

City of La Vergne, Tennessee

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

City of La Vergne, Tennessee
 Annual Comprehensive Financial Report
 For the Year Ended June 30, 2023

Contents

Introductory Section (Unaudited)

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	vii
Management Organization Chart	viii
Officials of the City of La Vergne, Tennessee	ix

Financial Section

Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual - General Fund	21
Statement of Net Position - Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	31
Statement of Cash Flows - Proprietary Funds	33
Notes to Financial Statements	35
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds	
Fund Descriptions	53
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	
State Street Aid	56
Drug Enforcement	57
Stormwater	58
Senior Citizens	59
Police Impact Fee	60
Parks and Recreation Improvement	61
Fire Impact Fee	62

City of La Vergne, Tennessee
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Contents

Financial Section

Highways and Streets Capital Projects	
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual	63
Discretely Presented Nonmajor Component Unit	
Balance Sheet	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance	65

Other Schedules

Capital Assets Used in Operation of Governmental Funds	
Schedule by Function and Activity	66
Schedule of Changes by Function and Activity	67
Schedule of Changes in Property Taxes Receivable - General Fund	68
Schedule of Changes in Long-term Debt by Individual Issue	69
Schedule of Maturities of Bond Indebtedness and Interest Requirements - General Obligation	70
Schedule of Maturities of Indebtedness and Interest Requirements - Water and Sewer Fund	71
Schedule of Changes in Lease Obligations	72
Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year	73
Schedule of Utility Rates	74

Statistical Section (Unaudited)

Financial Trends

Net Position by Component	76
Changes in Net Position	77
Fund Balances of Governmental Funds	80
Changes in Fund Balances of Governmental Funds	81

Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property	83
Direct and Overlapping Property Tax Rates	84
Principal Property Tax Payers	85
Property Tax Levies and Collections	86

Debt Capacity

Ratios of Outstanding Debt and Other Obligations by Type	87
Ratios of General Obligation Debt Outstanding	88
Direct and Overlapping Governmental Activities	89
Debt Margin Information	90
Pledged Revenue Coverage	91

Demographic and Economic Information

Demographic and Economic Statistics	92
Principal Employers	93

Operating Information

Full-time Equivalent City Government Employees by Function/Program	94
Operating Indicators by Function/Program	95
Capital Assets Statistics by Function/Program	96

City of La Vergne, Tennessee
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Contents

Compliance Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	97
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	99
Schedule of Expenditures of Federal Awards and State Financial Assistance	102
Summary Schedule of Prior Year Findings	103
Schedule of Findings and Questioned Costs	104
Management's Corrective Action Plan	106

Introductory Section



5093 Murfreesboro Road
La Vergne, TN 37086
(615) 793-6295
laveragnetn.gov

November 22, 2023

To the Honorable Mayor, Members of the Board, and Citizens of the City of La Vergne:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the annual comprehensive financial report of the City of La Vergne for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the City of La Vergne. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of La Vergne has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of La Vergne's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of La Vergne's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The City of La Vergne's financial statements have been audited by Blankenship CPA Group, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of La Vergne for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of La Vergne's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis

to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of La Vergne's MD&A can be found beginning on page 4, immediately following the report of the independent auditors.

Profile of the Government

The City of La Vergne is in Rutherford County, borders Metro-Davidson County, and is centrally located in Middle Tennessee. This places La Vergne strategically within a day's drive from approximately 70% of the population of the United States. With the advent of on-demand-delivery in all aspects of business and industry, La Vergne is positioned to have continued industrial, distribution, publishing, and commercial growth for the foreseeable future.

La Vergne was first incorporated February 28, 1861, but the incorporation was rescinded in 1881, because – since the Civil War – no city officials had been elected and there weren't enough adults to let the town organize a Board of Mayor and Aldermen and town constitution. The City of La Vergne, re-incorporated in 1972, is a general law charter municipality. City government is conducted under the mayor-alderman system. The Board of Mayor and Aldermen is comprised of five (5) members. The mayor serves a four-year term and is elected at large. The aldermen are elected for staggered four-year terms. They are also elected at large.

The City of La Vergne provides a full range of services, including police protection; fire protection, improved highways and streets, planning and zoning, health and social services, culture, parks and recreational activities; public library, and general administrative services. In addition to general governmental activities, the City manages its own water and sewer services, including a water treatment plant.

The Mayor/Alderman reviews the budget requests of the areas with department heads and city administrator annually. The final budget is presented to the Mayor/Alderman meeting for their final approval. Two readings are required.

The City of La Vergne maintains budgetary control designed to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The legal level of budgetary control is at the department level. Activities of the general fund, special revenue funds, and capital project funds are included in the annual appropriated budget.

Budget-to-actual comparisons are also provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund this comparison is presented on pages 21-28. As part of the supplementary information the highway and capital projects streets fund comparison is presented on page 63. For governmental funds which are not considered major funds, the appropriated annual budget comparisons are presented in the combined individual fund subsection of this report, which starts on page 56.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of La Vergne operates.

Local Economy. La Vergne continues to be one of the fastest growing communities in the state as well as the country. From 2010-2023, the City grew from 32,588 to approximately 41,245 which is an increase of 27%. During the same period, the total number of households within La Vergne climbed to 13,064 from 10,946 in 2010. La Vergne's median income, which topped out at \$74,789, is well over the Tennessee state average of \$71,828. City residents enjoy a 4.0% lower cost of living than the U.S. average according to ACCRA Col Index.

The City of La Vergne remains strong and vibrant on the business front and continues to be a desired location for new businesses. Existing businesses continue to thrive and expand in La Vergne. Several multi-million dollar expansions are underway including Quanta, Scott Equipment and Cardinal Health. The Highpointe 24 industrial complex continues to add new business as it completes construction, including a new BestBuy distribution center. Additionally, Panattoni has plans to build 9 warehouses on the TN CO-OP property exceeding 1 million square feet of distribution space.

Many factors contribute to the success of local industry. More than half of the US population is within 650 miles of the city and La Vergne's proximity to many major interstates makes the city very attractive as a national manufacturing and distribution hub. Interstate 24, with its 161,000 vehicles daily, runs directly through the city. Additionally, the I-40, I-65 and I-840 interstates are within 15 minutes. The city's unemployment rate is consistently less than 3%, and its labor shed draws from 10 surrounding counties. This skilled workforce has helped La Vergne set itself apart as a regional industrial powerhouse.

The numerous employment opportunities combined with a low city property tax rate (\$.5363 per \$100 of assessed value), have spurred migration to the city at over twice the national average. In the last eight years La Vergne has averaged 3.1% annualized growth and is projected over the next five years to average 2.3% annualized growth. Residents have access to quality recreation including Percy Priest Lake as well as a plethora of local parks and community sponsored events. The city sits in close proximity to professional football, hockey, and soccer venues. La Vergne is within a short drive to Nashville International Airport, and within two miles of Smyrna Airport.

Rutherford County ranked 5th among the 95 counties throughout Tennessee in retail revenue. The City of La Vergne sales tax revenue has broken its previous year's sales tax record every year for the past 5 years reaching a record 16.3 million dollars during fiscal year 2022-2023. It is forecasted these numbers will continue to grow with the

opening of BJ's Wholesale Club's first store in Tennessee during the current fiscal year along with multiple commercial projects currently planned throughout the city.

The city has used its recently formed Industrial Development Board to aid in its future development. The ability to incentivize future deals has allowed La Vergne to compete with surrounding cities for retail development and the additional sales tax dollars they provide. The use of this board proved integral in bringing BJ's Wholesale Club to the city. Additionally, during the current fiscal year, the IDB voted to acquire 76 acres for future growth along South Waldron Road. This will allow the city to capitalize and shape the retail landscape of this high growth area.

La Vergne is part of the award-winning Rutherford County School system. A number of local colleges and universities are located within 20 miles of La Vergne, including Middle Tennessee State University, Tennessee State University, Vanderbilt University, Belmont University, and David Lipscomb University. The local economy has consistently been healthier than the national economy. The city is committed to building a future in which economic growth and prosperity is balanced with a high quality of life for all of its citizens.

Long-Term Financial Planning. The City has numerous capital projects currently being designed, under construction or recently completed. Parks Capital Projects include the future expansion of our greenway, and a new neighborhood park on the south side of the city. Water and Sewer Capital Projects include several water and sewer line upgrades and extensions, storage tank upgrades, and an electronic meter swap out program. Streets Capital Projects include the Advanced Traffic Management System for Murfreesboro Road and Waldron Road that will use a CMAC grant for sidewalks and crosswalks along the City's two main thoroughfares. Other street projects include the widening of South Waldron Road, the extension of Blair Road and the widening of Old Nashville Highway. A new Fire Station #41 that replaces the existing station and provides a location for our Fire Dept. headquarters is well under construction and the new Public Works and Community Development Services facility has broken ground. Future projects include the renovation and expansion of the Police Department building and a new Fire Station #44 on the south side of the city.

Relevant Financial Policies

The city's strives to maintain a year end general fund balance of approximately 25 to 30 percent of operating expenditures. The 2022-2023 year end general fund ending balance was approximately 181% of operating expenditures.

The City has adopted an internal control policy, a debt policy, a fund balance policy and policies and procedures for the administration of federally tax exempt dept obligations. This change was made by the Council as an effort to protect city assets and be in compliance with state and federal regulations.

Major Initiatives

The City of La Vergne has many projects underway in the water/sewer system area. Replacement of small diameter lines with larger diameter lines is an ongoing focus for the city. The city received a 99% sanitation rating on its last survey from the State of Tennessee Department of Environment and Conservation Division of Water Supply, which was done in 2023. This rating has improved over time from the 2007 rating which was at 75%. Several of our sewer pump stations have also been upgraded with newer pumps in an effort to provide the utmost in sewer related services. Funds for these improvements will come from excess water/sewer fund balance and recent grants.

The cities property tax rate was \$.71 per \$100 assessed value in 2021. A county wide reappraisal was done in 2022 and is now .5363 per \$100 in assessed value.

Improving safety for the citizens of La Vergne is also a focus for the city. The City has added new police officers, upgraded communication systems and added vehicles for several years in a row. The city of La Vergne has also aligned itself with Rutherford County Emergency Services for disaster related events. Several cities in and around Rutherford County are currently being trained on handling disaster events. This training was instrumental during the floods in May 2010. The City has also added a Fire Administration Building, several new Firefighters (most of our Firefighters now have EMT certifications) and new Fire Equipment to assist in the growth of La Vergne.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of La Vergne for its comprehensive annual financial report for the fiscal year ended June 30, 2023. [This was the twenty eighth consecutive year that the government has received this prestigious award.] In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would also like to express my appreciation to all other department heads that assisted and contributed to

the preparation of this report. Credit must also be given to the Board of Mayor and Aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the City of La Vergne's finances. The firm of Blankenship CPA Group, PLLC was most helpful in reviewing the interpretations of financial presentation and disclosure requirements.

Respectfully submitted,

Tonya Williams
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of La Vergne
Tennessee**

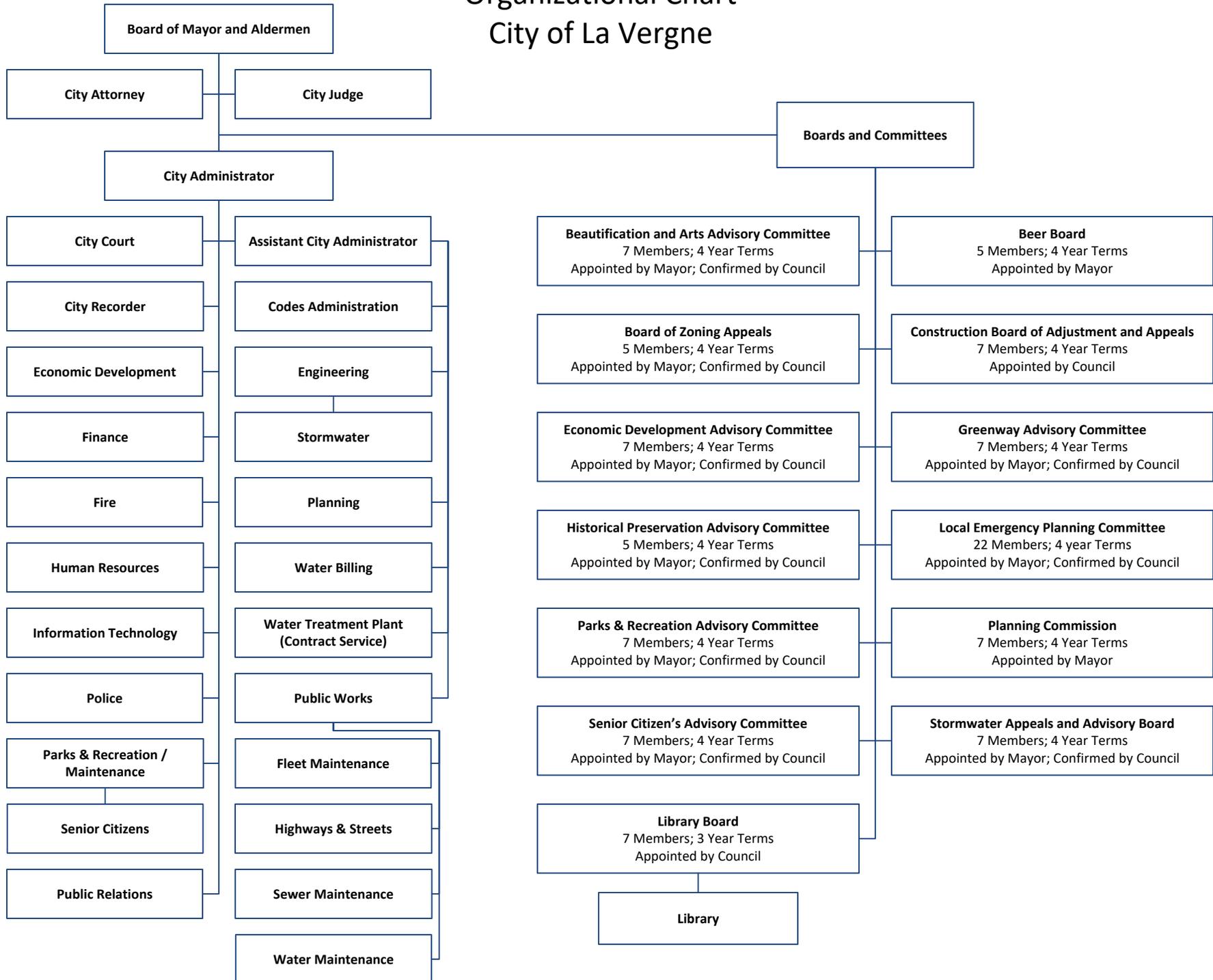
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Organizational Chart City of La Vergne



City of La Vergne, Tennessee
Directory of Officials (Unaudited)
As of June 30, 2023

Elected Officials

<u>Name</u>	<u>Position</u>
Jason Cole	Mayor
Steve Noe	Vice Mayor
Carol Haas	Alderman
Kara Hobbs	Alderman
Dennis Waldron	Alderman

Appointed Officials

<u>Name</u>	<u>Position</u>
Bruce Richardson*	City Administrator

*Certified Municipal Finance Officer

City of La Vergne, Tennessee
Directory of Officials (Unaudited)
As of June 30, 2023

Other Officials

<u>Name</u>	<u>Position</u>
David McGowen	Parks and Recreation Director
Donna Bebout	Library Director
Andrew Patton	HR Director
Nickolaus Logan	Planning Director
Randolph Salyers	Codes Director
Gary Lide	Storm Water Engineer
Ronny Beasley	Fire Chief
Gary Lide	City Engineer
William Cartwright	City Judge
Evan Cope	City Attorney
Tonya Williams*	Finance Director
Kyle Brown*	Assistant City Administrator
Brent Hatcher (Interim)	Chief of Police
Mike Dietz	Public Works Director
Mike Dietz	Utilities Director
Becci Steed	Tax Collector

*Certified Municipal Finance Officer

Financial Section



Independent Auditor's Report

Honorable Mayor and Board of Alderman
City of La Vergne, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Vergne, Tennessee (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed on pages 4-14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules on pages 54-65 and other schedules on pages 66-74 (including the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards on page 102) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules and other schedules (including the schedule of expenditures of federal awards and state financial assistance) on pages 54-74 and 102 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Nashville, Tennessee
December 5, 2023

CITY OF LA VERGNE, TENNESSEE

Management's Discussion and Analysis

As management of the City of La Vergne, Tennessee (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Comparative information for fiscal year 2022 and 2023 is presented in this discussion and analysis. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please consider the information presented here in conjunction with our Letter of Transmittal (Page i).

Financial Highlights:

The assets and deferred outflows of resources of the City of La Vergne exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$200,403,694 of this amount; \$67,140,599 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$14,953,960.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$71,487,007 an increase of \$1,782,550 resulting from the current year operation. Approximately \$29,513,496 of the ending fund balance is not available for spending at the government's discretion (non-spendable, restricted, and assigned.).

At the end of the current fiscal year, unassigned fund balance (spendable at the government's discretion) of the General Fund was \$41,973,511 or 127.6% of the total general fund expenditures.

The City's total debt (bonds, capital lease, capital outlay note, and other obligations including premiums) decreased by \$3,356,092 (9.0%) during the current fiscal year.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the City of La Vergne's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, deferred inflow and outflows of resources with the difference between the two reported as net

position. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net positions changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax and earned but unused vacation leave),

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of La Vergne include general government, police, fire, highway and streets, stormwater, health and welfare, recreation and library. The business-type activities of the City include water and sewer service operations. The governmental-type and business-type activities are allocated their respective portion of the self-insured medical insurance internal service fund.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The City of La Vergne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental Funds are funds used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and highway and streets capital projects fund which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 54-55 in this report.

The City of La Vergne adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 and 19 of this report.

Proprietary Funds. The City of La Vergne maintains two types of proprietary funds. It uses an enterprise fund to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations.

It uses an internal service fund to account for the activities in its self-insured medical insurance fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 29-34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-52 of this report.

Required budgetary information. The required budgetary information provides budget comparison information for the special revenue funds and capital project funds. Non-major governmental fund budgetary schedules can be found on pages 56-62 of this report.

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of La Vergne, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$200,403,694 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (60.5%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) plus bond proceeds on hand for restricted assets less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of La Vergne's Net Position

	Governmental Activities		Business Activities		Total	
	June 30 2022	June 30 2023	June 30 2022	June 30 2023	June 30 2022	June 30 2023
	(000 omitted)		(000 omitted)		(000 omitted)	
Current and other assets	\$81,903	\$83,756	\$32,955	\$35,303	\$114,858	\$119,059
Capital assets	69,900	74,077	55,642	62,557	125,542	136,634
Total assets	151,803	157,833	88,597	97,860	240,400	255,693
Deferred Outflows	10	10	440	388	450	398
Long-term liabilities outstanding	24,346	22,584	13,646	12,208	37,992	34,792
Other Liabilities	2,421	2,876	5,659	8,711	8,080	11,587
Total liabilities	26,767	25,460	19,305	20,919	46,072	46,379
Deferred Inflows	9,218	9,218	111	91	9,329	9,309
Net Position						
Net investment in capital assets	63,773	69,871	42,491	51,404	106,264	121,275
Restricted	12,473	11,988	0	0	12,473	11,988
Unrestricted	39,582	41,306	27,130	25,834	66,712	67,140
Total Net Position	\$115,828	\$123,165	\$69,621	\$77,238	\$185,449	\$200,403

A portion of the City's net position (6.0%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position (\$67,140,599) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

The City of La Vergne's net position increased by \$14,953,960 during the current fiscal year. Net position increased \$7,337,401 in the Governmental Activities mainly due the following:

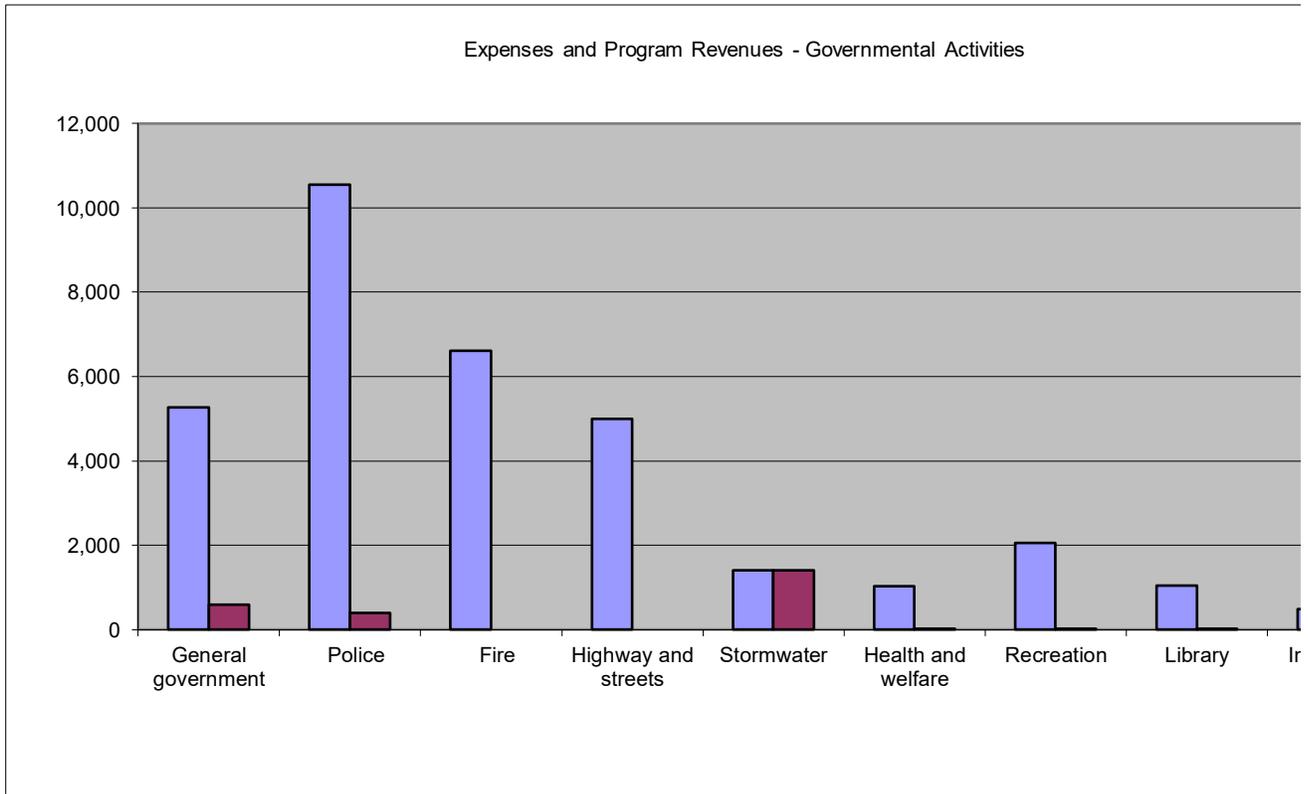
- \$4,302,744 increase in Sales Tax due to increase in retail sales and online sales
- \$1,115,396 increase in State Shared sales tax due to increase in population and retail sales
- \$628,545 increase in Business Tax
- \$292,940 increase in Property Tax Revenue

