

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
CITY OF LEBANON, TENNESSEE
YEAR ENDED JUNE 30, 2011

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CITY OF LEBANON TENNESSEE

ROSTER OF PUBLICLY ELECTED OFFICIALS AND MANAGEMENT
OFFICIALS

JUNE 30, 2011

Publicly Elected Officials

Mayor Phillip Craighead

Councilors:

Ward 1 Alex Buhler
Ward 2 Kevin Huddleston
Ward 3 Rob Cesternino
Ward 4 Joe Hayes
Ward 5 Haywood Barry
Ward 6 Kathy Warmath

Management Officials:

Commissioner of Finance
And Revenue Russell Lee
Commissioner of Public
Works Jeff Baines

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, the Board of Aldermen,
and the Commissioner of Finance and Revenue of
Lebanon, Tennessee, and the
Director of Municipal Audit, State of Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison schedule for the General Fund of the City of Lebanon, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of Lebanon, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison for the General Fund of the City of Lebanon, Tennessee, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 22, 2012 on our consideration of the City of Lebanon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress for pension and OPEB on pages 3 through 10 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lebanon, Tennessee's financial statements as a whole. The accompanying financial information listed as supplementary information and schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments and Non-Profit Organizations, and is also not a required part of the basic financial statements. The supplementary information and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Except for the supplementary schedules marked as "unaudited", the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the supplementary schedules marked as "unaudited", the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The supplementary schedules marked as "unaudited" have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Dempsey Ventrease & Fellers, PLLC

Lebanon, Tennessee
February 22, 2012

CITY OF LEBANON, TENNESSEE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

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, 2011. Please read it conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- > The City's total net assets increased \$13.9 million or 13.11%. Of this amount, \$5.7 million was due to current year operations and \$8.2 million was due to prior period adjustments, mainly for infrastructure built by developers.
- > The City's governmental activities revenues from taxes and other sources exceeded expenses by \$1.8 million. Last year, expenses exceeded revenues by \$710 thousand. Compared to last year revenues increased by 11.94% and expenses were virtually the same.
- > Revenues from the City's business-type activities were \$22.9 million, and revenues exceeded expenses by \$3.9 million. Last year revenues exceeded expenses by \$3.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Statements

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

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets

The City's combined net assets increased \$13.17 million during the year ended June 30, 2011. Of this amount, \$5.7 million was due to current year operations and \$8.2 million was due to prior period adjustment, due mainly to infrastructure built by developers. In comparison, for the year ended June 30, 2010, the City's net assets increased \$2.408 million. The following table is a comparison of net assets of the City during the fiscal years ended June 30, 2011 and 2010:

CITY OF LEBANON , TENNESSEE NET ASSETS

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2011-2010
	2011	2010	2011	2010	2011	2010	
Current and Other Assets	\$ 23,910,944	\$ 23,443,390	\$ 10,254,570	\$ 8,092,648	\$ 34,165,514	\$ 31,536,038	8.34%
Capital Assets, net	39,821,878	36,008,414	114,139,207	104,549,960	153,961,084	140,558,375	9.54%
Total Assets	<u>63,732,822</u>	<u>59,451,805</u>	<u>124,393,777</u>	<u>112,642,609</u>	<u>188,126,599</u>	<u>172,094,413</u>	9.32%
Long-Term Debt, net	10,874,902	12,546,160	48,039,497	47,139,661	58,914,399	59,685,821	-1.29%
Other Liabilities	7,073,573	4,728,695	1,653,139	1,163,158	8,726,713	5,891,853	48.11%
Total Liabilities	<u>17,948,476</u>	<u>17,274,855</u>	<u>49,692,636</u>	<u>48,302,819</u>	<u>67,641,112</u>	<u>65,577,674</u>	3.15%
Net Assets							
Invested in Capital Assets, Net of Related Debt	28,946,975	25,008,333	66,099,710	57,852,763	95,046,685	82,861,095	14.71%
Restricted	3,177,847	4,220,688	71,972	48,217	3,249,818	4,268,905	-23.87%
Unrestricted	13,659,524	12,947,929	8,529,459	6,438,809	22,188,983	19,386,739	14.45%
Total Net Assets	<u>\$ 45,784,346</u>	<u>\$ 42,176,950</u>	<u>\$ 74,701,141</u>	<u>\$ 64,339,789</u>	<u>\$ 120,485,487</u>	<u>\$ 106,516,739</u>	13.11%

Net assets of the City's governmental activities increased \$3.6 million, 8.55%. Of this amount, \$1.9 million was due to prior period adjustments, mainly for infrastructure built by developers. Over half of the governmental activities net assets are invested in capital assets, net of related debt.

The net assets of the business-type increased \$9.56 million or 14.86%. Of this amount, \$6.4 million was due to prior period adjustments, mainly for infrastructure built by developers. Almost all of these net assets are invested in capital assets.

Changes in Net Assets

The following table shows the City's changes in net assets for the fiscal years ended June 30, 2011 and 2010.

CITY OF LEBANON, TENNESSEE CHANGE IN NET ASSETS

	Governmental Activities		Business Type Activities		Total		Total Percentage Change 2011-2010
	2011	2010	2011	2010	2011	2010	
Revenues							
Program Revenues:							
Charges for Services	\$ 2,969,002	\$ 3,408,400	\$ 21,757,450	\$ 23,250,802	\$ 24,726,452	\$ 26,659,202	-7.25%
Operating Grants and Contribution	2,224,181	1,376,429	-	-	2,224,181	1,376,429	61.59%
Capital Grants and Contribution	1,997,623	1,108,442	1,445,155	92,530	3,442,778	1,200,972	186.67%
General Revenues:							
Property Tax	3,071,579	2,899,184	-	-	3,071,579	2,899,184	5.95%
Sales Tax	9,401,838	8,636,067	-	-	9,401,838	8,636,066	8.87%
Income Tax	223,220	301,737	-	-	223,220	301,737	-26.02%
Other Miscellaneous Tax	2,654,535	2,373,769	-	-	2,654,535	2,273,769	16.75%
Tax Equivalents	280,015	273,730	-	-	280,015	273,730	2.30%
Investment Earnings	101,916	181,903	20,887	24,939	122,802	206,842	-40.63%
Miscellaneous	4,816	(6,648)	-	-	4,816	(6,648)	-172.45%
Transfers	298,000	296,998	(298,000)	(296,998)	-	-	
Total Revenues	23,226,726	20,750,012	22,925,492	23,071,273	46,152,217	43,821,287	5.32%
Expenses							
General Government	2,041,978	3,189,254	-	-	2,041,978	3,189,254	-35.97%
Public Works	2,291,509	1,376,343	-	-	2,291,509	1,376,343	66.49%
Police	7,738,129	7,776,401	-	-	7,738,129	7,776,401	-0.49%
Fire	3,279,991	3,283,357	-	-	3,279,991	3,283,357	-0.10%
Street	2,664,453	2,442,674	-	-	2,664,453	2,442,674	9.08%
Public Safety	264,358	321,407	-	-	264,358	321,407	-17.75%
Engineering	277,424	284,305	-	-	277,424	284,305	-2.42%
Cemetery	73,051	98,465	-	-	73,051	98,465	-25.81%
Recreation	804,068	792,862	-	-	804,068	792,862	1.41%
Floyd Family Life Center	1,385,529	1,329,802	-	-	1,385,529	1,329,802	4.19%
Airport	324,131	290,115	-	-	324,131	290,115	11.73%
Interest on Long-Term Debt	260,810	274,908	-	-	260,810	274,908	-5.13%
Water & Sewer	-	-	11,042,994	10,614,029	11,042,994	10,614,029	4.04%
Natural Gas	-	-	7,938,979	9,339,191	7,938,979	9,339,191	-14.99%
	21,405,430	21,459,893	18,981,973	19,953,220	40,387,403	41,413,112	-2.48%
Increase (Decrease) in Net Assets	\$ 1,821,295	\$ (709,881)	\$ 3,943,519	\$ 3,118,053	\$ 5,764,814	\$ 2,408,175	139.39%

The City's total revenues increased \$2.33 million from \$43.82 million to \$46.15 million

The total cost of the City's programs and services decreased \$594 thousand from \$41.4 million to \$40.8 million.

The following shows the percentage of revenues and expenses by program for the year ended June 30, 2011.

Revenues

Charges for Services	54%
Operating Grants & Contribution	5%
Capital Grants & Contributions	7%
Property Tax	6.70%
Sales Tax	20%
Income Tax	0.50%
Other Misc Tax	6%
Tax Equivalents	0.50%
Investment Earnings	0.30%
Miscellaneous	0%
Transfers	0%

Expenses

General Government	5%
Public Works	6%
Police	19%
Fire	8%
Street	6%
Public Safety	0.60%
Engineering	0.70%
Cemetery	0.30%
Recreation	2%
Floyd Family Life Center	3%
Airport	0.80%
Interest on Long-Term Debt	0.60%
Water & Sewer	28%
Natural Gas	20%

Governmental Activities

The governmental revenues increased by \$2.47 million. Expenses decreased by \$40 thousand due to the Council and Department Heads keeping cost the same as last year as much as they can. Revenues were up mainly due to the increase in Sales Tax and more Operating & Capital Grants and Contributions to the City. The following shows the net cost of the City's governmental activities for the fiscal years ended June 30, 2011 and 2010:

CITY OF LEBANON, TENNESSEE NET COST OF GOVERNMENTAL ACTIVITIES

	Total Cost Of Services		Percent	Net Cost of Services		Percent
	2011	2010	Change 2011-2010	2011	2010	Change 2011-2010
General Government	\$ 2,041,978	\$ 3,189,254	-35.97%	\$ 632,728	\$ 1,456,440	-56.59%
Public Works	2,291,509	1,376,343	66.49%	1,315,710	663,428	98.32%
Police	7,738,129	7,776,401	-0.49%	7,053,796	7,165,998	-1.57%
Fire	3,279,991	3,283,357	-0.10%	3,261,938	3,281,872	-0.61%
Street	2,664,453	2,442,674	9.08%	135,412	1,572,952	-91.39%
Public Safety	264,358	321,407	-17.75%	264,358	321,407	-17.75%
Engineering	277,424	284,305	-2.42%	277,424	284,305	-2.42%
Cemetery	73,051	98,465	-25.81%	(9,404)	39,106	-124.05%
Recreation	804,068	792,862	1.41%	776,170	443,887	74.86%
Floyd Family Life Center	1,385,529	1,329,802	4.19%	169,133	138,180	22.40%
Airport	324,131	290,115	11.73%	77,050	(75,863)	-201.56%
Total	\$ 21,144,621	\$ 21,184,983	-0.19%	\$ 13,953,814	\$ 15,291,712	-8.75%

Business-Type Activities

Revenues of the City's business-type decreased by \$146 thousand, which included an increase in charges for services. Expenses decreased by \$971 thousand. Revenue decreased by .63% and expenses decreased by 4.9% compared to last year.

General Fund Budgetary Highlights

Over the course of the year, the Council as necessary revises the budget. These changes are mainly to change the original estimated budgeted amounts to actual or to increase appropriations to prevent budget overruns.

The actual activity for the City reflected an excess of total revenues of \$6 thousand more than expenses for the General Fund for the fiscal year ended June 30, 2011.

- > Revenues for the General Fund were \$1.2 million more than budgeted.
- > Expenses were \$804 thousand less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011 the City had \$153.9 million invested in capital assets, net of depreciation. These assets include all real estate and equipment as well as infrastructure, such as roads, and bridges, constructed or annexed by the City. This figure represents an increase of \$11.4 million or 8.04 over June 30, 2010 balances. The following table summarizes and compares the net capital assets for the fiscal years ended June 30, 2011 and 2010. For more detailed information on capital asset activity, see Note 7 to the financial statements.

City of Lebanon, Tennessee
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities		Business Type Activities		Total		Percent Change 2011-2010
	2011	2010	2011	2010	2011	2010	
Land	\$ 7,797,050	\$ 7,807,150	\$ 2,239,987	\$ 2,133,880	\$ 10,037,037	\$ 9,941,030	0.97%
Buildings	7,577,839	8,006,382	15,819,565	15,086,432	23,397,404	23,092,813	1.32%
Improvements Other Than Buildings	22,008,846	20,424,073	73,659,083	62,354,950	95,667,929	82,779,024	15.57%
Equipment	2,438,142	1,718,461	1,244,270	1,337,486	3,682,413	3,055,948	20.50%
Construction in Process	-	-	21,176,301	23,637,212	21,176,301	23,637,212	-10.41%
Total	\$ 39,821,878	\$ 37,956,066	\$ 114,139,207	\$ 104,549,960	\$ 153,961,084	\$ 142,506,027	8.04%

This year's major capital additions included: work on road projects, water & sewer improvements, gas improvements and gas equipment.

This fiscal year ended June 30, 2012 budget includes capital expenditures of \$13,720,585. The City plans to issue bonds to finance part of these projects, and the remainder will come from funds on hand

Long-Term Debt:

At June 30, 2011, the City had \$58.9 million in bonds, notes and capital leases outstanding. This represents an increase of \$1.2 million or 2.11% from June 30, 2010. The following table summarizes and compares long-term debt at June 30, 2011 and 2010. See note 3 to the financial statements for more information on long-term debt activity.

CITY OF LEBANON, TENNESSEE OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total		Total Percent Change 2011-2010
	2011	2010	2011	2010	2011	2010	
General Obligation Bonds and Notes (Backed by the City)	\$10,874,900	\$11,000,081	\$0	\$0	\$10,874,900	\$11,000,081	-1.14%
Revenue Bonds & Notes (Backed by specific tax and fee revenues)	\$0	\$0	\$48,039,498	\$46,697,198	\$48,039,498	\$46,697,198	2.87%
	\$10,874,900	\$11,000,081	\$48,039,498	\$46,697,198	\$58,914,399	\$57,697,278	2.11%

Bond ratings: Aa3

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

When preparing the General Fund Budget for FY 2012, increases for healthcare costs, utilities, and fuel costs were taken into account. The amount available from Revenues for appropriation in the General Fund Budget is \$18,071,875. Estimate Sales Tax Revenue is expected to increase by approximately 11.68% or \$800,000. Expenditures will decrease in the General Fund by approximately .46%. Healthcare costs, utilities, and fuel costs are expected to go up while other costs such as purchase of a new fire truck and traffic maintenance will drop off keeping the expenses in the General Fund virtually the same as last year. Authorization for utilization of \$1,928,055 from the fund balance in the General Fund was approved by the City Council to balance the FY 2011-2012 General Fund budget without a significant property tax rate increase or institution of significant new fees. Property tax revenue is projected to rise slightly by .53% due to small adjustment in the rate from .335 to .3456.

Water and Sewer Revenues are projected to rise approximately 8.96% with a rate increase.

Gas Revenues are expected to remain constant with no rate increase and overall revenues expected to exceed expenses.

Debt is expected to increase in FY 2011 due to:

- 1) General Fund- Approval of a \$600,000 note to purchase a new accounting system.
- 2) General Fund- Approval of \$160,000 Three year note to purchase a new sanitation truck.
- 3) Water and Sewer Fund- Approval of a \$1,000,000 loan from Tennessee Municipal Bond Fund for various water projects.
- 4) Water and Sewer Fund- Approval of a \$3,650,000 loan from Tennessee Municipal Bond Fund for various sewer projects.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of the City of Lebanon, Tennessee with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Commissioner of Finance and Revenue, 200 Castle Heights Avenue, North, Lebanon, Tennessee 37087.

CITY OF LEBANON, TENNESSEE
STATEMENT OF NET ASSETS

June 30, 2011

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Cash	\$ 4,242,688.34	\$ 410,769.98	\$ 4,653,458.32	\$ 47,328.69
Investment in State Investment Pool	8,214,756.33	7,608,176.67	15,822,933.00	-
Certificate of Deposit	5,037,533.57	501,433.56	5,538,967.13	-
Other Restricted Funds	-	71,971.53	71,971.53	-
Accounts Receivable, Net	6,441,436.86	1,293,709.60	7,735,146.46	-
Internal Balances	(63,307.96)	63,307.96	-	-
Due from Component Unit	630.18	-	630.18	-
Due from Private Purpose Trust	4,730.88	-	4,730.88	-
Inventories	33,563.27	295,200.93	328,764.20	-
Prepaid Expenses	(1,087.41)	10,000.00	8,912.59	-
Capital Assets:				
Non depreciable Assets	7,797,049.98	23,416,287.90	31,213,337.88	105,468.00
Depreciable Assets, Net of Depreciation	32,024,827.55	90,722,918.78	122,747,746.33	372,861.88
Total Capital Assets	39,821,877.53	114,139,206.68	153,961,084.21	478,329.88
Total Assets	63,732,821.59	124,393,776.91	188,126,598.50	525,658.57
LIABILITIES				
Bank Overdraft	140,739.53	254,245.45	394,984.98	-
Accounts Payable	1,134,687.66	649,274.90	1,783,962.56	12,261.77
Due to Primary Government	-	-	-	630.18
Customer Deposits	13,955.00	-	13,955.00	-
Accrued Expenses	469,042.46	113,457.64	582,500.10	6,419.35
Deferred Revenue	3,198,927.94	-	3,198,927.94	-
Non-current Liabilities:				
Due in One Year:				
Compensated Absences	427,630.85	96,905.41	524,536.26	3,377.60
Debt	1,216,454.00	2,901,186.00	4,117,640.00	-
Due in More Than One Year:				
Debt, net	9,658,448.11	45,138,310.74	54,796,758.85	-
OPEB Liability	1,688,590.00	539,255.98	2,227,845.98	32,079.02
Total Liabilities	17,948,475.55	49,692,636.12	67,641,111.67	54,767.92
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	28,946,975.42	66,099,709.94	95,046,685.36	478,329.88
Restricted for:				
Debt Service	166,849.36	71,971.53	238,820.89	-
Public works	1,813,951.44	-	1,813,951.44	-
Drug Enforcement	1,197,045.78	-	1,197,045.78	-
Grants/Contributions	-	-	-	-
Unrestricted	13,659,524.04	8,529,459.32	22,188,983.36	(7,439.23)
Total Net Assets	\$ 45,784,346.04	\$ 74,701,140.79	\$ 120,485,486.83	\$ 470,890.65

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF ACTIVITIES

June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 2,041,978.24	\$ 1,378,225.09	\$ 31,524.83	\$ -	\$ (632,228.32)	\$ -	\$ (632,228.32)	
Public Works	2,291,508.93	137,030.15	-	838,768.80	(1,315,709.98)	-	(1,315,709.98)	
Police	7,738,129.05	96,221.22	536,020.63	52,091.62	(7,053,795.58)	-	(7,053,795.58)	
Fire	3,279,990.71	-	-	18,053.00	(3,261,937.71)	-	(3,261,937.71)	
Street	2,664,452.75	26,404.77	1,473,136.08	1,029,500.00	(135,411.90)	-	(135,411.90)	
Public Safety	264,358.11	-	-	-	(264,358.11)	-	(264,358.11)	
Engineering	277,423.82	-	-	-	(277,423.82)	-	(277,423.82)	
Cemetery	73,051.48	82,455.00	-	-	9,403.52	-	9,403.52	
Recreation	804,068.11	32,270.00	-	(4,372.06)	(776,170.17)	-	(776,170.17)	
Floyd Family Life Center	1,385,528.55	1,216,395.96	-	-	(169,132.59)	-	(169,132.59)	
Airport	324,130.94	-	183,499.71	63,581.64	(77,049.59)	-	(77,049.59)	
Interest on Long-Term Debt	260,809.72	-	-	-	(260,809.72)	-	(260,809.72)	
Total Governmental Activities	21,405,430.41	2,969,002.19	2,224,181.25	1,997,623.00	(14,214,623.97)	-	(14,214,623.97)	
Business-Type Activities:								
Water and Sewer	11,042,994.11	11,732,309.48	-	1,445,154.78	-	2,134,470.15	2,134,470.15	
Natural Gas	7,938,978.86	10,025,140.79	-	-	-	2,086,161.93	2,086,161.93	
Total Business-Type Activities	18,981,972.97	21,757,450.27	-	1,445,154.78	-	4,220,632.08	4,220,632.08	
Total Primary Government	\$ 40,387,403.38	\$ 24,726,452.46	\$ 2,224,181.25	\$ 3,442,777.78	(14,214,623.97)	4,220,632.08	(9,993,991.89)	
Component Unit:								
Senior Citizens Center	\$ 436,913.01	\$ 134,271.56	\$ 287,209.85	\$ -				(15,431.60)
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					3,071,578.85	-	3,071,578.85	-
Sales Taxes					9,401,838.37		9,401,838.37	
Income Tax					223,220.15		223,220.15	
Other Miscellaneous Taxes					2,654,534.76		2,654,534.76	
Tax Equivalent - TVA					280,015.25	-	280,015.25	-
Unrestricted Investment Earnings					101,915.89	20,886.60	122,802.49	69.97
Miscellaneous					4,816.10	-	4,816.10	-
Transfers					297,999.96	(297,999.96)	-	
Total General Revenues and Transfers					16,035,919.33	(277,113.36)	15,758,805.97	69.97
Change in Net Assets					1,821,295.36	3,943,518.72	5,764,814.08	(15,361.63)
Net Assets, Beginning, Restated					43,963,050.68	70,757,622.07	114,720,672.75	486,252.28
Net Assets, Ending					\$ 45,784,346.04	\$ 74,701,140.79	\$ 120,485,486.83	\$ 470,890.65

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2011

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$3,962,594.32	\$ 280,094.02	\$ 4,242,688.34
Investment in State Investment Pool	4,733,228.38	3,481,527.95	8,214,756.33
Certificate of Deposit	5,037,533.57	-	5,037,533.57
Other Restricted Funds	-	-	-
Accounts Receivable:			
State of Tennessee	2,005,059.65	-	2,005,059.65
Federal Government	179,032.86	-	179,032.86
Other	164,639.27	1,129,686.20	1,294,325.47
Due from Other Funds	447,794.44	37,461.21	485,255.65
Due from Private Purpose Trust	4,730.88	-	4,730.88
Due from Component Unit	630.18	-	630.18
Notes Receivable	-	-	-
Inventories	33,563.27	-	33,563.27
Property Taxes - Net of Allowance			
For Uncollectible Taxes of \$318,558.41	2,963,018.88	-	2,963,018.88
Prepaid Expenses	(1,087.41)	-	(1,087.41)
	<u>\$ 19,530,738.29</u>	<u>\$ 4,928,769.38</u>	<u>\$ 24,459,507.67</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
LIABILITIES			
Accounts Payable			
Vendors	\$ 73,560.33	\$ 1,061,127.33	\$ 1,134,687.66
Due to Other Funds	3,779.22	544,784.39	548,563.61
Bank Overdraft	100,587.88	40,151.65	140,739.53
Accrued Payroll and Related Items	385,234.95	35,532.40	420,767.35
Accrued Vacation Pay	110,330.12	4,956.58	115,286.70
Accrued Interest	-	-	-
Customer Deposits	13,955.00	-	13,955.00
Other Accrued Liabilities	-	(277.40)	(277.40)
Deferred Revenue	3,198,927.94	-	3,198,927.94
Due to Joint Venture	-	-	-
	3,886,375.44	1,686,274.95	5,572,650.39
FUND BALANCES			
Fund Balances:			
Nonspendable	32,475.86	-	32,475.86
Restricted for:			
Bond Proceeds	991,500.00	-	991,500.00
Debt Service	-	215,401.87	215,401.87
Street	-	822,451.44	822,451.44
Drug Enforcement	-	1,197,045.78	1,197,045.78
Community Assistance	-	40,267.05	40,267.05
Committed to:			
Airport	-	191,240.50	191,240.50
Cemetery	-	26,030.87	26,030.87
Assigned to:			
Recreation	1,444.08	208,093.37	209,537.45
Airport	1,565.88	145,938.08	147,503.96
Street	68,417.38	350,269.30	418,686.68
Public Works	-	131,010.84	131,010.84
Floyd Family Life Center	-	48,240.14	48,240.14
Equipment	895,249.70	-	895,249.70
Unassigned	13,653,709.95	(133,494.81)	13,520,215.14
Total Fund Balances	15,644,362.85	3,242,494.43	18,886,857.28
Total Liabilities and Fund Balances	\$ 19,530,738.29	\$ 4,928,769.38	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2011

