

# OFFICIAL STATEMENT

New Issue  
Book-Entry Only

Rating: S&P "AA"  
(See "RATING" herein)

*In the opinion of Bond Counsel, interest on the Bonds is includable in gross income of the holders thereof for federal income tax purposes. In the further opinion of Bond Counsel, based on existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).*

**\$11,840,000**  
**CITY OF LA VERGNE, TENNESSEE**  
**WATER AND SEWER REVENUE AND TAX REFUNDING BONDS, SERIES 2021**  
**(FEDERALLY TAXABLE)**  
**(ULT)**

Dated: Date of Delivery

Due: April 1, as shown below

The City of La Vergne, Tennessee (the "Issuer") will issue its \$11,840,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable) (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2021, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the Issuer to the corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds are subject to redemption prior to maturity at the option of the Issuer at any time on or after April 1, 2029 at a price of par. The Bonds are payable on April 1 of each year as follows:

Maturity (April 1)	Principal	Interest Rate	Yield	Maturity (April 1)	Principal	Interest Rate	Yield
2022	\$100,000	3.000%	0.250%	2028	\$1,220,000	3.000%	1.150%
2023	50,000	3.000	0.400	2029	1,190,000	3.000	1.300
2024	1,205,000	3.000	0.450	2030	1,165,000	1.450	1.450
2025	1,190,000	3.000	0.650	2031	1,125,000	1.550	1.550
2026	1,245,000	3.000	0.800	2032	1,075,000	1.650	1.650
2027	1,245,000	3.000	0.950	2033	1,030,000	1.750	1.750

The Bonds shall be payable primarily from and be secured by a pledge of the Net Revenues (as defined herein) to be derived from the operation of the Issuer's water and sewer system, subject to prior pledges of such Net Revenues in favor of Prior Lien Obligations (as defined herein), and in the event of a deficiency of such Net Revenues, the Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer. See "Security and Source of Payment" herein. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Issuer are irrevocably pledged.

*The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the Issuer by E. Evan Cope PLLC, Murfreesboro, Tennessee, Counsel to the Issuer. Stephens Inc. is serving as Municipal Advisor to the Issuer. The Bonds, in book-entry form, are expected to be available for delivery through The Depository Trust Company in New York, New York, on or about August 12, 2021.*

July 27, 2021

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by the Issuer from time to time, is an Official Statement with respect to the Bonds described herein that is deemed final by the Issuer as of the date hereof (or of any such supplement or amendment).

No dealer, broker, salesman or other person has been authorized by the Issuer or by Stephens Inc., as municipal advisor, to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the Issuer or the Bonds must not be relied upon as having been authorized by the Issuer or Stephens Inc. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date as of which information is given in this Official Statement.

**In making an investment decision investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.**

City of La Vergne, Tennessee  
Water and Sewer Revenue and Tax Refunding Bonds, Series 2021  
(Federally Taxable)  
(ULT)

Dated August 12, 2021

<u>Maturity (April 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP No.*</u>
2022	\$100,000	3.000%	0.250%	519442HZ3
2023	50,000	3.000	0.400	519442JA6
2024	1,205,000	3.000	0.450	519442JB4
2025	1,190,000	3.000	0.650	519442JC2
2026	1,245,000	3.000	0.800	519442JD0
2027	1,245,000	3.000	0.950	519442JE8
2028	1,220,000	3.000	1.150	519442JF5
2029	1,190,000	3.000	1.300	519442JG3
2030	1,165,000	1.450	1.450	519442JH1
2031	1,125,000	1.550	1.550	519442JJ7
2032	1,075,000	1.650	1.650	519442JK4
2033	1,030,000	1.750	1.750	519442JL2

\* Copyright, American Bankers Association (the “ABA”). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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*The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, resolutions, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the City of La Vergne, Tennessee Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable).*

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**CITY OF LA VERGNE, TENNESSEE**

**MAYOR**

Jason Cole

**BOARD OF MAYOR AND ALDERMEN**

Graeme Coates  
Magen Honeycutt  
Steve Noe  
Dennis Waldron

**ADMINISTRATION**

Bruce Richardson, City Administrator/City Recorder  
Phillis Rogers , Finance Director  
Burrel "Chip" Davis, Interim Police Chief  
Randolph Salyers, Codes Director  
Donald McCloud, Human Resources Director  
Michael Dietz, Utilities Manager

**ISSUER ATTORNEY**

E. Evan Cope PLLC  
Murfreesboro, Tennessee

**BOND COUNSEL**

Bass, Berry & Sims PLC  
Nashville, Tennessee

**REGISTRATION AND PAYING AGENT AND ESCROW AGENT**

U.S. Bank National Association  
Nashville, Tennessee

**MUNICIPAL ADVISOR**

Stephens Inc.  
Nashville, Tennessee

**UNDERWRITER**

Stifel, Nicolaus & Co., Inc.  
Birmingham, Alabama

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## Summary Statement

*This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.*

<b>ISSUER</b> .....	City of La Vergne, Tennessee (the "Issuer").
<b>ISSUE</b> .....	\$11,840,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable) (the "Bonds").
<b>PURPOSE</b> .....	The Bonds are being issued to provide funds to (a) refund the Issuer's outstanding (i) Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2013, dated April 24, 2013, maturing March 1, 2024 and thereafter, and (ii) Water and Sewer Revenue and Tax Refunding Bonds, Series 2014, dated August 28, 2014, maturing April 1, 2024 and thereafter; and (b) pay the costs of issuance and sale of the Bonds.
<b>SECURITY</b> .....	The Bonds shall be payable primarily from and be secured by a pledge of the Net Revenues (as defined herein) to be derived from the operation of the System of the Issuer, subject to prior pledges of such Net Revenues in favor of Prior Lien Obligations (as defined herein); and in the event of a deficiency of such Net Revenues, the Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Issuer are irrevocably pledged.
<b>DATED DATE</b> .....	August 12, 2021.
<b>INTEREST DUE</b> .....	Each April 1 and October 1, commencing October 1, 2021.
<b>PRINCIPAL DUE</b> .....	April 1, commencing April 1, 2022 through April 1, 2033.
<b>SETTLEMENT DATE</b> .....	August 12, 2021.
<b>OPTIONAL REDEMPTION</b>	The Bonds maturing April 1, 2030 and thereafter, shall be subject to redemption prior to maturity at the option of the Issuer on April 1, 2029 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.
<b>RATING</b> .....	"AA" by S&P Global Ratings (the "Rating Agency"), based on documents and other information provided by the Issuer. The rating reflects only the view of the Rating Agency and neither the Issuer, the Municipal Advisor nor the Underwriter makes any representations as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the Rating Agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an

adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.

<b>TAX MATTERS .....</b>	Interest on the Bonds is includable in the gross income of the holders thereof for federal income tax purposes. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “Tax Matters” herein).
<b>REGISTRATION AND PAYING AGENT AND ESCROW AGENT.....</b>	U.S. Bank National Association, Nashville, Tennessee.
<b>VERIFICATION AGENT .....</b>	Public Finance Partners LLC, Minneapolis, Minnesota.
<b>MUNICIPAL ADVISOR.....</b>	Stephens Inc., Nashville, Tennessee.
<b>UNDERWRITER.....</b>	Stifel, Nicolaus & Co., Inc., Birmingham, Alabama.

