is estimated to be \$519 thousand after factoring in non-cash expenses less principal and capital outlay.

Debt is expected to increase in FY 2023 due to:

- 1) Water and Sewer Fund - State Revolving Loan of \$2.5 million for Williams St. Booster Station and Water Main
- 2) Water and Sewer Fund - Proposed loan of \$6.75 million for various water and sewer projects
- 3) General Fund - Proposed loan of \$5 million for the Recreation & Sports Complex

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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash	\$ 58,289,783	\$ 46,815,687	\$ 105,105,470	\$ 159,316
Investment in State Investment Pool	8,100,573	854,206	8,954,779	-
Certificate of Deposit	7,868,837	2,467,904	10,336,741	-
Other Restricted Funds	-	1,991,032	1,991,032	-
Accounts Receivable, Net	19,579,867	3,265,557	22,845,424	0
Internal Balances	493,968	(493,968)	-	-
Due from Component Unit	1,362	-	1,362	-
Inventories	143,625	532,335	675,960	-
Prepaid Expenses	272,781	114,313	387,094	-
Notes Receivable	-	1,850,462	1,850,462	-
Stabilization Reserve Asset	722,621	250,216	972,837	-
Lease Receivable	154,460	701,368	855,828	-
Net Pension Asset	5,302,886	1,819,812	7,122,698	-
Capital Assets:				
Non depreciable Assets	12,429,476	11,142,123	23,571,599	105,468
Depreciable Assets, Net of Depreciation	77,167,391	146,135,575	223,302,966	690,697
Total Capital Assets	89,596,867	157,277,698	246,874,565	796,165
Total Assets	190,527,630	217,446,622	407,974,252	955,481
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refundings	5,123	18,600	23,723	-
Deferred Amount Realted to OPEB	5,530,284	2,168,545	7,698,829	-
Deferred Amount Related to Pensions	6,772,137	2,544,570	9,316,707	-
Total Deferred Outflows	12,307,544	4,731,715	17,039,259	-
LIABILITIES				
Bank Overdraft	62,223	-	62,223	-
Accounts Payable	3,524,486	2,410,908	5,935,394	3,206
Due to Primary Government	-	-	-	1,362
Customer Deposits	52,005	250	52,255	-
Accrued Expenses	1,121,797	404,609	1,526,406	4,486
Unearned Revenue	6,022,140	-	6,022,140	-
Non-current Liabilities:				
Due in One Year:				
Compensated Absences	1,539,299	307,901	1,847,200	-
Debt	2,586,935	3,554,120	6,141,055	3,822
Due in More Than One Year:				
Debt, net	23,571,232	35,972,173	59,543,405	7,328
OPEB Liability	16,781,111	6,470,978	23,252,089	-
Total Liabilities	55,261,228	49,120,939	104,382,167	20,204
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Property Taxes	13,234,635	-	13,234,635	-
Deferred Amount Related to Pensions	7,669,257	2,655,537	10,324,794	-
Deferred Inflows Related to OPEB	4,185,442	1,457,795	5,643,237	-
Deferred Amount on Refundings	33,876	2,872,862	2,906,738	-
Deferred Inflows Related to Revenues	-	250,352	250,352	-
Deferred Inflows Related to Leases	178,737	910,051	1,088,788	-
	25,301,946	8,146,597	33,448,543	-
NET POSITION				
Net Investment in Capital Assets	63,438,699	117,751,405	181,190,104	796,165
Restricted for:				
Debt Service	805,377	1,735,674	2,541,051	-
Construction Retainage	-	255,358	255,358	-
Public works	1,982,827	-	1,982,827	-
Drug Enforcement	334,859	-	334,859	-
Community Service	113,325	-	113,325	-
Recreation	44,769	-	44,769	-
Economic Development	657,270	-	657,270	-
Police	14,294	-	14,294	-
Stabilization Reserves	722,621	250,216	972,837	-
Net Pension Asset	5,302,886	1,819,812	7,122,698	-
Unrestricted	48,855,072	43,098,338	91,953,410	139,112
Total Net Position	\$ 122,271,999	\$ 164,910,802	\$ 287,182,801	\$ 935,277

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 7,620,082	\$ 4,925,457	\$ 6,823,468	\$ 135,351	\$ 4,264,194	\$ -	\$ 4,264,194
Public Works	556,568	106,926	247,696	618,506	416,560	-	416,560
Police	12,870,475	-	-	-	(12,870,475)	-	(12,870,475)
Fire	7,994,955	-	1,431,453	999,919	(5,563,583)	-	(5,563,583)
Street	4,232,073	38,729	-	-	(4,193,344)	-	(4,193,344)
Public Safety	612,057	-	-	-	(612,057)	-	(612,057)
Engineering	860,725	-	-	-	(860,725)	-	(860,725)
Cemetery	132,374	82,970	-	-	(49,404)	-	(49,404)
Recreation	1,858,111	32,866	-	-	(1,825,245)	-	(1,825,245)
Floyd Family Life Center	1,817,428	1,108,951	-	-	(708,477)	-	(708,477)
Airport	694,329	-	566,816	-	(127,513)	-	(127,513)
Sanitation	2,287,488	-	-	-	(2,287,488)	-	(2,287,488)
Senior Citizens	92,453	-	-	-	(92,453)	-	(92,453)
Interest on Long-Term Debt	703,786	-	-	-	(703,786)	-	(703,786)
Total Governmental Activities	42,332,903	6,295,899	9,069,433	1,753,776	(25,213,795)	-	(25,213,795)
Business-Type Activities:							
Water and Sewer	21,773,193	31,656,650	-	6,036,822	-	15,920,279	15,920,279
Natural Gas	13,096,006	13,503,884	-	-	-	407,878	407,878
Stormwater	1,224,818	2,519,409	-	546,783	-	1,841,374	1,841,374
Total Business-Type Activities	36,094,017	47,679,943	-	6,583,605	-	18,169,531	18,169,531
Total Primary Government	78,426,920	53,975,842	9,069,433	8,337,381	(25,213,795)	18,169,531	(7,044,264)
Component Unit:							
Senior Citizens Center	461,491	\$ 189,955	298,912	\$ -	-	-	27,376
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					12,426,458		12,426,458
Sales Taxes					26,814,444		26,814,444
Income and Excise Tax					368,002		368,002
Other Miscellaneous Taxes					5,169,484		5,169,484
Tax Equivalent - TVA					399,804		399,804
Unrestricted Investment Earnings					93,734	261,047	354,781
Miscellaneous					-	290,483	290,483
Transfers					921,470	(921,470)	-
Total General Revenues and Transfers					46,193,396	(369,940)	45,823,456
Change in Net Position					20,979,601	17,799,591	38,779,192
Net Position, Beginning, Restated					101,292,398	147,111,211	248,403,609
Net Position, Ending					\$ 122,271,999	\$ 164,910,802	\$ 287,182,801

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ 50,859,086	\$ 7,430,697	\$ 58,289,783
Investment in State Investment Pool	7,144,245	956,328	8,100,573
Certificate of Deposit	7,832,424	36,413	7,868,837
Accounts Receivable:			
State of Tennessee	4,397,731	80,619	4,478,350
Federal Government	8,234	-	8,234
Other	1,417,433	418,465	1,835,898
Due from Other Funds	499,211	502,592	1,001,803
Due from Component Unit	1,362	-	1,362
Inventories	143,625	-	143,625
Property Taxes - Net of Allowance			
For Uncollectible Taxes of \$374,782	13,257,385	-	13,257,385
Prepaid Expenses	258,792	13,989	272,781
Stabilization Reserve Asset	722,621	-	722,621
	<u>\$ 86,542,149</u>	<u>\$ 9,439,103</u>	<u>\$ 95,981,252</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
LIABILITIES			
Accounts Payable			
Vendors	\$ 863,584	\$ 2,660,902	\$ 3,524,486
Due to Other Funds	503,347	4,488	507,835
Bank Overdraft	-	62,223	62,223
Accrued Payroll and Related Items	954,919	51,906	1,006,825
Accrued Vacation Pay	603,662	156	603,818
Customer Deposits	52,005	-	52,005
Unearned Revenue	6,022,140	-	6,022,140
	8,999,657	2,779,675	11,779,332
 Deferred Inflows Related to Property Taxes	 13,234,635	 -	 13,234,635
 FUND BALANCES			
Fund Balances:			
Nonspendable	402,417	-	402,417
Restricted for:			
Recreation		44,769	44,769
Debt Service		920,349	920,349
Street		1,982,827	1,982,827
Drug Enforcement		334,859	334,859
Community Assistance		113,325	113,325
Police		14,294	14,294
Economic Development		657,270	657,270
Stabilization Reserve	722,621		722,621
Committed to:			
Cemetery		137,097	137,097
Police		164,570	164,570
Assigned to:			
Recreation	-	255,002	255,002
Airport	-	521,099	521,099
Street	-	1,018,497	1,018,497
Police	-	229,808	229,808
Floyd Family Life Center		263,269	263,269
Economic Development		2,393	2,393
Unassigned	63,182,819	-	63,182,819
Total Fund Balances	64,307,857	6,659,428	70,967,285
 Total Liabilities and Fund Balances	 \$ 86,542,149	 \$ 9,439,103	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

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	\$	70,967,285
Capital Assets used in governmental funds are not reported in the fund Balance Sheet		89,596,866
Lease Receivable in the governmental funds are not reported in the fund Balance Sheet		154,460
Deferred Outflows are not reported in the fund Balance Sheet		12,307,544
Long-term debt is not reported in the fund Balance Sheet		(26,158,167)
Accrued Interest on long-term debt is not reported in the fund Balance Sheet		(114,972)
Net Pension Asset is not reported in the fund Balance Sheet		5,302,886
OPEB Liability on governmental funds is not reported in the fund Balance Sheet		(16,781,111)
Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet		(935,481)
Deferred Inflows are not reported in the fund Balance Sheet		<u>(12,067,311)</u>
 Net Position of Governmental Activities	 \$	 <u><u>122,271,999</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, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes and Licenses	\$ 37,911,411	\$ -	\$ 37,911,411
TVA In- Lieu of Tax	399,804	-	399,804
State and Regional Apportionments and Grants	7,505,748	2,103,322	9,609,070
Federal Grants	227,418	12,201	239,619
Fines and Costs	994,469	23,955	1,018,424
Rents	27,600	-	27,600
Interest	64,456	24,438	88,894
Other Revenues	9,631,202	3,434,230	13,065,432
Total Revenues	<u>56,762,108</u>	<u>5,598,145</u>	<u>62,360,253</u>
Expenditures			
General Government	5,360,189	284,403	5,644,592
Public Works	597,245	-	597,245
Police	13,207,077	155,190	13,362,267
Fire	8,124,791	-	8,124,791
Street	1,600,981	543,911	2,144,892
Public Safety	409,530	-	409,530
Engineering	925,566	-	925,566
Cemetery	142,619	-	142,619
Recreation	1,796,777	-	1,796,777
Floyd Family Life Center	-	1,615,469	1,615,469
Airport	-	303,768	303,768
Sanitation	2,287,488	-	2,287,488
Senior Citizens Center	92,453	-	92,453
Garage	422,052	-	422,052
Debt Service:			
Principal	1,308,420	2,221,526	3,529,946
Interest	80,853	630,412	711,265
Capital Outlay	3,655,280	3,255,890	6,911,170
Total Expenditures	<u>40,011,321</u>	<u>9,010,569</u>	<u>49,021,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,750,787	(3,412,422)	13,338,363
Other Financing Sources (Uses)			
Transfers from Other Funds	-	5,365,900	5,365,900
Transfers to Other Funds	(4,996,986)	(365,915)	(5,362,901)
Debt and Lease Proceeds	1,168,989	716,610	1,885,599
Transfers - Tax Equivalents - External	55,059	-	55,059
Transfers - Tax Equivalents - Internal	918,470	-	918,470
Net Other Financing Sources (Uses)	<u>(2,854,468)</u>	<u>5,716,595</u>	<u>2,862,127</u>
Net Change in Fund Balances	13,896,319	2,304,172	16,200,491
Fund Balances			
July 1, 2021, restated	<u>50,411,538</u>	<u>4,355,256</u>	<u>54,766,794</u>
June 30, 2022	<u>\$ 64,307,857</u>	<u>\$ 6,659,428</u>	<u>\$ 70,967,285</u>

See notes to financial statements

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

Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ 16,200,491
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense is not reported as a expenditure in the governmental funds	(5,994,893)
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	(1,885,599)
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	3,610,423
Increase in leases receivable, net, is not recorded in the Statement of Activities - instead it is reported as an asset on the Statement of Net Assets	(24,277)
Amortization of Bond Premium/Discount/Issue Costs are not reported in the Statement of Activities - instead they are reported as a reduction of an asset/liability on the Statement of Net Assets	11,870
Other charges are not reported on the Statement of Activities - instead they are included in the Statement of Net Assets	(233,117)
Change in OPEB Liability is not reported as an expenditure in the governmental funds	(963,901)
Accrued interest on debt of the governmental funds is not reported as an expenditure in the governmental funds	7,479
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	7,329,237
Current year change in net pension liability due to implementation of GASB 68 is not reported in the governmental funds	2,872,992
Accrued vacation not requiring the use of current resources is not reported as an expenditure in the governmental funds	48,896
Change in Net Position of Governmental Activities	\$ 20,979,601

CITY OF LEBANON, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2022

ASSETS	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Current Assets:				
Cash	\$ 4,934,475	\$ 37,096,615	\$ 4,784,597	\$ 46,815,687
Investment in State Investment Pool	353,392	500,814	-	854,206
Certificate of Deposit	615,755	1,841,663	10,486	2,467,904
Accounts Receivable - (Less Allowance for Doubtful Accts of \$ 61,932)	476,056	1,603,059	102,760	2,181,875
Due from Other Funds	-	-	755	755
Other Receivables	74,482	1,004,979	4,222	1,083,683
Inventories	241,217	291,118	-	532,335
Prepaid Expenses	26,824	81,268	6,221	114,313
Total Current Assets	6,722,201	42,419,516	4,909,041	54,050,758
Noncurrent Assets:				
Other Restricted Funds	-	1,991,032	-	1,991,032
Notes Receivable	888,921	961,541	-	1,850,462
Lease Receivable	-	701,368	-	701,368
Net Pension Asset	390,632	1,260,358	168,822	1,819,812
Stabilization Reserve Asset	53,506	173,554	23,156	250,216
Capital Assets:				
Land	866,063	1,697,023	-	2,563,086
Buildings	2,551,331	74,821,863	-	77,373,194
Equipment	3,937,365	7,438,590	1,047,707	12,423,662
Improvements Other than Building	43,349,216	138,472,034	2,939,275	184,760,525
Construction in Process	833,480	7,745,557	-	8,579,037
Accumulated Depreciation	(21,782,202)	(106,164,464)	(533,046)	(128,479,712)
Right of Use Assets, net	40,909	16,997	-	57,906
Total Noncurrent Assets	31,129,221	129,115,453	3,645,914	163,890,588
Total Assets	37,851,422	171,534,969	8,554,955	217,941,346
DEFERRED OUTFLOWS OF RESOURCES				
Pension	544,134	1,764,974	235,462	2,544,570
OPEB	448,854	1,538,524	181,167	2,168,545
Debt	-	18,600	-	18,600
	992,988	3,322,098	416,629	4,731,715
LIABILITIES				
Current Liabilities:				
Current Portion of Long-Term Debt	180,144	3,373,976	-	3,554,120
Accounts Payable - Vendors	591,414	1,800,290	19,204	2,410,908
Due to Other Funds	78,448	202,072	214,203	494,723
Other Current Liabilities	26,380	73,491	-	99,871
Accrued Interest	-	96,618	-	96,618
Accrued Payroll and Related Items	52,506	137,363	18,501	208,370
Accrued Vacation Pay	59,462	228,350	20,089	307,901
Total Current Liabilities	988,354	5,912,160	271,997	7,172,511
Noncurrent Liabilities:				
Post Employment Benefits	1,402,649	4,714,917	353,412	6,470,978
Notes Payable	-	12,155,377	-	12,155,377
Utility Bonds Payable	2,425,411	21,341,778	-	23,767,189
Lease Liability	34,111	15,496	-	49,607
Total Noncurrent Liabilities	3,862,171	38,227,568	353,412	42,443,151
Total Liabilities	4,850,525	44,139,728	625,409	49,615,662
DEFERRED INFLOWS OF RESOURCES				
Pensions	567,864	1,841,943	245,730	2,655,537
OPEB	311,943	1,010,854	134,998	1,457,795
Debt	-	39,989	-	39,989
Refunding	-	2,832,873	-	2,832,873
Revenue	-	250,352	-	250,352
Lease	-	910,051	-	910,051
	879,807	6,886,062	380,728	8,146,597
NET POSITION				
Net Investment in Capital Assets	27,156,496	87,140,973	3,453,936	117,751,405
Restricted for Debt Service	-	1,735,674	-	1,735,674
Restricted for Construction Retainage	-	255,358	-	255,358
Restricted for Stabilization Reserve	53,506	173,554	23,156	250,216
Restricted for Net Pension Asset	390,632	1,260,358	168,822	1,819,812
Unrestricted	5,513,444	33,265,360	4,319,533	43,098,337
Total Net Position	\$ 33,114,078	\$ 123,831,277	\$ 7,965,447	\$ 164,910,802

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

Year Ended June 30, 2022

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Operating Revenues				
Charges for Services	\$ 13,503,884	\$ 31,656,650	\$ 2,519,409	\$ 47,679,943
Operating Expenses				
Utility Operating Expense	3,431,485	14,049,021	1,071,091	18,551,597
Natural Gas Purchased	8,178,823	-	-	8,178,823
Gasification Plant Operating	-	3,150	-	3,150
Depreciation	1,439,315	6,645,612	153,727	8,238,654
Total Operating Expenses	<u>13,049,623</u>	<u>20,697,783</u>	<u>1,224,818</u>	<u>34,972,224</u>
Operating Income	454,261	10,958,867	1,294,591	12,707,719
Nonoperating Revenue (Expenses)				
Other Revenues	75,068	212,914	2,500	290,482
Capital Grant	-	(38,028)	-	(38,028)
Interest Revenue	52,447	199,117	9,483	261,047
Interest Expense	(46,383)	(1,075,410)	-	(1,121,793)
Total Nonoperating Revenue (Expenses)	<u>81,132</u>	<u>(701,407)</u>	<u>11,983</u>	<u>(608,292)</u>
Income before Contributions and Transfers	535,393	10,257,460	1,306,574	12,099,427
Contributions and Transfers				
Contributed Capital	-	6,074,850	546,783	6,621,633
Transfers to Other Funds	-	-	(3,000)	(3,000)
Transfers - Tax Equivalents	(364,546)	(553,924)	-	(918,470)
Total Contributions and Transfers	<u>(364,546)</u>	<u>5,520,926</u>	<u>543,783</u>	<u>5,700,163</u>
Change in Net Position	170,847	15,778,386	1,850,357	17,799,590
Net Position				
July 01, 2021 Restated	<u>32,943,231</u>	<u>108,052,891</u>	<u>6,115,090</u>	<u>147,111,212</u>
June 30, 2022	<u>\$ 33,114,078</u>	<u>\$ 123,831,277</u>	<u>\$ 7,965,447</u>	<u>\$ 164,910,802</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2022

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 13,595,723	\$ 31,427,557	\$ 2,507,284	\$ 47,530,564
Payments to Suppliers	(9,042,747)	(5,691,837)	(300,551)	(15,035,135)
Payments to Employees	(2,281,646)	(6,011,440)	(888,867)	(9,181,953)
Internal Activity - Payments From Other Funds	(129,274)	(371,337)	(9,713)	(510,324)
Other Receipts (Payments)	-	187,751	60,922	248,673
Net Cash Provided By Operating Activities	2,142,056	19,540,694	1,369,075	23,051,825
Cash Flows From Noncapital Financing Activities:				
Transfers - Tax Equivalents	(364,546)	(553,924)	-	(918,470)
Transfers to Other Funds	-	-	(3,000)	(3,000)
Net Cash (Used) By Noncapital Financing Activities	(364,546)	(553,924)	(3,000)	(921,470)
Cash Flows From Capital and Related Financing Activities:				
Other Revenues	75,068	212,915	2,500	290,483
Payments for Capital Acquisitions	(2,172,642)	(2,642,025)	(302,785)	(5,117,452)
Right of Use Assets	(47,914)	(17,725)	-	(65,639)
Principal Paid on Notes	(167,589)	(3,145,449)	-	(3,313,038)
Proceeds on Notes	798,959	2,016,390	-	2,815,349
Lease Proceeds, net	41,255	17,100	-	58,355
Interest Paid	(46,383)	(1,075,410)	-	(1,121,793)
Payments from Notes Receivable	523,413	608,780	-	1,132,193
Lease Receivable, net	-	(701,368)	-	(701,368)
Net Cash (Used) By Capital and Related Financing Activities	(995,833)	(4,726,792)	(300,285)	(6,022,910)
Cash Flows From Investing Activities:				
Interest Revenue	52,447	199,117	9,483	261,047
Increase (Decrease) in Investments	(1,124)	(3,358)	129	(4,353)
Net Cash Provided By Investing Activities	51,323	195,759	9,612	256,694
Net Increase in Cash and Temporary Investments	833,000	14,455,737	1,075,402	16,364,139
Cash and Temporary Investments:				
July 01, 2021	4,454,867	25,132,724	3,709,195	33,296,786
June 30, 2022	<u>\$ 5,287,867</u>	<u>\$ 39,588,461</u>	<u>\$ 4,784,597</u>	<u>\$ 49,660,925</u>
Non-Cash Capital and Related Financing Activities:				
Capital Assets Acquired By Contributions From Developers	\$ -	\$ 6,074,850	\$ 546,783	\$ 6,621,633
Reconciliation to Statement of Net Position:				
Cash	\$ 4,934,475	\$ 37,096,615	\$ 4,784,597	\$ 46,815,687
Investment in State Investment Pool	353,392	500,814	-	854,206
Other Restricted Funds	-	1,991,032	-	1,991,032
	<u>\$ 5,287,867</u>	<u>\$ 39,588,461</u>	<u>\$ 4,784,597</u>	<u>\$ 49,660,925</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2022