**Financial Analysis of Financial Statements
City of La Vergne's Change in Net Position**

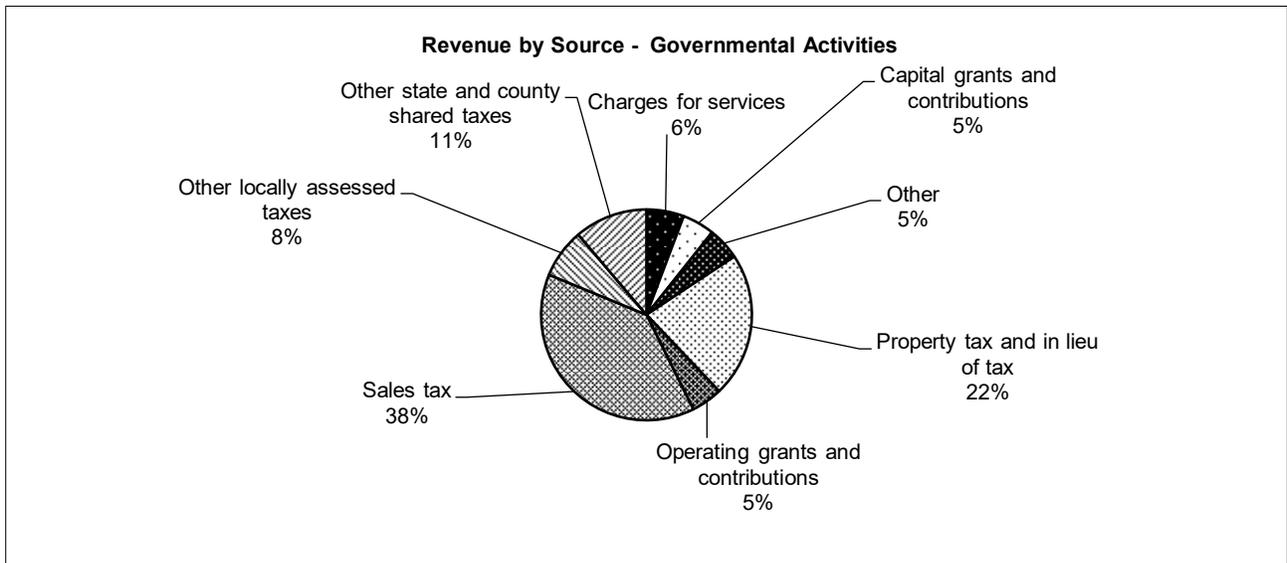
	Governmental Activities		Business-type Activities		Total	
	June 30 2022 (000 omitted)	June 30 2023	June 30 2022 (000 omitted)	June 30 2023	June 30 2022 (000 omitted)	June 30 2023
Revenues:						
Program revenues:						
Charges for services	\$2,523	\$2,421	\$13,251	\$13,746	\$15,774	\$16,167
Operating grants and contributions	2,688	2,027	72		2,760	2,027
Capital grants and contributions	3,295	2,092	1,803	1,489	5,098	3,581
General revenues:						
Property tax and in lieu of tax	9,208	9,398			9,208	9,398
Sales taxes	14,375	16,302			14,375	16,302
Business taxes	1,547	1,881			1,547	1,881
Wholesale beer & liquor taxes	903	879			903	879
Franchise taxes	342	312			342	312
Other locally assessed taxes	118	125			118	125
Other state and county shared taxes	4,478	4,735			4,478	4,735
Unrestricted investment earnings and rental income	8	7	3	3	11	10
Gain on disposal of capital asset	0	1,590			0	1,590
Other	364	525	48	3,565	412	4,090
Total revenue	<u>39,849</u>	<u>42,294</u>	<u>15,177</u>	<u>18,803</u>	<u>55,026</u>	<u>61,097</u>
Expenses:						
General government	4,236	5,262			4,236	5,262
Public safety:						
Police	9,657	10,545			9,657	10,545
Fire	5,493	6,617			5,493	6,617
Highway and streets	4,099	4,997			4,099	4,997
Stormwater	1,262	1,404			1,262	1,404
Health and welfare	861	1,035			861	1,035
Recreation	1,586	2,061			1,586	2,061
Library	787	1,042			787	1,042
Interest on debt	648	493			648	493
Water and sewer			12,463	12,687	12,463	12,687
Total expenses	<u>28,629</u>	<u>33,456</u>	<u>12,463</u>	<u>12,687</u>	<u>41,092</u>	<u>46,143</u>
Transfers		(1,500)		1,500		
Increase (decrease) in net position	11,219	7,338	2,714	7,616	13,933	14,954
Net position - beginning of the year	<u>104,609</u>	<u>115,828</u>	<u>66,907</u>	<u>69,621</u>	<u>171,516</u>	<u>185,449</u>
Net position - end of year	<u>\$115,828</u>	<u>\$123,166</u>	<u>\$69,621</u>	<u>\$77,237</u>	<u>\$185,449</u>	<u>\$200,403</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Expenses and Program Revenues - Governmental Activities



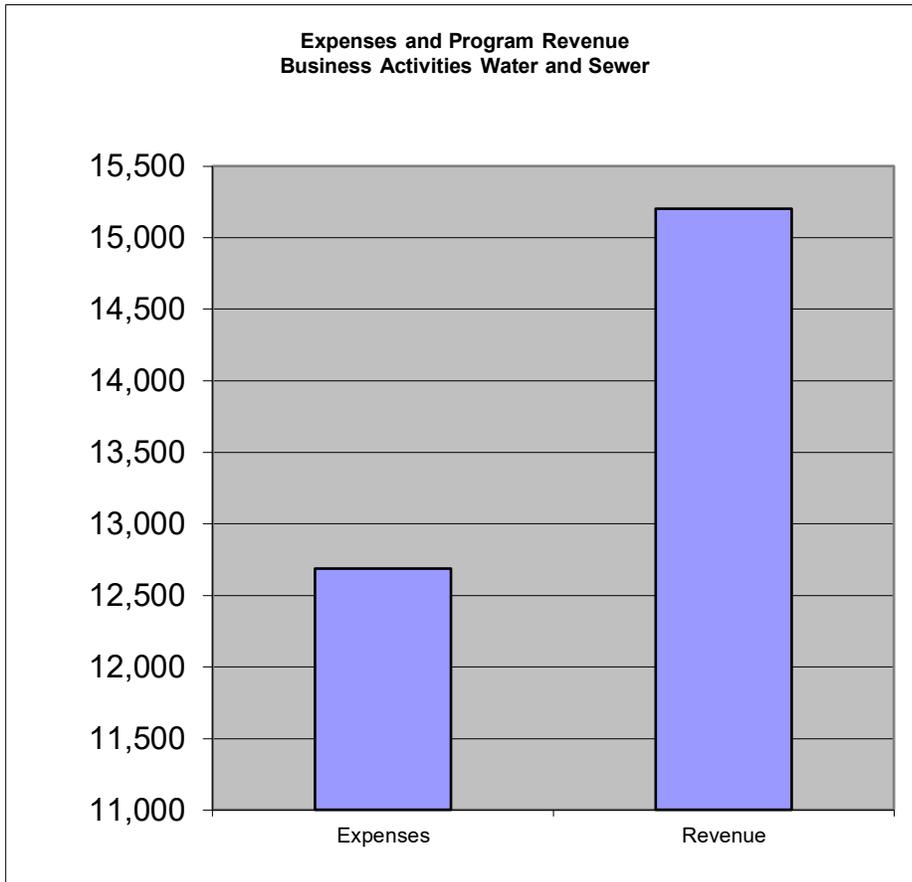
Revenues by Source - Governmental Activities



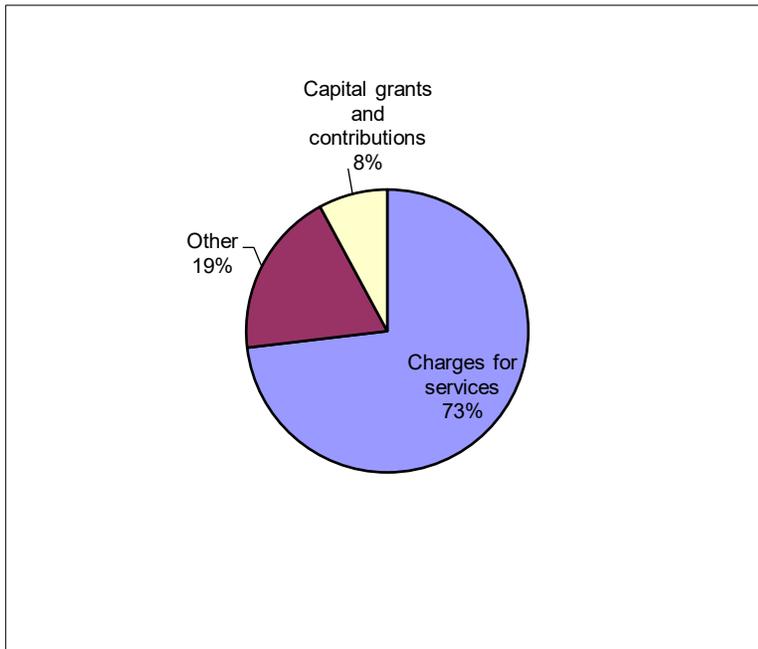
Business-type activities

Business-type activities increased the City's net position by \$7,616,559 accounting for 50.9% of the total increase in the government's net position. The key element of this increase is the result of previous years' rate increases. Expenses remained about the same over previous year. Change in net position is down about \$.5 million primarily due to less capital contributions.

Expenses and Program Revenues Business Activities Water and Sewer



Revenues by Source – Business-type Activities Water and Sewer



Financial Analysis of the Financial Statements (Continued)

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of La Vergne's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements in particular, unassigned fund balance may serve as a useful measure to a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$71,487,007, an increase of \$1,782,550 in comparison with the prior year. Approximately 58.7% of this total amount (\$41,973,511) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance (\$29,513,496) is restricted to indicate that it is not available for new spending because it has been restricted, assigned or designated as non-spendable and has been committed to provide for spending for specific funds, prepaid items and amounts expended for supply inventories. The increase in fund balance is mainly due to sales tax revenue increase of \$1,927,487.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$41,973,511, while total fund balance of general fund balance was \$59,523,241. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 127.6% of total general fund expenditures. Total fund balance represents 180.9% of total general fund expenditures.

The unassigned fund balance of the City's general fund, at year end, decreased by \$15,230,414. The major reason for General Fund unassigned balance decrease was primarily related to increase in expenditures of \$6,488,138 and no additional bond proceeds received this year.

Total fund balance of all non-major special revenue funds increased by \$165,311 mainly due to \$547,062 in increased spending in State Street Aid, \$161,557 in increased Police Impact fees, \$348,488 in increase of Drug Fund federal revenue sharing, increase of \$26,647 in Fire Impact Fees, an increase of expenditures of \$60,676 in Storm water, and an increase of \$223,181 in Park and Recreation Activity.

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail.

The Water and Sewer fund change in net position was an increase of \$7,666,852. This is due to \$3,551,763 in intergovernmental grants and an operating transfer of \$1,500,000.

Budgetary Highlights

Total general fund revenues for FY 2022-2023 were above final actual budgeted revenues by \$6,975,516 or 24.9%. Total actual expenditures for FY 2022-2023 were below final budgeted expenses by \$13,579,981 or 29.2%. Below are detail comparisons of original budget to final budget and final budget to actual results.

There were no changes to the original budgeted amounts for revenues. The following revenue accounts make up the majority of the \$6,975,516 difference between final budget and actual revenues for 2022-2023:

Local Sales Tax	\$4,302,744 increase in local sales tax revenue
Property Tax	\$245,831 increase in property tax revenue
Business Tax	\$628,545 increase in business tax revenue
State Sales Tax	\$1,115,396 increase in state shared sales tax

There was also \$14,622,910 increases/ (decreases) in General Fund original budget for expenditures and the final amended budget. The following departments make up the majority of the increase:

City Hall	\$2,350,000 LED Street Lights
Fire	\$11,152,100 Fire Station Construction

There was (\$13,579.981) increases (decreases) in General fund differences between the final budget amounts for expenditures and the actual amounts. The following departments make up the majority of the increases (decreases):

Fire Dept	(\$12,196,364) unspent engineering/construction costs for new bldg
Police Dept.	(\$436,049) unfilled/open positions, benefits
Various Depts.	(\$444,382) unfilled/open positions and benefits

Most of the above increases and decreases will not affect future services and liquidity with the exception of rising health care costs. Health care costs continue to be an ongoing increasing expense. The City plans to tackle this with reevaluating vendors and adjusting benefits accordingly.

Capital Asset and Debt Administration

Capital Assets

The City of La Vergne's investment in capital assets net of depreciation from its governmental and business-type activities at June 30, 2023, amounts to \$121,274,643. The investments in capital assets are land, buildings, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City's net investment in capital assets for the current fiscal year was \$11,091,730 (6% increase for governmental activities and 12% increase for business-type activities).

Major capital asset events during the current fiscal year, before depreciation, are as follows:

- \$2,376,832 in donated Infrastructure (streets)
- \$6,548,798 in Construction in Process in Governmental
- \$284,791 in Police Equipment
- \$194,979 in Street Equipment
- \$891,390 in upgrades and additions to water and sewer system (\$660,862 donated)
- Approximately \$8,430,133 in Construction in Process for Business type activities

City of La Vergne's Capital Assets

Additional information on the City of La Vergne's capital assets can be found in the notes to the financial statements section. This information is provided in note 6) Capital Assets beginning on page 44 of this report.

Long -Term Debt

City of La Vergne's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	June 30 2022 (000 omitted)	June 30 2023	June 30 2022 (000 omitted)	June 30 2023	June 30 2022 (000 omitted)	June 30 2023
General obligation bonds	22,055	20,395	-	-	22,055	20,395
Leases	254	147	-	-	254	147
Bond Premiums	1,333	1,181	666	519	1,999	1,700
Revenue and tax bonds	-	-	12,980	11,690	12,980	11,690
Total	<u>23,642</u>	<u>21,723</u>	<u>13,646</u>	<u>12,208</u>	<u>37,288</u>	<u>33,932</u>

At the end of the current year, the City of La Vergne has debt outstanding of \$33,932,373. The total debt of the City is secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds excluding bond premiums) of the enterprise fund.

The City of La Vergne's total debt decreased by a net total of \$3,356,092 (9%) during FY 2022-2023 due to debt payments and no new debt acquired.

The City of La Vergne maintains "AA" rating from Standard & Poors.

State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue.

Additional information on the City of La Vergne's debt can be found in the notes to the financial statements section. This information is provided in note 8) Long-term Debt and Other Obligations, beginning on page 47 of this report.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for the City of La Vergne is currently 2.9%, compared to the State unemployment rate of 3.2% and the national rate of 3.9%. Unemployment rates are stable at this time.

In the FY 2023-2024 budget, General fund revenues and transfers in are budgeted to increase by 9.5% from the FY 2022-2023 original budget year. This increase is primarily due to use of fund balance of \$31million. The city property tax rate remains the same at \$.5363 per \$100 in assessed value for fiscal year 2023-2024. The City's budget, as is with most City budgets, has been challenged by current economic conditions. The City received \$10.5million in ARPA grants in 21-22 and 22-23 and intends to utilize these grants to improve Water and Sewer

infrastructure. As of current, sales tax revenues continue to improve, but only slight increase in fuel taxes are being seen at this time. The City will continue to monitor spending and use current resources as effectively and efficiently as possible to provide citizens safety and service that is deserved of them.

During the current fiscal year, unassigned fund balance in the general fund decreased by \$15,230,414 (mainly due to the increase in expenditures of \$6,488,138 and no additional bond proceeds received this year.) The ending total General fund balance increased to \$59,523,241 from previous year balance of \$57,254,482 after adjustments for the reserve for inventory. The fund balance for the General Fund is budgeted to decrease for fiscal year 2023-2024 due to construction of new fire station and public works building.

Requests for Information

This financial report is designed to provide a general overview of the City of La Vergne, Tennessee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director
City of La Vergne
5093 Murfreesboro Road
La Vergne, TN 37086

City of La Vergne, Tennessee

Statement of Net Position

June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Industrial Dev. Board
Assets				
Cash and cash equivalents	\$ 52,458,118	\$ 32,048,091	\$ 84,506,209	\$ 33,911
Receivables, net of allowance for uncollectibles				
Property taxes, net	9,184,537	-	9,184,537	-
Other taxes	199,852	-	199,852	-
Due from other governments	4,272,514	-	4,272,514	-
Accounts receivable, net	119,063	1,569,523	1,688,586	-
Inventory of supplies	17,397	672,209	689,606	-
Restricted assets, cash and cash equivalents				
Cash, bond proceeds	17,507,647	666,983	18,174,630	-
Internal balances	(255,354)	255,354	-	-
Lease receivable	252,462	91,726	344,188	-
Capital assets not being depreciated	17,247,589	16,217,070	33,464,659	-
Capital assets, net	56,829,423	46,339,486	103,168,909	-
Total assets	157,833,248	97,860,442	255,693,690	33,911
Deferred Outflows of Resources	9,987	388,830	398,817	-
Liabilities				
Accounts payable	2,070,323	1,770,936	3,841,259	-
Accrued expenses	556,216	147,621	703,837	-
Interest payable	143,415	72,236	215,651	-
Contracts payable	96,379	259,195	355,574	-
Unearned revenues	9,000	6,444,940	6,453,940	-
Customer deposits	-	16,500	16,500	-
Noncurrent liabilities				
Due within one year	2,672,835	1,205,000	3,877,835	-
Due in more than one year	19,911,476	11,003,553	30,915,029	-
Total liabilities	25,459,644	20,919,981	46,379,625	-
Deferred Inflows of Resources	9,217,462	91,726	9,309,188	-
Net Position				
Net investment in capital assets	69,870,826	51,403,817	121,274,643	-
Restricted for				
Highways and streets	4,415,522	-	4,415,522	-
Parks and recreation	682,271	-	682,271	-
Stormwater projects	4,561,884	-	4,561,884	-
Senior citizens	185,084	-	185,084	-
Law enforcement	1,978,385	-	1,978,385	-
Fire protection	165,306	-	165,306	-
Unrestricted	41,306,851	25,833,748	67,140,599	33,911
Total net position	\$ 123,166,129	\$ 77,237,565	\$ 200,403,694	\$ 33,911

City of La Vergne, Tennessee
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit Industrial Dev. Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 5,261,853	\$ 594,658	\$ 47,518	\$ -	\$ (4,619,677)	\$ -	\$ (4,619,677)	\$ -
Public safety								
Police	10,544,850	400,416	410,950	161,800	(9,571,684)	-	(9,571,684)	-
Fire and emergency services	6,616,915	-	43,200	69,938	(6,503,777)	-	(6,503,777)	-
Highways and streets	4,996,591	-	1,416,010	1,717,431	(1,863,150)	-	(1,863,150)	-
Stormwater	1,403,827	1,406,465	-	-	2,638	-	2,638	-
Health and welfare	1,035,260	3,101	96,446	-	(935,713)	-	(935,713)	-
Recreation	2,060,827	11,320	12,873	142,558	(1,894,076)	-	(1,894,076)	-
Library	1,042,582	4,898	-	-	(1,037,684)	-	(1,037,684)	-
Interest on long-term debt	493,609	-	-	-	(493,609)	-	(493,609)	-
Total governmental activities	<u>33,456,314</u>	<u>2,420,858</u>	<u>2,026,997</u>	<u>2,091,727</u>	<u>(26,916,732)</u>	<u>-</u>	<u>(26,916,732)</u>	<u>-</u>
Business-type Activities								
Water and sewer	<u>12,687,198</u>	<u>13,746,528</u>	<u>-</u>	<u>1,489,412</u>	<u>-</u>	<u>2,548,742</u>	<u>2,548,742</u>	<u>-</u>
Total primary government	\$ 46,143,512	\$ 16,167,386	\$ 2,026,997	\$ 3,581,139	<u>(26,916,732)</u>	<u>2,548,742</u>	<u>(24,367,990)</u>	<u>-</u>
Component Unit								
Industrial Development Board	\$ 3,770	\$ 12,346	\$ 10,000	\$ -	-	-	-	18,576
General Revenues								
Property taxes					8,733,180	-	8,733,180	-
In lieu tax, commercial					162,891	-	162,891	-
In lieu tax, utility					502,313	-	502,313	-
Sales taxes					16,302,744	-	16,302,744	-
Business taxes					1,881,545	-	1,881,545	-
Wholesale beer and liquor taxes					879,042	-	879,042	-
Franchise taxes					311,786	-	311,786	-
Hotel/motel tax					124,550	-	124,550	-
Unrestricted state shared taxes								
State shared income taxes					6,867	-	6,867	-
State shared beer tax					17,680	-	17,680	-
State shared sales tax					4,615,396	-	4,615,396	-
Other unrestricted state and county shared taxes					92,568	-	92,568	-
Grants and contributions not restricted to specific programs					1,813	3,551,763	3,553,576	-
Investment earnings					6,695	2,494	9,189	-
Gain on sale of general capital assets					1,589,932	-	1,589,932	-
Other					525,131	13,560	538,691	-
Total general revenues					<u>35,754,133</u>	<u>3,567,817</u>	<u>39,321,950</u>	<u>-</u>
Transfers					(1,500,000)	1,500,000	-	-
Change in net position					7,337,401	7,616,559	14,953,960	18,576
Net position, beginning of year					<u>115,828,728</u>	<u>69,621,006</u>	<u>185,449,734</u>	<u>15,335</u>
Net position, end of year					\$ 123,166,129	\$ 77,237,565	\$ 200,403,694	\$ 33,911