## **Official Statement**

**City of La Vergne, Tennessee**

**\$11,840,000**

### **Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable) (ULT)**

#### **Introduction**

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by the City of La Vergne, Tennessee (the "Issuer") of \$11,840,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable) (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated, and pursuant to a resolution adopted by the Board of Mayor and Aldermen of the Issuer on June 1, 2021 (the "Resolution") authorizing the issuance, sale and payment of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the Issuer. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive document, including the form of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the Issuer. After delivery of the Bonds, copies of such documents will be available for inspection at the Mayor's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

#### **The Bonds**

##### **Description**

The Bonds are being issued to (a) refund the Issuer's outstanding (i) Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2013, dated April 24, 2013, maturing March 1, 2024 and thereafter (the "Series 2013 Bonds"), and (ii) Water and Sewer Revenue and Tax Refunding Bonds, Series 2014, dated August 28, 2014, maturing April 1, 2024 and thereafter (the "Series 2014 Bonds" and, together with the Series 2013 Bonds, the "Outstanding Bonds"); and (b) pay the costs of issuance and sale of the Bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated the date of delivery. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on April 1 and October 1 of each year (herein an "Interest Payment Date"), commencing October 1, 2021.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

Except as otherwise provided in the Resolution, the Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds.

U.S. Bank National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The Issuer shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Issuer shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Issuer to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

### **Optional Redemption**

The Bonds maturing April 1, 2030 and thereafter, shall be subject to redemption prior to maturity at the option of the Issuer on April 1, 2029 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

## **Notice of Redemption**

Notice of call for redemption shall be given by the Registration Agent on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer. From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the Issuer to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

## **Security and Sources of Payment**

The Bonds are payable primarily from and secured by a pledge of the Net Revenues to be derived from the operation of the System, subject to prior pledges of such Net Revenues in favor of the Issuer's Prior Lien Obligations (as defined herein); and in the event of a deficiency of such Net Revenues, the Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the Issuer are irrevocably pledged.

The following terms are defined in the Resolution:

"System" means the complete water and sewer system of the Issuer, together with, and including all water and sewer system properties of every nature hereafter owned by the Issuer, including all improvements and extensions made by the Issuer while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the water and sewer system, and including all appurtenances, contracts, leases, franchises and other intangibles.

"Net Revenues" means Gross Earnings of the System, less Current Expenses, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, or investments or fixed or capital assets.

"Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, including all revenues derived from the operation of the System, including proceeds from the sale of property; proceeds of insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created

by this resolution, and resolutions authorizing any Prior Lien Obligations and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from funds created to refund any outstanding bonds of the System or deposited to a construction fund established by a resolution authorizing such bonds to the extent set forth in such resolution).

"Current Expenses" means the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, including the cost of salaries, wages, cost of material and supplies and insurance premiums, but shall exclude depreciation and interest expense.

"Prior Lien Obligations" means, to the extent outstanding, the Issuer's Water and Sewer Revenue and Tax Refunding Bonds, Series 2006, dated February 1, 2006; Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2013, dated April 24, 2013; Water and Sewer Revenue and Tax Refunding Bonds, Series 2014, dated August 28, 2014; Water and Sewer Revenue and Tax Refunding Bonds, Series 2016B, dated October 26, 2016, and any other obligations with a lien on the Gross Earnings of the System.

For further information on the System, including Net Revenues and Prior Lien Obligations, see Appendix B and Appendix C attached hereto.

As provided above, in the event of a deficiency in Net Revenues, the Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer, and the full faith and credit of the Issuer are irrevocably pledged.

### **Additional Parity Bonds**

Additional obligations may be issued on a parity of lien with the Bonds with respect to the Net Revenues of the System if certain restrictive provisions of the Resolution are fulfilled as described below:

(a) Additional bonds may be issued on a parity with the Bonds without regard to the requirements of subsection (b) below if such bonds shall be issued for the purpose of refunding any of the Bonds which shall have matured or which shall mature not later than three months after the date of delivery of such refunding bonds.

(b) Additional bonds, notes or other obligations may be issued on a parity with the Bonds if all of the following conditions are met:

(i) The Net Revenues of the System for any twelve (12) consecutive months during the eighteen (18) months immediately preceding the issuance of the additional bonds, notes or other obligations must have been equal to 1.20 times the maximum annual interest and principal requirements for any succeeding fiscal year on all bonds, notes or other obligations then outstanding payable from the Gross Earnings of the System (but excluding any bonds, notes or other obligations to be refunded from the proceeds of such bonds, notes or other obligations proposed to be issued) and the bonds, notes or other obligations so proposed to be issued; provided, however, that if prior to the authorization of such additional bonds, notes or other obligations the Municipality shall have adopted and put into effect a revised schedule of rates for the System or expanded the System (or will expand the System in connection with the issuance of the additional bonds, notes or other obligations) so that its capacity is increased, then the Net Revenues for the twelve (12) months of the eighteen (18) months immediately preceding the issuance of such additional bonds, notes or other obligations, as certified by an independent engineer or engineering firm with a favorable reputation for skill and experience in the design and operation of water and sewer systems or a nationally recognized firm of financial feasibility

consultants having a favorable reputation for skill and experience in the financial feasibility of water and sewer systems, which would have resulted from such rates had they been in effect for such period or would have resulted from such additional capacity, may be used in lieu of the actual Net Revenues for such period;

(ii) No default in the payment of principal of and interest on the Bonds, any Prior Lien Obligations, any Parity Bonds or any subordinate obligations shall have occurred; and

(iii) The proceeds of the additional bonds, notes or other obligations must be used solely for the making of improvements, extensions, renewals or replacements to the System, or to refund the Prior Lien Obligations, the Bonds or any obligations issued on a parity therewith, or any subordinate lien obligations.

### **Discharge and Satisfaction of Bonds**

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Issuer shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Board of Mayor and Aldermen instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Issuer to the holders of such Bonds shall be fully discharged and satisfied.