	Natural Gas Fund	Water and Sewer Fund	Stormwater Fund	Total
Cash Provided By Operating Activities:				
Operating Income	\$ 454,261	\$ 10,958,867	\$ 1,294,591	\$ 12,707,719
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	1,439,315	6,645,611	153,728	8,238,654
Provision for Losses on Accounts Receivable	(2,665)	(7,424)	(583)	(10,672)
Deferred Outflows of Resources	78,042	1,055,988	(225,675)	908,355
Deferred Inflows of Resources	718,479	3,220,179	420,010	4,358,668
Changes in Current and Deferred Items:				
(Increase) Decrease in Accounts Receivable	94,505	(221,669)	(11,538)	(138,702)
Decrease in Other Receivables	-	187,751	60,922	248,673
Decrease in Due From Other Funds	-	29	1,745	1,774
(Increase) in Inventories	(25,272)	(36,832)	-	(62,104)
(Increase) in Prepaid Expenses	(2,196)	(9,711)	(3,004)	(14,911)
(Increase) in Net Pension Asset	-	-	(165,134)	(165,134)
(Increase) in Stabilization Reserve Asset	(11,175)	(29,056)	(4,608)	(44,839)
Increase (Decrease) in Accounts Payable	230,653	388,570	(720)	618,503
Increase in Due to State	798	-	-	798
(Decrease) in Net Pension Liability	(421,725)	(1,366,492)	(17,312)	(1,805,529)
(Decrease) in Due to Other Funds	(129,274)	(371,366)	(11,458)	(512,098)
Increase (Decrease) in Accrued Payroll	15,370	33,077	2,853	51,300
Increase in Accrued Vacation Pay	(5,423)	38,222	1,468	34,267
(Decrease) in Postemployment Benefits	(291,636)	(945,050)	(126,209)	(1,362,895)
Net Cash Provided By Operating Activities	<u>\$ 2,142,056</u>	<u>\$ 19,540,694</u>	<u>\$ 1,369,075</u>	<u>\$ 23,051,825</u>

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Revenues				
Taxes:				
Real and Personalty	\$ 11,515,000	\$ 11,515,000	\$ 12,426,460	\$ 911,460
Wholesale Beer	1,115,000	1,115,000	1,280,025	165,025
Sales Tax	15,600,000	17,034,664	22,634,747	5,600,083
Cable TV Franchise Fee	359,000	359,000	330,823	(28,177)
Hotel and Motel Tax	310,000	310,000	590,327	280,327
Business Tax	-	-	12,460	12,460
Mixed Drink Tax	14,000	14,000	16,300	2,300
Liquor Tax	430,000	430,000	620,269	190,269
	<u>29,343,000</u>	<u>30,777,664</u>	<u>37,911,411</u>	<u>7,133,747</u>
Tax Equivalents:				
TVA In-Lieu of Tax	400,000	400,000	399,804	(196)
	<u>400,000</u>	<u>400,000</u>	<u>399,804</u>	<u>(196)</u>
Federal, State and Regional				
Apportionments and Grants:				
Sales Tax (St Sales C)	2,925,000	2,925,000	4,179,697	1,254,697
Income Tax	160,000	160,000	105,846	(54,154)
Petroleum Special	65,000	65,000	69,086	4,086
Highway Grants and Contracts	140,000	140,000	118,058	(21,942)
Beer Tax	15,500	15,500	17,555	2,055
Mixed Drink Tax	108,000	108,000	186,023	78,023
Excise Tax	150,000	150,000	262,155	112,155
Business Tax - County Clerk	-	-	189,393	189,393
Business Tax - Trustee	1,150,000	1,150,000	1,857,224	707,224
Police and Fire Salary Supplement	127,500	127,500	136,800	9,300
OJP Grants	-	-	10,095	10,095
FEMA/TEMA Assistance	0	0	11,802	11,802
HOME Grant	27,500	27,500	25,000	(2,500)
FBI Safe Streets	-	-	15,515	15,515
Highway Safety Grants	16,000	16,000	56,642	40,642
Intelligent Transportation Grant	2,203,696	4,203,696	27,781	(4,175,915)
Sports Betting	20,000	20,000	36,073	16,073
Tornado Traffic Signal Repair	-	-	2,000	2,000
FEMA Tornado	514,640	514,640	(3,436)	(518,076)
Covid Funding	828,221	828,221	414,110	(414,111)
Telecommunications Sales Tax	14,000	14,000	15,747	1,747
	<u>8,465,057</u>	<u>10,465,057</u>	<u>7,733,166</u>	<u>(2,731,891)</u>
Fines and Costs				
Fines and Costs	734,000	734,000	994,469	260,469
Rent - Other	31,500	31,500	27,600	(3,900)
Highway and Street Charges	45,000	45,000	38,729	(6,271)
Interest	185,000	185,000	64,456	(120,544)
Permits and Licenses	1,275,500	1,281,342	3,819,285	2,537,943

See notes to financial statements

	Budget		Actual	Variance
	Original	Final		
Cemetery Income	\$ 57,500	\$ 57,500	\$ 82,970	\$ 25,470
Park and Recreation Income	27,300	27,300	32,866	5,566
Interest and Penalty on Taxes and Licenses	35,000	35,000	64,303	29,303
Miscellaneous	1,544,717	3,315,644	5,492,284	2,176,640
Sale of Equipment	-	-	100,765	100,765
	<u>3,935,517</u>	<u>5,712,286</u>	<u>10,717,727</u>	<u>5,005,441</u>
Total Revenues	<u>42,143,574</u>	<u>47,355,007</u>	<u>56,762,108</u>	<u>9,407,101</u>

Expenditures

City Department:

Mayor and Council	330,582	384,419	505,316	(120,897)
City Attorney/Judicial	216,952	224,237	235,111	(10,874)
Financial Administration	184,180	188,729	242,756	(54,027)
Building Maintenance	133,975	185,822	223,431	(37,609)
Accounting	159,759	164,443	200,354	(35,911)
Customer Billing	24,842	56,949	115,175	(58,226)
Johnson Controls	263,653	499,633	451,455	48,178
Purchasing	48,415	54,611	63,747	(9,136)
Computer Equipment	495,830	506,613	588,635	(82,022)
Public Works	638,566	844,973	636,822	208,151
HOME Grant	9,820	9,008	2,840	6,168
Personnel	510,092	471,779	476,618	(4,839)
Traffic Maintenance	347,104	386,275	306,804	79,471
General Maintenance	601,415	682,210	655,111	27,099
Police	13,383,114	15,074,693	13,538,811	1,535,882
Fire	8,356,277	9,286,740	8,837,869	448,871
Building Inspection	552,615	597,444	497,173	100,271
Street	2,460,943	7,667,564	2,705,843	4,961,721
Animal Control	226,821	346,264	245,053	101,211
Public Safety	777,273	1,145,336	985,451	159,885
Engineering	544,963	874,184	852,747	21,437
Garage	483,324	551,181	496,872	54,309
Cemetery	156,369	168,207	146,088	22,119
Recreation	1,367,671	1,855,989	1,325,922	530,067
Special Events	43,000	44,915	43,338	1,577
Dues & Contributions	326,047	345,361	342,856	2,505
Community Park	229,618	903,496	779,786	123,710
EAC Committee	31,524	31,524	998	30,526
Sanitation	2,074,900	3,608,068	2,584,418	1,023,650
Drainage Migration	55,121	55,121	42,868	12,253
Risk Assessment	67,529	73,159	67,765	5,394
Accounting System Debt Service	18,000	18,000	59,794	(41,794)
Economic Development	145,183	156,511	171,491	(14,980)
Intelligent Transportation	2,755,620	3,355,620	36,665	3,318,955
Senior Citizens Center	309,926	382,788	386,707	(3,919)
Codes Enforcement	277,325	318,769	268,105	50,664
Mitchell House	96,646	115,436	111,471	3,965
Radio Communication	425,000	1,304,064	767,655	536,409
Disaster/COVID Relief	643,300	1,138,797	2,500	1,136,297
Passthrough Grant	-	14,900	8,900	6,000
Total Expenditures	<u>39,773,294</u>	<u>54,093,832</u>	<u>40,011,321</u>	<u>14,082,511</u>

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2022

	Budget		Actual	Variance
	Original	Final		
Excess of Revenues Over (Under) Expenditures	\$ 2,370,280	\$ (6,738,825)	\$ 16,750,787	\$ 23,489,612
Other Financing Sources (Uses):				
Transfers - Tax Equivalents - Interf	918,470	918,470	918,470	-
Transfers - Tax Equivalents - Extern	49,000	49,000	55,059	6,059
Operating Transfers From Other Fur	-	-	-	-
Operating Transfers To Other Funds	(3,135,143)	(5,192,503)	(4,996,986)	195,517
Bond Proceeds	-	1,075,978	917,532	(158,446)
Bond Premium	-	-	-	-
Gain on Refunding	-	-	-	-
Payment to Refunding Bond Agent	-	-	-	-
Loan & Capital Lease Proceeds	0	0	251,457	251,457
Total Other Financing Sources (Use:	<u>(2,167,673)</u>	<u>(3,149,055)</u>	<u>(2,854,468)</u>	<u>294,587</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 202,607</u>	<u>\$ (9,887,880)</u>	13,896,319	<u>\$ 23,784,199</u>
Fund Balances:				
July 1, 2021, Restated			50,411,538	
June 30, 2022			<u>\$ 64,307,857</u>	

CITY OF LEBANON, TENNESSEE

NOTE TO BUDGETARY COMPARISON STATEMENT

June 30, 2022

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, 2022

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 position 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022 amounted to \$62,223.

(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 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, 2022

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, which is the lien date. 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, 2022 in the amount of \$13,234,635 have been accrued in the General Fund and the Governmental Activities as receivable and deferred inflows at June 30, 2022.

(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, 2022

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.

In addition, there are Construction Retainage accounts in the financial statements, which are limited to payment of retainage on jobs in progress to the contractors and are therefore reported as restricted assets.

(P) Recently Adopted Accounting Standards

Effective July 1, 2021, the City implemented GASB 87 "Leases". The standard defines a lease as "a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction". The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset at the commencement of the lease term. As payments are made, the lessee reduces the lease liability and recognizes an outflow of resources, while also amortizing the right-to-use asset in a systematic manner over the shorter of the lease term or useful life of the underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. As payments are received, the lessor reduces the lease receivable and amortizes the deferred inflows in a systematic and rational manner over the term of the lease.

The statement requires retroactive restatement for all prior periods presented, however, it does not require governments to determine what the lease asset would have been for an operating lease in effect as of the date of implementation if the lease had been initially recognized and amortized in prior periods as a lease under the provisions of this statement.

The City evaluated its leases in effect as of the effective date and, using a lease capitalization threshold of \$25,000 per asset (with the exception of copiers, which are considered one asset), right of use lease assets with a present value that exceeded the threshold were capitalized, and a corresponding lease liability was recorded. For leases where the City is a lessor, the same threshold was used and a lease receivable and deferred inflow were recorded for the present value of the lease. Therefore, there is no effect on opening net position.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

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 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, 2022.

The carrying amount of the City's deposits with financial institutions was \$116,955,297 including \$10,336,742 in certificates of deposit, and the bank balance was \$112,145,916. The bank balance is entirely insured by FDIC insurance and by the state bank collateral pool.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 2 - CASH AND INVESTMENTS - CONTINUED

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 \$9,432,726 at June 30, 2022, of which \$477,947 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, 2022:

	<u>Original Issue</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>
Primary Government:			
Governmental Activities:			
General Obligation Bonds:			
2004 TMBF Bonds	\$ 2,725,000	2006 - 2025	3.0%
2008 GO Refunding	3,840,000	2009 - 2023	3.0% - 4.1%
2008 TMBF Bonds	3,500,000	2008 - 2027	5.0%
2016 TMBF Airport Terminal	1,600,000	2017 - 2036	3.00%
2016 GO Refunding	2,220,000	2017 - 2030	1.5% - 3.0%
2016 TML Legends Drive	4,700,000	2018 - 2036	2.50%
2017 TMBF Airport Hangar	1,000,000	2018 - 2042	2.52%
2017 TML West Side Park	5,000,000	2018 - 2042	2.29%
2018 TMBF Public Safety	5,500,000	2020-2039	3.80%
2018 TMBF Radio Communications	5,700,000	2020-2039	3.55%
2018 TMBF Crowell Lane	1,800,000	2021-2040	2.79%
Business-Type Activities:			
Water and Sewer:			
TMBF 2001 Bonds	4,000,000	2004 - 2023	Variable
TMBF 2005 Bonds	1,400,000	2007 - 2026	4.0%
TMBF 2006 Bonds	5,000,000	2008 - 2027	5.0%
TMBF 2008 Bonds	4,150,000	2010 - 2029	5.0%
TMBF 2011 Bonds	1,631,150	2012 - 2031	2.86%
TMBF 2012 Bonds	1,387,000	2013 - 2032	2.23%
TMBF 2012 Bonds	4,657,079	2014 - 2028	1.82%
TMBF 2013 Bonds	1,800,000	2014 - 2033	2.28%
TML 2014 Bonds	1,800,000	2016 - 2035	3.00%
2015 QEC Bonds	3,500,000	2035	4.00%
2016 Refunding Bonds	2,285,000	2018 - 2032	1.5% - 3.0%
2020 Refunding Bonds	12,500,000	2021 - 2030	4.0% - 5.0%
Natural Gas:			
2008 Refunding Bond	1,175,000	2009 - 2018	3.0% - 4.0%
TMBF 2008 Bonds	1,100,000	2010 - 2029	5.0%
TMBF 2014 Bonds	1,000,000	2014 - 2033	2.43%
TML 2020 Bonds	1,500,000	2021 - 2040	2.24%

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

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. The general obligation bonds will be retired from debt service funds. The general obligation notes will be retired from the general fund and debt service funds. 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, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Debt	\$ 23,456,552	\$ 1,627,469	\$ 1,666,301	\$ 23,417,721	\$ 1,713,359
Notes	4,426,440	-	1,884,533	2,541,907	801,099
Lease Liabilities	170,958	87,171	59,590	198,539	72,477
	<u>\$ 28,053,950</u>	<u>\$ 1,714,640</u>	<u>\$ 3,610,423</u>	<u>\$ 26,158,167</u>	<u>\$ 2,586,935</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
Natural Gas	\$ 1,967,041	\$ 798,959	\$ 167,589	\$ 2,598,411	\$ 173,000
Water & Sewer	37,998,586	2,016,390	3,145,449	36,869,527	3,372,372
Lease Liabilities	47,595	18,044	7,284	58,355	8,748
	<u>\$ 40,013,222</u>	<u>\$ 2,833,393</u>	<u>\$ 3,320,323</u>	<u>\$ 39,526,293</u>	<u>\$ 3,554,120</u>

Annual Requirements to Maturity on Long-Term Debt:

Year Ended June 30,	Primary Government					
	General Obligation Bonds		Equipment Notes		Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,713,359	\$ 749,960	\$ 801,099	\$ 46,071	\$ 72,477	\$ 5,192
2024	1,438,900	693,820	807,858	34,035	38,491	3,299
2025	1,484,800	645,637	705,052	16,462	29,795	2,320
2026	1,408,600	596,592	227,898	2,770	27,246	1,395
2027	1,450,500	549,529	-	-	9,504	780
2028-2032	6,237,000	2,129,447	-	-	21,026	1,493
2033-2037	6,553,100	1,135,626	-	-	-	-
2038-2042	3,733,265	227,986	-	-	-	-
2043-2047	-	-	-	-	-	-
Total	<u>\$ 24,019,524</u>	<u>\$ 6,728,597</u>	<u>\$ 2,541,907</u>	<u>\$ 99,338</u>	<u>\$ 198,539</u>	<u>\$ 14,478</u>
Less: amounts not yet borrowed **	(601,803)					
	<u>\$ 23,417,721</u>					

**Some construction loans start repayment prior to project completion. Amounts to be repaid are based on the full loan amount, which is adjusted to total drawn at project completion.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 3 - LONG-TERM DEBT - CONTINUED

	Primary Government					
	Business-Type Activities					
	Water and Sewer Bonds		Water and Sewer Notes		Water and Sewer Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 2,762,000	\$ 983,923	\$ 610,372	\$ 282,883	\$ 1,604	\$ 531
2024	2,543,000	871,511	707,364	180,012	1,640	465
2025	2,646,000	764,620	718,128	169,008	1,693	412
2026	2,704,000	655,657	729,036	157,836	1,747	358
2027	2,738,000	543,129	740,148	146,460	1,803	302
2028-2032	6,802,777	1,348,123	3,873,180	555,840	8,613	640
2033-2037	3,908,000	440,411	3,576,642	252,729	-	-
2038-2042	-	-	1,714,177	63,313	-	-
2043-2047	-	-	96,702	25,803	-	-
Total	<u>\$ 24,103,777</u>	<u>\$ 5,607,374</u>	<u>\$ 12,765,749</u>	<u>\$ 1,833,884</u>	<u>\$ 17,100</u>	<u>\$ 2,708</u>

	Primary Government			
	Business-Type Activities			
	Natural Gas Bonds		Gas Leases	
	Principal	Interest	Principal	Interest
2023	\$ 173,000	\$ 73,188	\$ 7,144	\$ 1,197
2024	178,000	67,471	7,372	969
2025	183,000	61,557	7,608	733
2026	190,000	55,446	7,851	490
2027	196,000	49,054	8,102	239
2028-2032	807,000	154,299	3,177	248
2033-2037	525,000	70,268	-	-
2038-2042	346,411	20,160	-	-
Total	<u>\$ 2,598,411</u>	<u>\$ 551,443</u>	<u>\$ 41,255</u>	<u>\$ 3,875</u>

Other governmental long-term liabilities such as Pension and OPEB will be paid from the general fund and other governmental funds that have direct salaries such as the Jimmy Floyd Family Life Center.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

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, 2022 the liability for accrued PTO is \$1,847,200.

NOTE 5 - INDUSTRIAL BUILDING BONDS

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

NOTE 6 - PENSION EXPENSE – PRIOR PLAN

General Information about the Pension Plan

Plan description. Employees of Lebanon are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8,

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 6 - PENSION EXPENSE – CONTINUED

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 publicly available financial report that can be obtained at [https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment Policies](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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	220
Inactive employees entitled to but not yet receiving benefits	325
Active employees	220
Total Employees	<u>765</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Lebanon makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the Actuarially Determined

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 6 - PENSION EXPENSE – CONTINUED

Contribution (ADC) for Lebanon was \$2,098,331 based on a rate of 14.96% 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, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes in assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 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, 2022

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 2.25 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
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	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 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 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, 2022

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 6/30/20	\$ 70,799,197	\$ 70,101,135	\$ 698,062
Changes for the year:			
Service cost	1,019,705		1,019,705
Interest	5,117,602		5,117,602
Differences between expected and actual experience	68,834		68,834
Changes in assumptions	6,466,561		6,466,561
Contributions-employer	-	2,085,473	(2,085,473)
Contributions-employees	-	-	-
Net investment income	-	18,032,643	(18,032,643)
Benefit payments, including refunds of employee contributions	(2,462,565)	(2,462,565)	-
Administrative expense	-	(20,403)	20,403
Net changes	<u>10,210,137</u>	<u>17,635,148</u>	<u>(7,425,011)</u>
Balance at 6/30/21	<u>\$ 81,009,334</u>	<u>\$ 87,736,283</u>	<u>\$ (6,726,949)</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 6.75 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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Lebanon's net pension liability (asset)	\$ 5,501,433	\$ (6,726,949)	\$ 16,732,553

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, 2022, Lebanon recognized pension expense of \$96,402.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2022, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 6 - PENSION EXPENSE – CONTINUED

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 910,626	\$ 379,742
Net difference between projected and actual earnings on pension plan investments	-	9,623,123
Changes in Assumptions	5,399,602	-
Contributions subsequent to the measurement date of June 30, 2021	2,098,331	-
Total	<u>\$ 8,408,559</u>	<u>\$ 10,002,865</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021 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:

2023	\$ (450,532)
2024	(1,032,739)
2025	(923,496)
2026	(1,285,865)
2027	-
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, 2022, 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, 2022.

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 publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 7 - PENSION EXPENSE – CONTINUED

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	114
Active employees	211
Total Employees	<u>327</u>

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 7 - PENSION EXPENSE – CONTINUED

contributions for the year ended June 30, 2022 to the Public Employee Retirement Plan was \$459,214 based on a rate of 1.61% percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension liabilities (assets) Lebanon's net pension liability (asset) was measured as of June 30, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 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	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 7 - PENSION EXPENSE – CONTINUED

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 2.25 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
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	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 6.75 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 6.75 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, 2022

NOTE 7 - 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 6/30/20	\$ 1,474,826	\$ 1,623,541	\$ (148,715)
Changes for the year:			
Service cost	503,280		503,280
Interest	141,848		141,848
Differences between expected and actual experience	(60,389)		(60,389)
Changes in Assumptions	220,190		220,190
Contributions-employer	-	138,908	(138,908)
Contributions-employees	-	445,218	(445,218)
Net investment income	-	486,227	(486,227)
Benefit payments, including refunds of employee contributions	(43,162)	(43,162)	-
Administrative expense	-	(18,390)	18,390
Other Changes	-	-	-
Net changes	<u>761,767</u>	<u>1,008,801</u>	<u>(247,034)</u>
Balance at 6/30/21	<u>\$ 2,236,593</u>	<u>\$ 2,632,342</u>	<u>\$ (395,749)</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 6.75 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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Lebanon 's net pension liability (asset)	\$ 279,138	\$ (395,749)	\$ (896,547)

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, 2022, Lebanon recognized pension expense of \$62,357.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2022, Lebanon reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 7 - PENSION EXPENSE – CONTINUED

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 248,077	\$ 58,879
Net difference between projected and actual earnings on pension plan investments	-	263,050
Changes in Assumptions	200,858	-
Contributions subsequent to the measurement date of June 30, 2021	459,213	-
Total	\$ 908,148	\$ 321,929

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2021 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:	
2023	\$ (17,939)
2024	(16,967)
2025	(16,632)
2026	(22,716)
2027	47,199
Thereafter	154,063

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, 2022, Lebanon reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

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:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 7 - PENSION EXPENSE – CONTINUED

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

Employees are immediately vested in their contributions and the employer contributions. For the year ended June 30, 2022, the City contributed \$596,643 to the 401(k) plan.

