

**CITY OF LEBANON, TENNESSEE**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**



**CITY OF LEBANON, TENNESSEE**  
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**INTRODUCTORY  
SECTION**

**CITY OF LEBANON, TENNESSEE**

**LIST OF PRINCIPAL OFFICERS**

June 30, 2024

**Publicly Elected Officials**

Rick Bell, Mayor  
Joey Carmack, Ward 1 Councilor  
Fred Burton, Ward 2 Councilor  
Camille Burdine, Ward 3 Councilor  
Chris Crowell, Ward 4 Councilor  
Tick Bryan, Ward 5 Councilor  
Phil Morehead, Ward 6 Councilor

**Management Officials**

Commissioner of Finance and Revenue, Stuart Lawson, CMFO  
Commissioner of Public Works, Jeff Baines

**FINANCIAL  
SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**The Honorable Mayor and Members  
of the Board of Aldermen of the  
City of Lebanon, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Lebanon, Tennessee** (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City'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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 ("GAAS") and the standards applicable to financial audits contained on *Governmental 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, 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.

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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'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 GAAS 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 GAAS and *Governmental 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'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'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.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 5 through 11) the schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS-Legacy Plan, schedule of contributions based on participation in the public employee pension plan of the TCRS-Legacy Plan, the schedule of changes in net pension liability (asset) and related ratios based on participation in the public employee pension plan of TCRS-Hybrid Plan, schedule of contributions based on participation in the public employee pension plan of the TCRS-Hybrid Plan, and schedule of changes in total OPEB liability and related ratios, as listed in the table of contents, 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's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), the schedule of changes in long-term debt by individual issue, schedule of principal and interest requirements, the schedule of changes in lease obligations by individual issue, and schedule of principal and interest requirement – leases, as listed in the table of contents (collectively the "supplementary information"), 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 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, the schedule of changes in property taxes receivable, gas rates – unaudited, water and sewer rates – unaudited, and property tax rates and levies – all overlapping governments – unaudited, as listed in the table of contents, 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 December 30, 2024, on our consideration of the City’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’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
December 30, 2024



**CITY OF LEBANON, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- > The City's total net position was \$407.5 million. Of this amount, the net position of the Governmental activities was \$182.2 million and the net position of the Business type activities was \$225.3 million.
- > The City's governmental activities revenues from taxes and other sources were \$75.3 million and were less than expenditures by \$1.3 million. The total change in fund balance for all governmental funds was (\$77.7) thousand.
- > Revenues from the City's business-type activities were \$44.4 million, and the net operating income was \$6.2 million. The total change in net position for these activities was \$30.5 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.



**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net Position:**

The City's combined net position increased \$42.2 million during the year ended June 30, 2024. Of this amount, Government activities increased by about \$11.7 million and the net position of the Business type activities increased by \$30.5 million.

	Governmental Activities		Business Type Activities		Total	
	2024	2023 - Restated	2024	2023	2024	2023 - Restated
Current and Other Assets	\$ 100,883,328	\$ 106,371,504	\$ 57,562,552	\$ 60,790,978	\$ 158,445,880	\$ 167,162,482
Capital Assets, net	149,777,893	134,867,959	211,291,330	181,590,533	361,069,223	316,458,492
Total Assets	<u>250,661,221</u>	<u>241,239,463</u>	<u>268,853,882</u>	<u>242,381,511</u>	<u>519,515,103</u>	<u>483,620,974</u>
Deferred Outflows of Resources	<u>14,270,119</u>	<u>14,456,870</u>	<u>3,128,558</u>	<u>3,201,401</u>	<u>17,398,677</u>	<u>17,658,271</u>
Long-Term Debt, net	26,667,915	28,816,552	30,355,821	42,988,180	57,023,736	71,804,732
Other Liabilities	36,901,686	37,441,025	15,450,825	6,314,640	52,352,511	43,755,665
Total Liabilities	<u>63,569,601</u>	<u>66,257,577</u>	<u>45,806,646</u>	<u>49,302,820</u>	<u>109,376,247</u>	<u>115,560,397</u>
Deferred Inflows of Resources	<u>19,174,930</u>	<u>18,984,191</u>	<u>829,792</u>	<u>1,471,191</u>	<u>20,004,722</u>	<u>20,455,382</u>
Net Position						
Net Investment in Capital Assets	121,661,738	103,612,866	176,337,906	143,543,607	297,999,644	247,156,473
Restricted	6,786,546	6,654,052	4,036,244	2,793,640	10,822,790	9,447,692
Unrestricted	53,738,525	60,187,647	44,971,852	48,471,654	98,710,377	108,659,301
Total Net Position	<u>\$ 182,186,809</u>	<u>\$ 170,454,565</u>	<u>\$ 225,346,002</u>	<u>\$ 194,808,901</u>	<u>\$ 407,532,811</u>	<u>\$ 365,263,466</u>

The net position of the City's governmental activities increased by about \$11.7 million. Of this amount, total assets increased by \$9.4 million and total liabilities decreased by \$2.7 million. 67% of the governmental activities' net position is in net investment in capital assets.

The net position of the business-type activities increased \$30.5 million. Of this amount, total assets increased by \$26.5 million and total liabilities decreased by \$3.5 million. 77% of the net position is in net investment in capital assets.



**CHANGES IN NET POSITION**

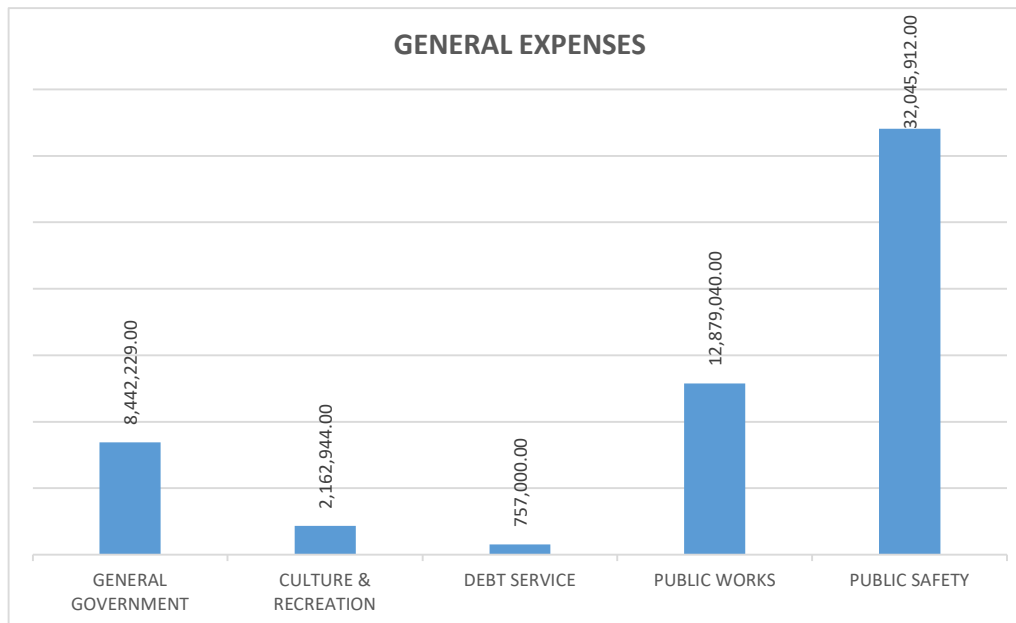
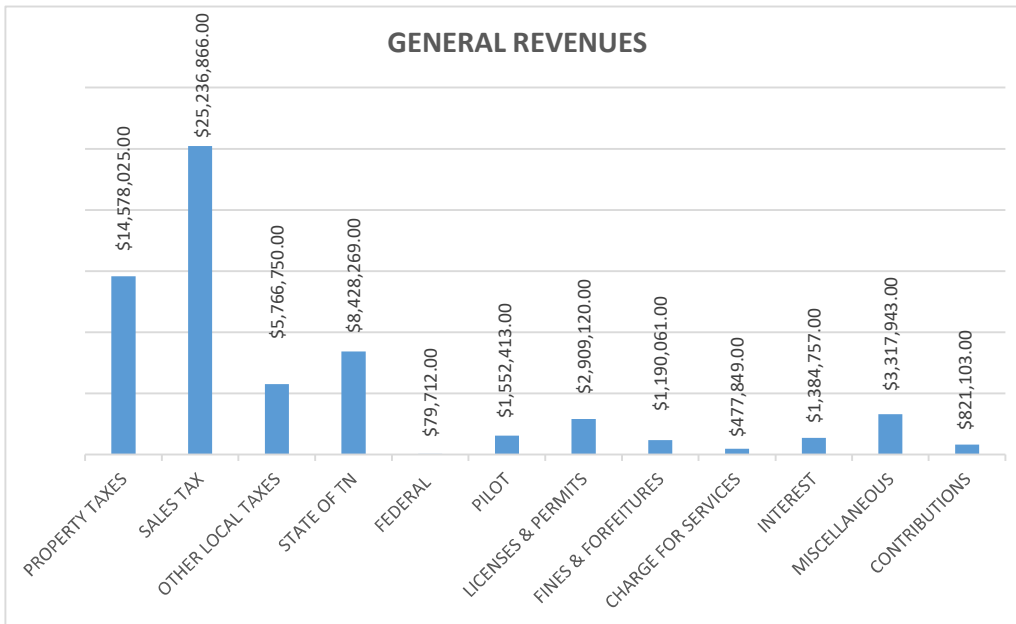
The following table shows the City's changes in net position for the fiscal years ended June 30, 2024:

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 8,319,617	\$ 9,650,567	\$ 44,432,340	\$ 46,954,084	\$ 52,751,957	\$ 56,604,651
Operating Grants & Contributions	2,436,261	3,711,337	-	-	2,436,261	3,711,337
Capital Grants & Contributions	11,504,957	21,666,108	22,491,671	16,937,804	33,996,628	38,603,912
General Revenues:						
Property Taxes	14,785,488	13,596,559	-	-	14,785,488	13,596,559
Sales Tax	30,620,899	29,260,123	-	-	30,620,899	29,260,123
Other Local Taxes	5,766,750	5,721,107	-	-	5,766,750	5,721,107
Other	3,090,845	2,089,535	450,596	218,582	3,541,441	2,308,117
Unrestricted Interest Income	1,668,238	1,369,828	1,695,303	705,876	3,363,541	2,075,704
Gain on disposal of capital assets	-	-	17,743	169,564	17,743	169,564
Transfers In/Out	(279,040)	(737,142)	279,040	737,142	-	-
Total General Revenues	<u>77,914,015</u>	<u>86,328,022</u>	<u>69,366,693</u>	<u>65,723,052</u>	<u>147,280,708</u>	<u>152,051,074</u>
Expenses						
General Government	12,406,021	12,722,167	-	-	12,406,021	12,722,167
Public Safety	36,118,335	22,857,010	-	-	36,118,335	22,857,010
Public Works	10,509,233	10,938,756	-	-	10,509,233	10,938,756
Culture & Recreation	6,081,947	5,934,201	-	-	6,081,947	5,934,201
Interest on Long-Term Debt	1,066,235	902,106	-	-	1,066,235	902,106
Stormwater	-	-	2,089,984	1,790,252	2,089,984	1,790,252
Water & Sewer	-	-	25,497,656	23,600,745	25,497,656	23,600,745
Natural Gas	-	-	11,241,952	13,274,648	11,241,952	13,274,648
	<u>66,181,771</u>	<u>53,354,240</u>	<u>38,829,592</u>	<u>38,665,645</u>	<u>105,011,363</u>	<u>92,019,885</u>
Change in Net Position	<u>\$ 11,732,244</u>	<u>\$ 32,973,782</u>	<u>\$ 30,537,101</u>	<u>\$ 27,057,407</u>	<u>\$ 42,269,345</u>	<u>\$ 60,031,189</u>



### GENERAL FUND ANALYSIS

The following charts summarize the revenues and expenditures for the General Fund for the fiscal year ended June 30, 2024:



The total revenues for the General Fund was \$65.7 million and the total expenditures were \$56.3 million. After factoring in Other Financing Uses of (\$8.6) million, the net change in fund balance for the General Fund was \$835 thousand.



**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets:**

At June 30, 2024 the City had \$361.1 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.

	Governmental Activities		Business Type Activities		Total	
	2024	2023 - Restated	2024	2023	2024	2023 - Restated
Land	\$ 12,929,038	\$ 12,854,867	\$ 3,217,274	\$ 3,036,879	\$ 16,146,312	\$ 15,891,746
Buildings	23,155,709	24,374,608	42,917,243	40,288,153	66,072,952	64,662,761
Improvements Other Than Buildings	76,301,733	66,551,107	128,135,154	118,038,377	204,436,887	184,589,484
Equipment	15,787,442	16,460,891	6,383,214	4,323,190	22,170,656	20,784,081
Leased Assets, Net	1,750,634	1,452,935	35,572	44,952	1,786,206	1,497,887
Construction in Process	19,853,337	13,173,551	30,602,873	15,903,933	50,456,210	29,077,484
<b>Total</b>	<b>\$ 149,777,893</b>	<b>\$ 134,867,959</b>	<b>\$ 211,291,330</b>	<b>\$ 181,635,484</b>	<b>\$ 361,069,223</b>	<b>\$ 316,503,443</b>

This year's major capital additions included: water & sewer improvements, gas improvements, street construction and construction of a new sports complex.

The fiscal year ended June 30, 2025 budget includes capital expenditures of \$20.9 million. The City plans to pay for these projects with grants and from funds on hand.

**Long-Term Debt:**

At June 30, 2024, the City had \$61.9 million in bonds, notes, capital leases and subscriptions outstanding. See note 7 to the financial statements for more information on long-term debt activity.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 887,000	\$ 1,232,000	\$ 15,210,927	\$ 17,027,188	\$ 16,097,927	\$ 18,259,188
Notes Payable	24,639,425	26,022,060	18,499,610	20,519,088	43,139,035	46,541,148
Lease Payable	1,776,567	1,394,102	40,027	46,082	1,816,594	1,440,184
Subscription Payable	818,286	1,104,350	-	-	818,286	1,104,350
<b>Total</b>	<b>\$ 28,121,278</b>	<b>\$ 29,752,512</b>	<b>\$ 33,750,564</b>	<b>\$ 37,592,358</b>	<b>\$ 61,871,842</b>	<b>\$ 67,344,870</b>

Bond ratings: Aa2



## **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.



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

When preparing the General Fund for fiscal year 2025, increases for salaries, benefits, capital equipment and improvements were factored in. The City of Lebanon passed a 4.5% cost-of-living adjustment for its employees. The amount projected for revenues for appropriation in the General Fund budget is \$56.93 million, an increase of 1.89% compared to the original budget for 2023-2024. Estimated property tax revenue is projected to increase by \$1.4 million, or 12% and estimated sales tax revenue is projected to increase by \$2 million or 9% compared to the original budget for fiscal year 2024. Projected expenditures will increase by 2.01% compared to the original budget for fiscal year 2024. Revenues are projected to exceed expenditures by approximately \$31 thousand.

Water & Sewer revenues are projected to increase 1.30% compared to the original budget for fiscal year 2024. Revenues are projected to exceed expenses by approximately \$7.3 million. The cash (over) for the Water & Sewer fund is estimated to be \$223 thousand after factoring in non-cash expenses less principal and capital outlay.

Gas revenues are projected to decrease by .16% compared to the original budget for fiscal year 2024. Revenues are projected to exceed expenses by approximately \$2.7 million. The cash (over) for the Gas fund is estimated to be \$195 thousand after factoring in non-cash expenses less principal and capital outlay.

Debt is expected to increase in FY 2025 due to:

1. General fund - loan of \$15 million for the Willard Hagan Road project and infrastructure improvements.

The overriding issue is meeting the long-term infrastructure costs due to the fast growth rate of the City and the 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 of 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.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LEBANON, TENNESSEE**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Primary Government			Component Unit
	Governmental	Business-type	Total	Lebanon
	Activities	Activities		Senior Citizens Center
<b>ASSETS</b>				
Cash and cash equivalents	\$ 66,597,752	\$ 41,955,543	\$ 108,553,295	\$ 257,464
Investments	9,131,508	5,199,920	14,331,428	-
Receivables:				
Taxes (net of allowance)	15,223,357	-	15,223,357	-
Accounts (net of allowance)	1,842,447	4,409,081	6,251,528	-
Sales tax	4,470,938	-	4,470,938	-
Lease receivables	302,309	-	302,309	-
Due from other governments	992,130	-	992,130	-
Due from component unit	4,116	-	4,116	-
Due from primary government	-	1,131,738	1,131,738	1,776
Due from others	-	86,994	86,994	-
Internal balances	454,226	(454,226)	-	-
Inventories	179,569	1,071,779	1,251,348	-
Prepaid items	278,730	124,819	403,549	-
Stabilization trust	1,403,619	401,032	1,804,651	-
Net pension asset - TCRS Hybrid	2,627	660	3,287	-
Restricted assets:				
Cash and cash equivalents	-	3,635,212	3,635,212	-
Capital assets, not being depreciated	32,782,375	33,820,147	66,602,522	105,468
Capital assets, net of accumulated depreciation	116,995,518	177,471,183	294,466,701	699,007
Total Assets	<u>250,661,221</u>	<u>268,853,882</u>	<u>519,515,103</u>	<u>1,063,715</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pension	8,849,424	1,977,461	10,826,885	-
Deferred outflows from OPEB	5,415,572	1,132,497	6,548,069	-
Deferred charges on refunding	5,123	18,600	23,723	-
Total Deferred Outflows of Resources	<u>14,270,119</u>	<u>3,128,558</u>	<u>17,398,677</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	4,197,455	5,268,777	9,466,232	2,690
Accrued expenses	3,532,146	895,135	4,427,281	5,811
Due to component unit	1,776	-	1,776	-
Due to primary government	-	-	-	4,116
Accrued interest payable	165,542	-	165,542	-
Customer deposits	100,005	250	100,255	-
Unearned revenue	8,048	219,740	227,788	8,867
Current portion of long-term liabilities	3,152,039	3,683,240	6,835,279	5,617
Noncurrent Liabilities:				
Due in more than one year	26,667,915	30,355,821	57,023,736	8,718
Net pension liability - TCRS	5,168,435	1,080,814	6,249,249	-
OPEB liability	20,576,240	4,302,869	24,879,109	-
Total Liabilities	<u>63,569,601</u>	<u>45,806,646</u>	<u>109,376,247</u>	<u>35,819</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	14,939,564	-	14,939,564	-
Deferred revenue - leases	274,559	-	274,559	-
OPEB related items	3,924,849	820,759	4,745,608	-
Pension related items - TCRS	35,958	9,033	44,991	-
Total Deferred Inflows of Resources	<u>19,174,930</u>	<u>829,792</u>	<u>20,004,722</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	121,661,738	176,337,906	297,999,644	790,140
Restricted for:				
General government	885,248	-	885,248	-
Public safety	1,092,901	-	1,092,901	-
Recreation	140,993	-	140,993	-
Capital projects	3,263,785	-	3,263,785	-
Debt service	-	2,413,752	2,413,752	-
Construction retainage	-	1,221,460	1,221,460	-
Stabilization trust	1,403,619	401,032	1,804,651	-
Unrestricted	53,738,525	44,971,852	98,710,377	237,756
Total Net Position	<u>\$ 182,186,809</u>	<u>\$ 225,346,002</u>	<u>\$ 407,532,811</u>	<u>\$ 1,027,896</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			Component Unit Lebanon Senior Citizens Center
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 12,406,021	\$ 4,766,304	\$ 2,060,196	\$ -	\$ (5,579,521)	\$ -	\$ (5,579,521)	\$ -
Public safety	36,118,335	91,400	245,844	-	(35,781,091)	-	(35,781,091)	-
Public works	10,509,233	2,196,680	130,221	11,504,957	3,322,625	-	3,322,625	-
Culture and recreation	6,081,947	1,265,233	-	-	(4,816,714)	-	(4,816,714)	-
Interest on debt	1,066,235	-	-	-	(1,066,235)	-	(1,066,235)	-
Total Governmental Activities	<u>66,181,771</u>	<u>8,319,617</u>	<u>2,436,261</u>	<u>11,504,957</u>	<u>(43,920,936)</u>	<u>-</u>	<u>(43,920,936)</u>	<u>-</u>
Business-type Activities:								
Stormwater	2,089,984	2,352,641	-	2,091,808	-	2,354,465	2,354,465	-
Water and Sewer	25,497,656	30,226,372	-	20,399,863	-	25,128,579	25,128,579	-
Natural Gas	11,241,952	11,853,327	-	-	-	611,375	611,375	-
Total Business-type Activities	<u>38,829,592</u>	<u>44,432,340</u>	<u>-</u>	<u>22,491,671</u>	<u>-</u>	<u>28,094,419</u>	<u>28,094,419</u>	<u>-</u>
Total Primary Government	<u>\$ 105,011,363</u>	<u>\$ 52,751,957</u>	<u>\$ 2,436,261</u>	<u>\$ 33,996,628</u>	<u>\$ (43,920,936)</u>	<u>\$ 28,094,419</u>	<u>\$ (15,826,517)</u>	<u>-</u>
<b>Component Unit:</b>								
Lebanon Senior Citizens Center	\$ 501,284	\$ 172,337	\$ 234,675	\$ -				\$ (94,272)
Total Component Units	<u>\$ 501,284</u>	<u>\$ 172,337</u>	<u>\$ 234,675</u>	<u>\$ -</u>				<u>\$ (94,272)</u>
General Revenues:								
Property taxes					\$ 14,785,488	\$ -	\$ 14,785,488	\$ -
Sales taxes					30,620,899	-	30,620,899	-
Other local taxes					5,766,750	-	5,766,750	-
Other					3,090,845	450,596	3,541,441	93,692
Unrestricted interest income					1,668,238	1,695,303	3,363,541	1,888
Gain on disposal of capital assets					-	17,743	17,743	-
Total General Revenues					<u>55,932,220</u>	<u>2,163,642</u>	<u>58,095,862</u>	<u>95,580</u>
Transfers					(279,040)	279,040	-	-
Change in Net Position					11,732,244	30,537,101	42,269,345	1,308
Net Position, Beginning, as previously reported					168,671,505	194,808,901	363,480,406	1,000,445
Adjustment - error in prior year					1,783,060	-	1,783,060	26,143
Net Position, beginning, as adjusted					<u>170,454,565</u>	<u>194,808,901</u>	<u>365,263,466</u>	<u>1,026,588</u>
Net Position, Ending					<u>\$ 182,186,809</u>	<u>\$ 225,346,002</u>	<u>\$ 407,532,811</u>	<u>\$ 1,027,896</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 56,397,754	\$ 3,195,869	\$ 7,004,129	\$ 66,597,752
Investments	9,092,904	-	38,604	9,131,508
Receivables (net of allowance):				
Property taxes	15,223,357	-	-	15,223,357
Sales taxes	4,470,938	-	-	4,470,938
Accounts	1,408,413	70,588	363,446	1,842,447
Due from other funds	465,937	24,897	428,953	919,787
Due from component unit	4,116	-	-	4,116
Due from other governments	290,195	701,750	185	992,130
Prepaid items	267,426	-	11,304	278,730
Inventories	179,569	-	-	179,569
Stabilization trust	1,403,619	-	-	1,403,619
Lease receivable	-	-	302,309	302,309
Total Assets	<u>\$ 89,204,228</u>	<u>\$ 3,993,104</u>	<u>\$ 8,148,930</u>	<u>\$ 101,346,262</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,860,744	\$ 1,165,816	\$ 1,170,895	\$ 4,197,455
Accrued liabilities	1,506,137	1,951,085	74,924	3,532,146
Due to component unit	1,776	-	-	1,776
Due to other funds	464,554	-	1,007	465,561
Customer deposits	100,005	-	-	100,005
Unearned revenue	548	-	7,500	8,048
Total Liabilities	<u>3,933,764</u>	<u>3,116,901</u>	<u>1,254,326</u>	<u>8,304,991</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred - property taxes	14,939,564	-	-	14,939,564
Unavailable revenue - property taxes	234,598	-	-	234,598
Unavailable revenue - intergovernmental	5,125	-	-	5,125
Deferred inflows - leases	-	-	274,559	274,559
Total Deferred Inflows of Resources	<u>15,179,287</u>	<u>-</u>	<u>274,559</u>	<u>15,453,846</u>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Inventory	179,569	-	-	179,569
Prepays	267,426	-	11,304	278,730
<b>Restricted:</b>				
General government	-	-	885,248	885,248
Public safety	-	-	1,092,901	1,092,901
Culture and recreation	-	-	140,993	140,993
Capital projects	-	876,203	-	876,203
Public works	-	-	3,263,785	3,263,785
Stabilization trust	1,403,619	-	-	1,403,619
Debt service	-	-	623,218	623,218
<b>Committed:</b>				
Police	-	-	54,311	54,311
Cemetery	-	-	113,481	113,481
<b>Assigned:</b>				
Airport	-	-	262,023	262,023
Floyd Family Life Center	-	-	172,781	172,781
Unassigned:	68,240,563	-	-	68,240,563
Total Fund Balances	<u>70,091,177</u>	<u>876,203</u>	<u>6,620,045</u>	<u>77,587,425</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 89,204,228</u>	<u>\$ 3,993,104</u>	<u>\$ 8,148,930</u>	<u>\$ 101,346,262</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances - Governmental Funds	\$ 77,587,425
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds	149,777,893
Revenue not available to pay for current expenditures and, therefore, is deferred in the funds:	
Unavailable revenue - property taxes	234,598
Unavailable revenue - intergovernmental	5,125
Deferred outflows of resources - pensions and OPEB are not available to pay current expenditures and, therefore, are not reported in governmental funds	14,264,996
Deferred inflows of resources - pensions and OPEB are not due in the current period and, therefore, are not reported in governmental funds	(3,960,807)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds payable	(887,000)
Notes payable	(24,624,269)
Deferred charges on refunding	5,123
Premiums on notes	(15,156)
Lease payable	(1,776,567)
SBITAs payable	(818,286)
Accrued interest payable	(165,542)
Compensated absences payable	(1,698,676)
Total OPEB liability	(20,576,240)
Net pension liabilities	(5,165,808)
Net Position of Governmental Activities	\$ 182,186,809