If the Issuer pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

### **Book-Entry-Only System**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co.

(DTC's partnership nominee). Only one fully-registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with Direct Participants, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices,



as in the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

**THE ISSUER AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.**

### **Sources and Uses of Funds**

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

#### **Sources of Funds**

Par Amount	\$11,840,000.00
Reoffering Premium (Discount)	739,102.35
Issuer Contribution	<u>139,983.96</u>
Total Sources	<u>\$12,719,086.31</u>

#### **Uses of Funds**

Deposit to Escrow Fund	\$12,583,976.90
Costs of Issuance (includes Underwriter's Discount, Municipal Advisory Fees, and Expenses)	<u>135,109.41</u>
Total Uses	<u>\$12,719,086.31</u>

## **Plan of Refunding**

As provided herein, the Bonds are being issued to provide funds for the (a) refunding of the Issuer's Outstanding Bonds and (b) payment of costs incident to the issuance and sale of the Bonds. Pursuant to a Refunding Escrow Agreement between the Issuer and U.S. Bank National Association, Nashville, Tennessee (the "Escrow Agent"), a portion of the proceeds of the Bonds, excluding amounts to pay issuance costs and Underwriter's discount, will be used to purchase United States Treasury Obligations or such other obligations permitted under Tennessee law (the "Escrow Investments"). The Escrow Investments purchased with a portion of the proceeds of the Bonds will be held in a separate fund established by the Escrow Agent with the principal amount of the Escrow Investments being sufficient to pay principal of and interest on the Outstanding Bonds to their earliest redemption date following delivery of the Bonds. Neither the principal of nor the interest on the Escrow Investments will be available for payment of the Bonds. The Escrow Agent will give the paying agent for the Outstanding Bonds irrevocable directions to redeem the Outstanding Bonds on their earliest optional redemption date following delivery of the Bonds, which is March 1, 2023 for the Series 2013 Bonds and April 1, 2023 for the Series 2014 Bonds.

## **Verification of Mathematical Computations**

Public Finance Partners LLC, Minneapolis, Minnesota (the "Verification Agent"), will deliver to the Issuer, on or before the settlement date of the Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrow Investments to pay, when due, the principal of, premium, if any, and interest on the Outstanding Bonds.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to it by the Issuer and its representatives. The Verification Agent's report of its verification will state that it has no obligation to update the report because of events occurring, or data or information coming to its attention, subsequent to the date of the report.

## **Rating**

The Bonds have been assigned a rating of "AA" by S&P Global Ratings (the "Rating Agency") based on documents and other information provided by the Issuer. The rating reflects only the view of the Rating Agency, and neither the Issuer, the Municipal Advisor, nor the Underwriter make any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the Rating Agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from the Rating Agency.

## **Continuing Disclosure**

### **General**

The Issuer will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Issuer by not later than twelve months after the

end of each fiscal year commencing with the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events and notice of failure to provide any required financial information of the Issuer. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the Issuer with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.com](http://www.emma.msrb.com) and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

## **Annual Report**

The Issuer's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in Appendix B to this Official Statement as follows.

1. "Summary of Outstanding Debt";
2. "Debt Statement";
3. "Debt Record";
4. "Population";
5. "Per Capita Debt Ratios";
6. "Debt Ratios";
7. "Debt Trend";
8. "General Obligation Debt Service Requirements";
9. "Water and Sewer Debt Service Requirements";
10. "Property Valuation and Property Tax";
11. "Top Taxpayers";
12. "Funds Balances";
13. "Net Assets for Fiscal Years Ending June 30<sup>th</sup> – Enterprise Fund – Water and Sewer Fund";
14. "Local Option Sales Tax Collections";
15. "Statement of Operating Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the Fiscal Year"; and

16. "Statement of Operating Revenues, Expenditures and Changes in Net Assets – Water and Sewer Fund for the Fiscal Year".

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the Issuer or related public entities, which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, it will be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

### **Reporting of Significant Events**

The Issuer will file notice of the following events (the "Listed Events") with the MSRB and SID, if any:

- a. Principal and interest payment delinquencies.
- b. Non-payment related defaults, if material.
- c. Unscheduled draws on debt service reserves reflecting financial difficulties.
- d. Unscheduled draws on credit enhancements reflecting financial difficulties.
- e. Substitution of credit or liquidity providers, or their failure to perform.
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.
- g. Modifications to rights of the security holders, if material.
- h. Bond calls, if material, and tender offers.
- i. Defeasances.
- j. Release, substitution or sale of property securing repayment of the security, if material.
- k. Rating changes.
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person.
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material

- o. Incurrence of a financial obligation (as defined by the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Issuer shall file a notice of such occurrence with the MSRB and SID, if any, no more than ten (10) business days after the occurrence of such event.

For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Issuer shall determine the materiality of such event as soon as possible after learning of its occurrence.

### **Termination of Reporting Obligation**

The Issuer's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

### **Amendment/Waiver**

Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the respective Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

## **Default**

In the event of a failure of the Issuer to comply with any provision of the Disclosure Certificate, any Bondholder or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the Issuer to comply with the Disclosure Certificate shall be an action to compel performance.

## **Future Issues**

The Issuer has not authorized any other additional future System or general obligation debt. It is not possible, however, to foresee all capital needs, and circumstances may change.

## **Litigation**

The Issuer, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. As of the date of this Official Statement and after reviewing the current status of all pending and threatened litigation with its counsel, the Issuer believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that have been filed and of any actions or claims pending or threatened against the Issuer or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the Issuer's financial condition.

As of the date of this Official Statement, the Issuer has no knowledge or information concerning any pending or threatened litigation contesting the authority of the Issuer to issue, sell or deliver the proposed Bonds. The Issuer has no knowledge or information of any actions pending or expected which would materially affect the Issuer's ability to pay the debt service requirements of the proposed Bonds.

## **Approval of Legal Proceedings**

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be delivered with the Bonds. (See Appendix A). Certain legal matters will be passed upon for the Issuer by E. Evan Cope PLLC, Murfreesboro, Tennessee, Counsel to the Issuer.

## **Tax Matters**

### **Federal Taxes**

**Disclaimer.** Any discussion of the tax issues relating to the Bonds in this Official Statement was written to support the promotion or marketing of the Bonds. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice with respect to the Bonds based on its particular circumstances from an independent tax advisor.

**General.** The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Bonds. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings

and decisions now in effect, all of which are subject to change. The summary generally addresses Bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, those holding such bonds as a hedge against currency risks or as a position in a "straddle" for tax purposes, or those whose functional currency is not the United States dollar. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, ownership and disposition of the Bonds.

Interest on the Bonds is not excluded from gross income for federal income tax purposes. Purchasers other than those who purchase Bonds in the initial offering at their stated principal amounts will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Bonds. In general, interest paid on the Bonds, accrual of original issue discount and market discount, if any, will be treated as ordinary income to an owner of Bonds and, after adjustment for the foregoing, principal payments will be treated as a return of capital.

**Market Discount.** Any owner who purchases a Bond at a price which includes market discount in excess of a prescribed de minimis amount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such owner will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Bond as ordinary income to the extent of any remaining accrued market discount (under this caption) or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies. The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest. An owner who acquires a Bond at a market discount also may be required to defer, until the maturity date of such Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for the days during the taxable year on which the owner held the Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondowner elects to include such market discount in income currently as described above.

**Bond Premium.** A purchaser who purchases a Bond at a cost greater than its then principal amount (or, in the case of a Bond issued with original issue premium, at a price in excess of its adjusted issue price) will have amortizable bond premium. If the holder elects to amortize the premium under Section 171 of the Code (which election will apply to all bonds held by the holder on the first day of the taxable year to which the election applies, and to all bonds thereafter acquired by the holder), such a purchaser must

amortize the premium using constant yield principles based on the purchaser's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of any Bonds who acquire such Bonds at a premium (or with acquisition premium) should consult with their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to state and local tax consequences of owning such Bonds.