Reconciliation to Statement of Net Assets of Governmental Activities:

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances	\$ 18,886,857.28
Capital Assets used in governmental funds are not reported in the fund Balance Sheet	39,821,877.53
Long-term debt is not reported in the fund Balance Sheet	(10,874,902.11)
Accrued Interest on long-term debt is not reported in the fund Balance Sheet	(48,552.51)
OPEB Liability on governmental funds is not reported in the fund Balance Sheet	(1,688,590.00)
Portion of Accrued Vacation not requiring current financial resources is not reported in the fund Balance Sheet	<u>(312,344.15)</u>
Net Assets of Governmental Activities	<u>\$ 45,784,346.04</u>

See notes to financial statements

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

Year Ended June 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes and Licenses	\$ 13,292,510.67	\$ -	\$ 13,292,510.67
Tax Equivalent from TVA	280,015.25	-	280,015.25
State and Regional Apportionments and Grants	2,305,973.42	2,199,787.27	4,505,760.69
Federal Grants	294,644.95	-	294,644.95
Fines and Costs	669,671.06	15,635.99	685,307.05
Rents	43,347.76	-	43,347.76
Interest	93,129.73	8,786.16	101,915.89
Other Revenues	790,156.04	2,930,251.41	3,720,407.45
Total Revenues	<u>17,769,448.88</u>	<u>5,154,460.83</u>	<u>22,923,909.71</u>
Expenditures			
General Government	2,288,581.50	17,495.31	2,306,076.81
Public Works	1,137,156.92	1,134,232.21	2,271,389.13
Police	7,330,167.73	128,500.76	7,458,668.49
Fire	3,059,429.63	-	3,059,429.63
Street	1,029,234.43	544,461.68	1,573,696.11
Public Safety	253,734.87	-	253,734.87
Engineering	273,927.26	-	273,927.26
Cemetery	68,789.80	-	68,789.80
Recreation	690,730.99	-	690,730.99
Floyd Family Life Center	-	1,154,860.47	1,154,860.47
Airport	-	114,632.66	114,632.66
Debt Service:			
Principal	47,000.00	1,094,597.00	1,141,597.00
Interest	3,104.45	254,566.92	257,671.37
Capital Outlay	1,193,796.14	2,913,702.22	4,107,498.36
Total Expenditures	<u>17,375,653.72</u>	<u>7,357,049.23</u>	<u>24,732,702.95</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	393,795.16	(2,202,588.40)	(1,808,793.24)
Other Financing Sources (Uses)			
Transfers from Other Funds	230,000.00	1,880,823.43	2,110,823.43
Transfers to Other Funds	(1,768,610.35)	(342,213.08)	(2,110,823.43)
Bond Proceeds	991,500.00	-	991,500.00
Investment Activity	-	-	-
Transfers - Tax Equivalents	297,999.96	-	297,999.96
Other	29,733.60	-	29,733.60
Net Other Financing Sources (Uses)	<u>(219,376.79)</u>	<u>1,538,610.35</u>	<u>1,319,233.56</u>
Net Change in Fund Balances	174,418.37	(663,978.05)	(489,559.68)
Fund Balances			
July 1, 2010, restated	14,576,134.78	3,906,472.48	18,482,607.26
Increase in Encumbrances	893,809.70	-	893,809.70
June 30, 2011	<u>\$ 15,644,362.85</u>	<u>\$ 3,242,494.43</u>	<u>\$ 18,886,857.28</u>

See notes to financial statements

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

Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ (489,559.68)
Increase in Encumbrances	893,809.70
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense is not reported as a expenditure in the governmental funds	(2,265,231.80)
Proceeds of long-term debt are not revenue on the Statement of Activities - instead they are an increase in the debt on the Statement of Net Assets	(991,500.00)
Principal payments on debt service are not an expense in the Statement of Activities - instead, they are a reduction of debt on the Statement of Net Assets	1,141,597.00
Amortization of Bond Premium/Discount/Issue Costs are not reported in the Statement of Activities - instead they are reported as a reduction of an asset/liability on the Statement of Net Assets	(24,917.50)
Change in OPEB Liability is not reported as an expenditure in the governmental funds	(555,851.75)
Accrued interest on debt of the governmental funds is not reported as an expenditure in the governmental funds	(3,138.35)
Capital expenditures are not an expense in the Statement of Activities - instead, they are an addition to capital assets on the Statement of Net Assets	4,131,043.14
Accrued vacation not requiring the use of current resources is not reported as an expenditure in the governmental funds	<u>(14,955.40)</u>
Change in Net Assets of Governmental Activities	<u>\$ 1,821,295.36</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2011

ASSETS	Natural Gas Fund	Water and Sewer Fund	Total
Current Assets:			
Cash	\$ 190,896.20	\$ 219,873.78	\$ 410,769.98
Investment in State Investment Pool	4,818,778.53	2,789,398.14	7,608,176.67
Certificate of Deposit	-	501,433.56	501,433.56
Accounts Receivable - (Less Allowance for Doubtful Accts of \$177,804.85)	273,405.10	784,986.94	1,058,392.04
Due from Other Funds	-	294,044.78	294,044.78
Other Receivables	-	235,317.56	235,317.56
Inventories	139,643.66	155,557.27	295,200.93
Prepaid Expenses	2,600.00	7,400.00	10,000.00
Total Current Assets	5,425,323.49	4,988,012.03	10,413,335.52
Noncurrent Assets:			
Other Restricted Funds	-	71,971.53	71,971.53
Capital Assets:			
Land	584,868.36	1,655,118.89	2,239,987.25
Buildings	1,670,487.13	30,931,093.13	32,601,580.26
Equipment	1,272,810.94	2,586,660.00	3,859,470.94
Improvements Other than Building	22,775,513.10	89,822,267.05	112,597,780.15
Construction in Process	239,543.31	20,936,757.34	21,176,300.65
Accumulated Depreciation	(10,037,099.93)	(48,298,812.64)	(58,335,912.57)
Total Noncurrent Assets	16,506,122.91	97,705,055.30	114,211,178.21
Total Assets	21,931,446.40	102,693,067.33	124,624,513.73
LIABILITIES			
Current Liabilities:			
Current Portion of Long-Term Debt	147,000.00	2,754,186.00	2,901,186.00
Bank Overdraft	30,162.16	224,083.29	254,245.45
Accounts Payable - Vendors	273,639.53	375,635.37	649,274.90
Due to Other Funds	90,146.41	140,590.41	230,736.82
Other Current Liabilities	100.00	150.00	250.00
Accrued Interest	5,302.08	-	5,302.08
Accrued Payroll and Related Items	35,845.55	72,060.01	107,905.56
Accrued Vacation Pay	26,857.06	70,048.35	96,905.41
Total Current Liabilities	609,052.79	3,636,753.43	4,245,806.22
Noncurrent Liabilities:			
Post Employment Benefits	137,337.57	401,918.41	539,255.98
Notes Payable	995,000.00	31,478,633.00	32,473,633.00
Utility Bonds Payable	698,412.15	11,966,265.59	12,664,677.74
Total Noncurrent Liabilities	1,830,749.72	43,846,817.00	45,677,566.72
Total Liabilities	2,439,802.51	47,483,570.43	49,923,372.94
NET ASSETS			
Invested in Capital Assets, Net of Related Debt Restricted for Debt Service	14,665,710.76	51,433,999.18	66,099,709.94
Unrestricted	-	71,971.53	71,971.53
	4,825,933.13	3,703,526.19	8,529,459.32
Total Net Assets	\$ 19,491,643.89	\$ 55,209,496.90	\$ 74,701,140.79

See notes to financial statements

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

Year Ended June 30, 2011

	Natural Gas Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for Services	\$ 10,025,140.79	\$ 11,732,309.48	\$ 21,757,450.27
Operating Expenses			
Utility Operating Expense	1,826,710.05	6,983,908.73	8,810,618.78
Natural Gas Purchased	5,292,173.46	-	5,292,173.46
Depreciation	778,422.61	3,511,192.91	4,289,615.52
Total Operating Expenses	<u>7,897,306.12</u>	<u>10,495,101.64</u>	<u>18,392,407.76</u>
Operating Income	2,127,834.67	1,237,207.84	3,365,042.51
Nonoperating Revenue (Expenses)			
Interest Revenue	7,686.75	13,199.85	20,886.60
Interest Expense	(41,672.74)	(547,892.47)	(589,565.21)
Total Nonoperating Revenue (Expenses)	<u>(33,985.99)</u>	<u>(534,692.62)</u>	<u>(568,678.61)</u>
Income before Contributions and Transfers	2,093,848.68	702,515.22	2,796,363.90
Contributions and Transfers			
Contributed Capital	-	1,445,154.78	1,445,154.78
Transfers - Tax Equivalentts	(159,999.96)	(138,000.00)	(297,999.96)
Total Contributions and Transfers	<u>(159,999.96)</u>	<u>1,307,154.78</u>	<u>1,147,154.82</u>
Change in Net Assets	1,933,848.72	2,009,670.00	3,943,518.72
Net Assets			
July 1, 2010	17,557,795.17	46,781,994.31	64,339,789.48
Prior Period Adjustment	-	6,417,832.59	6,417,832.59
June 30, 2011	<u>\$ 19,491,643.89</u>	<u>\$ 55,209,496.90</u>	<u>\$ 74,701,140.79</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2011

	Natural Gas Fund	Water and Sewer Fund	Total
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 10,102,579.64	\$ 11,820,242.98	\$ 21,922,822.62
Payments to Suppliers	(5,956,215.59)	(2,877,434.66)	(8,833,650.25)
Payments to Employees	(1,173,185.14)	(3,752,255.07)	(4,925,440.21)
Internal Activity - Payments (To) From Other Funds	(68,078.62)	(442,713.70)	(510,792.32)
Other Receipts (Payments)	-	27,672.23	27,672.23
Net Cash Provided By Operating Activities	<u>2,905,100.29</u>	<u>4,775,511.78</u>	<u>7,680,612.07</u>
Cash Flows From Noncapital Financing Activities:			
Transfers - Tax Equivalents	<u>(159,999.96)</u>	<u>(138,000.00)</u>	<u>(297,999.96)</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds on Notes Payable	-	4,033,991.54	4,033,991.54
Proceeds on Bonds	-	-	-
Payments for Capital Acquisitions	(919,206.07)	(5,397,332.25)	(6,316,538.32)
Principal Paid on Notes	(35,000.00)	(2,549,296.00)	(2,584,296.00)
Interest Paid	(42,197.74)	(547,892.47)	(590,090.21)
Repayment of Bonded Debt	(105,000.00)	-	(105,000.00)
Net Cash (Used) By Capital and Related Financing Activities	<u>(1,101,403.81)</u>	<u>(4,460,529.18)</u>	<u>(5,561,932.99)</u>
Cash Flows From Investing Activities:			
Interest Revenue	7,686.75	13,199.85	20,886.60
Increase in Investments	-	124.59	124.59
Net Cash Provided By Investing Activities	<u>7,686.75</u>	<u>13,324.44</u>	<u>21,011.19</u>
Net Increase (Decrease) in Cash and Temporary Investments	1,651,383.27	190,307.04	1,841,690.31
Cash and Temporary Investments - July 1, 2010	<u>3,358,291.46</u>	<u>2,890,936.41</u>	<u>6,249,227.87</u>
Cash and Temporary Investments - June 30, 2011	<u>\$ 5,009,674.73</u>	<u>\$ 3,081,243.45</u>	<u>\$ 8,090,918.18</u>
Non-Cash Capital and Related Financing Activities:			
Capital Assets Acquired By Contributions From Developers	<u>\$ -</u>	<u>\$ 1,445,154.78</u>	<u>\$ 1,445,154.78</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
STATEMENT CASH FLOWS
PROPRIETARY FUNDS

Year Ended June 30, 2011

	Natural Gas Fund	Water and Sewer Fund	Total
Reconciliation of Operating Income to			
Cash Provided By Operating Activities:			
Operating Income	\$ 2,127,834.67	\$ 1,237,207.84	\$ 3,365,042.51
Adjustments to Reconcile Net Operating Income to Net			
Cash Provided by Operating Activities:			
Depreciation and Amortization	778,422.31	3,809,460.72	4,587,883.03
Provision for Losses on Accounts Receivable	(15,469.26)	(19,762.29)	(35,231.55)
Changes in Current and Deferred Items:			
Decrease in Accounts Receivable	92,908.11	107,695.79	200,603.90
(Increase) Decrease in Due From Other Funds	12,854.64	(283,834.04)	(270,979.40)
Decrease in Other Receivables	-	27,672.23	27,672.23
(Increase) Decrease in Inventories	4,161.44	(6,770.12)	(2,608.68)
Increase in Accounts Payable	15,146.56	1,666.17	16,812.73
(Decrease) in Due to Other Funds	(80,933.26)	(158,879.66)	(239,812.92)
Increase in Accrued Payroll	6,169.40	7,931.24	14,100.64
Increase in Accrued Vacation Pay	3,125.36	3,688.51	6,813.87
(Decrease) in Other Current Liabilities	(84,477.02)	(92,091.07)	(176,568.09)
Increase in Postemployment Benefits	45,357.34	141,526.46	186,883.80
Net Cash Provided By Operating Activities	<u>\$ 2,905,100.29</u>	<u>\$ 4,775,511.78</u>	<u>\$ 7,680,612.07</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Revenues				
Taxes:				
Real and Personalty	\$ 3,040,000.00	\$ 3,040,000.00	\$ 3,071,578.85	\$ 31,578.85
Business Tax	700,000.00	700,000.00	923,463.76	223,463.76
Wholesale Beer	815,000.00	815,000.00	861,109.30	46,109.30
Sales Tax	6,850,000.00	6,850,000.00	7,759,586.43	909,586.43
Cable TV Franchise Fee	200,000.00	200,000.00	218,463.06	18,463.06
Hotel and Motel Tax	200,000.00	200,000.00	204,001.47	4,001.47
Liquor Tax	230,000.00	230,000.00	254,307.80	24,307.80
	<u>12,035,000.00</u>	<u>12,035,000.00</u>	<u>13,292,510.67</u>	<u>1,257,510.67</u>
Tax Equivalents:				
TVA Tax Replacement	260,000.00	260,000.00	280,015.25	20,015.25
	<u>260,000.00</u>	<u>260,000.00</u>	<u>280,015.25</u>	<u>20,015.25</u>
Federal, State and Regional Apportionments and Grants:				
Sales Tax	1,580,000.00	1,580,000.00	1,642,251.94	62,251.94
Income Tax	360,000.00	360,000.00	223,220.15	(136,779.85)
Street and Transportation Fund	50,000.00	50,000.00	53,255.83	3,255.83
Highway Grants and Contracts	110,000.00	110,000.00	115,089.77	5,089.77
Beer Tax	12,000.00	12,000.00	12,944.29	944.29
Alcoholic Beverage Tax	155,000.00	155,000.00	153,070.57	(1,929.43)
Corporate Excise Tax	31,000.00	31,000.00	27,174.51	(3,825.49)
Police and Fire Salary Supplement	48,000.00	48,000.00	59,400.00	11,400.00
COPS Grant	-	-	179,125.71	179,125.71
JAG Grants	28,338.00	51,903.00	50,716.61	(1,186.39)
Firefighters FEMA Grant	-	29,836.00	18,053.00	(11,783.00)
D.E.A. Grant	-	9,534.34	17,565.41	8,031.07
Highway Safety Grants	17,000.00	17,000.00	0.00	(17,000.00)
Bullet Proof Vest Grant	0.00	0.00	1,375.01	1,375.01
Flood Damage Grant	0.00	0.00	16,547.66	16,547.66
Organized Drug Enforcement Task Force	0.00	0.00	28,826.96	28,826.96
Telecommunications	2,000.00	2,000.00	2,000.95	0.95
	<u>2,393,338.00</u>	<u>2,456,273.34</u>	<u>2,600,618.37</u>	<u>144,345.03</u>
Fines and Costs	634,000.00	634,000.00	669,671.06	35,671.06
Rent - Other	25,500.00	25,500.00	27,244.00	1,744.00
Rents from Other City	16,000.00	16,000.00	16,103.76	103.76
Highway and Street Charges	50,000.00	50,000.00	26,404.77	(23,595.23)
Interest	75,000.00	75,000.00	98,518.09	23,518.09
Permits and Licenses	469,500.00	469,500.00	385,687.68	(83,812.32)

See notes to financial statements

	Budget		Actual	Variance
	Original	Final		
Cemetery Income	75,000.00	75,000.00	66,275.00	(8,725.00)
Park and Recreation Income	35,250.00	35,250.00	32,270.00	(2,980.00)
Interest and Penalty on Taxes and License	22,500.00	22,500.00	(5,802.44)	(28,302.44)
Miscellaneous	114,908.24	319,498.61	267,725.57	(51,773.04)
Sale of Equipment	-	-	-	-
	<u>1,517,658.24</u>	<u>1,722,248.61</u>	<u>1,584,097.49</u>	<u>(138,151.12)</u>
Total Revenues	<u>16,205,996.24</u>	<u>16,473,521.95</u>	<u>17,757,241.78</u>	<u>1,283,719.83</u>
Expenditures				
City Department				
Mayor and Council	219,854.14	220,379.14	182,324.31	38,054.83
City Attorney/Judicial	172,207.85	172,207.85	163,579.45	8,628.40
Financial Administration	171,820.23	157,097.33	144,722.09	12,375.24
Building Maintenance	85,222.99	85,598.03	74,418.68	11,179.35
Accounting	235,030.87	244,593.26	211,434.02	33,159.24
Customer Billing	38,553.92	38,553.92	35,506.25	3,047.67
Citizens Review and Advisory Board	200.00	200.00	-	200.00
Purchasing	57,649.68	57,649.68	52,956.60	4,693.08
Computer Equipment	167,751.43	172,386.94	166,804.60	5,582.34
Public Works	184,288.56	178,812.00	176,425.59	2,386.41
Warehouse	41,772.05	41,772.05	40,011.36	1,760.69
Personnel	84,219.88	86,219.88	83,460.00	2,759.88
Traffic Maintenance	397,041.26	423,334.26	394,179.77	29,154.49
General Maintenance	266,250.61	270,723.08	235,082.69	35,640.39
Police	7,218,269.77	7,453,215.48	7,382,041.73	71,173.75
Fire	4,040,097.64	4,073,069.64	3,964,614.37	108,455.27
Building Inspection	277,758.69	242,758.69	167,562.59	75,196.10
Street	1,240,807.08	1,263,284.94	1,073,899.78	189,385.16
Animal Control	101,539.33	103,310.63	101,050.86	2,259.77
Public Safety	204,085.29	191,482.23	152,684.01	38,798.22
Engineering	298,865.80	311,665.80	276,289.12	35,376.68
Garage	264,291.95	264,291.95	232,378.91	31,913.04
Cemetery	104,679.51	104,679.51	68,789.80	35,889.71
Recreation	598,539.63	632,579.49	623,883.34	8,696.15
Special Events	7,935.00	7,023.51	3,168.53	3,854.98
Dues	270,693.77	271,605.26	269,329.32	2,275.94
Community Park	118,266.56	94,376.70	81,831.12	12,545.58
EAC Committee	320.00	320.00	174.76	145.24
Regional Transportation Authority	25,000.00	25,000.00	25,000.00	-
Total Expenditures	<u>16,893,013.49</u>	<u>17,188,191.25</u>	<u>16,383,603.65</u>	<u>804,587.60</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
GENERAL FUND
BUDGETARY COMPARISON STATEMENT
Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
Excess of Revenues Over (Under)				
Expenditures	(687,017.25)	(714,669.30)	1,373,638.13	2,088,307.43
Other Financing Sources (Uses):				
Transfers - Tax Equivalents	298,000.00	298,000.00	297,999.96	(0.04)
Operating Transfers From Other Fur.	330,000.00	330,000.00	230,000.00	(100,000.00)
Operating Transfers To Other Funds	(3,048,001.94)	(3,083,001.94)	(2,916,642.85)	166,359.09
Bond Proceeds	1,000,000.00	1,000,000.00	991,500.00	(8,500.00)
Loan Proceeds	100,000.00	100,000.00	-	
Other	200,000.00	200,000.00	29,733.60	(170,266.40)
Total Other Financing Sources (Uses)	<u>(1,120,001.94)</u>	<u>(1,155,001.94)</u>	<u>(1,367,409.29)</u>	<u>(112,407.35)</u>

Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other				
Uses	<u>\$ (1,807,019.19)</u>	<u>\$ (1,869,671.24)</u>	6,228.84	<u>\$ 1,975,900.08</u>

Fund Balances.	
July 1, 2010	14,408,083.23
GASB 54 Accounting Change	27,694.10
Prior Period Adjustment	37,318.73
Balance, July 1, 2010, restated	<u>14,473,096.06</u>
Increase in Encumbrances	893,809.70
June 30, 2011	<u>\$ 15,373,134.60</u>

Reconciliation to fund financial statements:	
Excess of Revenues and Other Sources Over (Under)	
Expenditures and Other Uses	\$ 6,228.84
Revenues and Expenditures not included in budgetary statements.	
Sanitation revenues	1,160,239.60
Sanitation expenditures	(992,050.07)
	<u>\$ 174,418.37</u>
Fund Balances - budgetary	\$ 15,373,134.60
Sanitation assets	310,974.96
Sanitation liabilities	(39,746.71)
	<u>\$ 15,644,362.85</u>

CITY OF LEBANON, TENNESSEE

NOTE TO BUDGETARY COMPARISON STATEMENT

June 30, 2011

NOTE 1 – BUDGETS

Formal budgetary accounting is employed as a management control for all funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, Special Revenue Funds, and Proprietary Funds, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a modified accrual basis. Budgetary control is exercised at the department level. All unencumbered budget appropriations lapse at the end of each fiscal year.

Under TCA 68-211-874, the city is required to account for its solid waste collection activities in a separate fund. The City accounts for these activities in a separate sanitation fund which does not qualify as a special revenue fund under generally accepted accounting principles. Accordingly, for fund reporting, the sanitation fund is included as a part of the general fund but for budgetary reporting it is not included as a part of the general fund. The preceding page includes a reconciliation of the general fund budgetary reporting to the general fund reporting on page 15 under generally accepted accounting principles.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting Entity

The City of Lebanon, Tennessee was incorporated in 1911 and operates under a mayor and alderman form of government. As required by generally accepted accounting principles, the financial statements reflect the financial activities of the City of Lebanon as the primary government, as well as its component unit, the Lebanon Senior Citizens Center. These statements do not include the private purpose trust funds, which are fiduciary in nature. Private purpose trust funds are used to account for trust arrangements where the principal and interest benefit individuals, private organizations, or other governments.

Individual Component Unit Disclosures

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the Lebanon Senior Citizens Center. It is a component unit because the City is financially accountable for the Center due to fiscal dependency. The Center issues separate audited financial statements, copies of which may be obtained from the City of Lebanon accounting department.

(B) Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and component unit are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeiture, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements and financial statements of the City component unit also reports using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, hotel/motel taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When committed and assigned and unassigned amounts are available for use, it is the City's policy to use committed resources first, then assigned resources, then unassigned amounts. See Note 2 for information describing restricted assets.