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 45,581,641	\$ -	\$ 664,179	\$ 46,245,820
Licenses and permits	2,909,120	-	-	2,909,120
Fines and forfeitures	1,190,061	-	587,715	1,777,776
Intergovernmental	10,060,394	4,690,315	1,388,552	16,139,261
Charges for services	477,849	-	1,232,908	1,710,757
Interest	1,384,757	47,813	235,668	1,668,238
Miscellaneous	3,317,943	42,190	592,193	3,952,326
Contributions	821,103	-	75,905	897,008
Total Revenues	<u>65,742,868</u>	<u>4,780,318</u>	<u>4,777,120</u>	<u>75,300,306</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,442,229	-	977,228	9,419,457
Public safety	32,045,912	-	166,387	32,212,299
Public works	12,879,040	201,980	831,107	13,912,127
Culture and recreation	2,162,944	530,116	2,457,531	5,150,591
Capital Outlay	-	11,630,887	627,689	12,258,576
Debt Service:				
Principal	686,013	-	1,863,804	2,549,817
Interest and fiscal charges	70,987	-	992,564	1,063,551
Total Expenditures	<u>56,287,125</u>	<u>12,362,983</u>	<u>7,916,310</u>	<u>76,566,418</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>9,455,743</u>	<u>(7,582,665)</u>	<u>(3,139,190)</u>	<u>(1,266,112)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from new bond issuance	-	-	4,629,000	4,629,000
Payment to fiscal agent	-	-	(4,594,799)	(4,594,799)
Proceeds from sale of capital assets	102,451	-	61,024	163,475
Issuance of leases and SBITAs	1,264,849	-	4,902	1,269,751
Transfers in	-	5,785,058	4,159,473	9,944,531
Transfers out	(9,988,396)	-	(235,175)	(10,223,571)
Total Other Financing Sources (Uses)	<u>(8,621,096)</u>	<u>5,785,058</u>	<u>4,024,425</u>	<u>1,188,387</u>
Net Change in Fund Balances	834,647	(1,797,607)	885,235	(77,725)
Fund Balance - Beginning of Year	69,256,530	-	8,408,620	77,665,150
Adjustment - change in reporting entity	-	2,673,810	(2,673,810)	-
Fund Balance, Beginning of Year, as adjusted	<u>69,256,530</u>	<u>2,673,810</u>	<u>5,734,810</u>	<u>77,665,150</u>
Fund Balance - Ending	<u>\$ 70,091,177</u>	<u>\$ 876,203</u>	<u>\$ 6,620,045</u>	<u>\$ 77,587,425</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balance - Total Governmental Funds	\$	(77,725)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital outlays		19,466,224
Depreciation expense		(9,047,842)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position.</p>		
Donated capital assets		5,367,996
Net book value of disposals		(876,444)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:</p>		
Change in intergovernmental revenue		(2,846,185)
Change in property taxes		207,463
<p>Some expenses reported in the statement of activities, such as accrued leave, interest payable, debt premium amortization and OPEB liability, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>		
Compensated absences		(127,569)
Amortization of debt issuance premium		4,030
Change in accrued interest payable		(6,714)
Change in OPEB liability		(891,351)
Change in net pension liabilities		(1,066,843)
Remeasurement of right-to-use asset and related liabilities		381,339
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds. These transactions do not have any effect on net position:</p>		
Issuance of lease payable		(1,042,906)
Issuance of notes payable		(4,629,000)
Issuance of SBITA		(226,845)
<p>The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. These transactions do not have any effect on net position:</p>		
Payments on notes payable		1,412,806
Payments to refunding agent		4,594,799
Payments on bonds payable		345,000
Payments on lease and financed purchases payable		279,102
Payments on SBITAs		512,909
Change in Net Position of Governmental Activities	\$	<u>11,732,244</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property tax	\$ 13,250,000	\$ 13,250,000	\$ 14,578,025	\$ 1,328,025
Sales tax	22,000,000	25,236,866	25,236,866	-
Other local taxes	4,677,000	4,677,000	5,766,750	1,089,750
<b>Total Taxes</b>	<b>39,927,000</b>	<b>43,163,866</b>	<b>45,581,641</b>	<b>2,417,775</b>
Intergovernmental:				
Federal	-	-	79,712	79,712
State	9,876,741	11,961,994	8,428,269	(3,533,725)
Payment in lieu of taxes	1,492,907	1,492,907	1,552,413	59,506
<b>Total Intergovernmental</b>	<b>11,369,648</b>	<b>13,454,901</b>	<b>10,060,394</b>	<b>(3,394,507)</b>
Licenses and permits	1,905,000	2,340,164	2,909,120	568,956
Fines and forfeitures	868,000	868,000	1,190,061	322,061
Charges for services	479,372	479,372	477,849	(1,523)
Interest	295,000	295,000	1,384,757	1,089,757
Miscellaneous	968,500	1,275,141	3,317,943	2,042,802
Contributions	-	643,155	821,103	177,948
<b>Total Revenues</b>	<b>55,812,520</b>	<b>62,519,599</b>	<b>65,742,868</b>	<b>3,223,269</b>
<b>EXPENDITURES</b>				
General Government:				
Mayor council	300,568	763,050	733,519	29,531
City attorney & judicial	310,231	450,734	449,583	1,151
Financial administration	233,149	327,584	320,527	7,057
Building maintenance	289,924	304,268	261,551	42,717
Accounting	189,204	276,244	276,248	(4)
Customer billing	35,255	127,049	127,072	(23)
Purchasing	89,745	117,591	117,592	(1)
Computer equipment	610,769	685,521	806,277	(120,756)
Economic development	239,357	267,591	267,593	(2)
Mitchell house	211,902	260,645	209,107	51,538
Personnel	821,012	820,223	619,468	200,755
Risk assessment	174,018	186,790	162,725	24,065
General maintenance	777,746	1,061,571	787,748	273,823
Building inspection	658,491	695,728	613,352	82,376
Codes enforcement	521,859	553,685	455,891	97,794
Cemetery	167,448	192,646	164,701	27,945
Regional transportation authority dues	54,408	54,408	54,408	-
Special events	130,000	137,070	138,715	(1,645)
Dues	52,289	50,659	37,691	12,968
Donations	330,173	338,673	337,629	1,044
City holiday events	54,000	58,680	58,669	11
Veterans building	-	75,420	54,735	20,685
Capital outlay	5,428,806	11,246,898	1,387,428	9,859,470
<b>Total General Government</b>	<b>11,680,354</b>	<b>19,052,728</b>	<b>8,442,229</b>	<b>10,610,499</b>
Public Safety:				
Public safety	29,638,886	33,830,927	31,373,329	2,457,598
Animal control	235,987	545,473	245,752	299,721
Radio communication	425,000	426,831	426,831	-
<b>Total Public Safety</b>	<b>30,299,873</b>	<b>34,803,231</b>	<b>32,045,912</b>	<b>2,757,319</b>

continued

**CITY OF LEBANON, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Public Works:				
Public works	\$ 2,091,339	\$ 3,282,463	\$ 2,309,500	\$ 972,963
Street	2,358,989	6,262,815	4,746,908	1,515,907
Sanitation	2,839,964	6,800,677	4,575,246	2,225,431
Traffic maintenance	596,189	800,466	625,404	175,062
Garage	557,091	796,129	621,982	174,147
Total Public Works	<u>8,443,572</u>	<u>17,942,550</u>	<u>12,879,040</u>	<u>5,063,510</u>
Culture and Recreation:				
Recreation administration	2,015,896	2,478,488	1,849,120	629,368
Recreation	291,910	323,545	313,824	9,721
Total Culture and Recreation	<u>2,307,806</u>	<u>2,802,033</u>	<u>2,162,944</u>	<u>639,089</u>
Debt Service:				
Principal	-	635,852	686,013	(50,161)
Interest and fiscal charges	-	1,371,012	70,987	1,300,025
Total Debt Service	<u>-</u>	<u>2,006,864</u>	<u>757,000</u>	<u>1,249,864</u>
Total Expenditures	<u>52,731,605</u>	<u>76,607,406</u>	<u>56,287,125</u>	<u>20,320,281</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,080,915</b>	<b>(14,087,807)</b>	<b>9,455,743</b>	<b>23,543,550</b>
<b>OTHER FINANCING USES</b>				
Proceeds from disposal of capital assets	63,000	63,000	102,451	(39,451)
Proceeds from lease	-	-	1,264,849	(1,264,849)
Transfers out	(3,048,868)	(14,144,923)	(9,988,396)	(4,156,527)
Total Other Financing Uses	<u>(2,985,868)</u>	<u>(14,081,923)</u>	<u>(8,621,096)</u>	<u>(5,460,827)</u>
Net Change in Fund Balances	<u>\$ 95,047</u>	<u>\$ (28,169,730)</u>	<u>834,647</u>	<u>\$ 18,082,723</u>
Fund Balance - Beginning			<u>69,256,530</u>	
Fund Balance - Ending			<u>\$ 70,091,177</u>	

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	Enterprise Funds			
	Stormwater	Water & Sewer	Natural Gas	Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 5,900,010	\$ 33,864,643	\$ 2,190,890	\$ 41,955,543
Investments	11,117	4,554,187	634,616	5,199,920
Accounts receivable, (net):				
Accounts	200,455	3,514,366	694,260	4,409,081
Due from other funds	9,228	1,046	847	11,121
Due from other governments	-	1,131,738	-	1,131,738
Due from others	-	-	86,994	86,994
Prepays	7,367	87,556	29,896	124,819
Inventory	-	415,100	656,679	1,071,779
Total current assets	<u>6,128,177</u>	<u>43,568,636</u>	<u>4,294,182</u>	<u>53,990,995</u>
Noncurrent assets:				
Capital assets, not being depreciated	223,106	32,853,524	743,517	33,820,147
Capital assets, net of accumulated depreciation	<u>13,110,049</u>	<u>130,411,150</u>	<u>33,949,984</u>	<u>177,471,183</u>
Total capital assets	<u>13,333,155</u>	<u>163,264,674</u>	<u>34,693,501</u>	<u>211,291,330</u>
Restricted cash and cash equivalents	-	3,635,212	-	3,635,212
Net pension asset - TCRS Hybrid	58	417	185	660
Stabilization reserve	<u>35,675</u>	<u>273,790</u>	<u>91,567</u>	<u>401,032</u>
Total other noncurrent assets	<u>35,733</u>	<u>3,909,419</u>	<u>91,752</u>	<u>4,036,904</u>
Total noncurrent assets	<u>13,368,888</u>	<u>167,174,093</u>	<u>34,785,253</u>	<u>215,328,234</u>
Total assets	<u>19,497,065</u>	<u>210,742,729</u>	<u>39,079,435</u>	<u>269,319,229</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
OPEB related items	82,593	767,530	282,374	1,132,497
Pension related items	149,173	1,325,420	502,868	1,977,461
Refunding	-	18,600	-	18,600
Total deferred outflows of resources	<u>231,766</u>	<u>2,111,550</u>	<u>785,242</u>	<u>3,128,558</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	372,638	4,407,409	488,730	5,268,777
Accrued liabilities	-	715,282	179,853	895,135
Due to other funds	56,880	277,922	130,545	465,347
Customer deposits	-	150	100	250
Unearned revenues	1,717	86,002	132,021	219,740
Lease liability, current portion	-	1,839	7,629	9,468
Notes payable, current portion	-	2,054,128	-	2,054,128
Bonds payable, current portion	-	1,310,000	183,000	1,493,000
Compensated absences payable, current portion	<u>2,703</u>	<u>91,707</u>	<u>32,234</u>	<u>126,644</u>
Total current liabilities	<u>433,938</u>	<u>8,944,439</u>	<u>1,154,112</u>	<u>10,532,489</u>
Long-term liabilities:				
OPEB liability	313,807	2,916,196	1,072,866	4,302,869
Pension liability	78,823	732,503	269,488	1,080,814
Leases payable, non-current portion	-	12,071	18,488	30,559
Notes payable, non-current portion	-	16,445,482	-	16,445,482
Bonds payable, non-current portion	-	11,644,517	2,073,410	13,717,927
Compensated absences payable, non-current portion	<u>21,613</u>	<u>113,573</u>	<u>26,667</u>	<u>161,853</u>
Total long-term liabilities	<u>414,243</u>	<u>31,864,342</u>	<u>3,460,919</u>	<u>35,739,504</u>
Total liabilities	<u>848,181</u>	<u>40,808,781</u>	<u>4,615,031</u>	<u>46,271,993</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	796	5,713	2,524	9,033
OPEB related items	<u>59,858</u>	<u>556,255</u>	<u>204,646</u>	<u>820,759</u>
Total deferred inflows of resources	<u>60,654</u>	<u>561,968</u>	<u>207,170</u>	<u>829,792</u>
<b>NET POSITION</b>				
Net investment in capital assets	13,333,155	130,593,777	32,410,974	176,337,906
Restricted for debt service	-	2,413,752	-	2,413,752
Restricted for construction retainage	-	1,221,460	-	1,221,460
Restricted for stabilization reserve	35,675	273,790	91,567	401,032
Unrestricted	<u>5,451,166</u>	<u>36,980,751</u>	<u>2,539,935</u>	<u>44,971,852</u>
Total net position	<u>\$ 18,819,996</u>	<u>\$ 171,483,530</u>	<u>\$ 35,042,476</u>	<u>\$ 225,346,002</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds			Total
	Stormwater	Water & Sewer	Natural Gas	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,348,520	\$ 30,150,903	\$ 11,766,143	\$ 44,265,566
Fines and forfeitures	4,121	-	-	4,121
Miscellaneous charges	-	75,469	87,184	162,653
Total Operating Revenues	<u>2,352,641</u>	<u>30,226,372</u>	<u>11,853,327</u>	<u>44,432,340</u>
<b>OPERATING EXPENSES</b>				
Purchased gas	-	-	5,769,970	5,769,970
Transmission and distribution	615,622	12,850,513	2,536,168	16,002,303
General and administrative	1,005,239	4,867,281	1,383,883	7,256,403
Depreciation and amortization	469,123	7,235,304	1,475,444	9,179,871
Total Operating Expenses	<u>2,089,984</u>	<u>24,953,098</u>	<u>11,165,465</u>	<u>38,208,547</u>
Operating Income	262,657	5,273,274	687,862	6,223,793
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and other income	119,329	1,452,438	123,536	1,695,303
Interest expense	-	(544,558)	(76,487)	(621,045)
Gain on disposal of capital assets	-	4,155	13,588	17,743
Miscellaneous revenue	4,946	435,498	10,152	450,596
Total Nonoperating Revenues (Expenses)	<u>124,275</u>	<u>1,347,533</u>	<u>70,789</u>	<u>1,542,597</u>
Income Before Capital Contributions and Transfers	386,932	6,620,807	758,651	7,766,390
Capital contributions	2,091,808	14,128,433	-	16,220,241
Capital grants	-	6,271,430	-	6,271,430
Transfers in	-	264,040	18,000	282,040
Transfers out	(3,000)	-	-	(3,000)
Change in Net Position	2,475,740	27,284,710	776,651	30,537,101
Net Position - Beginning	<u>16,344,256</u>	<u>144,198,820</u>	<u>34,265,825</u>	<u>194,808,901</u>
Net Position - Ending	<u>\$ 18,819,996</u>	<u>\$ 171,483,530</u>	<u>\$ 35,042,476</u>	<u>\$ 225,346,002</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds			Total
	Stormwater	Water & Sewer	Natural Gas	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from consumers	\$ 2,280,628	\$ 30,230,896	\$ 11,995,292	\$ 44,506,816
Cash paid to suppliers of goods and services	(168,276)	(8,797,998)	(7,670,540)	(16,636,814)
Cash paid to employees for services	(1,161,138)	(10,184,622)	(2,221,782)	(13,567,542)
Net cash provided by operating activities	<u>951,214</u>	<u>11,248,276</u>	<u>2,102,970</u>	<u>14,302,460</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(3,000)	-	-	(3,000)
Transfers in	-	264,040	18,000	282,040
Cash paid/received on interfund loans	-	1,872,240	673,987	2,546,227
Cash received from other activities	4,946	435,498	10,152	450,596
Proceeds from sale of assets	-	39,666	15,627	55,293
Net cash provided by (used in) non-capital financing activities	<u>1,946</u>	<u>2,611,444</u>	<u>717,766</u>	<u>3,331,156</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Construction and acquisition of property and equipment	(626,485)	(17,295,523)	(4,737,636)	(22,659,644)
Capital grants received	-	6,271,430	-	6,271,430
Principal payments on long-term debt and contractual obligations	-	(3,263,236)	(169,000)	(3,432,236)
Interest and fiscal charges paid	-	(957,832)	(76,487)	(1,034,319)
Lease proceeds	-	3,120	-	3,120
Lease payments	-	(1,783)	(7,392)	(9,175)
Net cash used in capital and related financing activities	<u>(626,485)</u>	<u>(15,243,824)</u>	<u>(4,990,515)</u>	<u>(20,860,824)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earned	119,329	1,452,438	123,536	1,695,303
Purchase of investments	(495)	(180,345)	(15,058)	(195,898)
Net cash provided by (used in) investing activities	<u>118,834</u>	<u>1,272,093</u>	<u>108,478</u>	<u>1,499,405</u>
Net Increase (Decrease) in Cash and Cash Equivalents	445,509	(112,011)	(2,061,301)	(1,727,803)
Cash and Cash Equivalents - Beginning	<u>5,454,559</u>	<u>37,612,283</u>	<u>4,252,376</u>	<u>47,319,218</u>
Cash and Cash Equivalents - Ending	<u>\$ 5,900,068</u>	<u>\$ 37,500,272</u>	<u>\$ 2,191,075</u>	<u>\$ 45,591,415</u>
<b>CASH RECONCILIATION</b>				
Cash and cash equivalents	\$ 5,900,010	\$ 33,864,643	\$ 2,190,890	\$ 41,955,543
Restricted cash and cash equivalents	-	3,635,212	-	3,635,212
Total	<u>\$ 5,900,010</u>	<u>\$ 37,499,855</u>	<u>\$ 2,190,890</u>	<u>\$ 45,590,755</u>

continued

**CITY OF LEBANON, TENNESSEE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Enterprise Funds			
	Stormwater	Water & Sewer	Natural Gas	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 262,657	\$ 5,273,274	\$ 687,862	\$ 6,223,793
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	469,123	7,235,304	1,475,444	9,179,871
(Increase) decrease:				
Accounts receivable	(73,730)	625,375	162,679	714,324
Leases receivable	-	487,832	-	487,832
Due from other funds	(9,228)	-	-	(9,228)
Due from others	-	-	(19,039)	(19,039)
Due from other governments	-	(1,131,738)	-	(1,131,738)
Deferred outflows from pension	(13,219)	(71,770)	(69,487)	(154,476)
Deferred outflows from OPEB	14,524	178,319	34,476	227,319
Prepays	100	40,188	22,077	62,365
Inventories	-	(45,075)	(413,694)	(458,769)
Stabilization reserve	(6,205)	(57,721)	(21,227)	(85,153)
Increase (decrease):				
Accounts payable and accrued liabilities	298,306	(411,621)	130,918	17,603
Due to other funds	(9,742)	(388,772)	(11,786)	(410,300)
Unearned revenue	1,717	23,055	(1,675)	23,097
Compensated absences	(1)	-	-	(1)
Net pension liability	25,578	215,133	95,947	336,658
OPEB liability	2,194	(118,700)	56,207	(60,299)
Deferred inflows from pension	(1,251)	(11,337)	(3,738)	(16,326)
Deferred inflows from OPEB	(9,609)	(120,302)	(21,994)	(151,905)
Deferred inflows from leases	-	(473,168)	-	(473,168)
Net cash provided by operating activities	<u>\$ 951,214</u>	<u>\$ 11,248,276</u>	<u>\$ 2,102,970</u>	<u>\$ 14,302,460</u>
<b>NONCASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Donated capital assets	<u>\$ 2,091,808</u>	<u>\$ 14,128,433</u>	<u>\$ -</u>	<u>\$ 16,220,241</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting Entity**

The City of Lebanon, Tennessee (the "City") 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.

**Primary Government.** The accompanying financial statements present the City (primary government) and its component unit, an entity for which the City is considered to be financially accountable. The City is financially accountable if it appoints a voting majority of the organization's governing body, and (1) it is able to impose its will on the organization, or (2) there is a potential for the entity to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Discretely presented component units are reported in separate columns in the government-wide financial statements (see note below for description) to emphasize that those entities are legally separate from the City.

**Discretely Presented Component Units.** 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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**C. Basis of Presentation – Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's utility services and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* account for capital asset acquisition and construction of the City.

The City reports the following major proprietary funds:

The *water and sewer fund* accounts for the operating activities of the City's water and sewer services.

The *natural gas fund* accounts for the operating activities of the City's gas services.

The *stormwater fund* accounts for the operating activities of the City's stormwater system.

Additionally, the City reports the following fund types:

The *special revenue funds* account for various restricted licenses, permits, and fines for public safety and culture and recreation.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**D. Basis of Presentation – Fund Financial Statements (Continued)**

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital project funds* account for capital asset acquisition and construction of the City.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied, even though the receivable is recognized in the prior period when the enforceable legal claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**E. Measurement Focus and Basis of Accounting (Continued)**

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Grant revenue has a period of availability of one year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and other long-term obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within one year of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City. Certain revenues are required to be recognized as a receivable and either as revenue or unearned revenue, depending upon the revenue recognition policies of the entity.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**F. Budgetary Information**

**Budgetary Basis of Accounting.** Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds and certain proprietary funds. As an extension of the budget process, City Council may transfer or appropriate additional funds for expenditures not anticipated at the time of budget adoption. All annual appropriations lapse at fiscal year end. Legal level of budgetary control exists at the major function level in the general fund and at the fund level for all other funds.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**F. Budgetary Information (Continued)**

**Excess of Expenditures over appropriations.** For the fiscal year ended June 30, 2024, the following were instances where the annual expenditures exceeded the appropriations by greater than \$500 as follows:

<b>General Government:</b>	
Special events	\$ 1,645
<b>Public Safety Grant Fund - Electronic Traffic Citation:</b>	
Public safety	15,951
<b>Capital Projects Fund - Airport Capital Projects:</b>	
Culture and recreation	244,276
<b>Debt Service Fund - Radio Systems Bond Fund:</b>	
Debt service	34,193

These expenditures in excess of appropriations were funded with the use of available fund balance and revenues in excess of anticipated levels.

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

Investments for the City are reported at fair value (generally based upon quoted market prices) except for the position in the Local Government Investment Pool ("LGIP") and certificates of deposit. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The LGIP is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission ("SEC"). The LGIP has met the criteria under GASB Statement No. 79 to value its investments at amortized cost and has elected to do so. The City reports its investment in the LGIP at amortized cost.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**3. Inventories and Prepaid Items**

Inventories in the governmental funds are valued at cost, using the first-in/first-out (“FIFO”) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than purchased.

Inventories for the proprietary funds are valued at the lower of average cost or market using the FIFO method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements and fund financial statements for the proprietary funds. The cost of prepaid items is recorded as an expense when consumed rather than when purchased. The payments are being recorded as expenditures on the fund level for the governmental funds.

**4. Capital Assets and Right-to-Use Assets**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$1,000 and an estimated useful life in excess of one year. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition value at the date of donation.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**4. Capital Assets and Right-to-Use Assets (Continued)**

Land and Construction in Progress are not depreciated. The capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-40
Improvements other than buildings	20
Equipment	3-20

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription terms or the useful life of the underlying IT assets.

**5. 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 the City's participation in the TCRS plans, and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the retirement plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the retirement plan. Investments are reported at fair value.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The City has three items that qualify for reporting in this category; deferred outflows related to refunding, deferred outflows related to pensions, and deferred outflows related to other postemployment benefits. All of these are reported in the government-wide statement of net position and the statement of net position for proprietary funds. These items result from the differences in the carrying value of refunded debt and its reacquisition price and from the requirements recognized under GASB 68 for pensions and GASB 75 for OPEB. The deferred outflows related to refunding amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions reflect payments made by the City not currently recognized by the pension plans and other changes in the net pension liability and are disclosed more in Note 9. The deferred outflows related to other postemployment benefits reflects payments made by the City not currently recognized by the OPEB plans and other changes in the net OPEB liability and are disclosed more in Note 8.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of deferred inflows. One of these items arises only under a modified accrual basis of accounting. This item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes, as well as other receivables not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to deferred property taxes recorded in advance of the year in which they are intended to fund operations. This item is a deferred inflow in both the governmental fund balance sheet and the entity wide statement of net position. The third item relates to the recognition of employee pensions as required under GASB 68. This item is a deferred inflow in both the enterprise fund and the entity wide statement of net position and are discussed more in Note 9. The fourth item relates to the recognition of other postemployment benefits as required under GASB 75. This item is a deferred inflow in both the enterprise fund and the entity wide statement of net position and is discussed more in Note 8. The fifth item relates to long-term lease receivables which are deferred and recognized over the term of each lease.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**7. Net Position**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund Equity for all other reporting is classified as “net position.”

**Net Position.** Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. The following are the classifications of net position.

*Net Investment in Capital Assets.* Consists of capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. When debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted Net Position.* Restricted net position reflects the resources that are subject to restricted use and have been externally imposed by creditors, grantors or contributors, or by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position.* Unrestricted net position includes resources that are available for transactions relating to the general operations of the City and may be used at the discretion of the City to meet current expenses for any purpose.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**8. Fund Balance**

Generally, fund balance represents the difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**8. Fund Balance (Continued)**

Fund balances are classified as follows:

*Nonspendable* – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

*Restricted* – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

*Committed* – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e. resolution) of the City Council. Further the limitation that has been placed on the resources can only be removed by the City Council with reversal of the action which committed the resources in the fund balance.