See notes to financial statements

City of La Vergne, Tennessee
Balance Sheet
Governmental Funds
June 30, 2023

	General	Highways and Streets	Other Governmental	Total Governmental
Assets				
Cash and cash equivalents	\$ 39,847,037	\$ 2,997,247	\$ 8,983,077	\$ 51,827,361
Receivables				
Property taxes, net	9,184,537	-	-	9,184,537
Other taxes	199,852	-	-	199,852
Due from other governments	3,856,922	164,212	251,380	4,272,514
Accounts receivable	-	-	119,063	119,063
Lease receivable	252,462	-	-	252,462
Inventory of supplies	17,397	-	-	17,397
Restricted cash, bond proceeds	17,507,647	-	-	17,507,647
Total assets	\$ 70,865,854	\$ 3,161,459	\$ 9,353,520	\$ 83,380,833
Liabilities				
Accounts payable	\$ 1,309,377	\$ 345,941	\$ 139,914	\$ 1,795,232
Contracts payable	96,379	-	-	96,379
Accrued costs	499,858	-	56,358	556,216
Unearned revenues	-	-	9,000	9,000
Total liabilities	1,905,614	345,941	205,272	2,456,827
Deferred Inflows of Resources	9,436,999	-	-	9,436,999
Fund Balances				
Nonspendable	17,397	-	-	17,397
Restricted for				
Law enforcement	24,686	-	1,266,935	1,291,621
Highways and streets	-	-	1,600,004	1,600,004
Stormwater	-	-	4,561,884	4,561,884
Senior citizens	-	-	185,084	185,084
Highways and streets capital projects	-	2,815,518	-	2,815,518
Law enforcement capital projects	-	-	686,764	686,764
Recreation capital projects	-	-	682,271	682,271
Fire protection capital projects	-	-	165,306	165,306
Other capital projects	17,507,647	-	-	17,507,647
Unassigned	41,973,511	-	-	41,973,511
Total fund balances	59,523,241	2,815,518	9,148,248	71,487,007
Total liabilities, deferred inflows of resources, and fund balances	\$ 70,865,854	\$ 3,161,459	\$ 9,353,520	\$ 83,380,833

City of La Vergne, Tennessee
 Reconciliation of Balance Sheet - Governmental Funds to
 Government-wide Statement of Net Position
 June 30, 2023

Amounts reported for fund balance, total governmental funds	\$ 71,487,007
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	73,993,809
Lease assets in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	83,203
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Property taxes receivable	219,537
Interest payable on long-term obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(143,415)
Internal service fund is used by management to charge the costs of medical insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
Cash	630,757
Accounts payable	(275,091)
Due from other funds	(255,354)
Gain and loss on bond refunding are amortized as a component of interest over the life of the bonds on the statement of net position.	9,987
Bond premiums are amortized as a component of interest over the life of the bonds on the statement of net position.	(1,181,666)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds.	
Governmental bonds, notes, obligations, and leases payable	(20,542,154)
Compensated absences payable	(860,491)
Net position of governmental activities	\$ 123,166,129

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Highways and Streets	Other Governmental	Total Governmental
Revenues				
Taxes	\$ 28,429,898	\$ -	\$ -	\$ 28,429,898
Licenses and permits	592,459	887,165	1,549,023	3,028,647
Fines and fees	374,227	-	26,189	400,416
Intergovernmental	5,441,162	164,212	1,977,234	7,582,608
Uses of money and property	76,210	349	3,978	80,537
Miscellaneous	107,680	-	24,033	131,713
Total revenues	<u>35,021,636</u>	<u>1,051,726</u>	<u>3,580,457</u>	<u>39,653,819</u>
Expenditures				
Current				
General government	4,956,973	-	-	4,956,973
Public safety				
Police	9,420,818	-	34,845	9,455,663
Fire and emergency services	5,802,406	-	35,308	5,837,714
Highways and streets	1,295,858	599	1,847,461	3,143,918
Stormwater	-	-	1,283,238	1,283,238
Health and welfare	796,031	-	203,962	999,993
Recreation	1,692,014	-	764	1,692,778
Library	928,907	-	-	928,907
Debt service	2,311,929	-	71,294	2,383,223
Capital outlay	5,693,877	1,702,647	360,860	7,757,384
Total expenditures	<u>32,898,813</u>	<u>1,703,246</u>	<u>3,837,732</u>	<u>38,439,791</u>
Excess (deficiency) of revenues over expenditures	2,122,823	(651,520)	(257,275)	1,214,028
Other financing sources (uses)				
Insurance recoveries	227,423	-	26,435	253,858
Sale of general capital assets	1,814,664	-	-	1,814,664
Transfers in	-	-	396,151	396,151
Transfers out	(1,896,151)	-	-	(1,896,151)
Total other financing sources (uses)	145,936	-	422,586	568,522
Net change in fund balances	2,268,759	(651,520)	165,311	1,782,550
Fund balances, beginning of year	57,254,482	3,467,038	8,982,937	69,704,457
Fund balances, end of year	\$ 59,523,241	\$ 2,815,518	\$ 9,148,248	\$ 71,487,007

City of La Vergne, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities

For the Year Ended June 30, 2023

Amounts reported for net change in fund balance, total governmental funds	\$ 1,782,550
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period.</p>	
Cost of assets acquired	7,757,386
Depreciation expense	(4,140,500)
Cost of capital assets disposed of in excess of accumulated depreciation	(224,732)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Property taxes	(34,160)
Contributed capital assets	830,266
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, losses on refundings, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Debt repayment	1,660,000
Amortization of premiums, discounts, and deferred amount on refundings	150,875
<p>Interest is accrued on the outstanding bonds in the statement of activities, whereas in the governmental funds, an interest expenditure is reported when due.</p>	
Interest on bonded debt	16,415
<p>Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.</p>	
Changes in lease assets and lease liabilities	62,324
Compensated absences	(27,854)
<p>Internal service funds are used by the management to charge the costs of medical insurance to individual funds. The net revenues of certain activities of internal service funds are reported as governmental activities.</p>	
	(495,169)
Change in net position of governmental activities	\$ 7,337,401

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance from final budget +/-</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Real estate taxes	\$ 8,474,400	\$ 8,474,400	\$ 8,767,340	\$ 292,940
Payments in lieu of taxes	210,000	210,000	162,891	(47,109)
Business tax	1,253,000	1,253,000	1,881,545	628,545
Wholesale beer tax	540,000	540,000	565,802	25,802
Wholesale liquor tax	234,500	234,500	313,240	78,740
Local option sales tax	12,000,000	12,000,000	16,302,744	4,302,744
Franchise tax	355,500	355,500	311,786	(43,714)
Hotel/motel tax	85,000	85,000	124,550	39,550
Total taxes	<u>23,152,400</u>	<u>23,152,400</u>	<u>28,429,898</u>	<u>5,277,498</u>
Licenses and permits				
Building permits	275,000	275,000	276,755	1,755
Plumbing and mechanical permits	40,000	40,000	34,728	(5,272)
Plan review fees	85,000	85,000	142,607	57,607
Beer and liquor licenses	1,000	1,000	1,000	-
Other permits	30,000	30,000	137,369	107,369
Total licenses and permits	<u>431,000</u>	<u>431,000</u>	<u>592,459</u>	<u>161,459</u>
Intergovernmental revenues				
State of Tennessee income tax	5,000	5,000	6,867	1,867
State of Tennessee beer tax	15,000	15,000	17,680	2,680
State of Tennessee sales tax	3,500,000	3,500,000	4,615,396	1,115,396
State of Tennessee petroleum special tax	66,000	66,000	70,933	4,933
State of Tennessee police supplements	46,000	46,000	44,000	(2,000)
State of Tennessee fire supplements	40,000	40,000	43,200	3,200
TVA and NES in lieu tax	435,000	435,000	502,313	67,313
Grants, federal and state	25,000	25,000	48,205	23,205
Other state and county shared taxes	45,220	45,220	92,568	47,348
Total intergovernmental revenues	<u>4,177,220</u>	<u>4,177,220</u>	<u>5,441,162</u>	<u>1,263,942</u>
Fines and forfeits	172,200	172,200	374,227	202,027
Uses of property and money				
Penalties	30,000	30,000	36,166	6,166
Interest earned	4,500	4,500	7,282	2,782
Rent	7,000	7,000	14,345	7,345
Recreation fees	20,500	20,500	11,320	(9,180)
Library fees	1,000	1,000	4,898	3,898
Fees and commissions	1,500	1,500	2,199	699
Total uses of property and money	<u>64,500</u>	<u>64,500</u>	<u>76,210</u>	<u>11,710</u>
Other revenues				
Contributions and private grants	19,800	19,800	51,643	31,843
Miscellaneous	29,000	29,000	56,037	27,037
Total other revenues	<u>48,800</u>	<u>48,800</u>	<u>107,680</u>	<u>58,880</u>
Total revenues	<u>28,046,120</u>	<u>28,046,120</u>	<u>35,021,636</u>	<u>6,975,516</u>

Continued

City of La Vergne, Tennessee

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance from final budget +/-
	Original	Final		
Expenditures				
General government				
Current				
Legislative board				
Salaries	29,400	29,400	29,400	-
Benefits and payroll taxes	104,256	104,256	104,245	11
Travel	800	800	490	310
Other	18,500	23,500	22,494	1,006
Total legislative board	<u>152,956</u>	<u>157,956</u>	<u>156,629</u>	<u>1,327</u>
Judicial				
Salaries	208,826	208,826	208,646	180
Benefits and payroll taxes	118,797	120,997	114,583	6,414
Contractual services and other	52,950	102,950	106,188	(3,238)
Total judicial	<u>380,573</u>	<u>432,773</u>	<u>429,417</u>	<u>3,356</u>
City administration				
Salaries	158,550	179,550	192,028	(12,478)
Benefits and payroll taxes	87,661	93,881	94,228	(347)
Memberships and publications	3,500	3,500	2,611	889
Supplies	15,800	15,800	7,251	8,549
Travel	2,000	2,000	718	1,282
Other	2,800	2,800	519	2,281
Total city administration	<u>270,311</u>	<u>297,531</u>	<u>297,355</u>	<u>176</u>
City recorder				
Salaries	109,292	109,292	114,144	(4,852)
Benefits and payroll taxes	60,025	64,125	61,869	2,256
Equipment rental	2,600	2,600	1,935	665
Memberships and publications	4,800	6,200	5,896	304
Professional services	1,500	7,200	7,167	33
Travel	-	-	-	-
Other	4,200	4,200	1,965	2,235
Total city recorder	<u>182,417</u>	<u>193,617</u>	<u>192,976</u>	<u>641</u>
Tax administration				
Salaries	59,244	59,244	56,717	2,527
Benefits and payroll taxes	30,580	30,580	31,027	(447)
Professional services	310,105	310,105	290,994	19,111
Repairs and maintenance	7,100	7,100	6,825	275
Supplies and postage	7,550	7,550	6,473	1,077
Tax relief	10,000	10,000	8,231	1,769
Total tax administration	<u>424,579</u>	<u>424,579</u>	<u>400,267</u>	<u>24,312</u>

Continued

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Expenditures				
General government				
Current				
Treasurer				
Salaries	288,574	288,574	215,052	73,522
Benefits and payroll taxes	207,605	212,605	203,790	8,815
Memberships, training, and publications	3,000	3,000	1,470	1,530
Professional services	24,200	24,200	23,303	897
Repairs and maintenance	25,000	25,000	24,175	825
Supplies	10,400	10,400	13,621	(3,221)
Bank charges	600	600	688	(88)
Other	50	50	-	50
Capital outlay	5,000	5,000	-	5,000
Total treasurer	<u>564,429</u>	<u>569,429</u>	<u>482,099</u>	<u>87,330</u>
Human resources				
Salaries	98,476	100,776	118,455	(17,679)
Benefits and payroll taxes	135,487	140,567	157,499	(16,932)
Memberships, training, and publications	19,000	19,000	10,927	8,073
Professional services	113,000	113,000	88,920	24,080
Repairs and maintenance	-	-	-	-
Supplies and other	4,700	4,700	8,802	(4,102)
Travel	4,900	4,900	5,872	(972)
Capital outlay	131,400	131,400	32,258	99,142
Total human resources	<u>506,963</u>	<u>514,343</u>	<u>422,733</u>	<u>91,610</u>
Engineering				
Salaries	119,088	119,088	103,364	15,724
Benefits and payroll taxes	149,062	152,262	122,957	29,305
Memberships, training, and publications	2,700	2,700	484	2,216
Professional services	20,000	20,000	6,153	13,847
Supplies	12,200	12,200	11,255	945
Travel	800	800	44	756
Other	7,200	7,200	9,942	(2,742)
Total engineering	<u>311,050</u>	<u>314,250</u>	<u>254,199</u>	<u>60,051</u>
Information technology				
Salaries	144,712	147,012	157,966	(10,954)
Benefits and payroll taxes	106,293	113,873	105,823	8,050
Memberships and publications	17,000	17,000	12,601	4,399
Professional services	-	-	-	-
Repairs and maintenance	162,022	180,022	186,726	(6,704)
Supplies	45,700	81,700	77,475	4,225
Telephone	210,000	241,000	251,869	(10,869)
Other	1,250	1,250	157	1,093
Capital outlay	55,500	100,740	89,410	11,330
Total information technology	<u>742,477</u>	<u>882,597</u>	<u>882,027</u>	<u>570</u>

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	<u>Original</u>	<u>Final</u>		
Expenditures				
General government				
Current				
Codes administration				
Salaries	602,444	604,244	564,303	39,941
Benefits and payroll taxes	266,151	268,881	263,826	5,055
Grants and donations	26,100	26,100	26,476	(376)
Memberships, training, and publications	16,200	16,200	13,624	2,576
Professional services	15,000	30,200	14,602	15,598
Repairs and maintenance	44,000	86,000	78,802	7,198
Supplies	12,700	12,700	10,047	2,653
Utilities	5,650	5,650	6,838	(1,188)
Other	6,700	6,700	9,848	(3,148)
Total codes administration	<u>994,945</u>	<u>1,056,675</u>	<u>988,366</u>	<u>68,309</u>
Buildings and grounds maintenance				
Equipment rentals and pole fee	23,500	23,500	19,945	3,555
Health department	4,000	4,000	4,000	-
Insurance	430,000	430,000	444,697	(14,697)
Repairs and maintenance	25,000	32,000	23,665	8,335
Supplies	24,450	24,450	19,342	5,108
Utilities	29,800	29,800	23,864	5,936
Other	10,700	10,700	3,403	7,297
Capital outlay	<u>-</u>	<u>2,350,000</u>	<u>2,251,690</u>	<u>98,310</u>
Total buildings and grounds maintenance	<u>547,450</u>	<u>2,904,450</u>	<u>2,790,606</u>	<u>113,844</u>
Special project - census				
Other	<u>50,000</u>	<u>50,000</u>	<u>33,657</u>	<u>16,343</u>
Total general government expenditures	5,128,150	7,798,200	7,330,331	467,869

Continued

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	<u>Original</u>	<u>Final</u>		
Expenditures				
Public safety				
Police				
Current				
Salaries	6,195,635	6,195,635	5,889,446	306,189
Benefits and payroll taxes	2,664,367	2,753,037	2,623,177	129,860
Communications	5,000	5,000	32,148	(27,148)
Equipment rental	20,500	20,500	6,473	14,027
K-9 operations	9,000	9,000	12,777	(3,777)
Memberships, training, and publications	58,000	58,000	42,739	15,261
Professional services	41,000	79,750	90,283	(10,533)
Repairs and maintenance	250,500	250,500	248,625	1,875
Supplies	347,100	347,100	394,231	(47,131)
Travel	11,000	11,000	20,558	(9,558)
Utilities	50,300	50,300	51,002	(702)
Other	23,000	23,000	9,359	13,641
Capital outlay	2,618,424	2,629,424	563,964	2,065,460
Total police	<u>12,293,826</u>	<u>12,432,246</u>	<u>9,984,782</u>	<u>2,447,464</u>
Fire protection and emergency services				
Current				
Salaries	3,662,843	3,672,243	3,576,480	95,763
Benefits and payroll taxes	1,618,051	1,661,631	1,629,383	32,248
Fire prevention program	31,000	31,000	17,131	13,869
Equipment rental	5,000	5,000	6,544	(1,544)
Memberships, training, and public relations	93,500	93,500	73,342	20,158
Professional services	20,000	20,000	3,993	16,007
Repairs and maintenance	128,500	128,500	209,436	(80,936)
Supplies	269,400	269,400	223,161	46,239
Training	32,400	32,400	12,360	20,040
Utilities	37,700	37,700	35,222	2,478
Other	30,200	30,200	15,354	14,846
Capital outlay	850,000	12,362,100	2,231,196	10,130,904
Total fire protection and emergency services	<u>6,778,594</u>	<u>18,343,674</u>	<u>8,033,602</u>	<u>10,310,072</u>
Total public safety expenditures	<u>19,072,420</u>	<u>30,775,920</u>	<u>18,018,384</u>	<u>12,757,536</u>

Continued

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	Original	Final		
Expenditures				
Highways and streets				
Roads and maintenance				
Current				
Salaries	430,691	430,691	309,384	121,307
Benefits and payroll taxes	273,120	279,120	257,025	22,095
Equipment rental	1,700	1,700	1,012	688
Professional services	300	300	491	(191)
Repairs and maintenance	47,000	47,000	29,814	17,186
Supplies	68,700	68,700	95,052	(26,352)
Utilities	7,700	7,700	6,804	896
Other	1,350	1,350	-	1,350
Capital outlay	255,000	255,000	88,799	166,201
Total roads and maintenance	<u>1,085,561</u>	<u>1,091,561</u>	<u>788,381</u>	<u>303,180</u>
Fleet maintenance				
Current				
Salaries	176,183	176,183	174,745	1,438
Benefits and payroll taxes	91,457	93,957	92,478	1,479
Repairs and maintenance	178,700	265,200	270,238	(5,038)
Supplies and other	55,900	55,900	58,815	(2,915)
Capital outlay	112,680	112,680	106,180	6,500
Total fleet maintenance	<u>614,920</u>	<u>703,920</u>	<u>702,456</u>	<u>1,464</u>
Total highways and streets expenditures	1,700,481	1,795,481	1,490,837	304,644
Culture and tourism				
Current				
Grants and contributions	52,585	52,585	47,835	4,750

Continued

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance from final budget + / (-)
	<u>Original</u>	<u>Final</u>		
Expenditures				
Health and welfare				
Economic development				
Current				
Salaries	339,395	340,695	361,303	(20,608)
Benefits and payroll taxes	158,568	166,828	167,098	(270)
Conference expenditures	15,000	15,000	20,772	(5,772)
Grants and contributions	49,000	49,000	49,836	(836)
Pageant and Christmas promotions	3,000	3,000	3,000	-
Professional services	83,200	83,200	87,402	(4,202)
Public relations, memberships, and recruitment	44,550	44,550	30,061	14,489
Supplies and repairs	7,095	7,095	1,986	5,109
Travel	31,400	31,400	23,937	7,463
Other	19,800	19,800	2,801	16,999
Capital outlay	62,400	62,400	68,116	(5,716)
Total economic development	<u>813,408</u>	<u>822,968</u>	<u>816,312</u>	<u>6,656</u>
Total health and welfare expenditures	865,993	875,553	864,147	11,406
Recreation				
Current				
Salaries	671,555	671,555	668,913	2,642
Benefits and payroll taxes	492,264	507,764	501,863	5,901
Equipment rental	10,000	10,000	7,298	2,702
Program and league expenditures	44,500	59,500	55,820	3,680
Professional services	1,000	1,000	1,230	(230)
Public relations and community events	31,700	31,700	31,807	(107)
Repairs and maintenance	147,133	190,333	161,023	29,310
Supplies	76,600	83,600	144,876	(61,276)
Utilities	69,000	77,000	70,051	6,949
Other	50,650	50,650	49,133	1,517
Capital outlay	179,676	220,576	210,572	10,004
Total recreation expenditures	<u>1,774,078</u>	<u>1,903,678</u>	<u>1,902,586</u>	<u>1,092</u>