Allocation of Indirect Expenses

The City allocates indirect expenses primarily comprised of central governmental services to operation functions and programs benefiting from those services. Central services include overall City management, centralized budgetary formulation and oversight, accounting, financial reporting, payroll, procurement contracting and oversight, investing and cash management, personnel services, and other central administrative services. Allocations are charged to programs based on use of central services determined by various allocation methodologies. These charges are separately reported in the statement of activities. As a matter of policy, certain functions that use significant central services are not charged for the use of these services. These functions or programs include police, fire, and certain divisions within public services and parks.

(D) Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Proprietary Funds

The City reports the following major enterprise funds:

Water and Sewer – accounts for the operating activities of the City’s water and sewer services.

Natural Gas – accounts for the operating activities of the City’s gas services.

(E) Statement of Cash Flows

For the purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(F) Capitalization of Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. \$431,916 of interest was required to be capitalized for the year ended June 30, 2011. Interest costs on general fixed assets are not capitalized.

(G) Capital Assets, Depreciation, and Amortization

The City’s property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and component unit financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. The costs of normal maintenance and repairs that add to the asset value or materially extend useful lives are capitalized if they exceed \$5,000. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

(H) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(I) Inventories

Inventories are stated at average cost.

(J) Bank Overdrafts

It is the City's policy to invest funds in interest-bearing accounts until needed to cover checks written, thus maximizing earnings on funds. Amounts are transferred as checks are presented, therefore bank overdrafts shown on the financial statements represent outstanding checks for which funds have not yet been transferred out of the interest-bearing accounts. Bank overdrafts at June 30, 2011 amounted to \$394,894.98.

(K) Long-Term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

(L) Fund Balances

The governmental fund financial statements report fund balances based on the nature of the net resources reported in the fund. Fund balances are categorized as follows:

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to remain intact.

Restricted – amounts that are constrained for use by (a) external parties, such as creditors, grantors, contributors or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation

Committed – amounts that are constrained for use by formal action of the government's highest level of decision-making authority

Assigned - amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Residual classification for the general fund and funds where expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

(M) Property Tax Revenue

Property taxes are levied on October 1 based on the assessed value of property as listed on the previous January 1. All unpaid taxes levied October 1 become delinquent March 1 of the following year.

In accordance with GASB 33, the property taxes to be levied on October 1, 2011 in the amount of \$3,054,715.00 have been accrued in the General Fund and the Governmental Activities as receivable and deferred revenue at June 30, 2011.

(N) Encumbrances

Encumbrance accounting is used for the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are included in the fund balance classifications above based on the resource criteria noted above. Encumbrances do not lapse at the close of the fiscal year but are carried forward in the fund balances until liquidated.

NOTE 2 - CASH AND INVESTMENTS

Cash on the balance sheet includes petty cash and cash on hand in the amount of \$13,750 and deposits with financial institutions including demand deposits and passbook savings accounts.

The Commissioner of Finance and Revenue is the treasurer of the City and in this capacity is responsible for receiving, disbursing, depositing and investing City funds. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized as follows:

All deposits with financial institutions other than savings and loan associations must be collateralized in an amount equal to 105% of the face amount of uninsured deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the City. Deposits with savings and loan associations must be collateralized by one of the following methods:

- (1) By an amount equal to 105% of the face amount of uninsured deposits if the collateral is of the same character as that required for other financial institutions;
- (2) By an irrevocable letter of credit issued by the Federal Loan Bank; or,
- (3) By providing notes secured by first mortgages or first deeds of trust upon residential real property located in Tennessee. The promissory notes must be in an amount equal to 150% of the amount of uninsured deposits.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 2 - CASH AND INVESTMENTS -- CONTINUED

The Commissioner of Finance and Revenue is authorized to make direct investments in bonds, notes or treasury bills of the U.S. Government and obligations guaranteed by the U.S. Government or any of its agencies. These investments may not have a maturity greater than two years. The Commissioner of Finance and Revenue may make investments with longer maturities if he follows various restrictions set out in state law. The Commissioner of Finance and Revenue is also authorized to make investments in the State Pooled Investment Fund and in repurchase agreements. Repurchase agreements must be approved by the State Director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. Government or obligations guaranteed by the U.S. Government or any other agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least 2% below the market value of the securities on the day of purchase. There were no repurchase agreements existing as of June 30, 2011.

The carrying amount of the City's deposits with financial institutions was \$10,192,425, including \$5,538,967 in certificates of deposit, and the bank balance was \$10,882,289. The bank balance is entirely insured by FDIC insurance and by the state bank collateral pool.

The City of Lebanon has invested in the State of Tennessee, local government investment pool. The City's net realizable value of the investment totaled \$15,894,905 at June 30, 2011, of which \$71,972 is included in "Other Restricted Funds" and is restricted for debt service.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 3 - LONG-TERM DEBT

The City has the following bonds outstanding at June 30, 2011:

	<u>Issue</u>	<u>Dates</u>	<u>Rates</u>
Primary Government:			
Governmental Activities:			
General Obligation Bonds:			
1992 Bonds	\$ 3,040,000	1992 - 2012	Varies
2008 Bonds	3,840,000	2009 - 2023	3.0% - 4.1%
2003 Bonds	4,505,000	2003 - 2017	2.0% - 4.1%
2004 TMBF Bonds	2,725,000	2006 - 2025	3.0%
2008 TMBF Bonds	3,500,000	2008 - 2027	5.0%
2011 TMBF Bonds	1,000,000	2012-2031	3.48%
Business-Type Activities:			
Water and Sewer:			
TMBF 2001 Bonds	4,000,000	2004 - 2023	Variable
TMBF 2005 Bonds	1,400,000	2007 - 2026	4.0%
TMBF 2006 Bonds	5,000,000	2008 - 2027	5.0%
TMBF 2008 Bonds	4,150,000	2010 - 2029	5.0%
TMBF 2011 Bonds	1,631,150	2012-2031	2.86%
Natural Gas:			
2008 Bond	1,175,000	2009 - 2018	3.0% - 4.0%
TMBF 2008 Bonds	1,100,000	2010 - 2029	5.0%

In addition, the City has various equipment notes secured by governmental capital assets. These notes are reported in the governmental activities section of the Statement of Net Assets. In addition, there are notes used to construct improvements to the utility infrastructure, and a capital lease to purchase certain equipment. These are reported in the business-type activities in the Statement of Net Assets.

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General Obligation Debt	\$ 11,189,051	\$ 1,000,000	\$ (1,094,597)	\$ 11,094,454	\$ 1,167,454
Equipment Notes	96,000	-	(47,000)	49,000	49,000
	<u>11,285,051</u>	<u>1,000,000</u>	<u>(1,141,597)</u>	<u>11,143,454</u>	<u>1,216,454</u>
Plus:					
Bond Premium	18,782	-	(663)	18,118	-
Less:					
Bond Discount	(63,394)	-	4,075	(59,319)	-
Bond and Note Issue Costs	(40,563)	(8,500)	2,273	(46,790)	-
Deferred Amount on Refunding	(199,795)	-	19,232	(180,563)	-
Total Governmental Activities					
Long-Term Debt	<u>\$ 11,000,081</u>	<u>\$ 991,500</u>	<u>\$ (1,116,680)</u>	<u>\$ 10,874,900</u>	<u>\$ 1,216,454</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 3 - LONG-TERM DEBT - CONTINUED

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable:					
Natural Gas	\$ 2,032,000	\$ -	\$ (140,000)	\$ 1,892,000	\$ 147,000
Water & Sewer	50,268,313	1,631,150	(2,549,296)	49,350,167	2,754,186
	52,300,313	1,631,150	(2,689,296)	51,242,167	2,901,186
Less:					
Amounts not yet borrowed	(5,465,143)	2,402,842		(3,062,301)	-
Bond Premium	4,014			4,014	-
Bond Discount	(9,360)	1,197		(8,163)	-
Bond Issue Costs	(90,139)	(10,073)		(100,212)	-
Bond Loss	(42,487)	6,480		(36,007)	-
Total Bonds and Notes Payable	46,697,198	4,031,596	(2,689,296)	48,039,498	2,901,186
Total Business-Type Activities	\$ 46,697,198	\$ 4,031,596	\$ (2,689,296)	\$ 48,039,498	\$ 2,901,186

Annual Requirements to Maturity on Long-Term Debt:

Year Ended June 30,	Primary Government			
	Governmental Activities			
	General Obligation Bonds		Equipment Notes	
	Principal	Interest	Principal	Interest
2012	\$ 1,167,454	\$ 442,439	\$ 49,000	\$ 2,156
2013	994,000	401,050	-	-
2014	1,026,000	364,112	-	-
2015	815,000	325,545	-	-
2016	740,000	294,187	-	-
2017-2021	3,246,000	1,050,980	-	-
2022-2026	2,519,000	405,162	-	-
2027-2031	587,000	47,395	-	-
Total	\$ 11,094,454	\$ 3,330,869	\$ 49,000	\$ 2,156

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 3 - LONG-TERM DEBT - CONTINUED

	Business-Type Activities			
	Water and Sewer Bonds		Water and Sewer Notes	
	Principal	Interest	Principal	Interest
2012	\$ 643,150	\$ 587,227	\$ 2,111,036	\$ 845,029
2013	672,000	560,291	2,211,403	809,872
2014	699,000	532,200	2,272,787	748,488
2015	727,000	502,973	2,335,955	685,332
2016	758,000	472,598	2,337,071	620,773
2017-2021	4,287,000	1,861,280	9,744,894	2,268,923
2022-2026	4,245,000	920,901	8,141,935	1,266,661
2027-2031	1,736,000	145,079	6,363,244	295,697
2032	-	-	64,692	368
Total	<u>\$ 13,767,150</u>	<u>\$ 5,582,549</u>	<u>\$ 35,583,017</u>	<u>\$ 7,541,145</u>

	Business-Type Activities	
	Natural Gas Bonds	
	Principal	Interest
2012	\$ 147,000	\$ 83,413
2013	153,000	77,988
2014	155,000	72,063
2015	162,000	66,038
2016	170,000	59,438
2017-2021	534,000	199,450
2022-2026	331,000	111,250
2027-2031	240,000	24,400
Total	<u>\$ 1,892,000</u>	<u>\$ 694,038</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 4 - LIABILITY FOR COMPENSATED ABSENCES

Regular full time employees are allowed to accrue 13 sick days each year. Fire Department employees are credited five hours sick leave for each full pay period of continuous service since initial employment. Employees can be paid sick leave only when the employee who has accrued leave is incapacitated by sickness or off-the-job injury, for medical or optical diagnosis or treatment, to attend funerals, or as the result of or exposure to contagious disease. On termination, unpaid sick leave will be credited towards years of service. If retiring, an employee can elect to use unpaid sick leave credit to effect an earlier retirement date, or credit towards years of service on retirement.

A liability for unused sick leave is not recorded in the financial statements.

Regular full-time employees with one year of continuous service earn one week of annual leave. During the next nine years of service, two weeks shall be accrued per year. Beginning in year eleven of consecutive employment, three weeks shall be accrued each year. Annual leave not used may be carried from year to year to a maximum of four work weeks or twenty days. Fire department employees may accrue to a maximum of 244 hours. As of June 30, 2011 the liability for accrued vacation is \$ 524,536.

NOTE 5 - INDUSTRIAL BUILDING BONDS

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 6 - PENSION EXPENSE

Plan Description

Employees of the City of Lebanon, Tennessee are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after four years of service and members joining prior to July 1, 1979 were vested after five years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the Tennessee Code Annotated (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City of Lebanon, Tennessee participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS>.

Funding Policy

City of Lebanon, Tennessee has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to 5.0 percent of annual covered payroll.

City of Lebanon, Tennessee is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2011 was 14.71% of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement of City of Lebanon, Tennessee is established and may be amended by the TCRS Board of Trustees.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 6 - PENSION EXPENSE – CONTINUED

Annual Pension Cost

For the year ending June 30, 2011 the City of Lebanon, Tennessee's annual pension cost of \$1,760,384 to TCRS was equal to the City of Lebanon, Tennessee's required and actual contributions. The required contribution was determined as part of the July 1, 2009 actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected 3.0 percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The City of Lebanon, Tennessee's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009 was 6 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Fiscal Year Ending	Annual Pension Cost(APC)	Trend Information Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$1,760,384	100.00%	\$0.00
6/30/10	\$1,721,460	100.00%	\$0.00
6/30/09	\$1,869,244	100.00%	\$0.00

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 83.78% funded. The actuarial accrued liability for benefits was \$38.1 million and the actuarial value of assets was \$31.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$6.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.5 million, and the ratio of UAAL to the covered payroll was 49.31% percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to AALs for benefits.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 6 - PENSION EXPENSE – CONTINUED

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The annual required contribution (ARC) was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize the unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ 31,924	\$ 38,106	\$ 6,182	83.78%	\$ 12,536	49.31%
July 1, 2007	\$ 28,896	\$ 33,754	\$ 4,858	85.61%	\$ 11,630	41.77%

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 7 – CAPITAL ASSETS

A summary of changes in Capital Assets follows:

	Beginning Balance, Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 7,807,149.98	\$ -	\$ 10,100.00	\$ 7,797,049.98
Other Capital Assets				
Buildings	17,268,259.90	96,020.26	-	17,364,280.16
Improvements Other Than Buildings	35,716,368.49	2,782,258.33	-	38,498,626.82
Equipment	12,229,349.26	1,262,864.55	-	13,492,213.81
Total Other Capital Assets at Historical Cost	<u>65,213,977.65</u>	<u>4,141,143.14</u>	<u>-</u>	<u>69,355,120.79</u>
Less Accumulated Depreciation for:				
Buildings	9,261,878.18	524,562.72	-	9,786,440.90
Improvements Other Than Buildings	15,292,295.25	1,197,485.60	-	16,489,780.85
Equipment	10,510,888.01	543,183.48	-	11,054,071.49
Total Accumulated Depreciation	<u>35,065,061.44</u>	<u>2,265,231.80</u>	<u>-</u>	<u>37,330,293.24</u>
Other Capital Assets, Net	<u>30,148,916.21</u>	<u>1,875,911.34</u>	<u>-</u>	<u>32,024,827.55</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,956,066.19</u>	<u>\$ 1,875,911.34</u>	<u>\$ 10,100.00</u>	<u>\$ 39,821,877.53</u>

Depreciation Expense was charged to functions as follows:

General Government	\$ 82,448.76
Public Works	20,119.80
Public Safety	10,623.24
Police	279,460.56
Fire	220,561.08
Street	1,090,756.64
Cemetery	4,261.68
Recreation	113,337.12
Jimmy Floyd Family Life Center	230,668.08
Engineering	3,496.56
Airport	209,498.28
	<u>\$ 2,265,231.80</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 7 – CAPITAL ASSETS - CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business Type Activities:				
Capital Assets Not being Depreciated:				
Land	\$ 2,133,880.05	\$ 106,107.20	\$ -	\$ 2,239,987.25
Construction in Process	23,637,211.88	-	2,460,911.23	21,176,300.65
Total Capital Assets Not Being Depreciated	<u>25,771,091.93</u>	<u>106,107.20</u>	<u>2,460,911.23</u>	<u>23,416,287.90</u>
Other Capital Assets:				
Buildings	30,962,732.10	1,638,848.16	-	32,601,580.26
Improvements Other Than Buildings	97,862,672.63	14,735,107.52	-	112,597,780.15
Equipment	3,699,096.90	160,374.04	-	3,859,470.94
Total Other Capital Assets at Historical Cost	<u>132,524,501.63</u>	<u>16,534,329.72</u>	<u>-</u>	<u>149,058,831.35</u>
Less Accumulated Depreciation for:				
Buildings	15,876,300.37	905,714.88	-	16,782,015.25
Improvements Other Than Buildings	35,507,722.23	3,430,974.47	-	38,938,696.70
Equipment	2,361,610.52	253,590.10	-	2,615,200.62
Total Accumulated Depreciation	<u>53,745,633.12</u>	<u>4,590,279.45</u>	<u>-</u>	<u>58,335,912.57</u>
Other Capital Assets, Net	<u>78,778,868.51</u>	<u>11,944,050.27</u>	<u>-</u>	<u>90,722,918.78</u>
Business Type Activities Capital Assets, Net	<u>\$ 104,549,960.44</u>	<u>\$ 12,050,157.47</u>	<u>\$ 2,460,911.23</u>	<u>\$ 114,139,206.68</u>

NOTE 8 - OPERATING LEASE

The City has in effect certain leases, as a Lessor, accounted for as operating leases. A schedule of future lease collections is as follows:

Year Ended June 30,	Collections
2012	\$ 24,000
2013	24,000
2014	24,000
2015	24,000
2016	24,000
Thereafter	<u>1,032,000</u>
	<u>\$1,152,000</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 9 - CONSTRUCTION COMMITMENTS

Water and sewer and gas improvement projects in progress at June 30, 2011 totaling \$20,775,221 were approved during the fiscal year. At June 30, 2011, the City had incurred construction costs totaling \$5,024,756. At June 30, 2011, the City had total contracts outstanding for building and road construction of \$292,845. At June 30, 2011, the City had incurred construction costs totaling \$1,134,498.

NOTE 10 - TRANSFERS

Transfers during the year ended June 30, 2011, are summarized as follows:

	Governmental Funds		Total
	Major Fund General	Other Nonmajor Governmental Funds	
Transfers From			
Transfers To			
General	\$ -	\$ 230,000	\$ 230,000
Other Nonmajor Governmental Funds	1,768,610	100,713	1,869,323
	<u>\$ 1,768,610</u>	<u>\$ 330,713</u>	<u>\$ 2,099,323</u>

NOTE 11 – INTERFUND RECEIVABLES AND PAYABLES

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 11 – INTERFUND RECEIVABLES AND PAYABLES, CONTINUED

Amounts outstanding at June 30, 2011 are as follows:

Due From	Primary Government				Total
	Governmental Funds		Proprietary Funds		
	Major Fund General	Other Nonmajor Funds	Water & Sewer	Natural Gas	
Due To					
Governmental Funds:					
Major Funds:					
General	\$ -	\$ 217,058	\$ 140,590	\$ 90,146	\$ 447,794
Other Nonmajor Funds	3,779	33,682	-	-	37,461
Proprietary Funds:					
Water & Sewer	-	294,045	-	1,177	295,222
Natural Gas	-	-	272	-	272
	\$ 3,779	\$ 544,784	\$ 140,862	\$ 91,324	\$ 780,750

NOTE 12 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had excess expenditures over appropriations.

Fund	Appropriations	Expenditures	Variance
Street Improvements	\$ 1,198,788	\$ 2,081,917	\$ (883,129)

NOTE 13 - RISK MANAGEMENT

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

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 14 - CONTINGENT LIABILITY

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

NOTE 15 - SPECIAL ITEMS

In a prior fiscal year, the court ordered that the City of Lebanon pay for infrastructure improvements to bring the City into compliance with ADA requirements. A portion of these improvements relating to the sidewalks has been capitalized in the fixed assets of governmental activities as the improvements are made. The City council had budgeted a maximum of \$175,000 per year to be spent on these sidewalk improvements. For the fiscal year ended June 30, 2011, the City spent \$39,601.

NOTE 16 - JOINT VENTURE

During 1988, the City of Lebanon and Wilson County entered into an agreement to purchase and develop land in an effort to develop an industrial park to benefit the respective governments and the citizens. The city and county each agreed to contribute 50% of all proceeds for land. A six member board, known as the Wilson County/Lebanon Development Board, was established for the development operation, supervision, and maintenance of the project. The city members include the mayor, the commissioner of Public Works, and one alderman appointed by the mayor. The county members include the county executive, the chairman of the Tax Rate and Budget Committee, and one additional commissioner who is nominated by the county executive. The board is audited annually by an independent certified public accountant approved by the Comptroller of the Treasury, State of Tennessee. The audited financial statements are available from the Commissioner of Finance for the City of Lebanon. As of June 30, 2011, the audited financial statements for the Board presented net assets of \$412,301.

NOTE 17 - DEFICIT FUND BALANCES

At June 30, 2011, the following funds reported a deficit fund balance:

<u>Fund</u>	<u>Fund Balance</u>
Police Local Option	\$ (133,495)

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The City's full-time employees are included in the City of Lebanon's medical and life insurance coverage. The City's plan is a single employer plan that offers benefits to pre-65 retirees and their dependents. Once a participant turns age 65, the medical provision provides benefits through a Medicare Supplement Plan. Retirees receive a \$10,000 life insurance benefit until attainment of 85 years of age.

An employee who retires from the City is eligible for retiree health and life insurance coverage upon attaining age 60 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.

Annual OPEB Cost and Net OPEB Obligation

The OPEB cost and net OPEB obligation were based on the July 1, 2010 actuarial valuation for the City's plan as a whole, which includes the discretely presented component unit's employees. The component unit's portion of the OPEB cost and obligation were not separately determined in that report. Therefore, an estimated cost was determined based on the component unit's salaries as a percent of total salaries for the City and the component unit combined. The OPEB cost is included in program expenses on the state of activities.

ARC	\$ 1,110,970
Interest on the NPO	66,853
Adjustment of the ARC	<u>(66,938)</u>
Annual OPEB Cost	1,110,885
Amount of Contribution	<u>368,149</u>
Increase/(decrease) in NPO	742,736
Net OPEB Obligation, 07/01/2010	<u>1,485,110</u>
Net OPEB Obligation, 06/30/2011	<u>\$ 2,227,846</u>

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB), CONTINUED

Year Ended	Plan	Net OPEB Obligation at Year End
6/30/2009	Postemployment Benefits Plan	\$ 781,105
6/30/2010	Postemployment Benefits Plan	\$ 1,485,110
6/30/2011	Postemployment Benefits Plan	\$ 2,227,846

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011 is as follows:

Actuarial valuation date	7/1/2010
Actuarial accrued liability (AAL)	13,452,793
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	13,452,793
Actuarial valuation of plan assets as a % of the AAL	0.0%
Covered payroll (active plan members)	10,974,607
UAAL as a % of covered payroll	122.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as requires supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 18 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) – CONTINUED

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each calculation and on the pattern of sharing costs between employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used to include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial assumptions included a 4.5 percent discount rate, an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of six percent after three years. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over a 30 year period beginning with July 1, 2008.

NOTE 19 – RESTATEMENT OF OPENING NET ASSETS

The governmental activities net assets at June 30, 2010 were understated by \$1,786,101 due to the following circumstances:

During the current year, it was discovered that the general infrastructure (i.e. roads) built and contributed by developers had not been recorded for a period of several years. Consequently, the governmental activities net assets were understated by \$1,947,652, net of related depreciation. Since these were general fixed assets, this had no effect on the governmental fund balances.

Due to the implementation of GASB 54, a fund that had previously been reported as a special revenue fund and included in the governmental activities net assets was reclassified as a private purpose trust and was therefore removed from the governmental activities net assets. This reduced the governmental activities net assets by \$161,550.82.

The business-type activities net assets at June 30, 2010 were understated by \$6,417,833 due to the following circumstances:

CITY OF LEBANON, TENNESSEE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2011

NOTE 20 – RESTATEMENT OF OPENING FUND BALANCES

During the current year, it was discovered that water and sewer infrastructure built and contributed by developers had not been recorded for a period of several years. Consequently, the business-type activities net assets were understated by \$6,051,824, net of depreciation.

During the current year, it was discovered that interest on the wastewater treatment plant construction loan had not been capitalized. Consequently, the business-type activities net assets were understated by \$366,009.

During the current fiscal year, the City implemented GASB 54. This required the reclassification of several funds, as follows:

The sanitation fund, which was previously reported as a special revenue fund, was reclassified as part of the general fund. Consequently, the general fund balance increased by \$130,732.82 and the governmental fund balances decreased by the same amount.