NOTE 8 – CAPITAL ASSETS

A summary of changes in Capital Assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 11,829,476	\$ 600,000	\$ -	\$ 12,429,476
Other Capital Assets:				
Buildings	36,679,699	1,378,047	-	38,057,746
Improvements Other Than Buildings	80,903,035	2,603,929	-	83,506,964
Equipment	35,234,602	2,489,131	233,117	37,490,616
Total Other Capital Assets at Historical Cost	<u>152,817,335</u>	<u>6,471,108</u>	<u>233,117</u>	<u>159,055,327</u>
Less Accumulated Depreciation for:				
Buildings	17,212,951	1,064,236	-	18,277,187
Improvements Other Than Buildings	35,225,644	2,598,431	-	37,824,075
Equipment	23,712,578	2,287,180	-	25,999,758
Total Accumulated Depreciation	<u>76,151,173</u>	<u>5,949,846</u>	<u>-</u>	<u>82,101,019</u>
Other Capital Assets, Net	76,666,162	521,262	233,117	76,954,308
Lease Assets, net	170,958	42,124	-	213,083
Governmental Activities Capital Assets, Net	<u>\$ 88,666,596</u>	<u>\$ 1,163,386</u>	<u>\$ 233,117</u>	<u>\$ 89,596,867</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 1,333,131
Public Works	8,254
Public Safety	236,079
Police	602,944
Fire	535,807
Street	2,262,909
Cemetery	1,439
Recreation	208,539
Jimmy Floyd Family Life Center	334,310
Engineering	10,988
Airport	415,448
	<u>\$ 5,949,846</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 8 – CAPITAL ASSETS – CONTINUED

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 2,563,086	\$ -	\$ -	\$ 2,563,086
Construction in Process	6,169,353	2,409,684	-	8,579,037
Total Capital Assets Not Being Depreciated	<u>8,732,439</u>	<u>2,409,684</u>	<u>-</u>	<u>11,142,123</u>
Other Capital Assets:				
Buildings	75,243,705	2,129,489	-	77,373,194
Improvements Other Than Buildings	178,258,113	6,502,412	-	184,760,525
Equipment	11,764,188	659,474	-	12,423,662
Total Other Capital Assets at Historical Cost	<u>265,266,006</u>	<u>9,291,375</u>	<u>-</u>	<u>274,557,381</u>
Less Accumulated Depreciation for:				
Buildings	33,547,815	2,131,250	-	35,679,065
Improvements Other Than Buildings	78,415,633	5,086,285	-	83,501,918
Equipment	8,285,343	1,013,386	-	9,298,729
Total Accumulated Depreciation	<u>120,248,791</u>	<u>8,230,921</u>	<u>-</u>	<u>128,479,712</u>
Other Capital Assets, Net	145,017,215	1,060,454	-	146,077,669
Lease Assets, net	47,595	10,311	-	57,906
Business Type Activities Capital Assets, Net	<u>\$ 153,797,249</u>	<u>\$ 3,480,449</u>	<u>\$ -</u>	<u>\$ 157,277,698</u>

NOTE 9 - LEASES

As noted in Note 1 (P), during the current year, the City implemented GASB 87, leases.

City as Lessee:

Contracts meeting both the definition of a lease and the City's lease capitalization threshold were capitalized as right of use lease assets and lease liabilities at the implementation date. The terms of these leases vary but are generally between 2 and 10 years. The right of use lease assets at June 30, 2022 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Equipment	\$ 170,958	\$ 87,171	\$ -	\$ 258,130
Less accumulated amortization	-	45,047	-	45,047
	<u>\$ 170,958</u>	<u>\$ 42,124</u>	<u>\$ -</u>	<u>\$ 213,083</u>
Business Type Activities:				
Equipment	\$ 47,595	\$ 18,044	\$ -	\$ 65,639
Less accumulated amortization	-	7,733	-	7,733
	<u>\$ 47,595</u>	<u>\$ 10,311</u>	<u>\$ -</u>	<u>\$ 57,906</u>

The related lease liabilities at June 30, 2022 are as follows:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 9 – LEASES - CONTINUED

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Lease Liabilities	\$ 170,958	\$ 87,171	\$ 59,590	\$ 198,539	\$ 72,477
Business-Type Activities:					
Lease Liabilities	\$ 47,595	\$ 18,044	\$ 7,284	\$ 58,355	\$ 8,748

See note 3 for the annual requirements to maturity on these leases.

City as Lessor:

The City has two contracts as a lessor that meet the definition of a lease, and these were recorded as lease receivable and deferred inflows at the implementation date:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Office Space	\$ 181,120	\$ -	\$ 26,660	\$ 154,460
Business Type Activities:				
Gasification Plant	\$ 929,834	\$ -	\$ 228,466	\$ 701,368

NOTE 10 - CONSTRUCTION COMMITMENTS

Water and sewer and gas improvements projects in progress at June 30, 2022 totaled \$7,745,556. At June 30, 2022, the City closed \$6,129,990 of completed water and sewer projects into capital assets and expenses. The City also closed \$2,237,279 of completed gas projects into capital assets and expenses during the current fiscal year. Construction cost during the fiscal year ended June 30, 2022 for the water and sewer and gas improvements totaled \$10,865,211. During the fiscal year ended June 30, 2022, the stormwater department had projects totaling \$302,786 and developers' contributions of \$546,783 that the City assumed. The City incurred construction costs of \$4,355,245 for the year ended June 30, 2022, for improvements to the Jimmy Floyd Family Life Center, park construction, airport construction, new traffic signals and street paving. In addition, the City assumed \$941,464 of developers' contributions. At June 30, 2022, the City had total contracts outstanding for building and road construction and airport projects of \$13,202,202.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 11 - TRANSFERS

Transfers during the year ended June 30, 2022, are summarized as follows:

Transfers From	Governmental Funds			Proprietary Funds <u>Stormwater</u>
	Major Fund	Other Nonmajor Governmental Funds		
	General	Funds		
Transfers To				
Other Nonmajor Governmental Funds	4,996,986	365,915		3,000
	\$ 4,996,986	\$ 365,915		\$ 3,000

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

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

Amounts outstanding at June 30, 2022 are as follows:

Due From	Primary Government					Total
	Governmental Funds			Proprietary Funds		
	Major Fund	Other Nonmajor Funds		Water & Sewer	Gas	
	General	Funds	Stormwater			
Due To						
Governmental Funds:						
Major Funds:						
General	\$ -	\$ 4,488	\$ 214,203	\$ 202,072	\$ 78,448	\$ 499,211
Stormwater	755	-	-	-	-	755
Other Nonmajor Funds	502,592	-	-	-	-	\$ 502,592
	\$ 503,347	\$ 4,488	\$ 214,203	\$ 202,072	\$ 78,448	\$ 1,002,557

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 13 - RISK MANAGEMENT

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

NOTE 14 - CONTINGENT LIABILITY

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

NOTE 15 - SPECIAL ITEMS

In a prior fiscal year, the court ordered that the City of Lebanon pay for infrastructure improvements to bring the City into compliance with ADA requirements. A portion of these improvements relating to the sidewalks has been capitalized in the fixed assets of governmental activities as the improvements are made. The City council had budgeted a maximum of \$175,000 per year to be spent on these sidewalk improvements. For the fiscal year ended June 30, 2022, the City spent \$8,018.

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, 2022, the audited financial statements for the Board presented a net position of \$197,459.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

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 \$24 for each year of service for each child under the age of 18, for 2 years, or until the child reaches the age of 18, whichever is first. Retirees receive a \$10,000 life insurance benefit until attainment of 85 years of age.

Employees who retire from the City are eligible for retiree health and life insurance coverage upon attaining age 65 with 10 years of service or completion of 30 years of service. If a retiree is eligible for health insurance coverage, the plan will also provide health coverage for the retiree's spouse. This coverage will continue until the retiree dies. Eligible retirees and dependents are required to share the cost of health insurance.

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)	132
Total participants with Coverage	<u>540</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

The insurance carrier establishes the required payments to the plan through plan premiums. For the fiscal year ended June 30, 2022, the City of Lebanon, Tennessee paid \$734,526 to the plan for OPEB benefits as they came due.

Total OPEB Liability – the City’s total OPEB Liability of \$23,252,087 was measured as of July 1, 2022 and was determined by and actuarial valuation as of July 1, 2021.

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:

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 4.09%, 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)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at 6/30/21	\$ 28,527,963	\$ -	\$ 28,527,963
Changes for the year:			
Service cost	1,087,750		1,087,750
Interest	641,162		641,162
Benefit Changes	-		-
Differences between expected and actual experience	-		-
Changes in Assumptions	(6,270,260)		(6,270,260)
Contributions-employer		734,526	(734,526)
Contributions-employees		-	-
Net investment income		-	-
Benefit payments, including refunds of employee contributions	(734,526)	(734,526)	-
Administrative expense		-	-
Other Changes		-	-
Net changes	<u>(5,275,874)</u>	<u>-</u>	<u>(5,275,874)</u>
Balance at 6/30/22	\$ <u>23,252,089</u>	\$ <u>-</u>	\$ <u>23,252,089</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Changes in Assumptions – effective June 30, 2022 the following changes were made to the actuarial assumptions and methods:

1. The discount rate is 4.09% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022, compared with the prior Statement No. 75 discount rate of 2.22%

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 (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Net OPEB liability	\$ 26,352,339	\$ 23,252,089	\$ 20,633,528

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	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	\$ 20,157,395	\$ 23,252,089	\$ 27,058,330

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

OPEB Expense – for the fiscal year ended June 30, 2022, City of Lebanon, Tennessee recognized OPEB expense of \$2,034,155.

Deferred outflows of resources and deferred inflows of resources – for the fiscal year ended June 30, 2022 City of Lebanon, Tennessee reported deferred outflows and deferred inflows of resources related to OPEB benefits from the following sources:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,631,098	\$ -
Changes in Assumptions	-	5,643,237
Other Changes	(932,269)	-
Total	\$ 7,698,829	\$ 5,643,237

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

2023	\$	305,243
2024		305,243
2025		305,243
2026		305,243
2027		305,243
Thereafter		529,378

NOTE 18 – FAIR VALUE MEASUREMENTS

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

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

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

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 18 – FAIR VALUE MEASUREMENTS, CONTINUED

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 estimates 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, 2022:

Investments by fair value level	Total at			
	June 30, 2022	Level 1	Level 2	Level 3
Debt Securities:				
US Treasury	\$ 2,740,000	\$ 2,740,000	\$ -	\$ -
Government Fixed Energy	\$ 270,000		\$ 270,000	
Taxfree Muni	220,000	-	220,000	-
Taxable Muni	220,000		220,000	
Fixed Rate Certificates of Deposit	3,440,000	-	3,440,000	-
	<u>\$ 6,890,000</u>	<u>\$ 2,740,000</u>	<u>\$ 4,150,000</u>	<u>\$ -</u>

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

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
Fixed Agency Securities	\$ 270,000
Fixed Certificate of Deposit	3,500,000
Taxable Muni (Non-Callable) Securities	215,000
Taxfree Muni (Non-Callable Securities)	220,000
Treasury Securities	2,825,000
	<u>\$ 7,030,000</u>

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

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

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

Investment Type	Par	Remaining Maturity (in Months)		Rating as of Year End			
		12 or less	13-24	Moody's	Moody's	S&P	Other
				AAA	AA(1-3)	AA	Unrated
Fixed Agency Securities	\$ 270,000	\$ -	\$ 270,000	\$ 270,000	\$ -	\$ 270,000	\$ -
Fixed Certificate of Deposit	3,500,000	\$ 2,750,000	750,000	\$ -	-	-	3,500,000
Taxable Muni (Non-Callable) Securities	215,000	215,000	-	-	-	-	-
Taxfree Muni (Non-Callable Securities)	220,000	220,000	-	-	-	220,000	-
Treasury Securities	2,825,000	1,550,000	1,275,000	2,825,000	-	-	-
	<u>\$ 7,030,000</u>	<u>\$ 4,735,000</u>	<u>\$ 2,295,000</u>	<u>\$ 3,095,000</u>	<u>\$ -</u>	<u>\$ 490,000</u>	<u>\$ 3,500,000</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 19 – INTEREST RATE RISK, CONTINUED

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Report Amount</u>	<u>% of Portfolio</u>
United States Treasury	Treasury Securities	\$ 2,825,000	40.18%

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 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, 2020, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

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.

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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

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, 2022, the City of Lebanon, Tennessee had the following investments held by the trust on its behalf:

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Maturities</u>	<u>Fair Value</u>
Investments at Fair Value:			
Domestic Equity	N/A	N/A	\$ 291,851
Domestic Fixed Income	N/A	N/A	272,394
International Equity	N/A	N/A	136,197
International Fixed Income	N/A	N/A	-
Short Term Securitized	N/A	N/A	58,370
Real Estate	N/A	N/A	77,827
Private Equities & Strategic Lending	N/A	N/A	136,197
			<u>\$ 972,837</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

Investment by Fair Value Level	Fair Value Measurements Using				NAV
	Fair Value 06/30/22	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Domestic Equity	\$ 291,851	\$ 291,851	\$ -	\$ -	\$ -
Domestic Fixed Income	272,394	-	272,394	-	-
International Equity	136,197	136,197	-	-	-
International Fixed Income	-	-	-	-	-
Short Term Securitites	58,370	-	58,370	-	-
Real Estate	77,827	-	-	77,827	-
Private Equities & Strategic Lending	136,197	-	-	-	136,197
	<u>\$ 972,837</u>	<u>\$ 428,048</u>	<u>\$ 330,765</u>	<u>\$ 77,827</u>	<u>\$ 136,197</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.

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.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2022

NOTE 20 – TCRS STABILIZATION TRUST, CONTINUED

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 AND NET POSITION

During the audit, certain errors related to the prior year fund balances and net position were discovered. This resulted in the following restatements:

Fund Balances:	
General Fund	\$ (293,188)
Community Park Capital Projects	(113,304)
Decrease in Net Position, Governmental Activities	<u>\$ (406,492)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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	2021
Total pension liability	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129	\$ 1,131,382	\$ 1,081,735	\$ 1,050,414	\$ 1,019,705
Service cost	3,399,484	3,646,565	3,607,189	3,947,625	4,444,447	4,620,488	4,842,450	5,117,602
Interest	661,593	(3,214,342)	1,856,474	4,119,182	(1,050,216)	(424,245)	281,713	68,834
Differences between actual & expected experience	-	-	-	1,358,123	-	-	-	6,466,561
Change of assumptions	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)	(2,234,764)	(2,462,565)
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	10,210,137
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	70,799,197
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	\$ 81,009,334
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	\$ 2,085,473
Plan fiduciary net position	6,887,411	1,492,974	1,322,269	5,812,495	4,765,579	4,634,503	3,314,355	18,032,643
Contributions-employer	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)	(2,234,764)	(2,462,565)
Net investment income	(13,375)	(13,288)	(22,551)	(23,677)	(25,191)	(22,137)	(21,231)	(20,403)
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	17,635,148
Administrative expense	41,507,025	48,491,228	49,951,055	51,075,199	57,326,685	62,263,970	66,854,145	70,101,135
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	\$ 87,736,283
Plan fiduciary net position-beginning	\$ 37,318	\$ (1,794,993)	\$ 1,479,191	\$ 3,824,729	\$ 1,452,902	\$ 5,239	\$ 698,062	\$ (6,726,949)
Plan fiduciary net position-ending (b)	\$ 99.92%	103.73%	97.19%	93.75%	97.72%	99.99%	99.01%	108.30%
Net Pension Liability (asset)-ending (a) - (b)	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	\$ 14,303,140	\$ 14,070,055	\$ 14,149,094	\$ 13,903,150
Plan fiduciary net position as a percentage of total pension liability	0.29%	-13.46%	10.73%	25.17%	10.16%	0.04%	4.93%	-48.38%
Covered-employee payroll								
Net pension liability (asset) as a percentage of covered-employee payroll								

Notes to Schedule:

Changes of Assumptions - In 2021, amounts reported as changes of assumptions resulted from changes in the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvements.

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	2022
Actuarially determined contribution	\$ 1,828,142	\$ 1,774,194	\$ 1,834,691	\$ 2,024,375	\$ 2,157,052	\$ 2,110,521	\$ 2,181,335	\$ 2,078,521	\$ 2,098,331
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	2,085,473	2,098,331
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (255,328)	\$ -	\$ -	\$ (7,295)	\$ (6,952)	\$ -
Covered-employee payroll	\$ 12,938,008	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	\$ 14,303,140	\$ 14,070,138	\$ 14,149,094	\$ 13,903,150	\$ 14,035,659
Contributions as a percentage covered-employee payroll	14.13%	13.30%	13.30%	15.00%	15.08%	15.00%	15.47%	15.00%	14.95%

Valuation date: Actuarially determined contribution rates for fiscal year 2022 were calculated based on the June 30, 2020 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

Changes of assumptions. In 2017, the following assumptions were changed: decreased the 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 2.50 percent to 2.25 percent; decreased salary growth graded ranges from 4.25 percent to an average of 4.00 percent and modified mortality assumptions.

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	2021
Total pension liability	\$ 60,774	\$ 92,342	\$ 137,695	\$ 271,168	\$ 404,373	\$ 503,280
Service cost	4,558	11,079	23,829	52,117	94,223	141,848
Interest	-	-	-	-	-	-
Changes in benefit terms	(9,959)	27,271	95,335	134,650	91,187	(60,389)
Differences between actual & expected experience	-	4,922	-	-	-	220,190
Change of assumptions	-	-	-	(323)	(20,415)	(43,162)
Benefit payments, including refunds of employee contributions	-	-	-	-	569,368	761,767
Net change in total pension liability	55,373	135,614	256,859	457,612	905,458	1,474,826
Total pension liability-beginning	-	55,373	190,987	447,846	905,458	1,474,826
Total pension liability-ending (a)	\$ 55,373	\$ 190,987	\$ 447,846	\$ 905,458	\$ 1,474,826	\$ 2,236,593
Plan fiduciary net position	\$ 34,759	\$ 89,004	\$ 156,337	\$ 67,833	\$ 108,449	\$ 138,908
Contributions-employer	43,449	111,256	195,422	311,157	387,767	445,218
Contributions-employee	1,043	19,876	38,401	63,567	65,894	486,227
Net investment income	-	-	-	(323)	(20,415)	(43,162)
Benefit payments, including refunds of employee contributions	(2,675)	(5,688)	(10,412)	(14,649)	(17,444)	(18,390)
Administrative expense	933	-	-	-	-	-
Other	77,509	214,448	379,748	427,585	524,251	1,008,801
Net change in plan fiduciary net position	77,509	214,448	379,748	427,585	524,251	1,008,801
Plan fiduciary net position-beginning	-	77,509	291,957	671,705	1,099,290	1,623,541
Plan fiduciary net position-ending (b)	\$ 77,509	\$ 291,957	\$ 671,705	\$ 1,099,290	\$ 1,623,541	\$ 2,632,342
Net Pension Liability (asset)-ending (a) - (b)	\$ (22,136)	\$ (100,970)	\$ (223,859)	\$ (193,832)	\$ (148,715)	\$ (395,749)
Plan fiduciary net position as a percentage of total pension liability	139.98%	152.87%	149.99%	121.41%	110.08%	117.69%
Covered-employee payroll	\$ 871,710	\$ 2,225,577	\$ 3,908,422	\$ 6,223,123	\$ 8,158,315	\$ 8,904,344
Net pension liability (asset) as a percentage of covered-employee payroll	-2.54%	-4.54%	-5.73%	-3.11%	-1.82%	-4.44%

Notes to Schedule:

Changes of Assumptions - In 2021, 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.
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	2022
Actuarially determined contribution	\$ 17,325	\$ 25,149	\$ 53,545	\$ 248,919	\$ 108,449	\$ 138,908	\$ 459,214
Contributions in relation to the actuarially determined contribution	34,759	89,004	156,337	560,471	108,449	138,908	459,214
Contribution deficiency (excess)	<u>\$ (17,434)</u>	<u>\$ (63,855)</u>	<u>\$ (102,792)</u>	<u>\$ (311,552)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 871,710	\$ 2,225,577	\$ 3,908,422	\$ 6,222,983	\$ 8,158,315	\$ 8,904,344	\$ 28,522,595
Contributions as a percentage covered-employee payroll	3.99%	4.00%	4.00%	4.00%	1.33%	1.56%	1.61%

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 based on percentage of total salaries.