Continued

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance from final budget +/-</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Library				
Current				
Salaries	\$ 513,491	\$ 513,491	\$ 473,918	\$ 39,573
Benefits and payroll taxes	214,889	216,689	210,626	6,063
Books and materials	63,500	63,500	58,670	4,830
Childrens' programs	20,000	20,000	27,176	(7,176)
Equipment rental	12,000	12,000	10,349	1,651
Memberships and publications	11,350	11,350	6,830	4,520
Professional services	300	300	-	300
Repairs and maintenance	20,000	20,000	38,843	(18,843)
Supplies	56,200	56,200	57,492	(1,292)
Utilities	49,400	49,400	44,785	4,615
Other	1,000	1,000	218	782
Capital outlay	40,000	53,400	51,692	1,708
Total library expenditures	<u>1,002,130</u>	<u>1,017,330</u>	<u>980,599</u>	<u>36,731</u>
Debt service				
Principal	1,656,187	1,656,187	1,656,187	-
Interest	656,445	656,445	655,742	703
Total debt service expenditures	<u>2,312,632</u>	<u>2,312,632</u>	<u>2,311,929</u>	<u>703</u>
Total expenditures	31,855,884	46,478,794	32,898,813	13,579,981
Excess of revenues over (under) expenditures	(3,809,764)	(18,432,674)	2,122,823	20,555,497
Other financing sources (uses)				
Insurance recoveries	20,000	20,000	227,423	207,423
Sale of general capital assets	6,000	6,000	1,814,664	1,808,664
Transfers out	(396,151)	(396,151)	(1,896,151)	(1,500,000)
Total other financing sources (uses)	<u>(370,151)</u>	<u>(370,151)</u>	<u>145,936</u>	<u>516,087</u>
Change in fund balance	(4,179,915)	(18,802,825)	2,268,759	21,071,584
Fund balance, beginning of year	57,254,482	57,254,482	57,254,482	-
Increase (decrease) in reserve for inventory	-	-	-	-
Fund balance, end of year	<u>\$ 53,074,567</u>	<u>\$ 38,451,657</u>	<u>\$ 59,523,241</u>	<u>\$ 21,071,584</u>

City of La Vergne, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 32,048,091	\$ 630,757
Receivables		
Utility customers/stop loss insurance, net	1,569,523	-
Lease receivable	19,322	-
Inventory	672,209	-
Total current assets	34,309,145	630,757
Noncurrent assets		
Restricted cash, bond proceeds	666,983	-
Lease receivable	72,404	-
Property, plant, and equipment		
Land and improvements	1,344,493	-
Water storage rights	1,636,696	-
Water treatment plant	18,814,580	-
Structures and improvements	63,277,110	-
Operating equipment	8,599,245	-
Office furniture and equipment	429,671	-
Transportation equipment	961,236	-
Construction in progress	13,235,881	-
Less: accumulated depreciation	(45,742,356)	-
Total property, plant, and equipment, net	62,556,556	-
Total noncurrent assets	63,295,943	-
Total assets	97,605,088	630,757
Deferred Outflows of Resources	388,830	-

Continued

City of La Vergne, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Liabilities		
Current liabilities, payable from current assets		
Accounts payable	1,770,936	275,091
Accrued expenses	147,621	-
Interest payable	72,236	-
Contracts payable	259,195	-
Unearned grant revenue	6,444,940	-
Current maturities of long-term debt	1,205,000	-
Total current liabilities, payable from current assets	9,899,928	275,091
Current liabilities, payable from restricted assets		
Customer deposits	16,500	-
Total current liabilities	9,916,428	275,091
Noncurrent liabilities		
Long-term debt, net of current	11,003,553	-
Total noncurrent liabilities	11,003,553	-
Total liabilities	20,919,981	275,091
Deferred Outflows of Resources		
Leases	91,726	-
Net Position		
Net investment in capital assets	51,403,817	-
Unrestricted	25,578,394	355,666
Total net position	\$ 76,982,211	\$ 355,666
Adjustment to reflect consolidation of internal service fund activities related to enterprise fund	255,354	
Net position of business-type activities	\$ 77,237,565	

City of La Vergne, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Operating Revenues		
Water sales and related services, pledged as security on bonds	\$ 5,685,988	\$ -
Sewer service charges, pledged as security on bonds	7,484,979	-
Charges for services	-	5,672,517
Access charges	56,918	-
Fire service	68,005	-
Forfeited discounts	274,729	-
Other	175,909	-
Total operating revenues	13,746,528	5,672,517
Operating Expenses		
Medical claims paid and related items	-	5,375,784
Sewer treatment charges	2,287,492	-
Salaries	2,261,990	-
Benefits and payroll taxes	878,082	-
Depreciation	2,400,115	-
Insurance and insurance administrative fees	352,516	842,279
Maintenance and repairs	2,732	-
Office supplies and materials	48,586	-
Operating supplies	1,449,645	-
Plant operation contract service	1,757,450	-
Professional services	235,011	-
Telephone and utilities	600,876	-
Other	146,409	-
Total operating expenses	12,420,904	6,218,063
Operating income (loss)	1,325,624	(545,546)

Continued

City of La Vergne, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Water and Sewer	
Nonoperating revenues (expenses)		
Interest income	2,494	84
Intergovernmental	3,551,763	-
Rent income	20,594	-
Loss on disposal of assets	(7,034)	-
Interest expense	(216,001)	-
Total nonoperating revenues (expenses)	3,351,816	84
Change in net position, before contributions	4,677,440	(545,462)
Transfers	1,500,000	-
Capital contributions, tap fees	828,550	-
Capital contributions, donated capital assets	660,862	-
Change in net position	7,666,852	(545,462)
Net position, beginning of year	69,315,359	901,128
Net position, end of year	\$ 76,982,211	\$ 355,666
Change in net position shown above	\$ 7,666,852	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	(50,293)	
Change in net position of business-type activities	\$ 7,616,559	

City of La Vergne, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Water and Sewer	
Cash flows from operating activities		
Receipts from customers	\$ 13,683,853	\$ -
Receipts from internal services provided	-	5,906,132
Payments to suppliers	(6,892,040)	(6,255,571)
Payments to employees	(2,295,622)	-
Net cash provided (used) by operating activities	<u>4,496,191</u>	<u>(349,439)</u>
Cash flows from noncapital financing activities		
Cash from operating grant	5,298,709	-
Cash flows from capital and related financing activities		
Contributions from customers and others	828,550	-
Purchases of property, plant, and equipment	(8,572,954)	-
Principal paid on long-term debt	(1,290,000)	-
Interest paid on long-term debt	(322,142)	-
Transfers in from other funds	1,500,000	-
Net cash provided (used) by capital and related financing activities	<u>(7,856,546)</u>	<u>-</u>
Cash flows from investing activities		
Cash from rents received	20,594	-
Interest received on investments	3,024	84
Net cash provided (used) by investing activities	<u>23,618</u>	<u>84</u>
Net change in cash, cash equivalents, and restricted cash	1,961,972	(349,355)
Cash, cash equivalents, and restricted cash, beginning of year	30,753,102	980,112
Cash, cash equivalents, and restricted cash, end of year	\$ 32,715,074	\$ 630,757
Reconciliation of amounts to statement of net position		
Cash and cash equivalents	\$ 32,048,091	\$ 630,757
Restricted cash, bond proceeds	666,983	-
Cash, cash equivalents, and restricted cash, end of year	\$ 32,715,074	\$ 630,757

Continued

City of La Vergne, Tennessee
Statements of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Fund Water and Sewer	Governmental Activities - Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ 1,325,624	\$ (545,546)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization	2,400,115	-
Change in:		
Accounts receivable, net	(58,175)	233,615
Inventory	(398,458)	-
Accounts payable	1,392,605	(37,508)
Accrued expenses	(32,078)	-
Due to other governments	(128,942)	-
Customer deposits	(4,500)	-
Net cash provided (used) by operating activities	\$ 4,496,191	\$ (349,439)
Supplemental disclosures of noncash capital and related financing activities		
Contributed water and sewer lines	\$ 660,862	\$ -
Capital assets acquired with contracts payable	\$ 259,195	\$ -
Liquidation of contracts payable for capital assets	\$ 171,488	\$ -
Amortization of bond premiums	\$ 147,829	\$ -
Amortization of deferred amounts on refundings	\$ 50,904	\$ -
Amortization of leases	\$ 19,143	\$ -

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Nature of Entity

The City of La Vergne, Tennessee (the City) was incorporated on February 1, 1972, under the Uniform City Manager-Commission charter. On May 10, 1988, the City, in a referendum election, approved the Mayor-Aldermanic charter, referenced in Tennessee Code Annotated (TCA) Section 6-1-101, that replaced the City Manager-Commission charter.

The City provides the following services as authorized by its charter: public safety, highways and streets, cultural and recreation, public improvements, planning and zoning, utilities (water and sewer), and general administrative services. The City also administers an insurance internal service fund for the benefit of its employees.

The financial statements of the City of La Vergne have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units in accordance with GASB Statement No. 14. The accompanying financial statements present the government and its component unit. Component units are entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The following is a description of the discretely presented component unit.

The Industrial Development Board was created to undertake and discharge any and all purposes authorized under TCA Chapter 53 Title 7, including, without limitation, the responsibility to maintain and increase employment opportunities, support production of agricultural commodities, and increase housing availability by promoting industry, trade, commerce, tourism, recreation, agriculture, and housing construction. The Board consists of seven members, who are appointed by the Mayor and the Board of Aldermen. The Board is financially dependent on the City, since it has no financial resources to fund operations other than the support of the City.

Separate financial statements are not issued for the component unit. The component unit is a single fund component unit.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. At June 30, 2023, the City had no fiduciary activities.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants (including fines and fees) who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, state shared revenues, and interest associated with the current fiscal period are all considered to be eligible for accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The highways and streets fund is a capital projects fund that accounts for the financial resources to be used for the acquisition or construction of major government capital assets, improvements, or repairs related to the roads and related assets of the City.

The City reports the following major proprietary fund:

The water and sewer fund accounts for the water and wastewater services provided to customers of the system.

Additionally, the City reports the following fund type:

The internal service fund is used to account for costs associated with the employees' health insurance plan.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utilities and various other functions of the government, in which cases elimination of these charges would distort the direct costs and program revenues for the various functions reported.

Amounts reported as program revenues include (i) charges to customers or applicants (including fines and fees) for goods, services, or privileges provided, (ii) operating grants and contributions, and (iii) capital grants and contributions. General revenues include all taxes and internally dedicated resources.

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

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 they are needed.

Use of Estimates

The preparation of the City's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

The City is authorized to invest in US Treasury Bills, bonds, or notes and certificates of deposit in local state and federal chartered banks and savings and loan associations, as well as to participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposit, US Treasury Securities, and Repurchase Agreements, backed by US Treasury Securities. The investment pool is administered by the Treasurer of the State of Tennessee. The City's policy, as required by state statutes, dictates that collateral meet certain requirements, such as being deposited in an institution which participates in the State Collateral Pool or deposited in an escrow account in another institution for the benefit of the City. Said collateral must be a minimum of 105% of the value of the deposits placed in the institutions, less the amount protected by the Federal Deposit Insurance Corporation (FDIC). The State Collateral Pool is also administered by the Treasurer of the State of Tennessee. Members of the pool may be required by agreement to pay an assessment to cover any deficiency. At June 30, 2023, all City cash deposits were in checking or passbook accounts at a local bank that participates in the State Collateral Pool.

Cash and cash equivalents consist of cash, savings accounts, and short-term certificates of deposit with an original maturity of three months or less. Due to liquidity, the City considers the funds deposited in the local government investment pool as a cash equivalent for financial statement and cash flow purposes. The fair value of the position in the investment pool is the same as the value of the pool shares.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Inventory and Prepaid Items

Inventory of proprietary funds (principally materials, supplies, and replacement parts) is valued at the lower of cost or net realizable value. Any inventories of governmental funds have been valued at cost using the FIFO method. Inventories of governmental funds are accounted for using the purchases method. On government-wide financial statements, inventories are expensed when used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

All trade receivables and property tax receivables are shown net of an allowance for uncollectible amounts. The property tax receivable allowance is equal to 49% of the outstanding undeferred receivable balance.

Capital Assets

Capital assets, which include property, plant, equipment, permanent water storage rights, and infrastructure assets consisting of certain improvements other than buildings (including roads, bridges, streets and sidewalks, and drainage systems) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Gifts or contributions of capital assets, including intangible assets, are recorded at acquisition value when received. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the lives of the assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Infrastructure (roads, bridges)	15 – 40 years
Buildings	25 – 50 years
Distribution systems	10 – 50 years
Equipment	3 – 10 years
Furniture and fixtures	3 – 10 years

Claims Payable

Medical insurance claims payable are classified as accounts payable and are recorded in accordance with GASB Statement No. 10.

Appropriations

Appropriations to other funds are accounted for as interfund transfers in the governmental fund statements, and are eliminated in the government-wide statements. Transactions that constitute reimbursements to a fund for expenditures initially made from it, but that are properly applicable to another fund, are recorded as revenues in the fund being reimbursed and expenses in the fund providing the reimbursement.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Compensated Absences

City policy permits the accumulation, within certain limitations, of vacation and sick leave. Vacation leave may accumulate to a maximum of 240 hours. Sick leave accumulation is unlimited. No amount of sick days are vested in the event of employee termination.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee terminations or retirements. The compensated absence liabilities of governmental funds are generally liquidated by the general fund.

Leases

The City determines if an arrangement is or contains a lease at contract inception and recognizes an intangible right of use asset and a lease liability at the lease commencement date. Subsequently, the intangible right of use asset is amortized on a straight-line basis over its useful life. The City also enters into agreements, as lessor, to lease property, recognizing a lease receivable and a deferred inflow of resources. The lease term includes the noncancelable period of the lease plus an additional period covered by either an option to extend or not to terminate the lease that the lessee is reasonably certain to exercise, or an option to extend or not to terminate the lease controlled by the lessor. The City uses its estimated incremental borrowing rate as the discount rate for leases.

The City monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the intangible right of use asset.

Long-term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond and note premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Losses on refunding are reported as deferred outflows of resources and are amortized over the shorter period of the old or new debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums received on debt issuance are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as current period costs in the year of issuance in all financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has one item which qualifies for reporting in this category. Deferred charges on refunding are reported in the government-wide financial statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The 'unavailable revenue' reported in the governmental funds balance sheet represents amounts that are deferred and that will be recognized as an inflow of resources in the periods that the amounts become available. The deferred inflows reported in the statement of net position consist primarily of assessed and unlevied property taxes and income taxes, and arise from imposed nonexchange revenues (property taxes), which are assessed prior to the end of the year but levied in the subsequent year.

Equity Classification

In the government-wide financial statements, equity is shown as net position and is classified into three components:

Net investment in capital assets – Capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first and then unrestricted resources, as they are needed.

Unrestricted – All other net position that does not meet the definition of restricted or net investment in capital assets.

Fund Balance

Fund balance is reported in the fund financial statements under the following categories.

Nonspendable fund balance – represents amounts that are not in spendable form, such as inventories and prepaid items.

Restricted fund balance – is that portion of fund balance that can be spent only for the specific purposes stipulated by external resources or through enabling legislation.

Committed fund balance – includes amounts constrained for specific purposes as determined by formal action of the City, using its highest level of decision-making authority, i.e., an ordinance by the City Board. Conversely, to rescind or modify a fund balance commitment, action by the City Board is also required.

Assigned fund balance – amounts are intended to be used by the City for specific purposes but do not meet the criteria to be restricted or committed. Intent may be stipulated by the Board, by resolution. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year's budget are presented as assignments of fund balance, if applicable.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies

Fund Balance

Unassigned fund balance – is the residual classification of the general fund. The general fund is the only fund that reports a positive unassigned fund balance; however, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

It is the City's policy to first use the restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted funds are available. The City's policy for the use of unrestricted fund balance amounts requires that committed amounts be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City's legal boundaries. Property taxes are secured by a statutory lien effective as of the original assessment date of January 1 and, as such, an enforceable legal claim to the subsequent fiscal year levy exists at year-end. Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Industrial and commercial property	
Real property	40%
Personal property	30%
Public utility property	55%
Farm and residential property	25%

Taxes were levied at a rate of \$0.71 and \$0.5363 per \$100 of assessed valuation for tax years 2022 and 2023, respectively. Payments may be made during the period from October 1 through February 28. Current tax collections of \$8,808,689 for the fiscal year ended June 30, 2023 were approximately 98% of the tax levy. Delinquent taxes past due for 14 months are turned over to the county clerk for collection.

Of the \$9,184,537 of property taxes receivable at June 30, 2023, \$8,965,000 represents the estimated net realizable 2023 property taxes, which will be assessed but not levied in the current fiscal year, and which are included in deferred inflows of resources. This receivable is reported in the balance sheet – governmental funds with offsetting deferred inflows of resources for the amounts not available at June 30, 2023. Amounts available at June 30, 2023 have been recorded as revenues in the governmental fund statements.

The amount included in other taxes receivable reported in the statements of \$199,852 is for beer, business, liquor, franchise, and hotel/motel taxes. There were no tax abatements requiring disclosure.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 2. Budget Compliance and Accountability

The City is required by state statute to adopt an annual budget. The City legally adopts budgets for all governmental funds. These budgets are prepared on the basis that current available funds must be sufficient to meet current expenditures. Expenditures may not legally exceed appropriations authorized by the Mayor and Board of Aldermen. The City's budgetary basis is consistent with GAAP. The legal level of budgetary control is at the department level. Any changes to departmental total budgets must be approved by the council.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The City Administrator submits a proposed operating budget to the Mayor and Board of Aldermen for the fiscal year commencing July 1. The operating departmental budget establishes the budgetary level of control for the proposed expenditures as well as the means of financing them.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and unappropriated fund balance.
4. Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
5. Budgets are adopted on a basis generally consistent with GAAP. These budget appropriations lapse at the end of the fiscal year.

During the fiscal year, the General Fund original budget was amended by increasing budgeted expenditures by \$14,366,910 (45.10%). The primary amendments related to general fund include \$2,350,000 in general government for Capital engineering and rehab of buildings, \$11,512,000 in the police department for construction of buildings, \$412,210 across various departments for wage increases and \$39,000 in fire department for equipment. Highway and Streets Fund projects expenditures increased by \$800,000. The original budgets for the nonmajor governmental funds were increased by \$232,800, primarily related to Stormwater operations and capital projects.

Note 3. Deposits and Investments

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy, as required by state statutes, requires deposits to be 105% secured by collateral (less the amount of FDIC insurance) or deposited in an institution that participates in the State Collateral Pool. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. Collateral agreements must be approved prior to deposit of funds, as provided by law. The City approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of City staff. At June 30, 2023, there were no amounts exposed to custodial credit risk.

Investments

At June 30, 2023, the City had no investments.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 4. Receivables

A summary of receivables is as follows:

	Major governmental	Other governmental	Water and sewer	Internal service	Total
Property tax	\$ 9,399,537	\$ -	\$ -	\$ -	\$ 9,399,537
Other taxes	199,852	-	-	-	199,852
Customer and other	-	119,063	1,844,212	-	1,963,275
Other governments	4,021,134	251,380	-	-	4,272,514
Less: allowance	<u>(215,000)</u>	<u>-</u>	<u>(274,698)</u>	<u>-</u>	<u>(489,698)</u>
	\$13,405,523	\$ 370,443	\$1,569,514	\$ -	\$15,345,480

Note 5. Interfund Balances and Transactions

Interfund receivables and payables are attributable to obligations for operating transfers between funds. At June 30, 2023, there were no interfund balances; however, the consolidation of the internal service fund resulted in internal balances of \$255,354 for the government-wide financial statements.

Interfund transfers for the year ended June 30, 2023 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	Transfers in				
	Drug enforcement	Senior citizens	Parks and recreation improvement	Water and sewer	Total
Transfers out					
General	\$ 30,000	\$ 161,151	\$ 205,000	\$ 1,500,000	\$ 1,896,151

Transfers from the general fund to the drug enforcement, senior citizens, and parks and recreation improvement funds were made to supplement the general operations of these funds. The transfer from the general fund to the water and sewer fund was made to allocate proceeds from the sale of the public works building for the acquisition and construction of a new water and sewer building.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 6. Capital Assets

Governmental Activities

Capital assets activity for the year was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases and transfers</u>	<u>Ending balance</u>
Capital assets not being depreciated				
Land and right of way	\$ 8,066,554	\$ -	\$ -	\$ 8,066,554
Construction in progress	<u>4,008,856</u>	<u>6,548,798</u>	<u>(1,376,619)</u>	<u>9,181,035</u>
	12,075,410	6,548,798	(1,376,619)	17,247,589
Capital assets being depreciated				
Buildings	9,560,438	-	(369,369)	9,191,069
Improvements	9,759,270	475,591	(12,220)	10,222,641
Equipment	23,736,267	732,997	(324,883)	24,144,381
Right-to-use lease assets	216,764	-	-	216,764
Infrastructure	<u>77,773,731</u>	<u>830,266</u>	<u>1,376,619</u>	<u>79,980,616</u>
	121,046,470	2,038,854	670,147	123,755,471
Less: accumulated depreciation				
Buildings	(4,321,126)	(234,443)	254,532	(4,301,037)
Improvements	(4,212,357)	(248,552)	7,231	(4,453,678)
Equipment	(16,462,943)	(1,970,985)	219,977	(18,213,951)
Right-to-use lease assets	(88,497)	(45,064)	-	(133,561)
Infrastructure	<u>(38,137,301)</u>	<u>(1,686,520)</u>	<u>-</u>	<u>(39,823,821)</u>
	(63,222,224)	(4,185,564)	481,740	(66,926,048)
Governmental activities capital assets, net	\$ 69,899,656	\$ 4,402,088	\$ (224,732)	\$ 74,077,012

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

General government	\$ 244,849
Public safety	
Police	928,449
Fire	666,257
Highways and streets	1,808,583
Stormwater	101,138
Health and welfare	15,325
Recreation	332,848
Library	<u>88,115</u>
Total governmental activities depreciation expense	\$ 4,185,564

Current year additions included \$830,266 of donated improvements from developers.