***Sale or Redemption of Bonds.*** A bondowner's tax basis for a Bond is the price such owner pays for the Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than "qualified stated interest" payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Bond, measured by the difference between the amount realized and the basis of the Bond as so adjusted, will generally give rise to capital gain or loss if the Bond is held as a capital asset (except as discussed above under "-Market Discount"). The legal defeasance of Bonds may result in a deemed sale or exchange of such Bonds under certain circumstances; owners of such Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

***Backup Withholding.*** A bondowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding obligation is 24%, but the rate may change in the future) with respect to interest or original issue discount on the Bonds. This withholding generally applies if the owner of a Bond (a) fails to furnish the Registration Agent or other payor with its taxpayer identification number; (b) furnishes the Registration Agent or other payor an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Registration Agent or other payor with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents. Owners of the Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption. Backup withholding is not an additional tax. Any amount paid as backup withholding would be credited against the bondholder's U.S. federal income tax liability, provided that the requisite information is timely provided to the Internal Revenue Service. The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Bonds will be reported to the bondowners and to the Internal Revenue Service.

***Nonresident Borrowers.*** Under the Code, interest and original issue discount income with respect to Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons. ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if the County (or other who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Bond is a Nonresident. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

***ERISA.*** The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and those who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Bonds.



## **State Taxes**

Under existing law, the Bonds and the income therefrom are exempt from all present state, Issuer and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

## **Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. Further, such proposals may impact the marketability of the Bonds simply by being proposed. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## **Municipal Advisor**

Stephens Inc. is serving as Municipal Advisor to the Issuer in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the Issuer and other sources believed to be reliable, but has not been independently verified by Municipal Advisor.

The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

## **Underwriting**

Stifel, Nicolaus & Co., Inc., Birmingham, Alabama (the "Underwriter"), acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$12,513,331.69, which is par, plus original issue premium of \$739,102.35, less Underwriter's Discount of \$ \$65,770.66.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

## **Miscellaneous**

The foregoing summaries do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to the Resolution, copies of which may be obtained from the Issuer.

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the Issuer.

## **Forward-Looking Statements**

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

*[remainder of page intentionally left blank]*

### **Certificate of Issuer**

I, Jason Cole, do hereby certify that I am the duly qualified and acting Mayor of the City of La Vergne, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated July 27, 2021 issued in connection with the sale of the Issuer's \$11,840,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable), and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of the acceptance of the winning bid and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bid and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this 27<sup>th</sup> day of July, 2021.

/s/ Jason Cole  
Mayor

I, Bruce Richardson, do hereby certify that I am the duly qualified and acting City Administrator/City Recorder of the City of La Vergne, Tennessee, and as such official, I do hereby certify that Jason Cole is the duly qualified and acting Mayor of said Issuer and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of the City of La Vergne, Tennessee as of the date subscribed to the foregoing certificate.

/s/ Bruce Richardson  
City Administrator/City Recorder

(SEAL)

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**APPENDIX A**

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,  
Nashville, Tennessee relating to the Bonds.

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(Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to the City of La Vergne, Tennessee (the "Issuer") in connection with the issuance of \$ \$11,840,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2021 (Federally Taxable), dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of Mayor and Aldermen of the Issuer authorizing the Bonds have been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bonds shall be payable primarily from and secured by a pledge of the income and revenues to be derived from the operation of the Issuer's water and sewer system (the "System"), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said System and subject to prior pledges of such revenues in favor of, to the extent outstanding, the Issuer's Water and Sewer Revenue and Tax Refunding Bonds, Series 2006, dated February 1, 2006; Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2013, dated April 24, 2013; Water and Sewer Revenue and Tax Refunding Bonds, Series 2014, dated August 28, 2014; and Water and Sewer Revenue and Tax Refunding Bonds, Series 2016B, dated October 26, 2016. In the event of a deficiency in such revenues, the Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer. For the prompt payment of principal of and interest on the Bonds, the Issuer has irrevocably pledged its full faith and credit.

4. Under existing law, the Bonds and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their

enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

Bass Berry & Sims PLC



## **APPENDIX B**

### Demographic and General Financial Information for the Issuer

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## DEMOGRAPHIC AND GENERAL FINANCIAL INFORMATION OF THE CITY

### GENERAL INFORMATION

#### The Issuer

The City of La Vergne (the “City”) is located in north central Tennessee 15 miles southeast of Nashville, Tennessee. It is in the northwestern corner of Rutherford County (the “County”) and approximately 10 miles from Murfreesboro, the county seat. This Municipality was incorporated in 1972 and is comprised of 25 square miles including 22 miles of shoreline along Percy Priest Lake in its boundaries. The Municipality is governed by a Board of Mayor and Aldermen elected to serve four-year terms with operating responsibilities delegated to the City Administrator.

Interstate 24, U.S. Highways 41 and 70, and rail transportation via CSX pass through the City. Additionally, Interstates 65 and 40 and State Route 840 are all within 15 miles of the city limit, Smyrna Airport is within 5 miles of the city limit, and Nashville International Airport is within 10 miles of the city limit. Given its transportation options, La Vergne is strategically situated within a one-day’s drive to 75% of the nation’s major markets.

### DEMOGRAPHIC DATA

#### Population

According to the 2019 Census estimates, La Vergne has a population of 35,716. This is a 9% increase from 2010 and an 89% increase from 2000

	<u>La Vergne</u>	<u>Rutherford County</u>	<u>Tennessee</u>
1990 U.S. Census	7,879	119,847	4,890,626
2000 U.S. Census	18,946	183,596	5,703,719
2010 U.S. Census	32,715	263,708	6,355,518
2011 U.S. Census Estimate	33,344	269,160	6,400,298
2012 U.S. Census Estimate	33,811	274,397	6,455,752
2013 U.S. Census Estimate	34,237	281,148	6,496,943
2014 U.S. Census Estimate	34,412	288,848	6,544,617
2015 U.S. Census Estimate	34,890	298,197	6,595,354
2016 U.S. Census Estimate	35,162	307,415	6,651,277
2017 U.S. Census Estimate	35,576	316,531	6,714,748
2018 U.S. Census Estimate	35,703	324,647	6,778,180
2019 U.S. Census Estimate	35,716	332,285	6,830,325

Sources: U.S. Census Bureau

## Income and Housing

The Municipality is an important part of Rutherford County. In 2019, Rutherford County had a per capita personal income of \$42,712, which was 87.7% of the State average of \$48,676.