*Assigned* – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. The council is authorized to assign amounts.

*Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all governmental funds.

**Flow Assumptions.** Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider investment earnings and then restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first and then followed by assigned fund balance. Unassigned fund balance is applied last.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**9. 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.

**10. 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 9. 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 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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include, 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Property taxes receivable are recognized as of the date when an enforceable legal claim to the taxable property arises. This is January 1<sup>st</sup> in Tennessee and is referred to as the “lien date.” Revenues from property taxes are recognized in the period for which the taxes are levied. The City’s levy date is October 1<sup>st</sup>, even though the receivable and deferred inflow of resources are recognized in the prior period when the enforceable legal claim arises. Tax notices are typically mailed in October following the levy date and the majority of collections are received during the remainder of the calendar year. The tax due date is the last day of February of the following calendar year or the following business day if the last day of February is on a weekend. Penalty and interest are applied to all accounts with an outstanding balance after the due date.

**3. Compensated Absences**

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Compensated absences are accrued when incurred in proprietary funds and reported as a fund liability. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay them.

Employees of the City may accumulate up to 20 days of annual leave (fire employees accumulate 30 ½ days), which is fully vested.

**4. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the utility departments are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**I. Other**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. DEPOSITS AND INVESTMENTS:**

**Deposits**

Deposits include demand deposits, money market accounts, and certificates of deposit managed by an agent of the City in the City's name.

**Custodial Credit Risk**

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes impose various restrictions on the City's and the Center's deposits and investments, including repurchase agreements. These restrictions are summarized for deposits as follows: all deposits with financial institutions must be collateralized in an amount equal to 105% of the market value of uninsured deposits.

The City's carrying amount of deposits was \$112,188,507 and the balance in financial institutions was \$113,330,432. Carrying amounts differ from financial institution balances primarily due to outstanding checks and deposits in transit. State statutes require collateral pledged by each financial institution to equal a certain percentage of the uninsured public deposits it holds. Members of the State of Tennessee Collateral Pool can be assessed if the collateral is inadequate to cover a loss. This is similar to depository insurance. The entire City's bank balance was covered by the State of Tennessee Collateral Pool, which is a multiple financial institution collateral pool, or by amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), or with securities held by the pledging financial institution's trust department.

At June 30, 2024, the City's investment balances consisted of State of Tennessee Local Government Investment Pool (the "TN LGIP") investments of \$4,094,431 with maturity of less than a year. The City reports the TN LGIP balance as cash equivalents.

Investments in the State of TN LGIP are uncategorized in terms of credit risk because specific securities related to the City cannot be identified. The investments in US Treasury Notes were all rated Aaa by Moody's.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED):**

*Custodial Credit Risk (Continued)*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligation of the U.S. government, or bonds of public authorities, counties, or municipalities.

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rate 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 is to changes in market interest rates. The City does not have a formal policy for interest rate risk other than pledging securities for amounts in excess of FDIC coverage that are also not covered by the State of Tennessee Collateral Pool.

The maturities of the governmental and business-type funds' debt securities are categorized as follows:

	<b>Fair value</b>	<b>Percent of total</b>
Less than one year	\$ 318,934	29%
1 - 5 Years	789,007	71%
Total	\$ 1,107,941	29%

*Credit Risk*

Generally, credit risk is the risk that an 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. The City does not have a formal policy for credit risk other than pledging securities for amounts in excess of FDIC coverage that are also not covered by the State of Tennessee State Collateral Pool.

State statutes authorize the City to invest in bonds, notes, or treasury bills of the United States of America; nonconvertible debt securities of the Federal Home Loan Bank, The Federal National Mortgage Association, The Federal Farm Credit Bank, and the Federal Home Loan Mortgage Corporation; other obligations not listed above which are guaranteed as to principal and interest by the United States of America or any of its agencies; certificates of deposit and other evidences of deposit at state and federally chartered banks and savings and loan associations; obligations of the United States of America or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself if the fair value of the security itself is more than the amount of funds invested, provided, that municipalities may invest in reverse purchase agreements only if the comptroller of the treasury or the comptroller's designee approves repurchase agreements as an authorized investment, and if such investments are made in accordance with procedures established by the state funding board; the State of Tennessee Local Government Investment Pool ("TN LGIP"); and obligations of the Public Housing Authority and bonds of the Tennessee Valley Authority.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED):**

*Credit Risk (Continued)*

Specifically, the TN LGIP was established under Tennessee Code Annotated Title 9, Chapter 4, Part 7. This investment pool is established for the use of idle funds of local governments located within the State of Tennessee. These funds are placed by the participating entity into accounts that are held and invested by the State Treasurer. The TN LGIP invests in time deposits, such as certificates of deposit, commercial paper, United States of America agency securities, repurchase agreements, and United States of America treasuries. By law, the TN LGIP is required to maintain a 90-day or less weighted-average-maturity. There are no withdrawal restrictions related to the TN LGIP. The TN LGIP has not been rated by a nationally recognized statistical rating organization. At June 30, 2024, the LGIP had a weighted average maturity of 48 days.

The LGIP is audited as part of the Annual Comprehensive Financial Report for the State of Tennessee. That report may be obtained by writing Tennessee Department of Finance and Administration, Division of Accounts, 312 Rosa Parks Avenue, Suite 2100, Nashville, TN 37243 or can be accessed at [www.tn.gov/finance/rd-doa/fa-accfin-ar.html](http://www.tn.gov/finance/rd-doa/fa-accfin-ar.html). LGIP is reported as cash equivalents.

*Concentration of Credit Risk*

Concentration risk is the risk of loss attributed to the magnitude of the government’s investment in a single issuer. Other than its investment in U.S. Treasury obligations, the City entities and the governmental funds did not have any single investment that had a value in excess of 5% of the respective total investments.

The concentration of credit risk of the governmental and business-type funds’ are as follows:

	<b>Amount</b>	<b>Portfolio</b>
Cash on hand and in banks	\$ 117,605	0.82%
Certificates of deposit	13,105,882	91.45%
U.S. Treasury obligations	1,107,941	7.73%
	\$ 14,331,428	100.00%

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED):**

*Fair Value Measurements*

The City categorizes its fair value measurements 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. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's governmental and business-type funds have the following recurring fair value measurements as of June 30, 2024:

<u>Investments</u>	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury obligations	\$ 1,107,941	\$ 1,107,941	\$ -	\$ -
	<u>1,107,941</u>	<u>\$ 1,107,941</u>	<u>\$ -</u>	<u>\$ -</u>
Cash on hand and in banks	117,605			
Certificates of deposit	13,105,882			
	<u>\$ 14,331,428</u>			

The U.S. Treasury obligations and U.S. Government Agency Securities are classified in Level 1 of the fair value hierarchy and values using prices quoted in active markets for those investments.

**NOTE 3. RECEIVABLES:**

Receivables as of year-end for the City's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Receivables:				
Property taxes	\$ 16,283,159	\$ -	\$ -	\$ 16,283,159
Sales taxes	4,470,938	-	-	4,470,938
Accounts	1,410,619	70,588	363,446	1,844,653
Gross receivables	<u>22,164,716</u>	<u>70,588</u>	<u>363,446</u>	<u>22,598,750</u>
Less allowance for uncollectibles	(1,062,008)	-	-	(1,062,008)
Net receivables	<u>\$ 21,102,708</u>	<u>\$ 70,588</u>	<u>\$ 363,446</u>	<u>\$ 21,536,742</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 3. RECEIVABLES (CONTINUED):**

	<u>Stormwater Fund</u>	<u>Water and Sewer Fund</u>	<u>Natural Gas Fund</u>	<u>Total Proprietary Funds</u>
Receivables:				
Accounts	\$ 215,157	\$ 3,740,180	\$ 728,837	\$ 4,684,174
Gross receivables	215,157	3,740,180	728,837	4,684,174
Less allowance for uncollectibles	(14,702)	(225,814)	(34,577)	(275,093)
Net receivables	<u>\$ 200,455</u>	<u>\$ 3,514,366</u>	<u>\$ 694,260</u>	<u>\$ 4,409,081</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned and reflect these funds as unearned revenue in the financial statements.

**NOTE 4. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS:**

**Lessee**

The City is a lessee for noncancellable leases of infrastructure, buildings and improvements, and furniture and equipment and other. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$1,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 4. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**  
**(CONTINUED):**

**Lessee (Continued)**

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

**Lessor**

The City is a lessor for a noncancellable leases of a building. The lease receivable and a deferred inflow is recognized in the fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 4. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**  
**(CONTINUED):**

**Lessor (Continued)**

The City, as lessor, has entered into a lease agreement involving a building. The City has a lease receivable of \$302,309 and a deferred inflow of \$274,559 as of June 30, 2024. The deferred inflows related to the lease will be recognized as a revenue using the straight-line method over the life of the lease term. A reduction of the lease receivable of \$27,999 was recognized during the year ended June 30, 2024. The portion of deferred inflows amortized during 2024 was \$30,507.

<u>Lease</u>	<u>Contract Date</u>	<u>Maturity Date</u>
JECDB Airport	11/1/2017	6/1/2028

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2024, was as follows:

**Governmental Activities**

	Restated Beginning Balance	Increases	Decreases	Transfer	Ending Balance
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 12,854,867	\$ 179,639	\$ (105,468)	\$ -	\$ 12,929,038
Construction in progress	13,173,551	15,822,459	-	(9,142,673)	19,853,337
Total capital assets, not being depreciated	<u>26,028,418</u>	<u>16,002,098</u>	<u>(105,468)</u>	<u>(9,142,673)</u>	<u>32,782,375</u>
Capital assets, being depreciated:					
Buildings	38,564,381	182,639	-	(213,904)	38,533,116
Right-to-use buildings	1,247,563	-	-	-	1,247,563
Improvements other than buildings	100,955,414	4,632,201	-	9,356,577	114,944,192
Equipment	43,328,178	2,703,670	(556,701)	-	45,475,147
Right-to-use equipment	323,253	1,042,247	(368,941)	-	996,559
Right-to-use subscriptions	1,637,651	271,365	(208,438)	-	1,700,578
Total capital assets, being depreciated	<u>186,056,440</u>	<u>8,832,122</u>	<u>(1,134,080)</u>	<u>9,142,673</u>	<u>202,897,155</u>
Less accumulated depreciation/amortization for:					
Buildings	(15,343,769)	(1,062,878)	-	-	(16,406,647)
Right-to-use buildings	(93,567)	(124,756)	-	-	(218,323)
Improvements other than buildings	(34,404,307)	(4,238,152)	-	-	(38,642,459)
Equipment	(26,867,287)	(2,922,978)	102,560	-	(29,687,705)
Right-to-use equipment	(115,316)	(160,082)	102,226	-	(173,172)
Right-to-use subscriptions	(392,653)	(538,996)	158,318	-	(773,331)
Total accumulated depreciation/amortization	<u>(77,216,899)</u>	<u>(9,047,842)</u>	<u>363,104</u>	<u>-</u>	<u>(85,901,637)</u>
Total capital assets, being depreciated, net	<u>108,839,541</u>	<u>(215,720)</u>	<u>(770,976)</u>	<u>9,142,673</u>	<u>116,995,518</u>
Governmental activities capital assets, net	<u>\$ 134,867,959</u>	<u>\$ 15,786,378</u>	<u>\$ (876,444)</u>	<u>\$ -</u>	<u>\$ 149,777,893</u>

Beginning balances were restated within governmental capital assets to include \$1,783,060 of additions that were placed into service in prior year, but previously omitted from capital assets.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 5. CAPITAL ASSETS (CONTINUED):**

**Business-type Activities**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,036,879	\$ -	\$ -	\$ 180,395	\$ 3,217,274
Construction in progress	15,903,933	38,918,218	(37,550)	(24,181,728)	30,602,873
Total capital assets, not being depreciated	<u>18,940,812</u>	<u>38,918,218</u>	<u>(37,550)</u>	<u>(24,001,333)</u>	<u>33,820,147</u>
Capital assets, being depreciated:					
Buildings	78,174,883	-	-	4,856,891	83,031,774
Improvements other than buildings	206,790,865	-	-	16,064,714	222,855,579
Equipment	14,469,809	-	-	3,079,728	17,549,537
Right-to-use equipment	65,639	-	(275)	-	65,364
Total capital assets, being depreciated	<u>299,501,196</u>	<u>-</u>	<u>(275)</u>	<u>24,001,333</u>	<u>323,502,254</u>
Less accumulated depreciation/amortization for:					
Buildings	(37,886,730)	(2,227,801)	-	-	(40,114,531)
Improvements other than buildings	(88,752,488)	(5,967,937)	-	-	(94,720,425)
Equipment	(10,191,570)	(974,753)	-	-	(11,166,323)
Right-to-use equipment	(20,687)	(9,380)	275	-	(29,792)
Total accumulated depreciation/amortization	<u>(136,851,475)</u>	<u>(9,179,871)</u>	<u>275</u>	<u>-</u>	<u>(146,031,071)</u>
Total capital assets, being depreciated, net	<u>162,649,721</u>	<u>(9,179,871)</u>	<u>-</u>	<u>24,001,333</u>	<u>177,471,183</u>
Business-type capital assets, net	<u>\$ 181,590,533</u>	<u>\$ 29,738,347</u>	<u>\$ (37,550)</u>	<u>\$ -</u>	<u>\$ 211,291,330</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental Activities:**

General Government	\$ 2,677,935
Public Safety	2,090,683
Public Works	3,453,722
Culture and Recreation	825,502
	<u>\$ 9,047,842</u>

**Business-type Activities:**

Stormwater	\$ 469,123
Water and Sewer	7,235,304
Natural Gas	1,475,444
	<u>\$ 9,179,871</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

Interfund receivables and payables for the year ended June 30, 2024, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 56,834
General Fund	Water and Sewer Fund	277,551
General Fund	Natural Gas Fund	130,545
General Fund	Nonmajor Governmental Funds	1,007
		<u>\$ 465,937</u>
Stormwater Fund	General Fund	\$ 9,220
Stormwater Fund	Water and Sewer Fund	8
		<u>\$ 9,228</u>
Nonmajor Governmental Funds	General Fund	<u>\$ 428,953</u>
Capital Projects Fund	General Fund	<u>\$ 24,897</u>
Water and Sewer Fund	General Fund	\$ 1,000
Water and Sewer Fund	Stormwater Fund	46
		<u>\$ 1,046</u>
Natural Gas Fund	General Fund	\$ 484
Natural Gas Fund	Water and Sewer Fund	363
		<u>\$ 847</u>

Interfund receivables of the General Fund represent cash disbursements made by the General Fund for which the timing of cash reimbursements have occurred subsequent to year-end. The interfund balances between the Water and Sewer Fund and the Natural Gas Fund represent loans to the General Fund. The interfund receivables between the proprietary funds represents timing of cash corrections for operations being made between the various funds.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED):**

The composition of interfund transfers as of June 30, 2024, is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 3,924,298
Nonmajor Governmental Funds	Nonmajor Governmental Funds	235,175
		<u>\$ 4,159,473</u>
Capital Projects Fund	General Fund	<u>\$ 5,785,058</u>
Water and Sewer Fund	General Fund	<u>\$ 264,040</u>
Natural Gas Fund	General Fund	\$ 15,000
Natural Gas Fund	Stormwater Fund	3,000
		<u>\$ 18,000</u>

Interfund transfers are used to (1) move revenues from the funds with collection authorization to the debt service fund as debt service principal and interest payments become due, and (2) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7. LONG-TERM LIABILITIES:**

The following is a summary of debt transactions of the City for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Remeasurements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>						
General obligation bonds	\$ 1,232,000	\$ -	\$ (345,000)	\$ -	\$ 887,000	\$ 360,000
Notes payable	26,002,874	4,629,000	(6,007,605)	-	24,624,269	1,457,574
Premium on notes	19,186	-	(4,030)	-	15,156	-
Net notes payable	<u>26,022,060</u>	<u>4,629,000</u>	<u>(6,011,635)</u>	<u>-</u>	<u>24,639,425</u>	<u>1,457,574</u>
Leases payable	1,394,102	1,042,906	(279,102)	(381,339)	1,776,567	274,454
Subscription payable	1,104,350	226,845	(512,909)	-	818,286	406,044
Net pension liability - Legacy	3,386,067	8,078,092	(6,295,724)	-	5,168,435	-
Net pension liability (asset) - Hybrid	17,264	1,044,647	(1,064,538)	-	(2,627)	-
Total OPEB liability	19,965,768	1,347,086	(736,614)	-	20,576,240	-
Compensated absences	1,571,107	732,424	(604,855)	-	1,698,676	653,967
Governmental activity Long-term liabilities	<u>\$ 54,692,718</u>	<u>\$ 17,101,000</u>	<u>\$ (15,850,377)</u>	<u>\$ (381,339)</u>	<u>\$ 55,562,002</u>	<u>\$ 3,152,039</u>
<b>Business-type activities:</b>						
General obligation bonds	\$ 15,445,410	\$ -	\$ (1,414,000)	\$ -	\$ 14,031,410	\$ 1,493,000
Premium on bonds	1,581,778	-	(402,261)	-	1,179,517	-
Net bonds payable	<u>17,027,188</u>	<u>-</u>	<u>(1,816,261)</u>	<u>-</u>	<u>15,210,927</u>	<u>1,493,000</u>
Notes payable	20,513,177	-	(2,018,236)	-	18,494,941	2,054,128
Premium on notes	5,911	-	(1,242)	-	4,669	-
Net notes payable	<u>20,519,088</u>	<u>-</u>	<u>(2,019,478)</u>	<u>-</u>	<u>18,499,610</u>	<u>2,054,128</u>
Leases payable	46,082	3,120	(9,175)	-	40,027	9,468
Net pension liability - Legacy	739,966	1,689,277	(1,348,429)	-	1,080,814	-
Net pension liability (asset) - Hybrid	4,190	262,448	(267,298)	-	(660)	-
Total OPEB liability	4,363,168	281,700	(341,999)	-	4,302,869	-
Compensated absences	288,498	154,121	(154,122)	-	288,497	126,644
Business-type activity Long-term liabilities	<u>\$ 42,988,180</u>	<u>\$ 2,390,666</u>	<u>\$ (5,956,762)</u>	<u>\$ -</u>	<u>\$ 39,422,084</u>	<u>\$ 3,683,240</u>

Within the City's governmental activities, the compensated absences, lease payable, subscription payable, pension and OPEB liabilities are primarily liquidated by the General Fund.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7. LONG-TERM LIABILITIES (CONTINUED):**

The annual requirements to amortize the bonds as of June 30, 2024 for the long-term debt and related interest are as follows:

Year Ending June 30,	Governmental Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 360,000	\$ 42,050	\$ 1,457,574	\$ 852,837	\$ 1,817,574	\$ 894,887
2026	257,000	26,350	1,274,600	816,443	1,531,600	842,793
2027	270,000	13,500	1,314,500	773,516	1,584,500	787,016
2028	-	-	1,344,400	729,004	1,344,400	729,004
2029	-	-	1,384,400	683,173	1,384,400	683,173
2030-2034	-	-	7,284,100	2,685,004	7,284,100	2,685,004
2035-2039	-	-	6,850,700	1,381,623	6,850,700	1,381,623
2040-2044	-	-	2,542,995	445,854	2,542,995	445,854
2045-2049	-	-	1,171,000	122,467	1,171,000	122,467
	<u>\$ 887,000</u>	<u>\$ 81,900</u>	<u>\$ 24,624,269</u>	<u>\$ 8,489,921</u>	<u>\$ 25,511,269</u>	<u>\$ 8,571,821</u>

Year Ending June 30,	Business-Type Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,493,000	\$ 614,577	\$ 2,054,128	\$ 377,948	\$ 3,547,128	\$ 992,525
2026	1,565,000	542,943	2,058,036	323,444	3,623,036	866,387
2027	1,641,000	467,790	2,033,148	268,398	3,674,148	736,188
2028	1,718,000	388,917	1,591,182	211,706	3,309,182	600,623
2029	1,499,000	306,285	1,201,828	179,659	2,700,828	485,944
2030-2034	2,014,000	874,210	5,679,136	552,118	7,693,136	1,426,328
2035-2039	3,920,000	184,286	2,809,151	157,293	6,729,151	341,579
2040-2044	\$181,410	4,080	1,068,332	23,889	1,249,742	27,969
	<u>\$ 14,031,410</u>	<u>\$ 3,383,088</u>	<u>\$ 18,494,941</u>	<u>\$ 2,094,455</u>	<u>\$ 32,526,351</u>	<u>\$ 5,477,543</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7. LONG-TERM LIABILITIES (CONTINUED):**

Details of long-term indebtedness are as follows:

Description	Interest Rate	Year Issued	Maturity	Original Issue	Balance June 30, 2024
<b>Governmental Activities</b>					
General obligation bonds					
General obligation, 2004	3.00%	2004	2025	\$ 2,725,000	\$ 115,000
General obligation, 2008	5.00%	2007	2027	3,840,000	<u>772,000</u>
Total general obligation bonds					<u>887,000</u>
Notes payable					
Floyd Center Johnson Controls	2.32%	2012	2024	775,548	71,090
General Fund Johnson Controls	2.32%	2012	2024	1,521,914	132,684
2016 Airport Terminal	3.00%	2016	2036	1,600,000	976,001
2016 GO Refunding	1.5%-3.0%	2016	2032	2,220,000	315,000
2017 West Side Park	2.29%	2017	2042	5,000,000	3,989,594
2017 Airport Maintenance Hangar	2.52%	2017	2042	1,000,000	779,700
2016 Legends Drive	2.50%	2016	2036	4,700,000	3,081,000
2018 Public Safety Complex	3.80%	2018	2039	5,500,000	4,701,001
2024 Radio Communication System	4.97%	2024	2039	4,629,000	4,629,000
2023 Sports Complex	2.79%	2023	2048	5,000,000	4,881,000
2019 Cromwell Lane	2.79%	2019	2039	1,800,000	<u>1,068,199</u>
Total notes payable					<u>24,624,269</u>
Total governmental activities					<u>25,511,269</u>
<b>Business-type Activities</b>					
General obligation bonds					
Water & Sewer					
2015 QEC Bonds	4.00%	2015	2035	3,500,000	3,500,000
2020 Refunding Bonds	5.00%	2020	2030	12,500,000	<u>8,275,000</u>
Total Water & Sewer					<u>11,775,000</u>
Gas					
2008 Bond	5.00%	2008	2029	1,100,000	382,000
2014 Bond	2.43%	2013	2033	1,000,000	560,000
2020 Bond	2.24%	2020	2040	1,500,000	<u>1,314,410</u>
Total Gas					<u>2,256,410</u>
Total general obligation bonds					<u>14,031,410</u>
Notes payable					
Water & Sewer					
State of TN 12-126	1.76%	2012	2025	2,940,832	1,731,336
State of TN 12-127	1.76%	2012	2035	1,323,960	817,578
State of TN 12-128	1.29%	2013	2036	1,622,555	1,063,673
State of TN 12-129	1.29%	2013	2036	1,140,502	751,407
State of TN 15-161	1.71%	2015	2037	587,600	404,300
State of TN 15-162	1.71%	2015	2038	1,271,000	706,281
State of TN 18-202	1.81%	2018	2039	800,000	644,366
State of TN 18-203	1.81%	2020	2039	300,000	123,561
State of TN 19-435	1.32%	2021	2040	4,300,000	4,015,384
State of TN 19-217	1.31%	2019	2041	1,400,000	1,213,277
2007 Revenue Bonds	5.00%	2007	2007	5,000,000	963,000
2008 Revenue Bonds	5.00%	2008	2029	4,150,000	987,778
2016 Refunding	Variable	2016	2032	2,285,000	1,320,000
2012 Water and Sewer System Improvements	2.23%	2012	2032	1,387,000	629,000
2012 Johnson Controls	1.82%	2012	2027	4,657,079	1,170,000
2013 Water and Sewer System Improvements	2.28%	2013	2033	1,800,000	912,000
2014 Water and Sewer System Improvements	3.00%	2014	2035	1,800,000	<u>1,042,000</u>
Total Water & Sewer					<u>18,494,941</u>
Total notes payable					<u>18,494,941</u>
Total business-type activities					<u>32,526,351</u>
Total debt					<u>\$ 58,037,620</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7. LONG-TERM LIABILITIES (CONTINUED):**

**Subscription-based Information Technology Arrangements**

As of June 30, 2024, the City had 19 active subscriptions. The subscriptions have annual fixed payments that range from \$209 to \$99,984 and interest rates that range from 0.3210% to 3.3050%. As of June 30, 2024, the total combined value of the subscription liability is \$818,286, and the total combined value of the short-term subscription liability is \$405,044. The combined value of the right-to-use asset as of June 30, 2024 of \$1,700,578 with accumulated amortization of \$773,331 is included with right-to-use subscriptions in the capital asset table.

The debt service to maturity on the City’s outstanding subscription payables is as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year Ending June 30,			
2025	\$ 406,044	\$ 17,660	\$ 423,704
2026	283,626	8,754	292,380
2027	117,051	2,546	119,597
2028	7,781	264	8,045
2029	1,867	101	1,968
2030 - 2031	1,917	51	1,968
Total	\$ 818,286	\$ 29,376	\$ 847,662

**Lease Liabilities**

**Governmental Activities**

As of June 30, 2024, the City had one active building lease. The lease has monthly fixed payments of \$11,432 and interest rate of 3.3050%. As of June 30, 2024, the value of the lease liability is \$1,077,422, the value of the short-term lease liability is \$112,216. The value of the right-to-use asset as of June 30, 2024 of \$1,247,563 with accumulated amortization of \$218,324 is included with right-to-use buildings in the capital asset table. The City has one extension option, each for 60 months. The City had a termination period of one month as of the lease commencement. The Lessor had a termination period of six months as of the lease commencement. The lease has a lease termination penalty of \$156,000.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7. LONG-TERM LIABILITIES (CONTINUED):**

**Lease Liabilities (Continued)**

**Governmental Activities (Continued)**

As of June 30, 2024, the City had one vehicle lease. The lease has monthly fixed payments of \$750 and interest rate of 3.2380%. As of June 30, 2024, the value of the lease liability is \$11,011, the value of the short-term lease liability is \$8,773. The value of the right-to-use asset as of June 30, 2024 of \$25,766 with accumulated amortization of \$15,030 is included with right-to-use equipment in the Capital asset table.