Right-to-use lease assets are summarized below:

Right-to-use lease assets	\$ 216,764
Less: accumulated amortization	<u>(133,561)</u>
Right-to-use lease assets, net	\$ 83,203

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 6. Capital Assets

Governmental Activities

Amortization expense for the year was charged to the general government function in the amount of \$45,064.

Business-type Activities

Capital assets activity for the water and sewer enterprise fund for the year was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases and transfers</u>	<u>Ending balance</u>
Capital assets not being depreciated				
Land	\$ 1,344,493	\$ -	\$ -	\$ 1,344,493
Water storage rights	1,636,696	-	-	1,636,696
Construction in progress	<u>4,805,748</u>	<u>8,430,133</u>	<u>-</u>	<u>13,235,881</u>
	7,786,937	8,430,133	-	16,217,070
Capital assets being depreciated				
Utility plant and buildings	81,451,293	660,862	(20,465)	82,091,690
Machinery and equipment	<u>9,822,546</u>	<u>230,528</u>	<u>(62,922)</u>	<u>9,990,152</u>
	91,273,839	891,390	(83,387)	92,081,842
Less: accumulated depreciation				
Utility plant and buildings	(36,393,176)	(1,983,965)	13,431	(38,363,710)
Machinery and equipment	<u>(7,025,418)</u>	<u>(416,150)</u>	<u>62,922</u>	<u>(7,378,646)</u>
	(43,418,594)	(2,400,115)	76,353	(45,742,356)
Business-type activities capital assets, net	\$ 55,642,182	\$ 6,921,408	\$ (7,034)	\$ 62,556,556

Depreciation expense amounted to \$2,400,115. Current year additions included \$660,862 of donated water and sewer lines.

Note 7. Leases

Lessor

The City, as lessor, leases cell towers under noncancelable lease arrangements. Terms of the leases range from 2 to 20 years and contain fixed payment terms. Certain leases contain an option to renew that has been considered in the lease receivable when the lessee is reasonably certain to exercise the renewal option. The City recognized lease revenue, which is included in other operating revenues, of \$35,143 in 2023. Total lease receivables were \$344,188 (\$35,276 current) as of June 30, 2023.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 7. **Leases**

Lessor

Principal and interest requirements on these leases are as follows:

Years ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 35,276	\$ 2,817	\$ 38,093
2025	35,589	2,503	38,092
2026	35,906	2,187	38,093
2027	36,224	1,868	38,092
2028	29,842	1,554	31,396
2029-2033	84,547	5,453	90,000
2034-2038	<u>86,804</u>	<u>1,873</u>	<u>88,677</u>
Total	\$ 344,188	\$ 18,255	\$ 362,443

Lessee

The City leases certain equipment under noncancelable lease arrangements. Terms of the leases range from 3 to 5 years and contain fixed payment terms. Certain leases contain the option for renewal, which has been considered in the lease liability when the City is reasonably certain to exercise the renewal option.

Principal and interest requirements on these leases are as follows:

Years ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 33,506	\$ 5	\$ 33,511
2025	27,810	-	27,810
2026	17,100	-	17,100
2027	<u>4,900</u>	<u>-</u>	<u>4,900</u>
Total	\$ 83,316	\$ 5	\$ 83,321

The City also entered into leases for certain public safety communications equipment classified as financed purchases. The City will have title to the assets upon satisfying the minimum lease payments. The contracts have no fiscal funding clause.

Principal and interest requirements on these leases are as follows:

Year ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 63,838	\$ 1,432	\$ 65,270

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 7. **Leases**

Leasee

The assets acquired through the leases are included in capital assets and are as follows:

	Governmental activities
Communication equipment	\$ 804,264
Less: accumulated amortization	<u>(657,110)</u>
	\$ 147,154

Note 8. **Long-term Debt and Other Obligations**

The government issues general obligation bonds and notes, and enters into capital leases, for the acquisition and construction of major capital facilities for general government purposes. These bonds, notes, and capital leases are paid from the general fund and certain capital project funds with general government resources.

The government also issues bonds in situations in which the government pledges income derived from the acquired or constructed assets to pay debt service. These bonds relate to the water and sewer enterprise fund. Should water and sewer revenues be insufficient to pay the debt service, the debt is payable from the taxing authority of the City.

The following is a summary of changes in long-term liabilities for the year:

	Beginning balance	Increases	Decreases	Ending balance	Due within one year
Governmental Activities					
General obligation bonds	\$ 22,055,000	\$ -	\$ (1,660,000)	\$ 20,395,000	\$ 1,715,000
Unamortized premiums	<u>1,332,541</u>	<u>-</u>	<u>(150,875)</u>	<u>1,181,666</u>	<u>-</u>
	23,387,541	-	(1,810,875)	21,576,666	1,715,000
Leases	254,542	-	(107,388)	147,154	97,344
Compensated absences	<u>832,637</u>	<u>916,837</u>	<u>(888,983)</u>	<u>860,491</u>	<u>860,491</u>
Total governmental activities	\$ 24,474,720	\$ 916,837	\$ (2,807,246)	\$ 22,584,311	\$ 2,672,835
Business-type Activities					
Revenue and tax bonds	\$ 12,980,000	\$ -	\$ (1,290,000)	\$ 11,690,000	\$ 1,205,000
Unamortized premiums	<u>666,382</u>	<u>-</u>	<u>(147,829)</u>	<u>518,553</u>	<u>-</u>
Total business-type activities	\$ 13,646,382	\$ -	\$ (1,437,829)	\$ 12,208,553	\$ 1,205,000
Compensated absences*	\$ 63,144	\$ 74,457	\$ 70,049	\$ 67,552	\$ 67,552

*Included in accrued liabilities

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 8. Long-term Debt and Other Obligations

Long-term debt payable is comprised of the following:

Governmental Activities

2009 General Obligation Public Improvement Bonds (\$4,125,000), due in annual installments through June 2024. Interest accrues at an at 3.00% to 4.00%. \$ 550,000

2014 General Obligation Public Improvement and Refunding Bonds (\$2,630,000), due in annual installments through April 2025. Interest accrues at 2.00% to 3.00%. 570,000

2015 General Obligation Public Improvement Bonds (\$5,420,000), due in annual installments through April 2035. Interest accrues at 2.00% to 3.25%. 3,620,000

2021 General Obligation Public Improvement Bonds (\$16,250,000), due in annual installments through April 2041. Interest accrues at 2.00% to 5.00%. 15,655,000

Total governmental activities **\$ 20,395,000**

Business-type Activities

2021 Water and Sewer Revenue and Tax Refunding Bonds (\$11,840,000), due in annual installments through April 2033. Interest accrues at 1.45% to 3.00%. \$ 11,690,000

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 8. Long-term Debt and Other Obligations

The annual requirements to amortize all bonds outstanding, including interest payments, are as follows:

Years ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,715,000	\$ 457,400	\$ 1,205,000	\$ 288,943
2025	1,215,000	426,150	1,190,000	252,793
2026	965,000	393,400	1,245,000	217,093
2027	1,000,000	358,900	1,245,000	179,743
2028	1,045,000	322,900	1,220,000	142,393
2029 – 2033	5,840,000	1,121,050	5,585,000	282,874
2034 – 2038	5,495,000	604,100	-	-
2039 – 2041	<u>3,120,000</u>	<u>125,600</u>	<u>-</u>	<u>-</u>
	\$ 20,395,000	\$ 3,809,500	\$ 11,690,000	\$ 1,363,839

Advance Refundings

Total defeased debt amounts to \$11,880,000.

Debt Coverage

The water and sewer revenue and tax refunding and public improvement bonds do not require specific debt coverage ratios.

Other

The City's outstanding bonds payable contain provisions stating that, in the event of default, outstanding amounts are to become immediately due if the City is unable to make payment. At June 30, 2023, there were no unused lines of credit. The governmental activities general obligation bonds are secured by the full taxing authority of the City. The business-type activities revenue and tax refunding and public improvement bonds are secured by the user fees of the system as well as the taxing authority of the City.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 9. Deferred Outflows of Resources and Deferred Inflows of Resources

The various components of deferred outflows of resources and deferred inflows of resources were as follows:

	Government- wide
Deferred outflows of resources	
Deferred charge on refunding	\$ 398,817
Deferred inflows of resources	
Property taxes, 2023 assessed and unlevied	\$ 8,965,000
Unearned revenue - leases	252,462
	\$ 9,217,462

In the fund statements, deferred outflows of resources consist of deferred amounts on refunding. The deferred inflows of resources of \$9,436,999 consist of unlevied property taxes of \$8,965,000 and delinquent property taxes of \$471,999.

Note 10. Defined Contribution Pension Plan and Deferred Compensation Plan

The City offers its employees two defined contribution and salary reduction plan, created in accordance with IRC Sections 401(a) and 457, known as the City of La Vergne Plans. Participation in the plans is mandatory for the 401(a) plan and optional for the 457 plan and is available to full-time employees upon employment. The plans allow employees to defer a portion of their salaries to future years. The plans may be amended or terminated by action of the City's Board; however, no termination or amendment shall affect the rights of participants' credited benefits, or their rights to receive benefits. The plans provide that all assets and all income attributable to those assets are solely the property of the respective employees and, accordingly, are not reported as City assets. Employer contributions are immediately vested with no forfeitures provision. The plans are held in trusts and administered by the City. Separate financial statements are not available for the plans.

The City has determined that none of its defined contribution pension plans are fiduciary component units or fiduciary activities of the government and are not included as a fiduciary fund in another government's report.

Deferred Compensation Plan (City of La Vergne 457 Deferred Compensation Plan)

Monthly contributions are optional up to IRC regulated amounts. The City matches 50% of employee contributions up to 3.5% of compensation. Employee benefits are available upon any of the following events: separation from service, death, attainment of age 70 ½, and emergency withdrawals as defined by the IRC. Total contributions by employees were \$506,440.

Defined Contribution Plan (City of La Vergne 401(a) Money Purchase Plan)

Monthly contributions of 1% of compensation are mandatory and a 4.5% contribution is made by the City. Employee benefits are available after separation of service or after age 70 ½. The plan also allows loans from an employee's plan balance. Benefits of a defined contribution plan depend solely on amounts contributed to the plan, plus investments earnings.

The City's total payroll in fiscal year 2023 was \$17,270,752. The City's contributions were calculated using the base salary amount of \$14,306,412. The contributions to the plan by the City for the year ended June 30, 2023 were \$680,216 (4.5% of covered payroll) and total contributions by employees were \$143,064 (1% of covered payroll).

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 11. Commitments and Contingencies

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting business. Some of these matters will be covered by the City's insurance programs, should unfavorable outcomes materialize. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact to the City.

Contractual Agreements

The City is under contract with the Metropolitan Government of Nashville and Davidson County, Tennessee (Metro Nashville) to provide sewer treatment services for its customers. The City paid \$2,287,493 under the contract for 2023. The contract is through October 2024.

The City has a contract with an engineering company to provide for operating services of the water treatment plant. The contract provides for a monthly charge, plus an amount for excess maintenance. The contract is through October 2027 and, during fiscal 2023, the City paid \$1,757,450 under the contract. The fiscal year 2023 annual base amount is \$1,401,482.

Construction Contracts

The City's construction contracts at June 30, 2023 totaled \$46,442,879 and were approximately 16% complete.

Grant Programs

The City participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The City is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs.

Contingencies

The City previously participated in the Local Government Insurance Cooperative (LOGIC), a public entity risk pool that operated as a common risk management and workers' compensation insurance program for approximately 100 governmental entities. LOGIC was self-sustaining through member premiums and also obtained specific excess and aggregate excess coverage through a commercial insurance company. The City has learned that the commercial insurance company is in bankruptcy, and, as a result, the City may be assessed by LOGIC to help cover claims incurred during the City's participation. All known assessments have been accrued. The City does not believe, based on current information, that any potential future assessments would be material to the City's financial statements.

City of La Vergne, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2023

Note 12. Risk Management

The City has chosen to establish the self-insured medical insurance internal service fund for risks associated with the employees' health insurance plan. The fund is accounted for as an internal service fund, in which assets are set aside for claim settlements. The City retains the risk of loss to a limit of \$85,000 per employee. The City has obtained a stop loss commercial insurance policy to cover claims beyond this liability. All full-time employees of the City are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on estimates made by an outside insurance consultant of the amounts needed to pay prior and current year claims and to establish an amount for catastrophic losses. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The process used to compute claims liabilities does not necessarily result in an exact amount. For the government-wide statements, the activity and the assets and liabilities of this fund have been allocated to the participating funds.

Changes in the balance of claims liabilities during the previous two fiscal years are as follows:

	<u>Liability at beginning of fiscal year</u>	<u>Claims</u>	<u>Changes in estimates</u>	<u>Claim payments</u>	<u>Ending balance</u>
2021-2022	\$ 322,961	\$ 4,160,723	\$ (14,000)	\$ (4,157,085)	\$ 312,599
2022-2023	312,599	5,147,827	-	(5,185,335)	275,091

The City is exposed to various other risks and losses. The City deemed it was more economically feasible to participate in a public entity risk pool than to purchase commercial insurance for general liability, property and casualty, and workers' compensation coverage. The City participates in the TML Insurance Pool, which is a public entity risk pool established by the Tennessee Municipal League, an association of member Cities. The City pays an annual premium to the TML for its general liability, property and casualty, and workers' compensation insurance coverage. The creation of the pool provides for it to be self-sustaining through member premiums. The pool reinsures through commercial insurance companies for claims in excess of certain amounts for each insured event. Settled claims from these losses have not exceeded insurance coverage in any of the past three fiscal years.

Note 13. Subsequent Events

Management has evaluated subsequent events through December 5, 2023, the date on which the financial statements were available for issuance.

**Combining and Individual Nonmajor
Fund Financial Statements and Schedules**

Nonmajor Governmental Funds

State street aid fund accounts for the state shared gasoline taxes and the usage of these monies for street maintenance.

Drug enforcement fund accounts for drug fines and grants received and the usage of those monies to further drug education and investigations.

Stormwater fund accounts for fees collected specifically to provide funds to address stormwater run-off.

Senior citizens fund accounts for grant revenues and expenditures related to the operation of the senior citizens center.

Police impact fee fund accounts for fees collected specifically to provide funds for public safety capital items.

Parks and recreation improvement fund accounts for revenues, primarily impact fees, and expenditures associated with the construction and improvement of parks and recreational facilities.

Fire impact fee fund accounts for fees collected specifically to provide funds for fire protection capital items.

City of La Vergne, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue				Capital Projects			Total
	State Street Aid	Drug Enforcement	Stormwater	Senior Citizens	Police Impact Fee	Parks and Recreation Improvement	Fire Impact Fee	
Assets								
Cash in bank	\$ 1,423,925	\$ 1,315,584	\$ 4,497,704	\$ 196,866	\$ 686,764	\$ 696,928	\$ 165,306	\$ 8,983,077
Accounts receivable	-	-	119,063	-	-	-	-	119,063
Due from other governments	229,981	1,240	-	11,411	-	8,748	-	251,380
Total assets	\$ 1,653,906	\$ 1,316,824	\$ 4,616,767	\$ 208,277	\$ 686,764	\$ 705,676	\$ 165,306	\$ 9,353,520
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 53,902	\$ 2,183	\$ 46,222	\$ 14,193	\$ -	\$ 23,405	\$ -	\$ 139,905
Accrued liabilities	-	47,706	8,661	-	-	-	-	56,367
Unearned revenues	-	-	-	9,000	-	-	-	9,000
Total liabilities	53,902	49,889	54,883	23,193	-	23,405	-	205,272
Fund balances								
Restricted	1,600,004	1,266,935	4,561,884	185,084	686,764	682,271	165,306	9,148,248
Total liabilities and fund balances	\$ 1,653,906	\$ 1,316,824	\$ 4,616,767	\$ 208,277	\$ 686,764	\$ 705,676	\$ 165,306	\$ 9,353,520

City of La Vergne, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue				Capital Projects			Total
	State Street Aid	Drug Enforcement	Stormwater	Senior Citizens	Police Impact Fee	Parks and Recreation Improvement	Fire Impact Fee	
Revenues								
Intergovernmental								
State gasoline and motor fuel taxes	\$ 1,345,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,077
Grants and impact fees	-	326,728	-	81,674	161,800	-	61,955	632,157
Total intergovernmental	<u>1,345,077</u>	<u>326,728</u>	<u>-</u>	<u>81,674</u>	<u>161,800</u>	<u>-</u>	<u>61,955</u>	<u>1,977,234</u>
Fines, forfeitures, and seizures	-	26,189	-	-	-	-	-	26,189
Licenses and permits	-	-	1,406,465	-	-	142,558	-	1,549,023
Uses of money and property								
Interest	181	111	449	19	62	55	-	877
Program revenues	-	-	-	3,101	-	-	-	3,101
Total uses of money and property	<u>181</u>	<u>111</u>	<u>449</u>	<u>3,120</u>	<u>62</u>	<u>55</u>	<u>-</u>	<u>3,978</u>
Other revenues and contributions	-	-	513	14,772	-	8,748	-	24,033
Total revenues	<u>1,345,258</u>	<u>353,028</u>	<u>1,407,427</u>	<u>99,566</u>	<u>161,862</u>	<u>151,361</u>	<u>61,955</u>	<u>3,580,457</u>
Expenditures								
Current								
Public safety								
Police protection	-	34,540	-	-	305	-	-	34,845
Fire protection	-	-	-	-	-	-	35,308	35,308
Highways and streets	1,847,461	-	-	-	-	-	-	1,847,461
Health and welfare	-	-	-	203,962	-	-	-	203,962
Recreation	-	-	-	-	-	764	-	764
Stormwater	-	-	1,283,238	-	-	-	-	1,283,238
Total current	<u>1,847,461</u>	<u>34,540</u>	<u>1,283,238</u>	<u>203,962</u>	<u>305</u>	<u>764</u>	<u>35,308</u>	<u>3,405,578</u>
Capital outlay	-	-	184,865	43,579	-	132,416	-	360,860
Debt service	71,294	-	-	-	-	-	-	71,294
Total expenditures	<u>1,918,755</u>	<u>34,540</u>	<u>1,468,103</u>	<u>247,541</u>	<u>305</u>	<u>133,180</u>	<u>35,308</u>	<u>3,837,732</u>
Excess (deficiency) of revenues over expenditures	(573,497)	318,488	(60,676)	(147,975)	161,557	18,181	26,647	(257,275)
Other financing sources (uses)								
Transfers in (out)	-	30,000	-	161,151	-	205,000	-	396,151
Insurance recoveries	<u>26,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,435</u>
Net change in fund balance	(547,062)	348,488	(60,676)	13,176	161,557	223,181	26,647	165,311
Fund balance, beginning of year	<u>2,147,066</u>	<u>918,447</u>	<u>4,622,560</u>	<u>171,908</u>	<u>525,207</u>	<u>459,090</u>	<u>138,659</u>	<u>8,982,937</u>
Fund balance, end of year	\$ 1,600,004	\$ 1,266,935	\$ 4,561,884	\$ 185,084	\$ 686,764	\$ 682,271	\$ 165,306	\$ 9,148,248

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
State Street Aid
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Gasoline and motor fuel tax	\$ 1,300,000	\$ 1,300,000	\$ 689,935	\$ (610,065)
Gas 3-cent tax	-	-	199,373	199,373
Gas 1989 tax	-	-	107,975	107,975
Gas 2017 tax	-	-	347,794	347,794
Uses of money and property				
Interest	<u>200</u>	<u>200</u>	<u>181</u>	<u>(19)</u>
Total revenues	1,300,200	1,300,200	1,345,258	45,058
Expenditures				
Current				
Lighting	285,000	285,000	329,168	(44,168)
Street maintenance and repairs	<u>800,700</u>	<u>1,600,700</u>	<u>1,518,293</u>	<u>82,407</u>
Total current	1,085,700	1,885,700	1,847,461	38,239
Debt service				
Principal	66,250	66,250	66,250	-
Interest	<u>5,044</u>	<u>5,044</u>	<u>5,044</u>	<u>-</u>
Total debt service	<u>71,294</u>	<u>71,294</u>	<u>71,294</u>	<u>-</u>
Total expenditures	1,156,994	1,956,994	1,918,755	38,239
Excess (deficiency) of revenues over expenditures	143,206	(656,794)	(573,497)	83,297
Other financing sources (uses)				
Insurance recoveries	-	-	26,435	26,435
Net change in fund balance	143,206	(656,794)	(547,062)	109,732
Fund balance, beginning of year	<u>2,147,066</u>	<u>2,147,066</u>	<u>2,147,066</u>	<u>-</u>
Fund balance, end of year	\$ 2,290,272	\$ 1,490,272	\$ 1,600,004	\$ 109,732

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Drug Enforcement
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Grants	\$ 30,000	\$ 30,000	\$ 326,728	\$ 296,728
Fines, forfeitures, and seizures	46,500	46,500	26,189	(20,311)
Uses of money and property				
Interest	<u>80</u>	<u>80</u>	<u>111</u>	<u>31</u>
Total revenues	76,580	76,580	353,028	276,448
Expenditures				
Current				
DARE program	10,000	10,000	5,160	4,840
Drug enforcement supplies	44,140	44,140	20,565	23,575
Investigative operations	16,000	16,000	-	16,000
Repairs and maintenance	1,000	1,000	-	1,000
Training and travel	<u>22,000</u>	<u>22,000</u>	<u>8,815</u>	<u>13,185</u>
Total expenditures	93,140	93,140	34,540	58,600
Excess (deficiency) of revenues over expenditures	(16,560)	(16,560)	318,488	335,048
Other financing sources (uses)				
Transfers in (out)	30,000	30,000	30,000	-
Net change in fund balance	13,440	13,440	348,488	335,048
Fund balance, beginning of year	<u>918,447</u>	<u>918,447</u>	<u>918,447</u>	<u>-</u>
Fund balance, end of year	\$ 931,887	\$ 931,887	\$ 1,266,935	\$ 335,048