	<b>Rutherford County</b>	<b>Tennessee</b>	<b>% of State</b>
2010 Per Capita Personal Income	\$31,265	\$35,652	87.7%
2011 Per Capita Personal Income	\$32,746	\$37,610	87.1%
2012 Per Capita Personal Income	\$34,809	\$39,285	88.6%
2013 Per Capita Personal Income	\$35,245	\$39,406	89.4%
2014 Per Capita Personal Income	\$36,400	\$40,778	89.3%
2015 Per Capita Personal Income	\$37,899	\$42,599	89.0%
2016 Per Capita Personal Income	\$38,797	\$43,591	89.0%
2017 Per Capita Personal Income	\$39,812	\$45,193	88.1%
2018 Per Capita Personal Income	\$41,302	\$47,165	87.6%
2019 Per Capita Personal Income	\$42,712	\$48,676	87.7%

Source: Bureau of Economic Analysis, CA 1-3 Personal Income Summary

In 2019, Rutherford County's median housing value of \$264,990 compared favorable to the State's median of \$226,000.

	<b>County</b>	<b>Tennessee</b>	<b>% of State</b>
2010 Median Housing Value	150,000	149,900	100.1%
2011 Median Housing Value	157,000	150,925	104.0%
2012 Median Housing Value	162,500	160,000	101.6%
2013 Median Housing Value	162,500	165,000	98.5%
2014 Median Housing Value	163,000	166,000	98.2%
2015 Median Housing Value	182,250	175,000	104.1%
2016 Median Housing Value	199,000	185,000	107.6%
2017 Median Housing Value	230,000	196,800	116.9%
2018 Median Housing Value	247,000	210,000	117.6%
2019 Median Housing Value	264,990	226,000	117.3%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

## COVID-19

The worldwide spread of COVID-19, a respiratory disease caused by a novel strain of coronavirus, has affected the State, including the City, and is considered a Public Health Emergency of International Concern by the World Health Organization. The spread of COVID-19 has led to quarantine and other “social-distancing” measures in affected regions, including the State and the City, undertaken, from time to time, by government agencies, businesses, schools and other entities. The State’s Governor declared a state of emergency in March 2020 and issued State-wide stay-at-home orders for much of the State, including the Issuer, at various points for all but essential businesses. Although the stay-at-home orders for the City have been lifted, additional social-distancing measures may be instituted by the State and County, if necessary, to mitigate the spread of COVID-19. Further, individuals may choose on their own to modify their behavior in order to mitigate the spread of COVID-19. As such, the disease has affected travel and commercial markets within the State and may continue to do so in the future. As of July 19, 2021, there were approximately 240 confirmed active cases of COVID-19 in the County and 451 deaths.

Multiple vaccines for the virus that causes COVID-19 were developed in late 2020. To date, three vaccines have been approved for distribution in the United States with each of these vaccines having an efficacy rate exceeding 65%. Multiple variants of the virus that causes COVID-19 have been documented in the United States and globally, but studies so far suggest that antibodies generated through vaccination with approved vaccines recognize these variants to varying extents. COVID-19 vaccines are currently available to all residents within the State, including the City, who are age 12 and older.

Given the evolving nature of the spread of the disease and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict (i) the extent or duration of the COVID-19 outbreak or other epidemic or pandemic, (ii) the extent or duration of existing or future quarantines, business or school closures, travel restrictions and other measures relating to COVID-19 or other epidemic or pandemic, (iii) whether and to what extent the COVID-19 outbreak or other epidemic or pandemic may adversely affect the operations of the Issuer, (iv) the impact of COVID-19 on the financial condition of the City or (v) the impact of, or the timing of distribution of, the COVID-19 vaccines.

From an operations perspective, the City is working proactively to preserve effective staffing for all essential City operations, including but not limited to water and sewer system operations, and is following guidance produced by the Centers for Disease Control and Prevention for businesses and employers. From a financial perspective, there was no material change in property tax collections in Fiscal Year 2020 as a result of the pandemic, as most property taxes for the applicable tax year were due prior to March 2020. Likewise, the Issuer did not see any material change in property tax collections in Fiscal Year 2021 as a result of the pandemic. There can be no assurance that future property tax collections will not be impacted.

Though no assurances can be made, the City expects its current liquidity position to be adequate to fund essential services and to make timely payments on its debt service when due. In connection with the COVID-19, the City has received \$820,470 in local support grant funds from the State and \$37,285 from the Cares Act Provider Relief Fund. Also, though no assurances can be made, the City expects to receive \$405,763 from the Local Government Coronavirus Relief Fund. Any amounts to be received as part of the federal American Rescue Plan Act of 2021 are currently unknown. The City expects to apply such aid to various operating and capital expenditures within the City.

## ECONOMIC DATA

### Economic Base

The primary focus of the Municipality's economic activity is the largest industrial park in Tennessee which includes both heavy manufacturing and large distribution facilities. La Vergne is strategically situated within a one-day's drive to 75% of the nation's major markets aided by Interstate 24 and U.S. Highways 41 and 70 passing through the City as well as Interstates 65 and 40 and State Route 840 being within 15 miles of the city limit. This strategic transportation access has been a major reason for the large number of warehouses in the Municipality's industrial area. 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.

Employer	Employees in 2020	Product / Service
Ingram Distribution Group	1,500	Distributor of Physical and Digital Content
Bridgestone/Firestone	1,010	Tire Manufacturer
Venture Express	500	Truckload Carrier
Saks	454	Saks Fifth Avenue Distribution Center
Schneider Electric	426	Electrical Distribution and Control Products
Cardinal Health	300	Health Care Services
Parthenon Metal Works	250	Steel Tubing Solutions
Ajax Turner	250	Beverage Distribution
Quality Industries	240	Precision Metal Fabrication
SVP Worldwide	240	Manufacturer and Distributor of Sewing Machines
	<u>5,170</u>	

Source: Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yearly, Howell & Associates, Certified Public Accountants for the year ending June 30, 2020.

### Local Economy

The strength of Rutherford County's economy can be attributed to its diversity of manufacturing, retail establishments, warehouse facilities, higher education institutions, medical services and corporate call centers. The County's strong economy in turn attracts a growing population. Rutherford County has been recognized as one of the fastest growing counties in America. The citizenry has grown to 339,261 per the 2020 Census which is 29% above the 2010 Census and 85% above the 2000 Census.

The County's largest manufacturing employers include Nissan USA, Ingram Content Group, Asurion, Bridgestone, Johnson Controls, Schneider Electric, and General Mills. While manufacturing is one of the County's strongest economic segments, distribution, transportation, and other service-related industries are also large contributors to the strength of the economy. Tennessee's second largest state university with an enrollment of approximately 22,000, a regional veteran's facility with 347 hospital beds and 245 long-term care beds, the south central regional office for State Farm Insurance, a call center for Verizon Wireless, a call center for the Veteran's Administration, and numerous other companies are all located in Rutherford County. The County also benefits from being within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

Nissan, with over 8,000 employees from throughout the region, is a major employer in the County. The Nissan Vehicle Assembly Plant in Smyrna was opened in 1983. Nissan has reportedly invested over \$6.4 billion in manufacturing facilities. The Smyrna plant is located on over 884 acres and the facility covers over 5.9 million square feet. The plant capacity is over 640,000 vehicles per year. Currently, the plant

produces the Nissan Altima, Nissan Maxima, Nissan Pathfinder, Nissan Leaf, the Infiniti QX60 and the Nissan Rogue. Nissan did furlough employees on March 20, 2020. They began a staggered reopening on June 1, 2020 and they are reportedly back to full production.