The Attorney General drug fund, which was previously reported as a special revenue fund, was reclassified as a private purpose trust. Consequently, the other governmental fund balances decreased by \$161,550.82

In addition, an error was discovered during the current year which required a restatement of the general and federal asset seizure fund balances. Consequently, the general fund balance was increased by \$37,318.73 and the other governmental fund balances were decreased by the same amount.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LEBANON TENNESSEE

SCHEDULE OF FUNDING PROGRESS FOR PENSION AND OPEB

JUNE 30, 2011

PENSION

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ 31,924	\$ 38,106	\$ 6,182	83.78%	\$ 12,536	49.31%
July 1, 2007	\$ 28,896	\$ 33,754	\$ 4,858	85.61%	\$ 11,630	41.77%

The Governmental Accounting Standards Board (GASB) requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the Entry Age actuarial cost method went into affect during the year of the 2007 actuarial valuation, therefore only the two most recent valuations are presented.

OTHER POSTEMPLOYMENT BENEFITS(OPEB)

Plan Year	Actuarial Value of Plan Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2008-2009	\$ -	\$ 12,130,481	\$ 12,130,481	0.0%	\$ 11,889,877	102.0%
2009-2010	\$ -	\$ 12,730,997	\$ 12,730,997	0.0%	\$ 10,785,925	118.0%
2010-2011	\$ -	\$ 13,643,309	\$ 13,643,309	0.0%	\$ 11,130,027	122.6%

SUPPLEMENTARY INFORMATION

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

ASSETS	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
Cash	\$ 280,090.12	\$ -	\$ 3.90	\$ 280,094.02
Investment in State Investment Pool	2,156,790.42	227,083.86	1,097,653.67	3,481,527.95
Accounts Receivable:				
State of Tennessee	-	-	-	-
Other	574,594.23	-	555,091.97	1,129,686.20
Due from Other Funds	-	-	37,461.21	37,461.21
Prepaid Expenses	-	-	-	-
	<u>\$ 3,011,474.77</u>	<u>\$ 227,083.86</u>	<u>\$ 1,690,210.75</u>	<u>\$ 4,928,769.38</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

LIABILITIES	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Accounts Payable				
Vendors	\$ 354,412.16	\$ -	\$ 706,715.17	\$ 1,061,127.33
Due to Other Funds	354,531.56	11,681.99	178,570.84	544,784.39
Bank Overdraft	30,261.65	-	9,890.00	40,151.65
Accrued Payroll and Related Items	35,532.40	-	-	35,532.40
Accrued Vacation Pay	4,956.58	-	-	4,956.58
Due to State	-	-	(277.40)	(277.40)
Total Liabilities	779,694.35	11,681.99	894,898.61	1,686,274.95
FUND BALANCES				
Fund Balances				
Restricted for:				
Debt Service	-	215,401.87	-	215,401.87
Street	498,107.93	-	324,343.51	822,451.44
Drug Enforcement	1,197,045.78	-	-	1,197,045.78
Community Assistance	40,267.05	-	-	40,267.05
Committed to:				
Airport	191,240.50	-	-	191,240.50
Cemetery	26,030.87	-	-	26,030.87
Assigned to:				
Recreation	-	-	208,093.37	208,093.37
Airport	99,837.31	-	46,100.77	145,938.08
Street	-	-	350,269.30	350,269.30
Public Works	131,010.84	-	-	131,010.84
Floyd Family Life Center	48,240.14	-	-	48,240.14
Unassigned	-	-	(133,494.81)	(133,494.81)
Total Fund Balances	2,231,780.42	215,401.87	795,312.14	3,242,494.43
Total Liabilities and Fund Balances	\$ 3,011,474.77	\$ 227,083.86	\$ 1,690,210.75	\$ 4,928,769.38

See notes to financial statements

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

Year Ended June 30, 2011

	Nonmajor Special Revenue	Nonmajor Debt Service	Nonmajor Capital Projects	Nonmajor Governmental Funds
Revenues				
State and Regional Apportionments and Grants	\$ 1,620,503.35	\$ -	\$ 579,283.92	\$ 2,199,787.27
Federal Grants	-	-	-	-
Fines and Costs	15,635.99	-	-	15,635.99
Interest	5,382.51	1,259.88	2,143.77	8,786.16
Other Revenues	1,617,438.70	-	1,312,812.71	2,930,251.41
Total Revenues	<u>3,258,960.55</u>	<u>1,259.88</u>	<u>1,894,240.40</u>	<u>5,154,460.83</u>
Expenditures				
General Government	16,692.81	802.50	-	17,495.31
Public Works	1,134,232.21	-	-	1,134,232.21
Police	117,600.80	-	10,899.96	128,500.76
Fire	-	-	-	-
Street	515,619.61	-	28,842.07	544,461.68
Jimmy Floyd Family Life Center	1,154,860.47	-	-	1,154,860.47
Airport	114,632.66	-	-	114,632.66
Debt Service:				
Principal	-	1,094,597.00	-	1,094,597.00
Interest	-	254,566.92	-	254,566.92
Capital Outlay	674,963.43	-	2,238,738.79	2,913,702.22
Total Expenditures	<u>3,728,601.99</u>	<u>1,349,966.42</u>	<u>2,278,480.82</u>	<u>7,357,049.23</u>
Excess (Deficiency) of Revenues Over Expenditures	(469,641.44)	(1,348,706.54)	(384,240.42)	(2,202,588.40)
Other Financing Sources (Uses)				
Transfers From Other Funds	344,250.00	1,350,860.35	185,713.08	1,880,823.43
Transfers To Other Funds	(90,213.08)	-	(252,000.00)	(342,213.08)
Total Other Financing Sources (Uses)	<u>254,036.92</u>	<u>1,350,860.35</u>	<u>(66,286.92)</u>	<u>1,538,610.35</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(215,604.52)	2,153.81	(450,527.34)	(663,978.05)
Fund Balances				
July 1, 2010	2,447,384.94	213,248.06	1,245,839.48	3,906,472.48
June 30, 2011	<u>\$ 2,231,780.42</u>	<u>\$ 215,401.87</u>	<u>\$ 795,312.14</u>	<u>\$ 3,242,494.43</u>

See notes to financial statements

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

June 30, 2011

ASSETS	Stormwater Fund	State Street Aid	Drug Enforcement Fund
Cash	\$ 1,012.87	\$ 3,812.59	\$ 51,334.05
Investment in State Investment Pool	141,712.38	536,411.59	962,669.64
Other Receivables	-	-	-
Total Assets	<u>\$ 142,725.25</u>	<u>\$ 540,224.18</u>	<u>\$ 1,014,003.69</u>
 LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 20.41	\$ 40,320.64	\$ 1,240.82
Due to Other Funds	8,226.07	-	-
Bank Overdraft	20.64	1,119.84	10,900.20
Accrued Payroll and Related Items	3,206.97	675.77	-
Accrued Vacation Pay	2,329.56	-	-
Total Liabilities	<u>13,803.65</u>	<u>42,116.25</u>	<u>12,141.02</u>
 Fund Balances:			
Restricted for:			
Street	-	498,107.93	-
Drug Enforcement	-	-	1,001,862.67
Community Assistance	-	-	-
Committed to:			
Airport	-	-	-
Cemetery	-	-	-
Assigned to:			
Public Works	128,921.60	-	-
Floyd Family Life Center	-	-	-
Airport	-	-	-
Total Fund Balance	<u>128,921.60</u>	<u>498,107.93</u>	<u>1,001,862.67</u>
 Total Liabilities and Fund Balance	 <u>\$ 142,725.25</u>	 <u>\$ 540,224.18</u>	 <u>\$ 1,014,003.69</u>

See notes to financial statements

Jimmy Floyd Family Life Center	Spirit Of Christmas Fund	Mayor's Youth Council	Airport Operations	Beautification Committee
\$ 127,171.42	\$ 35,060.56	\$ 549.90	\$ -	\$ 22.54
-	-	-	293,368.65	4,674.05
2,896.66	-	-	4,705.09	-
<u>\$ 130,068.08</u>	<u>\$ 35,060.56</u>	<u>\$ 549.90</u>	<u>\$ 298,073.74</u>	<u>\$ 4,696.59</u>
\$ 27,821.97	\$ 40.00	\$ -	\$ (6,437.63)	\$ -
10,011.32	-	-	4,930.56	-
9,717.97	-	-	8,503.00	-
31,649.66	-	-	-	-
2,627.02	-	-	-	-
<u>81,827.94</u>	<u>40.00</u>	<u>-</u>	<u>6,995.93</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	35,020.56	549.90	-	4,696.59
-	-	-	191,240.50	-
-	-	-	-	-
-	-	-	-	-
48,240.14	-	-	-	-
-	-	-	99,837.31	-
<u>48,240.14</u>	<u>35,020.56</u>	<u>549.90</u>	<u>291,077.81</u>	<u>4,696.59</u>
<u>\$ 130,068.08</u>	<u>\$ 35,060.56</u>	<u>\$ 549.90</u>	<u>\$ 298,073.74</u>	<u>\$ 4,696.59</u>

See notes to financial statements

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

June 30, 2011

ASSETS	Violent Crime Task Force	Cemetary Maintenance	Federal Asset Seizure
Cash	\$ 12,061.80	\$ 0.23	\$ 28,516.67
Investment in State Investment Pool	-	26,030.64	147,647.10
Other Receivables	-	-	-
Total Assets	<u>\$ 12,061.80</u>	<u>\$ 26,030.87</u>	<u>\$ 176,163.77</u>
 LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	37,318.83
Bank Overdraft	-	-	-
Accrued Payroll and Related Items	-	-	-
Accrued Vacation Pay	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>37,318.83</u>
 Fund Balances:			
Restricted for:			
Street	-	-	-
Drug Enforcement	12,061.80	-	138,844.94
Community Assistance	-	-	-
Committed to:			
Airport	-	-	-
Cemetary	-	26,030.87	-
Assigned to:			
Public Works	-	-	-
Floyd Family Life Center	-	-	-
Airport	-	-	-
Total Fund Balance	<u>12,061.80</u>	<u>26,030.87</u>	<u>138,844.94</u>
 Total Liabilities and Fund Balance	 <u>\$ 12,061.80</u>	 <u>\$ 26,030.87</u>	 <u>\$ 176,163.77</u>

See notes to financial statements

Permobil FIDP	Law Enforcement Support Organization	Total Nonmajor Funds
\$ 20,547.49	\$ -	\$ 280,090.12
-	44,276.37	2,156,790.42
566,992.48	-	574,594.23
<u>\$ 587,539.97</u>	<u>\$ 44,276.37</u>	<u>\$ 3,011,474.77</u>
\$ 291,405.95	\$ -	\$ 354,412.16
294,044.78	-	354,531.56
-	-	30,261.65
-	-	35,532.40
-	-	4,956.58
<u>585,450.73</u>	<u>-</u>	<u>779,694.35</u>
-	-	498,107.93
	44,276.37	1,197,045.78
	-	40,267.05
	-	191,240.50
	-	26,030.87
2,089.24	-	131,010.84
	-	48,240.14
	-	99,837.31
<u>2,089.24</u>	<u>44,276.37</u>	<u>2,231,780.42</u>
<u>\$ 587,539.97</u>	<u>\$ 44,276.37</u>	<u>\$ 3,011,474.77</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2011

	Stormwater Fund	State Street Aid	Drug Enforcement Fund
Revenues:			
State and Regional			
Apportionments and Grants	\$ -	\$ 723,703.48	\$ -
Contributions	-	-	-
Interest Income	307.82	1,044.30	2,058.33
Fines and Costs	-	-	15,635.99
Memberships, Fees and Concessions	-	-	-
Other	137,030.15	-	10,988.21
Total Revenues	<u>137,337.97</u>	<u>724,747.78</u>	<u>28,682.53</u>
Expenditures:			
Salaries	123,390.51	22,779.75	-
Payroll Taxes	8,592.53	1,742.68	-
Benefits	59,404.03	-	-
Other Operating Expenditures	26,445.98	491,097.18	109,293.03
Capital Outlay	-	39,600.70	79,271.49
Total Expenditures	<u>217,833.05</u>	<u>555,220.31</u>	<u>188,564.52</u>
Excess of Revenues Over (Under)			
Expenditures	(80,495.08)	169,527.47	(159,881.99)
Other Financing Sources (Uses):			
Operating Transfers To Other funds	-	(75,000.00)	-
Operating Transfers From Other Funds	132,750.00	-	-
Total Other Financing Sources (Uses)	<u>132,750.00</u>	<u>(75,000.00)</u>	<u>-</u>
Excess of Revenues and Other Sources			
Over (Under) Expenditures and Other			
Uses	52,254.92	94,527.47	(159,881.99)
Fund Balances:			
July 1, 2010	76,666.68	403,580.46	1,161,744.66
	-	-	-
June 30, 2011	<u>\$ 128,921.60</u>	<u>\$ 498,107.93</u>	<u>\$ 1,001,862.67</u>

See notes to financial statements

<u>Jimmy Floyd Family Life Center</u>	<u>Spirit Of Christmas Fund</u>	<u>Mayor's Youth Council</u>	<u>Airport Operations</u>	<u>Beautification Committee</u>
\$ -	\$ -	\$ -	\$ 13,000.00	\$ -
-	23,973.88	-	-	5,550.00
240.14	63.64	-	496.17	7.38
-	-	-	-	-
1,148,821.05	-	-	-	-
67,574.91	-	-	127,499.71	-
<u>1,216,636.10</u>	<u>24,037.52</u>	<u>-</u>	<u>140,995.88</u>	<u>5,557.38</u>
545,411.54	-	-	-	-
39,602.35	-	-	-	-
147,072.71	-	-	-	-
422,773.87	14,702.46	500.00	114,632.66	1,490.35
155,743.00	-	-	-	-
<u>1,310,603.47</u>	<u>14,702.46</u>	<u>500.00</u>	<u>114,632.66</u>	<u>1,490.35</u>
(93,967.37)	9,335.06	(500.00)	26,363.22	4,067.03
-	-	-	(15,213.08)	-
200,000.00	-	-	11,500.00	-
<u>200,000.00</u>	<u>-</u>	<u>-</u>	<u>(3,713.08)</u>	<u>-</u>
106,032.63	9,335.06	(500.00)	22,650.14	4,067.03
(57,792.49)	25,685.50	1,049.90	268,427.67	629.56
-	-	-	-	-
<u>\$ 48,240.14</u>	<u>\$ 35,020.56</u>	<u>\$ 549.90</u>	<u>\$ 291,077.81</u>	<u>\$ 4,696.59</u>

See notes to financial statements

CITY OF LEBANON, TENNESSEE
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
Year Ended June 30, 2011

	<u>Violent Crime Task Force</u>	<u>Cemetary Maintenance</u>	<u>Federal Asset Seizure</u>
Revenues:			
State and Regional			
Apportionments and Grants	\$ -	\$ -	\$ -
Contributions	-	-	-
Interest Income	-	39.27	355.66
Fines and Costs	-	-	-
Memberships, Fees and Concessions	-	16,180.00	-
Other	-	-	80,585.23
Total Revenues	<u>-</u>	<u>16,219.27</u>	<u>80,940.89</u>
Expenditures:			
Salaries	-	-	-
Payroll Taxes	-	-	-
Benefits	-	-	-
Other Operating Expenditures	4,945.61	-	3,362.16
Capital Outlay	-	-	16,475.50
Total Expenditures	<u>4,945.61</u>	<u>-</u>	<u>19,837.66</u>
Excess of Revenues Over (Under) Expenditures	(4,945.61)	16,219.27	61,103.23
Other Financing Sources (Uses):			
Operating Transfers To Other funds	-	-	-
Operating Transfers From Other Funds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,945.61)	16,219.27	61,103.23
Fund Balances:			
July 1, 2010	17,007.41	9,811.60	77,741.71
June 30, 2011	<u>\$ 12,061.80</u>	<u>\$ 26,030.87</u>	<u>\$ 138,844.94</u>

See notes to financial statements

Permobil FIDP	Law Enforcement Support Organization	Total Nonmajor Funds
\$ 883,799.87	\$ -	\$ 1,620,503.35
(45,031.07)	-	(15,507.19)
760.06	9.74	5,382.51
	-	15,635.99
	-	1,165,001.05
	44,266.63	467,944.84
<u>839,528.86</u>	<u>44,276.37</u>	<u>3,258,960.55</u>
-	-	691,581.80
-	-	49,937.56
-	-	206,476.74
916,399.16	-	2,105,642.46
383,872.74	-	674,963.43
<u>1,300,271.90</u>	<u>-</u>	<u>3,728,601.99</u>
(460,743.04)	44,276.37	(469,641.44)
-	-	(90,213.08)
-	-	344,250.00
<u>-</u>	<u>-</u>	<u>254,036.92</u>
(460,743.04)	44,276.37	(215,604.52)
462,832.28	-	2,447,384.94
<u>\$ 2,089.24</u>	<u>\$ 44,276.37</u>	<u>\$ 2,231,780.42</u>

See notes to financial statements

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

June 30, 2011

ASSETS	<u>Police Local Option Fine</u>	<u>Street Improvements</u>
Cash	\$ 1.28	\$ 0.55
Investment in State Investment Pool	-	804,238.64
Due from Other Funds	3,779.22	11,681.99
Other Receivables	216.66	520,074.34
Total Assets	<u>\$ 3,997.16</u>	<u>\$ 1,335,995.52</u>
LIABILITIES AND FUND BALANCES		
Due to Other Funds	\$ 135,274.57	\$ 21,296.27
Due to State	-	-
Bank Overdraft	-	-
Accounts Payable	2,217.40	662,589.36
Total Liabilities	<u>137,491.97</u>	<u>683,885.63</u>
Fund Balances:		
Restricted for:		
Street	-	324,343.51
Assigned to:		
Recreation	-	-
Airport	-	-
Street	-	327,766.38
Unassigned	(133,494.81)	-
Total Fund Balances	<u>(133,494.81)</u>	<u>652,109.89</u>
Total Liabilities and Fund Balances	<u>\$ 3,997.16</u>	<u>\$ 1,335,995.52</u>

See notes to financial statements

Airport Capital Projects	Payment in Lieu of Sidewalks	Lebanon- Wilson County Community Park	Total Nonmajor Funds
\$ -	\$ -	\$ 2.07	\$ 3.90
63,282.33	44,502.92	185,629.78	1,097,653.67
-	-	22,000.00	37,461.21
32,910.79	-	1,890.18	555,091.97
<u>\$ 96,193.12</u>	<u>\$ 44,502.92</u>	<u>\$ 209,522.03</u>	<u>\$ 1,690,210.75</u>
\$ -	\$ 22,000.00	\$ -	\$ 178,570.84
(277.40)	-	-	(277.40)
9,890.00	-	-	9,890.00
40,479.75	-	1,428.66	706,715.17
<u>50,092.35</u>	<u>22,000.00</u>	<u>1,428.66</u>	<u>894,898.61</u>
-	-	-	324,343.51
-	-	208,093.37	208,093.37
46,100.77	-	-	46,100.77
-	22,502.92	-	350,269.30
-	-	-	(133,494.81)
<u>46,100.77</u>	<u>22,502.92</u>	<u>208,093.37</u>	<u>795,312.14</u>
<u>\$ 96,193.12</u>	<u>\$ 44,502.92</u>	<u>\$ 209,522.03</u>	<u>\$ 1,690,210.75</u>

See notes to financial statements

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

June 30, 2011

Revenues	Police Local Option Fine	Street Improvements	Airport Capital Projects
State Grants and Contracts	\$ -	\$ 520,074.34	\$ 63,581.64
Federal Grants	-	-	-
Other Revenues	195,847.71	1,029,500.00	43,000.00
Interest Earnings	(388.93)	2,129.85	159.97
Total Revenues	<u>195,458.78</u>	<u>1,551,704.19</u>	<u>106,741.61</u>
Expenditures			
Other Operating	10,899.96	28,842.07	-
Capital Outlay	114,421.36	2,053,075.05	54,937.29
Total Expenditures	<u>125,321.32</u>	<u>2,081,917.12</u>	<u>54,937.29</u>
Excess of Revenues Over (Under) Expenditures	70,137.46	(530,212.93)	51,804.32
Other Financing Sources (Uses)			
Operating Transfers To Other Funds	-	(230,000.00)	
Operating Transfers From Other Funds	-	-	28,713.08
Total Other Financing Sources (Uses)	<u>-</u>	<u>(230,000.00)</u>	<u>28,713.08</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	70,137.46	(760,212.93)	80,517.40
Fund Balances			
July 1, 2010	<u>(203,632.27)</u>	<u>1,412,322.82</u>	<u>(34,416.63)</u>
June 30, 2011	<u>\$ (133,494.81)</u>	<u>\$ 652,109.89</u>	<u>\$ 46,100.77</u>

See notes to financial statements

Payment in Lieu of Sidewalks	Lebanon-Wilson County Community Park	Total Nonmajor Funds
\$ -	\$ (4,372.06)	\$ 579,283.92
-	-	-
44,465.00		1,312,812.71
37.92	204.96	2,143.77
<u>44,502.92</u>	<u>(4,167.10)</u>	<u>1,894,240.40</u>
-	-	39,742.03
-	16,305.09	2,238,738.79
<u>-</u>	<u>16,305.09</u>	<u>2,278,480.82</u>
44,502.92	(20,472.19)	(384,240.42)
(22,000.00)	-	(252,000.00)
-	157,000.00	185,713.08
<u>(22,000.00)</u>	<u>157,000.00</u>	<u>(66,286.92)</u>
22,502.92	136,527.81	(450,527.34)
-	71,565.56	1,245,839.48
<u>\$ 22,502.92</u>	<u>\$ 208,093.37</u>	<u>\$ 795,312.14</u>

See notes to financial statements

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

June 30, 2011

ASSETS	1993 <u>Bond Fund</u>	2004 <u>Bond Fund</u>	2003 <u>Bond Fund</u>
Investment in State Investment Pool	\$ 19,860.94	\$ 16,740.25	\$ 119,695.33
 LIABILITIES AND FUND BALANCES			
Due to Other Funds	\$ -	\$ -	\$ -
Fund Balances - Restricted for Debt Service	19,860.94	16,740.25	119,695.33
Total Liabilities and Fund Balances	<u>\$ 19,860.94</u>	<u>\$ 16,740.25</u>	<u>\$ 119,695.33</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

Year Ended June 30, 2011

	1993 <u>Bond Fund</u>	2004 <u>Bond Fund</u>	2003 <u>Bond Fund</u>
Revenues			
Interest Income	\$ 206.23	\$ 177.06	\$ 455.16
Expenditures			
Bank Service Charges	-	-	482.50
Principal	204,597.00	176,000.00	380,000.00
Interest	3,190.75	15,549.11	83,662.50
Total Expenditures	<u>207,787.75</u>	<u>191,549.11</u>	<u>464,145.00</u>
Excess of Revenues Over (Under) Expenditures	(207,581.52)	(191,372.05)	(463,689.84)
Other Financing Sources (Uses)			
Operating Transfers From Other Funds	208,442.50	191,882.44	464,087.51
Total Other Financing Sources (Uses)	<u>208,442.50</u>	<u>191,882.44</u>	<u>464,087.51</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	860.98	510.39	397.67
Fund Balances			
July 1, 2010	<u>18,999.96</u>	<u>16,229.86</u>	<u>119,297.66</u>
June 30, 2011	<u>\$ 19,860.94</u>	<u>\$ 16,740.25</u>	<u>\$ 119,695.33</u>

See notes to financial statements

<u>2008 Refunding Bond Fund</u>	<u>2008 Bond Fund</u>	<u>Total Nonmajor Funds</u>
\$ 58,431.44	\$ 12,355.90	\$ 227,083.86
\$ -	\$ 11,681.99	11,681.99
58,431.44	673.91	215,401.87
<u>\$ 58,431.44</u>	<u>\$ 12,355.90</u>	<u>\$ 227,083.86</u>