As of June 30, 2024, the City had 29 active equipment leases. The leases have monthly fixed payments that range from \$7 to \$6,750 and interest rates that range from 0.0227% to 3.5490%. As of June 30, 2024, the total combined value of the lease liability is \$688,134, the total combined value of the short-term lease liability is \$157,465. The combined value of the right-to-use asset, as of June 30, 2024 of \$970,793 with accumulated amortization of \$158,142 is included with right-to-use equipment in the Capital asset table. The City has extension options that range from four to five extension options, each for 12 months.

Annual Debt Service Requirements to Maturity for Governmental Lease Obligations for the City are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2025	\$ 274,454	\$ 51,960	\$ 326,414
2026	220,189	44,165	264,354
2027	223,863	37,580	261,443
2028	225,701	30,802	256,503
2029	231,678	23,877	255,555
2030 - 2034	600,682	30,817	631,499
Total	<u>\$ 1,776,567</u>	<u>\$ 219,201</u>	<u>\$ 1,995,768</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 7. LONG-TERM LIABILITIES (CONTINUED):**

**Lease Liabilities (Continued)**

**Business-Type Activities**

As of June 30, 2024, the City had 6 active equipment leases. The leases have monthly fixed payments that range from \$12 to \$635 and interest rates that range from 2.6560% to 3.1500%. As of June 30, 2024, the total combined value of the lease liability is \$40,027, the total combined value of the short-term lease liability is \$9,468. The combined value of the right-to-use asset, as of June 30, 2024 of \$65,364 with accumulated amortization of \$29,791 is included with right-to-use equipment in the Capital asset table. The City has extension options that range from four to five extension options, each for 12 months.

Annual Debt Service Requirements to Maturity for Business-Type Lease Obligations for the City are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year Ending June 30,			
2025	\$ 9,468	\$ 1,125	\$ 10,593
2026	9,622	824	10,446
2027	9,295	516	9,811
2028	2,495	331	2,826
2029	2,575	251	2,826
2030 - 2034	6,572	281	6,853
Total	\$ 40,027	\$ 3,328	\$ 43,355

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:**

**City of Lebanon OPEB Program**

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 July 1, 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 two 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 July 1, 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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED):**

**City of Lebanon OPEB Program (Continued)**

*Employees Covered by Benefit Terms*

At July 1, 2023, the following employees of the city were covered by the benefit terms of the plan:

Retiree Participants	108
Beneficiaries	65
Active Participants	<u>422</u>
Total	<u>595</u>

*Total OPEB Liability*

The City's total OPEB liability of \$24,879,109 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

*Changes in Total OPEB Liability*

	<u>Total OPEB Liability</u>
<b>Balance at 6/30/23</b>	<u>\$ 24,328,936</u>
Service cost	642,031
Interest	986,754
Benefit payments	<u>(1,078,612)</u>
<b>Net changes</b>	<u>550,173</u>
Balance at 6/30/24	<u><u>\$ 24,879,109</u></u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED):**

**City of Lebanon OPEB Program (Continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
Total OPEB liability	\$ 27,955,850	\$ 24,879,109	\$ 22,266,676

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare costs trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost rates:

	<b>1% Decrease (5.25% decreasing to 4.20%)</b>	<b>Current Rate (6.25% decreasing to 5.20%)</b>	<b>1% Increase (7.25% decreasing to 6.20%)</b>
Total OPEB liability	\$ 22,980,507	\$ 24,879,109	\$ 27,167,482

*Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.13%
Cost Method	Entry age normal
Inflation	2.50%
Health Care Trend Rates	6.25% - 5.20%, with ultimate trend rate in 2075
Salary Scale	2.5% per annum

Mortality rates were based on the PubG.H-2010 (total dataset headcount weighted Pub-2010 table) with Improvement Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of July 1, 2023 census data and plan information.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 8. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED):**

**City of Lebanon OPEB Program (Continued)**

*OPEB Expense (Income) and Deferred Outflows/Inflows of Resources*

For the year ended June 30, 2024, the City recognized OPEB expense is \$1,985,077. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to OPEB are from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 3,632,964	\$ -
Change in assumptions	2,915,105	4,745,608
Total	\$ 6,548,069	\$ 4,745,608

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

Year ending June 30:		
2025	\$	356,293
2026		356,293
2027		356,293
2028		356,293
2029		356,299
Thereafter		20,990
Total	\$	1,802,461

**NOTE 9. PENSION PLANS:**

**City of Lebanon, State Retirement System - Legacy**

*Plan Description*

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the Tennessee Consolidated Retirement System ("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 THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Legacy (Continued)**

**Benefits Provided**

Tennessee Code Annotated, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's 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 2 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, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	264
Inactive Employees Entitled to but not yet Receiving Benefits	323
Active Employees	<u>180</u>
Total Employees	<u><u>767</u></u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Legacy (Continued)**

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contributions for the City were \$2,207,608 based on a rate of 14.96 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City'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)

The City's net pension liability (asset) was measured as of June 30, 2023, 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 the June 30, 2023 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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Legacy (Continued)**

*Actuarial Assumptions* (continued)

Actuarial assumptions used in the June 30, 2023, 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.

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 projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
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%	<u>1%</u>
		<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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Legacy (Continued)**

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 the City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Pension (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
	<u>\$ 87,836,903</u>	<u>\$ 83,710,870</u>	<u>\$ 4,126,033</u>
<b>Balances at 6/30/2022</b>			
<b>Changes for the year:</b>			
Service cost	1,027,385	-	1,027,385
Interest	5,892,698	-	5,892,698
Differences between expected and actual experience	2,819,877	-	2,819,877
Contributions - employer	-	2,054,297	(2,054,297)
Net investment income	-	5,589,856	(5,589,856)
Benefit payments, including refunds of employee contributions	(3,130,107)	(3,130,107)	-
Administrative expense	-	(27,409)	27,409
<b>Net changes</b>	<u>6,609,853</u>	<u>4,486,637</u>	<u>2,123,216</u>
<b>Balances at 6/30/2023</b>	<u>\$ 94,446,756</u>	<u>\$ 88,197,507</u>	<u>\$ 6,249,249</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Legacy (Continued)**

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the net pension liability (asset) of the City 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:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net pension liability (asset)	\$ 20,072,710	\$ 6,249,249	\$ (5,094,727)

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2024, the City recognized pension expense of \$3,483,021. For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 4,068,841	\$ -
Net difference between projected and actual earnings on pension plan investments	684,407	-
Changes in assumptions	2,586,625	-
Contributions subsequent to the measurement date	2,207,608	-
Total	\$ 9,547,481	\$ -

City contributions subsequent to the measurement date of June 30, 2023, will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Legacy (Continued)**

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources* (continued)

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

<u>Fiscal Year Ending</u>	
2025	\$ 2,258,024
2026	1,895,655
2027	3,181,520
2028	4,674
	<u>\$ 7,339,873</u>

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, 2024, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

**City of Lebanon, State Retirement System - Hybrid Plan**

*Plan Description*

Employees of the City 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-andGovernance/Reporting-and-Investment-Policies>.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Hybrid Plan (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 nonservice-related disability eligibility. The service-related and nonservice-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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	204
Active employees	<u>302</u>
Total	<u>510</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Hybrid Plan (Continued)**

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 percent of salary. The City 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 City's state shared taxes if required employer contributions are not remitted. Employer contributions for the year ended June 30, 2024 to the Public Employee Retirement Plan were \$473,349 based on a rate of 2.31 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.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2023, and the total net 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, 2023, 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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Hybrid Plan (Continued)**

*Actuarial Assumptions* (continued)

The actuarial assumptions used in the June 30, 2023 actuarial valuation, are 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.

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 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 estimates 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
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%	<u>1%</u>
		<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%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and the employer will continue to contribute the actuarially determined contribution in accordance with the plan's current funding policy on an annual basis. Based on that assumption, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. 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 THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Hybrid Plan (Continued)**

*Changes in the Net Pension Liability (Asset)*

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Pension (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
	\$ 3,260,945	\$ 3,239,491	\$ 21,454
<b>Balances at 6/30/2022</b>			
<b>Changes for the year:</b>			
Service cost	781,146	-	781,146
Interest	271,895	-	271,895
Differences between expected and actual experience	236,079	-	236,079
Contributions - employer	-	332,911	(332,911)
Contributions - employees	-	746,440	(746,440)
Net investment income	-	252,485	(252,485)
Benefit payments, including refunds of employee contributions	(28,034)	(28,034)	-
Administrative expense	-	(17,975)	17,975
<b>Net changes</b>	<u>1,261,086</u>	<u>1,285,827</u>	<u>(24,741)</u>
<b>Balances at 6/30/2023</b>	<u>\$ 4,522,031</u>	<u>\$ 4,525,318</u>	<u>\$ (3,287)</u>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the City calculated using the discount rate of 6.75 percent, as well as what the net pension liability 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:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net pension liability (asset)	\$ 1,309,072	\$ (3,287)	\$ (980,769)

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, State Retirement System - Hybrid Plan (Continued)**

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2024, the City recognized a pension expense of \$165,687. For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 593,104	\$ 44,991
Net difference between projected and actual earnings on pension plan investments	57,025	-
Changes in assumptions	155,926	-
Contributions subsequent to the measurement date	473,349	-
Total	\$ 1,279,404	\$ 44,991

City contributions subsequent to the measurement date of June 30, 2023, 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:

<u>Fiscal Year Ending</u>	
2025	\$ 94,985
2026	88,901
2027	158,816
2028	96,412
2029	93,275
Thereafter	228,675
	\$ 761,064

*Payable to the Pension Plan*

At June 30, 2024, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, 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 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 the 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 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, 2024, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, TCRS Stabilization Trust (Continued)**

*Investment Balances* (continued)

- 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.

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.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, TCRS Stabilization Trust (Continued)**

*Investment Balances* (continued)

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, 2024, the City had the following investments held by the trust on its behalf:

<b>Investment</b>	<b>Weighted Average Maturity (days)</b>	<b>Maturities</b>	<b>Fair Value</b>
Investments at Fair Value			
U.S. Equity	N/A	N/A	\$ 559,442
Developed Market International Equity	N/A	N/A	252,651
Emerging Market International Equity	N/A	N/A	72,186
Private Equity and Strategic Lending	N/A	N/A	360,930
U.S. Fixed Income	N/A	N/A	360,930
Real Estate	N/A	N/A	180,465
Short-term Securities	N/A	N/A	18,047
			<u>\$ 1,804,651</u>

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, TCRS Stabilization Trust (Continued)**

<b>Investment by Fair Value Level</b>	<b>Fair Value Measurements Using</b>					<b>NAV</b>
	<b>Fair Value 06/30/24</b>	<b>Quoted Prices in Active Markets For Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>NAV</b>	
Domestic Equity	\$ 559,442	\$ 559,442	\$ -	\$ -	\$ -	
Domestic Fixed Income	360,930	-	360,930	-	-	
International Equity	252,651	252,651	-	-	-	
International Fixed Income	72,186	72,186	-	-	-	
Short Term Securities	18,047	-	18,047	-	-	
Real Estate	180,465	-	-	180,465	-	
Private Equities & Strategic Lending	360,930	-	-	-	360,930	
	<b>\$1,804,651</b>	<b>\$ 884,279</b>	<b>\$ 378,977</b>	<b>\$ 180,465</b>	<b>\$360,930</b>	

**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 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 does not have the ability to limit the credit ratings of individual investments made by the trust.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9. PENSION PLANS (CONTINUED):**

**City of Lebanon, TCRS Stabilization Trust (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the city's investment in a single issuer. The City places no limit on the amount the City may invest in one issuer.

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the City 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 to pay retirement benefits of the City's employees.

For further information concerning the City'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/2024/ag24054.pdf>.

**NOTE 10. DEFINED CONTRIBUTION PLAN**

The City administers a defined contribution plan in the form of a 401(K) plan as part of the State of Tennessee Hybrid Pension Plan. The City contributes 5% of covered payroll for all eligible employees hired after April 1, 2015. During 2024, the amount of payroll covered by the plan was \$36,705,752. The covered payroll represents wages related to the hybrid employees only since employer contributions are not made for legacy employees. Participants are 100% vested in employer contributions when they are made. Eligible employees are also automatically enrolled in the plan when hired with an additional employee contribution rate of 2%, with the ability to opt out of the additional employee contribution portion. During 2024, the City contributed \$1,841,895 to the plan which represents 5% of the covered payroll and 100% of the required contribution for the year. All employees are able to make voluntary contributions to the 401(K) plan up to the Internal Revenue Service code annual maximum.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 11. COMMITMENTS AND CONTINGENCIES:**

**Contractual Commitments**

The City has contractual commitments for various construction projects totaling approximately \$38,119,274 at June 30, 2024.

**Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

**NOTE 12. 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 13. ACCOUNTING CHANGES:**

**Changes to or within the Financial Reporting Entity**

**Change in Major Funds**

In the current year, the City's Capital Projects Fund met the definition of a major fund. The effect of this change to or within the financial reporting entity is shown in the table on the following page.

**CITY OF LEBANON, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 13. ACCOUNTING CHANGES (CONTINUED):**

**Changes to or within the Financial Reporting Entity (Continued)**

*Change in Reporting of Non-Major Funds*

In the current year, the City consolidated several non-major funds. The City combined all previously reported debt service funds into one fund called Debt Service Fund. The City also combined Lebanon/Wilson County Community Park Fund, Airport Capital Projects Fund, and Street Improvements Fund into a fund called Capital Projects Fund. Lastly, the City combined Electronic Traffic Citation Fund, Federal Asset Seizure Fund, Law Enforcement Support Organization Fund, and Citizens Emergency Response Team Fund into a fund called Public Safety Grant Fund.

The effect of the changes to or within the financial reporting entity resulted in a change to beginning net position as follows:

	<b>Reporting Units Affected by Adjustments to Beginning Balances</b>	
	<b>Funds</b>	
	Capital Projects Funds	Nonmajor Governmental Funds
<b>6/30/2023, as previously reported</b>	\$ -	\$ 8,408,620
Change from major fund to nonmajor fund	2,673,810	(2,673,810)
<b>6/30/2023, as restated</b>	<u>\$ 2,673,810</u>	<u>\$ 5,734,810</u>

**Correction of an Error in Previously Issued Financial Statements**

The City has determined a restatement to beginning net position was required to adjust for capital asset additions placed in service in prior year, but not added into the financial statement balances. The effect of the restatement resulted in a change to beginning net position as follows:

	Governmental Activities
Net position, as previously reported	\$ 168,671,505
Adjustment for capital asset additions	1,783,060
Net Position, governmental activities, as restated	<u>\$ 170,454,565</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**CITY OF LEBANON, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND**  
**RELATED RATIOS BASED ON PARTICIPATION IN THE**  
**PUBLIC EMPLOYEE PENSION PLAN OF THE TCRS - LEGACY PLAN**  
**PLAN YEAR ENDED JUNE 30**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 936,571	\$ 989,346	\$ 944,930	\$ 989,129	\$ 1,131,382	\$ 1,081,735	\$ 1,050,414	\$ 1,019,705	\$ 1,025,848	\$ 1,027,385
Interest	3,399,484	3,646,565	3,607,189	3,947,625	4,444,447	4,620,488	4,842,450	5,117,602	5,444,249	5,892,698
Difference Between Expected and Actual Experience	661,593	(3,214,342)	1,856,474	4,119,182	(1,050,216)	(424,245)	281,713	68,834	3,116,765	2,819,877
Change in Assumptions	-	-	-	1,358,123	-	-	-	6,466,561	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)	(2,234,764)	(2,462,565)	(2,759,293)	(3,130,107)
<b>Net Change in Total Pension Liability</b>	<b>3,279,673</b>	<b>(372,484)</b>	<b>4,398,328</b>	<b>8,597,024</b>	<b>2,565,458</b>	<b>3,142,512</b>	<b>3,939,813</b>	<b>10,210,137</b>	<b>6,827,569</b>	<b>6,609,853</b>
<b>Total Pension Liability - Beginning</b>	<b>45,248,873</b>	<b>48,528,546</b>	<b>48,156,062</b>	<b>52,554,390</b>	<b>61,151,414</b>	<b>63,716,872</b>	<b>66,859,384</b>	<b>70,799,197</b>	<b>81,009,334</b>	<b>87,836,903</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 48,528,546</b>	<b>\$ 48,156,062</b>	<b>\$ 52,554,390</b>	<b>\$ 61,151,414</b>	<b>\$ 63,716,872</b>	<b>\$ 66,859,384</b>	<b>\$ 70,799,197</b>	<b>\$ 81,009,334</b>	<b>\$ 87,836,903</b>	<b>\$ 94,446,756</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 1,828,142	\$ 1,774,194	\$ 1,834,691	\$ 2,279,703	\$ 2,157,052	\$ 2,113,275	\$ 2,188,630	\$ 2,085,473	\$ 2,098,532	\$ 2,054,297
Net Investment Income	6,887,411	1,492,974	1,322,269	5,812,495	4,765,579	4,634,503	3,314,355	18,032,643	(3,343,411)	5,589,856
Benefit Payments, Including Refunds of Employee Contributions	(1,717,975)	(1,794,053)	(2,010,265)	(1,817,035)	(1,960,155)	(2,135,466)	(2,234,764)	(2,462,565)	(2,759,293)	(3,130,107)
Administrative Expense	(13,375)	(13,288)	(22,551)	(23,677)	(25,191)	(22,137)	(21,231)	(20,403)	(21,241)	(27,409)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>6,984,203</b>	<b>1,459,827</b>	<b>1,124,144</b>	<b>6,251,486</b>	<b>4,937,285</b>	<b>4,590,175</b>	<b>3,246,990</b>	<b>17,635,148</b>	<b>(4,025,413)</b>	<b>4,486,637</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>41,507,025</b>	<b>48,491,228</b>	<b>49,951,055</b>	<b>51,075,199</b>	<b>57,326,685</b>	<b>62,263,970</b>	<b>66,854,145</b>	<b>70,101,135</b>	<b>87,736,283</b>	<b>83,710,870</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 48,491,228</b>	<b>\$ 49,951,055</b>	<b>\$ 51,075,199</b>	<b>\$ 57,326,685</b>	<b>\$ 62,263,970</b>	<b>\$ 66,854,145</b>	<b>\$ 70,101,135</b>	<b>\$ 87,736,283</b>	<b>\$ 83,710,870</b>	<b>\$ 88,197,507</b>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ 37,318</b>	<b>\$ (1,794,993)</b>	<b>\$ 1,479,191</b>	<b>\$ 3,824,729</b>	<b>\$ 1,452,902</b>	<b>\$ 5,239</b>	<b>\$ 698,062</b>	<b>\$ (6,726,949)</b>	<b>\$ 4,126,033</b>	<b>\$ 6,249,249</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	99.92%	103.73%	97.19%	93.75%	97.72%	99.99%	99.01%	108.30%	95.30%	93.38%
<b>Covered Payroll</b>	<b>\$ 12,938,008</b>	<b>\$ 13,339,802</b>	<b>\$ 13,790,787</b>	<b>\$ 15,198,013</b>	<b>\$ 14,303,140</b>	<b>\$ 14,070,055</b>	<b>\$ 14,149,094</b>	<b>\$ 13,903,150</b>	<b>\$ 13,994,284</b>	<b>\$ 13,695,309</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	0.29%	-13.46%	10.73%	25.17%	10.16%	0.04%	4.93%	-48.38%	29.48%	45.63%

*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 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**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN**  
**THE PUBLIC EMPLOYEE PENSION PLAN OF THE TCRS - LEGACY PLAN**  
**FISCAL YEAR ENDED JUNE 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 1,774,194	\$ 1,834,691	\$ 2,024,375	\$ 2,157,052	\$ 2,110,521
Contributions in Relation to the					
Actuarially Determined Contribution	<u>1,774,194</u>	<u>1,834,691</u>	<u>2,279,703</u>	<u>2,157,052</u>	<u>2,110,521</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (255,328)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,339,802	\$ 13,790,787	\$ 15,198,013	\$ 14,303,140	\$ 14,070,055
Contributions as a Percentage of					
Covered Payroll	13.30%	13.30%	15.00%	15.08%	15.00%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially Determined Contribution	\$ 2,181,335	\$ 2,078,521	\$ 2,092,936	\$ 2,048,819	\$ 2,207,608
Contributions in Relation to the					
Actuarially Determined Contribution	<u>2,188,630</u>	<u>2,085,473</u>	<u>2,098,532</u>	<u>2,054,297</u>	<u>2,207,608</u>
Contribution Deficiency (Excess)	<u>\$ (7,295)</u>	<u>\$ (6,952)</u>	<u>\$ (5,596)</u>	<u>\$ (5,478)</u>	<u>\$ -</u>
Covered Payroll	\$ 14,149,094	\$ 13,903,150	\$ 13,994,284	\$ 13,695,309	\$ 14,756,739
Contributions as a Percentage of					
Covered Payroll	15.47%	15.00%	15.00%	15.00%	14.96%

**CITY OF LEBANON, TENNESSEE**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE FOR TCRS LEGACY PLAN  
Last Fiscal Year Ending June 30

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**Notes to Schedule for TCRS Legacy Plan**

*Valuation Date:*

Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, 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% corridor to market value
Inflation	2.25%
Salary Increases	Graded salary ranges from 8.72% to 3.44% based upon age, including inflation, averaging 4.00%
Investment Rate of Return	6.75%, 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	2.125%

*Change 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. 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 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**CITY OF LEBANON, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND**  
**RELATED RATIOS BASED ON PARTICIPATION IN THE**  
**PUBLIC EMPLOYEE PENSION PLAN OF THE TCRS - HYBRID PLAN**  
**PLAN YEAR ENDED JUNE 30**

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>								
Service Cost	\$ 60,774	\$ 92,342	\$ 137,695	\$ 271,168	\$ 404,373	\$ 503,280	\$ 601,695	\$ 781,146
Interest	4,558	11,079	23,829	52,117	94,223	141,848	191,133	271,895
Difference Between Expected and Actual Experience	(9,959)	27,271	95,335	134,650	91,187	(60,389)	244,888	236,079
Change in Assumptions	-	4,922	-	-	-	220,190	-	-
Benefit Payments, Including Refunds of Employee Contributions	-	-	-	(323)	(20,415)	(43,162)	(13,364)	(28,034)
<b>Net Change in Total Pension Liability</b>	<b>55,373</b>	<b>135,614</b>	<b>256,859</b>	<b>457,612</b>	<b>569,368</b>	<b>761,767</b>	<b>1,024,352</b>	<b>1,261,086</b>
<b>Total Pension Liability - Beginning</b>	<b>-</b>	<b>55,373</b>	<b>190,987</b>	<b>447,846</b>	<b>905,458</b>	<b>1,474,826</b>	<b>2,236,593</b>	<b>3,260,945</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 55,373</b>	<b>\$ 190,987</b>	<b>\$ 447,846</b>	<b>\$ 905,458</b>	<b>\$ 1,474,826</b>	<b>\$ 2,236,593</b>	<b>\$ 3,260,945</b>	<b>\$ 4,522,031</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 34,759	\$ 89,004	\$ 156,337	\$ 67,833	\$ 108,449	\$ 138,908	\$ 184,831	\$ 332,911
Contributions - Employee	43,449	111,256	195,422	311,157	387,767	445,218	574,012	746,440
Net Investment Income	1,043	19,876	38,401	63,567	65,894	486,227	(114,507)	252,485
Benefit Payments, Including Refunds of Employee Contributions	-	-	-	(323)	(20,415)	(43,162)	(13,364)	(28,034)
Administrative Expense	(2,675)	(5,688)	(10,412)	(14,649)	(17,444)	(18,390)	(23,823)	(17,975)
Other	933	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>77,509</b>	<b>214,448</b>	<b>379,748</b>	<b>427,585</b>	<b>524,251</b>	<b>1,008,801</b>	<b>607,149</b>	<b>1,285,827</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>77,509</b>	<b>291,957</b>	<b>671,705</b>	<b>1,099,290</b>	<b>1,623,541</b>	<b>2,632,342</b>	<b>3,239,491</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 77,509</b>	<b>\$ 291,957</b>	<b>\$ 671,705</b>	<b>\$ 1,099,290</b>	<b>\$ 1,623,541</b>	<b>\$ 2,632,342</b>	<b>\$ 3,239,491</b>	<b>\$ 4,525,318</b>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<b>\$ (22,136)</b>	<b>\$ (100,970)</b>	<b>\$ (223,859)</b>	<b>\$ (193,832)</b>	<b>\$ (148,715)</b>	<b>\$ (395,749)</b>	<b>\$ 21,454</b>	<b>\$ (3,287)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	139.98%	152.87%	149.99%	121.41%	110.08%	117.69%	99.34%	100.07%
<b>Covered Payroll</b>	\$ 871,710	\$ 2,225,577	\$ 3,908,422	\$ 6,223,123	\$ 8,158,315	\$ 8,904,344	\$ 11,476,112	\$ 14,928,738
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	-2.54%	-4.54%	-5.73%	-3.11%	-1.82%	-4.44%	0.19%	-0.02%

*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 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.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**CITY OF LEBANON, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN**  
**THE PUBLIC EMPLOYEE PENSION PLAN OF THE TCRS - HYBRID PLAN**  
**FISCAL YEAR ENDED JUNE 30**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 17,325	\$ 25,149	\$ 53,546	\$ 248,919	\$ 108,449
Contributions in Relation to the					
Actuarially Determined Contribution	<u>34,759</u>	<u>89,004</u>	<u>156,337</u>	<u>560,471</u>	<u>108,449</u>
Contribution Deficiency (Excess)	<u>\$ (17,434)</u>	<u>\$ (63,855)</u>	<u>\$ (102,791)</u>	<u>\$ (311,552)</u>	<u>\$ -</u>
Covered Payroll	\$ 871,710	\$ 2,225,577	\$ 3,908,422	\$ 6,223,123	\$ 8,158,315
Contributions as a Percentage of					
Covered Payroll	3.99%	4.00%	4.00%	9.01%	1.33%
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	
Actuarially Determined Contribution	\$ 138,908	\$ 184,831	\$ 332,911	\$ 473,349	
Contributions in Relation to the					
Actuarially Determined Contribution	<u>138,908</u>	<u>184,831</u>	<u>332,911</u>	<u>473,349</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered Payroll	\$ 8,904,344	\$ 11,476,112	\$ 14,928,738	\$ 20,491,299	
Contributions as a Percentage of					
Covered Payroll	1.56%	1.61%	2.23%	2.31%	

The City places the actuarially determined contribution rate of covered payroll into the pension plan and places the remaining contributions of covered payroll into the Pension Stabilization Reserve Trust.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively.