The economic base in the County continues to grow. Mahle, North America recently announced an investment of \$34 million and the addition of 345 new jobs at a facility in Rutherford County. Mahle provides products to Nissan, Volkswagen and General Motors, which all have automotive assembly plants in Tennessee. Amazon has recently announced an expansion in the LaVergne area of Rutherford County. They will be adding over 100 jobs in a “last mile” facility in the County. Additionally, Stevens Aerospace has announced that they are relocating to the Smyrna Airport in Rutherford County. Stevens Aerospace and Defense Systems provides MRO (maintenance, repair, and overhaul) services on a wide range of aircraft produced by manufacturers such as Textron, Bombardier, Gulfstream, Pilatus, Dassault, and Embraer. This move is expected to create 80 new jobs in the County. The ICEE Company, a subsidiary of J&J Snack Foods, previously announced that they will be relocating their corporate headquarters to LaVergne. ICEE is reported to be a leader and innovator in the frozen beverage industry. The relocation is expected to add approximately 200 jobs in Rutherford County.

### **Labor Force, Employment and Unemployment Data**

The County’s labor market area is within the Nashville-Davidson-Murfreesboro-Franklin metropolitan statistical area. This area in middle Tennessee consists of fourteen counties. The estimated size of the total labor force for this area in May 2021 was 1,092,115.

The labor force within Rutherford County has increased to 187,664 as of May 2021, a 31% increase from 2011.

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2011	132,075	11,641	143,716	8.1%	9.1%	8.9%
2012	135,362	9,565	144,927	6.6%	8.0%	8.1%
2013	138,392	9,147	147,539	6.2%	7.7%	7.4%
2014	142,024	7,949	149,973	5.3%	6.6%	6.2%
2015	148,912	7,017	155,929	4.5%	5.6%	5.3%
2016	157,683	6,058	163,741	3.7%	4.8%	4.9%
2017	166,272	4,966	171,238	2.9%	3.7%	4.4%
2018	174,384	4,839	179,223	2.7%	3.5%	3.9%
2019	182,311	4,867	187,178	2.6%	3.4%	3.7%
2020	171,647	12,721	184,368	6.9%	7.5%	8.1%
May-21	180,720	6,944	187,664	3.7%	5.0%	5.8%

Source: Bureau of Labor Statistics

### **Public Education**

The Rutherford County School System funds and operates all the schools in La Vergne, including three elementary schools, one middle school, and one high school.

### **Higher Education**

Rutherford County and surrounding area offers a variety of four-year, two-year and one-year programs within easy reach. Within Rutherford County are Middle Tennessee State University and Tennessee College of Applied Technology. Within a short drive are Belmont University, David Lipscomb University, Fisk

University, Motlow State Community College, Tennessee State University, Trevecca Nazarene University, and Vanderbilt University.

### **Medical Services**

*Saint Thomas Rutherford Hospital*, affiliated with the Saint Thomas Health system, is a private, not-for-profit hospital located in Murfreesboro, Tennessee. With 286 beds and 320 affiliated physicians, it is the largest, most comprehensive hospital in the corridor bridging Nashville and Chattanooga.

*TriStar StoneCrest Medical Center*, affiliated with the TriStar Health system, is located in Smyrna, Tennessee. It is equipped with 109 beds and approximately 500 affiliated physicians including more than 45 specialties. It includes an accredited chest pain center, award winning cancer program, certificate of distinction for primary stroke centers and recognition by The Joint Commission as one of the nation's top performers on key quality measures. It also offers a full array of acute care services, including emergency care, general surgery, cardiology, obstetrics, intensive care, and diagnostic services.

*The Alvin C. York Campus* of the Tennessee Valley Healthcare System (TVHS) is a regional veteran's facility in Murfreesboro with 510 hospital beds and 166 nursing home beds. TVHS is affiliated with Meharry Medical College and Vanderbilt University School of Medicine.



## **SUMMARY OF OUTSTANDING DEBT**

(As of June 30, 2021)<sup>(1)</sup>

Original Issue Amount	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding 6/30/2021 <sup>(1)</sup>
<b>General County Obligations</b>					
4,050,000	General Obligation Public Improvement Bonds, Series 2009	6/15/09	6/1/24	3.00% - 4.00%	1,630,000
2,630,000	General Obligation Refunding Bonds, Series 2014	8/28/14	4/1/25	2.00% - 3.00%	1,100,000
5,420,000	General Obligation Public Improvement Bonds, Series 2015	1/8/15	4/1/35	2.00% - 3.25%	4,125,000
1,995,000	General Obligation Refunding Bonds, Series 2016A	10/26/16	10/1/21	3.00%	415,000
16,250,000	General Obligation Public Improvement Bonds, Series 2021	8/12/21	4/1/41	2.00% - 5.00%	16,250,000
Total Governmental Activities Debt					\$ 23,520,000
<b>Water and Sewer Enterprise Fund Obligations <sup>(2)</sup></b>					
13,585,000	Water and Sewer Revenue and Tax Refunding, Series 2013	4/24/13	3/1/23	2.00% - 3.30%	700,000 <sup>(3)</sup>
6,410,000	Water and Sewer Revenue and Tax Refunding, Series 2014	8/28/14	4/1/23	2.00% - 3.00%	1,355,000 <sup>(3)</sup>
1,820,000	Water and Sewer Revenue and Tax Refunding, Series 2016B	10/26/16	10/1/21	3.00%	385,000
11,840,000	Water and Sewer Rev. and Tax Refunding Bonds Series 2021	8/12/21	4/1/33	1.45% - 3.00%	11,840,000
Total Self-Supporting, Business-Type Activities Debt					\$ 14,280,000
Total Current Outstanding Debt					<u>\$ 37,800,000</u>

## **DEBT STATEMENT**

(as of June 30, 2021)

<b>Outstanding Debt</b>	
Total Current Outstanding Debt	\$ 37,800,000
<b>Gross Direct Debt</b>	\$ 37,800,000
Less: Water and Sewer Self-Supporting Obligations	<u>(14,280,000)</u>
<b>Net Direct Debt</b>	<u>\$ 23,520,000</u>
Net Overlapping Debt	
City's Portion of Rutherford County Debt	<u>\$ 57,918,409</u>
<b>Total Net Overlapping Debt</b>	\$ 57,918,409
<b>Overall Net Debt</b>	<u>\$ 81,438,409</u>

## **DEBT RECORD OF LA VERGNE**

**There is no record of a default on bond principal and interest from information available.**

(1) As of 6/30/2021, Unaudited and adjusted for Series 2021 Bonds.

(2) The City operates the Water and Sewer system as an Enterprise Fund for which the City is contingently liable.

(3) Excludes Bonds being refunded.

Source: Annual Financial Report prepared by the City of La Vergne, Department of Finance, audited by Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2020.