<u>2008 Refunding Bond Fund</u>	<u>2008 Bond Fund</u>	<u>Total Nonmajor Funds</u>
\$ 278.97	\$ 142.46	\$ 1,259.88
320.00	-	802.50
210,000.00	124,000.00	1,094,597.00
130,045.00	22,119.56	254,566.92
<u>340,365.00</u>	<u>146,119.56</u>	<u>1,349,966.42</u>
(340,086.03)	(145,977.10)	(1,348,706.54)
339,828.34	146,619.56	1,350,860.35
<u>339,828.34</u>	<u>146,619.56</u>	<u>1,350,860.35</u>
(257.69)	642.46	2,153.81
58,689.13	31.45	213,248.06
<u>\$ 58,431.44</u>	<u>\$ 673.91</u>	<u>\$ 215,401.87</u>

See notes to financial statements

CITY OF LEBANON TENNESSEE
STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS

June 30, 2011

ASSETS

Cash	\$ 194,483.69
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LIABILITIES AND NET ASSETS

Due to City of Lebanon	\$ 4,730.88
Due to Private Entities	38,792.94
Total Liabilities	43,523.82

Net Assets, Held In Trust	150,959.87
Total Liabilities and Net Assets	\$ 194,483.69

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS

Year Ended June 30, 2011

Additions	
Interest	\$ 1,760.57
Deductions	
Training	2,060.00
Travel	5,505.52
Other	4,786.00
Total Deductions	12,351.52
Change in Net Assets	(10,590.95)
Net Assets	
July 1, 2010	161,550.82
June 30, 2011	\$ 150,959.87

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest	\$ -	\$ -	\$ 307.82	\$ 307.82
Fees	124,000.00	124,000.00	137,030.15	13,030.15
Total Revenue	<u>124,000.00</u>	<u>124,000.00</u>	<u>137,337.97</u>	<u>13,337.97</u>
Expenditures				
Salaries	125,693.14	121,286.95	123,390.51	(2,103.56)
Payroll Taxes	9,546.68	9,069.85	8,592.53	477.32
Benefits	56,999.32	60,982.34	59,404.03	1,578.31
Engineering	8,500.00	12,500.00	11,368.54	1,131.46
Contractual Services	16,000.00	16,000.00	8,658.50	7,341.50
Repairs & Maintenance	290.00	290.00	3.46	286.54
Other Operating Expenditures	19,120.86	20,020.86	6,415.48	13,605.38
Capital Outlay	20,600.00	20,600.00	0.00	20,600.00
Total Expenditures	<u>256,750.00</u>	<u>260,750.00</u>	<u>217,833.05</u>	<u>42,916.95</u>
Excess of Revenues Over (Under)				
Expenditures	(132,750.00)	(136,750.00)	(80,495.08)	56,254.92
Other Financing Sources (Uses)				
Transfers From Other Funds	<u>132,750.00</u>	<u>132,750.00</u>	<u>132,750.00</u>	<u>-</u>
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ (4,000.00)</u>	52,254.92	<u>\$ 56,254.92</u>
Fund Balances				
July 1, 2010			<u>76,666.68</u>	
June 30, 2011			<u>\$ 128,921.60</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
State of Tennessee, Gasoline Tax	\$ 670,000.00	\$ 670,000.00	\$ 678,250.68	\$ 8,250.68
Contract	-	-	45,452.80	45,452.80
Interest Income	2,000.00	2,000.00	1,044.30	(955.70)
Total Revenues	672,000.00	672,000.00	724,747.78	52,747.78
Expenditures				
Salaries	-	24,616.81	22,779.75	1,837.06
Payroll Taxes	-	1,883.19	1,742.68	140.51
Utilities	490,000.00	490,000.00	465,881.29	24,118.71
Maintenance	-	-	296.01	(296.01)
Capital Expenditures	175,000.00	73,500.00	39,600.70	33,899.30
Street Paving and Repairs	7,000.00	57,000.00	24,919.88	32,080.12
Total Expenditures	672,000.00	647,000.00	555,220.31	91,779.69
Excess of Revenues Over (Under)				
Expenditures	-	25,000.00	169,527.47	144,527.47
Other Financing Sources(Uses)				
Operating Transfers Out	-	(75,000.00)	(75,000.00)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (50,000.00)	94,527.47	\$ 144,527.47
Fund Balances				
July 1, 2010			403,580.46	
June 30, 2011			\$ 498,107.93	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 DRUG ENFORCEMENT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Court Fines and Cost	\$ 20,000.00	\$ 20,000.00	\$ 15,635.99	\$ (4,364.01)
Interest Income	18,000.00	18,000.00	2,058.33	(15,941.67)
Other	94,000.00	94,000.00	10,988.21	(83,011.79)
Total Revenues	<u>132,000.00</u>	<u>132,000.00</u>	<u>28,682.53</u>	<u>(103,317.47)</u>
Expenditures				
Operating Supplies	70,000.00	72,500.00	69,516.97	2,983.03
Capital Expenditures	23,000.00	142,796.00	79,271.49	63,524.51
Other	39,000.00	38,324.00	39,776.06	(1,452.06)
Total Expenditures	<u>132,000.00</u>	<u>253,620.00</u>	<u>188,564.52</u>	<u>65,055.48</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ (121,620.00)</u>	(159,881.99)	<u>\$ (168,372.95)</u>
Fund Balances				
July 1, 2010			<u>1,161,744.66</u>	
June 30, 2011			<u>\$ 1,001,862.67</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 JIMMY FLOYD FAMILY LIFE CENTER
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Memberships	\$ 800,000.00	\$ 800,000.00	\$ 789,663.31	\$ (10,336.69)
Fees	328,500.00	328,500.00	305,382.26	(23,117.74)
Rent	45,000.00	45,000.00	37,221.41	(7,778.59)
Concessions	55,000.00	65,000.00	53,775.48	(11,224.52)
Interest	(1,500.00)	(1,500.00)	240.14	1,740.14
Miscellaneous	-	30,353.50	30,353.50	0.00
Total Revenues	<u>1,227,000.00</u>	<u>1,267,353.50</u>	<u>1,216,636.10</u>	<u>(50,717.40)</u>
Expenditures				
Salaries	571,721.59	572,956.94	545,411.54	27,545.40
Payroll Taxes	43,736.67	42,326.51	39,602.35	2,724.16
Benefits	175,842.98	176,017.79	147,072.71	28,945.08
Training	5,000.00	5,000.00	3,160.95	1,839.05
Postage and Shipping	3,000.00	3,000.00	1,200.59	1,799.41
Printing	5,000.00	5,000.00	4,601.52	398.48
Public Relations	1,200.00	1,200.00	769.00	431.00
Utilities	198,000.00	198,000.00	194,456.67	3,543.33
Telephone	13,000.00	13,000.00	11,787.90	1,212.10
Maintenance	24,819.58	62,173.08	60,209.43	1,963.65
Travel	1,500.00	1,500.00	998.71	501.29
Contractual Services	15,500.00	15,500.00	11,161.82	4,338.18
Supplies	117,094.18	125,594.18	110,242.31	15,351.87
Uniforms	3,500.00	2,500.00	1,691.00	809.00
Insurance	15,000.00	15,000.00	12,303.56	2,696.44
Miscellaneous	10,085.00	11,085.00	10,190.41	894.59
Capital Outlay	223,000.00	217,500.00	155,743.00	61,757.00
Total Expenditures	<u>1,427,000.00</u>	<u>1,467,353.50</u>	<u>1,310,603.47</u>	<u>156,750.03</u>
Excess of Revenues Over (Under)				
Expenditures	(200,000.00)	(200,000.00)	(93,967.37)	106,032.63
Other Financing Sources (Uses)				
Operating Transfers In	<u>200,000.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>-</u>
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>106,032.63</u>	<u>\$ 106,032.63</u>
Fund Balances				
July 1, 2010			<u>(57,792.49)</u>	
June 30, 2011			<u>\$ 48,240.14</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ -	\$ -	\$ 63.64	\$ 63.64
Contributions and Fundraiser	24,000.00	24,000.00	23,973.88	(26.12)
Total Revenues	<u>24,000.00</u>	<u>24,000.00</u>	<u>24,037.52</u>	<u>37.52</u>
Expenditures				
Other	<u>24,000.00</u>	<u>24,000.00</u>	14,702.46	<u>9,297.54</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	9,335.06	<u>\$ 9,335.06</u>
Fund Balances				
July 1, 2010			<u>25,685.50</u>	
June 30, 2011			<u>\$ 35,020.56</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
MAYOR'S YOUTH COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Contributions	\$ 5,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)
Expenditures				
Operating Expenditures	<u>5,000.00</u>	<u>5,000.00</u>	<u>500.00</u>	<u>4,500.00</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	(500.00)	<u>\$ (500.00)</u>
Fund Balances				
July 1, 2010			<u>1,049.90</u>	
June 30, 2011			<u>\$ 549.90</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues:				
State Grant	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ -
Rent	96,200.00	96,200.00	106,989.29	10,789.29
Fuel Sales	20,000.00	20,000.00	20,510.42	510.42
Interest	-	-	496.17	496.17
Total Revenues	<u>129,200.00</u>	<u>129,200.00</u>	<u>140,995.88</u>	<u>11,795.88</u>
Expenditures:				
Utilities	16,000.00	16,000.00	13,580.76	2,419.24
Repairs & Maintenance	42,000.00	42,000.00	34,878.47	7,121.53
Contractual Services	40,000.00	40,000.00	39,527.91	472.09
Management Fee	12,000.00	12,000.00	10,890.00	1,110.00
Other Operating	30,700.00	30,700.00	15,755.52	14,944.48
Total Expenditures	<u>140,700.00</u>	<u>140,700.00</u>	<u>114,632.66</u>	<u>26,067.34</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,500.00)</u>	<u>(11,500.00)</u>	<u>26,363.22</u>	<u>37,863.22</u>
Other Financing Sources (Uses):				
Operating Transfers Out	-	-	(15,213.08)	(15,213.08)
Operating Transfers In	11,500.00	11,500.00	11,500.00	-
Total Other Financing Sources Uses)	<u>11,500.00</u>	<u>11,500.00</u>	<u>(3,713.08)</u>	<u>(15,213.08)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>22,650.14</u>	<u>\$ 22,650.14</u>
Fund Balance				
July 1, 2010			<u>268,427.67</u>	
June 30, 2011			<u>\$ 291,077.81</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Donations	\$ 7,500.00	\$ 7,500.00	\$ 5,550.00	\$ (1,950.00)
Interest	-	-	7.38	7.38
	<u>7,500.00</u>	<u>7,500.00</u>	<u>5,557.38</u>	<u>(1,942.62)</u>
Expenditures				
Operating Expenditures	<u>7,500.00</u>	<u>7,500.00</u>	<u>1,490.35</u>	<u>6,009.65</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	4,067.03	<u>\$ 4,067.03</u>
Fund Balances				
July 1, 2010			<u>629.56</u>	
June 30, 2011			<u>\$ 4,696.59</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
VIOLENT CRIME TASK FORCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Drug Task Force	\$ 6,400.00	\$ 6,400.00	\$ -	\$ (6,400.00)
Expenditures:				
Other Operating	6,400.00	6,400.00	4,945.61	1,454.39
Total Expenditures	<u>6,400.00</u>	<u>6,400.00</u>	<u>4,945.61</u>	<u>1,454.39</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	(4,945.61)	<u>\$ (4,945.61)</u>
Fund Balances				
July 1, 2010			<u>17,007.41</u>	
June 30, 2011			<u>\$ 12,061.80</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Cemetery Maintenance Fees	\$ 7,000.00	\$ 7,000.00	\$ 16,180.00	\$ 9,180.00
Interest Income	-	-	39.27	39.27
Total Revenues	<u>7,000.00</u>	<u>7,000.00</u>	<u>16,219.27</u>	<u>9,219.27</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ 7,000.00</u>	<u>\$ 7,000.00</u>	16,219.27	<u>\$ 9,219.27</u>
Fund Balances				
July 1, 2010			<u>9,811.60</u>	
June 30, 2011			<u>\$ 26,030.87</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 FEDERAL ASSET SEIZURE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Interest	\$ 5,000.00	\$ 5,000.00	\$ 355.66	\$ (4,644.34)
Federal Payment - Asset Seizure	38,000.00	38,000.00	80,585.23	42,585.23
Total Revenues	<u>43,000.00</u>	<u>43,000.00</u>	<u>80,940.89</u>	<u>37,940.89</u>
Expenditures:				
Other Operating	-	7,370.00	3,362.16	4,007.84
Capital Outlay	43,000.00	35,630.00	16,475.50	19,154.50
Total Expenditures	<u>43,000.00</u>	<u>43,000.00</u>	<u>19,837.66</u>	<u>23,162.34</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	61,103.23	<u>\$ 61,103.23</u>
Fund Balances				
July 1, 2010			77,741.71	
June 30, 2011			<u>\$ 138,844.94</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 PERMOBIL FIDP
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Contributions	\$ 242,000.00	\$ 242,000.00	\$ (45,031.07)	\$ (287,031.07)
Grant	315,000.00	315,000.00	499,094.48	184,094.48
Contract	218,000.00	218,000.00	384,705.39	
Interest	-	-	760.06	760.06
Total Revenues	775,000.00	775,000.00	839,528.86	64,528.86
Expenditures:				
Capital Expenditures	275,000.00	383,653.49	383,872.74	(219.25)
Office Supplies	-	-	242,556.11	(242,556.11)
Contributions in Aid of Constructi	500,000.00	1,050,000.00	673,843.05	376,156.95
Total Expenditures	775,000.00	1,433,653.49	1,300,271.90	133,381.59
Excess of Revenues Over (Under)				
Expenditures	\$ -	\$ (658,653.49)	(460,743.04)	\$ (197,910.45)
Fund Balances				
July 1, 2010			462,832.28	
June 30, 2011			\$ 2,089.24	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 LAW ENFORCEMENT SUPPORT ORGANIZATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Interest Income	\$ -	\$ -	\$ 9.74	\$ 9.74
Sale of Equipment	-	-	44,266.63	44,266.63
Total Revenues	<u>-</u>	<u>-</u>	<u>44,276.37</u>	<u>44,276.37</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ -</u>	44,276.37	<u>\$ 44,276.37</u>
Fund Balances				
July 1, 2010			<u>-</u>	
June 30, 2011			<u>\$ 44,276.37</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Interest	\$ -	\$ -	\$ (388.93)	\$ (388.93)
Local Option Court Fines	220,000.00	220,000.00	195,847.71	(24,152.29)
Total Revenues	<u>220,000.00</u>	<u>220,000.00</u>	<u>195,458.78</u>	<u>(24,541.22)</u>
Expenditures:				
Other Operating	109,000.00	110,300.00	10,899.96	99,400.04
Capital Outlay	111,000.00	115,021.36	114,421.36	600.00
Total Expenditures	<u>220,000.00</u>	<u>225,321.36</u>	<u>125,321.32</u>	<u>100,000.04</u>
Excess of Revenues Over (Under)				
Expenditures	<u>\$ -</u>	<u>\$ (5,321.36)</u>	70,137.46	<u>\$ 75,458.82</u>
Fund Balances				
July 1, 2010			<u>(203,632.27)</u>	
June 30, 2011			<u>\$ (133,494.81)</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Earnings	\$ -	\$ -	\$ 2,129.85	\$ 2,129.85
Contracts	-	620,000.00	520,074.34	(99,925.66)
Contributions	-	-	1,029,500.00	1,029,500.00
Total Revenues	-	620,000.00	1,551,704.19	931,704.19
Expenditures				
Other Operating Expenditures	40,000.00	40,000.00	28,842.07	11,157.93
Capital Outlay	305,000.00	1,158,788.00	2,053,075.05	(894,287.05)
Total Expenditures	345,000.00	1,198,788.00	2,081,917.12	(883,129.12)
Excess of Revenues Over (Under)				
Expenditures	(345,000.00)	(578,788.00)	(530,212.93)	48,575.07
Other Financing Sources (Uses)				
Operating Transfers In (Out)	-	(230,000.00)	(230,000.00)	-
Total Other Financing Sources (Uses)	-	(230,000.00)	(230,000.00)	0.00
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	(\$345,000.00)	(\$808,788.00)	(760,212.93)	\$ (48,575.07)
Fund Balances				
July 1, 2010			1,412,322.82	
June 30, 2011			\$652,109.89	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
State Grant	\$ -	\$ 95,000.00	\$ 63,581.64	\$ (31,418.36)
Other	-	-	43,000.00	43,000.00
Interest Earnings	-	-	159.97	159.97
Total Revenues	<u>-</u>	<u>95,000.00</u>	<u>106,741.61</u>	<u>11,741.61</u>
Expenditures				
Airport Capital Outlay	13,500.00	108,500.00	54,937.29	53,562.71
Total Expenditures	<u>13,500.00</u>	<u>108,500.00</u>	<u>54,937.29</u>	<u>53,562.71</u>
Excess of Revenues Over (Under) Expenditures	(13,500.00)	(13,500.00)	51,804.32	65,304.32
Other Financing Sources (Uses)				
Operating Transfers In	13,500.00	13,500.00	28,713.08	15,213.08
Total Other Financing Sources (Uses)	<u>13,500.00</u>	<u>13,500.00</u>	<u>28,713.08</u>	<u>15,213.08</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	80,517.40	<u>\$ 80,517.40</u>
Fund Balances				
July 1, 2010			<u>(34,416.63)</u>	
June 30, 2011			<u>\$ 46,100.77</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Fees	\$ -	\$ -	\$ 44,465.00	\$ 44,465.00
Interest Earnings	-	-	37.92	37.92
Total Revenues	-	-	44,502.92	44,502.92
Other Financing Sources (Uses)				
Operating Transfers Out	-	(22,000.00)	(22,000.00)	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (22,000.00)	22,502.92	\$ 44,502.92
Fund Balances				
July 1, 2010			-	
June 30, 2011			\$ 22,502.92	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 LEBANON-WILSON COUNTY COMMUNITY PARK FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Contract	\$ 100,000.00	\$ 340,000.00	\$ (4,372.06)	\$ (344,372.06)
Interest Earnings	-	-	204.96	204.96
Total Revenues	100,000.00	340,000.00	(4,167.10)	(344,167.10)
Expenditures				
Capital Outlay	125,000.00	580,000.00	16,305.09	563,694.91
Total Expenditures	125,000.00	580,000.00	16,305.09	563,694.91
Excess of Revenues Over (Under) Expenditures	(25,000.00)	(240,000.00)	(20,472.19)	219,527.81
Other Financing Sources (Uses)				
Operating Transfers In	25,000.00	157,000.00	157,000.00	-
Total Other Financing Sources (Uses)	25,000.00	157,000.00	157,000.00	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ (83,000.00)	136,527.81	219,527.81
Fund Balances				
July 1, 2010			71,565.56	
June 30, 2011			\$ 208,093.37	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 1992 G.O. BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 500.00	\$ 500.00	\$ 206.23	\$ (293.77)
Expenditures				
Principal	204,597.00	204,597.00	204,597.00	-
Interest	16,503.00	16,503.00	3,190.75	13,312.25
Total Expenditures	<u>221,100.00</u>	<u>221,100.00</u>	<u>207,787.75</u>	<u>13,312.25</u>
Excess of Revenues Over (Under) Expenditures	(220,600.00)	(220,600.00)	(207,581.52)	13,018.48
Other Financing Sources (Uses)				
Operating Transfers In	<u>220,600.00</u>	<u>220,600.00</u>	<u>208,442.50</u>	<u>(12,157.50)</u>
	220,600.00	220,600.00	208,442.50	(12,157.50)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	860.98	<u>\$ 860.98</u>
Fund Balances				
July 1, 2010			<u>18,999.96</u>	
June 30, 2011			<u>\$ 19,860.94</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 2004 G.O. BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 500.00	\$ 500.00	\$ 177.06	\$ (322.94)
Expenses				
Bank Service Charges	500.00	500.00	-	500.00
Principal Expense	176,000.00	176,000.00	176,000.00	-
Interest Expense	70,000.00	70,000.00	15,549.11	54,450.89
Total Expenses	<u>246,500.00</u>	<u>246,500.00</u>	<u>191,549.11</u>	<u>54,950.89</u>
Excess of Revenues Over (Under) Expenditures	(246,000.00)	(246,000.00)	(191,372.05)	54,627.95
Other Financing Sources (Uses) Operating Transfers In	<u>246,000.00</u>	<u>246,000.00</u>	<u>191,882.44</u>	<u>(54,117.56)</u>
	<u>246,000.00</u>	<u>246,000.00</u>	<u>191,882.44</u>	<u>(54,117.56)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	510.39	<u>\$ 510.39</u>
Fund Balances				
July 1, 2010			<u>16,229.86</u>	
June 30, 2011			<u>\$ 16,740.25</u>	

See notes to financial statements

CITY OF LEBANON, TENNESSEE
 2003 G.O. BOND SINKING FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Interest Income	\$ 1,000.00	\$ 1,000.00	\$ 455.16	\$ (544.84)
Expenses				
Bank Service Charges	500.00	500.00	482.50	17.50
Principal Expense	383,750.00	383,750.00	380,000.00	3,750.00
Interest Expense	84,160.00	84,160.00	83,662.50	497.50
Total Expenses	468,410.00	468,410.00	464,145.00	4,265.00
Excess of Revenues Over (Under) Expenditures	(467,410.00)	(467,410.00)	(463,689.84)	\$3,720.16
Other Financing Sources (Uses)				
Operating Transfers In	467,410.00	467,410.00	464,087.51	(3,322.49)
	467,410.00	467,410.00	464,087.51	(3,322.49)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	397.67	\$ 397.67
Fund Balances				
July 1, 2010			119,297.66	
June 30, 2011			\$ 119,695.33	

See notes to financial statements

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

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	\$ 500.00	\$ 500.00	\$ 278.97	\$ (221.03)
Expenses				
Bank Service Charges	500.00	500.00	320.00	180.00
Principal Expense	210,000.00	210,000.00	210,000.00	-
Interest Expense	130,045.00	130,045.00	130,045.00	-
Total Expenses	<u>340,545.00</u>	<u>340,545.00</u>	<u>340,365.00</u>	<u>180.00</u>
Excess of Revenues Over (Under)				
Expenditures	(340,045.00)	(340,045.00)	(340,086.03)	(41.03)
Other Financing Sources (Uses)				
Operating Transfers In	340,045.00	340,045.00	339,828.34	(216.66)
Total Other Financing Sources (Uses)	<u>340,045.00</u>	<u>340,045.00</u>	<u>339,828.34</u>	<u>(216.66)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	(257.69)	<u>\$ (257.69)</u>
Fund Balances				
July 1, 2010			<u>58,689.13</u>	
June 30, 2011			<u>\$ 58,431.44</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142.46</u>	<u>\$ 142.46</u>
Expenditures				
Principal	124,500.00	124,500.00	124,000.00	500.00
Interest	<u>115,000.00</u>	<u>115,000.00</u>	<u>22,119.56</u>	<u>92,880.44</u>
Total Expenditures	<u>239,500.00</u>	<u>239,500.00</u>	<u>146,119.56</u>	<u>93,380.44</u>
Excess of Revenues Over (Under)				
Expenditures	(239,500.00)	(239,500.00)	(145,977.10)	93,522.90
Other Financing Sources (Uses)				
Operating Transfers In	<u>239,500.00</u>	<u>239,500.00</u>	<u>146,619.56</u>	<u>(92,880.44)</u>
	<u>239,500.00</u>	<u>239,500.00</u>	<u>146,619.56</u>	<u>(92,880.44)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	642.46	<u>\$642.46</u>
Fund Balances				
July 1, 2010			<u>31.45</u>	
June 30, 2011			<u>\$ 673.91</u>	