SUPPLEMENTARY INFORMATION

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

ASSETS	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
Cash	\$ 3,664,834	\$ 10,518	\$ 3,755,345	\$ 7,430,697
Investment in State Investment Pool	-	956,328	-	956,328
Certificates of Deposit	36,413	-	-	36,413
Accounts Receivable:				
State of Tennessee	9,742	-	70,877	80,619
Other	53,386	-	365,079	418,465
Due from Other Funds	300,000	1,000	201,592	502,592
Prepaid Expenses	13,989	-	-	13,989
	<u>\$ 4,078,364</u>	<u>\$ 967,846</u>	<u>\$ 4,392,893</u>	<u>\$ 9,439,103</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022

LIABILITIES	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Accounts Payable	\$ 128,513	\$ -	\$ 2,532,389	\$ 2,660,902
Vendors	4,463	25	-	4,488
Due to Other Funds	14,751	47,472	-	62,223
Bank Overdraft	51,906	-	-	51,906
Accrued Payroll and Related Items	156	-	-	156
Accrued Vacation Pay				
Total Liabilities	199,789	47,497	2,532,389	2,779,675
FUND BALANCES				
Fund Balances:				
Restricted for:				
Debt Service	-	920,349	-	920,349
Street	1,982,827	-	44,769	1,982,827
Recreation	-	-	-	44,769
Drug Enforcement	334,859	-	-	334,859
Community Assistance	113,325	-	-	113,325
Police	14,294	-	-	14,294
Economic Development	657,270	-	-	657,270
Committed to:				
Cemetary	137,097	-	-	137,097
Police	66,949	-	97,621	164,570
Assigned to:				
Recreation	-	-	255,002	255,002
Airport	283,440	-	237,659	521,099
Street	-	-	1,018,497	1,018,497
Police	22,852	-	206,956	229,808
Economic Development	2,393	-	-	2,393
Floyd Family Life Center	263,269	-	-	263,269
Total Fund Balances	3,878,575	920,349	1,860,504	6,659,428
Total Liabilities and Fund Balances	\$ 4,078,364	\$ 967,846	\$ 4,392,893	\$ 9,439,103

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, 2022

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Revenues				
State and Regional Apportionments and Grants	\$ 1,967,971	\$ -	\$ 135,351	\$ 2,103,322
Federal Grants	12,201	-	-	12,201
Fines and Costs	23,955	-	-	23,955
Interest	11,117	3,307	10,014	24,438
Other Revenues	1,815,805	-	1,618,425	3,434,230
Total Revenues	<u>3,831,049</u>	<u>3,307</u>	<u>1,763,790</u>	<u>5,598,145</u>
Expenditures				
General Government	280,712	3,691	-	284,403
Police	127,253	-	27,937	155,190
Street	461,728	-	82,183	543,911
Jimmy Floyd Family Life Center	1,615,469	-	-	1,615,469
Airport	302,937	-	831	303,768
Debt Service:				
Principal	-	2,221,526	-	2,221,526
Interest	-	630,412	-	630,412
Capital Outlay	1,005,445	-	2,250,445	3,255,890
Total Expenditures	<u>3,793,544</u>	<u>2,855,629</u>	<u>2,361,396</u>	<u>9,010,569</u>
Excess (Deficiency) of Revenues Over Expenditures	37,505	(2,852,322)	(597,606)	(3,412,423)
Other Financing Sources (Uses)				
Loan Proceeds	-	-	709,937	709,937
Capital Lease Proceeds	6,673	-	-	6,673
Transfers From Other Funds	1,829,935	2,859,373	676,592	5,365,900
Transfers To Other Funds	(345,915)	-	(20,000)	(365,915)
Total Other Financing Sources (Uses)	<u>1,490,693</u>	<u>2,859,373</u>	<u>1,366,529</u>	<u>5,716,595</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,528,198	7,051	768,923	2,304,172
Fund Balances				
July 01, 2021	2,350,377	913,298	1,091,581	4,355,256
Increase (Decrease) in Encumbrances	-	-	-	-
Transfer Fund Balance to General Fund	-	-	-	-
June 30, 2022	<u>\$ 3,878,575</u>	<u>\$ 920,349</u>	<u>\$ 1,860,504</u>	<u>\$ 6,659,428</u>

See notes to financial statements

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

June 30, 2022

ASSETS	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Cash	\$ 2,064,570	\$ 164,293	\$ -	\$ 106,530	\$ 254,318	\$ 6,795	\$ 13,545
Investment in State Investment Pool	-	-	-	-	-	-	-
Certificates of Deposit	-	-	36,413	-	-	-	-
Due From Other Funds	-	-	300,000	-	-	-	-
Prepaid Expenses	-	-	11,472	-	2,517	-	-
Other Receivables	-	1,923	12,028	-	39,673	-	4,318
Total Assets	\$ 2,064,570	\$ 166,216	\$ 359,913	\$ 106,530	\$ 296,508	\$ 6,795	\$ 17,863

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 81,743	\$ 1,675	\$ 29,766	\$ -	\$ 15,329	\$ -	\$ -
Due to Other Funds	-	-	65	-	80	-	4,318
Bank Overdraft	-	-	14,751	-	-	-	-
Accrued Payroll and Related Items	-	-	51,906	-	-	-	-
Accrued Vacation Pay	-	-	156	-	-	-	-
Total Liabilities	81,743	1,675	96,644	-	15,409	-	4,318

Fund Balances:

Restricted for:							
Street	1,982,827	-	-	-	-	-	-
Drug Enforcement	-	164,541	-	-	-	-	-
Community Assistance	-	-	-	106,530	-	6,795	-
Police	-	-	-	-	-	-	12,246
Economic Development	-	-	-	-	-	-	-
Committed to:							
Airport	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Assigned to:							
Floyd Family Life Center	-	-	263,269	-	-	-	1,299
Police	-	-	-	-	-	-	-
Airport	-	-	-	-	281,099	-	-
Economic Development	-	-	-	-	-	-	-
Total Fund Balance	1,982,827	164,541	263,269	106,530	281,099	6,795	13,545
Total Liabilities and Fund Balance	\$ 2,064,570	\$ 166,216	\$ 359,913	\$ 106,530	\$ 296,508	\$ 6,795	\$ 17,863

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

June 30, 2022

ASSETS	Cemetery Maintenance	Federal Asset Seizure	Law Enforcement Support Organization	Citizens Emergency Response Team	Electronic Citation	Tourism & Economic Development	Total Nonmajor Funds
Cash	\$ 131,915	\$ 27,673	\$ 142,645	\$ 23,601	\$ 69,286	\$ 659,663	\$ 3,664,834
Investment in State Investment Pool	-	-	-	-	-	-	-
Certificates of Deposit	-	-	-	-	-	-	36,413
Due From Other Funds	-	-	-	-	-	-	300,000
Prepaid Expenses	-	-	-	-	-	-	13,989
Other Receivables	5,182	-	-	-	4	-	63,128
Total Assets	\$ 137,097	\$ 27,673	\$ 142,645	\$ 23,601	\$ 69,290	\$ 659,663	\$ 4,078,364

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,513
Due to Other Funds	-	-	-	-	-	-	4,463
Bank Overdraft	-	-	-	-	-	-	14,751
Accrued Payroll and Related Items	-	-	-	-	-	-	51,906
Accrued Vacation Pay	-	-	-	-	-	-	156
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	199,789

Fund Balances:

Restricted for:							
Street	-	-	-	-	-	-	1,982,827
Drug Enforcement	-	27,673	142,645	-	-	-	334,859
Community Assistance	-	-	-	-	-	-	113,325
Police	-	-	-	2,048	-	-	14,294
Economic Development	-	-	-	-	-	657,270	657,270
Committed to:							
Airport	-	-	-	-	-	-	137,097
Cemetery	137,097	-	-	-	66,949	-	66,949
Police	-	-	-	-	-	-	263,269
Assigned to:							
Floyd Family Life Center	-	-	-	-	-	-	22,852
Police	-	-	-	21,553	-	-	283,440
Airport	-	-	-	-	2,341	-	2,393
Economic Development	-	-	-	-	-	2,393	3,878,575
Total Fund Balance	137,097	27,673	142,645	23,601	69,290	659,663	4,078,364
Total Liabilities and Fund Balance	\$ 137,097	\$ 27,673	\$ 142,645	\$ 23,601	\$ 69,290	\$ 659,663	\$ 4,078,364

CITY OF LEBANON, TENNESSEE
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year End June 30, 2022

	State Street Aid	Drug Enforcement Fund	Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Airport Operations	Beautification Committee	Lebanon Housing Authority
Revenues:							
State and Regional							
Apportionments and Grants	\$ 1,313,395	\$ -	\$ -	\$ -	\$ 64,250	\$ -	\$ -
Federal Grants	-	-	-	-	-	-	-
Contributions	-	-	-	46,775	25,000	3,000	-
Interest Income	5,745	313	1,679	256	287	90	53
Fines and Costs	-	23,955	-	-	-	-	-
Memberships, Fees and Concessions	-	-	1,073,999	-	-	-	50,292
Other	-	32,679	34,952	-	506,683	-	-
Total Revenues	1,319,140	56,947	1,110,630	47,031	596,220	3,090	50,345
Expenditures:							
Salaries	-	-	861,732	-	-	-	39,873
Payroll Taxes	-	-	65,295	-	-	-	3,050
Benefits	-	-	196,323	-	-	-	7,369
Other Operating Expenditures	461,728	75,447	492,119	30,604	302,937	10,000	-
Capital Outlay	8,018	-	676,177	-	321,250	-	-
Total Expenditures	469,746	75,447	2,291,646	30,604	624,187	10,000	50,292
Excess of Revenues Over (Under)	849,394	(18,500)	(1,181,016)	16,427	(27,967)	(6,910)	53
Expenditures							
Other Financing Sources (Uses):							
Operating Transfers To Other funds	(200,000)	-	-	-	(145,915)	-	-
Operating Transfers From Other Funds	-	-	1,352,435	-	453,000	4,500	-
Lease Proceeds	-	-	6,673	-	-	-	-
Total Other Financing Sources (Uses)	(200,000)	-	1,359,108	-	307,085	4,500	-
Excess of Revenues and Other Sources	649,394	(18,500)	178,092	16,427	279,118	(2,410)	53
Over (Under) Expenditures and Other							
Uses							
Fund Balances:							
July 01, 2021	1,333,433	183,041	85,177	90,103	1,981	9,205	13,492
Change in Encumbrances	\$ 1,982,827	\$ 164,541	\$ 263,269	\$ 106,530	\$ 281,099	\$ 6,795	\$ 13,545
June 30, 2022							

CITY OF LEBANON, TENNESSEE
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 Year Ended June 30, 2022

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,326	\$ 1,967,971
Federal Grants	-	12,201	-	-	-	-	12,201
Contributions	5,182	-	-	1,000	-	-	80,957
Interest Income	332	340	401	51	314	1,256	11,117
Fines and Costs	-	-	-	-	-	-	23,955
Memberships, Fees and Concessions	19,800	-	-	-	-	-	1,144,091
Other	-	-	3,997	-	12,446	-	590,757
Total Revenues	25,314	12,541	4,398	1,051	12,760	591,582	3,831,049
Expenditures:							
Salaries	-	-	-	-	-	-	901,605
Payroll Taxes	-	-	-	-	-	-	68,345
Benefits	-	-	-	-	-	-	203,692
Other Operating Expenditures	12,537	-	-	571	1,514	227,000	1,614,457
Capital Outlay	-	-	-	-	-	-	1,005,445
Total Expenditures	12,537	-	-	571	1,514	227,000	3,793,544
Excess of Revenues Over (Under) Expenditures	12,777	12,541	4,398	480	11,246	364,582	37,505
Other Financing Sources (Uses):							
Operating Transfers To Other funds	-	-	-	-	-	-	(345,915)
Operating Transfers From Other Funds	-	-	-	20,000	-	-	1,829,935
Lease Proceeds	-	-	-	-	-	-	6,673
Total Other Financing Sources (Uses)	-	-	-	20,000	-	-	1,490,693
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	12,777	12,541	4,398	20,480	11,246	364,582	1,528,198
Fund Balances:							
July 01, 2021	124,320	15,132	138,247	3,121	58,044	295,081	2,350,377
Decrease in Encumbrances	-	-	-	-	-	-	-
June 30, 2022	\$ 137,097	\$ 27,673	\$ 142,645	\$ 23,601	\$ 69,290	\$ 659,663	\$ 3,878,575

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

June 30, 2022

ASSETS	Police Local Option Fine	Airport Capital Projects	Lebanon- Wilson County Community Park	Street Improvements	Total Nonmajor Funds
Cash	\$ 330,784	\$ 437,943	\$ 342,754	\$ 2,643,864	\$ 3,755,345
Due from State	-	21,292	-	49,585	70,877
Due from Other Funds	-	-	201,592	-	201,592
Other Receivables	500	-	364,579	-	365,079
Total Assets	\$ 331,284	\$ 459,235	\$ 908,925	\$ 2,693,449	\$ 4,392,893
LIABILITIES AND FUND BALANCES					
Accounts Payable	\$ 26,707	\$ 221,576	\$ 609,154	\$ 1,674,952	\$ 2,532,389
Total Liabilities	26,707	221,576	609,154	1,674,952	2,532,389
Fund Balances:					
Restricted for:					
Recreation	-	-	44,769	-	44,769
Assigned to:					
Police	206,956	-	-	-	206,956
Recreation	-	-	255,002	-	255,002
Airport	-	237,659	-	-	237,659
Street	-	-	-	1,018,497	1,018,497
Committed to:					
Police	97,621	-	-	-	97,621
Total Fund Balances	304,577	237,659	299,771	1,018,497	1,860,504
Total Liabilities and Fund Balances	\$ 331,284	\$ 459,235	\$ 908,925	\$ 2,693,449	\$ 4,392,893

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

Year Ended June 30, 2022

	Police Local	Airport Capital	Lebanon- Wilson County	Street Improvements	Total Nonmajor
Revenues					
State Grants	\$ -	\$ 135,351	\$ -	\$ -	\$ 135,351
Other Revenues	618,506	-	-	999,919	1,618,425
Interest Earnings	1,672	1,041	1,129	6,172	10,014
Total Revenues	620,178	136,392	1,129	1,006,091	1,763,790
Expenditures					
Other Operating Expenditures	27,937	831	-	82,183	110,951
Capital Outlay	290,713	334,910	665,168	959,654	2,250,445
Total Expenditures	318,650	335,741	665,168	1,041,837	2,361,396
Excess of Revenues Over (Under) Expenditures	301,528	(199,349)	(664,039)	(35,746)	(597,606)
Other Financing Sources (Uses)					
Bond Proceeds	-	-	709,937	-	709,937
Operating Transfers To Other Funds	-	(20,000)	-	-	(20,000)
Operating Transfers From Other Funds	-	275,000	201,592	200,000	676,592
Total Other Financing Sources (Uses)	-	255,000	911,529	200,000	1,366,529
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	301,528	55,651	247,490	164,254	768,923
Fund Balances					
July 01, 2021	3,049	182,008	52,281	854,243	1,091,581
June 30, 2022	\$ 304,577	\$ 237,659	\$ 299,771	\$ 1,018,497	\$ 1,860,504

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

June 30, 2022

	ASSETS					
	2013 Bond Fund	2004 Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	2016 Legends Drive
Cash	\$ 118	\$ -	\$ -	\$ 16,071	\$ -	\$ -
Investment in State Investment Pool	-	14,217	7,804	16,071	1,104	25,313
Due from Other Funds	-	14,217	7,804	16,071	1,000	25,313
Total Assets	\$ 118	\$ 14,217	\$ 7,804	\$ 16,071	\$ 2,104	\$ 25,313
LIABILITIES AND FUND BALANCES						
Due to Other Funds	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Overdraft	-	-	1,681	-	1,905	-
Fund Balances - Restricted for Debt Service	93	14,217	6,123	16,071	199	25,313
Total Liabilities and Fund Balances	\$ 118	\$ 14,217	\$ 7,804	\$ 16,071	\$ 2,104	\$ 25,313

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES

Year Ended June 30, 2022

	2013					2014					2015					2016						
	Bond Fund	Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	Bond Fund	Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	Bond Fund	Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	Bond Fund	Bond Fund	2008 Refunding 2016 Refunding Bond Fund	2008 Bond Fund	2011 Bond Fund	2016 Legends Drive	
Revenues	\$ 3	\$ 82	\$ 24	\$ 127	\$ -	\$ 3	\$ 82	\$ 24	\$ 127	\$ -	\$ 3	\$ 82	\$ 24	\$ 127	\$ -	\$ 3	\$ 82	\$ 24	\$ 127	\$ -	\$ 163	
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditures	190,225	107,000	305,000	212,000	50,000	190,225	107,000	305,000	212,000	50,000	190,225	107,000	305,000	212,000	50,000	190,225	107,000	305,000	212,000	50,000	234,000	
Bank Charge	18,277	4,649	18,600	13,629	10,727	18,277	4,649	18,600	13,629	10,727	18,277	4,649	18,600	13,629	10,727	18,277	4,649	18,600	13,629	10,727	45,433	
Principal	208,502	111,649	323,600	225,629	61,648	208,502	111,649	323,600	225,629	61,648	208,502	111,649	323,600	225,629	61,648	208,502	111,649	323,600	225,629	61,648	279,433	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	(208,499)	(111,567)	(323,576)	(225,502)	(61,648)	(208,499)	(111,567)	(323,576)	(225,502)	(61,648)	(208,499)	(111,567)	(323,576)	(225,502)	(61,648)	(208,499)	(111,567)	(323,576)	(225,502)	(61,648)	(279,270)	
Excess of Revenues Over (Under) Expenditures	3	82	24	127	-	3	82	24	127	-	3	82	24	127	-	3	82	24	127	-	163	
Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Transfers To Other Funds	208,502	111,816	323,600	226,462	61,725	208,502	111,816	323,600	226,462	61,725	208,502	111,816	323,600	226,462	61,725	208,502	111,816	323,600	226,462	61,725	279,600	
Operating Transfers From Other Funds	208,502	111,816	323,600	226,462	61,725	208,502	111,816	323,600	226,462	61,725	208,502	111,816	323,600	226,462	61,725	208,502	111,816	323,600	226,462	61,725	279,600	
Total Other Financing Sources (Uses)	3	249	24	960	77	3	249	24	960	77	3	249	24	960	77	3	249	24	960	77	330	
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	90	13,968	6,099	15,111	122	90	13,968	6,099	15,111	122	90	13,968	6,099	15,111	122	90	13,968	6,099	15,111	122	24,983	
Fund Balances July 01, 2021	\$ 93	\$ 14,217	\$ 6,123	\$ 16,071	\$ 199	\$ 93	\$ 14,217	\$ 6,123	\$ 16,071	\$ 199	\$ 93	\$ 14,217	\$ 6,123	\$ 16,071	\$ 199	\$ 93	\$ 14,217	\$ 6,123	\$ 16,071	\$ 199	\$ 25,313	
June 30, 2022																						

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

June 30, 2022

	Westside Park	Airport Maintenance Hangar	Public Safety Building	Radio Systems	Road Improvements	Equipment	Total Nonmajor Funds
2016 Airport Terminal							
\$	\$ 218,305	\$ 10,400	\$ 389,578	\$ 182,973	\$ 89,454	\$ -	\$ 10,518
\$	\$ 218,305	\$ 13,466	\$ 389,578	\$ 182,973	\$ 89,454	\$ -	\$ 956,328
\$	\$ 43,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
\$	\$ 174,424	\$ 13,466	\$ 389,578	\$ 182,973	\$ 89,454	\$ -	\$ 967,846
\$	\$ 218,305	\$ 13,466	\$ 389,578	\$ 182,973	\$ 89,454	\$ -	\$ 967,846

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2022

	Westside Park	Airport Maintenance Hangar	Public Safety Building	Radio Systems	Road Improvements	Equipment	Total Nonmajor Funds
2016 Airport Terminal							
\$	\$ 480	\$ 110	\$ 1,004	\$ 1,005	\$ 256	\$ -	\$ 3,307
\$	\$ 170,000	\$ 32,300	\$ 196,000	\$ 214,000	\$ 70,000	\$ 2,770	\$ 3,691
\$	\$ 88,434	\$ 22,151	\$ 190,623	\$ 157,831	\$ 35,175	\$ 365,000	\$ 2,221,526
\$	\$ 238,434	\$ 54,451	\$ 386,623	\$ 371,831	\$ 105,175	\$ 377,295	\$ 630,412
\$	\$ (257,954)	\$ (54,341)	\$ (385,619)	\$ (370,826)	\$ (104,919)	\$ (377,295)	\$ (2,852,322)
\$	\$ 273,374	\$ 54,451	\$ 397,482	\$ 404,006	\$ 118,322	\$ 308,569	\$ 2,859,373
\$	\$ 273,374	\$ 54,451	\$ 397,482	\$ 404,006	\$ 118,322	\$ 308,569	\$ 2,859,373
\$	\$ 15,420	\$ 110	\$ 11,863	\$ 33,180	\$ 13,403	\$ (68,726)	\$ 7,051
\$	\$ 159,004	\$ 13,356	\$ 377,710	\$ 149,793	\$ 76,051	\$ 68,726	\$ 913,298
\$	\$ 174,424	\$ 13,466	\$ 389,573	\$ 182,973	\$ 89,454	\$ -	\$ 920,349