## POPULATION

	<u>La Vergne</u>	<u>Rutherford County</u>	<u>Tennessee</u>
1990 U.S. Census	7,879	119,847	4,890,626
2000 U.S. Census	18,946	183,596	5,703,719
2010 U.S. Census	32,715	263,721	6,355,518
2011 U.S. Census Estimate	33,344	269,206	6,400,298
2012 U.S. Census Estimate	33,811	274,482	6,455,752
2013 U.S. Census Estimate	34,237	281,277	6,496,943
2014 U.S. Census Estimate	34,412	289,014	6,544,617
2015 U.S. Census Estimate	34,890	298,401	6,595,354
2016 U.S. Census Estimate	35,162	307,724	6,651,277
2017 U.S. Census Estimate	35,576	316,777	6,714,748
2018 U.S. Census Estimate	35,703	324,809	6,778,180
2019 U.S. Census Estimate	35,716	332,125	6,830,325

Sources: U.S. Census Bureau

## PER CAPITA DEBT RATIOS

Outstanding Debt	\$1,058.35
Gross Direct Debt	\$1,058.35
Net Direct Debt	\$658.53
Total Net Overlapping Debt	\$1,621.64
Overall Net Debt	\$2,280.17

## DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Outstanding Debt to	3.21%	0.86%
Gross Direct Debt to	3.21%	0.86%
Net Direct Debt to	2.00%	0.54%
Total Net Overlapping Debt to	4.92%	1.32%
Overall Net Debt to	6.92%	1.86%

## DEBT TREND

Fiscal Years Ending June 30

	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
General Obligation Debt	\$ 8,705,000	\$ 10,135,000	\$ 11,540,000	\$ 13,920,736	\$ 15,570,736
Self Supporting Debt	15,540,000	16,765,000	18,010,000	19,250,000	20,545,000
Total Debt	<u>\$ 24,245,000</u>	<u>\$ 26,900,000</u>	<u>\$ 29,550,000</u>	<u>\$ 33,170,736</u>	<u>\$ 36,115,736</u>

Source: Annual Financial Report prepared by the City of La Vergne, Department of Finance, audited by Yeary, Howell and Associates, Certified Public Accountants, for the years ending June 30, 2016-2020.

**GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS <sup>(1)</sup>**  
**(as of June 30, 2021)<sup>(2)</sup>**

		<b>Principal</b>				<b>Interest</b>			
<b>Year No.</b>	<b>Year Ended June 30</b>	<b>Total Current Outstanding Principal</b>	<b>Plus:GO Public Improvement Bonds, Series 2021</b>	<b>Total Principal Requirements</b>	<b>% of Principal Retired</b>	<b>Total Current Outstanding Interest</b>	<b>Plus:GO Public Improvement Bonds, Series 2021</b>	<b>Total Interest Requirements</b>	<b>Total Debt Service Requirements</b>
1	2022	1,465,000		1,465,000		205,895	309,882	515,777	1,980,777
2	2023	1,065,000	595,000	1,660,000		169,308	487,150	656,458	2,316,458
3	2024	1,090,000	625,000	1,715,000		136,872	457,400	594,272	2,309,272
4	2025	560,000	655,000	1,215,000		103,373	426,150	529,523	1,744,523
5	2026	275,000	690,000	965,000	29.8%	90,047	393,400	483,447	1,448,447
6	2027	280,000	720,000	1,000,000		83,860	358,900	442,760	1,442,760
7	2028	285,000	760,000	1,045,000		76,860	322,900	399,760	1,444,760
8	2029	295,000	795,000	1,090,000		73,165	284,900	358,065	1,448,065
9	2030	305,000	835,000	1,140,000		61,200	245,150	306,350	1,446,350
10	2031	310,000	860,000	1,170,000	53.0%	52,050	220,100	272,150	1,442,150
11	2032	320,000	885,000	1,205,000		42,750	194,300	237,050	1,442,050
12	2033	330,000	905,000	1,235,000		33,150	176,600	209,750	1,444,750
13	2034	340,000	925,000	1,265,000		22,425	158,500	180,925	1,445,925
14	2035	350,000	940,000	1,290,000		11,375	140,000	151,375	1,441,375
15	2036		960,000	960,000	78.3%		121,200	121,200	1,081,200
16	2037		980,000	980,000			102,000	102,000	1,082,000
17	2038		1,000,000	1,000,000			82,400	82,400	1,082,400
18	2039		1,020,000	1,020,000			62,400	62,400	1,082,400
19	2040		1,040,000	1,040,000			42,000	42,000	1,082,000
20	2041		1,060,000	1,060,000	100.0%		21,200	21,200	1,081,200
		<b>\$7,270,000</b>	<b>\$16,250,000</b>	<b>\$23,520,000</b>		<b>\$1,162,330</b>	<b>\$4,606,532</b>	<b>\$5,768,862</b>	<b>\$29,288,862</b>

(1) Does not include any Enterprise Fund debt. The City operates the Water and Sewer system as an Enterprise Fund for which the County is contingently liable.

(2) As of 6/30/21, Unaudited, and adjusted for Series 2021 Bonds.

Sources: Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2020.

**WATER AND SEWER DEBT SERVICE REQUIREMENTS <sup>(1)</sup>**  
**(as of June 30, 2021)<sup>(2)</sup>**

<b>Principal</b>						<b>Interest</b>					
<b>Year No.</b>	<b>Year Ended June 30</b>	<b>Total Current Outstanding</b>	<b>Less: Bonds Being Refunded</b>	<b>Plus: Water and Sewer Rev. and Tax Refunding Bonds Series 2021</b>	<b>Total Principal Requirements</b>	<b>Percent Principal Retired</b>	<b>Total Current Outstanding</b>	<b>Less: Bonds Being Refunded</b>	<b>Plus: Water and Sewer Rev. and Tax Refunding Bonds Series 2021</b>	<b>Total Interest Requirements</b>	<b>Total Debt Service Requirements</b>
1	2022	1,200,000		100,000	1,300,000		423,110	(362,685)	186,662	423,110	1,723,110
2	2023	1,240,000		50,000	1,290,000		394,385	(362,685)	290,443	394,385	1,684,385
3	2024	1,215,000	(1,215,000)	1,205,000	1,205,000		362,685	(362,685)	288,943	362,685	1,567,685
4	2025	1,195,000	(1,195,000)	1,190,000	1,190,000		331,235	(331,235)	252,793	331,235	1,521,235
5	2026	1,250,000	(1,250,000)	1,245,000	1,245,000	43.63%	295,385	(295,385)	217,093	295,385	1,540,385
6	2027	1,250,000	(1,250,000)	1,245,000	1,245,000		257,885	(257,885)	179,743	257,885	1,502,885
7	2028	1,225,000	(1,225,000)	1,220,000	1,220,000		220,385	(220,385)	142,393	220,385	1,440,385
8	2029	1,200,000	(1,200,000)	1,190,000	1,190,000		183,635	(183,635)	105,793	183,635	1,373,635
9	2030	1,175,000	(1,175,000)	1,165,000	1,165,000		147,635	(147,635)	70,093	147,635	1,312,635
10	2031	1,150,000	(1,150,000)	1,125,000	1,125,000	85.26%	111,210	(111,210)	53,200	111,210	1,236,210
11	2032	1,125,000	(1,125,000)	1,075,000	1,075,000		73,260	(73,260)	35,763	73,260	1,148,260
12	2033	1,095,000	(1,095,000)	1,030,000	1,030,000	100.00%	36,135	(36,135)	18,025	36,135	1,066,135
		<b>\$14,320,000</b>	<b>(\$11,880,000)</b>	<b>\$11,840,000</b>	<b>\$14,280,000</b>		<b>\$2,836,945</b>	<b>(\$2,744,820)</b>	<b>\$1,840,940</b>	<b>\$2,836,945</b>	<b>\$17,116,945</b>