See notes to financial statements

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

Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Other Income	\$ -	\$ 11,250.00	\$ 11,793.02	\$ 543.02
Interest Income	-	0.00	414.08	414.08
Total Revenues	<u>-</u>	<u>11,250.00</u>	<u>12,207.10</u>	<u>957.10</u>
Expenditures				
Salaries	348,733.60	348,733.60	342,322.58	6,411.02
Payroll Taxes	26,678.10	26,678.10	24,804.36	1,873.74
Benefits	257,543.80	257,543.80	212,674.24	44,869.56
Public Relations	3,500.00	3,500.00	2,848.50	651.50
Postage and Printing	1,100.00	1,100.00	70.70	1,029.30
Transportation	1,500.00	1,500.00	17.75	1,482.25
Utilities	800.00	800.00	277.05	522.95
Telephone	1,200.00	1,200.00	1,115.80	84.20
Engineering	20,000.00	20,000.00	4,949.39	15,050.61
Other Operating	25,000.00	25,250.00	19,888.13	5,361.87
Maintenance	130,577.00	125,577.00	113,261.94	12,315.06
Contractual Services	194,000.00	210,250.00	190,907.54	19,342.46
Office Supplies	200.00	200.00	196.49	3.51
Operating Supplies	35,000.00	34,750.00	28,611.15	6,138.85
Debt Service	102,200.00	102,200.00	50,104.45	52,095.55
Total Expenditures	<u>1,148,032.50</u>	<u>1,159,282.50</u>	<u>992,050.07</u>	<u>167,232.43</u>
Excess of Revenues Over (Under)				
Expenditures	(1,148,032.50)	(1,148,032.50)	(979,842.97)	168,189.53
Other Financing Sources(Uses)				
Operating Transfers In	<u>1,148,032.50</u>	<u>1,148,032.50</u>	<u>1,148,032.50</u>	<u>-</u>
Excess of Revenues and Other Sources Over				
(Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	168,189.53	<u>\$ 168,189.53</u>
Fund Balances				
July 1, 2010			<u>103,038.72</u>	
June 30, 2011			<u>\$ 271,228.25</u>	

See notes to financial statements

SUPPLEMENTARY SCHEDULES

CITY OF LEBANON, TENNESSEE
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
Year Ended June 30, 2011

	Total	Mayor & Council	City Attorney	Financial Admin.
Salaries	\$ 8,148,844.40	\$ 100,530.89	\$ 100,809.12	\$ 78,789.57
Payroll Taxes	596,828.66	7,444.69	7,403.57	6,041.49
Group Insurance	2,335,603.30	46,258.24	30,193.37	15,597.89
Retirement	1,155,410.32	13,665.69	14,783.03	12,002.15
Workmen's Compensation	200,209.44	909.48	373.12	303.39
Unemployment	13,317.76	-	-	-
Training	47,096.12	-	-	450.86
Employer Contributions	39,341.67	-	-	-
Communications	8,500.30	-	-	-
Postage and Shipping	17,438.89	27.67	154.42	2,944.57
Transportation Expense	4,439.76	5.00	-	5.00
Printing	42,985.64	1,289.00	1,920.05	1,862.98
Subscriptions	3,759.58	283.47	1,792.36	-
Dues	12,100.58	25.00	927.00	211.00
Utilities	519,595.12	-	-	-
Telephone	187,620.99	3,893.05	3,062.36	3,587.29
Engineering and Architect	36,379.24	-	-	-
Professional Fees	48,640.44	-	565.44	-
Data Processing	11,882.57	-	-	-
Medical	11,816.09	-	-	-
Maintenance	230,346.46	-	-	217.47
Travel and Meals	24,924.96	78.54	240.55	2,132.09
Public Relations	5,670.87	1,282.28	-	1,045.60
Contractual Services	252,289.34	446.81	154.50	6,072.05
Janitorial Services	3,499.48	-	-	-
Office Supplies	61,536.56	2,652.84	749.96	2,633.10
Operating Supplies	192,017.59	749.57	181.98	828.59
Street Signs	9,693.78	-	-	-
Uniforms	82,364.95	-	-	-
Gas	395,744.98	710.91	-	468.17
Motor Vehicle Parts	181,835.09	189.22	-	380.63
Materials	67,155.73	-	-	-
Insurance	237,912.56	1,881.96	268.62	8,219.20
Rent	3,004.29	-	-	-
Debt Service	-	-	-	-
Capital Outlay	1,193,796.14	-	-	929.00
Totals	<u>\$ 16,383,603.65</u>	<u>\$ 182,324.31</u>	<u>\$ 163,579.45</u>	<u>\$ 144,722.09</u>

<u>Accounting</u>	<u>Customer Billing</u>	<u>Purchasing</u>	<u>Computer Equipment</u>	<u>Public Works</u>	<u>Warehouse</u>
\$ 104,726.49	\$ 15,697.41	\$ 29,585.83	\$ 61,211.21	\$ 70,279.86	\$ 23,818.90
7,549.77	989.77	2,245.10	4,359.33	5,219.49	1,726.23
45,263.94	11,639.80	3,512.40	21,366.72	20,371.64	8,462.28
15,309.30	2,212.31	4,303.10	8,845.03	9,945.20	3,460.87
443.08	71.21	111.95	2,658.45	116.60	841.23
-	-	-	-	-	-
407.50	-	-	1,155.48	115.00	-
-	-	-	-	-	-
-	-	-	-	434.50	-
1,203.54	3,161.13	4,781.34	15.01	46.81	-
-	-	-	-	15.00	4.00
3,224.06	238.06	460.20	-	1,248.74	-
-	-	-	-	125.00	-
115.50	-	141.00	-	611.00	-
-	-	-	-	22,844.93	-
3,106.14	568.32	3,544.35	13,672.36	8,101.73	309.98
-	-	-	-	-	-
23,075.00	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
772.50	-	-	1,388.80	1,459.29	-
40.99	-	-	520.50	4.50	-
-	-	-	-	176.48	-
2,732.34	149.25	-	27,073.23	2,167.51	-
-	-	-	-	-	-
2,895.38	689.54	841.28	3,862.96	1,538.44	17.04
159.85	53.81	-	20,675.52	7,455.80	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,324.35	901.52
-	-	-	-	591.87	313.47
-	-	-	-	-	-
140.64	-	2,155.65	-	4,511.31	155.84
268.00	35.64	1,274.40	-	-	-
-	-	-	-	-	-
-	-	-	-	16,720.54	-
<u>\$ 211,434.02</u>	<u>\$ 35,506.25</u>	<u>\$ 52,956.60</u>	<u>\$ 166,804.60</u>	<u>\$ 176,425.59</u>	<u>\$ 40,011.36</u>

CITY OF LEBANON, TENNESSEE
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
Year Ended June 30, 2011

	Public Safety	Personnel	Traffic Maintenance	General Maintenance	Police
Salaries	\$ 57,238.61	\$ 36,667.84	\$ 120,129.17	\$ 113,467.31	\$ 4,244,157.21
Payroll Taxes	4,743.95	2,793.16	8,676.48	8,376.68	312,230.12
Group Insurance	20,641.74	6,109.21	-	38,855.32	1,143,073.35
Retirement	8,367.45	5,206.36	17,839.74	13,267.71	599,596.54
Workmen's Compensation	3,917.59	596.98	1,772.30	7,642.57	99,546.92
Unemployment	-	13,317.76	-	-	-
Training	-	-	-	-	29,724.94
Employer Contributions	-	-	39,341.67	-	-
Communications	-	-	114.26	-	4,526.53
Postage and Shipping	271.15	141.77	1,177.09	-	2,111.95
Transportation Expense	-	8.00	95.00	66.50	3,309.56
Printing	1,995.89	2,070.04	535.90	-	19,698.19
Subscriptions	-	44.80	99.00	-	-
Dues	-	(124.00)	-	-	8,840.08
Utilities	1,161.35	-	-	277.32	30,284.88
Telephone	6,831.91	4,535.80	7,664.94	2,283.57	56,058.87
Engineering and Architect	-	-	-	-	-
Professional Fees	-	-	-	-	-
Data Processing	-	-	-	-	11,882.57
Medical	-	9,642.18	-	-	1,744.14
Maintenance	1,029.48	-	29,545.32	22,707.46	102,850.02
Travel	657.28	-	-	-	11,957.99
Public Relations	-	573.03	-	179.65	695.19
Contractual Services	35,543.68	464.80	6,488.13	2,601.90	80,470.23
Janitorial Services	-	-	-	-	3,499.48
Office Supplies	556.58	790.45	1,784.80	268.53	27,840.35
Operating Supplies	3,087.12	-	970.90	5,301.04	43,125.90
Street Signs	-	-	-	-	-
Uniforms	2,847.93	-	982.74	1,164.41	52,429.32
Gas	-	-	4,996.04	8,686.25	253,744.77
Motor Vehicle Parts	3,792.30	(1.57)	2,943.80	2,584.61	84,320.95
Materials	-	-	-	267.46	-
Insurance	-	623.39	820.24	1,378.00	102,529.68
Rent	-	-	-	-	(82.00)
Debt Service	-	-	-	-	-
Capital Outlay	-	-	148,202.25	5,706.40	51,874.00
Totals	<u>\$ 152,684.01</u>	<u>\$ 83,460.00</u>	<u>\$ 394,179.77</u>	<u>\$ 235,082.69</u>	<u>\$ 7,382,041.73</u>

Fire	Building Inspection	Building Maintenance	Street	Animal Control
\$ 1,789,045.89	\$ 102,619.06	\$ 8,069.97	\$ 441,974.08	\$ 59,488.42
131,138.04	7,421.72	588.89	31,376.29	4,364.10
538,777.43	28,217.58	2,056.69	160,777.71	15,261.96
263,049.26	14,893.66	1,163.87	60,742.68	6,136.16
36,646.58	3,925.06	1,403.84	22,811.18	746.23
-	-	-	-	-
13,812.63	393.00	-	119.00	555.00
-	-	-	-	-
1,816.88	-	-	1,608.13	-
221.41	51.35	-	12.49	-
-	75.00	-	735.00	10.00
2,305.53	139.50	-	274.00	-
612.05	-	-	-	-
320.00	145.00	-	-	25.00
46,185.84	-	36,740.26	-	1,411.42
40,046.03	3,260.91	1,272.44	1,134.80	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	195.00	234.77
31,281.32	169.24	1,082.00	29,725.22	79.90
-	-	-	-	-
3,267.14	506.67	-	5,427.02	-
573.75	498.00	-	529.50	-
13,073.29	-	6,017.85	35,887.22	165.54
-	-	-	-	-
8,782.24	715.00	-	1,276.38	-
33,739.95	45.42	3,965.39	15,482.34	4,780.37
-	-	-	9,693.78	-
16,698.41	137.74	-	5,025.33	-
27,164.46	1,809.34	-	77,944.85	2,791.76
12,477.49	1,226.96	-	64,691.91	4,590.11
-	-	-	53,720.37	-
48,394.01	1,312.38	12,057.48	6,561.90	410.12
-	-	-	1,508.25	-
-	-	-	-	-
905,184.74	-	-	44,665.35	-
<u>\$ 3,964,614.37</u>	<u>\$ 167,562.59</u>	<u>\$ 74,418.68</u>	<u>\$ 1,073,899.78</u>	<u>\$ 101,050.86</u>

CITY OF LEBANON, TENNESSEE
CLASSIFICATION OF GENERAL FUND EXPENDITURES BY CITY DEPARTMENTS
Year Ended June 30, 2011

	Engineering	Garage	Cemetery	Recreation
Salaries	\$ 145,202.40	\$ 119,857.48	\$ 34,642.03	\$ 253,046.82
Payroll Taxes	10,023.67	8,707.52	2,574.09	17,964.22
Group Insurance	30,696.01	54,392.83	3,809.76	90,164.85
Retirement	21,056.20	16,465.16	5,060.63	34,571.81
Workmen's Compensation	1,417.84	3,253.10	932.51	9,068.64
Unemployment	-	-	-	-
Training	362.71	-	-	-
Employer Contributions	-	-	-	-
Communications	-	-	-	-
Postage and Shipping	588.55	-	51.12	342.32
Transportation Expense	19.20	22.50	10.00	50.00
Printing	2,638.08	360.75	804.00	1,920.67
Subscriptions	579.19	-	99.00	124.71
Dues	864.00	-	-	-
Utilities	-	8,324.94	4,353.82	81,249.22
Telephone	2,906.53	2,532.17	6,834.61	11,550.49
Engineering and Architect	36,379.24	-	-	-
Professional Fees	-	-	-	-
Data Processing	-	-	-	-
Medical	-	-	-	-
Maintenance	11.08	2,063.43	110.94	3,595.60
Travel	91.69	-	-	-
Public Relations	(139.24)	-	-	256.63
Contractual Services	16,464.00	101.25	1,360.40	8,307.39
Janitorial Services	-	-	-	-
Office Supplies	1,856.76	582.33	313.17	849.87
Operating Supplies	610.77	8,050.94	1,010.93	31,987.82
Street Signs	-	-	-	-
Uniforms	44.08	2,546.67	296.48	191.84
Gas	1,537.77	2,322.72	707.85	9,634.22
Motor Vehicle Parts	214.26	1,564.76	169.95	1,545.52
Materials	-	-	1,547.32	8,620.58
Insurance	472.47	1,230.36	4,101.19	40,688.12
Rent	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	2,361.86	-	-	18,152.00
Totals	\$ 276,289.12	\$ 232,378.91	\$ 68,789.80	\$ 623,883.34

Special Events	Dues	Community Park	EAC Committee	Regional Transportation Authority	Total
\$ -	\$ -	\$ 37,788.83	\$ -	\$ -	\$ 8,148,844.40
-	-	2,870.29	-	-	596,828.66
-	-	102.58	-	-	2,335,603.30
-	-	3,466.41	-	-	1,155,410.32
-	-	699.59	-	-	200,209.44
-	-	-	-	-	13,317.76
-	-	-	-	-	47,096.12
-	-	-	-	-	39,341.67
-	-	-	-	-	8,500.30
-	-	-	135.20	-	17,438.89
-	-	10.00	-	-	4,439.76
-	-	-	-	-	42,985.64
-	-	-	-	-	3,759.58
-	-	-	-	-	12,100.58
-	269,329.32	17,431.82	-	-	519,595.12
-	-	862.34	-	-	187,620.99
-	-	-	-	-	36,379.24
-	-	-	-	25,000.00	48,640.44
-	-	-	-	-	11,882.57
-	-	-	-	-	11,816.09
-	-	2,257.39	-	-	230,346.46
-	-	-	-	-	24,924.96
-	-	-	-	-	5,670.87
-	-	6,547.97	-	-	252,289.34
-	-	-	-	-	3,499.48
-	-	-	39.56	-	61,536.56
3,168.53	-	6,585.05	-	-	192,017.59
-	-	-	-	-	9,693.78
-	-	-	-	-	82,364.95
-	-	-	-	-	395,744.98
-	-	208.85	-	-	181,835.09
-	-	3,000.00	-	-	67,155.73
-	-	-	-	-	237,912.56
-	-	-	-	-	3,004.29
-	-	-	-	-	-
-	-	-	-	-	1,193,796.14
<u>\$ 3,168.53</u>	<u>\$ 269,329.32</u>	<u>\$ 81,831.12</u>	<u>\$ 174.76</u>	<u>\$ 25,000.00</u>	<u>\$ 16,383,603.65</u>

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

Year Ended June 30, 2011

	Transmission and Distribution	Customer Accounting & Collection	Administrative and General	Shop and Maintenance	Meter Reader	Total (Memorandum Only)
Salaries	\$ 299,768.46	\$ 40,106.76	\$ 284,121.86	\$ 53,699.64	\$ 71,612.85	\$ 749,309.57
Payroll Taxes	21,777.28	2,639.36	20,614.01	3,945.30	5,293.90	54,269.85
Employee Benefits	132,336.28	21,458.53	106,439.00	26,293.89	26,192.87	312,720.57
Pension Costs	43,018.30	5,899.39	40,698.75	7,018.30	14,902.51	111,537.25
Communications	17,735.76	1,515.51	15,974.04	1,254.60		36,479.91
Supplies and Publications	7,743.52	9,064.57	11,588.92	105.84	-	28,502.85
Dues	13,304.19	-	49,073.35	-		62,377.54
Utilities	14,710.68	-	11,422.48	9,042.36	1,181.31	36,356.83
Professional Services	1,052.00	-	25,958.14	-		27,010.14
Repair and Maintenance	44,635.87	-	3,803.94	4,409.79		52,849.60
Travel	3,735.48	-	(503.90)	-	52.00	3,283.58
Operating Supplies	46,038.58	1,982.19	16,627.40	3,791.98	1,426.07	69,866.22
Maintenance Supplies	49,929.58	-	623.94	4,537.14	8,447.89	63,538.55
Contractual Services	43,337.40	398.02	33,736.08	1,860.58	3,076.53	82,408.61
Insurance	35,270.21	-	8,301.17	3,121.00	3,121.34	49,813.72
Bad Debt Expense	-	27,179.34	-	-	-	27,179.34
Rent	9,750.65	95.04	6,002.60	-	-	15,848.29
Community Relations/Marketing	10,409.50	-	283.65	-	-	10,693.15
Miscellaneous	21,889.17	-	9,552.51	1,222.80	-	32,664.48
	<u>\$ 816,442.91</u>	<u>\$ 110,338.71</u>	<u>\$ 644,317.94</u>	<u>\$ 120,303.22</u>	<u>\$ 135,307.27</u>	<u>\$ 1,826,710.05</u>

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

Year Ended June 30, 2011

	Water	Sewer	Total
	<u>Purification Plant</u>		
Expenses			
Salaries	\$ 380,352.91	\$ -	\$ 380,352.91
Payroll Taxes	27,320.46	-	27,320.46
Employee Benefits	219,847.29	-	219,847.29
Pension Costs	55,672.44	-	55,672.44
Communications	6,289.96	-	6,289.96
Supplies and Publications	5,704.25	-	5,704.25
Dues and Subscriptions	315.00	-	315.00
Utilities	406,192.77	-	406,192.77
Professional Services	-	-	-
Miscellaneous	3,295.00	-	3,295.00
Medical	-	-	-
Repair and Maintenance	50,910.66	-	50,910.66
Travel	3,640.27	-	3,640.27
Operating Supplies	324,405.46	-	324,405.46
Maintenance Supplies	2,026.34	-	2,026.34
Insurance	23,786.89	-	23,786.89
Community Relations/Marketing	-	-	-
Contractual Services	84,457.79	-	84,457.79
Rent	-	-	-
Totals	<u>\$ 1,594,217.49</u>	<u>\$ -</u>	<u>\$ 1,594,217.49</u>

	<u>Shop and Maintenance</u>		
Expenses			
Salaries	\$ 46,145.02	\$ 27,270.28	\$ 73,415.30
Payroll Taxes	3,388.21	2,000.74	5,388.95
Employee Benefits	22,281.19	13,710.02	35,991.21
Pension Costs	6,194.02	3,652.38	9,846.40
Communications	976.85	601.56	1,578.41
Supplies and Publications	59.33	59.46	118.79
Dues	-	-	-
Miscellaneous	-	-	-
Medical	-	-	-
Utilities	6,065.28	3,532.10	9,597.38
Professional Services	-	-	-
Repair and Maintenance	2,948.66	1,592.93	4,541.59
Travel	14.60	-	14.60
Operating Supplies	2,584.79	1,980.14	4,564.93
Maintenance Supplies	4,363.78	2,248.96	6,612.74
Insurance	2,151.07	1,129.88	3,280.95
Contractual Services	1,240.83	626.50	1,867.33
Community Relations/Marketing	-	-	-
Rent	-	-	-
Totals	<u>\$ 98,413.63</u>	<u>\$ 58,404.95</u>	<u>\$ 156,818.58</u>

Water	Sewer	Total
<u>Transmission and Distribution</u>		
\$ 350,691.63	\$ 385,111.07	\$ 735,802.70
25,501.37	28,473.72	53,975.09
167,970.69	179,150.28	347,120.97
50,885.33	57,415.67	108,301.00
9,896.93	10,974.64	20,871.57
1,075.50	1,036.78	2,112.28
4,574.25	527.50	5,101.75
74,979.19	114,629.27	189,608.46
100.00	-	100.00
613.67	245.00	858.67
-	-	-
19,158.27	87,074.31	106,232.58
149.38	-	149.38
11,743.41	42,079.44	53,822.85
47,698.51	92,698.18	140,396.69
18,045.22	8,202.38	26,247.60
-	-	-
17,518.92	63,761.35	81,280.27
1,488.00	536.25	2,024.25
<u>\$ 802,090.27</u>	<u>\$ 1,071,915.84</u>	<u>\$ 1,874,006.11</u>

Water	Sewer	Total
<u>Administrative and General</u>		
\$ 237,448.28	\$ 220,946.47	\$ 458,394.75
16,964.19	15,620.06	32,584.25
83,044.40	59,753.43	142,797.83
34,053.49	45,075.85	79,129.34
11,708.37	8,910.44	20,618.81
10,069.61	8,401.44	18,471.05
47,041.45	27,721.70	74,763.15
6,853.50	4,569.00	11,422.50
30,578.10	36,324.13	66,902.23
897.76	884.18	1,781.94
-	-	-
883.70	560.78	1,444.48
(261.75)	(147.73)	(409.48)
18,580.87	13,629.53	32,210.40
2,544.03	2,457.40	5,001.43
5,425.26	3,844.59	9,269.85
170.19	113.46	283.65
33,545.95	28,770.25	62,316.20
1,887.00	1,106.00	2,993.00
<u>\$ 541,434.40</u>	<u>\$ 478,540.98</u>	<u>\$ 1,019,975.38</u>

<u>Customer Accounting</u>		
\$ 61,831.31	\$ 50,133.45	\$ 111,964.76
4,068.98	3,299.19	7,368.17
33,105.06	26,841.94	59,947.00
9,094.84	7,374.18	16,469.02
2,336.40	1,894.40	4,230.80
13,974.53	11,330.69	25,305.22
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
3,055.87	2,477.73	5,533.60
-	-	-
-	-	-
613.62	497.52	1,111.14
-	-	-
146.52	118.80	265.32
<u>\$ 128,227.13</u>	<u>\$ 103,967.90</u>	<u>\$ 232,195.03</u>

<u>Sewer System Direct</u>		
\$ -	\$ 470,694.17	\$ 470,694.17
-	33,364.19	33,364.19
-	195,596.38	195,596.38
-	67,100.20	67,100.20
-	11,257.27	11,257.27
-	313.33	313.33
-	11,195.00	11,195.00
-	1,763.50	1,763.50
-	-	-
-	803,715.30	803,715.30
-	-	-
-	44,127.51	44,127.51
-	-	-
-	101,967.37	101,967.37
-	8,244.18	8,244.18
-	27,067.83	27,067.83
-	126,152.95	126,152.95
-	-	-
-	967.80	967.80
<u>\$ -</u>	<u>\$ 1,903,526.98</u>	<u>\$ 1,903,526.98</u>

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

Year Ended June 30, 2011

Expenses	Water	Sewer	Total
	<u>Meter Readers</u>		
Salaries	\$ 53,706.13	\$ 53,706.13	\$ 107,412.26
Payroll Taxes	3,966.68	3,960.56	7,927.24
Employee Benefits	19,637.10	19,637.10	39,274.20
Pension Costs	11,171.40	11,171.40	22,342.80
Communications	-	-	-
Supplies and Publications	-	-	-
Dues	-	-	-
Miscellaneous	-	-	-
Medical	-	-	-
Utilities	886.07	886.07	1,772.14
Professional Services	-	-	-
Repair and Maintenance	6,413.68	6,362.43	12,776.11
Travel	36.50	36.50	73.00
Operating Supplies	1,197.71	1,069.46	2,267.17
Maintenance Supplies	-	-	-
Insurance	2,341.01	2,341.01	4,682.02
Bad Debt Expense	-	-	-
Contractual Services	2,326.56	2,315.66	4,642.22
Community Relations/Marketing	-	-	-
Rent	-	-	-
Totals	<u>\$ 101,682.84</u>	<u>\$ 101,486.32</u>	<u>\$ 203,169.16</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF GENERAL LONG-TERM DEBT
June 30, 2011