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
venues				
Gas 1989	\$ 1,140,000	\$ 1,140,000	\$ 104,959	\$ (1,035,041)
Gas 3 cent	-	-	194,482	194,482
Gas 2017	-	-	339,387	339,387
Gasoline & Motor Fuel Tax	-	-	674,567	674,567
Interest Income	10,000	10,000	5,745	(4,255)
Total Revenues	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,319,140</u>	<u>169,140</u>
penditures				
Utilities and Other				
Operating Expenditures	680,000	680,000	461,728	218,272
Capital Expenditures	505,000	505,000	8,018	496,982
Total Expenditures	<u>1,185,000</u>	<u>1,185,000</u>	<u>469,746</u>	<u>715,254</u>
Excess of Revenues Over Expenditures	(35,000)	(35,000)	849,394	884,394
Other Financing (Uses):				
Transfers to Other Funds	(200,000)	(200,000)	(200,000)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (235,000)</u>	<u>\$ (235,000)</u>	649,394	<u>\$ 884,394</u>
Fund Balances				
July 01, 2021			<u>1,333,433</u>	
June 30, 2022			<u>\$ 1,982,827</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Court Fines and Cost	\$ 14,000	\$ 19,910	\$ 23,955	\$ 4,045
Interest Income	700	700	313	(387)
Other	37,300	38,361	32,679	(5,682)
Total Revenues	<u>52,000</u>	<u>58,971</u>	<u>56,947</u>	<u>(2,024)</u>
Expenditures				
Capital Expenditures	-	-	-	-
Other Operating Expenditures	112,200	119,171	75,447	43,724
Total Expenditures	<u>112,200</u>	<u>119,171</u>	<u>75,447</u>	<u>43,724</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (60,200)</u>	<u>\$ (60,200)</u>	(18,500)	<u>\$ 41,700</u>
Fund Balances				
July 01, 2021			<u>183,041</u>	
June 30, 2022			<u>\$ 164,541</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Memberships, Fees and Concessions	\$ 1,129,500	\$ 1,208,937	\$ 1,073,999	\$ (134,938)
Rent	28,500	28,500	34,324	5,824
Other Revenues	-	0	628	628
Interest	3,000	3,000	1,679	(1,321)
Total Revenues	<u>1,161,000</u>	<u>1,240,437</u>	<u>1,110,630</u>	<u>(129,807)</u>
Expenditures:				
Salaries	768,835	871,078	861,732	9,346
Payroll Taxes	58,816	65,297	65,295	2
Benefits	202,422	204,522	196,323	8,199
Utilities	200,000	217,542	217,542	-
Telephone	23,550	24,001	24,001	-
Maintenance	50,000	65,800	53,175	12,625
Contractual Services	25,000	25,000	24,046	954
Supplies	105,541	108,541	102,024	6,517
Insurance	24,474	26,064	26,062	2
Other Operating Expenditures	39,225	55,915	45,269	10,646
Capital Outlay	84,500	684,375	676,177	8,198
Total Expenditures	<u>1,582,363</u>	<u>2,348,135</u>	<u>2,291,646</u>	<u>56,489</u>
Excess of Revenues (Under) Expenditures	(421,363)	(1,107,698)	(1,181,016)	(73,318)
Other Financing Sources				
Operating Transfers In	427,036	1,052,435	1,352,435	300,000
Capital Lease Proceeds	-	-	6,673	6,673
Total Other Financing Sources	<u>427,036</u>	<u>1,052,435</u>	<u>1,359,108</u>	<u>306,673</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 5,673</u>	<u>\$ (55,263)</u>	178,092	<u>\$ 233,355</u>
Fund Balances				
July 01, 2021			<u>85,177</u>	
June 30, 2022			<u>\$ 263,269</u>	

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 50	\$ 50	\$ 256	\$ 206
Contributions and Fundraiser	25,000	39,054	46,775	7,721
Total Revenues	<u>25,050</u>	<u>39,104</u>	<u>47,031</u>	<u>7,927</u>
Expenditures				
Other	<u>16,550</u>	<u>30,604</u>	<u>30,604</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>\$ 8,500</u>	<u>\$ 8,500</u>	16,427	<u>\$ 7,927</u>
Fund Balances				
July 01, 2021			<u>90,103</u>	
June 30, 2022			<u>\$ 106,530</u>	

See notes to financial statements

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

Year Ended June 30. 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
State Grant	\$ 15,000	\$ 15,000	\$ 64,250	\$ 49,250
Rent	325,800	332,317	348,251	15,934
Fuel Sales	20,000	20,000	29,977	9,977
Contributions	25,000	25,000	25,000	-
Other Revenues	-	13,455	128,455	115,000
Interest	1,300	1,300	287	(1,013)
Total Revenues	<u>387,100</u>	<u>407,072</u>	<u>596,220</u>	<u>189,148</u>
Expenditures:				
Utilities	31,000	34,103	34,102	1
Repairs & Maintenance	82,000	82,000	71,562	10,438
Contractual Services	20,000	99,000	69,880	29,120
Management Fee	26,000	26,200	26,172	28
Capital Outlay	-	321,251	321,250	1
Other Operating	115,158	141,256	101,221	40,035
Total Expenditures	<u>274,158</u>	<u>703,810</u>	<u>624,187</u>	<u>79,623</u>
Excess of Revenues Over (Under) Expenditures	112,942	(296,738)	(27,967)	268,771
Other Financing Sources (Uses):				
Transfers from Other Funds	60,000	453,000	453,000	-
Transfers to Other Funds	(167,524)	(167,524)	(145,915)	21,609
Total Other Financing Sources (Uses)	<u>(107,524)</u>	<u>285,476</u>	<u>307,085</u>	<u>21,609</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 5,418</u>	<u>\$ (11,262)</u>	279,118	<u>\$ 290,380</u>
Fund Balance			1,981	
July 01. 2021			<u>\$ 281,099</u>	
June 30. 2022				

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ 100	\$ 100	\$ 90	\$ (10)
Contributions	15,000	15,000	3,000	(12,000)
	<u>15,100</u>	<u>15,100</u>	<u>3,090</u>	<u>(12,010)</u>
Expenditures				
Operating Expenditures	15,000	15,000	10,000	5,000
Excess of Revenues Over (Under) Expenditures	100	100	(6,910)	(7,010)
Other Financing Sources:				
Transfer from Other Funds	3,000	3,000	4,500	1,500
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	<u>\$ 3,100</u>	<u>\$ 3,100</u>	(2,410)	<u>\$ (5,510)</u>
Fund Balances				
July 01, 2021			<u>9,205</u>	
June 30, 2022			<u>\$ 6,795</u>	

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Contract Fees	\$ 63,600	\$ 63,600	\$ 50,292	\$ (13,308)
Interest	175	175	53	(122)
Total Revenues	<u>63,775</u>	<u>63,775</u>	<u>50,345</u>	<u>(13,430)</u>
Expenditures				
Salaries	46,228	46,228	39,873	6,355
Payroll Taxes	3,536	3,536	3,050	486
Employee Benefits	13,677	15,490	7,369	8,121
Total Expenditures	<u>63,441</u>	<u>65,254</u>	<u>50,292</u>	<u>14,962</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 334</u>	<u>\$ (1,479)</u>	53	<u>\$ 1,532</u>
Fund Balances				
July 01, 2021			<u>13,492</u>	
June 30, 2022			<u>\$ 13,545</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Cemetery Maintenance Fees	\$ 14,000	\$ 14,000	\$ 19,800	\$ 5,800
Grant Revenue	-	12,000	5,182	\$ (6,818)
Interest Income	750	750	332	(418)
Other Revenue	12,500	12,500	-	(12,500)
Total Revenues	<u>27,250</u>	<u>39,250</u>	<u>25,314</u>	<u>(13,936)</u>
Expenditures				
Other Operating Expense	10,500	30,500	12,537	17,963
Total Expenditures	<u>10,500</u>	<u>30,500</u>	<u>12,537</u>	<u>17,963</u>
Excess of Revenues Over Expenditures	<u>\$ 16,750</u>	<u>\$ 8,750</u>	12,777	<u>\$ 4,027</u>
Fund Balances				
July 01, 2021			<u>124,320</u>	
June 30, 2022			<u>\$ 137,097</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	\$ 750	\$ 750	\$ 340	\$ (410)
Federal Grant - FASF	25,000	25,000	12,201	(12,799)
Total Revenues	<u>25,750</u>	<u>25,750</u>	<u>12,541</u>	<u>(13,209)</u>
Expenditures:				
Other Operating	7,500	7,500	-	7,500
Capital Outlay	23,000	23,000	-	23,000
Total Expenditures	<u>30,500</u>	<u>30,500</u>	<u>-</u>	<u>30,500</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (4,750)</u>	<u>\$ (4,750)</u>	12,541	<u>\$ 17,291</u>
Fund Balances				
July 01, 2021			15,132	
June 30, 2022			<u>\$ 27,673</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest Income	\$ 700	\$ 700	\$ 401	\$ (299)
Other Revenues	100,000	100,000	3,997	(96,003)
Total Revenues	<u>100,700</u>	<u>100,700</u>	<u>4,398</u>	<u>(96,302)</u>
Expenditures				
Salaries	9,200	9,200	-	9,200
Payroll Taxes	704	704	-	704
Other Operating	78,000	78,000	-	78,000
Capital Expenditures	100,000	100,000	-	100,000
	<u>187,904</u>	<u>187,904</u>	<u>-</u>	<u>187,904</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (87,204)</u>	<u>\$ (87,204)</u>	4,398	<u>\$ 91,602</u>
Fund Balances				
July 01, 2021			<u>138,247</u>	
June 30, 2022			<u>\$ 142,645</u>	

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ -	\$ -	\$ 51	\$ 51
Contributions	3,000	3,000	1,000	(2,000)
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>1,051</u>	<u>(1,949)</u>
Expenditures				
Operating Expenses	3,850	3,850	571	3,279
Capital Expense	20,000	20,000	-	20,000
Total Expenditures	<u>23,850</u>	<u>23,850</u>	<u>571</u>	<u>23,279</u>
Excess of Revenues Over (Under) Expenditures	(20,850)	(20,850)	480	21,330
Other Financing Sources: Transfer from Other Funds	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>24,609</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Sources	<u>\$ (850)</u>	<u>\$ (850)</u>	<u>\$ 20,480</u>	<u>\$ 45,939</u>
Fund Balances				
July 01, 2021			<u>3,121</u>	
June 30, 2022			<u>\$ 23,601</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Other Revenues	\$ 12,000	\$ 12,000	\$ 12,446	\$ 446
Interest	700	700	314	(386)
Total Revenues	<u>12,700</u>	<u>12,700</u>	<u>12,760</u>	<u>60</u>
Expenditures				
Other Operating Expenditures	<u>35,267</u>	<u>35,267</u>	<u>1,514</u>	<u>33,753</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (22,567)</u>	<u>\$ (22,567)</u>	11,246	<u>\$ 33,813</u>
Fund Balances				
July 01, 2021			58,044	
June 30, 2022			<u>\$ 69,290</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Hotel and Motel Tax	\$ 310,000	\$ 310,000	\$ 590,326	\$ 280,326
Interest	750	750	1,256	506
Total Revenues	<u>310,750</u>	<u>310,750</u>	<u>591,582</u>	<u>280,832</u>
Expenditures				
Other Operating Expenditures	<u>310,725</u>	<u>510,725</u>	<u>227,000</u>	<u>283,725</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 25</u>	<u>\$ (199,975)</u>	364,582	<u>\$ 564,557</u>
Fund Balances				
July 01, 2021			<u>295,081</u>	
June 30, 2022			<u>\$ 659,663</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	\$ 3,500	\$ 3,500	\$ 1,672	\$ (1,828)
Other Income	-	129,638	202,235	72,597
Local Option Court Fines	300,000	300,000	416,271	116,271
Total Revenues	<u>303,500</u>	<u>433,138</u>	<u>620,178</u>	<u>187,040</u>
Expenditures:				
Other Operating	53,000	106,170	27,937	78,233
Capital Outlay	250,000	348,458	290,713	57,745
Total Expenditures	<u>303,000</u>	<u>454,628</u>	<u>318,650</u>	<u>135,978</u>
Excess of Revenues Over Expenditures	<u>\$ 500</u>	<u>\$ (21,490)</u>	301,528	<u>\$ 323,018</u>
Fund Balances				
July 01, 2021			<u>3,049</u>	
June 30, 2022			<u>\$ 304,577</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
State Grant	\$ 977,000	\$ 1,006,365	\$ 135,351	\$ (871,014)
Interest Earnings	-	-	1,041	1,041
Total Revenues	<u>977,000</u>	<u>1,006,365</u>	<u>136,392</u>	<u>(869,973)</u>
Expenditures				
Other Operating Expenditures	-	931	831	100
Airport Capital Outlay	1,020,000	2,230,434	334,910	1,895,524
Total Expenditures	<u>1,020,000</u>	<u>2,231,365</u>	<u>335,741</u>	<u>1,895,624</u>
Excess of Revenues (Under) Expenditures	(43,000)	(1,225,000)	(199,349)	1,025,651
Other Financing Sources (Uses)				
Transfer to Other Funds	-	(20,000)	(20,000)	
Operating Transfers In	-	275,000	275,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>255,000</u>	<u>255,000</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (43,000)</u>	<u>\$ (970,000)</u>	55,651	<u>\$ 1,025,651</u>
Fund Balances				
July 01, 2021			<u>182,008</u>	
June 30, 2022			<u>\$ 237,659</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ 1,129	\$ 1,129
State Grants & Allocations	-	806,368	-	\$ (806,368)
Total Revenues	<u>-</u>	<u>806,368</u>	<u>1,129</u>	<u>(805,239)</u>
Expenditures				
Capital Outlay	200,000	1,863,974	665,168	1,198,806
Total Expenditures	<u>200,000</u>	<u>1,863,974</u>	<u>665,168</u>	<u>1,198,806</u>
Excess of Revenues (Under) Expenditures	(200,000)	(1,057,606)	(664,039)	393,567
Other Financing Sources				
Operating Transfers In	-	201,592	201,592	-
Bond Proceeds	-	611,514	709,937	98,423
Total Other Financing Sources	<u>-</u>	<u>813,106</u>	<u>911,529</u>	<u>98,423</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (200,000)</u>	<u>\$ (244,500)</u>	247,490	<u>\$ 491,990</u>
Fund Balances				
June 30, 2021, Restated			52,281	
June 30, 2022			<u>\$ 299,771</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ 6,172	\$ 6,172
Permits & Licenses	-	-	50	50
Contracts	3,234,800	4,258,315	58,405	(4,199,910)
Contributions	-	1,092,684	941,464	(151,220)
Total Revenues	<u>3,234,800</u>	<u>5,350,999</u>	<u>1,006,091</u>	<u>(4,344,908)</u>
Expenditures				
Capital Outlay	3,571,000	5,208,284	959,654	4,248,630
Other Operating Expenditures	280,000	2,138,173	82,183	2,055,990
Total Expenditures	<u>3,851,000</u>	<u>7,346,457</u>	<u>1,041,837</u>	<u>6,304,620</u>
Excess of Revenues (Under) Expenditures	(616,200)	(1,995,458)	(35,746)	1,959,712
Other Financing Sources				
Operating Transfers In	200,000	200,000	200,000	-
Bond and Loan Proceeds	280,000	280,000	-	280,000
Total Other Financing Sources	<u>480,000</u>	<u>480,000</u>	<u>200,000</u>	<u>280,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (136,200)</u>	<u>\$ (1,515,458)</u>	164,254	<u>\$ (1,679,712)</u>
Fund Balances				
July 01, 2021			<u>854,243</u>	
June 30, 2022			<u>\$ 1,018,497</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 100	\$ 100	\$ 3	\$ (97)
Expenditures				
Principal Expense	204,471	201,771	190,225	11,546
Interest Expense	15,614	18,314	18,277	37
Total Expenditures	220,085	220,085	208,502	11,583
Excess of Revenues (Under) Expenditures	(219,985)	(219,985)	(208,499)	11,486
Other Financing Sources				
Operating Transfers In	220,085	220,085	208,502	(11,583)
	220,085	220,085	208,502	(11,583)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 100	\$ 100	3	\$ (97)
Fund Balances				
July 01, 2021			90	
June 30, 2022			\$ 93	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 100	\$ 100	\$ 82	\$ (18)
Expenses				
Principal Expense	107,197	107,197	107,000	197
Interest Expense	13,290	13,290	4,649	8,641
Total Expenses	120,487	120,487	111,649	8,838
Excess of Revenues (Under) Expenditures	(120,387)	(120,387)	(111,567)	8,820
Other Financing Sources				
Operating Transfers In	120,457	120,457	111,816	(8,641)
	120,457	120,457	111,816	(8,641)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 70	\$ 70	249	\$ 179
Fund Balances				
July 01, 2021			13,968	
June 30, 2022			\$ 14,217	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ 24	\$ (176)
Expenses				
Principal Expense	305,000	305,000	305,000	-
Interest Expense	18,600	18,600	18,600	-
Total Expenses	<u>323,600</u>	<u>323,600</u>	<u>323,600</u>	<u>-</u>
Excess of Revenues (Under) Expenditures	(323,400)	(323,400)	(323,576)	(176)
Other Financing Sources				
Operating Transfers In	323,600	323,600	323,600	-
Total Other Financing Sources	<u>323,600</u>	<u>323,600</u>	<u>323,600</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 200</u>	<u>\$ 200</u>	24	<u>\$ (176)</u>
Fund Balances				
July 01, 2021			<u>6,099</u>	
June 30, 2022			<u>\$ 6,123</u>	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ 127	\$ (73)
Expenditures				
Principal	212,833	212,833	212,000	833
Interest	71,950	71,950	13,629	58,321
Total Expenditures	<u>284,783</u>	<u>284,783</u>	<u>225,629</u>	<u>59,154</u>
Excess of Revenues (Under) Expenditures	(284,583)	(284,583)	(225,502)	59,081
Other Financing Sources				
Operating Transfers In	<u>284,783</u>	<u>284,783</u>	<u>226,462</u>	<u>(58,321)</u>
	<u>284,783</u>	<u>284,783</u>	<u>226,462</u>	<u>(58,321)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 200</u>	<u>\$ 200</u>	960	<u>\$ 760</u>
Fund Balances				
July 01, 2021			<u>15,111</u>	
June 30, 2022			<u>\$ 16,071</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 100	\$ 100	\$ (2)	\$ (102)
Expenses				
Bank Charge	-	922	921	1
Principal Expense	50,000	50,000	50,000	-
Interest Expense	10,725	10,725	10,725	-
Total Expenses	60,725	61,647	61,646	1
Excess of Revenues (Under) Expenditures	(60,625)	(61,547)	(61,648)	(101)
Other Financing Sources				
Operating Transfers In	60,725	60,725	61,725	1,000
Total Other Financing Sources	60,725	60,725	61,725	1,000
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 100	\$ (822)	77	\$ 899
Fund Balances				
July 01, 2021			122	
June 30, 2022			\$ 199	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ 163	\$ (37)
Expenditures				
Principal	234,167	234,167	234,000	167
Interest Expense	94,750	94,750	45,433	49,317
Total Expenditures	328,917	328,917	279,433	49,484
Excess of Revenues (Under)				
Expenditures	(328,717)	(328,717)	(279,270)	49,447
Other Financing Sources				
Operating Transfers In	328,917	328,917	279,600	(49,317)
	328,917	328,917	279,600	(49,317)
Excess of Revenues and Other Sources				
Over Expenditures and Other Uses	\$ 200	\$ 200	330	\$ 130
Fund Balances				
July 01, 2021			24,983	
June 30, 2022			\$ 25,313	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 200	\$ 200	\$ 53	\$ (147)
Expenditures				
Principal Expense	76,083	76,083	76,001	82
Interest Expense	36,990	36,990	15,358	21,632
Total Expenditures	113,073	113,073	91,359	21,714
Excess of Revenues (Under) Expenditures	(112,873)	(112,873)	(91,306)	21,567
Other Financing Sources				
Operating Transfers In	113,073	113,073	91,464	(21,609)
	113,073	113,073	91,464	(21,609)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 200	\$ 200	158	\$ (42)
Fund Balances				
July 01, 2021			8,285	
June 30, 2022			\$ 8,443	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 300	\$ 300	\$ 480	\$ 180
Expenditures				
Principal Expense	171,000	171,000	170,000	1,000
Interest Expense	102,374	102,374	88,434	13,940
Total Expenditures	273,374	273,374	258,434	14,940
Excess of Revenues (Under)				
Expenditures	(273,074)	(273,074)	(257,954)	15,120
Other Financing Sources				
Operating Transfers In	273,374	273,374	273,374	-
	273,374	273,374	273,374	-
Excess of Revenues and Other Sources				
Over Expenditures and Other Uses	\$ 300	\$ 300	15,420	\$ 15,120
Fund Balances				
July 01, 2021			159,004	
June 30, 2022			\$ 174,424	

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 150	\$ 150	\$ 110	\$ (40)
Expenditures				
Principal	32,300	32,300	32,300	-
Interest Expense	<u>22,151</u>	<u>22,151</u>	<u>22,151</u>	<u>-</u>
Total Expenditures	54,451	54,451	54,451	-
Excess of Revenues (Under) Expenditures	(54,301)	(54,301)	(54,341)	(40)
Other Financing Sources				
Operating Transfers In	<u>54,451</u>	<u>54,451</u>	<u>54,451</u>	<u>-</u>
Operating Transfers In	54,451	54,451	54,451	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 150</u>	<u>\$ 150</u>	110	<u>\$ (40)</u>
Fund Balances				
July 01, 2021			<u>13,356</u>	
June 30, 2022			<u>\$ 13,466</u>	

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 500	\$ 500	\$ 1,004	\$ 504
Expenditures				
Interest Expense	196,232	196,232	190,623	5,609
Principal Expense	201,250	201,250	196,000	5,250
Total Expenditures	<u>397,482</u>	<u>397,482</u>	386,623	10,859
Excess of Revenues (Under) Expenditures	(396,982)	(396,982)	(385,619)	11,363
Other Financing Sources				
Operating Transfers In	<u>397,482</u>	<u>397,482</u>	<u>397,482</u>	-
Operating Transfers In	397,482	397,482	397,482	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 500</u>	<u>\$ 500</u>	11,863	<u>\$ 11,363</u>
Fund Balances			<u>377,710</u>	
July 01, 2021			\$ 389,573	
June 30, 2022			<u>389,573</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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 1,005</u>	<u>\$ 605</u>
Expenditures				
Principal	214,667	214,667	214,000	667
Interest Expense	<u>187,339</u>	<u>187,339</u>	<u>157,831</u>	<u>29,508</u>
Total Expenditures	<u>402,006</u>	<u>402,006</u>	<u>371,831</u>	<u>30,175</u>
Excess of Revenues (Under)				
Expenditures	(401,606)	(401,606)	(370,826)	30,780
Other Financing Sources				
Operating Transfers In	<u>402,006</u>	<u>402,006</u>	<u>404,006</u>	<u>2,000</u>
	<u>402,006</u>	<u>402,006</u>	<u>404,006</u>	<u>2,000</u>
Excess of Revenues and Other Sources				
Over Expenditures and Other Uses	<u>\$ 400</u>	<u>\$ 400</u>	33,180	<u>\$ 32,780</u>
Fund Balances				
July 01, 2021			<u>149,793</u>	
June 30, 2022			<u>\$ 182,973</u>	