**CITY OF LEBANON, TENNESSEE**  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO SCHEDULE FOR TCRS HYBRID PLAN  
Last Fiscal Year Ending June 30

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**Notes to Schedule for TCRS Hybrid Plan**

*Valuation Date:*

Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, 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% corridor to market value
Inflation	2.25%
Salary Increases	Graded salary ranges from 8.72% to 3.44% based upon age, including inflation, averaging 4.00%
Investment Rate of Return	6.75%, 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	2.125%

*Change 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. 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 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**CITY OF LEBANON, TENNESSEE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**BASED ON PARTICIPATION IN THE CITY OF LEBANON OPEB PLAN**  
**FISCAL YEAR ENDED JUNE 30**

	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>							
Service Cost	\$ 480,821	\$ 635,119	\$ 677,990	\$ 723,754	\$ 1,087,750	\$ 694,655	\$ 642,031
Interest	494,544	526,893	667,737	690,769	641,162	937,902	986,754
Difference Between Expected and Actual Experience	-	1,193,921	-	3,734,489	-	917,714	-
Change in Assumptions	-	2,609,885	-	2,716,672	(6,270,260)	(458,260)	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(447,402)</u>	<u>(617,329)</u>	<u>(648,180)</u>	<u>(678,432)</u>	<u>(734,526)</u>	<u>(1,015,164)</u>	<u>(1,078,612)</u>
<b>Net Change in Total OPEB Liability</b>	527,963	4,348,489	697,547	7,187,252	(5,275,874)	1,076,847	550,173
<b>Total OPEB Liability - Beginning</b>	<u>15,766,712</u>	<u>16,294,675</u>	<u>20,643,164</u>	<u>21,340,711</u>	<u>28,527,963</u>	<u>23,252,089</u>	<u>24,328,936</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 16,294,675</u>	<u>\$ 20,643,164</u>	<u>\$ 21,340,711</u>	<u>\$ 28,527,963</u>	<u>\$ 23,252,089</u>	<u>\$ 24,328,936</u>	<u>\$ 24,879,109</u>
<b>Covered-employee Payroll</b>	\$ 15,591,573	\$ 18,467,210	\$ 18,928,890	\$ 20,244,976	\$ 20,781,100	\$ 26,596,989	\$ 27,261,914
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	104.51%	111.78%	112.74%	140.91%	111.89%	91.47%	91.26%

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

*Changes of assumptions*

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

Effective July 1, 2023, the following changes were made to the actuarial assumptions and methods: 1) The discount rate is 4.13% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023, compared to the prior Statement No. 75 discount rate of 4.09% as of June 30, 2022. 2) Medical trend was updated to an initial rate of 6.25% grading to 5.20% over 2 years and following the Getzen scale thereafter reaching an ultimate rate of 3.94% in the year 2075.

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## Nonmajor Governmental Funds

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### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**State Street Aid Fund-** This fund is used to provide city street improvements and installation and maintenance of traffic lights and street lighting.

**Airport Operations Fund-** This fund is used to run the day-to-day operations of the Lebanon Municipal Airport.

**Jimmy Floyd Family Life Center Fund-** This fund is used to collect revenues received from the activities provided at the City Recreation Center and pay any related expenses.

**Cemetery Maintenance Fund-** This fund is used to pay for maintenance at the Cemetery.

**Lebanon Housing Authority-** This fund is used to provide a designated police officer for the Lebanon Housing Authority.

**Tourism & Economic Development Fund-** This fund is used to attract businesses and provide incentives to promote new growth in the City. Hotel/Motel Tax is collected at 4% in which 2% is designated to this fund.

**Spirit of Christmas Fund-** This fund is used to provide gifts for underprivileged families by collecting donations as the main revenue source.

**Drug Enforcement Fund-** This fund is used for drug enforcement expenditures and proceeds collected through local fines and seizures related to drug charges.

**Beautification Committee Fund-** This fund is used to promote beautification within the city by harnessing local schools' faculty and students to invest in projects related to improving and cleaning the City.

**Public Safety Grant Fund-** This fund is used to 1.) collect revenues for each ticket issued by the local Police Department 2.) account for necessary expenses associated with asset forfeitures enforced or administered by the Department of Justice 3.) provide additional needs of the local Police Department by collecting revenues from the sale of assets provided to the City by the Federal Government and 4.) provide for the citizens that support the local Police Department through volunteer activities.

### Capital Project Funds

Capital project funds are used to account for the accumulation and expenditures of funds set aside for large capital projects.

**Police Local Option Fines Fund** – This fund is used to account for the accumulation and expenditures of the police local option fines for capital projects.

### Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term debt.

**CITY OF LEBANON, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

		<b>Nonmajor Governmental Funds</b>			
		Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$	5,635,819	\$ 745,092	\$ 623,218	\$ 7,004,129
Investments		38,604	-	-	38,604
Receivables		362,048	1,398	-	363,446
Lease receivable		302,309	-	-	302,309
Due from other funds		391,227	37,726	-	428,953
Due from other governments		185	-	-	185
Prepaid items		11,304	-	-	11,304
<b>Total Assets</b>	<b>\$</b>	<b>6,741,496</b>	<b>\$ 784,216</b>	<b>\$ 623,218</b>	<b>\$ 8,148,930</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$	1,160,145	\$ 10,750	\$ -	\$ 1,170,895
Accrued liabilities		74,924	-	-	74,924
Unearned revenue		7,500	-	-	7,500
Due to other funds		1,007	-	-	1,007
<b>Total Liabilities</b>		<b>1,243,576</b>	<b>10,750</b>	<b>-</b>	<b>1,254,326</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows - leases		274,559	-	-	274,559
<b>Total Deferred Inflows of Resources</b>		<b>274,559</b>	<b>-</b>	<b>-</b>	<b>274,559</b>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items		11,304	-	-	11,304
<b>Restricted for:</b>					
General government		885,248	-	-	885,248
Public safety		319,435	773,466	-	1,092,901
Culture and recreation		140,993	-	-	140,993
Public works		3,263,785	-	-	3,263,785
Debt service		-	-	623,218	623,218
<b>Committed for:</b>					
Police		54,311	-	-	54,311
Cemetary		113,481	-	-	113,481
<b>Assigned for:</b>					
Airport		262,023	-	-	262,023
Floyd Family Life Center		172,781	-	-	172,781
<b>Total Fund Balances</b>		<b>5,223,361</b>	<b>773,466</b>	<b>623,218</b>	<b>6,620,045</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$</b>	<b>6,741,496</b>	<b>\$ 784,216</b>	<b>\$ 623,218</b>	<b>\$ 8,148,930</b>

CITY OF LEBANON, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Nonmajor Governmental Funds			
	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 664,179	\$ -	\$ -	\$ 664,179
Charges for services	1,232,908	-	-	1,232,908
Fines and forfeitures	25,663	562,052	-	587,715
Intergovernmental	1,388,552	-	-	1,388,552
Interest	171,361	8,696	55,611	235,668
Contributions	75,905	-	-	75,905
Miscellaneous	592,193	-	-	592,193
Total Revenues	<u>4,150,761</u>	<u>570,748</u>	<u>55,611</u>	<u>4,777,120</u>
<b>EXPENDITURES</b>				
Current:				
General government	977,228	-	-	977,228
Public safety	160,871	5,516	-	166,387
Public works	831,107	-	-	831,107
Culture and recreation	2,220,903	236,628	-	2,457,531
Capital Outlay	627,689	-	-	627,689
Debt Service:				
Principal	105,999	-	1,757,805	1,863,804
Interest and fiscal charges	37,585	-	954,979	992,564
Total Expenditures	<u>4,961,382</u>	<u>242,144</u>	<u>2,712,784</u>	<u>7,916,310</u>
Deficiency of Revenues under Expenditures	(810,621)	328,604	(2,657,173)	(3,139,190)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from new bond issuance	-	-	4,629,000	4,629,000
Payment to fiscal agent	-	-	(4,594,799)	(4,594,799)
Proceeds from lease	4,902	-	-	4,902
Proceeds from sale of capital assets	53,924	7,100	-	61,024
Transfers in	1,439,322	-	2,720,151	4,159,473
Transfers out	(235,175)	-	-	(235,175)
Total Other Financing Sources (Uses)	<u>1,262,973</u>	<u>7,100</u>	<u>2,754,352</u>	<u>4,024,425</u>
Net Change in Fund Balances	452,352	335,704	97,179	885,235
Fund Balances, Beginning of Year	4,771,009	3,111,572	526,039	8,408,620
Adjustment - change to reporting entity	-	(2,673,810)	-	(2,673,810)
Fund Balances, Beginning of Year, adjusted	<u>4,771,009</u>	<u>437,762</u>	<u>526,039</u>	<u>5,734,810</u>
Fund Balances, End of Year	<u>\$ 5,223,361</u>	<u>\$ 773,466</u>	<u>\$ 623,218</u>	<u>\$ 6,620,045</u>

**CITY OF LEBANON, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

		Special Revenue Funds						
		State Street Aid Fund	Airport Operations Fund	Jimmy Floyd Family Life Center Fund	Electronic Traffic Citation Fund	Federal Asset Seizure Fund	Cemetery Maintenance Fund	Lebanon Housing Authority Fund
<b>ASSETS</b>								
Cash and cash equivalents		\$ 3,182,730	\$ 208,348	\$ 219,744	\$ -	\$ -	\$ 129,875	\$ 16,304
Investments		-	-	38,604	-	-	-	-
Receivables		237,504	39,348	16,655	-	-	-	-
Lease receivable		-	302,309	-	-	-	-	-
Due from other funds		-	-	381,723	-	-	-	-
Due from other governments		-	185	-	-	-	-	-
Prepaid items		-	1,560	9,744	-	-	-	-
<b>Total Assets</b>		<b>3,420,234</b>	<b>551,750</b>	<b>666,470</b>	<b>-</b>	<b>-</b>	<b>129,875</b>	<b>16,304</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable		147,074	12,732	418,265	-	-	16,394	-
Accrued liabilities		9,375	-	65,549	-	-	-	-
Unearned revenue		-	-	-	-	-	-	-
Due to other funds		-	876	131	-	-	-	-
<b>Total Liabilities</b>		<b>156,449</b>	<b>13,608</b>	<b>483,945</b>	<b>-</b>	<b>-</b>	<b>16,394</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
Deferred inflows - leases		-	274,559	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>		<b>-</b>	<b>274,559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Prepaid items		-	1,560	9,744	-	-	-	-
<b>Restricted for:</b>								
General government		-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-
Public works		3,263,785	-	-	-	-	-	-
Culture and recreation		-	-	-	-	-	-	16,304
<b>Committed for:</b>								
Police		-	-	-	-	-	-	-
Cemetery		-	-	-	-	113,481	-	-
<b>Assigned for:</b>								
Airport		-	262,023	-	-	-	-	-
Floyd Family Life Center		-	-	172,781	-	-	-	-
<b>Total Fund Balances</b>		<b>3,263,785</b>	<b>263,583</b>	<b>182,525</b>	<b>-</b>	<b>-</b>	<b>113,481</b>	<b>16,304</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>		<b>\$ 3,420,234</b>	<b>\$ 551,750</b>	<b>\$ 666,470</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,875</b>	<b>\$ 16,304</b>

**CITY OF LEBANON, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	Special Revenue Funds							Total Nonmajor Special Revenue Governmental Funds
	Tourism & Economic Development Fund	Spirit of Christmas Fund	Drug Enforcement Fund	Beatification Committee Fund	Law Enforcement Support Organization Fund	Citizens Emergency Response Team Fund	Public Safety Grant Fund	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 1,345,469	\$ 124,689	\$ 186,456	\$ 4,024	\$ -	\$ -	\$ 218,180	\$ 5,635,819
Investments	-	-	-	-	-	-	-	38,604
Receivables	61,567	-	6,838	-	-	-	136	362,048
Lease receivable	-	-	-	-	-	-	-	302,309
Due from other funds	-	-	-	-	-	-	9,504	391,227
Due from other governments	-	-	-	-	-	-	-	185
Prepaid items	-	-	-	-	-	-	-	11,304
<b>Total Assets</b>	<b>1,407,036</b>	<b>124,689</b>	<b>193,294</b>	<b>4,024</b>	<b>-</b>	<b>-</b>	<b>227,820</b>	<b>6,741,496</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	525,812	-	-	-	-	-	39,868	1,160,145
Accrued liabilities	-	-	-	-	-	-	-	74,924
Unearned revenue	-	-	7,500	-	-	-	-	7,500
Due to other funds	-	-	-	-	-	-	-	1,007
<b>Total Liabilities</b>	<b>525,812</b>	<b>-</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,868</b>	<b>1,243,576</b>
<b>Deferred Inflows of Resources</b>								
Deferred inflows - leases	-	-	-	-	-	-	-	274,559
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>274,559</b>
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Prepaid items	-	-	-	-	-	-	-	11,304
<b>Restricted for:</b>								
General government	881,224	-	-	4,024	-	-	-	885,248
Public safety	-	-	185,794	-	-	-	133,641	319,435
Public works	-	-	-	-	-	-	-	3,263,785
Culture and recreation	-	124,689	-	-	-	-	-	140,993
<b>Committed for:</b>								
Police	-	-	-	-	-	-	54,311	54,311
Cemetery	-	-	-	-	-	-	-	113,481
<b>Assigned for:</b>								
Public Library operations	-	-	-	-	-	-	-	262,023
Huntsville Tennis Center	-	-	-	-	-	-	-	172,781
<b>Total Fund Balances</b>	<b>881,224</b>	<b>124,689</b>	<b>185,794</b>	<b>4,024</b>	<b>-</b>	<b>-</b>	<b>187,952</b>	<b>5,223,361</b>
<b>Total Liabilities, Deferred inflows and Fund Balances</b>	<b>\$ 1,407,036</b>	<b>\$ 124,689</b>	<b>\$ 193,294</b>	<b>\$ 4,024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227,820</b>	<b>\$ 6,741,496</b>

**CITY OF LEBANON, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	Special Revenue Funds						
	State Street Aid	Airport Operations	Jimmy Floyd Family Life Center	Electronic Traffic Citation Fund	Federal Asset Seizure Fund	Cemetery Maintenance Fund	Lebanon Housing Authority Fund
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	1,215,458	-	-	17,450	-
Fines and forfeitures	-	-	-	-	-	-	-
Intergovernmental	1,351,153	20,000	-	-	-	-	9,001
Interest	55,385	69,715	14,087	-	-	2,422	328
Contributions	-	25,000	-	-	-	-	-
Miscellaneous	22,985	426,644	-	-	-	-	-
Total Revenues	<u>1,429,523</u>	<u>541,359</u>	<u>1,229,545</u>	<u>-</u>	<u>-</u>	<u>19,872</u>	<u>9,329</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	21,172	-
Public safety	-	-	-	-	-	-	9,001
Public works	831,107	-	-	-	-	-	-
Culture and recreation	-	427,577	1,748,695	-	-	-	-
Capital Outlay	-	-	596,754	-	-	-	-
Debt Service:							
Principal	-	104,446	1,553	-	-	-	-
Interest and fiscal charges	-	37,506	79	-	-	-	-
Total Expenditures	<u>831,107</u>	<u>569,529</u>	<u>2,347,081</u>	<u>-</u>	<u>-</u>	<u>21,172</u>	<u>9,001</u>
Excess (Deficiency) of Revenues over Expenditures	598,416	(28,170)	(1,117,536)	-	-	(1,300)	328
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from lease	-	-	4,902	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	215,000	1,049,822	-	-	-	-
Transfers out	-	(235,175)	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,175)</u>	<u>1,054,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	598,416	(48,345)	(62,812)	-	-	(1,300)	328
Fund Balances, Beginning of Year	2,665,369	311,928	245,337	71,671	32,864	114,781	15,976
Adjustment - change to reporting entity	-	-	-	(71,671)	(32,864)	-	-
Fund Balances, Beginning of Year, adjusted	2,665,369	311,928	245,337	-	-	114,781	15,976
Fund Balances, End of Year	<u>\$ 3,263,785</u>	<u>\$ 263,583</u>	<u>\$ 182,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,481</u>	<u>\$ 16,304</u>

CITY OF LEBANON, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Special Revenue Funds							Total Nonmajor Special Revenue Governmental Funds
	Tourism & Economic Development Fund	Spirit of Christmas Fund	Drug Enforcement Fund	Beatification Committee Fund	Law Enforcement Support Organization Fund	Citizens Emergency Response Team Fund	Public Safety Grant Fund	
<b>REVENUES</b>								
Taxes	\$ 664,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 664,179
Charges for services	-	-	-	-	-	-	-	1,232,908
Fines and forfeitures	-	-	25,663	-	-	-	-	25,663
Intergovernmental	-	-	-	-	-	-	8,398	1,388,552
Interest	22,451	1,499	1,617	142	-	-	3,715	171,361
Contributions	-	48,905	-	2,000	-	-	-	75,905
Miscellaneous	-	-	72,025	-	-	-	70,539	592,193
Total Revenues	686,630	50,404	99,305	2,142	-	-	82,652	4,150,761
<b>EXPENDITURES</b>								
Current:								
General government	948,056	-	-	8,000	-	-	-	977,228
Public safety	-	-	50,311	-	-	-	101,559	160,871
Public works	-	-	-	-	-	-	-	831,107
Culture and recreation	-	44,631	-	-	-	-	-	2,220,903
Capital Outlay	-	-	10,136	-	-	-	20,799	627,689
Debt Service								
Principal	-	-	-	-	-	-	-	105,999
Interest and fiscal charges	-	-	-	-	-	-	-	37,585
Total Expenditures	948,056	44,631	60,447	8,000	-	-	122,358	4,961,382
Excess (Deficiency) of Revenues over Expenditures	(261,426)	5,773	38,858	(5,858)	-	-	(39,706)	(810,621)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from lease	-	-	-	-	-	-	-	4,902
Proceeds from sale of capital assets	-	-	-	-	-	-	53,924	53,924
Transfers in	170,000	-	-	4,500	-	-	-	1,439,322
Transfer out	-	-	-	-	-	-	-	(235,175)
Total Other Financing Sources (Uses)	170,000	-	-	4,500	-	-	53,924	1,262,973
Net Change in Fund Balances	(91,426)	5,773	38,858	(1,358)	-	-	14,218	452,352
Fund Balances, Beginning of Year	972,650	118,916	146,936	5,382	62,557	6,642	-	4,771,009
Adjustment - change to reporting entity	-	-	-	-	(62,557)	(6,642)	173,734	-
Fund Balances, Beginning of Year, adjusted	972,650	118,916	146,936	5,382	-	-	173,734	4,771,009
Fund Balances, End of Year	\$ 881,224	\$ 124,689	\$ 185,794	\$ 4,024	\$ -	\$ -	\$ 187,952	\$ 5,223,361

**CITY OF LEBANON, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

		<u>Capital Project Funds</u>				
		Police Local Option Fines Fund	Lebanon/Wilson County Community Park Fund	Airport Capital Projects Fund	Street Improvements Fund	Total Nonmajor Capital Projects Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents		\$ 745,092	\$ -	\$ -	\$ -	\$ 745,092
Receivables		1,398	-	-	-	1,398
Due from other funds		37,726	-	-	-	37,726
Total Assets		<u>784,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,216</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities						
Accounts payable		10,750	-	-	-	10,750
Total Liabilities		<u>10,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,750</u>
Fund Balances						
Restricted for:						
Public safety		773,466	-	-	-	773,466
Total Fund Balances		<u>773,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>773,466</u>
Total Liabilities and Fund Balances		<u>\$ 784,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,216</u>

**CITY OF LEBANON, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	Capital Project Funds				
	Police Local Option Fines Fund	Lebanon/Wilson County Community Park Fund	Airport Capital Projects Fund	Street Improvements Fund	Total Nonmajor Capital Projects Governmental Funds
<b>REVENUES</b>					
Fines and forfeitures	\$ 562,052	\$ -	\$ -	\$ -	\$ 562,052
Interest	8,696	-	-	-	8,696
Total Revenues	<u>570,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,748</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	5,516	-	-	-	5,516
Capital Outlay	236,628	-	-	-	236,628
Total Expenditures	<u>242,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,144</u>
Excess (Deficiency) of Revenues over Expenditures	328,604	-	-	-	328,604
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	7,100	-	-	-	7,100
Total Other Financing Sources (Uses)	<u>7,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,100</u>
Net Change in Fund Balances	335,704	-	-	-	335,704
Fund Balances, Beginning of Year	437,762	1,192,729	511,834	969,247	3,111,572
Adjustment - change to reporting entity	-	(1,192,729)	(511,834)	(969,247)	(2,673,810)
Fund Balances, Beginning of Year, adjusted	<u>437,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,762</u>
Fund Balances, End of Year	<u>\$ 773,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,466</u>

**CITY OF LEBANON, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

		Debt Service Funds						
		Public Safety Building Bond Fund	2008 G.O Bond Refunding Fund	2008 Bond Debt Service Fund	2004 Bond Debt Service Fund	2011 Bond Debt Service Fund	2013 Bond Debt Service Fund	2016 Legends Drive Fund
<b>ASSETS</b>								
Cash and cash equivalents		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Fund Balances								
Restricted for:								
Debt service		-	-	-	-	-	-	-
Total Fund Balances		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows and Fund Balances		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF LEBANON, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	2016 Airport Terminal Fund	Westside Park Debt Service Fund	Airport Maintenance Hanger Bond Fund	Radio Systems Bond Fund	Road Improvements Bond Fund	Debt Service Fund	Total Nonmajor Debt Service Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 623,218	\$ 623,218
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,218</u>	<u>623,218</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Fund Balances							
Restricted for:							
Debt service	-	-	-	-	-	623,218	623,218
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,218</u>	<u>623,218</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 623,218</u>	<u>\$ 623,218</u>

**CITY OF LEBANON, TENNESSEE**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Debt Service Funds						
	Public Safety Building Bond Fund	2008 G.O Bond Refunding Fund	2008 Bond Debt Service Fund	2004 Bond Debt Service Fund	2011 Bond Debt Service Fund	2013 Bond Debt Service Fund	2016 Legends Drive Fund
<b>REVENUES</b>							
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-	-
<b>EXPENDITURES</b>							
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from new bond issuance	-	-	-	-	-	-	-
Payment to fiscal agent	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	212,429	-	20,869	16,648	10,719	413	30,048
Adjustment - change to reporting entity	(212,429)	-	(20,869)	(16,648)	(10,719)	(413)	(30,048)
Fund Balances, Beginning of Year, adjusted	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF LEBANON, TENNESSEE**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**NONMAJOR DEBT SERVICE GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

	Debt Service Funds						Total Nonmajor Debt Service Governmental Funds
	2016 Airport Terminal Fund	Westside Park Debt Service Fund	Airport Maintenance Hanger Bond Fund	Radio Systems Bond Fund	Road Improvements Bond Fund	Debt Service Fund	
<b>REVENUES</b>							
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,611	\$ 55,611
Total Revenues	-	-	-	-	-	55,611	55,611
<b>EXPENDITURES</b>							
Debt Service:							
Principal	-	-	-	-	-	1,757,805	1,757,805
Interest and fiscal charges	-	-	-	-	-	954,979	954,979
Total Expenditures	-	-	-	-	-	2,712,784	2,712,784
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	(2,657,173)	(2,657,173)
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from new bond issuance	-	-	-	-	-	4,629,000	4,629,000
Payment to fiscal agent	-	-	-	-	-	(4,594,799)	(4,594,799)
Transfers in	-	-	-	-	-	2,720,151	2,720,151
Total Other Financing Sources (Uses)	-	-	-	-	-	2,754,352	2,754,352
Net Change in Fund Balances	-	-	-	-	-	97,179	97,179
Fund Balances, Beginning of Year	9,980	110,278	17,457	48,042	49,156	-	526,039
Adjustment - change to reporting entity	(9,980)	(110,278)	(17,457)	(48,042)	(49,156)	526,039	-
Fund Balances, Beginning of Year, adjusted	-	-	-	-	-	526,039	\$ 97,179
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 623,218	\$ 623,218