1992 - General Obligation Bonds

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 212,454	\$ 6,374	\$ 218,828
	<u>\$ 212,454</u>	<u>\$ 6,374</u>	<u>\$ 218,828</u>

2003 TMBF Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 180,000	\$ 53,310	\$ 233,310
2013	185,000	47,910	232,910
2014	190,000	42,360	232,360
2015	195,000	36,660	231,660
2016	91,000	30,810	121,810
2017	93,000	28,080	121,080
2018	96,000	25,290	121,290
2019	99,000	22,410	121,410
2020	101,000	19,440	120,440
2021	104,000	16,410	120,410
2022	107,000	13,290	120,290
2023	109,000	10,080	119,080
2024	112,000	6,810	118,810
2025	115,000	3,450	118,450
	<u>\$ 1,777,000</u>	<u>\$ 356,310</u>	<u>\$ 2,133,310</u>

2003 - General Obligation Bonds

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 395,000	\$ 70,363	\$ 465,363
2013	410,000	55,550	465,550
2014	420,000	40,175	460,175
2015	190,000	24,005	214,005
2016	200,000	16,405	216,405
2017	205,000	8,405	213,405
	<u>\$ 1,820,000</u>	<u>\$ 214,903</u>	<u>\$ 2,034,903</u>

2008 - General Obligation Bond

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 215,000	\$ 123,745	\$ 338,745
2013	225,000	116,758	341,758
2014	235,000	108,883	343,883
2015	240,000	100,658	340,658
2016	250,000	91,658	341,658
2017	260,000	82,283	342,283
2018	270,000	71,883	341,883
2019	280,000	61,083	341,083
2020	290,000	49,883	339,883
2021	305,000	38,283	343,283
2022	315,000	26,083	341,083
2023	325,000	13,325	338,325
	<u>\$ 3,210,000</u>	<u>\$ 884,520</u>	<u>\$ 4,094,520</u>

Note Payable - Sanitation Truck

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 49,000	\$ 2,156	\$ 51,156
	<u>\$ 49,000</u>	<u>\$ 2,156</u>	<u>\$ 51,156</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF GENERAL LONG-TERM DEBT - CONTINUED
June 30, 2011

	2008 TML Loan			2011 TMBF Loan			
	Principal	Interest	Total	Principal	Interest	Total	
2012	\$ 130,000	\$ 153,750	\$ 283,750	2012	\$ 35,000	\$ 34,897	\$ 69,897
2013	137,000	147,250	284,250	2013	37,000	33,582	70,582
2014	143,000	140,400	283,400	2014	38,000	32,294	70,294
2015	151,000	133,250	284,250	2015	39,000	30,972	69,972
2016	158,000	125,700	283,700	2016	41,000	29,615	70,615
2017	166,000	117,800	283,800	2017	42,000	28,188	70,188
2018	174,000	109,500	283,500	2018	44,000	26,726	70,726
2019	183,000	100,800	283,800	2019	45,000	25,195	70,195
2020	192,000	91,650	283,650	2020	47,000	23,629	70,629
2021	202,000	82,050	284,050	2021	48,000	21,994	69,994
2022	212,000	71,950	283,950	2022	50,000	20,323	70,323
2023	222,000	61,350	283,350	2023	52,000	18,583	70,583
2024	233,000	50,250	283,250	2024	53,000	16,774	69,774
2025	245,000	38,600	283,600	2025	55,000	14,929	69,929
2026	257,000	26,350	283,350	2026	57,000	13,015	70,015
2027	270,000	13,500	283,500	2027	59,000	11,032	70,032
	<u>\$ 3,075,000</u>	<u>\$ 1,464,150</u>	<u>\$ 4,539,150</u>	2028	61,000	8,978	69,978
				2029	63,000	6,856	69,856
				2030	66,000	4,663	70,663
				2031	68,000	2,366	70,366
					<u>\$ 1,000,000</u>	<u>\$ 404,612</u>	<u>\$ 1,404,612</u>

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF PROPRIETARY FUNDS
 BONDS AND NOTES PAYABLE
 June 30, 2011

<u>Water and Sewer TMBF2001 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 180,000	\$ 89,450	\$ 269,450
2013	189,000	83,834	272,834
2014	199,000	77,938	276,938
2015	209,000	71,729	280,729
2016	219,000	65,208	284,208
2017	230,000	58,375	288,375
2018	241,000	51,199	292,199
2019	254,000	43,680	297,680
2020	266,000	35,755	301,755
2021	279,000	27,456	306,456
2022	293,000	18,751	311,751
2023	308,000	9,610	317,610
	<u>\$ 2,867,000</u>	<u>\$ 632,986</u>	<u>\$ 3,499,986</u>

<u>Water and Sewer TMBF2007 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 207,000	\$ 211,600	\$ 418,600
2013	214,000	201,250	415,250
2014	220,000	190,550	410,550
2015	227,000	179,550	406,550
2016	235,000	168,200	403,200
2017	242,000	156,450	398,450
2018	250,000	144,350	394,350
2019	258,000	131,850	389,850
2020	266,000	118,950	384,950
2021	274,000	105,650	379,650
2022	283,000	91,950	374,950
2023	292,000	77,800	369,800
2024	301,000	63,200	364,200
2025	311,000	48,150	359,150
2026	321,000	32,600	353,600
2027	331,000	16,550	347,550
	<u>\$ 4,232,000</u>	<u>\$ 1,938,650</u>	<u>\$ 6,170,650</u>

<u>Gas System TMBF2008 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 37,000	\$ 51,600	\$ 88,600
2013	38,000	49,750	87,750
2014	40,000	47,850	87,850
2015	42,000	45,850	87,850
2016	45,000	43,750	88,750
2017	47,000	41,500	88,500
2018	49,000	39,150	88,150
2019	52,000	36,700	88,700
2020	54,000	34,100	88,100
2021	57,000	31,400	88,400
2022	60,000	28,550	88,550
2023	63,000	25,550	88,550
2024	66,000	22,400	88,400
2025	69,000	19,100	88,100
2026	73,000	15,650	88,650
2027	76,000	12,000	88,000
2028	80,000	8,200	88,200
2029	84,000	4,200	88,200
	<u>\$ 1,032,000</u>	<u>\$ 557,300</u>	<u>\$ 1,589,300</u>

<u>Gas System Revenue & Tax Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 110,000	\$ 31,813	\$ 141,813
2013	115,000	28,238	143,238
2014	115,000	24,213	139,213
2015	120,000	20,188	140,188
2016	125,000	15,688	140,688
2017	135,000	11,000	146,000
2018	140,000	5,600	145,600
	<u>\$ 860,000</u>	<u>\$ 136,738</u>	<u>\$ 996,738</u>

<u>Water and Sewer TMBF2005 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 57,000	\$ 45,800	\$ 102,800
2013	60,000	43,520	103,520
2014	62,000	41,120	103,120
2015	64,000	38,640	102,640
2016	67,000	36,080	103,080
2017	70,000	33,400	103,400
2018	72,000	30,600	102,600
2019	75,000	27,720	102,720
2020	78,000	24,720	102,720
2021	81,000	21,600	102,600
2022	85,000	18,360	103,360
2023	88,000	14,960	102,960
2024	92,000	11,440	103,440
2025	95,000	7,760	102,760
2026	99,000	3,960	102,960
	<u>\$ 1,145,000</u>	<u>\$ 399,680</u>	<u>\$ 1,544,680</u>

<u>Water and Sewer TMBF2008 Bonds</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 138,000	\$ 194,600	\$ 332,600
2013	145,000	187,700	332,700
2014	153,000	180,450	333,450
2015	160,000	172,800	332,800
2016	168,000	164,800	332,800
2017	177,000	156,400	333,400
2018	185,000	147,550	332,550
2019	195,000	138,300	333,300
2020	204,000	128,550	332,550
2021	215,000	118,350	333,350
2022	225,000	107,600	332,600
2023	237,000	96,350	333,350
2024	248,000	84,500	332,500
2025	261,000	72,100	333,100
2026	274,000	59,050	333,050
2027	288,000	45,350	333,350
2028	302,000	30,950	332,950
2029	317,000	15,850	332,850
	<u>\$ 3,892,000</u>	<u>\$ 2,101,250</u>	<u>\$ 5,993,250</u>

CITY OF LEBANON, TENNESSEE
 SCHEDULE OF PROPRIETARY FUNDS
 BONDS AND NOTES PAYABLE - CONTINUED
 June 30, 2011

Loan Payable-State of Tennessee - 92-049

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 220,608	\$ 33,504	\$ 254,112
2013	228,000	26,112	254,112
2014	235,644	18,468	254,112
2015	243,540	10,584	254,124
2016	187,813	2,880	190,693
	<u>\$ 1,115,605</u>	<u>\$ 91,548</u>	<u>\$ 1,207,153</u>

Loan Payable-State of Tennessee - 93-057

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 184,536	\$ 27,672	\$ 212,208
2013	189,900	22,308	212,208
2014	195,420	16,776	212,196
2015	201,108	11,100	212,208
2016	206,952	5,244	212,196
2017	70,301	423	70,736
	<u>\$1,048,217</u>	<u>\$83,523</u>	<u>\$1,131,752</u>

Loan Payable-State of Tennessee - 94-076

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 145,620	\$ 35,976	\$ 181,596
2013	150,264	31,332	181,596
2014	155,052	26,556	181,608
2015	159,984	21,612	181,596
2016	165,084	16,512	181,596
2017	170,340	11,256	181,596
2018	175,776	5,832	181,608
2019	89,974	842	90,804
	<u>\$ 1,212,094</u>	<u>\$ 149,918</u>	<u>\$ 1,362,000</u>

Loan Payable-State of Tennessee - 96-093

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 364,948	\$ 138,692	\$ 503,640
2013	378,570	125,070	503,640
2014	392,699	110,941	503,640
2015	407,356	96,284	503,640
2016	422,560	81,080	503,640
2017	438,332	65,308	503,640
2018	454,691	48,949	503,640
2019	471,663	31,977	503,640
2020	489,266	14,374	503,640
2021	125,132	785	125,917
	<u>\$ 3,945,217</u>	<u>\$ 713,460</u>	<u>\$ 4,658,677</u>

Loan Payable-State of Tennessee - 08-079

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 57,652	\$ 33,642	\$ 91,294
2013	100,668	55,836	156,504
2014	103,032	53,472	156,504
2015	105,408	51,036	156,504
2016	107,952	48,552	156,504
2017	110,484	46,020	156,504
2018	113,088	43,416	156,504
2019	115,752	40,752	156,504
2020	118,488	38,016	156,504
2021	121,272	35,232	156,504
2022	124,128	32,376	156,504
2023	127,056	29,448	156,504
2024	130,044	26,460	156,504
2025	133,104	23,400	156,504
2026	136,236	20,268	156,504
2027	139,452	17,052	156,504
2028	142,740	13,764	156,504
2029	146,100	10,404	156,504
2030	149,532	6,972	156,504
2031	153,060	3,444	156,504
2032	64,692	368	65,060
	<u>\$ 2,500,000</u>	<u>\$ 629,930</u>	<u>\$ 3,129,930</u>

Loan Payable-State of Tennessee - 08-080

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 25,992	\$ 15,264	\$ 41,256
2013	26,640	14,616	41,256
2014	27,300	13,956	41,256
2015	27,972	13,284	41,256
2016	28,668	12,588	41,256
2017	29,376	11,880	41,256
2018	30,108	11,148	41,256
2019	30,852	10,404	41,256
2020	31,608	9,648	41,256
2021	32,388	8,868	41,256
2022	33,204	8,052	41,256
2023	34,020	7,236	41,256
2024	34,860	6,396	41,256
2025	35,724	5,532	41,256
2026	36,612	4,644	41,256
2027	37,524	3,732	41,256
2028	38,448	2,808	41,256
2029	39,408	1,884	41,292
2030	40,380	876	41,256
2031	13,824	87	13,911
	<u>\$ 634,908</u>	<u>\$ 162,903</u>	<u>\$ 797,811</u>

SCHEDULE OF PROPRIETARY FUNDS
 BONDS AND NOTES PAYABLE - CONTINUED
 June 30, 2011

<u>Loan Payable-State of Tennessee - 01-039</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 66,960	\$ 39,876	\$ 106,836
2013	69,072	37,764	106,836
2014	71,256	35,580	106,836
2015	73,500	33,336	106,836
2016	75,816	31,020	106,836
2017	78,216	28,620	106,836
2018	80,676	26,160	106,836
2019	83,232	23,604	106,836
2020	85,848	20,988	106,836
2021	88,560	18,276	106,836
2022	91,356	15,480	106,836
2023	94,236	12,600	106,836
2024	97,212	9,624	106,836
2025	100,272	6,564	106,836
2026	103,440	3,396	106,836
2027	52,737	681	53,418
	<u>\$ 1,312,389</u>	<u>\$ 343,569</u>	<u>\$ 1,655,958</u>

<u>Loan Payable-State of Tennessee - 02-165</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 204,576	\$ 97,080	\$ 301,656
2013	209,436	92,220	301,656
2014	214,416	87,240	301,656
2015	219,504	82,152	301,656
2016	224,724	76,932	301,656
2017	230,064	71,592	301,656
2018	235,524	66,132	301,656
2019	241,116	60,540	301,656
2020	246,852	54,804	301,656
2021	252,708	48,948	301,656
2022	258,708	42,948	301,656
2023	264,864	36,792	301,656
2024	271,152	30,504	301,656
2025	277,596	24,060	301,656
2026	284,184	17,472	301,656
2027	290,940	10,716	301,656
2028	297,973	3,795	301,768
	<u>\$ 4,224,337</u>	<u>\$ 903,927</u>	<u>\$ 5,128,264</u>

<u>Loan Payable-State of Tennessee - 08-220</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 17,184	\$ 9,300	\$ 26,484
2013	17,604	8,880	26,484
2014	18,024	8,460	26,484
2015	18,468	8,016	26,484
2016	18,912	7,572	26,484
2017	19,368	7,116	26,484
2018	19,848	6,636	26,484
2019	20,328	6,156	26,484
2020	20,820	5,664	26,484
2021	21,324	5,160	26,484
2022	21,840	4,644	26,484
2023	22,368	4,116	26,484
2024	22,920	3,564	26,484
2025	23,472	3,012	26,484
2026	24,036	2,448	26,484
2027	24,624	1,860	26,484
2028	25,224	1,260	26,484
2029	25,836	648	26,484
2030	13,118	104	13,222
	<u>\$ 395,318</u>	<u>\$ 94,616</u>	<u>\$ 489,934</u>

<u>Loan Payable-State of Tennessee - 08-222</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 822,960	\$ 414,023	\$ 1,236,983
2013	841,249	395,734	1,236,983
2014	859,944	377,039	1,236,983
2015	879,055	357,928	1,236,983
2016	898,590	338,393	1,236,983
2017	918,560	318,424	1,236,983
2018	938,973	298,010	1,236,983
2019	959,840	277,143	1,236,983
2020	981,171	255,813	1,236,983
2021	1,002,975	234,008	1,236,983
2022	1,025,265	211,718	1,236,983
2023	1,048,049	188,934	1,236,983
2024	1,071,341	165,643	1,236,983
2025	1,095,149	141,834	1,236,983
2026	1,119,487	117,496	1,236,983
2027	1,144,365	92,618	1,236,983
2028	1,169,797	67,186	1,236,983
2029	1,195,793	41,190	1,236,983
2030	1,222,369	14,616	1,236,984
	<u>\$ 19,194,932</u>	<u>\$ 4,367,751</u>	<u>\$ 23,562,683</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF PROPRIETARY FUNDS
BONDS AND NOTES PAYABLE - CONTINUED
June 30, 2011

<u>Water and Sewer TMBF 2010 Bond</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 61,150	\$ 45,776	\$ 106,926
2013	64,000	43,987	107,987
2014	65,000	42,142	107,142
2015	67,000	40,255	107,255
2016	69,000	38,310	107,310
2017	71,000	36,308	107,308
2018	73,000	34,249	107,249
2019	75,000	32,132	107,132
2020	77,000	29,959	106,959
2021	79,000	27,728	106,728
2022	82,000	25,425	107,425
2023	84,000	23,052	107,052
2024	86,000	20,621	106,621
2025	89,000	18,118	107,118
2026	91,000	15,544	106,544
2027	94,000	12,899	106,899
2028	97,000	10,167	107,167
2029	100,000	7,350	107,350
2030	102,000	4,462	106,462
2031	105,000	1,502	106,502
	<u>\$ 1,631,150</u>	<u>\$ 509,983</u>	<u>\$ 2,141,133</u>

CITY OF LEBANON, TENNESSEE

SCHEDULE OF ADDITIONS AND RETIREMENTS TO UTILITY PLANT

June 30, 2011

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011
Department of Natural Gas:				
Land and Improvements	\$ 584,868.36	\$ -	\$ -	\$ 584,868.36
Buildings	1,645,569.10	24,918.03	-	1,670,487.13
Equipment	1,210,144.40	62,666.54	-	1,272,810.94
Transmission and Distribution	21,425,634.17	1,349,878.93	-	22,775,513.10
	<u>\$ 24,866,216.03</u>	<u>\$ 1,437,463.50</u>	<u>\$ -</u>	<u>\$ 26,303,679.53</u>
Department of Water and Sewer:				
Land and Improvements	\$ 1,549,011.68	\$ 106,107.20	\$ -	\$ 1,655,118.88
Buildings	29,317,163.00	1,613,930.13	-	30,931,093.13
Equipment	2,488,952.50	97,707.50	-	2,586,660.00
Improvements Other Than Buildings	76,437,038.46	13,385,228.59	-	89,822,267.05
	<u>\$ 109,792,165.64</u>	<u>\$ 15,202,973.42</u>	<u>\$ -</u>	<u>\$ 124,995,139.06</u>

CITY OF LEBANON, TENNESSEE
SCHEDULE OF TAXES RECEIVABLE

June 30, 2011

General Fund

Uncollected Taxes:

Deferred 2011	\$ 3,054,715
Vouchers on Hand	-
2010	143,127
2009	58,528
2008	1,691
2007	662
2006	967
2005	2,876
2004	4,555
2003	4,636
2002	5,311
2001	4,494
	<u>\$ 3,281,562</u>

-NOTE

All delinquent taxes through 2009 Tax year have been filed with the Clerk and Master.

CITY OF LEBANON TENNESSEE
SCHEDULE OF CHANGES IN TAXES RECEIVABLE
Year Ended June 30, 2011

Tax Year	Property Tax Receivable Balance June 30, 2010	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Receivable Balance June 30, 2011
2011			\$ 3,054,715				\$ 3,054,715
2010	\$ 2,892,136	\$ 117,852		\$ (5,560)	\$ 2,872,421		143,127
2009	199,143	-	-	(1,405)	142,020		58,528
2008	29,559	-		(117)	27,985		1,691
2007	1,457			-	795		662
2006	1,094			(911)	1,038		967
2005	2,983			-	107		2,876
2004	4,673			-	118		4,555
2003	4,637			-	1		4,636
2002	5,311			-	-		5,311
2001	4,495			-	1		4,494
	<u>\$ 3,145,488</u>	<u>\$ -</u>	<u>\$ 3,054,715</u>	<u>\$ (2,433)</u>	<u>\$ 172,065</u>	<u>\$ -</u>	<u>\$ 3,281,562</u>

CITY OF LEBANON TENNESSEE

SCHEDULE OF TAX RATES AND ASSESSMENTS

June 30, 2011

	<u>Rate per \$100 of Assessed Valuation</u>	<u>Total Assessed Valuation</u>
2011	\$ 0.346	\$ 919,804,744
2010	0.335	926,190,622
2009	0.335	915,361,693
2008	0.335	886,874,986
2007	0.370	769,870,651
2006	0.440	750,646,700
2005	0.440	646,600,481
2004	0.440	518,930,553
2003	0.440	502,424,191
2002	0.440	475,669,670

CITY OF LEBANON, TENNESSEE

SCHEDULE OF NATURAL GAS RATES

UNAUDITED

Year Ended June 30, 2011

There were 6761 metered customers billed during the month of June, 2011. The policy of the City requires that all customers be metered.

Natural Gas rates in effect at June 30, 2011 are as follows:

	<u>Inside City</u>	<u>Outside City</u>
1) <u>Residential</u>		
Minimum	\$5.00	\$5.00
First 1,000 Cubic Feet	\$8.95	\$10.55
All Over 1,000 Cubic Feet	\$9.17/1000	\$10.81/1000
2) <u>Commercial</u>		
Customer Charge	\$20.00	\$20.00
First 10,000 Cubic Feet	\$10.07	\$11.93
All Over 10,000 Cubic Feet	\$8.79/1000	\$10.34/1000
2) <u>Multiple Dwellings- L.H.A.</u>		
Minimum	\$5.00	
First 1,000 Cubic Feet	\$8.95	
All Over 1,000 Cubic Feet	\$9.17/1000	
4) <u>Interruptible</u>		
Demand Charge	\$750.00	\$750.00
First 3,500,000 Cubic Feet	\$2.06/1000	\$2.46/1000
All Over 3,500,000 Cubic Feet	\$1.74/3500	\$2.06/1000
Transport Fee	Variable	
5) <u>Industrial</u>		
Customer Charge	\$100.00	\$100.00
First 100,000 Cubic Feet	\$9.22/1000	\$10.87/1000
All Over 100,000 Cubic Feet	\$8.37/100MCF	\$9.81/100MCF

Number of miles of the Distribution System of Lines- 236

CITY OF LEBANON, TENNESSEE

SCHEDULE OF WATER AND SEWER RATES

UNAUDITED

Year Ended June 30, 2011

There were 10,305 metered water customers and 9,923 sewer customers billed during June, 2011. The policy of the City requires that all water customers be metered and that sewerage charges be billed to each water customer who has sewer service available.

Water and Sewer rates in effect at June 30, 2011, are as follows:

			<u>Inside City</u>			<u>Outside City</u>		
First	200	CF			\$8.49			\$12.73
Next	800	CF	\$4.48	Per 100	\$35.84	\$6.68	Per 100	\$53.44
Next	3,000	CF	\$4.34	Per 100	\$130.20	\$6.52	Per 100	\$195.60
Next	8,000	CF	\$3.93	Per 100	\$314.40	\$5.90	Per 100	\$472.00
Next	17,000	CF	\$2.44	Per 100	<u>\$414.80</u>	\$3.67	Per 100	<u>\$623.90</u>
Total	29,000	CF			\$903.73			\$1,357.67

All over 29,000 CF- No max for Commercial and Residential, no max for water and max of \$60 for sewer.

			<u>Inside City</u>			<u>Outside City</u>		
First	1,496	GA			\$8.49			\$12.73
Next	7,481	GA	\$4.48	Per 1000	\$33.51	\$6.68	Per 1000	\$49.97
Next	29,922	GA	\$4.34	Per 1000	\$129.85	\$6.52	Per 1000	\$195.09
Next	89,766	GA	\$3.93	Per 1000	\$352.78	\$5.90	Per 1000	\$529.62
Next	216,935	GA	\$2.44	Per 1000	<u>\$529.32</u>	\$3.67	Per 1000	<u>\$796.15</u>
Total	216,935	GA			\$1,053.95			\$1,583.56

All over 216,935 GA- There is no max for water for Residential Inside and Outside City and a max of \$60 for sewer Residential Inside and \$90 for sewer for Residential Outside City.

Sewer rate same as water rate.