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, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 100	\$ 100	\$ 256	\$ 156
Expenditures				
Principal Expense	71,167	71,167	70,000	1,167
Interest Expense	47,156	47,156	35,175	11,981
Total Expenditures	<u>118,323</u>	<u>118,323</u>	<u>105,175</u>	<u>13,148</u>
Excess of Revenues (Under) Expenditures	(118,223)	(118,223)	(104,919)	13,304
Other Financing Sources				
Operating Transfers In	<u>118,323</u>	<u>118,323</u>	<u>118,322</u>	<u>(1)</u>
	118,323	118,323	118,322	(1)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ 100</u>	<u>\$ 100</u>	13,403	<u>\$ 13,303</u>
Fund Balances				
July 01, 2021			<u>76,051</u>	
June 30, 2022			<u>\$ 89,454</u>	

See notes to financial statements

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues				\$ 100
Interest Earnings	\$ 100	\$ 100	-	100
	<u>100</u>	<u>100</u>		
Expenditures			365,000	-
Principal Expense	89,500	365,000	2,770	-
Bank Charges	-	2,770	2,770	-
Interest Expense	8,312	9,612	9,525	87
Total Expenditures	<u>97,812</u>	<u>377,382</u>	<u>377,295</u>	<u>87</u>
Excess of Revenues (Under)				187
Expenditures	(97,712)	(377,282)	(377,295)	
Other Financing Sources			308,569	(68,813)
Operating Transfers In	<u>97,812</u>	<u>377,382</u>	<u>308,569</u>	<u>(68,813)</u>
	97,812	377,382	308,569	
Excess of Revenues and Other Sources				(68,626)
(Under) Expenditures and Other			(68,726)	\$ (68,626)
Uses	<u>\$ 100</u>	<u>\$ 100</u>		
Fund Balances			<u>68,726</u>	
July 01, 2021			-	
June 30, 2022			<u>\$ -</u>	

See notes to financial statements

SUPPLEMENTARY SCHEDULES

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

	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
Total	\$ 183,339	\$ 140,418	\$ 141,370	\$ 100,891	\$ 49,446	\$ -	\$ 40,513	\$ 105,493	\$ 270,748	\$ -	\$ -	\$ -
Salaries	1,412,698	10,599	10,517	7,225	3,222	-	3,004	7,824	21,501	-	-	-
Payroll Taxes	3,938,736	30,758	29,158	37,806	13,203	-	3,251	24,959	43,174	-	-	-
Employer Paid Benefits	2,062,493	21,974	19,821	9,043	5,944	-	6,024	16,075	36,777	-	-	-
Retirement	1,298	598	587	739	77	-	144	1,978	1,443	-	-	-
Workmen's Compensation	2,066	-	-	-	-	-	-	-	192	-	-	-
Unemployment	1,113	174	209	503	-	-	-	-	974	-	-	-
Training	43,296	140	5,371	2,224	760	-	2,746	4	31	-	-	-
Communications	15,383	4	1,258	1,237	301	-	-	-	11	-	-	-
Postage and Shipping	5,858	1,692	4,502	6,885	412	-	-	-	923	-	-	-
Transportation Expense	52,079	3,540	1,195	1,167	265	-	481	680	926	-	-	-
Printing	111,262	7,041	4,782	2,934	1,768	-	3,011	16,122	19,813	-	-	-
Subscriptions	333,595	-	-	-	-	-	-	-	24,651	-	-	-
Dues	570,075	-	-	-	-	-	-	-	9,787	-	-	-
Utilities	143,682	-	-	-	-	-	-	-	-	-	-	-
Telephone	45,628	-	-	-	-	-	-	-	-	-	-	-
Engineering and Architect	78,779	-	-	-	-	-	-	78,779	-	-	-	-
Professional Fees	77,520	-	-	-	-	-	-	0	-	-	-	-
Data Processing	614,208	-	-	-	-	-	-	884	10,585	-	-	49,314
Medical	45,842	38	995	25,811	-	-	-	-	989	-	-	-
Maintenance	18,146	127	6,501	734	38,883	-	44	333,230	33,196	-	-	-
Travel and Meals	1,034	13	3,160	675	1,030	-	816	1,266	15,482	-	-	-
Public Relations	59	473	309	91	91	-	-	148	27,568	-	-	-
Contractual Services	97,345	380	-	-	-	-	-	-	507	-	-	-
Janitorial Services	591,579	-	-	-	-	-	-	-	2,333	-	-	-
Office Supplies	(12,047)	-	-	-	-	-	-	-	-	-	-	-
Operating Supplies	20,341	-	-	-	-	-	-	-	150	-	-	-
Street Signs	220,401	-	-	-	-	-	-	-	3,023	-	-	-
Uniforms	752,364	-	-	-	-	-	-	-	1,223	-	-	-
Cas	443,959	39	36	-	-	-	-	715	3,023	-	-	-
Motor Vehicle Parts	140,008	19	-	-	-	-	-	478	1,223	-	-	-
Materials	571,400	2,661	12,061	257	23	-	2,564	-	(266)	-	-	-
Insurance	49,811	454	162	517	162	-	1,149	-	8,310	-	-	-
Rent	300,138	-	-	-	-	-	-	-	-	-	-	-
Contributions	1,389,273	-	-	-	-	-	-	-	105,429	-	-	-
Debt Service	3,655,280	6,723	8,214	8,591	8,591	-	-	-	636,822	-	-	-
Capital Outlay	40,011,321	235,111	242,756	200,334	115,175	451,455	63,747	588,655	2,840	36,665	767,655	718,341
Totals	\$ 40,011,321	\$ 505,316	\$ 242,756	\$ 200,334	\$ 115,175	\$ 451,455	\$ 63,747	\$ 588,655	\$ 2,840	\$ 36,665	\$ 767,655	\$ 718,341

CITY OF LEBANON, TENNESSEE
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
 Year Ended June 30, 2022

	Public Safety	Personnel	Traffic Maintenance	General Maintenance	Police	Fire	Building Inspection	Building Maintenance	Street	Animal Control	Drainage Migration	Risk Assessment	Mitchell House	Passthrough Grant
Salaries	\$ 379,362	\$ 287,493	\$ 143,285	\$ 348,175	\$ 8,349,187	\$ 5,147,926	\$ 308,430	\$ 35,305	\$ 669,497	\$ 144,636	\$ (11,540)	\$ 47,552	\$ 34,795	
Payroll Taxes	23,674	21,664	11,523	24,628	612,396	377,864	22,313	1,645	49,650	9,591	-	3,655	550	
Employer Paid Benefits	90,323	43,171	19,135	78,369	1,605,313	1,049,392	56,333	4,023	165,815	35,431	-	4,670	-	
Retirement	46,244	33,576	19,458	28,901	846,657	551,091	35,008	3,353	65,613	12,723	-	7,366	-	
Workmen's Compensation	4,946	804	3,091	12,391	167,910	66,979	7,986	1,644	29,058	1,133	-	742	-	
Unemployment	-	-	-	-	1,874	-	-	-	-	-	-	-	-	
Training	-	1,294	-	-	85,515	54,076	2,227	-	450	-	-	-	-	
Communications	-	-	-	-	43,296	-	-	-	-	-	-	-	-	
Postage and Shipping	-	496	-	-	2,099	227	25	-	-	18	-	-	-	
Transportation Expense	153	-	9	62	2,003	567	27	-	552	-	-	336	-	
Printing	-	-	-	49	14,213	2,886	839	-	-	-	-	-	-	
Subscriptions	-	-	-	-	179	-	-	-	-	-	-	60	-	
Dues	640	1,349	340	1,665	26,482	16,267	1,394	265	2,570	370	-	60	-	
Utilities	26,679	-	-	2,077	34,453	68,480	33,484	-	13,220	2,255	-	1,277	110	
Telephone	13,055	7,198	3,491	4,523	195,749	195,749	7,318	1,305	80,828	-	-	-	-	
Engineering and Architect	-	-	-	-	-	-	-	-	-	-	-	-	-	
Professional Fees	11,084	-	-	-	-	-	-	-	-	-	-	-	175	
Data Processing	-	-	-	2,112	10,757	56,015	244	-	2,103	943	-	1,356	23,514	
Medical	822	105	-	27,976	91,380	102,864	726	39,475	95,578	201	-	136	-	
Maintenance	16,571	-	73,210	-	36,153	571	-	-	853	-	-	133	-	
Travel	1,661	23	-	-	9,357	475	1,109	-	3,244	197	-	133	459	
Public Relations	463	884	-	-	137,722	48,420	274	20,278	51,723	116	54,408	(52)	5,644	8,900
Contractual Services	6,004	62,945	16,403	1,225	-	-	-	-	-	-	-	-	-	
Janitorial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	
Office Supplies	-	3,505	123	246	41,060	5,335	6,969	8	1,542	-	-	360	25	
Operating Supplies	6,267	609	8,107	7,854	158,914	73,874	202	9,317	30,922	3,883	-	174	3,847	
Street Signs	-	-	-	-	-	-	-	-	-	-	-	-	-	
Uniforms	-	-	1,548	3,719	83,502	102,575	-	147	13,438	67	-	-	63	
Gas	36,587	-	5,574	14,193	340,134	74,006	4,636	-	102,637	1,973	-	-	-	
Motor Vehicle Parts	20,205	-	432	5,268	85,442	28,051	1,791	-	133,542	735	-	-	-	
Materials	4,597	-	-	1,148	3,081	1,934	-	-	115,291	-	-	-	-	
Insurance	-	1,724	1,075	7,272	257,307	92,750	6,805	16,504	20,141	753	-	-	15,927	
Rent	12,000	-	-	18,783	12,000	-	-	-	5,200	-	-	-	-	
Contributions	-	-	-	-	34,341	246,264	-	-	121,228	-	-	-	-	
Debt Service	-	-	-	64,475	297,068	429,935	32,517	56,678	931,148	30,028	-	-	-	
Capital Outlay	334,114	8,214	-	-	297,068	429,935	497,173	223,431	2,705,843	245,053	42,868	67,765	111,471	8,900
Totals	\$ 985,451	\$ 476,618	\$ 306,804	\$ 655,111	\$ 13,538,811	\$ 8,837,869	\$ 497,173	\$ 223,431	\$ 2,705,843	\$ 245,053	\$ 42,868	\$ 67,765	\$ 111,471	\$ 8,900

CITY OF LEBANON, TENNESSEE
 CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
 Year Ended June 30, 2022

	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	\$ 436,642	\$ 237,979	\$ 44,871	\$ 576,696	\$ -	\$ -	\$ -	\$ 41,535	\$ 763,512	\$ -	\$ 199,007	\$ 36,845	\$ 135,109	\$ -	\$ 1,938,517
Payroll Taxes	29,848	18,574	4,630	40,575	-	-	-	2,836	54,416	-	13,205	2,813	9,686	-	1,412,698
Employer Paid Benefits	70,086	6,667	133,896	6,667	-	-	-	4,151	154,837	-	56,315	10,610	40,193	-	3,938,736
Retirement	45,507	32,189	9,310	60,975	-	-	-	3,328	85,989	-	23,448	3,614	14,027	-	2,062,493
Workmen's Compensation	915	6,229	1,237	14,684	-	-	-	1,030	25,897	-	-	268	1,700	-	355,508
Unemployment	670	-	-	-	-	-	-	-	20,710	-	-	156	-	-	168,071
Training	1,190	-	-	-	-	-	-	-	103	39	-	(228)	-	-	43,296
Communications	33	6	109	46	-	-	-	-	2,303	-	-	4	36	-	15,383
Postage and Shipping	3,224	750	748	951	-	-	-	-	18,790	-	-	90	774	-	5,858
Transportation Expense	694	994	104	-	-	-	-	-	-	-	-	-	-	-	6,885
Printing	4,239	1,285	340	1,475	-	-	30,654	-	2,230	-	340	11,051	-	-	111,262
Subscriptions	-	13,453	3,732	82,479	-	-	-	19,511	817	-	-	4,782	7,039	-	333,595
Dues	8,657	3,741	16,925	24,882	-	-	-	-	988	-	-	-	-	0	570,075
Utilities	12,271	-	-	4,502	-	-	-	-	(158)	-	-	-	-	-	143,682
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,628
Engineering and Architect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78,779
Professional Fees	104	97	-	835	-	-	-	-	1,677	-	-	881	175	-	77,520
Data Processing	530	6,539	6,933	7,092	-	-	2,993	2,993	56,944	-	-	2,024	18	-	614,208
Medical	110,755	1,685	28,504	59,847	-	-	12,064	537,296	628,890	-	-	66,711	15,700	-	45,842
Maintenance	454	487	-	-	-	-	-	-	2,228	-	-	28,013	-	-	120,089
Travel	4,631	792	409	-	-	-	-	-	4,145	959	-	361	276	-	2,237,093
Public Relations	167	16,687	3,180	45,648	-	-	-	21,486	123,729	-	-	324	432	-	59
Contractual Services	294	2,892	329	-	-	-	-	-	-	-	-	-	-	-	97,345
Janitorial Services	2,312	2,693	5,713	-	-	-	-	-	4,145	-	-	-	-	-	591,579
Office Supplies	756	1,849	1,364	-	-	-	-	-	123,729	-	-	-	-	-	20,341
Operating Supplies	(346)	-	-	-	-	-	-	-	-	-	-	-	-	-	220,401
Street Signs	88,867	74,820	3,467	165,641	-	-	-	13,500	297,268	-	-	881	614	-	752,364
Uniforms	28,783	-	-	-	-	-	-	-	9,880	-	-	218	9,884	-	443,959
Gas	852,747	496,872	146,088	1,335,922	59,794	43,338	342,846	719,786	2,584,418	598	386,707	171,491	268,105	2,500	40,011,321
Motor Vehicle Parts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	140,008
Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	571,400
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,811
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300,138
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,385,273
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,653,280
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 852,747	\$ 496,872	\$ 146,088	\$ 1,335,922	\$ 59,794	\$ 43,338	\$ 342,846	\$ 719,786	\$ 2,584,418	\$ 598	\$ 386,707	\$ 171,491	\$ 268,105	\$ 2,500	\$ 40,011,321

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

Year Ended June 30, 2022

	Transmission and Distribution	Customer Accounting & Collection	Administrative and General	Shop and Maintenance	Meter Reader	Total (Memorandum Only)
Salaries	\$ 887,944	\$ 33,251	\$ 460,553	\$ 72,411	\$ 50,662	\$ 1,504,821
Payroll Taxes	65,428	2,506	33,673	5,328	3,887	110,822
Employee Benefits	394,559	9,380	123,083	25,116	18,873	571,011
Pension Costs	100,129	4,871	57,722	8,063	6,139	176,924
Communications	3,500	-	-	-	-	3,500
Supplies and Publications	15,880	363	16,213	229	18	32,703
Dues	34,892	-	6,706	160	105	41,863
Utilities	67,167	877	22,147	10,259	975	101,425
Professional Services	4,200	-	17,974	-	-	22,174
Repair and Maintenance	122,644	-	3,750	12,354	22	138,770
Travel	8,311	-	2,062	-	-	10,373
Operating Supplies	70,181	979	17,858	6,462	5,826	101,306
Maintenance Supplies	96,629	-	29,160	2,829	4,893	133,511
Contractual Services	97,694	21,696	150,598	3,876	3,876	277,740
Insurance	66,947	103	13,036	8,495	1,520	90,101
Bad Debt Expense	-	11,027	-	-	-	11,027
Rent	6,113	143	521	1,138	-	7,915
Community Relations/Marketing	40,565	-	24,033	-	-	64,598
Miscellaneous	13,401	-	11,024	6,476	-	30,901
	<u>\$ 2,096,184</u>	<u>\$ 85,196</u>	<u>\$ 990,113</u>	<u>\$ 163,196</u>	<u>\$ 96,796</u>	<u>\$ 3,431,485</u>

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

Year Ended June 30, 2022

	Water	Sewer	Total
	<u>Purification Plant</u>		
Expenses			
Salaries	\$ 725,615	\$ -	\$ 725,615
Payroll Taxes	53,271	-	53,271
Employee Benefits	204,641	-	204,641
Pension Costs	215,172	-	215,172
Communications	-	-	-
Supplies and Publications	5,942	-	5,942
Dues and Subscriptions	3,528	-	3,528
Utilities	485,468	-	485,468
Professional Services	-	-	-
Miscellaneous	2,953	-	2,953
Repair and Maintenance	107,948	-	107,948
Travel	2,067	-	2,067
Operating Supplies	542,591	-	542,591
Maintenance Supplies	12,204	-	12,204
Insurance	57,191	-	57,191
Community Relations/Marketing	-	-	-
Contractual Services	173,276	-	173,276
Rent	-	-	-
Totals	<u>\$ 2,591,867</u>	<u>\$ -</u>	<u>\$ 2,591,867</u>

	<u>Shop and Maintenance</u>		
Expenses			
Salaries	\$ 94,687	\$ 87,525	\$ 182,212
Payroll Taxes	6,967	6,440	13,407
Employee Benefits	32,797	30,306	63,103
Pension Costs	25,858	23,875	49,733
Communications	-	-	-
Supplies and Publications	302	280	582
Dues	209	192	401
Miscellaneous	8,934	8,360	17,294
Utilities	14,311	13,424	27,735
Repair and Maintenance	17,041	15,946	32,987
Travel	-	-	-
Operating Supplies	8,636	8,024	16,660
Maintenance Supplies	3,681	3,399	7,080
Insurance	11,869	11,137	23,006
Contractual Services	5,468	5,141	10,609
Rent	1,480	1,366	2,846
Totals	<u>\$ 232,240</u>	<u>\$ 215,415</u>	<u>\$ 447,655</u>

Water	Sewer	Total
<u>Transmission and Distribution</u>		
\$ 984,968	\$ 727,466	\$ 1,712,434
145,300	52,032	197,332
242,132	222,950	465,082
265,546	211,114	476,660
-	-	-
2,890	1,875	4,765
10,705	2,579	13,284
139,893	170,570	310,463
-	-	-
5,774	6,294	12,068
14,628	85,611	100,239
-	-	-
92,406	70,436	162,842
80,823	85,528	166,351
46,332	25,098	71,430
-	-	-
21,208	88,200	109,408
-	2,409	2,409
<u>\$ 2,052,605</u>	<u>\$ 1,752,162</u>	<u>\$ 3,804,767</u>

Water	Sewer	Total
<u>Administrative and General</u>		
\$ 621,056	\$ 648,145	\$ 1,269,201
45,417	47,404	92,821
166,997	174,922	341,919
178,219	185,981	364,200
-	-	-
21,498	21,213	42,711
9,214	9,253	18,467
29,510	30,189	59,699
24,648	24,648	49,296
15,131	15,328	30,459
5,015	5,106	10,121
2,813	2,805	5,618
23,614	23,436	47,050
74,208	4,108	78,316
17,332	18,188	35,520
14,745	14,745	29,490
208,150	201,187	409,337
577	12,689	13,266
<u>\$ 1,458,144</u>	<u>\$ 1,439,347</u>	<u>\$ 2,897,491</u>

<u>Customer Accounting</u>		
\$ 46,853	\$ 45,342	\$ 92,195
3,531	3,417	6,948
13,217	12,790	26,007
14,441	13,983	28,424
-	-	-
511	495	1,006
-	-	-
-	-	-
1,235	1,196	2,431
-	-	-
-	-	-
1,380	1,335	2,715
-	-	-
145	140	285
30,572	29,586	60,158
202	195	397
<u>\$ 112,087</u>	<u>\$ 108,479</u>	<u>\$ 220,566</u>

<u>Sewer System Direct</u>		
\$ -	\$ 818,738	\$ 818,738
-	60,414	60,414
-	203,767	203,767
-	223,354	223,354
-	-	-
-	2,565	2,565
-	8,522	8,522
-	12,160	12,160
-	1,455,627	1,455,627
-	99,689	99,689
-	90	90
-	752,694	752,694
-	15,359	15,359
-	64,430	64,430
-	119,910	119,910
-	-	-
<u>\$ -</u>	<u>\$ 3,837,319</u>	<u>\$ 3,837,319</u>

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

Year Ended June 30, 2022

Expenses	<u>Meter Readers</u>			<u>Gasification</u>		
	Water	Sewer	Total	Water	Sewer	Total
Salaries	\$ 37,997	\$ 37,997	\$ 75,994	\$ -	\$ -	\$ -
Payroll Taxes	2,916	2,916	5,832	-	-	-
Employee Benefits	14,155	14,155	28,310	-	-	-
Pension Costs	10,761	10,761	21,522	-	-	-
Supplies and Publications	9	18	27	-	-	-
Dues	80	80	160	-	-	-
Utilities	732	732	1,464	-	-	-
Repair and Maintenance	3,692	34	3,726	3,150	-	3,150
Travel	-	-	-	-	-	-
Operating Supplies	43,772	43,772	87,544	-	-	-
Insurance	1,158	1,158	2,316	-	-	-
Contractual Services	2,907	15,879	18,786	-	-	-
Miscellaneous	-	-	-	-	-	-
Repair and Maintenance	-	3,675	3,675	-	-	-
Totals	\$ 118,179	\$ 131,177	\$ 249,356	\$ 3,150	\$ -	\$ 3,150