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 STATE STREET AID FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,275,000	\$ 1,280,110	\$ 1,351,153	\$ 71,043
Interest	9,000	9,000	55,385	46,385
Miscellaneous	-	22,985	22,985	-
Total Revenues	<u>1,284,000</u>	<u>1,312,095</u>	<u>1,429,523</u>	<u>117,428</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>1,210,000</u>	<u>1,689,477</u>	<u>831,107</u>	<u>858,370</u>
Total Expenditures	<u>1,210,000</u>	<u>1,689,477</u>	<u>831,107</u>	<u>858,370</u>
Excess (Deficiency) of Revenues over Expenditures	74,000	(377,382)	598,416	975,798
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	19,355	-	(19,355)
Total Other Financing Sources	<u>-</u>	<u>19,355</u>	<u>-</u>	<u>(19,355)</u>
Net Change in Fund Balances	<u>\$ 74,000</u>	<u>\$ (358,027)</u>	598,416	<u>\$ 956,443</u>
Fund Balance - Beginning			<u>2,665,369</u>	
Fund Balance - Ending			<u>\$ 3,263,785</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 AIRPORT OPERATIONS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 20,000	\$ 20,000	\$ -
Interest	4,000	69,000	69,715	715
Contributions	25,000	25,000	25,000	-
Miscellaneous	440,900	525,900	426,644	(99,256)
Total Revenues	<u>484,900</u>	<u>639,900</u>	<u>541,359</u>	<u>(98,541)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	392,530	557,781	427,577	130,204
Debt Service:				
Principal	-	104,450	104,446	4
Interest and fiscal charges	-	37,510	37,506	(4)
Total Expenditures	<u>392,530</u>	<u>699,741</u>	<u>569,529</u>	<u>130,204</u>
Excess (Deficiency) of Revenues over Expenditures	92,370	(59,841)	(28,170)	31,663
<b>OTHER FINANCING SOURCES</b>				
Transfers in	60,000	215,000	215,000	-
Transfers out	(164,803)	(235,185)	(235,175)	10
Total Other Financing Sources	<u>(104,803)</u>	<u>(20,185)</u>	<u>(20,175)</u>	<u>10</u>
Net Change in Fund Balances	<u>\$ (12,433)</u>	<u>\$ (80,026)</u>	(48,345)	<u>\$ 31,653</u>
Fund Balance - Beginning			<u>311,928</u>	
Fund Balance - Ending			<u>\$ 263,583</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 JIMMY FLOYD FAMILY LIFE CENTER FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,218,500	\$ 1,277,220	\$ 1,215,458	\$ (61,762)
Interest	3,000	3,000	14,087	11,087
Total Revenues	<u>1,221,500</u>	<u>1,280,220</u>	<u>1,229,545</u>	<u>(50,675)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	1,680,094	1,796,668	1,748,695	47,973
Capital outlay	41,000	621,940	596,754	25,186
Debt Service:				
Principal	-	1,560	1,553	7
Interest and fiscal charges	-	80	79	1
Total Expenditures	<u>1,721,094</u>	<u>2,420,248</u>	<u>2,347,081</u>	<u>73,167</u>
Deficiency of Revenues under Expenditures	(499,594)	(1,140,028)	(1,117,536)	22,492
<b>OTHER FINANCING SOURCES</b>				
Proceeds from lease	-	-	4,902	4,902
Transfers in	500,000	1,075,000	1,049,822	(25,178)
Total Other Financing Sources	<u>500,000</u>	<u>1,075,000</u>	<u>1,054,724</u>	<u>(20,276)</u>
Net Change in Fund Balances	<u>\$ 406</u>	<u>\$ (65,028)</u>	(62,812)	<u>\$ 2,216</u>
Fund Balance - Beginning			<u>245,337</u>	
Fund Balance - Ending			<u>\$ 182,525</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 PUBLIC SAFETY GRANT FUND - ELECTRONIC TRAFFIC CITATION FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 500	\$ 500	\$ 1,319	\$ 819
Miscellaneous	40,000	40,000	70,539	30,539
Total Revenues	<u>40,500</u>	<u>40,500</u>	<u>71,858</u>	<u>31,358</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	73,267	73,267	89,218	(15,951)
Total Expenditures	<u>73,267</u>	<u>73,267</u>	<u>89,218</u>	<u>(15,951)</u>
Net Change in Fund Balances	<u>\$ (32,767)</u>	<u>\$ (32,767)</u>	(17,360)	<u>\$ 15,407</u>
Fund Balance - Beginning			<u>71,671</u>	
Fund Balance - Ending			<u>\$ 54,311</u>	
			Electronic Traffic Citation Fund	\$ 54,311
			Federal Asset Seizure Fund	21,023
			Law Enforcement Organization Fund	106,419
			Citizens Emergency Response Team Fund	<u>6,199</u>
			Total Public Safety Grant Fund	<u>\$ 187,952</u>

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 PUBLIC SAFETY GRANT FUND - FEDERAL ASSET SEIZURE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 8,398	\$ (36,602)
Interest	750	750	560	(190)
Total Revenues	<u>45,750</u>	<u>45,750</u>	<u>8,958</u>	<u>(36,792)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	7,500	7,500	-	7,500
Capital outlay	<u>53,000</u>	<u>53,000</u>	<u>20,799</u>	<u>32,201</u>
Total Expenditures	<u>60,500</u>	<u>60,500</u>	<u>20,799</u>	<u>39,701</u>
Excess (Deficiency) of Revenues over Expenditures	(14,750)	(14,750)	(11,841)	2,909
Net Change in Fund Balances	<u>\$ (14,750)</u>	<u>\$ (14,750)</u>	(11,841)	<u>\$ 2,909</u>
Fund Balance - Beginning			<u>32,864</u>	
Fund Balance - Ending			<u>\$ 21,023</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 PUBLIC SAFETY GRANT FUND - LAW ENFORCEMENT SUPPORT ORGANIZATION FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 500	\$ 500	\$ 1,716	\$ 1,216
Total Revenues	<u>500</u>	<u>500</u>	<u>1,716</u>	<u>1,216</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	137,904	137,904	11,778	126,126
Total Expenditures	<u>137,904</u>	<u>137,904</u>	<u>11,778</u>	<u>126,126</u>
Excess of Revenues over Expenditures	(137,404)	(137,404)	(10,062)	127,342
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	75,000	75,000	53,924	(21,076)
Total Other Financing Sources	<u>75,000</u>	<u>75,000</u>	<u>53,924</u>	<u>(21,076)</u>
Net Change in Fund Balances	<u>\$ (62,404)</u>	<u>\$ (62,404)</u>	43,862	<u>\$ 106,266</u>
Fund Balance - Beginning			<u>62,557</u>	
Fund Balance - Ending			<u>\$ 106,419</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 PUBLIC SAFETY GRANT FUND - CITIZENS EMERGENCY RESPONSE TEAM FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 150	\$ 150	\$ 120	\$ (30)
Contributions	3,000	3,000	-	(3,000)
Total Revenues	<u>3,150</u>	<u>3,150</u>	<u>120</u>	<u>(3,030)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,850	3,850	563	3,287
Total Expenditures	<u>3,850</u>	<u>3,850</u>	<u>563</u>	<u>3,287</u>
Net Change in Fund Balances	<u>\$ (700)</u>	<u>\$ (700)</u>	(443)	<u>\$ 257</u>
Fund Balance - Beginning			<u>6,642</u>	
Fund Balance - Ending			<u>\$ 6,199</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 CEMETERY MAINTENANCE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 30,500	\$ 30,500	\$ 17,450	\$ (13,050)
Interest	500	2,400	2,422	22
Total Revenues	<u>31,000</u>	<u>32,900</u>	<u>19,872</u>	<u>(13,028)</u>
<b>EXPENDITURES</b>				
Current:				
General government	17,325	22,155	21,172	983
Total Expenditures	<u>17,325</u>	<u>22,155</u>	<u>21,172</u>	<u>983</u>
Excess (Deficiency) of Revenues over Expenditures	13,675	10,745	(1,300)	(12,045)
Net Change in Fund Balances	<u>\$ 13,675</u>	<u>\$ 10,745</u>	(1,300)	<u>\$ (12,045)</u>
Fund Balance - Beginning			<u>114,781</u>	
Fund Balance - Ending			<u>\$ 113,481</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 LEBANON HOUSING AUTHORITY FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 65,650	\$ 65,650	\$ 9,001	\$ (56,649)
Interest	100	100	328	228
Total Revenues	<u>65,750</u>	<u>65,750</u>	<u>9,329</u>	<u>(56,421)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	65,642	65,642	9,001	56,641
Total Expenditures	<u>65,642</u>	<u>65,642</u>	<u>9,001</u>	<u>56,641</u>
Net Change in Fund Balances	<u>\$ 108</u>	<u>\$ 108</u>	328	<u>\$ 220</u>
Fund Balance - Beginning			<u>15,976</u>	
Fund Balance - Ending			<u>\$ 16,304</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 TOURISM AND ECONOMIC DEVELOPMENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 535,000	\$ 546,740	\$ 664,179	\$ 117,439
Interest	5,000	5,000	22,451	17,451
Total Revenues	<u>540,000</u>	<u>551,740</u>	<u>686,630</u>	<u>134,890</u>
<b>EXPENDITURES</b>				
Current:				
General government	520,822	1,032,562	948,056	84,506
Total Expenditures	<u>520,822</u>	<u>1,032,562</u>	<u>948,056</u>	<u>84,506</u>
Excess (Deficiency) of Revenues over Expenditures	19,178	(480,822)	(261,426)	219,396
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	170,000	170,000	-
Total Other Financing Sources	<u>-</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 19,178</u>	<u>\$ (310,822)</u>	(91,426)	<u>\$ 219,396</u>
Fund Balance - Beginning			<u>972,650</u>	
Fund Balance - Ending			<u>\$ 881,224</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 SPIRIT OF CHRISTMAS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 500	\$ 1,490	\$ 1,499	\$ 9
Contributions	40,000	48,905	48,905	-
Total Revenues	<u>40,500</u>	<u>50,395</u>	<u>50,404</u>	<u>9</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	16,550	44,640	44,631	9
Total Expenditures	<u>16,550</u>	<u>44,640</u>	<u>44,631</u>	<u>9</u>
Net Change in Fund Balances	<u>\$ 23,950</u>	<u>\$ 5,755</u>	5,773	<u>\$ 18</u>
Fund Balance - Beginning			<u>118,916</u>	
Fund Balance - Ending			<u>\$ 124,689</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DRUG ENFORCEMENT FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 14,000	\$ 14,000	\$ 25,663	\$ 11,663
Interest	500	500	1,617	1,117
Miscellaneous	36,500	36,500	72,025	35,525
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>99,305</u>	<u>48,305</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	119,700	119,700	50,311	69,389
Capital outlay	25,000	25,000	10,136	14,864
Total Expenditures	<u>144,700</u>	<u>144,700</u>	<u>60,447</u>	<u>84,253</u>
Net Change in Fund Balances	<u>\$ (93,700)</u>	<u>\$ (93,700)</u>	38,858	<u>\$ 132,558</u>
Fund Balance - Beginning			<u>146,936</u>	
Fund Balance - Ending			<u>\$ 185,794</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 BEAUTIFICATION COMMITTEE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 100	\$ 100	\$ 142	\$ 42
Contributions	15,000	15,000	2,000	(13,000)
Total Revenues	<u>15,100</u>	<u>15,100</u>	<u>2,142</u>	<u>(12,958)</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,000	15,000	8,000	7,000
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>8,000</u>	<u>7,000</u>
Excess (Deficiency) of Revenues over Expenditures	100	100	(5,858)	(5,958)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	4,500	4,500	4,500	-
Total Other Financing Sources	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 4,600</u>	<u>\$ 4,600</u>	(1,358)	<u>\$ (5,958)</u>
Fund Balance - Beginning			<u>5,382</u>	
Fund Balance - Ending			<u>\$ 4,024</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 POLICE LOCAL OPTION FINES FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 420,000	\$ 420,000	\$ 562,052	\$ 142,052
Interest	2,000	2,000	8,696	6,696
Total Revenues	<u>422,000</u>	<u>422,000</u>	<u>570,748</u>	<u>148,748</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	53,000	53,000	5,516	47,484
Capital outlay	290,000	759,570	236,628	522,942
Total Expenditures	<u>343,000</u>	<u>812,570</u>	<u>242,144</u>	<u>570,426</u>
Excess (Deficiency) of Revenues over Expenditures	79,000	(390,570)	328,604	719,174
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	-	7,100	7,100
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>7,100</u>
Net Change in Fund Balances	<u>\$ 79,000</u>	<u>\$ (390,570)</u>	335,704	<u>\$ 726,274</u>
Fund Balance - Beginning			<u>437,762</u>	
Fund Balance - Ending			<u>\$ 773,466</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 CAPITAL PROJECTS FUND - LEBANON AND WILSON COUNTY COMMUNITY PARK FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,776,070	\$ 91,453	\$ (2,684,617)
Interest	-	-	3,233	3,233
Total Revenues	-	2,776,070	94,686	(2,681,384)
<b>EXPENDITURES</b>				
Capital outlay	-	14,955,265	6,613,824	8,341,441
Total Expenditures	-	14,955,265	6,613,824	8,341,441
Deficiency of Revenues over Expenditures	-	(12,179,195)	(6,519,138)	5,660,057
<b>OTHER FINANCING SOURCES</b>				
Debt issuance	-	900,235	-	(900,235)
Transfers in	-	10,345,000	5,558,108	(4,786,892)
Total Other Financing Sources	-	11,245,235	5,558,108	(5,687,127)
Net Change in Fund Balances	\$ -	\$ (933,960)	(961,030)	\$ (27,070)
Fund Balance - Beginning			1,192,729	
Fund Balance - Ending			\$ 231,699	
			\$ 231,699	
			81,039	
			563,465	
			\$ 876,203	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 CAPITAL PROJECTS FUND - AIRPORT CAPITAL PROJECTS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,425,000	\$ 4,103,245	\$ 1,627,283	\$ (2,475,962)
Interest	-	-	3,885	3,885
Miscellaneous	-	24,500	24,540	40
Total Revenues	<u>1,425,000</u>	<u>4,127,745</u>	<u>1,655,708</u>	<u>(2,472,037)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	285,840	530,116	(244,276)
Capital outlay	<u>1,589,200</u>	<u>4,331,900</u>	<u>1,783,337</u>	<u>2,548,563</u>
Total Expenditures	<u>1,589,200</u>	<u>4,617,740</u>	<u>2,313,453</u>	<u>2,304,287</u>
Deficiency of Revenues over Expenditures	(164,200)	(489,995)	(657,745)	(167,750)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	226,950	226,950	-
Total Other Financing Sources	<u>-</u>	<u>226,950</u>	<u>226,950</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (164,200)</u>	<u>\$ (263,045)</u>	(430,795)	<u>\$ (167,750)</u>
Fund Balance - Beginning			<u>511,834</u>	
Fund Balance - Ending			<u>\$ 81,039</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 CAPITAL PROJECTS FUND - STREET IMPROVEMENTS FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 15,708,792	\$ 2,971,579	\$ (12,737,213)
Interest	-	500	40,695	40,195
Miscellaneous	-	17,000	17,650	650
Total Revenues	-	15,726,292	3,029,924	(12,696,368)
<b>EXPENDITURES</b>				
Current:				
Public works	281,000	814,952	201,980	612,972
Capital outlay	50,000	16,416,440	3,233,726	13,182,714
Total Expenditures	331,000	17,231,392	3,435,706	13,795,686
Net Change in Fund Balances	\$ (331,000)	\$ (1,505,100)	(405,782)	\$ 1,099,318
Fund Balance - Beginning			969,247	
Fund Balance - Ending			\$ 563,465	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - PUBLIC SAFETY BUILDING BOND FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 2,250	\$ 2,250	\$ 9,367	\$ 7,117
Total Revenues	<u>2,250</u>	<u>2,250</u>	<u>9,367</u>	<u>7,117</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	211,000	211,000	211,000	-
Interest and fiscal charges	182,647	182,647	182,647	-
Total Expenditures	<u>393,647</u>	<u>393,647</u>	<u>393,647</u>	<u>-</u>
Deficiency of Revenues over Expenditures	(391,397)	(391,397)	(384,280)	7,117
<b>OTHER FINANCING SOURCES</b>				
Transfers in	397,643	397,643	397,643	-
Total Other Financing Sources	<u>397,643</u>	<u>397,643</u>	<u>397,643</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 6,246</u>	<u>\$ 6,246</u>	13,363	<u>\$ 7,117</u>
Fund Balance - Beginning			<u>212,429</u>	
Fund Balance - Ending			<u>\$ 225,792</u>	
			\$ 225,792	
			27,654	
			20,086	
			11,888	
			433	
			36,761	
			12,100	
			110,784	
			18,924	
			15,460	
			56,582	
			86,754	
			<u>\$ 623,218</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 2008 BOND DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 2,000	\$ 2,000	\$ 5,785	\$ 3,785
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>5,785</u>	<u>3,785</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	233,000	233,000	233,000	-
Interest and fiscal charges	50,250	50,250	41,170	9,080
Total Expenditures	<u>283,250</u>	<u>283,250</u>	<u>274,170</u>	<u>9,080</u>
Deficiency of Revenues over Expenditures	(281,250)	(281,250)	(268,385)	12,865
<b>OTHER FINANCING SOURCES</b>				
Transfers in	284,267	284,267	275,170	(9,097)
Total Other Financing Sources	<u>284,267</u>	<u>284,267</u>	<u>275,170</u>	<u>(9,097)</u>
Net Change in Fund Balances	<u>\$ 3,017</u>	<u>\$ 3,017</u>	6,785	<u>\$ 3,768</u>
Fund Balance - Beginning			<u>20,869</u>	
Fund Balance - Ending			<u>\$ 27,654</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 2004 BOND DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 1,000	\$ 1,000	\$ 3,188	\$ 2,188
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>3,188</u>	<u>2,188</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	112,000	112,000	112,000	-
Interest and fiscal charges	6,810	9,750	9,743	7
Total Expenditures	<u>118,810</u>	<u>121,750</u>	<u>121,743</u>	<u>7</u>
Deficiency of Revenues over Expenditures	(117,810)	(120,750)	(118,555)	2,195
<b>OTHER FINANCING SOURCES</b>				
Transfers in	112,250	115,190	121,993	6,803
Total Other Financing Sources	<u>112,250</u>	<u>115,190</u>	<u>121,993</u>	<u>6,803</u>
Net Change in Fund Balances	<u>\$ (5,560)</u>	<u>\$ (5,560)</u>	3,438	<u>\$ 8,998</u>
Fund Balance - Beginning			<u>16,648</u>	
Fund Balance - Ending			<u>\$ 20,086</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 2011 BOND DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 350	\$ 350	\$ 1,382	\$ 1,032
Total Revenues	<u>350</u>	<u>350</u>	<u>1,382</u>	<u>1,032</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	50,000	50,000	50,000	-
Interest and fiscal charges	8,725	8,725	8,646	79
Total Expenditures	<u>58,725</u>	<u>58,725</u>	<u>58,646</u>	<u>79</u>
Deficiency of Revenues over Expenditures	(58,375)	(58,375)	(57,264)	1,111
<b>OTHER FINANCING SOURCES</b>				
Transfers in	57,725	57,725	58,433	708
Total Other Financing Sources	<u>57,725</u>	<u>57,725</u>	<u>58,433</u>	<u>708</u>
Net Change in Fund Balances	<u>\$ (650)</u>	<u>\$ (650)</u>	1,169	<u>\$ 1,819</u>
Fund Balance - Beginning			<u>10,719</u>	
Fund Balance - Ending			<u>\$ 11,888</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 2013 BOND DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 400	\$ 400	\$ 20	\$ (380)
Total Revenues	<u>400</u>	<u>400</u>	<u>20</u>	<u>(380)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	199,154	199,154	199,154	-
Interest and fiscal charges	9,348	9,348	9,348	-
Total Expenditures	<u>208,502</u>	<u>208,502</u>	<u>208,502</u>	<u>-</u>
Deficiency of Revenues over Expenditures	(208,102)	(208,102)	(208,482)	(380)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	208,503	208,503	208,502	(1)
Total Other Financing Sources	<u>208,503</u>	<u>208,503</u>	<u>208,502</u>	<u>(1)</u>
Net Change in Fund Balances	<u>\$ 401</u>	<u>\$ 401</u>	20	<u>\$ (381)</u>
Fund Balance - Beginning			<u>413</u>	
Fund Balance - Ending			<u>\$ 433</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 2016 LEGENDS DRIVE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 2,000	\$ 2,000	\$ 6,464	\$ 4,464
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>6,464</u>	<u>4,464</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	239,000	239,000	239,000	-
Interest and fiscal charges	83,000	151,770	151,767	3
Total Expenditures	<u>322,000</u>	<u>390,770</u>	<u>390,767</u>	<u>3</u>
Deficiency of Revenues over Expenditures	(320,000)	(388,770)	(384,303)	4,467
<b>OTHER FINANCING SOURCES</b>				
Transfers in	319,250	388,020	391,016	2,996
Total Other Financing Sources	<u>319,250</u>	<u>388,020</u>	<u>391,016</u>	<u>2,996</u>
Net Change in Fund Balances	<u>\$ (750)</u>	<u>\$ (750)</u>	6,713	<u>\$ 7,463</u>
Fund Balance - Beginning			<u>30,048</u>	
Fund Balance - Ending			<u>\$ 36,761</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 2016 AIRPORT TERMINAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 750	\$ 2,050	\$ 2,120	\$ 70
Total Revenues	<u>750</u>	<u>2,050</u>	<u>2,120</u>	<u>70</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	78,000	78,000	78,000	-
Interest and fiscal charges	31,620	49,070	49,068	2
Total Expenditures	<u>109,620</u>	<u>127,070</u>	<u>127,068</u>	<u>2</u>
Deficiency of Revenues over Expenditures	(108,870)	(125,020)	(124,948)	72
<b>OTHER FINANCING SOURCES</b>				
Transfers in	110,400	126,550	127,068	518
Total Other Financing Sources	<u>110,400</u>	<u>126,550</u>	<u>127,068</u>	<u>518</u>
Net Change in Fund Balances	<u>\$ 1,530</u>	<u>\$ 1,530</u>	2,120	<u>\$ 590</u>
Fund Balance - Beginning			<u>9,980</u>	
Fund Balance - Ending			<u>\$ 12,100</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - WESTSIDE PARK DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 2,500	\$ 2,500	\$ 7,914	\$ 5,414
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>7,914</u>	<u>5,414</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	178,000	178,000	178,000	-
Interest and fiscal charges	95,471	95,471	95,470	1
Total Expenditures	<u>273,471</u>	<u>273,471</u>	<u>273,470</u>	<u>1</u>
Deficiency of Revenues over Expenditures	(270,971)	(270,971)	(265,556)	5,415
<b>OTHER FINANCING SOURCES</b>				
Transfers in	273,452	273,452	266,062	(7,390)
Total Other Financing Sources	<u>273,452</u>	<u>273,452</u>	<u>266,062</u>	<u>(7,390)</u>
Net Change in Fund Balances	<u>\$ 2,481</u>	<u>\$ 2,481</u>	506	<u>\$ (1,975)</u>
Fund Balance - Beginning			<u>110,278</u>	
Fund Balance - Ending			<u>\$ 110,784</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - AIRPORT MAINTENANCE HANGER BOND FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 450	\$ 450	\$ 1,463	\$ 1,013
Total Revenues	<u>450</u>	<u>450</u>	<u>1,463</u>	<u>1,013</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	33,900	33,900	33,900	-
Interest and fiscal charges	20,503	20,503	20,503	-
Total Expenditures	<u>54,403</u>	<u>54,403</u>	<u>54,403</u>	<u>-</u>
Deficiency of Revenues over Expenditures	(53,953)	(53,953)	(52,940)	1,013
<b>OTHER FINANCING SOURCES</b>				
Transfers in	54,403	54,403	54,407	4
Total Other Financing Sources	<u>54,403</u>	<u>54,403</u>	<u>54,407</u>	<u>4</u>
Net Change in Fund Balances	<u>\$ 450</u>	<u>\$ 450</u>	1,467	<u>\$ 1,017</u>
Fund Balance - Beginning			<u>17,457</u>	
Fund Balance - Ending			<u>\$ 18,924</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - RADIO SYSTEMS BOND FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 4,000	\$ 8,700	\$ 8,719	\$ 19
Total Revenues	<u>4,000</u>	<u>8,700</u>	<u>8,719</u>	<u>19</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	230,000	230,000	230,000	-
Interest and fiscal charges	172,495	179,885	214,078	(34,193)
Total Expenditures	<u>402,495</u>	<u>409,885</u>	<u>444,078</u>	<u>(34,193)</u>
Deficiency of Revenues over Expenditures	(398,495)	(401,185)	(435,359)	(34,174)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from new bond issuance	-	-	4,629,000	4,629,000
Payment to fiscal agent	-	-	(4,594,799)	(4,594,799)
Transfers in	402,482	402,482	368,576	(33,906)
Total Other Financing Sources (Uses)	<u>402,482</u>	<u>402,482</u>	<u>402,777</u>	<u>295</u>
Net Change in Fund Balances	<u>\$ 3,987</u>	<u>\$ 1,297</u>	(32,582)	<u>\$ (33,879)</u>
Fund Balance - Beginning			<u>48,042</u>	
Fund Balance - Ending			<u>\$ 15,460</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - ROAD IMPROVEMENTS BOND FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 1,500	\$ 2,260	\$ 3,215	\$ 955
Total Revenues	<u>1,500</u>	<u>2,260</u>	<u>3,215</u>	<u>955</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	74,000	74,760	74,751	9
Interest and fiscal charges	43,301	43,301	31,148	12,153
Total Expenditures	<u>117,301</u>	<u>118,061</u>	<u>105,899</u>	<u>12,162</u>
Deficiency of Revenues over Expenditures	(115,801)	(115,801)	(102,684)	13,117
<b>OTHER FINANCING SOURCES</b>				
Transfers in	118,296	118,296	110,110	(8,186)
Total Other Financing Sources	<u>118,296</u>	<u>118,296</u>	<u>110,110</u>	<u>(8,186)</u>
Net Change in Fund Balances	<u>\$ 2,495</u>	<u>\$ 2,495</u>	7,426	<u>\$ 4,931</u>
Fund Balance - Beginning			<u>49,156</u>	
Fund Balance - Ending			<u>\$ 56,582</u>	