CITY OF LEBANON, TENNESSEE

SCHEDULE OF INSURANCE COVERAGE

June 30, 2011

Tennessee Municipal League Risk Management Pool:

Policy #TML0556-10

General Liability and Law Enforcement Liability	Bodily Injury - \$300,000 per person Bodily Injury – \$700,000 per occurrence Property Damage - \$100,000 per occurrence Other Loss - \$2,000,000 per occurrence Medical - \$1,000 per person \$10,000 per accident Fire - \$100,000 per occurrence Impounded Property - \$100,000 per occurrence Non-Monetary Defense - \$50,000 per occurrence \$2,000,000 per occurrence
Errors or Omissions Automobile Liability	Bodily Injury - \$300,000 per person Bodily Injury – \$700,000 per occurrence Property Damage - \$100,000 per occurrence Other Loss - \$2,000,000 per occurrence Medical - \$1,000 per person \$10,000 per accident
Automotive Physical Damage	Comprehensive - \$500 deductible Collision - \$1,000 deductible

Policy #TMP7383-10

Blanket Limit	\$117,128,532 per occurrence
Buildings	\$116,169,268
Electronic Data Processing	\$ 215,914
Mobile Equipment	\$ 743,350
Equipment Breakdown	\$116,912,618
Flood	\$ 1,000,000 each occurrence and annual aggregate
Earthquake	\$ 1,500,000 each occurrence and annual aggregate
Other Automatic Coverages	Various
Employee Dishonesty	\$100,000 Finance Committee \$500,000
Crime	\$ 100,000 per loss

TML:

Policy #TWC-0565-10	Workers Compensation	
	Bodily Injury by Accident	\$1,000,000
	Bodily Injury by Disease	\$1,000,000/\$1,000,000

CITY OF LEBANON, TENNESSEE

SCHEDULE OF SALARIES AND FIDELITY
BONDS OF PRINCIPAL FINANCIAL OFFICIALS

UNAUDITED

June 30, 2011

	<u>Bond</u>	<u>Salary</u>
Commissioner of Finance and Revenue- Russell Lee	\$100,000	\$77,293
Commissioner of Public Works- Jeff Baines	\$100,000	\$81,099
Purchasing Agent- Lisa Lane	\$100,000	\$48,568
General Employee Fidelity Bond	\$100,000	

The fidelity bond coverage is carried with TML Risk Management Pool.

CITY OF LEBANON, TENNESSEE
SCHEDULE OF STATE GRANT ACTIVITY

Year Ended June 30, 2011

<u>GRANTOR/PROGRAM</u>	<u>GRANT NUMBER</u>	<u>A/R OR DEFERRED</u> <u>AT JUNE 30, 2010</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>A/R OR DEFERRED</u> <u>AT JUNE 30, 2011</u>
Tennessee Department of Transportation Aeronautics Division Airport Maintenance 2009/2010	99-555-1199-04	\$ 4,090.07	\$ 4,090.07	\$ -	\$ -
Tennessee Department of Transportation Aeronautics Division Airport Maintenance 2010/2011	99-555-1206-04	-	11,596.40	13,000.00	1,403.61
Tennessee Department of Transportation Aeronautics Division Spill Prevention	95-555-0440-04	-	4,502.60	4,502.60	-
Tennessee Department of Transportation Aeronautics Division Airport Access Road - Construction	95-555-0135-04	(7,722.60)	(7,722.60)	-	-
Tennessee Department of Transportation Aeronautics Division Eastside Taxiway	95-555-0739-04	-	103.00	103.00	-
Tennessee Department of Transportation Aeronautics Division Westside Hangar	95-555-0138-04	11,500.00	11,500.00	-	-
Tennessee Department of Transportation Aeronautics Division New Terminal Study	95-555-0140-04	2,000.00	18,641.75	48,591.03	31,949.28
Tennessee Department of Transportation Aeronautics Division Security Cameras	95-555-0729-04	-	10,385.00	11,346.50	961.50
Tennessee Department of Economic and		92,530.00	25,118.75	499,094.48	566,505.73

CITY OF LEBANON, TENNESSEE
SCHEDULE OF STATE GRANT ACTIVITY

Year Ended June 30, 2011

<u>GRANTOR/PROGRAM</u>	<u>GRANT NUMBER</u>	<u>A/R OR DEFERRED AT JUNE 30, 2010</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>A/R OR DEFERRED AT JUNE 30, 2011</u>
Community Development FIDP Grant Permobil					
Tennessee Department of Environment and Conservation State Revolving Fund Loan Wastewater Treatment Plant Improvements	DWSRF 08-080	26,036.55	44,215.70	18,179.15	-
Tennessee Department of Environment and Conservation State Revolving Fund Loan Water Treatment Plant Improvements	DWSRF 08-079	-	1,650,440.16	1,858,315.49	207,875.33
Tennessee Department of Environment and Conservation Drinking Water Revolving Fund Loan Upsize Water Main	CWSRF 08-220	-	-	-	-
Tennessee Department of Environment and Conservation Drinking Water Revolving Fund Loan Upsize Water Main	CWSRF 08-222	211,568.42	495,629.72	284,061.30	-
Tennessee Commission on Aging State Senior Center	2011-81	-	33,000.00	33,000.00	-
Tennessee Emergency Management Agency Flood Damage	FEMA-1909-DR-TN	-	16,547.66	16,547.66	-
Total State Grant Activity		\$ 340,002.44	\$ 2,318,048.20	\$ 2,786,741.21	\$ 808,695.45

CITY OF LEBANON, TENNESSEE
SCHEDULE OF TRANSFERS

Year Ended June 30, 2011

Transfers From	Governmental Funds					Total
	Major Fund General	Other Nonmajor Governmental Funds				
		State Street Aid	Payment in Lieu of Sidewalks	Street Improvements	Airport Operations	
Transfers To						
Governmental Funds:						
Major Funds:						
General	\$ -	\$ -	\$ -	\$ 230,000	\$ -	\$ 230,000
Nonmajor Funds:						
Stormwater	132,750	-	-	-	-	132,750
Floyd Family Life Center	200,000	-	-	-	-	200,000
1992 G.O. Bond						
Sinking	208,443	-	-	-	-	208,443
2008 G.O. Refunding						
Bond Sinking	339,828	-	-	-	-	339,828
2003 G.O. Bond						
Sinking	464,088	-	-	-	-	464,088
2004 G.O. Bond						
Sinking	191,882	-	-	-	-	191,882
2008 G.O. Bond						
Sinking	146,620	-	-	-	-	146,620
Airport Capital Projects	25,000	-	-	-	3,713	28,713
Airport Operations						
Community Park Capital Projects	60,000	75,000	22,000	-	-	157,000
Total	\$ 1,768,610	\$ 75,000	\$ 22,000	\$ 230,000	\$ 3,713	\$ 2,099,323

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

	2011	2010	2009	2008	2007
Revenues					
Taxes:					
Real and Personalty	\$ 3,071,579	2,899,184	\$ 2,945,205	\$ 2,757,709	\$ 2,598,586
Business Tax	923,464	599,808	804,546	339,409	234,566
Wholesale Beer	861,109	798,377	819,564	806,335	769,718
Sales Tax	7,759,586	7,056,686	7,592,161	8,474,110	8,444,496
Cable TV Franchise Fee	218,463	260,348	217,476	232,462	195,452
Hotel and Motel Tax	204,001	187,494	208,813	250,971	188,851
Liquor Tax	254,308	224,374	277,636	265,836	245,327
	<u>13,292,511</u>	<u>12,026,271</u>	<u>12,865,401</u>	<u>13,126,831</u>	<u>12,676,996</u>
Tax Equivalents:					
TVA Tax Replacement	280,015	273,730	238,723	203,973	182,412
	<u>280,015</u>	<u>273,730</u>	<u>238,723</u>	<u>203,973</u>	<u>182,412</u>
Federal, State and Regional					
Apportionments and Grants.					
Sales Tax	1,642,252	1,579,381	1,634,336	1,577,868	1,563,294
Income Tax	223,220	301,737	419,981	316,502	224,097
Street and Transportation Fund	53,256	53,281	52,847	47,795	48,299
Highway Grants and Contracts	115,090	108,624	105,420	112,952	105,393
Beer Tax	12,944	12,296	12,942	11,972	11,749
Alcoholic Beverage Tax	153,071	159,361	160,306	151,998	150,270
Corporate Excise Tax	27,175	31,713	26,632	30,657	33,573
UDSA Grant	-	1,794	-	-	-
Police and Fire Salary Supplement	59,400	60,000	58,800	58,800	53,700
LLEBG Grants	-	-	-	653	24,781
COPS/JAG Grants	231,217	168,755	11,291	-	7,156
Federal Asset Seizure Fund	-	-	-	-	5,865
Firefighters Grant	18,053	1,485	48,815	47,138	-
Tree Grant	-	-	48,206	-	3,000
D.E.A. Grant	17,565	16,858	18,046	16,666	13,043
Flood Grant	16,548	-	-	-	-
High Visibility Grant	-	6,502	25,316	44,357	63,460
Organized Drug Task Force	28,827	-	-	-	-
Telecommunications	2,001	2,044	3,124	2,798	3,686
State Bus Tax	-	-	-	556,063	507,198
	<u>2,600,618</u>	<u>2,503,831</u>	<u>2,626,063</u>	<u>2,976,220</u>	<u>2,818,564</u>
Fines and Costs					
Rent - Airport Facilities	-	-	-	-	-
Rents from Other City Departments	16,104	16,104	16,104	16,104	16,104
Rent - Other	27,244	27,180	26,472	27,728	27,224
Highway and Street Charges	26,405	51,128	42,252	53,081	37,472
Interest	98,518	54,722	17,579	123,619	153,327
Permits and Licenses	385,688	545,302	305,610	559,783	609,400
Cemetery Income	66,275	59,359	59,497	65,619	66,159
Park and Recreation Income	32,270	30,260	28,415	27,990	21,979
Interest and Penalty on Taxes and Licenses	(5,802)	(51,617)	61,148	44,458	53,456
Miscellaneous	267,726	556,843	300,219	250,061	400,713
Financing Sources	-	17,978	-	12,002	9,000
	<u>1,584,097</u>	<u>1,888,443</u>	<u>1,424,301</u>	<u>1,872,644</u>	<u>2,036,131</u>
	<u>\$ 17,757,242</u>	<u>\$ 16,692,275</u>	<u>\$ 17,154,488</u>	<u>\$ 18,179,668</u>	<u>\$ 17,714,103</u>

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Mayor and Council	\$ 182,324	\$ 179,450	\$ 233,682	\$ 250,320	\$ 228,392
City Attorney/Judicial	163,579	171,418	170,441	171,164	157,500
Financial Administration	144,722	151,655	169,421	192,105	163,013
Meter Readers	-	8,274	95,784	102,065	92,289
EAC Committee	175	168	16,349	18,266	13,703
Accounting	211,434	221,587	228,811	214,355	218,071
Special Census	-	-	-	65,716	-
Farmers Market	-	-	98,724	-	-
Customer Billing	35,506	37,495	41,932	38,609	41,306
Purchasing	52,957	51,679	53,433	56,068	54,183
Computer Equipment	166,805	168,306	171,577	193,090	169,752
Public Works	176,426	165,465	210,177	209,548	213,919
Warehouse	40,011	39,702	39,653	40,844	38,669
Personnel	83,460	94,469	144,651	141,159	167,764
General Maintenance	235,083	213,784	285,245	278,449	292,079
Police	7,382,042	7,188,197	7,125,091	7,307,255	6,579,299
Fire	3,964,614	3,059,899	3,113,337	2,893,359	2,856,767
Building Inspection	167,563	187,446	254,419	288,863	244,662
Building Maintenance	74,419	72,030	104,211	110,074	104,228
Street	1,073,900	937,903	1,222,150	1,742,463	1,258,481
Animal Control	101,051	103,356	90,978	81,408	71,593
Engineering	276,289	269,594	389,374	399,182	381,014
Garage	232,379	237,852	256,626	272,196	278,639
Cemetery	68,790	89,634	136,641	133,016	144,257
Recreation	623,883	570,094	690,695	700,651	696,202
Airport Maintenance/Capital Projects	-	-	-	50	-
Special Events	3,169	18,125	27,790	41,083	40,670
Dues	269,329	262,196	310,028	319,684	367,196
Community Park	81,831	85,838	79,852	93,066	81,799
Regional Transportation Authority	25,000	20,000	20,000	19,250	42,470
Traffic Maintenance	394,180	245,558	248,466	533,082	428,216
Archives/Museum	-	13,264	40,276	45,316	42,652
Public Safety	152,684	207,428	204,462	206,438	206,044
Office Pool	-	-	6,526	13,465	8,037
Grants and Contributions	-	11,290	11,290	23,062	23,302
Total Expenditures	\$ 16,383,604	\$ 15,083,157	\$ 16,292,093	\$ 17,194,720	\$ 15,706,168

CITY OF LEBANON, TENNESSEE

PROPERTY TAX LEVIES AND COLLECTIONS

Years Ended June 30,

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Tax Levy	\$ 3,105,286	\$ 3,073,773	\$ 2,971,081	\$2,840,956	\$2,781,682
Current Tax Collections	\$ 2,808,439	\$ 2,745,438	\$ 2,735,942	\$2,659,690	\$2,273,131
Percent of Levy collected	90.44%	89.32%	92.09%	93.62%	71.82%
Delinquent Tax Collections	\$ 331,954	\$ 282,703	\$ 236,888	\$ 158,582	\$ 418,238
Total Tax Collections	\$ 3,140,393	\$ 3,028,141	\$ 2,972,830	\$ 2,818,272	\$ 2,692,369
Total Collections as a Percent of Current Levy	101.13%	98.52%	100.06%	99.20%	96.72%
Outstanding Delinquent Taxes	\$ 226,847	\$ 255,152	\$ 209,297	\$ 214,534	\$ 191,240
Outstanding Delinquent Taxes as a Percent of Current Levy	7.31%	8.30%	7.04%	7.55%	6.87%

CITY OF LEBANON, TENNESSEE

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

Years Ended June 30,

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Real Property:					
Assessed Value	\$ 805,416,685	\$ 810,363,355	\$ 800,223,085	\$ 773,465,244	\$ 668,184,190
Estimated Actual Value	\$ 2,545,928,209	\$ 2,566,690,900	\$ 2,539,537,900	\$ 2,448,719,000	\$ 2,105,249,200
Personal Property:					
Assessed Value	\$ 78,441,570	\$ 81,371,887	\$ 82,827,390	\$ 81,099,503	\$ 72,020,720
Estimated Actual Value	\$ 247,804,051	\$ 271,241,268	\$ 276,092,911	\$ 270,333,257	\$ 263,430,376
Public Utility Property:					
Assessed Value	\$ 35,946,489	\$ 34,455,380	\$ 32,310,239	\$ 32,310,239	\$ 29,664,762
Estimated Actual Value	\$ 35,946,489	\$ 34,455,380	\$ 32,310,239	\$ 32,310,239	\$ 29,664,762
Total:					
Assessed Value	\$ 919,804,744	\$ 926,190,622	\$ 915,360,714	\$ 886,874,986	\$ 769,869,672
Estimated Actual Value	\$ 2,829,678,749	\$ 2,872,387,548	\$ 2,847,941,050	\$ 2,751,362,496	\$ 2,398,344,338
Ratio of Total Assessed Value to Total Estimated Actual Value	32.51%	32.24%	32.14%	32.23%	32.10%

CITY OF LEBANON, TENNESSEE

PROPERTY TAX RATES AND LEVIES - ALL OVERLAPPING GOVERNMENTS

Last Five Fiscal Years

Tax Rates

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2007	2006	\$ 0.370	\$2.48/\$2.87
2008	2007	\$ 0.370	\$2.48/\$2.87
2009	2008	\$ 0.335	\$2.4327/\$2.8227
2010	2009	\$ 0.335	\$2.4327/\$2.8227
2011	2010	\$ 0.335	\$2.4327/\$2.8227

Tax Levies

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>City</u>	<u>County</u>
2007	2006	\$ 2,671,923	\$ 57,379,915
2008	2007	\$ 2,739,029	\$ 61,892,586
2009	2008	\$ 2,862,842	\$ 67,477,438
2010	2009	\$ 2,958,350	\$ 70,566,211
2011	2010	\$ 2,987,434	\$ 72,115,351

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2011

Date of Incorporation- 1819

Date First Charter Adopted- June 28, 1911

Date Present Charter Adopted- 1993

Form of Government- Mayor and Council

Area- Square Miles
2011- 39.3

Paved Streets- 186 Miles

Sidewalks- 34 Miles

Sanitary Sewer Lines- 258 Miles

Fire Protection:

Number of Fire Stations- 3

Number of Employees- 41

Police Protection:

Number of Employees- 94

Vehicular Patrol Units- 110

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2011

Elections:

Number of Registered Voters- 15,017

Number of Votes Cast-

Last General Election- 10,105

Last Municipal Election- 10,105

Percentage of Registered Voters Voting

Last General Election- 67%

Last Municipal Election- 67%

Population:

2011 26,190

Gas System:

Number of Consumers- 6,761

Cubic Feet Billed for the

Year- 1,219,525,785

Distribution System- 236 Miles
of Lines

Water System:

Number of Consumers- 10,305

Cubic Feet Billed for the

Year- 624,158,533

Distribution System- 226
miles of Water Mains

Water Treatment Plant

Capacity- 12,000,000

Gallons Per Day

CITY OF LEBANON, TENNESSEE

MISCELLANEOUS STATISTICAL DATA

June 30, 2011

Sewer System:

Number of Users- 9,923

Sewer Plant Capacity-

10,000,000 Gallons Per Day

Number of Employees- 402

Principal Taxpayers

Type of Business

Commerce Farms	Distribution
Lebanon HMA	Healthcare
Middle Tennessee Electric Membership Corp	Electric Co-op
Cracker Barrel	Restaurant
Tennessee Services Corp	Auto Auction
Knight Leasing Company	Manufacturing
Duke Realty (Ozburn Hesse Logistics)	Real Estate Trust
CATO Industrial Development	Real Estate Trust
Gensco Inc	Distribution
Eastgate Distribution	Distribution

City of Lebanon
Schedule of Unaccounted For Water
June 30, 2011

(All amounts in gallons)

A. Water Treated and Purchased:		
B. Water Pumped (potable)	2,072,523,000	
C. Water Purchased	0	
D.	Total Water Treated and Purchased	2,072,523,000
	(Sum Lines B and C)	
E. Accounted for Water:		
F. Water Sold	1,445,163,571	
G. Metered for Consumption	0	
H. Fire Department(s) Usage	322,893	
I. Flushing	3,395,859	
J. Tank Cleaning/Filling		
K. Street Cleaning	22,500	
L. Bulk Sales	1,370,902	
M. Water Bill Adjustments	26,989,626	
N.	Total Accounted for Water	1,477,265,351
	(Sum Lines F thru M)	
O.	Unaccounted for Water	595,257,649
	(Line D minus Line N)	
P.	Percent Unaccounted for Water	29%
	(Line O divided by Line D times 100)	
Q. Other (explain)		

All amounts included in this schedule are supported by the documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

FEDERAL FINANCIAL ASSISTANCE

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FEDERAL AWARDS

Year Ended June 30, 2011

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	GRANT NUMBER	A/R OR DEFERRED June 30, 2010	RECEIPTS	DISBURSEMENTS	A/R OR DEFERRED June 30, 2011
<u>MAJOR PROGRAMS</u>						
66.468	Environmental Protection Agency TN Department of Environment and Conservation Drinking Water State Revolving funds	DWF 08-079	\$ -	\$ 1,375,311.99	\$ 1,548,534.53	\$ 173,222.54
16.710	Department of Justice N/A Community Oriented Policing Services	2010UMWX0300	-	33,937.46	179,125.71	145,188.25
TOTAL MAJOR PROGRAMS			-	1,409,249.45	1,727,660.24	318,410.79
<u>NON-MAJOR PROGRAMS</u>						
66.468	Environmental Protection Agency TN Department of Environment and Conservation Drinking Water State Revolving funds	DWF 08-080	\$ 21,696.27	\$ 36,844.96	\$ 15,148.69	-
20.106	Department of Transportation TN Department of Transportation Airport Improvements - Access Road	95-555-0135-04	(7,722.60)	(7,722.60)	-	-
20.106	Department of Transportation TN Department of Transportation Airport Improvements - New Terminal Study	95-555-0140-04	2,000.00	18,641.75	48,591.03	31,949.28
16.804	Department of Justice N/A 2009 JAG 2871 ARRA	2009-SB-B9-2871	(29,903.55)	-	1,542.61	(28,360.94)
16.738	Department of Justice N/A 2007 JAG 0398	2007-DJ-BX-0398	8,101.43	5,322.54	(2,778.89)	-
16.738	Department of Justice N/A	2010-DJ-BX-0432	-	23,565.00	23,545.00	(20.00)

CITY OF LEBANON, TENNESSEE
SCHEDULE OF FEDERAL AWARDS

Year Ended June 30, 2011

FEDERAL CFDA #	FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	GRANT NUMBER	A/R OR DEFERRED June 30, 2010	RECEIPTS	DISBURSEMENTS	A/R OR DEFERRED June 30, 2011
	2010 JAG 0432					
16.738	Department of Justice N/A 2009 JAG 0880	2009-DJ-BX-0880	-	46,300.00	46,300.00	-
16.607	Department of Justice N/A 2007 Bullet Proof Vest	2007-BU-BX-070372	-	1,375.01	1,375.01	-
97.044	FEMA N/A Assistance to Firefighters	EMW-2010-FO-03211	-	18,053.00	18,053.00	-
97.036	FEMA Tennessee Emergency Management Agency Flood Damage	FEMA-1909-DR-TN	-	16,547.66	16,547.66	-
93.044	Department of Health & Human Services Greater Nashville Regional Council Special Programs for the Aging	2011-81	-	19,400.00	19,400.00	-
93.043	Department of Health & Human Services Greater Nashville Regional Council Special Programs for the Aging	2011-81	-	3,000.00	3,000.00	-
TOTAL NONMAJOR PROGRAMS			(5,828.45)	181,327.32	190,724.11	3,568.34
TOTAL FEDERAL AWARDS			\$ (5,828.45)	\$ 1,590,576.77	\$ 1,918,384.35	\$ 321,979.13

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of federal awards includes the federal grant activity of the City of Lebanon, Tennessee, and is presented on the same basis of accounting as the City of Lebanon, Tennessee's basic financial statements. The information in this schedule is presented in accordance with GMB Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations."

INTERNAL CONTROL AND COMPLIANCE SECTION

**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**

The Honorable Mayor, the Board of Aldermen,
and the Commissioner of Finance and Revenue of
Lebanon, Tennessee and the Director of
of Municipal Audit, State of Tennessee

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison schedule for the General Fund of the City of Lebanon, Tennessee as of and for the year ended June 30, 2011 which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the City of Lebanon, Tennessee is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Lebanon, Tennessee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lebanon, Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to the management of the City of Lebanon, Tennessee in a separate letter dated February 22, 2012.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Dempsey Vantrease & Trolles P.C.

Lebanon, Tennessee
February 22, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Mayor, the Board of Aldermen,
and the Commissioner of Finance and Revenue of
Lebanon, Tennessee and the Director of Municipal
Audit, State of Tennessee

Compliance

We have audited the City of Lebanon, Tennessee's compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City of Lebanon Tennessee's major federal programs for the year ended June 30, 2011. The City of Lebanon, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Lebanon, Tennessee's management. Our responsibility is to express an opinion on the City of Lebanon, Tennessee's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Lebanon, Tennessee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Lebanon, Tennessee's compliance with those requirements.

In our opinion, the City of Lebanon, Tennessee, complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of the City of Lebanon, Tennessee, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Lebanon, Tennessee's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Lebanon, Tennessee's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

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

This report is intended solely for the information and use of management, City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dempsey Vantrease & Hollis PLLC

Lebanon, Tennessee
February 22, 2012

CITY OF LEBANON
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

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

Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? yes Xno

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Environmental Protection Agency – Drinking Water State Revolving Funds

Dollar threshold used to distinguish
 between Type A and Type B programs: \$300,000

Audit qualified as low-risk auditee? Xyes no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.