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

Year Ended June 30, 2022

	Stormwater	Administrative and General	Customer Service & Accounting	Drainage Mitigation	Total (Memorandum Only)
Salaries	\$ 191,098	\$ 191,432	\$ 8,372	\$ 260,332	\$ 651,234
Payroll Taxes	14,315	14,142	606	19,054	48,117
Employee Benefits	39,492	43,484	7,697	58,089	148,762
Pension Costs	(24,857)	(18,450)	(1,152)	(29,394)	(73,853)
Community Relations & Marketing	-	-	-	72	72
Supplies and Publications	7,705	1,791	308	36	9,840
Dues	519	972	5	-	1,496
Utilities	3,964	6,545	664	2,962	14,135
Professional Services	-	4,616	3,034	-	7,650
Repair and Maintenance	84	6,181	-	10,265	16,530
Travel	-	644	-	-	644
Operating Supplies	24,334	7,146	57	15,499	47,036
Maintenance Supplies	8,014	11,981	-	33,637	53,632
Contractual Services	17,074	52,745	101	61,470	131,390
Insurance	4,344	2,225	37	4,423	11,028
Rent	-	78	47	-	125
Miscellaneous	2,410	514	29	300	3,253
	<u>\$ 288,496</u>	<u>\$ 326,046</u>	<u>\$ 19,805</u>	<u>\$ 436,745</u>	<u>\$ 1,071,091</u>

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF GENERAL LONG TERM DEBT
 June 30, 2022

NOTES PAYABLE

	Floyd Center Johnson Controls			General Fund Johnson Controls			2012 TML			16/17 Loan to General (Gas)			16/17 Loan to General (W/S) RTA		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 67,902	\$ 4,837	\$ 72,739	\$ 126,736	\$ 9,027	\$ 135,763	\$ 57,000	\$ 3,243	\$ 60,243	\$ 223,779	\$ 12,199	\$ 235,978	\$ 91,434	\$ 4,475	\$ 95,909
2024	69,478	3,261	72,739	129,676	6,087	135,763	58,000	1,636	59,636	226,015	11,873	237,888	85,891	3,276	89,167
2025	71,090	1,649	72,739	132,685	3,078	135,763	-	-	-	230,577	7,110	237,687	80,291	1,544	81,835
2026	-	-	-	-	-	-	-	-	-	197,514	2,557	200,071	5,834	123	5,957
	\$ 208,470	\$ 9,747	\$ 218,217	\$ 389,097	\$ 18,192	\$ 407,289	\$ 115,000	\$ 4,879	\$ 119,879	\$ 877,845	\$ 33,739	\$ 911,584	\$ 263,450	\$ 9,418	\$ 272,868

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF GENERAL LONG TERM DEBT
 June 30, 2022

NOTES PAYABLE

	16/17 Loan to General (W/S) Fire Trucks			16/17 Loan to General (W/S) Senior Citizens			16/17 Loan to General (W/S) Don Fox Park			Total Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 127,133	\$ 6,622	\$ 133,755	\$ 45,201	\$ 2,355	\$ 47,556	\$ 61,914	\$ 3,313	\$ 65,227	\$ 801,099	\$ 46,071	\$ 847,170
2024	129,697	4,056	133,753	46,113	1,442	47,555	62,988	2,404	65,392	807,858	34,035	841,893
2025	82,805	1,439	84,244	43,346	510	43,856	64,258	1,132	65,390	705,052	16,462	721,514
2026	-	-	-	-	-	-	24,551	90	24,641	227,898	2,770	230,669
	\$ 339,635	\$ 12,117	\$ 351,752	\$ 134,660	\$ 4,307	\$ 138,967	\$ 213,711	\$ 6,939	\$ 220,650	\$ 2,541,907	\$ 99,338	\$ 2,641,246

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2022

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
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			
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																		
	\$ 308,000	\$ 9,610	\$ 317,610	\$ 1,556,000	\$ 238,300	\$ 1,794,300	\$ 1,472,778	\$ 252,034	\$ 1,724,812	\$ 10,710,000	\$ 2,458,750	\$ 13,168,750	\$ 770,000	\$ 97,518	\$ 867,518	\$ 1,865,000	\$ 94,231	\$ 1,959,231

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2022

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
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	425,588	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
	\$ 1,090,000	\$ 154,789	\$ 1,244,789	\$ 1,217,000	\$ 261,630	\$ 1,478,630	\$ 3,500,000	\$ 1,820,000	\$ 5,320,000	\$ 1,615,000	\$ 220,513	\$ 1,835,513	\$ 24,103,778	\$ 5,607,374	\$ 29,711,152

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2022

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
2023	\$ 140,196	\$ 34,344	\$ 174,540	\$ 62,472	\$ 16,104	\$ 78,576	\$ 79,200	\$ 10,800	\$ 90,000	\$ 55,140	\$ 10,800	\$ 65,940	\$ 27,084	\$ 7,632	\$ 34,716	\$ 43,224	\$ 17,592	\$ 60,816
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	43,968	16,608	60,576
2025	145,212	29,328	174,540	64,704	13,872	78,576	81,276	13,236	94,512	56,980	9,360	66,340	28,020	6,696	34,716	44,736	15,600	60,336
2026	147,792	26,748	174,540	65,856	12,720	78,576	82,320	12,192	94,512	57,312	8,628	65,940	28,500	6,216	34,716	45,504	14,568	60,072
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	46,284	13,524	59,808
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	47,088	12,468	59,556
2029	155,796	18,744	174,540	69,420	9,156	78,576	85,572	8,940	94,512	59,380	6,360	65,940	30,000	4,716	34,716	47,892	11,388	59,280
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	48,720	10,284	59,004
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	49,560	9,168	58,728
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	50,412	8,040	58,452
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	51,288	6,876	58,164
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	52,164	5,700	57,864
2035	170,452	1,411	171,843	77,148	1,428	78,576	92,448	2,064	94,512	64,368	1,572	65,940	33,240	1,476	34,716	53,064	4,512	57,576
2036				39,186	180	39,366	93,648	864	94,512	65,196	744	65,940	33,816	900	34,716	53,988	3,288	57,276
2037							15,749	18	15,767		55	21,898	34,292	301	34,593	54,912	2,052	56,964
2038																55,860	792	56,652
2039																	4,809	9
2040																		
2041																		
2042																		
2043																		
	\$ 2,027,084	\$ 239,239	\$ 2,266,323	\$ 943,626	\$ 117,228	\$ 1,060,854	\$ 1,223,105	\$ 115,830	\$ 1,338,935	\$ 862,395	\$ 82,663	\$ 945,058	\$ 458,936	\$ 61,681	\$ 520,617	\$ 793,473	\$ 152,469	\$ 945,942

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2022

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
2023	\$ 35,052	\$ 12,648	\$ 47,700	\$ 12,564	\$ 820	\$ 13,384	\$ 94,248	\$ 150,492	\$ 244,740	\$ 61,192	\$ 17,139	\$ 78,331	\$ 610,372	\$ 282,883	\$ 893,255
2024	35,688	12,012	47,700	5,508	2,292	7,800	190,368	54,372	244,740	61,944	16,332	78,276	707,364	180,012	887,376
2025	36,336	11,364	47,700	5,604	2,196	7,800	192,900	51,840	244,740	62,760	15,516	78,276	718,128	169,008	887,136
2026	36,996	10,704	47,700	5,712	2,088	7,800	195,456	49,284	244,740	63,588	14,688	78,276	729,036	157,836	886,872
2027	37,680	10,020	47,700	5,820	1,980	7,800	198,060	46,680	244,740	64,428	13,848	78,276	740,148	146,460	886,608
2028	38,364	9,336	47,700	5,916	1,884	7,800	200,688	44,052	244,740	65,268	13,008	78,276	751,404	134,952	886,356
2029	39,060	8,640	47,700	6,024	1,776	7,800	203,352	41,388	244,740	66,132	12,144	78,276	762,828	123,252	886,080
2030	39,768	7,932	47,700	6,144	1,656	7,800	206,052	38,688	244,740	67,008	11,268	78,276	774,456	111,348	885,804
2031	40,500	7,200	47,700	6,252	1,548	7,800	208,788	35,952	244,740	67,884	10,392	78,276	786,240	99,288	885,528
2032	41,244	6,456	47,700	6,372	1,428	7,800	211,560	33,180	244,740	68,784	9,492	78,276	798,252	87,000	885,252
2033	42,000	5,700	47,700	6,480	1,320	7,800	214,380	30,360	244,740	69,684	8,592	78,276	810,420	74,544	884,964
2034	42,756	4,944	47,700	6,600	1,200	7,800	217,224	27,516	244,740	70,608	7,668	78,276	822,768	61,896	884,664
2035	43,536	4,164	47,700	6,720	1,080	7,800	220,104	24,636	244,740	71,532	6,744	78,276	832,592	49,087	881,679
2036	44,340	3,360	47,700	6,840	960	7,800	223,032	21,708	244,740	72,480	5,796	78,276	842,526	37,800	880,326
2037	45,144	2,556	47,700	6,972	828	7,800	225,984	18,756	244,740	73,440	4,836	78,276	852,526	26,402	878,928
2038	45,972	1,728	47,700	7,092	708	7,800	228,984	15,756	244,740	74,400	3,876	78,276	862,664	15,168	877,832
2039	46,812	888	47,700	7,224	576	7,800	232,032	12,708	244,740	75,384	2,892	78,276	872,864	4,000	876,864
2040	23,858	126	23,984	7,356	444	7,800	235,116	9,624	244,740	76,380	1,896	78,276	883,116	2,000	885,116
2041				7,488	312	7,800	238,236	6,504	244,740	77,376	900	78,276	893,412	0	893,412
2042				2,197	168	2,365	241,404	3,336	244,740	26,197	70	26,267	903,672	0	903,672
2043							96,702	25,803	122,505				96,702	25,803	122,505
	\$ 715,106	\$ 119,778	\$ 834,884	\$ 130,885	\$ 25,264	\$ 156,149	\$ 4,274,670	\$ 742,635	\$ 5,017,305	\$ 1,336,469	\$ 177,097	\$ 1,513,566	\$ 12,765,749	\$ 1,833,884	\$ 14,599,633

CITY OF LEBANON TENNESSEE
 SCHEDULE OF PROPRIETARY FUND DEBT
 June 30, 2022

GAS BONDS

	2008 TML		2014 TMBF		2020 TML		Total Gas Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 63,000	\$ 25,550	\$ 48,000	\$ 15,382	\$ 62,000	\$ 32,256	\$ 173,000	\$ 73,188
2024	66,000	22,400	49,000	14,203	63,000	30,867	178,000	67,471
2025	69,000	19,100	50,000	13,001	64,000	29,456	183,000	61,557
2026	73,000	15,650	51,000	11,773	66,000	28,022	190,000	55,446
2027	76,000	12,000	53,000	10,510	67,000	26,544	196,000	49,054
2028	80,000	8,200	54,000	9,210	69,000	25,043	203,000	42,453
2029	84,000	4,200	55,000	7,885	70,000	23,498	209,000	35,583
2030			57,000	6,525	72,000	21,930	129,000	28,454
2031			58,000	5,127	74,000	20,317	132,000	25,444
2032			59,000	3,706	75,000	18,659	134,000	22,365
2033			61,000	2,248	77,000	16,979	138,000	19,227
2034			62,000	753	79,000	15,254	141,000	16,008
2035					80,000	13,485	80,000	13,485
2036					82,000	11,693	82,000	11,693
2037					84,000	9,856	84,000	9,856
2038					86,000	7,974	86,000	7,974
2039					88,000	6,048	88,000	6,048
2040					90,000	4,077	90,000	4,077
2041					82,411	2,061	82,411	2,061
2042								
	\$ 511,000	\$ 107,100	\$ 618,100	\$ 100,323	\$ 757,323	\$ 344,019	\$ 1,774,430	\$ 551,442
					\$ 1,430,411	\$ 344,019	\$ 1,774,430	\$ 551,442
								\$ 3,149,853

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

June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2022
Governmental Activities:									
Bonds Payable Through Debt Service Fund									
General Obligation, 2004	\$ 2,725,000	3.00%	11/15/2004	5/25/2025	\$ 443,000	\$ -	\$ 107,000	\$ -	\$ 336,000
General Obligation, 2008	3,500,000	5.00%	12/20/2007	5/25/2027	1,439,000	-	212,000	-	1,227,000
2016 Airport Terminal	1,600,000	3.00%	6/14/2016	5/25/2036	1,207,260	-	76,000	-	1,131,260
2016 Refunding	2,220,000	Variable	8/24/2016	6/30/2032	1,085,000	-	355,000	-	730,000
2017 West Side Park	5,000,000	2.29%	3/16/2017	3/1/2042	3,801,657	709,937	170,000	-	4,341,594
2017 Airport Maintenance Hangar	1,000,000	2.52%	6/22/2017	6/1/2042	879,000	-	32,300	-	846,700
2016 Legends Drive	4,700,000	2.50%	8/24/2016	5/25/2036	3,790,000	-	234,000	-	3,556,000
2018 Public Safety Complex	5,500,000	3.80%	11/14/2018	10/1/2039	5,114,388	196,613	196,000	-	5,115,001
2018 Radio Communication System	5,700,000	3.55%	6/18/2019	6/1/2039	4,412,296	720,919	214,000	-	4,919,215
Total Bonds Payable Through Debt Service Fund					\$ 22,171,601	\$ 1,627,469	\$ 1,596,300	\$ -	\$ 22,202,770
Notes Payable Through Debt Service Fund									
Floyd Center Johnson Controls	\$ 775,548	2.32%	9/26/2012	9/26/2024	\$ 274,832	\$ -	\$ 66,363	\$ -	\$ 208,470
General Fund Johnson Controls	1,521,914	2.32%	9/26/2012	9/26/2024	512,959	-	123,862	-	389,096
Total Notes Payable Through Debt Service Fund					\$ 787,791	\$ -	\$ 190,225	\$ -	\$ 597,566
Notes Payable Through General Fund									
2012 Software	\$ 600,000	2.82%	6/27/2012	6/1/2024	\$ 170,000	\$ -	\$ 55,000	\$ -	\$ 115,000
Equipment Note	450,000	2.78%	4/1/2020	10/1/2024	365,000	-	365,000	-	-
Loan from Gas Dept - Fire Hall	2,000,000	Variable	6/7/2019	6/30/2027	1,315,504	-	437,619	-	877,885
Loan from Water/Sewer - Regional Transportation	750,000	Variable	8/16/2016	6/30/2026	430,027	-	166,577	-	263,450
Loan from Water/Sewer - Fire Trucks	1,125,000	Variable	9/20/2016	6/30/2026	571,434	-	231,799	-	339,635
Loan from Water/Sewer - Senior Citizens Building	400,000	Variable	12/6/2016	6/30/2026	223,506	-	88,846	-	134,660
Loan from Water/Sewer - Don Fox Park	550,000	Variable	12/1/2017	10/31/2026	335,269	-	121,558	-	213,711
Caterpillar Lease	147,482	3.59%	2/25/2021	2/25/2023	121,228	-	121,228	-	-
Total Notes Payable Through General Fund					\$ 3,531,968	\$ -	\$ 1,587,627	\$ -	\$ 1,944,341
Notes Payable Through Street Improvements									
Loan from Gas Dept - Quiet Zones	\$ 700,000	Variable	6/20/2017	6/30/2016	\$ 106,681	\$ -	\$ 106,681	\$ -	\$ -
2019 TMBF Crowell Lane	1,800,000	2.79%	12/20/2019	12/1/2039	1,284,951	-	70,000	-	1,214,951
Total Notes Payable Through Street Improvements					\$ 1,391,632	\$ -	\$ 176,681	\$ -	\$ 1,214,951
Total Notes Payable - Governmental Activities					\$ 5,711,391	\$ -	\$ 1,954,533	\$ -	\$ 3,756,858
Total Bonds and Notes Payable - Governmental Activities					\$ 27,882,992	\$ 1,627,469	\$ 3,550,833	\$ -	\$ 25,959,628

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

June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2022
Business-Type Activities:									
Bonds Payable - Water/Sewer									
2015 Energy Bond	\$ 3,500,000	4.00%	4/24/2015	4/1/2035	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
2020 Refunding Bond	\$ 12,500,000	5.00%	12/15/2020	6/1/2030	11,840,000	-	1,130,000	-	10,710,000
Total Bonds Payable - Water/Sewer Fund					\$ 15,340,000	\$ -	\$ 1,130,000	\$ -	\$ 14,210,000
Bonds Payable - Gas Fund									
2008 Bond	\$ 1,100,000	5.00%	12/30/2008	5/25/2029	\$ 571,000	\$ -	\$ 60,000	\$ -	\$ 511,000
2014 Bond	1,000,000	2.43%	9/18/2013	9/1/2033	704,000	-	47,000	-	657,000
2020 Bond	1,500,000	2.24%	12/1/2020	12/1/2040	692,041	798,959	60,589	-	1,430,411
Total Bonds Payable - Gas Fund					\$ 1,967,041	\$ 798,959	\$ 167,589	\$ -	\$ 2,598,411
Total Bonds Payable - Business-Type Activities					\$ 17,307,041	\$ 798,959	\$ 1,297,589	\$ -	\$ 16,808,411
Notes Payable - Water/Sewer									
STATE OF TN 12-126	\$ 2,940,832	1.76%	4/23/2012	5/31/2025	\$ 2,164,832	\$ -	\$ 137,748	\$ -	\$ 2,027,084
STATE OF TN 12-127	1,323,960	1.76%	4/23/2012	12/31/2035	1,005,006	-	61,380	-	943,626
STATE OF TN 12-128	1,622,555	1.29%	1/2/2013	8/31/2036	1,301,285	-	78,180	-	1,223,105
STATE OF TN 12-129	1,140,502	1.29%	1/2/2013	10/31/2036	916,827	-	54,432	-	862,395
STATE OF TN 15-161	587,600	1.71%	5/11/2015	6/30/2037	485,552	-	26,616	-	458,936
STATE OF TN 15-162	1,271,000	1.71%	5/11/2015	7/31/2038	835,965	-	42,492	-	793,473
STATE OF TN 18-202	800,000	1.81%	2/12/2018	12/31/2039	749,522	-	34,416	-	715,106
STATE OF TN 18-203	300,000	1.81%	7/1/2020	6/30/2039	130,885	-	-	-	130,885
STATE OF TN 19-435	4,300,000	1.32%	1/21/2021	6/20/2040	2,291,344	1,983,326	-	-	4,274,670
STATE OF TN 19-217	1,400,000	1.31%	12/13/2019	10/31/2041	1,362,590	33,064	-	-	1,336,469
2001 Revenue Bonds	4,000,000	3.12%	7/28/2003	5/25/2003	601,000	-	293,000	-	308,000
2007 Revenue Bonds	5,000,000	5.00%	6/28/2007	5/25/2007	1,839,000	-	283,000	-	1,556,000
2008 Revenue Bonds	4,150,000	5.00%	12/30/2008	5/25/2029	1,697,778	-	225,000	-	1,472,778
2016 Refunding	2,285,000	Variable	8/24/2016	6/30/2032	1,755,000	-	140,000	-	1,615,000
2012 Water and Sewer System Improvements	1,387,000	2.23%	2/22/2012	3/1/2032	838,000	-	68,000	-	770,000
2013 Water and Sewer System Improvements	4,657,079	1.82%	9/28/2012	10/1/2027	2,205,000	-	340,000	-	1,865,000
2014 Water and Sewer System Improvements	1,800,000	2.28%	5/15/2013	5/1/2033	1,176,000	-	86,000	-	1,090,000
Total Notes Payable - Business-Type Activities	1,800,000	3.00%	12/9/2014	5/25/2035	1,303,000	\$ -	\$ 86,000	\$ -	\$ 1,217,000
Total Bonds and Notes Payable - Business-Type Activities					\$ 22,658,586	\$ 2,016,390	\$ 2,015,449	\$ -	\$ 22,659,527
					\$ 39,965,627	\$ 2,815,349	\$ 3,313,038	\$ -	\$ 39,467,938

CITY OF LEBANON, TENNESSEE
SCHEDULE OF CHANGES IN LEASE OBLIGATIONS

June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 01, 2021	Issued During Period	Paid and/or Matured During Period	Remeasured During Period	Outstanding June 30, 2022
Governmental Activities:									
Payable through General Fund									
Mower - Maintenance Dept	\$ 32,305	3.15%	6/30/2021	5/31/2023	\$ 32,305	\$ -	\$ 15,941	\$ -	\$ 16,363
Mower - Recreation Dept	56,271	3.15%	11/1/2021	10/31/2023	-	56,271	18,314	-	37,957
Copiers - State Contract #62117	37,623	3.15%	Various	Various	11,222	30,900	1,636	-	40,486
Copiers - State Contract #39769	120,759	3.15%	Various	Various	120,759	-	22,096	-	98,663
Total Payable through General Fund					164,286	87,171	57,987	-	193,470
Payable through Jimmy Floyd Family Life Center Fund									
Copiers - State Contract #39769	6,673	3.15%	Various	Various	6,673	-	1,604	-	5,069
Total Payable through Governmental Activities					\$ 170,958	\$ 87,171	\$ 59,590	\$ -	\$ 198,539
Business-Type Activities:									
Payable through Water/Sewer Fund									
Copiers - State Contract #62117	17,725	3.15%	Various	Various	\$ 5,876	\$ 11,849	\$ 626	-	\$ 17,100
Payable through Gas Fund									
Copiers - State Contract #62117	6,195	3.15%	Various	Various	-	6,195	148	-	6,047
Plotter	41,719	3.15%	6/1/2021	5/31/2026	41,719	-	6,510	-	35,208
Total Payable through Gas Fund					41,719	6,195	6,659	-	41,255
Total Payable through Business-Type Activities					\$ 47,595	\$ 18,044	\$ 7,284	\$ -	\$ 58,355

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2022

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Department of Natural Gas:				
Land and Improvements	\$ 866,063	\$ -	\$ -	\$ 866,063
Buildings	2,551,331	-	-	2,551,331
Equipment	3,923,692	13,673	-	3,937,365
Transmission and Distribution	41,133,865	2,215,351	-	43,349,216
	<u>\$ 48,474,951</u>	<u>\$ 2,229,024</u>	<u>\$ -</u>	<u>\$ 50,703,975</u>
Department of Water and Sewer:				
Land and Improvements	\$ 1,697,023	\$ -	\$ -	\$ 1,697,023
Buildings	72,692,374	2,129,489	-	74,821,863
Equipment	6,900,454	538,136	-	7,438,590
Improvements Other Than Buildings	135,015,134	3,456,900	-	138,472,034
	<u>\$ 216,304,985</u>	<u>\$ 6,124,525</u>	<u>\$ -</u>	<u>\$ 222,429,510</u>
Stormwater Fund				
Equipment	940,042	\$ 107,665	-	\$ 1,047,707
Improvements Other Than Buildings	2,109,114	830,161	-	2,939,275
	<u>\$ 3,049,156</u>	<u>\$ 937,826</u>	<u>\$ -</u>	<u>\$ 3,986,982</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF TAXES RECEIVABLE

June 30, 2022

General Fund

Uncollected Taxes:

Deferred 2022	\$ 13,234,635
Vouchers on Hand	100
2021	295,086
2020	93,231
2019	3,249
2018	1,555
2017	617
2016	783
2015	453
2014	284
2013	587
2012	1,482
2011	104
	<u>\$ 13,632,166</u>

-NOTE

All delinquent taxes through 2020 Tax year have been filed with the Clerk and Master.