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - SPORTS COMPLEX BOND FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance over (under)
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 5,974	\$ 5,974
Total Revenues	<u>-</u>	<u>-</u>	<u>5,974</u>	<u>5,974</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	-	119,000	119,000	-
Interest and fiscal charges	-	196,000	141,391	54,609
Total Expenditures	<u>-</u>	<u>315,000</u>	<u>260,391</u>	<u>54,609</u>
Deficiency of Revenues over Expenditures	-	(315,000)	(254,417)	60,583
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	341,171	341,171
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>341,171</u>	<u>341,171</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (315,000)</u>	86,754	<u>\$ 401,754</u>
Fund Balance - Beginning			<u>-</u>	
Fund Balance - Ending			<u>\$ 86,754</u>	

**OTHER SUPPLEMENTARY  
INFORMATION**

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2023	Issued During Period	Paid During Period	Outstanding June 30, 2024
<b>Governmental Activities</b>								
<b>Bonds Payable Through Debt Service Fund</b>								
GO, 2004	\$ 2,725,000	3.00%	11/15/2004	2025	\$ 227,000	\$ -	\$ 112,000	\$ 115,000
GO, 2008	3,500,000	5.00%	12/20/2007	2027	1,005,000	-	233,000	772,000
<b>Notes Payable Through Debt Service Fund</b>								
Floyd Center Johnson Controls	775,548	2.32%	9/26/2012	2024	140,568	-	69,478	71,090
General Fund Johnson Controls	1,521,914	2.32%	9/26/2012	2024	262,360	-	129,676	132,684
2016 Airport Terminal	1,600,000	3.00%	6/14/2016	2036	1,054,001	-	78,000	976,001
2016 Refunding	2,220,000	Variable	8/24/2016	2032	365,000	-	50,000	315,000
2017 West Side Park	5,000,000	2.29%	3/16/2017	2042	4,167,594	-	178,000	3,989,594
2017 Airport Maintenance Hangar	1,000,000	2.52%	6/22/2017	2042	813,600	-	33,900	779,700
2016 Legends Drive	4,700,000	2.50%	8/24/2016	2036	3,320,000	-	239,000	3,081,000
2018 Public Safety Complex	5,500,000	3.80%	11/14/2018	2039	4,912,001	-	211,000	4,701,001
2018 Radio Communication System	5,700,000	3.55%	6/18/2019	2039	4,824,799	-	4,824,799	-
2024 Radio Communication System	4,629,000	4.97%	6/18/2024	2039	-	4,629,000	-	4,629,000
2023 Sports Complex Loan	5,000,000	2.79%	4/28/2023	2048	5,000,000	-	119,000	4,881,000
Total payable through debt service fund					26,091,923	4,629,000	6,277,853	24,443,070
<b>Notes Payable Through Street Improvements</b>								
2019 TMBF Crowell Lane	1,800,000	2.79%	12/20/2019	2039	1,142,951	-	74,752	1,068,199
Total payable through street improvements fund					1,142,951	-	74,752	1,068,199
<b>Total Governmental Activities</b>					<b>\$ 27,234,874</b>	<b>\$ 4,629,000</b>	<b>\$ 6,352,605</b>	<b>\$ 25,511,269</b>

*continued*

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2023	Issued During Period	Paid During Period	Outstanding June 30, 2024
<b>Business-Type Activities</b>								
<b>Bonds Payable - Water and Sewer</b>								
2015 Energy Bond	\$ 3,500,000	4.00%	4/24/2015	2035	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
2020 Refunding	12,500,000	5.00%	12/15/2020	2030	9,520,000	-	1,245,000	8,275,000
<b>Notes Payable - Water and Sewer</b>								
State of TN 12-126	2,940,832	1.76%	4/23/2012	2025	1,886,888	-	155,552	1,731,336
State of TN 12-127	1,323,960	1.76%	4/23/2012	2035	881,154	-	63,576	817,578
State of TN 12-128	1,622,555	1.29%	1/2/2013	2036	1,143,905	-	80,232	1,063,673
State of TN 12-129	1,140,502	1.29%	1/2/2013	2036	807,255	-	55,848	751,407
State of TN 15-161	587,600	1.71%	5/11/2015	2037	431,852	-	27,552	404,300
State of TN 15-162	1,271,000	1.71%	5/11/2015	2038	750,249	-	43,968	706,281
State of TN 18-202	800,000	1.81%	2/12/2018	2039	680,054	-	35,688	644,366
State of TN 18-203	300,000	1.81%	7/1/2020	2039	129,069	-	5,508	123,561
State of TN 19-435	4,300,000	1.32%	1/21/2021	2040	4,205,752	-	190,368	4,015,384
State of TN 19-217	1,400,000	1.31%	12/13/2019	2041	1,275,221	-	61,944	1,213,277
2007 Revenue Bonds	5,000,000	5.00%	6/28/2007	2007	1,264,000	-	301,000	963,000
2008 Revenue Bonds	4,150,000	5.00%	12/30/2008	2029	1,235,778	-	248,000	987,778
2016 Refunding	2,285,000	Variable	8/24/2016	2032	1,470,000	-	150,000	1,320,000
2012 Water and Sewer System Improvements	1,387,000	2.23%	2/22/2012	2032	700,000	-	71,000	629,000
2012 Johnson Controls	4,657,079	1.82%	9/28/2012	2027	1,520,000	-	350,000	1,170,000
2013 Water and Sewer System Improvements	1,800,000	2.28%	5/15/2013	2033	1,002,000	-	90,000	912,000
2014 Water and Sewer System Improvements	1,800,000	3.00%	12/9/2014	2035	1,130,000	-	88,000	1,042,000
Total payable through water and sewer fund					33,533,177	-	3,263,236	30,269,941
<b>Bonds Payable - Gas Fund</b>								
2008 Bond	1,100,000	5.00%	12/30/2008	2029	448,000	-	66,000	382,000
2014 Bond	1,000,000	2.43%	9/18/2013	2033	609,000	-	49,000	560,000
2020 Bond	1,500,000	2.24%	12/1/2020	2040	1,368,410	-	54,000	1,314,410
Total payable through gas fund					2,425,410	-	169,000	2,256,410
<b>Total Business-Type Activities</b>					<b>35,958,587</b>	<b>-</b>	<b>3,432,236</b>	<b>32,526,351</b>
<b>Total City Debt</b>					<b>\$ 63,193,461</b>	<b>\$ 4,629,000</b>	<b>\$ 9,784,841</b>	<b>\$ 58,037,620</b>

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Debt Service Funds - Notes**

Fiscal Year Ending June 30	Floyd Center Johnson Controls		General Fund Johnson Controls		2016 Airport Terminal		2016 Refunding		2017 West Side Park		2017 Airport Maintenance Hangar	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 71,090	\$ 1,649	\$ 132,684	\$ 3,078	\$ 78,000	\$ 29,280	\$ 55,000	\$ 6,225	\$ 182,000	\$ 91,394	\$ 34,800	\$ 19,648
2026	-	-	-	-	79,000	26,940	50,000	5,400	186,000	87,226	35,600	18,772
2027	-	-	-	-	80,000	24,570	55,000	4,575	190,000	82,967	36,500	17,874
2028	-	-	-	-	81,000	22,170	50,000	3,475	194,000	78,616	37,400	16,955
2029	-	-	-	-	82,000	19,740	55,000	2,375	199,000	74,173	38,400	16,012
2030	-	-	-	-	83,000	17,280	30,000	872	203,000	69,616	39,400	15,044
2031	-	-	-	-	84,000	14,790	(5,000)	-	208,000	64,967	40,400	14,052
2032	-	-	-	-	85,000	12,270	25,000	-	213,000	60,204	41,400	13,033
2033	-	-	-	-	86,000	9,720	-	-	218,000	55,326	42,400	11,990
2034	-	-	-	-	87,000	7,140	-	-	223,000	50,334	43,500	10,922
2035	-	-	-	-	88,000	4,530	-	-	228,000	45,228	44,600	9,825
2036	-	-	-	-	63,001	1,890	-	-	233,000	40,006	45,700	8,702
2037	-	-	-	-	-	-	-	-	238,000	34,671	46,900	7,550
2038	-	-	-	-	-	-	-	-	244,000	29,220	48,000	6,368
2039	-	-	-	-	-	-	-	-	249,000	23,633	49,300	5,158
2040	-	-	-	-	-	-	-	-	255,000	17,931	50,500	3,916
2041	-	-	-	-	-	-	-	-	261,000	12,091	51,800	2,643
2042	-	-	-	-	-	-	-	-	265,594	6,114	53,100	1,339
	<u>\$ 71,090</u>	<u>\$ 1,649</u>	<u>\$ 132,684</u>	<u>\$ 3,078</u>	<u>\$ 976,001</u>	<u>\$ 190,320</u>	<u>\$ 315,000</u>	<u>\$ 22,922</u>	<u>\$ 3,989,594</u>	<u>\$ 923,717</u>	<u>\$ 779,700</u>	<u>\$ 199,803</u>

*continued*

CITY OF LEBANON, TENNESSEE

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
 GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM GOVERNMENTAL ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Fiscal Year Ending June 30	Debt Service Funds - Notes								Street Improvements Fund - Notes					
	2016 Legends Drive		2018 Public Safety Complex		2024 Radio Communication System		2023 Sports Complex Loan		Total		2019 Cromwell Lane		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 242,000	\$ 77,025	\$ 219,000	\$ 174,477	\$ 238,000	\$ 219,836	\$ 123,000	\$ 200,121	\$ 1,375,574	\$ 822,733	\$ 82,000	\$ 30,104	\$ 82,000	\$ 30,104
2026	244,000	70,975	227,000	166,003	246,000	218,233	128,000	195,078	1,195,600	788,627	79,000	27,816	79,000	27,816
2027	247,000	64,875	236,000	157,206	255,000	206,007	134,000	189,830	1,233,500	747,904	81,000	25,612	81,000	25,612
2028	250,000	58,700	245,000	148,067	265,000	193,333	139,000	184,336	1,261,400	705,652	83,000	23,352	83,000	23,352
2029	252,000	52,450	254,000	138,586	274,000	180,163	145,000	178,637	1,299,400	662,136	85,000	21,037	85,000	21,037
2030	255,000	46,150	264,000	128,744	284,000	166,545	151,000	172,692	1,309,400	616,943	88,000	18,665	88,000	18,665
2031	258,000	39,775	274,000	118,522	294,000	152,430	157,000	166,501	1,310,400	571,037	90,000	16,210	90,000	16,210
2032	261,000	33,325	284,000	107,920	305,000	137,818	163,000	160,064	1,377,400	524,634	93,000	13,699	93,000	13,699
2033	264,000	26,800	295,000	96,919	316,000	122,660	170,000	153,381	1,391,400	476,796	95,000	11,104	95,000	11,104
2034	267,000	20,200	306,000	85,500	328,000	106,954	177,000	146,411	1,431,500	427,461	98,000	8,454	98,000	8,454
2035	269,000	13,525	318,000	73,644	339,000	90,653	184,000	139,154	1,470,600	376,559	101,000	5,720	101,000	5,720
2036	272,000	6,800	330,000	61,332	352,000	73,805	192,000	131,610	1,487,701	324,145	93,199	2,901	93,199	2,901
2037	-	-	342,000	48,564	364,000	56,310	200,000	123,738	1,190,900	270,833	-	-	-	-
2038	-	-	355,000	35,321	378,000	38,219	208,000	115,538	1,233,000	224,666	-	-	-	-
2039	-	-	369,000	21,565	391,000	19,433	216,000	107,010	1,274,300	176,799	-	-	-	-
2040	-	-	383,001	7,277	-	-	225,000	98,154	913,501	127,278	-	-	-	-
2041	-	-	-	-	-	-	235,000	88,929	547,800	103,663	-	-	-	-
2042	-	-	-	-	-	-	244,000	79,294	562,694	86,747	-	-	-	-
2043	-	-	-	-	-	-	254,000	69,290	254,000	69,290	-	-	-	-
2044	-	-	-	-	-	-	265,000	58,876	265,000	58,876	-	-	-	-
2045	-	-	-	-	-	-	275,000	48,011	275,000	48,011	-	-	-	-
2046	-	-	-	-	-	-	287,000	36,736	287,000	36,736	-	-	-	-
2047	-	-	-	-	-	-	298,000	24,969	298,000	24,969	-	-	-	-
2048	-	-	-	-	-	-	311,000	12,751	311,000	12,751	-	-	-	-
	<u>\$ 3,081,000</u>	<u>\$ 510,600</u>	<u>\$ 4,701,001</u>	<u>\$ 1,569,647</u>	<u>\$ 4,629,000</u>	<u>\$ 1,982,399</u>	<u>\$ 4,881,000</u>	<u>\$ 2,881,111</u>	<u>\$ 23,556,070</u>	<u>\$ 8,285,246</u>	<u>\$ 1,068,199</u>	<u>\$ 204,674</u>	<u>\$ 1,068,199</u>	<u>\$ 204,674</u>

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Water and Sewer Fund - Notes**

Fiscal Year Ending June 30	State of TN 12-126		State of TN 12-127		State of TN 12-128		State of TN 12-129		State of TN 15-161		State of TN 15-162	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 145,212	\$ 29,328	\$ 64,704	\$ 13,872	\$ 81,276	\$ 14,052	\$ 56,580	\$ 9,936	\$ 28,020	\$ 6,696	\$ 44,736	\$ 12,276
2026	147,792	26,748	65,856	12,720	82,320	12,948	57,312	9,168	28,500	6,216	45,504	11,472
2027	150,420	24,120	67,020	11,556	83,388	11,808	58,056	8,376	28,992	5,724	46,284	10,656
2028	153,084	21,456	68,208	10,368	84,480	10,656	58,812	7,572	29,496	5,220	47,088	9,816
2029	155,796	18,744	69,420	9,156	85,572	9,492	59,580	6,756	30,000	4,716	47,892	8,964
2030	158,568	15,972	70,656	7,920	86,676	8,316	60,348	5,940	30,516	4,200	48,720	8,100
2031	161,376	13,164	71,904	6,672	87,804	7,128	61,128	5,112	31,044	3,672	49,560	7,224
2032	164,244	10,296	73,188	5,388	88,944	5,916	61,920	4,272	31,584	3,132	50,412	6,336
2033	167,160	7,380	74,484	4,092	90,096	4,692	62,724	3,420	32,124	2,592	51,288	5,412
2034	170,124	4,416	75,804	2,772	91,272	3,444	63,540	2,544	32,676	2,040	52,164	4,500
2035	157,560	1,411	77,148	1,428	92,448	2,196	64,368	1,668	33,240	1,476	53,064	3,552
2036	-	-	39,186	180	93,648	912	65,196	792	33,816	900	53,988	2,592
2037	-	-	-	-	15,749	20	21,843	58	34,292	301	54,912	1,620
2038	-	-	-	-	-	-	-	-	-	-	55,860	624
2039	-	-	-	-	-	-	-	-	-	-	4,809	7
	<u>\$ 1,731,336</u>	<u>\$ 173,035</u>	<u>\$ 817,578</u>	<u>\$ 86,124</u>	<u>\$ 1,063,673</u>	<u>\$ 91,580</u>	<u>\$ 751,407</u>	<u>\$ 65,614</u>	<u>\$ 404,300</u>	<u>\$ 46,885</u>	<u>\$ 706,281</u>	<u>\$ 93,151</u>

*continued*

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Water and Sewer Fund - Notes**

Fiscal Year Ending June 30	State of TN 18-202		State of TN 18-203		State of TN 19-435		State of TN 19-217		2007 Revenue Bonds		2008 Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 36,336	\$ 11,364	\$ 5,604	\$ 2,196	\$ 192,900	\$ 51,840	\$ 62,760	\$ 15,516	\$ 311,000	\$ 48,150	\$ 261,000	\$ 49,389
2026	36,996	10,704	5,712	2,088	195,456	49,284	63,588	14,688	321,000	32,600	274,000	36,339
2027	37,680	10,020	5,820	1,980	198,060	46,680	64,428	13,848	331,000	16,550	288,000	22,639
2028	38,364	9,336	5,916	1,884	200,688	44,052	65,268	13,008	-	-	164,778	8,239
2029	39,060	8,640	6,024	1,776	203,352	41,388	66,132	12,144	-	-	-	-
2030	39,768	7,932	6,144	1,656	206,052	38,688	67,008	11,268	-	-	-	-
2031	40,500	7,200	6,252	1,548	208,788	35,952	67,884	10,392	-	-	-	-
2032	41,244	6,456	6,372	1,428	211,560	33,180	68,784	9,492	-	-	-	-
2033	42,000	5,700	6,480	1,320	214,380	30,360	69,684	8,592	-	-	-	-
2034	42,756	4,944	6,600	1,200	217,224	27,516	70,608	7,668	-	-	-	-
2035	43,536	4,164	6,720	1,080	220,104	24,636	71,532	6,744	-	-	-	-
2036	44,340	3,360	6,840	960	223,032	21,708	72,480	5,796	-	-	-	-
2037	45,144	2,556	6,972	828	225,984	18,756	73,440	4,836	-	-	-	-
2038	45,972	1,728	7,092	708	228,984	15,756	74,400	3,876	-	-	-	-
2039	46,812	888	7,224	576	232,032	12,708	75,384	2,892	-	-	-	-
2040	23,858	126	7,356	444	235,116	9,624	76,380	1,896	-	-	-	-
2041	-	-	7,488	312	238,236	6,504	77,376	900	-	-	-	-
2042	-	-	7,632	168	241,404	3,336	26,141	70	-	-	-	-
2043	-	-	5,313	36	122,032	473	-	-	-	-	-	-
	<u>\$ 644,366</u>	<u>\$ 95,118</u>	<u>\$ 123,561</u>	<u>\$ 22,188</u>	<u>\$ 4,015,384</u>	<u>\$ 512,441</u>	<u>\$ 1,213,277</u>	<u>\$ 143,626</u>	<u>\$ 963,000</u>	<u>\$ 97,300</u>	<u>\$ 987,778</u>	<u>\$ 116,606</u>

*continued*

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Water and Sewer Fund - Notes**

Fiscal Year Ending June 30	2016 Refunding		2012 Water and Sewer System Improvements		2012 Johnson Controls		2013 Water and Sewer System Improvements		2014 Water and Sewer System Improvements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 155,000	\$ 29,188	\$ 73,000	\$ 14,027	\$ 355,000	\$ 18,064	\$ 92,000	\$ 20,794	\$ 89,000	\$ 31,260	\$ 2,054,128	\$ 377,948
2026	155,000	26,863	74,000	12,399	320,000	11,921	95,000	18,696	90,000	28,590	2,058,036	323,444
2027	160,000	24,538	76,000	10,749	250,000	6,734	97,000	16,530	91,000	25,890	2,033,148	268,398
2028	160,000	21,338	78,000	9,054	245,000	2,229	99,000	14,318	93,000	23,160	1,591,182	211,706
2029	165,000	18,138	79,000	7,314	-	-	101,000	12,061	94,000	20,370	1,201,828	179,659
2030	170,000	14,013	81,000	5,553	-	-	103,000	9,758	95,000	17,550	1,223,456	156,866
2031	175,000	9,763	83,000	3,746	-	-	106,000	7,410	96,000	14,700	1,246,240	133,683
2032	180,000	4,950	85,000	1,895	-	-	108,000	4,993	97,000	11,820	1,268,252	109,554
2033	-	-	-	-	-	-	111,000	2,531	98,000	8,910	1,019,420	85,001
2034	-	-	-	-	-	-	-	-	99,000	5,970	921,768	67,014
2035	-	-	-	-	-	-	-	-	100,000	3,000	919,720	51,355
2036	-	-	-	-	-	-	-	-	-	-	632,526	37,200
2037	-	-	-	-	-	-	-	-	-	-	478,336	28,975
2038	-	-	-	-	-	-	-	-	-	-	412,308	22,692
2039	-	-	-	-	-	-	-	-	-	-	366,261	17,071
2040	-	-	-	-	-	-	-	-	-	-	342,710	12,090
2041	-	-	-	-	-	-	-	-	-	-	323,100	7,716
2042	-	-	-	-	-	-	-	-	-	-	275,177	3,574
2043	-	-	-	-	-	-	-	-	-	-	127,345	509
	<u>\$ 1,320,000</u>	<u>\$ 148,791</u>	<u>\$ 629,000</u>	<u>\$ 64,737</u>	<u>\$ 1,170,000</u>	<u>\$ 38,948</u>	<u>\$ 912,000</u>	<u>\$ 107,091</u>	<u>\$ 1,042,000</u>	<u>\$ 191,220</u>	<u>\$ 18,494,941</u>	<u>\$ 2,094,455</u>

*continued*

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
 GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<b>Natural Gas Fund - Bonds</b>								
<b>Fiscal Year Ending June 30</b>	<b>General Obligation Bonds Series 2004</b>		<b>General Obligation Bonds Series 2014</b>		<b>General Obligation Bonds Series 2020</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ 69,000	\$ 19,100	\$ 50,000	\$ 13,001	\$ 64,000	\$ 28,726	\$ 183,000	\$ 60,827
2026	73,000	15,650	51,000	11,773	66,000	27,270	190,000	54,693
2027	76,000	12,000	53,000	10,510	67,000	25,780	196,000	48,290
2028	80,000	8,200	54,000	9,210	69,000	24,257	203,000	41,667
2029	84,000	4,200	55,000	7,885	70,000	22,700	209,000	34,785
2030	-	-	57,000	6,525	72,000	21,110	129,000	27,635
2031	-	-	58,000	5,127	74,000	19,475	132,000	24,602
2032	-	-	59,000	3,706	75,000	17,806	134,000	21,512
2033	-	-	61,000	2,248	77,000	16,104	138,000	18,352
2034	-	-	62,000	753	79,000	14,356	141,000	15,109
2035	-	-	-	-	80,000	12,576	80,000	12,576
2036	-	-	-	-	82,000	10,761	82,000	10,761
2037	-	-	-	-	84,000	8,902	84,000	8,902
2038	-	-	-	-	86,000	6,998	86,000	6,998
2039	-	-	-	-	88,000	5,049	88,000	5,049
2040	-	-	-	-	90,000	3,056	90,000	3,056
2041	-	-	-	-	91,410	1,024	91,410	1,024
	<u>\$ 382,000</u>	<u>\$ 59,150</u>	<u>\$ 560,000</u>	<u>\$ 70,738</u>	<u>\$ 1,314,410</u>	<u>\$ 265,950</u>	<u>\$ 2,256,410</u>	<u>\$ 395,838</u>

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**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS  
 GENERAL OBLIGATION DEBT AND NOTES TO BE REPAYED FROM BUSINESS-TYPE ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<b>Water and Sewer Fund - Bonds</b>						
<b>Fiscal Year Ending June 30</b>	<b>2015 Energy Bond</b>		<b>2020 Refunding</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2025	\$ -	\$ 140,000	\$ 1,310,000	\$ 413,750	\$ 1,310,000	\$ 553,750
2026	-	140,000	1,375,000	348,250	1,375,000	488,250
2027	-	140,000	1,445,000	279,500	1,445,000	419,500
2028	-	140,000	1,515,000	207,250	1,515,000	347,250
2029	-	140,000	1,290,000	131,500	1,290,000	271,500
2030	-	140,000	1,340,000	67,000	1,340,000	207,000
2031	-	140,000	-	-	-	140,000
2032	-	140,000	-	-	-	140,000
2033	-	140,000	-	-	-	140,000
2034	-	140,000	-	-	-	140,000
2035	3,500,000	140,000	-	-	3,500,000	140,000
	<u>\$ 3,500,000</u>	<u>\$ 1,540,000</u>	<u>\$ 8,275,000</u>	<u>\$ 1,447,250</u>	<u>\$ 11,775,000</u>	<u>\$ 2,987,250</u>