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Stormwater
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 1,365,000	\$ 1,365,000	\$ 1,406,465	\$ 41,465
Uses of money and property				
Interest	500	500	449	(51)
Total uses of money and property	1,365,500	1,365,500	1,406,914	41,414
Other revenues, contributions	-	-	513	513
Total revenues	1,365,500	1,365,500	1,407,427	41,927
Expenditures				
Current				
Salaries and wages	775,064	775,064	717,595	57,469
Benefits	229,975	232,275	227,374	4,901
Insurance	85,000	85,000	87,976	(2,976)
Professional services	572,000	572,000	37,758	534,242
Repairs and maintenance	86,000	86,000	115,136	(29,136)
Supplies	71,700	71,700	66,848	4,852
Other	39,100	39,100	30,551	8,549
Total current	1,858,839	1,861,139	1,283,238	577,901
Capital outlay	-	220,000	184,865	35,135
Total expenditures	1,858,839	2,081,139	1,468,103	613,036
Excess (deficiency) of revenues over expenditures	(493,339)	(715,639)	(60,676)	654,963
Fund balance, beginning of year	4,622,560	4,622,560	4,622,560	-
Fund balance, end of year	\$ 4,129,221	\$ 3,906,921	\$ 4,561,884	\$ 654,963

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Senior Citizens
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Grants and impact fees	\$ 73,000	\$ 73,000	\$ 81,674	\$ 8,674
Uses of money and property				
Charges for services	3,000	3,000	3,101	101
Interest	25	25	19	(6)
Total uses of money and property	3,025	3,025	3,120	95
Other revenues, contributions	3,350	3,350	14,772	11,422
Total revenues	79,375	79,375	99,566	20,191
Expenditures				
Current				
Salaries	161,151	161,151	145,411	15,740
Program expenditures	10,000	10,000	10,605	(605)
Repairs and maintenance	4,700	4,700	8,317	(3,617)
Supplies	23,100	23,100	22,577	523
Travel	2,300	2,300	2,889	(589)
Utilities	13,650	13,650	14,163	(513)
Other	-	-	-	-
Total current	214,901	214,901	203,962	10,939
Capital outlay	34,403	44,903	43,579	1,324
Total expenditures	249,304	259,804	247,541	12,263
Excess (deficiency) of revenues over expenditures	(169,929)	(180,429)	(147,975)	32,454
Other financing sources (uses)				
Transfers from General Fund	161,151	161,151	161,151	-
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	161,151	161,151	161,151	-
Net change in fund balance	(8,778)	(19,278)	13,176	32,454
Fund balance, beginning of year	171,908	171,908	171,908	-
Fund balance, end of year	\$ 163,130	\$ 152,630	\$ 185,084	\$ 32,454

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Police Impact Fee
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget +/(-)
	Original	Final		
Revenues				
Intergovernmental				
Grants and impact fees	\$ 55,000	\$ 55,000	\$ 161,800	\$ 106,800
Uses of money and property				
Interest	<u>40</u>	<u>40</u>	<u>62</u>	<u>22</u>
Total revenues	55,040	55,040	161,862	106,822
Expenditures				
Current				
Supplies and repairs	400	400	305	95
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	400	400	305	95
Excess (deficiency) of revenues over expenditures	54,640	54,640	161,557	106,917
Fund balance, beginning of year	<u>525,207</u>	<u>525,207</u>	<u>525,207</u>	<u>-</u>
Fund balance, end of year	\$ 579,847	\$ 579,847	\$ 686,764	\$ 106,917

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Parks and Recreation Improvement
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Licenses and permits	\$ 50,000	\$ 50,000	\$ 142,558	\$ 92,558
Uses of money and property				
Interest	50	50	55	5
Contributions	-	-	8,748	8,748
Total revenues	50,050	50,050	151,361	101,311
Expenditures				
Current				
Program costs	700	700	554	146
Professional services	3,000	3,000	210	2,790
Total current	3,700	3,700	764	2,936
Capital outlay	555,000	555,000	132,416	422,584
Total expenditures	558,700	558,700	133,180	425,520
Excess (deficiency) of revenues over expenditures	(508,650)	(508,650)	18,181	526,831
Other financing sources (uses)				
Transfers from General Fund	205,000	205,000	205,000	-
Net change in fund balance	(303,650)	(303,650)	223,181	526,831
Fund balance, beginning of year	459,090	459,090	459,090	-
Fund balance, end of year	\$ 155,440	\$ 155,440	\$ 682,271	\$ 526,831

City of La Vergne, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Nonmajor Governmental Funds
Fire Impact Fee
For the Year Ended June 30, 2023

	Budgeted amounts		Actual amounts	Variance with final budget + / (-)
	Original	Final		
Revenues				
Intergovernmental				
Grants and impact fees	\$ 50,000	\$ 50,000	\$ 61,955	\$ 11,955
Uses of money and property				
Interest	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Total revenues	50,050	50,050	61,955	11,905
Expenditures				
Current				
Other costs	300	39,300	35,308	3,992
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	300	39,300	35,308	3,992
Excess (deficiency) of revenues over expenditures	49,750	10,750	26,647	15,897
Fund balance, beginning of year	<u>138,659</u>	<u>138,659</u>	<u>138,659</u>	<u>-</u>
Fund balance, end of year	\$ 188,409	\$ 149,409	\$ 165,306	\$ 15,897

City of La Vergne, Tennessee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Highways and Streets
For the Year Ended June 30, 2023

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget +/(-)
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 520,000	\$ 520,000	\$ 887,165	\$ 367,165
Uses of money and property				
Interest	<u>300</u>	<u>300</u>	<u>349</u>	<u>49</u>
Total uses of money and property	520,300	520,300	887,514	(367,214)
Other revenues, contributions	<u>-</u>	<u>-</u>	<u>164,212</u>	<u>164,212</u>
Total revenues	520,300	520,300	1,051,726	531,426
Expenditures				
Current				
Repairs and maintenance	5,800	5,800	599	5,201
Capital outlay	<u>2,927,351</u>	<u>2,927,351</u>	<u>1,702,647</u>	<u>1,224,704</u>
Total expenditures	2,933,151	2,933,151	1,703,246	1,229,905
Excess (deficiency) of revenues over expenditures	(2,412,851)	(2,412,851)	(651,520)	1,761,331
Fund balance, beginning of year	<u>3,467,038</u>	<u>3,467,038</u>	<u>3,467,038</u>	<u>-</u>
Fund balance, end of year	\$ 1,054,187	\$ 1,054,187	\$ 2,815,518	\$ 1,761,331

City of La Vergne, Tennessee
Balance Sheet
Discretely Presented Component Unit - Industrial Development Board
June 30, 2023

Assets

Cash and cash equivalents	\$ 33,911
Total assets	<u>\$ 33,911</u>

Fund Balances

Unassigned	33,911
Total fund balances	<u>\$ 33,911</u>

City of La Vergne, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Discretely Presented Component Unit - Industrial Development Board
For the Year Ended June 30, 2023

Revenues

Charges for services	\$ 12,346
Intergovernmental	10,000
Total revenues	22,346

Expenditures

Current	
Program costs	3,261
Professional services	509
Total expenditures	3,770

Net change in fund balance	18,576
Fund balance, beginning of year	15,335
Fund balance, end of year	\$ 33,911

City of La Vergne, Tennessee
 Capital Assets Used in Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2023

Function and Activity	Land	Building and Improvements	Improvements other than Buildings	Equipment	Infrastructure	Lease Assets	Construction in Progress	Total
General government	\$ 2,538,230	\$ 845,775	\$ 63,219	\$ 2,744,101	\$ 7,750	\$ 83,203	\$ 2,579,349	\$ 8,861,627
Public safety								
Police	1,183	803,870	113,800	10,723,009	-	-	1,071,204	12,713,066
Fire	813,000	1,710,397	1,250	6,339,743	-	-	2,428,109	11,292,499
Highway and streets	3,519,191	-	169,947	1,658,525	79,796,819	-	2,369,741	87,514,223
Stormwater	-	1,009,294	374,064	1,095,139	176,047	-	612,840	3,267,384
Health and welfare	-	86,665	51,379	74,499	-	-	-	212,543
Recreation	392,183	1,263,052	9,355,874	1,186,105	-	-	119,792	12,317,006
Library	802,767	3,472,016	93,108	323,260	-	-	-	4,691,151
Total governmental capital assets	\$ 8,066,554	\$ 9,191,069	\$ 10,222,641	\$ 24,144,381	\$ 79,980,616	\$ 83,203	\$ 9,181,035	\$ 140,869,499

City of La Vergne, Tennessee
 Capital Assets Used in Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Year Ended June 30, 2023

Function and Activity	Balance July 1, 2022	Additions	Reclasses and Deletions	Balance June 30, 2023
General government	\$ 8,220,576	\$ 972,840	\$ 331,789	\$ 8,861,627
Public safety				
Police	11,592,676	1,381,494	261,104	12,713,066
Fire	8,878,591	2,428,109	14,201	11,292,499
Highways and streets	84,857,495	2,754,106	97,378	87,514,223
Stormwater	2,656,544	612,840	2,000	3,267,384
Health and welfare	168,965	43,578	-	212,543
Recreation	11,974,013	342,993	-	12,317,006
Library	<u>4,639,459</u>	<u>51,692</u>	<u>-</u>	<u>4,691,151</u>
Total governmental capital assets	\$ 132,988,319	\$ 8,587,652	\$ 706,472	\$ 140,869,499

City of La Vergne, Tennessee
Schedule of Changes in Property Taxes Receivable
General Fund
For the Year Ended June 30, 2023

Fiscal Year	Property tax receivable balance July 1, 2022	Assessments	Collections	Adjustments	Property tax receivable balance June 30, 2023
2022 - 2023	\$ -	\$ 8,909,158	\$ 8,808,689	\$ (7,718)	\$ 92,751
2021 - 2022	179,377	-	101,928	8,177	85,626
2020 - 2021	72,063	-	34,225	2,816	40,654
2019 - 2020	63,407	-	10,206	253	53,454
2018 - 2019	53,998	-	2,982	-	51,016
2017 - 2018	28,717	-	1,659	-	27,058
2016 - 2017	25,726	-	1,471	-	24,255
2015 - 2016	25,010	-	136	-	24,874
2014 - 2015	23,628	-	358	-	23,270
2013 - 2014	11,889	-	310	-	11,579
2012 - 2013	15,978	-	177	(15,801)	-
	\$ 499,793	\$ 8,909,158	\$ 8,962,141	\$ (12,273)	434,537
2023 - 2024**					8,965,000
Allowance for uncollectible Property tax receivable, net					9,399,537 (215,000)
					\$ 9,184,537

** Unlevied taxes receivable (anticipated current year levy)

Receivables from fiscal year 2019 - 2020 and prior have been turned over to the County Clerk and Master for collection.

City of La Vergne, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2023

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2023
Governmental Activities									
<i>General obligation bonds</i>									
Payable through general fund									
2009 GO public improvement bonds	\$ 4,125,000	3.00% - 4.00%	06/15/2009	06/01/2024	\$ 1,095,000	\$ -	\$ 545,000	\$ -	\$ 550,000
2014 GO public improvement and refunding bonds*	2,630,000	2.00% - 3.00%	08/28/2014	04/01/2025	689,150	-	198,750	-	490,400
2015 GO public improvement bonds	5,420,000	2.00% - 3.25%	01/08/2015	04/01/2035	3,875,000	-	255,000	-	3,620,000
2021 GO public improvement bonds	16,250,000	2.00% - 5.00%	08/12/2021	04/01/2041	<u>16,250,000</u>	-	<u>595,000</u>	-	<u>15,655,000</u>
Total GO bonds payable through general fund					21,909,150	-	1,593,750	-	20,315,400
Payable through state street aid fund									
2014 GO public improvement and refunding bonds*	-	2.00% - 3.00%	08/28/2014	04/01/2025	<u>145,850</u>	-	<u>66,250</u>	-	<u>79,600</u>
Total governmental activities					\$ 22,055,000	\$ -	\$ 1,660,000	\$ -	\$20,395,000
Business-type Activities									
<i>Revenue and tax bonds, pledge of net revenues</i>									
Payable through water and sewer fund									
2013 W&S rev and tax refunding and public improvement bonds	\$ 13,585,000	1.00% - 3.30%	04/24/2013	03/01/2033	\$ 550,000	\$ -	\$ 550,000	\$ -	\$ -
2014 W&S rev and tax refunding bonds	6,410,000	2.00% - 3.00%	08/28/2014	04/01/2025	690,000	-	690,000	-	-
2021 W&S rev and tax refunding bonds	11,840,000	1.45% - 3.00%	08/12/2021	04/01/2033	<u>11,740,000</u>	-	<u>50,000</u>	-	<u>11,690,000</u>
Total revenue and tax bonds payable through water and sewer fund					\$ 12,980,000	\$ -	\$ 1,290,000	\$ -	\$ 11,690,000

Note to schedule

*Payments on this bond series are split between general and state street aid funds.

City of La Vergne, Tennessee
Schedule of Maturities of Bond Indebtedness
and Interest Requirements
General Obligation
June 30, 2023

Year Ended June 30,	Principal				Interest	Total
	Series 2009 GO Public Improvement Bonds	Series 2014 GO Public Improvement and Refunding Bonds	Series 2015 GO Public Improvement Bonds	Series 2021 GO Public Improvement Bonds		
2024	\$ 550,000	\$ 280,000	\$ 260,000	\$ 625,000	\$ 457,400	\$ 2,172,400
2025	-	290,000	270,000	655,000	426,150	1,641,150
2026	-	-	275,000	690,000	393,400	1,358,400
2027	-	-	280,000	720,000	358,900	1,358,900
2028	-	-	285,000	760,000	322,900	1,367,900
2029	-	-	295,000	795,000	284,900	1,374,900
2030	-	-	305,000	835,000	245,150	1,385,150
2031	-	-	310,000	860,000	220,100	1,390,100
2032	-	-	320,000	885,000	194,300	1,399,300
2033	-	-	330,000	905,000	176,600	1,411,600
2034	-	-	340,000	925,000	158,500	1,423,500
2035	-	-	350,000	940,000	140,000	1,430,000
2036	-	-	-	960,000	121,200	1,081,200
2037	-	-	-	980,000	102,000	1,082,000
2038	-	-	-	1,000,000	82,400	1,082,400
2039	-	-	-	1,020,000	62,400	1,082,400
2040	-	-	-	1,040,000	42,000	1,082,000
2041	-	-	-	1,060,000	21,200	1,081,200
Total	\$ 550,000	\$ 570,000	\$ 3,620,000	\$ 15,655,000	\$ 3,809,500	\$ 24,204,500

City of La Vergne, Tennessee
 Schedule of Maturities of Indebtedness
 and Interest Requirements
 Water and Sewer Fund
 June 30, 2023

Principal

Year Ended June 30,	Series 2021 W&S Revenue and Tax Refunding		
	Bonds	Interest	Total
2024	\$ 1,205,000	\$ 288,943	\$ 1,493,943
2025	1,190,000	252,793	1,442,793
2026	1,245,000	217,093	1,462,093
2027	1,245,000	179,743	1,424,743
2028	1,220,000	142,393	1,362,393
2029	1,190,000	105,793	1,295,793
2030	1,165,000	70,093	1,235,093
2031	1,125,000	53,200	1,178,200
2032	1,075,000	35,763	1,110,763
2033	1,030,000	18,025	1,048,025
Total	\$ 11,690,000	\$ 1,363,839	\$ 13,053,839

City of La Vergne, Tennessee
Schedule of Changes in Lease Obligations
For the Year Ended June 30, 2023

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Maturity date	Outstanding July 1, 2022	Issued during period	Paid and/or matured during period	Re-measurements	Outstanding June 30, 2023
Governmental Activities									
<i>Leases Payable</i>									
Payable through general fund									
Radio Console Equipment	\$ 587,500	2.22%	02/28/2014	07/01/2023	\$ 126,275	\$ -	\$ 62,437	\$ -	\$ 63,838
Coin Machine	9,000	0.00%	07/01/2020	06/01/2025	5,400	-	1,800	-	3,600
Copiers	73,500	0.00%	11/01/2021	10/01/2026	63,700	-	14,700	-	49,000
Copy Machine - Admin Mail Room	23,517	0.83%	07/01/2018	06/01/2023	4,782	-	4,782	-	-
Copy Machine - City Manager	12,900	0.00%	07/01/2020	06/01/2025	7,740	-	2,580	-	5,160
Copy Machine - City Recorder	5,893	0.73%	11/28/2017	11/01/2022	499	-	499	-	-
Copy Machines - Fire and Police	25,800	0.00%	07/01/2020	06/01/2025	15,480	-	5,160	-	10,320
Copy Machines - Police IT	11,551	1.15%	01/23/2019	12/01/2023	3,535	-	2,350	-	1,185
Copy Machines - Public Works	12,200	0.00%	06/01/2021	05/01/2026	9,600	-	2,400	-	7,200
Postage Machine	24,403	0.00%	03/01/2020	09/30/2024	10,531	-	4,680	-	5,851
Stormwater Land	18,000	0.00%	09/01/2020	08/01/2023	7,000	-	6,000	-	1,000
					<u>254,542</u>	<u>-</u>	<u>107,388</u>	<u>-</u>	<u>147,154</u>
Total leases payable through general fund					\$ 254,542	\$ -	\$ 107,388	\$ -	\$ 147,154

City of La Vergne, Tennessee
Schedule of Lease Obligations, Principal, and Interest Requirements by Fiscal Year
June 30, 2023

Fiscal Year Ending	Radio Console Equipment		Coin Machine		Copiers		Copy Machine - Admin Mail Room	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 63,838	\$ 1,433	\$ 1,800	\$ -	\$ 14,700	\$ -	\$ -	\$ -
2025	-	-	1,800	-	14,700	-	-	-
2026	-	-	-	-	14,700	-	-	-
2027	-	-	-	-	4,900	-	-	-
	\$ 63,838	\$ 1,433	\$ 3,600	\$ -	\$ 49,000	\$ -	\$ -	\$ -

Fiscal Year Ending	Copy Machine - City Manager		Copy Machine - City Recorder		Copy Machines - Fire and Police		Copy Machines - Police IT	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,580	\$ -	\$ -	\$ -	\$ 5,160	\$ -	\$ 1,185	\$ 26
2025	2,580	-	-	-	5,160	-	-	-
	\$ 5,160	\$ -	\$ -	\$ -	\$ 10,320	\$ -	\$ 1,185	\$ 26

Fiscal Year Ending	Copy Machines - Public Works		Postage Machine		Stormwater Land		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,400	\$ -	\$ 4,681	\$ -	\$ 1,000	\$ -	\$ 97,344	\$ 1,438
2025	2,400	-	1,170	-	-	-	27,810	-
2026	2,400	-	-	-	-	-	17,100	-
2027	-	-	-	-	-	-	4,900	-
	\$ 7,200	\$ -	\$ 5,851	\$ -	\$ 1,000	\$ -	\$ 147,154	\$ 1,438

City of La Vergne, Tennessee
 Schedule of Utility Rates
 For the Year Ended June 30, 2023

Services				Number of Customers
Water				13,064
Sewer				12,370
Rates	Residential	Commercial	Industrial	
Water (inside city)				
First 2,000 gallons	\$ 14.21	\$ 18.39	\$ 334.38	
Thereafter (per 1,000 gallons)	\$ 3.67	\$ 4.18	\$ 5.60	
Water (outside city)				
First 2,000 gallons	\$ 17.30			
Next 4,000 gallons (per 1,000 gallons)	\$ 4.50			
Thereafter (per 1,000 gallons)	\$ 6.43			
Sewer (inside city)				
First 2,000 gallons	\$ 22.43	\$ 29.02	\$ 527.74	
Thereafter (per 1,000 gallons)	\$ 5.81	\$ 6.59	\$ 7.36	

Statistical Section

Statistical Section

This part of the City of La Vergne's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

Contents

Schedules

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.

1-4

Revenue Capacity

These schedules contain information to help readers assess the City's most significant local revenue source – its property tax.

5-8

Debt Capacity

These schedules present information to help readers assess the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

14-15

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16-18

Except where noted, the information in these schedules is derived from the City of La Vergne's annual comprehensive financial reports for the relevant year.