CITY OF LEBANON TENNESSEE
SCHEDULE OF CHANGES IN TAXES RECEIVABLE
Year Ended June 30, 2022

Tax Year	Property Tax Receivable Balance June 30, 2021	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2022
2022	\$ -	\$ -	\$ 13,234,635	\$ -	\$ -	\$ -	\$ 13,234,635
Vouchers	\$ 49	\$ 17,564	\$ -	\$ -	\$ 17,513	\$ -	\$ 100
2021	\$ 12,230,613	\$ 387,180	\$ -	\$ (56,294)	\$ 12,379,001	\$ -	\$ 295,086
2020	\$ 310,052	\$ -	\$ -	\$ 7,077	\$ 209,744	\$ -	\$ 93,231
2019	\$ 172,975	\$ -	\$ -	\$ 535	\$ 169,191	\$ -	\$ 3,249
2018	\$ 7,907	\$ -	\$ -	\$ (246)	\$ 6,598	\$ -	\$ 1,555
2017	\$ 971	\$ -	\$ -	\$ 14	\$ 340	\$ -	\$ 617
2016	\$ 809	\$ -	\$ -	\$ 26	\$ -	\$ -	\$ 783
2015	\$ 448	\$ -	\$ -	\$ (5)	\$ -	\$ -	\$ 453
2014	\$ 290	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 284
2013	\$ 591	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 587
2012	\$ 1,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,482
2011	\$ 104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104
2010	\$ 2,422	\$ -	\$ -	\$ -	\$ 2,422	\$ -	\$ -
	\$ 12,728,712	\$ 404,744	\$ 13,234,635	\$ (48,888)	\$ 12,784,813	\$ -	\$ 13,632,166

CITY OF LEBANON TENNESSEE

SCHEDULE OF TAX RATES AND ASSESSMENTS

UNAUDITED

June 30, 2022

	<u>Rate per \$100 of Assessed Valuation</u>	<u>Total Assessed Valuation</u>
2021	\$ 0.6855	\$ 1,930,952,412
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, 2022

There were 10,531 metered customers billed during the month of June, 2022. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2022 are as follows:

	<u>Inside City</u>	<u>Outside City</u>
1) Residential		
Minimum (0-1,000 Cubic Feet)	\$6.00	\$6.00
Minimum (Over 1,000 Cubic Feet)	\$6.20	\$6.20
First 1,000 Cubic Feet	\$12.38	\$13.98
Over 1,000 Cubic Feet	\$12.60/1000	\$14.24/1000
2) Commercial		
Customer Charge	\$20.00	\$20.00
First 10,000 Cubic Feet	\$13.50	\$15.30
Over 10,000 Cubic Feet	\$12.22/1000	\$13.77/1000
2) Multiple Dwellings- L.H.A.		
Minimum (0-1,000 Cubic Feet)	\$6.00	
Minimum (Over 1,000 Cubic Feet)	\$6.20	
First 1,000 Cubic Feet	\$12.38	
Over 1,000 Cubic Feet	\$12.60/1000	
4) Interruptible		
Demand Charge	\$750.00	\$750.00
First 3,500,000 Cubic Feet	\$2.06	\$2.46
All Over 3,500,000 Cubic Feet	\$1.74/3500	\$2.06/1000
Transport Fee	Variable	
5) Industrial		
Customer Charge	\$100.00	\$100.00
Minimum (0-1,000 Cubic Feet)	\$6.25	
Minimum (Over 1,000 Cubic Feet)	\$5.45	
First 100,000 Cubic Feet	\$12.65	\$14.30
All Over 100,000 Cubic Feet	\$11.80/100Mcf	\$13.24/100Mcf

Number of miles of the Distribution System of Lines: 316 *
 *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, 2022

There were 12,901 metered water customers and 15,010 sewer customers billed during June, 2022. The policy of the City requires that all water customers be metered and that sewer charges be billed to each water customer who has sewer service available. Everything is billed in gallons.

Water and Sewer rates in effect at June 30, 2022, are as follows:

WATER

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

SEWER (Water customers also)

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

SEWER ONLY (Metered Sewer)

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

Fee for replacing destroyed meter locks: \$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, 2022

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
	Aggregate \$2,000,000
D&O Management Professional and Law Enforcement Professional	Each Claim \$1,000,000
Damage to Premises Rented to You	Aggregate \$2,000,000
Defense Expense Reimbursement	\$100,000 per premise
Workplace Violence	\$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 \$224,381,529
Equipment	\$1,724,008
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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POLICY 11000319

Airport Liability	\$10,000,000
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CITY OF LEBANON, TENNESSEE

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

UNAUDITED

June 30, 2022

	<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, 2022

Transfers From	Governmental Funds				Proprietary Fund	Total
	Major Funds	Nonmajor Funds				
	General	State Street Aid	Airport Operations	Airport Cap Proj	Stormwater	
Transfers To						
Governmental Funds:						
Major Funds:						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor Funds:						
Street Improvements	-	200,000	-	-	-	200,000
Floyd Family Life Center	1,352,435	-	-	-	-	1,352,435
Citizens Emergency Response Team	20,000	-	-	-	-	20,000
Airport Operations	433,000	-	-	20,000	-	453,000
2008 G.O. Refunding Bond Sinking	323,600	-	-	-	-	323,600
2004 G.O. Bond Sinking	111,816	-	-	-	-	111,816
2008 G.O. Bond Sinking	226,462	-	-	-	-	226,462
2011 G.O. Bond Sinking	61,725	-	-	-	-	61,725
2013 G.O. Bond Sinking	208,502	-	-	-	-	208,502
2016 Legends Drive Sinking	279,600	-	-	-	-	279,600
2016 Airport Terminal Sinking	0	-	91,464	-	-	91,464
Public Safety Building Sinking	397,482	-	-	-	-	397,482
West Side Park Sinking	273,374	-	-	-	-	273,374
Airport Maintenance Hangar Sinking	-	-	54,451	-	-	54,451
Community Park	201,593	-	-	-	-	201,593
Beatification Committee	1,500	-	-	-	3,000	4,500
Airport Cap Projects	275,000	-	-	-	-	275,000
Radio Systems	404,006	-	-	-	-	404,006
Road Improvements	118,322	-	-	-	-	118,322
Equipment Bond	308,569	-	-	-	-	308,569
Total	\$ 4,996,986	\$ 200,000	\$ 145,915	\$ 20,000	\$ 3,000	\$ 5,365,901

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues					
Taxes:					
Real and Personality	\$ 12,426,460	\$ 11,993,447	\$ 11,185,436	\$ 7,664,664	\$ 7,321,723
Business Tax	2,059,077	1,851,413	1,795,083	1,766,273	1,707,902
Wholesale Beer	1,280,025	1,252,305	1,184,350	1,091,255	1,084,790
Sales Tax	22,634,746	19,392,772	13,790,713	12,675,829	12,194,034
Cable TV Franchise Fee	330,823	347,752	365,424	381,733	394,224
Hotel and Motel Tax	590,327	367,287	400,675	432,462	399,298
Liquor Tax	620,269	580,704	459,810	440,540	390,016
	<u>39,941,727</u>	<u>35,785,680</u>	<u>29,181,491</u>	<u>24,452,756</u>	<u>23,491,987</u>
Tax Equivalents:					
TVA Tax Replacement	399,804	374,931	403,370	388,398	371,949
	<u>399,804</u>	<u>374,931</u>	<u>403,370</u>	<u>388,398</u>	<u>371,949</u>
Federal, State and Regional					
Apportionments and Grants:					
Sales Tax	4,179,697	3,360,939	2,966,017	2,883,679	2,770,561
Income Tax	105,846	100,948	409,022	349,766	84,619
Street and Transportation Fund	69,086	64,983	64,984	65,071	65,966
Highway Grants and Contracts	118,058	118,058	118,058	155,382	155,382
Beer Tax	17,555	15,496	15,333	15,153	15,270
Alcoholic Beverage Tax	202,324	144,614	122,548	127,472	112,278
Corporate Excise Tax	262,155	259,993	152,758	114,767	105,705
Police and Fire Salary Supplement	136,800	136,800	128,800	87,600	75,000
COPS/JAG Grants	35,095	108,605	50,881	63,713	336,105
D.E.A. Grant	11,802	-	-	5,799	24,435
Highway Safety/Safe Street Grants	72,157	57,632	44,880	14,966	30,829
Organized Drug Task Force	-	-	4,101	4,505	-
Intelligent Transportation	27,781	122,931	69,806	27,005	-
FEMA Tomado	(3,436)	784,692	(1,115)	-	-
GNRC	-	-	1,656	-	-
Telecommunications	15,747	16,293	14,092	14,051	14,004
Sports Betting	36,073	12,095	-	-	-
Traffic Signal Repair	2,000	(6,000)	-	-	-
COVID Funding	414,110	1,324,218	-	-	-
	<u>5,702,850</u>	<u>6,622,297</u>	<u>4,161,821</u>	<u>3,928,929</u>	<u>3,790,154</u>
Fines and Costs	994,469	647,761	791,185	956,054	1,038,177
Rents from Other City Departments	-	-	-	-	-
Rent - Other	27,600	25,500	34,000	24,000	24,000
Highway and Street Charges	38,729	38,124	41,933	57,358	26,441
Interest	64,456	215,410	248,733	359,091	214,155
Permits and Licenses	3,819,285	2,724,602	2,011,349	1,247,054	1,792,087
Cemetery Income	82,970	67,780	61,590	40,460	49,300
Park and Recreation Income	32,866	22,989	22,230	32,442	33,940
Interest and Penalty on Taxes and Licenses	64,303	45,492	37,956	30,181	36,946
Miscellaneous	5,492,284	6,186,936	5,275,319	976,656	1,192,886
Financing Sources	100,765	9,360	33,812	78,304	18,281
	<u>10,717,727</u>	<u>9,983,954</u>	<u>8,558,107</u>	<u>3,801,600</u>	<u>4,426,213</u>
	<u>\$ 56,762,108</u>	<u>\$ 52,766,862</u>	<u>\$ 42,304,789</u>	<u>\$ 32,571,683</u>	<u>\$ 32,080,303</u>

See notes to financial statements

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Mayor and Council	\$ 505,316	\$ 290,991	\$ 250,741	\$ 372,404	\$ 455,131
City Attorney/Judicial	235,111	184,082	186,487	177,417	199,719
Financial Administration	242,756	174,930	228,987	183,965	176,490
EAC Committee	998	341	131	168	134
Accounting	200,354	137,742	124,701	137,944	174,224
Sanitation	2,584,418	2,047,160	1,690,648	1,814,667	1,800,601
Customer Billing	115,175	31,694	30,385	25,863	26,338
Purchasing	63,747	45,642	44,990	40,869	41,260
Computer Equipment	588,635	460,246	407,630	374,054	311,645
Public Works	636,822	643,502	317,865	294,076	294,580
Warehouse	2,840	3,980	(600)	304,410	178,585
Personnel	476,618	434,246	366,787	335,104	233,280
General Maintenance	655,111	453,257	336,420	329,057	289,329
Police	13,538,811	12,273,541	10,761,508	9,368,957	8,526,304
Fire	8,837,869	8,055,318	6,993,700	5,513,872	6,624,137
Building Inspection	497,173	410,483	485,702	601,365	508,581
Building Maintenance	223,431	122,880	115,939	92,491	86,019
Street	2,705,843	2,061,303	1,462,512	1,186,473	3,055,543
Animal Control	245,053	164,348	183,064	139,738	153,101
Engineering	852,747	392,512	308,263	331,221	302,500
Garage	496,872	356,022	338,915	311,647	310,661
Cemetery	146,088	167,221	121,450	119,551	108,313
Recreation	1,325,922	924,265	1,059,117	934,728	729,665
Drainage Migration	42,868	67,007	55,422	78,226	297,359
Special Events	43,338	26,770	30,659	31,130	29,830
Dues	342,856	323,036	313,634	292,923	353,829
Community Park	779,786	179,553	266,945	727,084	222,734
Regional Transportation Authority	-	-	-	601,569	298,128
Traffic Maintenance	306,804	346,405	229,215	200,012	199,319
Public Safety	985,451	1,207,387	3,725,061	2,293,639	754,438
Johnson Controls	451,455	244,033	402,177	26,090	93,055
Risk Assessment	67,765	58,674	58,411	46,062	20,372
Accounting System Debt Service	59,794	18,095	18,066	17,881	17,987
Intelligent Transportation	36,665	153,911	33,756	287	-
Economic Development	171,491	117,227	153,883	159,029	114,737
Senior Citizens Center	386,707	311,607	270,474	-	-
Codes Enforcement	268,105	141,463	123,383	-	-
Mitchell House	111,471	65,545	1,151,675	-	-
Radio Communication	767,655	29,280	949,633	-	-
Disaster/COVID Relief	2,500	3,384,439	-	-	-
Passthrough Grant	8,900	-	-	-	-
Total Expenditures	<u>\$ 40,011,321</u>	<u>\$ 36,510,138</u>	<u>\$ 33,597,736</u>	<u>\$ 27,463,973</u>	<u>\$ 26,987,928</u>

CITY OF LEBANON, TENNESSEE
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED
Years Ended June 30, 2022

	<u>2022</u>
Total Tax Levy	12,617,096
Current Tax Collections	11,621,001
Percent of Levy Collected	92.11%
Delinquent Tax Collections	634,907
Total Tax Collections	12,255,908
Total Collections as Percent of Current Levy	97.14%
Outstanding Delinquent Taxes	397,431
Outstanding Delinquent Taxes as Percent of Current Levy	3.15%

CITY OF LEBANON, TENNESSEE

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

UNAUDITED

Year Ended June 30, 2022

	<u>2022</u>
Real Property:	
Assessed Value	1,738,938,015
Estimated Actual Value	5,715,637,800
Personal Property:	
Assessed Value	192,014,397
Estimated Actual Value	640,047,615
Public Utility Property:	
Assessed Value	59,522,876
Estimated Actual Value	59,522,876
Total:	
Assessed Value	1,990,475,288
Estimated Actual Value	6,415,208,291
Ratio of Total Assessed Value to Total Estimated Actual Value	31.03%

CITY OF LEBANON, TENNESSEE

PROPERTY TAX RATES AND LEVIES - ALL OVERLAPPING GOVERNMENTS

UNAUDITED

Last Five Fiscal Years

Tax Rates

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2018	2017	\$ 0.60750	\$2.5189/\$2.9016
2019	2018	\$ 0.60750	\$2.5189/\$2.9016
2020	2019	\$ 0.85750	\$2.5189/\$2.9016
2021	2020	\$ 0.85750	\$2.5189/\$2.9016
2022	2021	\$ 0.68550	\$2.2062/\$2.5944

Tax Levies

	<u>City</u>	<u>County</u>
2018 2017	\$ 7,142,341	\$ 103,304,436
2019 2018	\$ 7,576,977	\$ 106,423,487
2020 2019	\$ 11,313,354	\$ 108,869,779
2021 2020	\$ 11,666,289	\$ 108,869,779
2022 2021	\$ 12,230,613	\$ 108,557,148

CITY OF LEBANON, TENNESSEE
MISCELLANEOUS STATISTICAL DATA

UNAUDITED

June 30, 2022

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
2022 - 41

Paved Streets- 257.71 Miles

Sidewalks- 201 Miles

Sanitary Sewer Lines- 324.2 Miles

Fire Protection:

Number of Fire Stations- 4

Number of Full and Part-Time Employees- 80

Police Protection:

Number of Full and Part-Time Employees- 146

Vehicular Patrol Units- 169

CITY OF LEBANON, TENNESSEE
MISCELLANEOUS STATISTICAL DATA

UNAUDITED

June 30, 2022

Elections:

Number of Registered Voters- 99,333
Number of Votes Cast-
Last General Election- 44,835
Last Municipal Election-4,820
Special Called Election- N/A

Percentage of Registered Voters Voting

Last General Election- 45%
Last Municipal Election- 4.8%
Special Called Election- N/A

Population:

2021- 38,431

Gas System:

Number of Consumers- 10,531
Cubic Feet Billed for the
Year- 1,832,239,024
Distribution System- 316 Miles
of Lines

Water System:

Number of Consumers- 12,901
Cubic Feet Billed for the
Year- 1,644,685,032
Distribution System- 259.25
miles of Water Mains
Water Treatment Plant
Capacity- 12,000,000
Gallons Per Day

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

UNAUDITED

June 30, 2022

Sewer System:

Number of Users- 15,010

Sewer Plant Capacity-

10,000,000 Gallons Per Day

Number of Full and Part-Time Employees- 566

Principal Taxpayers

Type of Business

Middle Tennessee Electric Membership Corp	Electric Co-op
Wonder Porcelain	Manufacturing
Hamilton Station	Real Estate
Venue 109 Apartments LP	Apartments
Lochinvar LLC	Manufacturing
Revere at Barton's Run LLC	Apartments
McNabb Teresa	Real Estate
Industrial Development Board	Development
Royal Canin	Manufacturing
Bridgestone Americas Tire	Manufacturing

FEDERAL AND STATE FINANCIAL ASSISTANCE

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

Year Ended June 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ASSISTANCE LISTING NUMBER	CONTRACT #	EXPENDITURES
FEDERAL AWARDS:				
Pass Through Funding: <i>CLEAN WATER STATE REVOLVING FUND CLUSTER:</i> Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Clean Water State Revolving Funds	66.458	CW7 2019-435	\$ 1,983,326
<i>DRINKING WATER STATE REVOLVING FUND CLUSTER:</i> Environmental Protection Agency through TN Department of Environment and Conservation	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW7 2019-217	33,063
<i>HIGHWAY SAFETY CLUSTER:</i> Department of Transportation through TN Department of Safety and Homeland Security	State and Community Highway Safety	20.600	Z21THS161	6,653
Department of Transportation through TN Department of Safety and Homeland Security	State and Community Highway Safety	20.600	Z22THS162	49,989
Total Program 20.600				56,642
Department of the Interior through TN Historical Commission	Historic Preservation	15.904	32701-04373	8,940
Department of the Interior through TN Historical Commission	Historic Preservation	15.904	32701-04412	2,600
Department of the Interior through TN Historical Commission	Historic Preservation	15.904	32701-04362	5,182
Total Program 15.904				16,722
Federal Emergency Management Agency through Tennessee Emergency Management Agency	Flood Relief 4601-DR-TN	97.036		11,802
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0167-20	30,360
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0175-22	26,250
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0173-22	23,000
Department of Transportation passed through TN Department of Transportation	Airport Improvement Program	20.106	95-555-0174-22	45,984
Total Program 20.106				125,594
Direct Funding: Department of Justice	Bullet Proof Vest Partnership Program	16.607	2019 BPV	6,620

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

Year Ended June 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR	PROGRAM/CLUSTER NAME	ASSISTANCE LISTING NUMBER	CONTRACT #	EXPENDITURES
Department of Justice	Edward Byrne Memorial Justice Assistance Grant	16.738	15PGJA-21-GG-01851-J	3,475
Department of Treasury	Federal Asset Seizure Equitable Sharing	21.016		12,201
TOTAL FEDERAL AWARDS				\$ 2,249,445
STATE FINANCIAL ASSISTANCE:				
Direct Appropriation Grant	Local Gov't Recovery and Rebuilding		N/A	\$ 414,110
Tennessee Department of Transportation	Airport Maintenance		N/A 95-555-0772-22	15,000
Tennessee Department of Transportation	Runway Safety Inventory/Determination & Analysis		N/A 95-555-0771-21	55,507
TOTAL STATE AWARDS				\$ 484,617
TOTAL FEDERAL AND STATE AWARDS				\$ 2,734,062

NOTE A - BASIS OF PRESENTATION

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

NOTE B - LOANS OUTSTANDING

At June 20, 2022, there were the following balances outstanding on loans obtained in prior years:

Loan #	Outstanding Balance	Payments in Current Fiscal Year
CW7 2019-435	\$ 4,274,670	\$ 1,983,326
DW7 2019-217	\$ 1,336,429	\$ 33,063

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.

INTERNAL CONTROL AND COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component 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, 2022, and the related notes to the financial statements, which collectively comprise the City of Lebanon, Tennessee's basic financial statements, and have issued our report thereon dated February 28, 2023.

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 Ventrose + Folles PLLC

Lebanon, Tennessee
February 28, 2023

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

Opinion on Each Major Federal Program

We have audited the City of Lebanon, Tennessee's compliance with the types of compliance requirements identified as subject to audit 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, 2022. The 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lebanon, Tennessee and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Lebanon, Tennessee's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Lebanon, Tennessee's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Lebanon, Tennessee's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of X, State Y's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Lebanon, Tennessee's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Lebanon, Tennessee's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Lebanon, Tennessee's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify

all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Ventrase + Follos PLLC

Lebanon, Tennessee

February 28, 2023

CITY OF LEBANON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

CITY OF LEBANON
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Financial Statement Findings

No matters were reported.

Federal Award Findings and Questioned Costs

No matters were reported.