CITY OF LEBANON, TENNESSEE

SCHEDULE OF CHANGES IN LEASE OBLIGATIONS BY INDIVIDUAL ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2023	Additions	Retirements	Remeasurements	Outstanding June 30, 2024
<b>Governmental Activities</b>									
<b>Equipment</b>									
Canon Copier - Accounting	\$ 8,339	3.15%	7/1/2021	7/13/2026	\$ 5,203	\$ -	\$ 538	\$ 4,665	\$ -
Canon Copier - Accounting	6,060	2.76%	11/1/2023	10/31/2033	-	6,060	247	121	5,692
Canon Copier - Bldg Inspection 698895-22	4,751	2.76%	6/1/2024	6/29/2034	-	4,751	45	-	4,706
Canon Copier - Cemetery	3,467	3.15%	7/1/2021	7/2/2026	2,140	-	576	1,564	-
Canon Copier - Cemetery 698895-19	4,032	2.76%	6/1/2024	5/31/2034	-	4,032	38	-	3,994
Canon Copier - Engineering	945	3.15%	7/1/2021	6/30/2026	583	-	188	-	395
Canon Copier - Engineering #011	9,944	3.15%	7/1/2021	7/2/2026	6,138	-	1,814	4,324	-
Canon Copier - Engineering #019	4,886	3.15%	7/1/2021	7/2/2026	3,021	-	976	-	2,045
Canon Copier - Engineering 698895-21	8,062	2.76%	6/1/2024	6/30/2034	-	8,062	7	-	8,055
Canon Copier - Fire	6,553	3.15%	7/1/2021	7/30/2025	3,377	-	1,388	-	274
Canon Copier - Human Resources	8,208	3.15%	7/1/2021	7/8/2026	5,069	-	-	-	5,069
Canon Copier - JFFC	6,663	3.15%	7/1/2021	7/17/2025	3,432	-	1,546	-	1,886
Canon Copier - JFFC 698895-20	4,902	2.76%	6/1/2024	5/31/2033	-	4,902	7	44	4,851
Canon Copier - Legal	7,994	3.15%	7/1/2021	7/2/2026	4,935	-	465	4,470	-
Canon Copier - Legal (Accessory)	303	3.15%	7/1/2021	7/15/2026	187	-	15	172	-
Canon Copier - Legal 698895-15	7,863	2.76%	11/1/2023	10/31/2033	-	7,863	476	-	7,387
Canon Copier - Mayor	6,718	3.15%	7/1/2021	3/9/2030	5,316	-	728	-	4,588
Canon Copier - Police #022	14,984	3.15%	7/1/2021	9/13/2026	9,457	-	-	9,457	-
Canon Copier - Police #023	14,984	3.15%	7/1/2021	9/13/2026	9,457	-	-	9,457	-
Canon Copier - Police #025	6,363	3.15%	7/1/2021	10/4/2027	4,451	-	-	4,451	-
Canon Copier - Police #026	5,327	3.15%	7/1/2021	10/4/2027	3,726	-	762	2,964	-
Canon Copier - Police #027	6,362	3.15%	7/1/2021	10/6/2027	4,451	-	-	4,451	-
Canon Copier - Police #028	372	3.15%	7/1/2021	11/5/2027	262	-	-	262	-
Canon Copier - Police #1	4,498	3.15%	7/1/2021	3/1/2031	3,667	-	430	-	3,237
Canon Copier - Police #5	24,335	3.15%	4/21/2022	4/20/2032	21,850	-	2,204	-	19,646
Canon Copier - Police 698895-13	5,220	2.45%	7/1/2023	4/30/2033	-	5,220	475	-	4,745
Canon Copier - Police 698895-14	5,220	2.45%	7/1/2023	4/30/2033	-	5,220	475	-	4,745
Canon Copier - PW Admin	8,212	3.15%	7/1/2021	7/2/2026	5,069	-	-	5,069	-
Canon Copier - PW Admin (Color)	5,721	3.15%	7/1/2021	7/30/2031	5,202	-	581	-	4,621
Canon Copier - Recreation #016	4,101	3.15%	7/1/2021	7/8/2026	2,533	-	474	2,059	-
Canon Copier - Recreation #018	299	3.15%	7/1/2021	7/16/2026	185	-	35	150	-
Canon Copier - Recreation 698895-17	4,851	2.76%	3/1/2024	2/28/2034	-	4,851	92	60	4,699
Canon Copier - Sanitation 698895-8	4,911	3.55%	7/1/2023	11/30/2032	-	4,911	409	38	4,464
Flock safety 7.21.22	139,266	2.28%	7/1/2023	7/30/2028	-	139,266	33,651	105,615	-
Flock safety 10.7.21	138,996	0.48%	7/1/2023	10/25/2025	-	138,996	34,670	104,326	-
Flock Safety 07.10.23	16,145	2.69%	7/10/2023	7/9/2030	-	16,145	2,463	13,682	-
Flock Safety 12.22.23-12.21.30	524,307	2.69%	12/22/2023	12/21/2030	-	524,307	4,567	76,433	443,307
Flock Safety Battery Packs	5,744	2.79%	7/11/2023	7/10/2027	-	5,744	1,484	-	4,260
Mower - Fire	7,159	3.02%	9/1/2023	8/31/2025	-	7,159	2,941	-	4,218
Mower - Recreation	53,855	3.15%	11/1/2021	10/31/2023	9,601	-	-	9,601	-
Mower - Recreation 11/1/23-10/31/25	68,491	3.02%	11/1/2023	10/31/2025	-	68,491	27,621	6,532	34,328
Mower - Maintenance Copy	53,210	3.15%	3/1/2023	2/28/2025	44,440	-	24,239	2,184	18,017
Mower - Police	9,283	2.47%	4/1/2023	3/31/2025	8,131	-	4,603	-	3,528
Pitney Bowes	20,929	0.62%	7/1/2023	7/27/2027	-	20,929	3,654	1,221	16,054
Turf Tank	65,248	2.69%	8/1/2023	7/31/2030	-	65,248	10,000	-	55,248
Canon Copier - Economic Development	8,627	2.31%	4/1/2023	3/31/2033	8,498	-	786	-	7,712
Canon Copier - Risk Management	5,300	2.85%	1/1/2023	12/31/2032	5,106	-	435	40	4,631
Canon Copier - Finance	7,642	2.85%	12/1/2022	11/30/2032	7,242	-	667	-	6,575
Canon Copier - Finance 698895-11	749	0.02%	7/1/2023	1/31/2033	-	749	78	-	671
<b>Total equipment lease liability</b>					<b>192,729</b>	<b>1,042,906</b>	<b>166,860</b>	<b>380,641</b>	<b>688,134</b>
<b>Vehicles</b>									
Harley Davidson Motorcycles-Police	25,766	3.24%	10/1/2022	9/30/2025	19,505	-	7,796	698	11,011
<b>Total vehicle lease liability</b>					<b>19,505</b>	<b>-</b>	<b>7,796</b>	<b>698</b>	<b>11,011</b>
<b>Buildings</b>									
Direct Flight Solutions Airport New Lease #2 City Pays FBO	1,247,563	3.31%	10/1/2022	9/30/2032	1,181,868	-	104,446	-	1,077,422
<b>Total building lease liability</b>					<b>1,181,868</b>	<b>-</b>	<b>104,446</b>	<b>-</b>	<b>1,077,422</b>
<b>Total Governmental Activities</b>					<b>\$ 1,394,102</b>	<b>1,042,906</b>	<b>\$ 279,102</b>	<b>\$ 381,339</b>	<b>\$ 1,776,567</b>

continued

CITY OF LEBANON, TENNESSEE

SCHEDULE OF CHANGES IN LEASE OBLIGATIONS BY INDIVIDUAL ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Amount Issued	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2023	Additions	Retirements	Remeasurements	Outstanding June 30, 2024
<b>Business-Type Activities</b>									
Equipment									
Canon Copier - Gas Dept	\$ 6,139	3.15%	3/31/2022	2/29/2032	\$ 5,466	\$ -	\$ 557	\$ -	\$ 4,909
Canon Copier - Sewer Plant	5,469	3.15%	6/27/2022	6/26/2032	4,992	-	493	-	4,499
Canon Copier - Water Plant	5,866	3.15%	7/1/2021	11/19/2030	4,745	-	584	-	4,161
Canon Copier - Water/Sewer	6,265	3.15%	5/25/2022	5/24/2032	2,836	2,835	566	-	5,105
Plotter	41,192	3.15%	7/1/2021	5/31/2027	28,043	-	6,835	-	21,208
Ferrelgas	285	2.66%	2/23/2023	2/22/2026	-	285	140	-	145
Total equipment lease liability					46,082	3,120	9,175	-	40,027
<b>Total Business Type Activities</b>					\$ 46,082	\$ 3,120	\$ 9,175	\$ -	\$ 40,027
<b>Total Lease Liabilities</b>					\$ 1,440,184	\$ 1,046,026	\$ 288,277	\$ 381,339	\$ 1,816,594

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<b>Governmental Activities:</b>				
<b>Fiscal Year Ending June 30</b>	<b>Leases</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2025	\$ 274,454	\$ 51,960	\$	326,414
2026	220,189	44,165		264,354
2027	223,863	37,580		261,443
2028	225,701	30,802		256,503
2029	231,678	23,877		255,555
2030	238,529	16,731		255,260
2031	153,808	9,383		163,191
2032	157,084	4,295		161,379
2033	44,511	374		44,885
2034	6,750	34		6,784
	<u>\$ 1,776,567</u>	<u>\$ 219,201</u>	<u>\$</u>	<u>1,995,768</u>
<b>Business-Type Activities:</b>				
<b>Fiscal Year Ending June 30</b>	<b>Leases</b>			<b>Total</b>
	<b>Principal</b>	<b>Interest</b>		
2025	\$ 9,468	\$ 1,125	\$	10,593
2026	9,622	824		10,446
2027	9,295	516		9,811
2028	2,495	331		2,826
2029	2,575	251		2,826
2030	2,658	169		2,827
2031	2,254	88		2,342
2032	1,660	24		1,684
	<u>\$ 40,027</u>	<u>\$ 3,328</u>	<u>\$</u>	<u>43,355</u>

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF WATER AND SEWER RATES - UNAUDITED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

There were 13,460 metered water customers and 11,662 sewer customers billed during June, 2024. 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, 2024, are as follows:

**WATER**

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

**SEWER (Water customers also)**

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

**SEWER ONLY (Metered Sewer)**

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

Fee for replacing destroyed meter locks: \$35  
 Fee for Service call per trip required: \$50

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

Water rate for water utility district will remain the same.

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF GAS RATES - UNAUDITED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

There were 11,986 metered customers billed during the month of June, 2024. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2024 are as follows:

	<u>Inside City</u>	<u>Outside City</u>
<b>1) <u>Residential</u></b>		
Minimum (0-1,000 Cubic Feet)	\$7.67	\$9.27
Minimum (Over 1,000 Cubic Feet)	\$7.89/1,000	\$9.53/1,000
<b>2) <u>Commercial</u></b>		
Customer Charge	\$20.00	\$20.00
(0-1,000 Cubic Feet)	\$8.79	\$10.65
(Over 1,000 Cubic Feet)	\$7.51/1,000	\$9.06/1,000
<b>2) <u>Multiple Dwellings- L.H.A.</u></b>		
Minimum (0-1,000 Cubic Feet)	\$7.67	
Minimum (Over 1,000 Cubic Feet)	\$7.89/1,000	
<b>4) <u>Interruptible</u></b>		
Demand Charge	\$750.00	\$750.00
First 3,500,000 Cubic Feet	\$2.06	\$2.46
All Over 3,500,000 Cubic Feet	\$1.74/3,500	\$2.06/3,500
Transport Fee	Variable	
<b>5) <u>Industrial</u></b>		
Customer Charge	\$100.00	\$100.00
Minimum (0-1,000 Cubic Feet)	\$7.94	\$9.59
Minimum (Over 1,000 Cubic Feet)	\$7.09/1,000	\$8.53/1,000

Number of miles of the Distribution System of Lines: 335 \*

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

**CITY OF LEBANON, TENNESSEE**

**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLES - UNAUDITED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Tax Year	Property Tax Receivable Balance June 30, 2023	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2024
2024	\$ -	\$ -	\$ 15,593,728	\$ -	\$ -	\$ -	\$ 15,593,728
Vouchers	523	14,355	-	166	14,675	-	37
2023	14,248,213	478,539	-	(5,717)	14,172,351	-	560,118
2022	578,271	-	-	(11,835)	328,116	-	261,990
2021	117,886	-	-	(6,829)	120,292	-	4,423
2020	5,232	-	-	1,400	413	-	3,419
2019	1,712	-	-	1,550	10	-	152
2018	694	-	-	506	5	-	183
2017	421	-	-	-	4	-	417
2016	582	-	-	-	-	-	582
2015	277	-	-	-	-	-	277
2014	284	-	-	-	-	-	284
2013	587	-	-	-	-	-	587
	<u>\$ 14,954,682</u>	<u>\$ 492,894</u>	<u>\$ 15,593,728</u>	<u>\$ (20,759)</u>	<u>\$ 14,635,866</u>	<u>\$ -</u>	<u>\$ 16,426,197</u>

**CITY OF LEBANON, TENNESSEE**

PROPERTY TAX RATES AND LEVIES - ALL OVERLAPPING GOVERNMENTS - UNAUDITED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Last Five Fiscal Years**

Tax Rates

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2024	2023	\$ 0.68550	\$ 1.90890
2023	2022	0.68550	1.76890
2022	2021	0.68550	1.76870
2021	2020	0.85750	2.33450
2020	2019	0.85750	2.32940

Tax Levies

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2024	2023	\$ 14,248,213	\$ 135,555,478
2023	2022	13,234,635	121,544,155
2022	2021	12,230,613	108,557,148
2021	2020	11,666,289	106,164,080
2020	2019	11,313,354	103,586,784

**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***

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**The Honorable Mayor and Members  
of the Board of Alderman of the  
City of Lebanon, Tennessee**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Lebanon, Tennessee** (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

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## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-003.

## City's Responses to the Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the engagement to audit the financial statements and, accordingly, we express no opinion on the responses.

## 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
December 30, 2024



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

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**The Honorable Mayor and Members  
of the Board of Alderman of the  
City of Lebanon, Tennessee**

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

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

We have audited the **City of Lebanon, Tennessee's** (the "City") 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's major federal programs for the year ended June 30, 2024. The City'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 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, 2024.

***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 ("GAAS"); 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 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'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's federal programs.

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### ***Auditor's Responsibility 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'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 GAAS, *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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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'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'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'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.

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### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

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.

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*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Mauldin & Jenkins, LLC*

Chattanooga, Tennessee  
December 30, 2024

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Agency/Pass-through Agency/ Program or Cluster Title	Assistance Listing	Pass-through entity Identifying Number	Expenditures
<b>FEDERAL AWARDS</b>			
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	2023 BPV	\$ 9,264
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-15PBJA-23GG-03782-JAGX	6,845
Total U.S. Department of Justice			<u>16,109</u>
<b>U.S. DEPARTMENT OF TREASURY:</b>			
Direct Program:			
Federal Asset Seizure Equitable Sharing	21.016	n/a	<u>8,398</u>
<i>Coronavirus State and Local Fiscal Recovery Funds :</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	5,532,365
Pass-through Tennessee Department of Environment and Conservation:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	<u>1,077,300</u>
Total Coronavirus State and Local Fiscal Recovery Funds			<u>6,609,665</u>
Total U.S. Department of Treasury			<u>6,618,063</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION:</b>			
Pass-through State of Tennessee:			
<i>Highway Planning and Construction :</i>			
Highway Planning and Construction Grant	20.205	n/a	3,324
Highway Planning and Construction Grant	20.205	n/a	74,233
Highway Planning and Construction Grant	20.205	n/a	64,764
Highway Planning and Construction Grant	20.205	n/a	91,453
Highway Planning and Construction Grant	20.205	n/a	209,023
Highway Planning and Construction Grant	20.205	n/a	34,119
Highway Planning and Construction Grant	20.205	n/a	548,177
Highway Planning and Construction Grant	20.205	n/a	<u>7,857</u>
Total Highway Planning and Construction			<u>1,032,950</u>
<i>Airport Improvement Program:</i>			
Airport Improvement Program	20.106	95-555-0580-23	1,421,265
Airport Improvement Program	20.106	95-555-0178-23	17,649
Airport Improvement Program	20.106	95-555-0182-23	<u>106,473</u>
Total Airport Improvement Programs			<u>1,545,387</u>
<i>State and Community Highway Safety:</i>			
State and Community Highway Safety	20.600	Z23THS151	12,553
State and Community Highway Safety	20.600	Z24THS159	<u>8,413</u>
Total State and Community Highway Safety Cluster			<u>20,966</u>
Safe Streets & Roads	20.939	693JJ32440179	<u>11,135</u>
Total U.S. Department of Transportation			<u>2,610,438</u>
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$ 9,244,610</u></u>

**CITY OF LEBANON, TENNESSEE**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Agency/Pass-through Agency/ Program or Cluster Title	Assistance Listing	Pass-through entity Identifying Number	Expenditures
<b>STATE AWARDS</b>			
<b>TENNESSEE DEPARTMENT OF TRANSPORTATION</b>			
Airport Improvement Program	n/a	95-555-0783-24	\$ 20,000
Airport Improvement Program	n/a	95-555-0178-23	16,033
Airport Improvement Program	n/a	95-555-0781-23	70,563
Highway Maintenance	n/a	n/a	175,011
Widen Briskin Lane	n/a	n/a	2,176,408
Utility Relocation SR-141	n/a	STP-141 (18)	73,578
<i>Total Tennessee Department of Transportation</i>			<u>2,531,593</u>
<b>LEBANON HOUSING AUTHORITY</b>			
Provide Safe Environment	n/a	n/a	9,001
<i>Total Lebanon Housing Authority</i>			<u>9,001</u>
<b>TENNESSEE DEPARTMENT OF JUSTICE</b>			
Organized Crime Drug Enforcement Task Forces	n/a	n/a	1,853
Law Enforcement Hiring, Training & Recruitment Program	n/a	33501-2425132	7,000
Violent Crime Intervention Fund Police Grant	n/a	n/a	77,876
<i>Total Tennessee Department of Justice</i>			<u>86,729</u>
<b>TOTAL STATE AWARDS</b>			<b><u>\$ 2,627,323</u></b>
<b>TOTAL FEDERAL AND STATE AWARDS</b>			<b><u>\$ 11,871,933</u></b>

CITY OF LEBANON, TENNESSEE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**NOTE A: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of the City of Lebanon, Tennessee under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in this schedule is presented in accordance with the 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). Because the schedule represents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C: INDIRECT COST RATE**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE D. OUTSTANDING LOANS**

The City's Capitalization Grants for Clean Water and Drinking Water State Revolving Fund loans have the following outstanding loan balances. The draws made during the year are included in the schedule of expenditures of federal awards. The balance of loans outstanding at June 30, 2024 consist of:

Capitalization Grants for Clean Water State Revolving Fund - SRF 2019-435	\$ 4,015,384
Capitalization Grants for Drinking Water State Revolving Fund - SRF 2019-217	1,213,277
	<u>\$ 5,228,661</u>

CITY OF LEBANON, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**SECTION I**  
**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal Control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?  yes  no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.106	Airport Improvement Program

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

Auditee qualified as low-risk auditee?  yes  no

CITY OF LEBANON, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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SECTION II  
FINANCIAL STATEMENT FINDINGS

2024-001 Expenditure/Expense and Related Assets/Liabilities

**Criteria:** Generally, expenditures/expenses should be recognized as soon as incurred, regardless of the timing of the related cash flows in accordance with generally accepted accounting principles ("GAAP").

**Condition:** Misstatements were detected in the reporting of the City's expenditures/expenses and the related Statement of Net Position/Balance Sheet accounts.

**Context/Cause:** Audit adjustments were required to properly report the City's expenditures/expenses and related asset/liability accounts as follows:

- During the testing of advances, the City incorrectly expended the General Fund disbursements for the payoff of the interfund loans in the General Fund. An adjustment was required to remove these expenditures and relieve the liabilities of \$1,300,000.
- During testing of debt, it was noted the City did not have the refunding Radio Communication System Bond's proceeds and payment to fiscal agent recorded. An adjustment of approximately \$4,600,000 was required to record the other financing sources-debt proceeds and other financing sources-payment to fiscal agent as well as approximately \$34,000 for principal and interest.
- During testing of capital assets, it was noted several encumbered additions from fiscal year 2022 that were placed into service in fiscal year 2023 were not included as additions in fiscal year 2023. Assets should only be capitalized when they are received and placed in service. These assets were removed in fiscal year 2022 but were not picked up in the fiscal year 2023. As a result, a restatement of approximately \$1,800,000 was required to adjust beginning net position.

**Effects:** Audit adjustments totaling approximately \$7,735,000 were required to correctly report the City's expenditures/expenses and related assets or liabilities in accordance with GAAP.

**Recommendation:** We recommend the City carefully review all expenditures/expenses and related assets or liability accounts to ensure they are reported in the proper reporting period and in accordance with generally accepted accounting principles.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will take necessary steps in the future to ensure that expenditures/expenses and their related assets or liabilities are properly recorded.

CITY OF LEBANON, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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SECTION II  
FINANCIAL STATEMENT FINDINGS

**2024-002 Revenue Recognition and Related Receivables**

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are earned for exchange transactions and when the eligibility requirements of non-exchange transactions have been met, and funds are measurable and available.

**Condition:** During fiscal year 2024, several audit adjustments were required to correct the timing of the recognition of certain revenues.

**Context/Cause:** The following adjustments were required to correct the reporting of revenues as follows:

- During the testing of property tax revenues and related receivables, an adjustment was required to correct the unavailable revenue for delinquent and current property taxes with a net affect of \$402,000 to property tax revenues. As the calculation for both the allowance for uncollectible accounts and unavailable revenues are tied to manual calculation on spreadsheets, we noted errors in those calculations. The City did not include the allowance on the 2023 digest as part of the unavailable revenue calculation thus overstating unavailable revenues. Additionally, the City allowed for part of the 2024 digest, but did not reduce the deferred amount by this allowance and overstating the deferral.
- During the testing of intergovernmental revenues, it was noted that approximately \$2,444,000 of state grants were recognized as unavailable revenue in prior year, which were received in current year. These should have been recognized as revenues in the current period. The resulting adjustments to the Street Improvements Fund of \$102,000 and the General Fund of \$2,342,000 included adjustments to increase state grant revenues and reduce unavailable intergovernmental revenues.

**Effect:** Adjustments of approximately \$2,969,000 were required to correct the revenues and related receivables were required during the audit.

**Recommendation:** We recommend management carefully review all year-end balances of accrued revenues and consider applicable accounting guidance based on transaction type (exchange and non-exchange transactions) to ensure revenues are properly valued and reported in the proper period.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will implement the necessary controls and procedures to ensure that revenues and receivables are properly identified, recorded, and reconciled in a timely manner and ensure that all transactions are being properly recognized during the correct period.

CITY OF LEBANON, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS**

**2024-003 Budget Compliance**

**Criteria:** Tennessee Code Sections 6-56-202 and 6-56-205 requires that annual budgets be adopted by the local governing body each year which appropriate expenditures and revenues, whereby appropriated expenditures do not exceed the estimated revenues and available fund balance.

**Condition:** During fiscal year 2024, the City appropriated expenditures in excess of estimated revenues and available fund balance.

**Context/Cause:** During the mid-year appropriations the City increased appropriated expenditures in excess of the available fund balance and estimated revenues. The Street Improvement Fund (included in the Capital Projects Fund) and the Sports Complex Bond Fund (included in the Debt Service Fund) budgets were set \$535,853 and \$315,000 in excess of available fund balance and estimated revenues.

**Effect:** While the appropriations were incorrectly made in excess of the available fund balance and estimated revenues, the actual expenditures were less than appropriations, therefore the funds did not report a deficit fund balance.

**Recommendation:** We recommend management carefully review budget amendments to ensure they have considered the available fund balance to ensure the budget amendment and final budget appropriations are balanced.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. The City of Lebanon will approve to spend funds out of fund balance at times during the fiscal year. We make sure at the end of the year that any of these funds don't overspend their fund balance. If needed, we will get Council approval to correct these funds with the appropriate budget amendments.

CITY OF LEBANON, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

**2024-004 Reporting – Coronavirus State and Local Fiscal Recovery Funds  
U.S. Department of Treasury - AL Number 21.027**

**Criteria:** Per review of the grant agreement between the U.S. Department of Treasury and the City of Lebanon, the City is required to submit quarterly Project Expenditure Reports.

**Condition:** During testing of reporting requirements, it was noted the quarterly reports did not report the correct cumulative nor current period expenditures.

**Context/Cause:** The City did not properly report expenditures on all four of the quarterly Project Expenditure Reports.

**Effect:** The City did not properly report expenditures based on each quarter's actual expenditures as well as cumulative expenditures. The fourth quarter reported the correct cumulative total for expenditures. Although, it did not report the correct total expenditures by project.

**Recommendation:** We recommend management carefully review and comply to all requirements in the grant agreements. Controls should be in place to ensure accurate reporting.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will implement the necessary controls and procedures to ensure that quarterly reports are accurate.

CITY OF LEBANON, TENNESSEE

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**2023-001 Revenue Recognition and Related Receivables**

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they are earned for exchange transactions and when the eligibility requirements of non-exchange transactions have been met, and funds are measurable and available.

**Condition:** During fiscal year 2024, several audit adjustments were required to correct the timing of the recognition of certain revenues.

**Status:** Repeated Finding – See 2024-002.

**2023-002 Expenditure/Expense and Related Assets/Liabilities**

**Criteria:** Generally, expenditures/expenses should be recognized as soon as incurred, regardless of the timing of the related cash flows in accordance with generally accepted accounting principles (“GAAP”).

**Condition:** Misstatements were detected in the reporting of the City’s expenditures/expenses and the related Statement of Net Position/Balance Sheet accounts.

**Status:** Repeated Finding – See 2024-001.

Stuart Lawson, Commissioner of Finance & Revenue  
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Lebanon, Tennessee 37087  
Phone: (615) 443-2805 ext. 2207  
Fax: (615) 443-1158

RICK BELL, Mayor  
200 North Castle Heights Avenue  
Lebanon, Tennessee 37087

MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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**2024-001 Expenditures / Expenses and Related Assets or Liability Accounts**

**Contact Person Responsible for the Corrective Action Plan:** Stuart Lawson, Commissioner of Finance and Revenue


**Signature:** 

**Corrective Action Plan:** The City is planning to make the necessary changes to properly review the cut-off and accuracy of expenditures/expenses reported throughout the year.

**Anticipated Completion Date:** June 30, 2025

**2024-002 Revenue Recognition and Related Receivables**

**Contact Person Responsible for the Corrective Action Plan:** Stuart Lawson, Commissioner of Finance and Revenue

**Signature:** 

**Corrective Action Plan:** The City is planning to make the necessary changes to properly review the revenues reported throughout the year.

**Anticipated Completion Date:** June 30, 2025

**2024-003 Budget Compliance**

**Contact Person Responsible for the Corrective Action Plan:** Stuart Lawson, Commissioner of Finance and Revenue

**Signature:** 

**Corrective Action Plan:** The City of Lebanon will approve to spend funds out of fund balance at times during the fiscal year. We make sure at the end of the year that any of these funds don't overspend their fund balance. If needed, we will get Council approval to correct these funds with the appropriate budget amendments..

**Anticipated Completion Date:** June 30, 2025

**2024-004 Reporting – Coronavirus State and Local Fiscal Recovery Funds**

**Contact Person Responsible for the Corrective Action Plan:** Stuart Lawson, Commissioner of Finance and Revenue

**Signature:** 

**Corrective Action Plan:** The City is planning to ensure the quarterly reports are correct.

**Anticipated Completion Date:** June 30, 2025