City of La Vergne, Tennessee
 Financial Trends Information
 Net Position by Component, Last Ten Fiscal Years

Schedule 1
 (prepared using the accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net investment in capital assets	\$ 69,870,826	\$ 63,899,984	\$ 60,277,429	\$ 58,988,832	\$ 53,645,481	\$ 52,746,409	\$ 52,013,489	\$ 49,509,960	\$ 48,465,920	\$ 50,472,476
Restricted for										
Highways and streets	4,415,522	5,614,104	5,225,668	4,785,101	4,262,973	3,463,542	2,694,575	2,675,709	2,990,466	1,616,397
Parks and recreation	682,271	459,090	445,697	198,227	419,790	378,238	294,505	447,354	409,633	392,165
Senior citizens	185,084	171,908	158,394	108,415	54,389	41,878	39,245	34,268	9,504	-
Capital projects	-	-	-	-	-	-	-	331	-	-
Stormwater projects	4,561,884	4,622,560	4,848,332	5,015,012	4,702,357	4,554,915	4,211,741	4,037,002	3,660,628	3,258,585
Law enforcement	1,978,385	1,466,219	1,089,119	893,633	625,371	498,071	397,519	312,114	309,445	232,268
Fire Protection	165,306	138,659	38,879	-	-	-	-	-	-	-
Unrestricted	41,306,851	39,456,204	32,525,311	23,625,256	22,774,783	20,451,900	17,700,525	13,378,320	10,158,970	6,804,021
Total governmental activities net position	\$ 123,166,129	\$ 115,828,728	\$ 104,608,829	\$ 93,614,476	\$ 86,485,144	\$ 82,134,953	\$ 77,351,599	\$ 70,395,058	\$ 66,004,566	\$ 62,775,912
Business-type Activities										
Net investment in capital assets	\$ 51,403,817	\$ 43,102,517	\$ 42,300,254	\$ 40,649,708	\$ 38,165,737	\$ 36,332,568	\$ 35,621,091	\$ 35,544,191	\$ 35,215,483	\$ 35,441,278
Unrestricted	25,833,748	26,518,489	24,607,256	23,034,343	20,918,473	19,634,830	17,298,623	13,637,953	10,939,420	8,132,418
Total business-type activities net position	\$ 77,237,565	\$ 69,621,006	\$ 66,907,510	\$ 63,684,051	\$ 59,084,210	\$ 55,967,398	\$ 52,919,714	\$ 49,182,144	\$ 46,154,903	\$ 43,573,696
Primary Government										
Net investment in capital assets	\$ 121,274,643	\$ 107,002,501	\$ 102,577,683	\$ 99,638,540	\$ 91,811,218	\$ 89,078,977	\$ 87,634,850	\$ 85,054,151	\$ 83,681,403	\$ 85,913,754
Restricted for										
Highways and streets	4,415,522	5,614,104	5,225,668	4,785,101	4,262,973	3,463,542	2,694,575	2,675,709	2,990,466	1,616,397
Parks and recreation	682,271	459,090	445,697	198,227	419,790	378,238	294,505	447,354	409,633	392,165
Senior citizens	185,084	171,908	158,394	108,415	54,389	41,878	39,245	34,268	9,504	-
Capital projects	-	-	-	-	-	-	-	331	-	-
Stormwater projects	4,561,884	4,622,560	4,848,332	5,015,012	4,702,357	1,554,915	4,211,741	4,037,002	3,660,628	3,258,585
Law enforcement	1,978,385	1,466,219	1,089,119	893,633	625,371	498,071	397,519	312,144	30,945	232,268
Fire Protection	165,306	138,659	38,879	-	-	-	-	-	-	-
Unrestricted	67,140,599	65,974,693	57,132,567	46,659,599	43,693,256	40,086,730	34,999,148	27,016,273	21,098,390	14,936,439
Total primary government net position	\$ 200,403,694	\$ 185,449,734	\$ 171,516,339	\$ 157,298,527	\$ 145,569,354	\$ 138,102,351	\$ 130,271,313	\$ 119,577,202	\$ 112,159,469	\$ 106,349,608

Notes to schedule

In 2013, all classifications of net assets were changed to net position, in accordance with GASB No. 63. 2017 information was restated to reflect the effect of a 2018 restatement.

City of La Vergne, Tennessee
 Financial Trends Information
 Changes in Net Position, Last Ten Fiscal Years

Schedule 2
(prepared using the accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
General government	\$ 5,261,853	\$ 4,236,431	\$ 3,510,105	\$ 3,441,095	\$ 4,078,459	\$ 4,106,559	\$ 3,341,787	\$ 2,786,720	\$ 3,000,115	\$ 2,646,612
Public safety										
Police	10,544,850	9,657,018	8,346,593	8,127,393	7,918,291	7,446,583	6,695,161	6,973,721	6,437,504	6,173,670
Fire	6,616,915	5,493,439	5,017,369	4,869,302	4,735,458	4,143,445	3,902,073	3,745,011	2,959,476	4,019,676
Highways and streets	4,996,591	4,098,635	3,723,905	3,669,539	3,603,073	3,034,647	2,950,935	2,973,130	3,057,884	3,441,428
Stormwater	1,403,827	1,262,354	1,329,935	979,529	978,199	901,463	855,709	820,085	912,788	700,435
Health and welfare	1,035,260	861,156	920,953	982,594	739,178	539,723	527,872	546,771	402,611	523,145
Recreation	2,060,827	1,586,138	1,314,216	1,253,163	1,094,034	921,436	1,239,543	1,281,630	1,136,043	1,075,555
Library	1,042,582	787,369	782,750	821,169	878,395	791,186	832,908	731,037	774,335	700,317
Interest expense on long-term debt	493,609	648,432	228,749	283,574	333,210	384,723	443,926	521,493	510,982	505,082
Total governmental activities expenses	33,456,314	28,630,972	25,174,575	24,427,358	24,358,297	22,269,765	20,789,914	20,379,598	19,191,738	19,785,920
Business-type activities										
Water and sewer	12,687,198	12,463,421	11,456,772	10,966,183	10,719,737	10,170,713	9,804,886	9,303,224	8,672,645	8,446,600
Total primary government expenses	\$ 46,143,512	\$ 41,094,393	\$ 36,631,347	\$ 35,393,541	\$ 35,078,034	\$ 32,440,478	\$ 30,594,800	\$ 29,682,822	\$ 27,864,383	\$ 28,232,520

Continued

City of La Vergne, Tennessee
 Financial Trends Information , Continued
 Changes in Net Position, Last Ten Fiscal Years

Schedule 2
(prepared using the accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 594,658	\$ 704,061	\$ 551,228	\$ 564,945	\$ 542,915	\$ 512,700	\$ 580,762	\$ 492,353	\$ 250,168	\$ 241,526
Public safety										
Police	400,416	392,625	266,167	361,242	501,299	580,672	502,454	512,476	378,789	428,140
Fire	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-
Stormwater	1,406,465	1,395,016	1,353,738	1,251,322	1,235,948	1,179,244	1,068,562	1,052,846	1,056,773	1,077,521
Health and welfare	3,101	2,990	1,297	3,543	4,687	5,698	5,362	7,693	6,687	7,758
Recreation	11,320	28,265	12,370	15,074	9,180	22,366	67,165	195,487	171,943	182,080
Library	4,898	648	1,467	9,881	16,254	18,412	22,290	31,119	37,860	35,279
Operating grants and contributions	2,026,997	2,181,674	2,287,608	1,986,726	1,727,641	1,476,871	1,282,511	1,291,415	1,141,910	1,081,678
Capital grants and contributions	2,091,727	3,294,603	3,401,671	2,577,573	1,810,420	1,246,036	3,213,525	1,851,892	590,690	8,300,719
Total governmental activities program revenues	6,539,582	7,999,882	7,875,546	6,770,306	5,848,344	5,041,999	6,742,631	5,435,281	3,634,820	11,354,701
Business-type activities										
Water and sewer										
Charges for services	13,746,528	13,251,363	12,616,304	12,410,294	11,974,077	11,958,707	11,884,903	11,176,036	10,886,498	10,542,155
Operating grants and contributions	-	-	1,650	-	-	-	-	-	-	-
Capital grants and contributions	1,489,412	1,802,950	1,957,478	3,123,412	1,853,088	1,252,913	1,665,039	1,153,774	363,640	302,091
Total business-type activities program revenues	15,235,940	15,054,313	14,575,432	15,533,706	13,827,165	13,211,620	13,549,942	12,329,810	11,250,138	10,844,246
Total primary government program revenues	21,775,522	23,054,195	22,450,978	22,304,012	19,675,509	18,253,619	20,292,573	17,765,091	14,884,958	22,198,947
Net (Expenses)/Revenues										
Governmental activities	(26,916,732)	(20,631,090)	(17,299,029)	(17,657,052)	(18,509,953)	(17,227,766)	(14,047,283)	(14,944,317)	(15,556,918)	(8,431,219)
Business-type activities	2,548,742	2,590,892	3,118,660	4,567,523	3,107,428	3,040,907	3,745,056	3,026,586	2,577,493	2,397,646
Total primary government net expenses	\$ (24,367,990)	\$ (18,040,198)	\$ (14,180,369)	\$ (13,089,529)	\$ (15,402,525)	\$ (14,186,859)	\$ (10,302,227)	\$ (11,917,731)	\$ (12,979,425)	\$ (6,033,573)

Continued

City of La Vergne, Tennessee
 Financial Trends Information , Continued
 Changes in Net Position, Last Ten Fiscal Years

Schedule 2
 (prepared using the accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property and in lieu of taxes	\$ 9,398,384	\$ 9,207,613	\$ 8,853,338	\$ 8,716,057	\$ 7,880,764	\$ 8,495,923	\$ 8,102,727	\$ 8,214,052	\$ 8,466,115	\$ 8,121,160
Sales taxes	16,302,744	14,375,257	12,582,033	10,043,758	8,749,701	8,061,708	7,707,482	6,322,852	5,640,249	4,552,693
Other locally assessed taxes	3,196,923	2,910,249	2,836,012	2,623,249	3,018,135	2,420,851	2,188,176	1,992,344	1,953,723	1,587,613
Other state shared taxes	4,732,511	4,478,375	3,731,918	3,203,445	3,142,822	2,890,453	2,786,067	2,708,918	2,656,807	2,405,647
Unrestricted investment earnings	6,695	8,043	5,350	109,446	30,053	26,781	20,971	10,845	8,020	6,968
Other general revenues	525,134	364,245	284,731	90,429	38,669	115,404	150,156	85,798	60,658	61,640
General revenue grants	1,813	507,207	-	-	-	-	-	-	-	-
Gain on sale of general capital assets	1,589,932	-	-	-	-	-	-	-	-	-
Transfers	(1,500,000)	-	-	-	-	-	-	-	-	-
Total governmental activities	34,254,136	31,850,989	28,293,382	24,786,384	22,860,144	22,011,120	20,955,579	19,334,809	18,785,572	16,735,721
Business-type activities										
Investment earnings	2,494	2,543	3,737	32,318	9,384	6,777	5,535	4,205	3,714	3,296
Other/special items	13,560	48,176	101,062	-	-	-	-	(3,550)	-	20,315
General revenue grants	3,551,763	71,885	-	-	-	-	-	-	-	-
Transfers	1,500,000	-	-	-	-	-	-	-	-	-
Total business-type activities	5,067,817	122,604	104,799	32,318	9,384	6,777	5,535	655	3,714	23,611
Total primary government general revenues/other changes	39,321,953	31,973,593	28,398,181	24,818,702	22,869,528	22,017,897	20,961,114	19,335,464	18,789,286	16,759,332
Change in Net Position										
Governmental activities	7,337,404	11,219,899	10,994,353	7,129,332	4,350,191	4,783,354	6,908,296	4,390,492	3,228,654	8,304,502
Business-type activities	7,616,559	2,713,496	3,223,459	4,599,841	3,116,812	3,047,684	3,750,591	3,027,241	2,581,207	2,421,257
Total primary government	\$ 14,953,963	\$ 13,933,395	\$ 14,217,812	\$ 11,729,173	\$ 7,467,003	\$ 7,831,038	\$ 10,658,887	\$ 7,417,733	\$ 5,809,861	\$ 10,725,759

Note to Schedule

In 2013, all classifications of net assets were changed to net position, in accordance with GASB No. 63. 2017 information was restated to reflect the effect of a 2018 restatement.

City of La Vergne, Tennessee
 Financial Trends Information
 Fund Balances of Governmental Funds
 Last Ten Fiscal Years

Schedule 3
(prepared using the modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Funds										
General Fund										
Non-spendable	\$ 17,397	\$ 18,332	\$ 16,118	\$ 6,838	\$ 4,836	\$ 4,030	\$ 3,202	\$ 4,393	\$ 5,127	\$ 7,516
Restricted	17,532,333	17,528,714	22,415	18,565	25,105	23,605	21,155	20,836	20,205	19,055
Assigned	-	-	-	-	648,435	953,510	-	-	-	1,999,965
Unassigned	41,973,511	39,707,436	32,813,629	23,396,017	21,339,774	19,515,723	17,509,874	12,913,421	9,837,846	4,905,038
Total General Fund	<u>59,523,241</u>	<u>57,254,482</u>	<u>32,852,162</u>	<u>23,421,420</u>	<u>22,018,150</u>	<u>20,496,868</u>	<u>17,534,231</u>	<u>12,938,650</u>	<u>9,863,178</u>	<u>6,931,574</u>
All other governmental funds										
Restricted reported in										
Capital projects funds	4,349,859	4,589,994	4,112,899	3,457,728	3,281,266	2,459,805	2,170,050	2,187,816	2,377,097	876,813
Special revenues funds	7,613,907	7,859,981	7,670,775	7,524,095	6,758,509	6,453,234	5,446,380	5,298,126	4,982,374	4,603,297
Total all other governmental funds	<u>11,963,766</u>	<u>12,449,975</u>	<u>11,783,674</u>	<u>10,981,823</u>	<u>10,039,775</u>	<u>8,913,039</u>	<u>7,616,430</u>	<u>7,485,942</u>	<u>7,359,471</u>	<u>5,480,110</u>
Total governmental funds	\$ 71,487,007	\$ 69,704,457	\$ 44,635,836	\$ 34,403,243	\$ 32,057,925	\$ 29,409,907	\$ 25,150,661	\$ 20,424,592	\$ 17,222,649	\$ 12,411,684

City of La Vergne, Tennessee
 Financial Trends Information
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years

Schedule 4
 (prepared using the accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes and in lieu of taxes	\$ 28,429,898	\$ 26,054,907	\$ 23,872,201	\$ 20,934,338	\$ 19,166,637	\$ 18,595,564	\$ 17,596,060	\$ 16,102,086	\$ 15,566,571	\$ 14,012,691
Licenses and permits	3,028,647	3,926,284	2,836,916	2,592,288	2,773,035	2,087,492	2,660,065	2,533,208	1,662,971	1,386,785
Fines and fees	400,416	392,625	266,167	297,143	421,790	542,623	417,624	439,492	334,865	412,502
Intergovernmental	7,582,608	7,387,376	7,587,849	5,591,636	5,260,961	5,168,242	5,876,438	4,652,343	4,229,399	4,107,903
Uses of property and money	80,537	98,451	75,862	176,844	116,509	136,758	165,586	300,342	277,828	328,833
Other	131,713	830,737	231,515	206,736	186,120	169,755	198,332	151,517	63,633	419,173
Total revenues	<u>39,653,819</u>	<u>38,690,380</u>	<u>34,870,510</u>	<u>29,798,985</u>	<u>27,925,052</u>	<u>26,700,434</u>	<u>26,914,105</u>	<u>24,178,988</u>	<u>22,135,267</u>	<u>20,667,887</u>
Expenditures										
General government	4,956,973	4,164,391	3,369,052	3,386,105	3,813,846	3,780,496	2,963,675	2,685,658	2,908,150	2,560,804
Public safety	15,293,377	13,732,040	11,586,911	11,793,183	11,683,604	10,555,617	9,507,332	9,477,720	8,882,744	9,608,403
Highways and streets	3,143,918	2,345,384	2,028,538	2,007,202	1,978,786	1,390,440	1,359,377	1,419,474	1,398,086	1,918,853
Stormwater	1,283,238	1,215,506	1,296,113	921,156	943,535	764,989	719,396	673,320	643,403	622,109
Health and welfare	999,993	828,998	835,622	980,797	722,481	535,899	526,169	545,099	400,939	521,473
Recreation	1,692,778	1,219,097	923,949	848,979	694,434	646,966	879,600	1,113,319	1,074,882	948,246
Library	928,907	689,216	618,063	642,930	678,494	682,168	606,504	631,971	629,442	595,239
Capital outlay	7,757,384	5,036,002	2,188,584	4,795,770	2,669,753	1,966,329	3,239,226	1,642,772	5,295,350	7,677,034
Debt service										
Principal	1,660,000	1,526,068	2,302,597	1,768,458	1,733,314	1,988,014	3,988,172	2,264,629	1,782,994	1,453,882
Interest and other	<u>723,223</u>	<u>677,465</u>	<u>(389,916)</u>	<u>311,089</u>	<u>359,593</u>	<u>411,031</u>	<u>509,630</u>	<u>532,176</u>	<u>603,752</u>	<u>488,377</u>
Total expenditures	<u>38,439,791</u>	<u>31,434,167</u>	<u>24,759,513</u>	<u>27,455,669</u>	<u>25,277,840</u>	<u>22,721,949</u>	<u>24,299,081</u>	<u>20,986,138</u>	<u>23,619,742</u>	<u>26,394,420</u>
Excess of revenues over (under) expenditures	\$ 1,214,028	\$ 7,256,213	\$ 10,110,997	\$ 2,343,316	\$ 2,647,212	\$ 3,978,485	\$ 2,615,024	\$ 3,192,850	\$ (1,484,475)	\$ (5,726,533)

Continued

City of La Vergne, Tennessee
 Financial Trends Information
 Changes in Fund Balances, Governmental Funds, Continued
 Last Ten Fiscal Years

Schedule 4 (Continued)
 (prepared using the accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Other Financing Sources and (Uses)										
Bonds, notes, and leases	\$ -	\$ 16,250,000	\$ -	\$ -	\$ -	\$ -	\$ 2,112,236	\$ 9,827	\$ 8,050,000	\$ 3,237,168
Premiums/discounts on issued bonds	-	1,410,935	-	-	-	-	-	-	-	-
Leases (as lessee)	1,814,664	73,500	-	-	-	-	-	-	-	-
Other	253,858	75,759	112,316	-	-	-	-	-	135,145	-
Transfers	(1,500,000)	-	-	-	-	279,933	-	-	(1,887,316)	142,038
Payments to refunding escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	568,522	17,810,194	112,316	-	-	279,933	2,112,236	9,827	6,297,829	3,379,206
Net changes in fund balances	\$ 1,782,550	\$ 25,066,407	\$ 10,223,313	\$ 2,343,316	\$ 2,647,212	\$ 4,258,418	\$ 4,727,260	\$ 3,202,677	\$ 4,813,354	\$ (2,347,327)
Debt service as % of non-capital expenditures	7.8%	8.3%	8.5%	9.2%	9.3%	11.6%	21.4%	14.5%	13.0%	10.4%

Notes to schedule

In 2015, other financing uses include a \$1,914,570 payment to escrow agent to refund debt.
 Also, 2017 includes a current bond refunding.

City of La Vergne, Tennessee
 Revenue Capacity Information
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Schedule 5

Fiscal Year	Appraised Value				Assessed Value	Total Direct Tax Rate *
	Public Utility Commercial and Industrial	Personal Property	Residential and Farm	Total		
2023	\$ 1,548,403,614	\$ 582,066,660	\$ 3,689,750,855	\$ 5,820,221,129	\$ 1,693,967,840	\$ 0.54
2022	1,359,850,695	540,754,093	2,234,615,637	4,135,220,425	1,239,150,704	\$ 0.71
2021	1,287,676,350	461,958,556	2,166,111,853	3,915,746,759	1,176,650,066	\$ 0.71
2020	1,136,036,877	460,449,028	2,324,166,920	3,920,652,825	1,171,761,408	\$ 0.71
2019	1,147,266,555	402,237,914	2,245,010,838	3,794,515,307	1,127,398,592	\$ 0.71
2018	915,629,616	400,107,746	1,503,378,852	2,819,116,214	855,033,263	\$ 0.95
2017	788,035,016	373,754,956	1,531,045,422	2,692,835,394	790,022,736	\$ 0.95
2016	780,237,525	400,188,101	1,429,164,992	2,609,590,618	801,532,194	\$ 0.98
2015	797,526,787	379,463,510	1,495,166,500	2,672,156,797	800,109,300	\$ 1.00
2014	802,798,600	324,549,497	1,478,724,900	2,606,072,997	788,414,753	\$ 1.00

Property is assessed as follows:

Commercial and industrial	
Real	40%
Personal	30%
Public utility	55%
Farm and residential	25%

* Per \$100 of assessed valuation

Notes to schedule

Property of the City is reappraised frequently. For this reason, appraised value is considered equal to actual value. The appraised values do not exempt property. The most recent reappraisal was performed in 2022.

City of La Vergne, Tennessee
 Revenue Capacity Information
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Schedule 6

Fiscal Year	Direct Rate		Overlapping Rates		Total
		City		County**	
2023	\$	0.536	\$	1.6200	\$ 2.1563
2022	\$	0.710	\$	2.2194	\$ 2.9294
2021	\$	0.710	\$	2.2194	\$ 2.9294
2020	\$	0.710	\$	2.2194	\$ 2.9294
2019	\$	0.710	\$	2.1000	\$ 2.8100
2018	\$	0.950	\$	2.6800	\$ 3.6300
2017	\$	0.950	\$	2.6800	\$ 3.6300
2016	\$	0.975	\$	2.6800	\$ 3.6550
2015	\$	1.000	\$	2.4867	\$ 3.4867
2014	\$	1.000	\$	2.5650	\$ 3.5650

Notes to schedule

The City direct tax rate is a general rate with no separate components.

**Levied on County property within the City.

Source: County Tax Assessor
 Per \$100 of assessed valuation

City of La Vergne, Tennessee
Revenue Capacity Information
Principal Property Tax Payers
Current Year and Nine Years Ago

Schedule 7

	2023			2014		
	Taxable Assessed Value	Rank	% of Total Assessed Value	Taxable Assessed Value	Rank	% of Total Assessed Value
Taxpayer						
Bridgestone/Bridgestone USA	\$ 46,222,002	1	2.84%	\$ 52,481,400	1	6.65%
CPDC Centerpointe Holdings	29,817,880	2	1.83%			
Progress Residential Borro	29,201,700	3	1.79%			
LIT Industrial Limited par	19,049,720	4	1.17%			
Mason Road Holdings West L	15,710,800	5	0.96%			
Prologis Exchange 400 New	14,108,840	6	0.87%			
Big Box Property Owner	13,378,400	7	0.82%			
Park 24 East - Building 5	13,365,400	8	0.82%			
Ingram Book Group LLC	12,982,540	9	0.80%			
Five Start Investments	12,459,200	10	0.76%			
Industrial MS Logistics				9,040,000	2	1.15%
Warehouse Holdings	-			7,045,200	3	0.89%
Borders General	-			6,610,840	4	0.84%
Baptist Hospitals	-			6,600,000	5	0.84%
Mid South Building I	-			6,520,000	6	0.83%
Quality Industries	-			6,416,000	7	0.81%
DCT Mid South LLC	-			6,320,000	8	0.80%
Hot Topic Tennessee	-			6,273,742	9	0.80%
Ajax Turner	-			6,200,000	10	0.79%
Totals	\$ 206,296,482		12.66%	\$ 113,507,182		14.39%
Total assessed value	\$ 1,629,349,421			\$ 788,658,448		

Note to schedule

Source: La Vergne tax records

City of La Vergne, Tennessee
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Years	Total Tax Levy	Current Tax Collections	% Collected	Delinquent Tax Collections	Total Collections	Total Collected as % of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as % of Levy
2023	\$ 8,901,440	\$ 8,808,689	98.96%	\$ -	\$ 8,808,689	98.96%	\$ 92,751	1.04%
2022	8,806,147	8,720,521	99.03%	-	8,720,521	99.03%	85,626	0.97%
2021	8,426,844	8,331,622	98.87%	54,568	8,386,190	99.52%	40,654	0.48%
2020	8,319,759	8,167,934	98.18%	98,371	8,266,305	99.36%	53,454	0.64%
2019	8,055,982	7,868,962	97.68%	136,004	8,004,966	99.37%	51,016	0.63%
2018	8,122,816	7,973,994	98.17%	121,764	8,095,758	99.67%	27,058	0.33%
2017	7,723,035	7,603,301	98.45%	95,479	7,698,780	99.69%	24,255	0.31%
2016	7,796,485	7,649,008	98.11%	122,603	7,771,611	99.68%	24,874	0.32%
2015	8,001,093	7,852,885	98.15%	124,938	7,977,823	99.71%	23,270	0.29%
2014	7,884,426	7,740,004	98.17%	132,843	7,872,847	99.85%	11,579	0.15%
							\$ 434,537	

Notes to schedule

Taxes are assessed as of January 1 and are due on October 1 each year.
Taxes become delinquent on February 28 of the following year.

Source: City tax rolls

City of La Vergne, Tennessee
 Debt Capacity Information
 Ratios of Outstanding Debt and Other Obligations by Type
 Last Ten Fiscal Years

Schedule 9

Fiscal Year	Population*	Governmental Activities				Business-type Activities		Total Primary Government	% of Personal Income**	Debt per Capita
		General Obligation Bonds	Leases	Capital Outlay Notes and Other Obligations	Total	Water and Sewer Revenue and Tax Bonds				
2023	41,245	\$ 21,576,666	\$ 147,154	\$ -	\$ 21,723,820	\$ 12,208,553	\$ 33,932,373	2.99%	\$ 823	
2022	41,046	\$ 23,387,541	\$ 254,542	\$ -	\$ 23,642,083	\$ 13,646,382	\$ 37,288,465	3.60%	\$ 908	
2021	40,656	\$ 7,338,237	\$ -	\$ -	\$ 7,338,237	\$ 14,520,776	\$ 21,859,013	2.21%	\$ 538	
2020	40,595	\$ 8,806,518	\$ -	\$ -	\$ 8,806,518	\$ 15,810,357	\$ 24,616,875	3.25%	\$ 606	
2019	34,423	\$ 10,270,713	\$ -	\$ -	\$ 10,270,713	\$ 17,105,254	\$ 27,375,967	3.48%	\$ 795	
2018	34,414	\$ 11,709,907	\$ -	\$ -	\$ 11,709,907	\$ 18,420,151	\$ 30,130,058	3.68%	\$ 876	
2017	34,077	\$ 13,124,102	\$ -	\$ 1,000,736	\$ 14,124,838	\$ 19,730,048	\$ 33,854,886	4.69%	\$ 993	
2016	34,144	\$ 14,435,199	\$ -	\$ 1,250,736	\$ 15,685,935	\$ 20,981,940	\$ 36,667,875	4.65%	\$ 1,074	
2015	36,242	\$ 15,630,946	\$ -	\$ 1,844,517	\$ 17,475,463	\$ 22,285,312	\$ 39,760,775	5.08%	\$ 1,097	
2014	35,482	\$ 10,387,210	\$ -	\$ 2,094,009	\$ 12,481,219	\$ 23,319,529	\$ 35,800,748	4.76%	\$ 1,009	

Notes to schedule

* Based on Rutherford County Chamber of Commerce estimates, except in years when a census is taken

**See schedule 14 for personal income information. The most recent information available from state and business organizations is used

Details of the City's debt can be found in note 8 of the financial statements.
 The above amounts include bond premiums.

City of La Vergne, Tennessee
 Debt Capacity Information
 Ratios of General Obligation Debt Outstanding
 Last Ten Fiscal Years

Schedule 10

Fiscal Year	Population	Estimated Actual Value	General Obligation Debt	Ratio of General Obligation Debt to Actual Value of Property	Net General Obligation Debt per Capita
2023	41,245	\$ 5,820,221,129	\$ 21,723,820	0.37%	\$ 527
2022	41,046	\$ 4,135,220,425	\$ 23,642,083	0.57%	\$ 576
2021	40,656	\$ 3,915,746,759	\$ 7,338,237	0.19%	\$ 180
2020	40,595	\$ 3,920,652,825	\$ 8,806,518	0.22%	\$ 217
2019	34,423	\$ 3,794,515,307	\$ 10,270,713	0.27%	\$ 298
2018	34,414	\$ 2,819,116,214	\$ 11,709,907	0.42%	\$ 340
2017	34,077	\$ 2,692,835,394	\$ 13,124,102	0.49%	\$ 385
2016	34,144	\$ 2,609,590,618	\$ 14,435,199	0.55%	\$ 423
2015	36,242	\$ 2,672,156,797	\$ 15,630,946	0.58%	\$ 431
2014	35,482	\$ 2,606,072,997	\$ 10,387,210	0.40%	\$ 293

Notes to schedule

See schedule 5 for the City's property value data.

See schedule 9 for information on population.

Details regarding the City's debt can be found in note 8 of the financial statements.

City of La Vergne, Tennessee
 Debt Capacity Information
 Direct and Overlapping Governmental Activities

Schedule 11

Jurisdiction	General Obligation Debt Outstanding	% Applicable to City*	Amount Applicable to City*
City of La Vergne	\$ 21,723,820	100.00%	\$ 21,723,820
Rutherford County	<u>486,062,736</u>	11.62% *	<u>56,480,490</u>
Total	\$ 507,786,556		\$ 78,204,310

* Based upon assessed value of property in:

County	\$ 15,236,298,953	Source: County Finance Department
City	\$ 1,693,967,840	

City of La Vergne
Debt Capacity Information
Debt Margin Information
Last Ten Fiscal Years

Schedule 12

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed value	\$ 1,693,967,840	\$ 1,239,150,704	\$ 1,176,650,066	\$ 1,171,761,408	\$ 1,127,398,592	\$ 855,033,263	\$ 790,022,736	\$ 801,532,194	\$ 800,109,300	\$ 788,414,753
General obligation debt	\$ 21,723,820	\$ 23,642,083	\$ 7,338,237	\$ 8,806,518	\$ 10,270,713	\$ 11,709,907	\$ 15,553,184	\$ 17,457,453	\$ 19,723,000	\$ 15,197,258
Debt as % of assessed value	1.28%	1.91%	0.62%	0.75%	0.91%	1.37%	1.97%	2.18%	2.47%	1.93%

Note to schedule

The City has no legal debt limit.

City of La Vergne, Tennessee
Debt Capacity Information
Pledged Revenue Coverage
Last Ten Fiscal Years

Schedule 13

Water and Sewer Enterprise Fund

Fiscal Year	Gross Revenues*	Direct Operating Expenses**	Net Revenues Available for Debt Service	Debt Service Requirements			Ratio of Revenue Coverage
				Principal***	Interest	Total	
2023	\$ 17,321,379	\$ 10,020,789	\$ 7,300,590	\$ 1,205,000	\$ 288,943	\$ 1,493,943	4.89
2022	\$ 13,373,971	\$ 9,857,923	\$ 3,516,048	\$ 1,300,000	\$ 386,980	\$ 1,686,980	2.08
2021	\$ 12,727,479	\$ 8,610,059	\$ 4,117,420	\$ 1,220,000	\$ 403,731	\$ 1,623,731	2.54
2020	\$ 12,442,566	\$ 8,299,756	\$ 4,142,810	\$ 1,220,000	\$ 444,602	\$ 1,664,602	2.49
2019	\$ 11,983,431	\$ 8,004,641	\$ 3,978,790	\$ 1,245,000	\$ 478,919	\$ 1,723,919	2.31
2018	\$ 11,965,451	\$ 7,724,621	\$ 4,240,830	\$ 1,240,000	\$ 479,991	\$ 1,719,991	2.47
2017	\$ 11,890,387	\$ 6,994,774	\$ 4,895,613	\$ 1,225,000	\$ 556,522	\$ 1,781,522	2.75
2016	\$ 11,176,644	\$ 6,813,287	\$ 4,363,357	\$ 1,255,000	\$ 627,951	\$ 1,882,951	2.32
2015	\$ 10,890,174	\$ 6,272,450	\$ 4,617,724	\$ 1,240,000	\$ 673,870	\$ 1,913,870	2.41
2014	\$ 10,565,734	\$ 6,260,321	\$ 4,305,413	\$ 1,120,000	\$ 661,951	\$ 1,781,951	2.42

Notes to schedule

- * Includes nonoperating revenues
- ** Net of depreciation and amortization
- ***Excludes refunding

City of La Vergne, Tennessee
Demographic and Economic Statistics
Last Ten Calendar Years

Schedule 14

Year	Population*	Per Capita Income***	Personal Income****	Median Age***	School Enrollment**	Unemployment Rate ***
2023	41,245	\$ 29,484	\$ 1,216,067,580	32.0	6,414	2.9%
2022	41,046	27,606	1,133,103,453	30.4	6,597	2.8%
2021	40,656	25,500	1,036,728,000	31.1	7,266	4.8%
2020	40,656	24,334	989,340,745	31.5	7,156	12.8%
2019	40,595	18,661	757,546,961	32.0	6,458	3.2%
2018	34,423	22,862	786,979,352	31.7	6,200	3.1%
2017	34,414	23,769	817,970,114	33.4	6,182	3.4%
2016	34,077	21,167	721,292,000	33.2	6,070	4.2%
2015	34,144	23,071	787,719,870	32.2	6,066	5.2%
2014	36,242	21,588	782,378,100	32.2	6,759	5.6%
2013	35,482	21,213	752,673,367	31.2	6,160	7.2%

Notes to schedule

* Based on City's Planning Department estimates, except in years when a census was taken. Last census was in 2018.

** Rutherford County Board of Education

*** Rutherford County Chamber of Commerce and City, County, and State Planning Offices

**** Per capita income times population

City of La Vergne, Tennessee
Demographic and Economic Information
Principal Employers
Current Year and Nine Years Ago

Schedule 15

Employer	2023			2014		
	Employees	Rank	Percentage	Employees	Rank	Percentage
Ingram Book Group	2348	1	34.53%	1500	1	30.65%
Vantiva	1300	2	19.12%			
Quanta Computer Nashville LLC	659	3	9.69%			
Schneider Electric/Chromalox	464	4	6.82%	426	4	8.70%
Diverse Staffing	419	5	6.16%			
Deltcorp Industries LLC	366	6	5.38%			
Thompson Machinery, LP	332	7	4.88%			
Cook & Boardman Group LLC	331	8	4.87%			
Coats Company LLC	300	9	4.41%			
Tennessee Farmers Coop	280	10	4.12%			
Bridgestone Firestone				900	2	18.39%
Venture Express				500	3	10.22%
SAKS				313	5	6.40%
Cardinal Health				300	6	6.13%
Parthenon Metal Works				215	10	4.39%
Ajax Turner				260	7	5.31%
Quality Industries				240	8	4.90%
SVP Worldwide				240	9	4.90%
Totals	6,799		100.00%	4,894		100.00%

Notes to schedule

Source: Rutherford County Chamber of Commerce

Total employment for the City was not available.

City of La Vergne, Tennessee
 Operating Information
 Full-time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Schedule 16

Function	Full-time Equivalent Employees as of June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Management services	22	22	20	20	20	20	19	18	15	15
Finance	7	7	7	7	7	7	6	6	6	6
Planning and engineering	6	6	5	5	5	5	5	5	5	5
Codes	8	8	8	8	7	7	7	7	6	6
Other	-	-	-	-	-	-	-	-	-	-
Public safety										
Police										
Officers	69	70	69	69	68	65	64	55	53	55
Civilians	24	23	21	20	20	19	13	19	18	17
Fire*	63	54	53	53	51	43	39	39	39	39
Highways and streets/stormwater	24	22	20	19	19	17	17	17	17	17
Recreation	20	20	16	14	14	14	15	16	16	16
Library	8	6	6	6	6	6	6	6	6	6
Water and sewer	32	31	31	30	28	28	27	27	27	29
Totals	283	269	256	251	245	231	218	215	208	211

Notes to schedule

Source: City budget document

* Fire service was contracted out prior to 2014.

City of La Vergne, Tennessee
 Operating Information
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Schedule 17

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Codes										
Building permits issued	328	243	418	289	468	363	321	200	62	48
Public safety										
Police										
Calls*	42,410	43,821	40,389	44,218	50,337	44,660	44,075	33,787	27,389	30,500
Physical arrests*	1,094	2,201	1,813	2,037	2,726	2,337	1,424	1,300	872	2,105
Citations issued*	5,471	4,301	2,796	3,339	3,853	4,034	7,649	5,297	3,598	8,476
Fire*										
Emergency responses	3,762	3,538	3,497	3,334	3,315	3,473	3,187	3,254	2,822	3,186
Recreation (participants)										
Leagues	1,473	1,142	1,767	2,337	2,500	3,920	4,860	3,937	4,695	5,000
Facility rentals	19,560	10,685	9,994	12,620	13,684	13,957	18,890	20,876	25,345	17,530
Programs	174	525	251	557	404	612	1,650	2,150	3,838	5,421
Special events	17,080	13,228	15,800	9,460	8,515	7,930	8,080	5,736	7,925	3,645
Summer camp	-	-	-	-	-	-	-	100	115	345
Community clean-up	-	-	-	-	-	-	-	-	-	-
Senior citizens (participants)	8,478	3,078	3,078	11,213	7,207	7,767	7,485	7,444	6,490	5,826
Library										
Attendance	39,280	25,437	27,274	47,679	78,358	82,173	63,337	100,118	104,236	104,359
Items checked out	38,260	38,253	30,547	41,624	70,576	71,687	62,441	82,593	105,822	109,570
New cards issued	1,008	851	643	864	1,548	1,508	1,279	1,685	1,488	2,128
Water and sewer										
Customers	13,064	12,864	12,404	12,252	12,079	11,985	11,985	11,784	11,992	11,608
Average daily consumption	2,502,186	2,415,873	2,585,422	2,678,338	2,517,083	1,941,765	2,267,867	2,154,405	1,944,372	1,914,362

Notes to schedule

Sources: City departments and utility billing records

* All information was not captured prior to installation of new computer tracking system in 2015.

** Fire service was contracted out prior to 2014.

Some categories were affected by the pandemic in 2020 and 2021.

City of La Vergne, Tennessee
Operating Information
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

Schedule 18

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Autos and trucks	17	18	19	17	17	23	18	14	14	14
Public safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles, motorcycles, and boats	86	86	88	92	87	78	72	72	74	74
Fire*										
Stations	3	3	3	3	3	3	3	3	3	3
Fire trucks	8	8	8	8	8	9	8	8	10	4
Autos and trucks	2	3	3	1	4	5	4	4	5	5
Hydrants	1,425	1,425	1,425	1425	1419	1381	1378	1355	1336	1325
Highways and streets										
Autos and trucks	10	10	10	10	10	12	9	9	11	10
Streets**	190	190	185	185	185	178	178	178	178	178
Streets lights	3,015	3,015	811	811	811	496	496	496	495	495
Traffic signals	176	176	176	176	176	146	146	146	138	138
Recreation										
Autos and trucks	10	10	11	10	10	13	11	11	10	10
Parks	6	6	6	6	6	6	6	6	6	6
Picnic shelters	4	4	4	4	4	4	4	4	4	4
Tennis courts	2	2	2	2	2	2	2	2	2	2
In-line hockey rinks	1	1	1	1	1	1	1	1	1	1
Baseball fields	8	8	8	8	8	8	8	8	8	8
Football fields	1	1	1	1	1	1	1	1	1	1
Softball fields	1	1	1	1	1	1	1	1	1	1
Playgrounds	4	4	4	4	4	4	4	4	4	4
Library										
Autos and trucks	-	-	-	-	-	-	-	-	-	-
Water & Sewer										
Water mains**	193	193	184	184	184	184	181	180	180	174
Sanitary sewer**	172	172	170	164	164	133	133	133	N/A	N/A
Storage capacity***	5	5	5	5	5	5	5	5	5	5
Storage facilities	4	4	4	4	4	4	4	4	4	4
Production capacity***	10	10	10	10	10	10	10	10	10	10
Autos and trucks	35	40	41	34	34	36	31	34	33	30

Notes to schedule

Sources: City departments and insurance records

N/A -- Information not available

* Fire service was contracted out prior to 2014.

** Measured in miles

*** Measured in millions of gallons

Compliance Section



**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Honorable Mayor and the Board of Aldermen
City of La Vergne, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of La Vergne (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 5, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

City's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying management's corrective action plan. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Nashville, Tennessee
December 5, 2023



**Independent Auditor’s Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Honorable Mayor and City Council
City of LaVergne, Tennessee

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

We have audited the City of LaVergne, Tennessee’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Nashville, Tennessee
December 5, 2023

City of La Vergne, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2023

Grantor / Pass-through Grantor	Program name	Assistance Listing	Contract number	Expenditures	Passed through to subrecipients
Federal Awards					
Department of Justice / N/A - Direct	Bullet Proof Vest Partnership Program	16.607	N/A	\$ 3,939	\$ -
N/A - Direct	Equitable Sharing Program	16.922	N/A	6,376	-
Department of Transportation / Tennessee Department of Transportation	Highway Planning and Construction (Federal-Aid Highway Program)	20.205	HSIP-R-4046(10)	164,212	-
Tennessee Department of Safety and Homeland Security	<u>Highway Safety Cluster</u> State and Community Highway Safety	20.600	Z23THS150	16,332	-
	State and Community Highway Safety	20.600	Z22THS160	9,401	-
				<u>25,733</u>	
Department of the Treasury / N/A - Direct	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,926,016	-
US Institute of Library Services/ TN State Library and Archives	Grants to States	45.310	N/A	15,174	-
Department of Health and Human Services / N/A - Direct	<u>Aging Cluster</u> Special Programs for the Aging - Title III, Part B	93.044	N/A	24,593	-
Total federal awards				<u>4,166,043</u>	-
State Financial Assistance					
TN Emergency Management Agency	Hazard Mitigation Grant	N/A	N/A	7,983	-
TN Commission on Aging and Disability	Senior Citizen Grant	N/A	N/A	10,882	-
TN Commission on Aging and Disability	Senior Center Competitive Grant	N/A	N/A	8,000	-
TN Arts Commission	Arts Builds Communities Grants	N/A	N/A	3,390	-
Total federal awards and state financial assistance				\$ 4,196,298	\$ -

Notes

Note 1. Basis of Presentation

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

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

City of La Vergne, Tennessee
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

Financial Statement Findings

Finding Number	Finding Title	Status
2022-001	Cash receipts not deposited within three banking days as required by state law.	Repeated 2023-001

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A

City of La Vergne, Tennessee
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

Section I. **Summary of Auditor’s Results**

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Covid 19 – Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes X No

City of La Vergne, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II. **Financial Statement Findings**

Finding No. 2023-001 (previously 2022-001). Cash receipts not deposited within three banking days as required by state law.

Criteria

TCA § 6-56-111 requires that cash receipts be deposited into the bank within three banking days.

Condition

Testing of cash receipts revealed instances of deposits not being deposited into the bank within three banking days. The deposits were held for several days before being taken to the Finance Department for deposit.

Cause

The City's internal controls over financial reporting did not identify, or detect and correct, the noncompliance on a timely basis.

Effect

This noncompliance with state law exposes cash to increased risk of misappropriation.

Contact person responsible for the corrective action: Tonya Williams, Director of Finance

Anticipated completion date: June 30, 2024

Section III. **Federal Award Findings and Questioned Costs**

None reported.



5093 Murfreesboro Road
La Vergne, TN 37086
(615) 793-6295
laveragnetn.gov

City of La Vergne, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2023

Management's Corrective Action Plan

(2023-001) – Cash receipts not deposited within three banking days as required by state law.

Personnel responsible:

Tonya Williams

Action Plan or Taken:

A written statement has been sent to Codes and Water Billing departments that handle receipting of permits and fees that were deposited late. They have been made aware of the 3-day deposit rule violation and requested improvement in their processes. Codes generally issues the permits and brings payments to our central location at City Hall for deposit preparation (Water Billing). Both will work on their efforts to comply with the 3-day deposit rule.

Anticipated Completion Date:

We anticipate immediate action in regards to depositing within the 3-day deposit rule, but will give them a 6/30/24 date to improve processes.

Tonya Williams
Director of Finance