(1)The water and sewer system bonds are payable from net revenues of the water and sewer systems. If there is a deficiency in such net revenues, the bonds will be payable from unlimited ad valorem taxes of the City.

(2) As of 6/30/21, Unaudited and adjusted for Series 2021 Bonds.

Sources: Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yearly, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2020.

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

### ***State Taxation of Property; Classifications of Taxable Property; Assessment Rates***

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “*General Assembly*”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

### ***County Taxation of Property***

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

### ***Assessment of Property***

*County Assessments; County Board of Equalization.* The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

*State Assessments of Public Utility Property; State Board of Equalization.* The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable

under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

### ***Periodic Reappraisal and Equalization***

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

### ***Valuation for Property Tax Purposes***

*County Valuation of Property.* The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

*State Valuation of Public Utility Property.* The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

### ***Certified Tax Rate***

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the “*Certified Tax Rate*”) which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body’s intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

### ***Tax Collection and Tax Lien***

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

### **ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS**

The Municipality is presently required to implement Governmental Accounting Standards Board (“GASB”) Statement 43 and GASB Statement 45, which require disclosure of the nature and size of the County’s long-term financial obligations and commitments relative to Other Post-employment Benefits. The Municipality currently does not provide any post-employment health care, dental care, or life insurance benefits to employees post-employment. The benefits of post-employment obligations will be reviewed by the Municipality in the future allowing for any improvements or changes to the present plan.



# PROPERTY VALUATION AND PROPERTY TAX

<b>Fiscal Year Tax Year</b>	<b>2020-2021 2020</b>	<b>2019-2020 2019</b>	<b>2018-2019 2018</b>	<b>2017-2018 2017</b>	<b>2016-2017 2016</b>
<b>ESTIMATED ACTUAL VALUES</b>					
Residential & Farm	\$2,533,064,155	\$2,208,414,980	\$2,147,570,832	\$1,620,388,856	\$1,593,977,825
Commercial & Industrial	1,309,998,707	1,118,704,905	1,082,683,405	966,911,908	889,211,341
Personal Tangible Property	469,113,604	460,507,937	433,968,797	406,027,022	381,517,196
Public Utilities	61,625,576	63,583,212	62,449,072	55,381,207	53,414,900
<b>Total Estimated Actual Values</b>	<b>\$4,373,802,042</b>	<b>\$3,851,211,034</b>	<b>\$3,726,672,106</b>	<b>\$3,048,708,993</b>	<b>\$2,918,121,262</b>
Annual Percentage Change	13.57%	3.34%	22.24%	4.48%	11.13%
Estimated Per Capita Amount	\$122,461	\$107,829	\$104,042	\$85,475	\$82,831
<b>ASSESSED VALUES</b>					
Residential & Farm (at 25%)	\$560,947,057	\$552,103,745	\$536,892,708	\$368,435,916	\$362,430,708
Commercial & Industrial (at 40%)	464,158,742	447,481,962	433,073,362	351,762,552	323,495,086
Personal Tangible Property (at 30%)	124,662,249	138,152,381	130,190,639	110,784,473	104,096,967
Public Utilities (at 30%-55%)	26,899,564	27,754,072	27,259,020	24,173,897	23,315,604
<b>Total Assessed Values</b>	<b>\$1,176,667,612</b>	<b>\$1,165,492,160</b>	<b>\$1,127,415,729</b>	<b>\$855,156,838</b>	<b>\$813,338,365</b>
Annual Percentage Change	0.96%	3.38%	31.84%	5.14%	1.47%
Estimated Per Capita Amount	\$32,945	\$32,632	\$31,475	\$23,975	\$23,087
<b>Appraisal Ratio</b>	<b>88.58%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>90.95%</b>	<b>100.00%</b>
<b>Assessed Values to Actual Values</b>	<b>26.90%</b>	<b>30.26%</b>	<b>30.25%</b>	<b>28.05%</b>	<b>27.87%</b>
Taxes Levied	In Process	\$8,319,506	\$8,055,982	\$8,122,816	\$7,723,035
<b>Collections</b>					
Current Fiscal Year	In Process	\$8,157,728	\$7,865,980	\$7,972,335	\$7,601,830
Percent Collected Current FY		98.06%	97.64%	98.15%	98.43%

Sources: State Board of Equalization Tax Aggregate Reports of Tennessee for years 2016-2020; Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yeary, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2020; and City Officials.

## TOP TAXPAYERS

<b><u>Business</u></b>	<b><u>Fiscal Year 2020 Tax Year 2019 Assessed Value</u></b>	<b><u>Assessed Value as a % of Total Assessment</u></b>
Bridgestone Tire Manufacturing	\$34,550,769	2.95%
LIT Industrial limited	\$15,969,640	1.36%
Bridgestone USA	12,884,360	1.10%
Ingram	11,852,300	1.01%
Big Box Property Owner	11,223,720	0.96%
Five Star	10,380,760	0.89%
Prologis	9,631,120	0.82%
Prologis A4 TN	9,428,400	0.80%
Ajax Turner	9,051,480	0.77%
Prologis Exchange	9,036,080	0.77%
	<u>\$134,008,629</u>	<u>11.42%</u>

Source: Annual Financial Report prepared by the City of La Vergne, Department of Finance, audited by Yearly, Howell and Associates, Certified Public Accountants, for the year ending June 30, 2020.

## FUND BALANCES

### For Fiscal Years Ending June 30

	<b><u>06/30/20</u></b>	<b><u>06/30/19</u></b>	<b><u>06/30/18</u></b>	<b><u>06/30/17</u></b>	<b><u>06/30/16</u></b>
<b>GOVERNMENTAL FUNDS</b>					
General Fund	\$23,421,420	\$22,018,150	\$20,496,868	\$17,534,231	\$12,938,650
Capital Project Fund - Hwys & Streets	2,963,179	2,628,985	1,928,320	1,739,311	1,688,706
Special Revenue Fund	8,018,644	7,410,790	6,984,719	5,877,119	5,797,236
	<u>\$34,403,243</u>	<u>\$32,057,925</u>	<u>\$29,409,907</u>	<u>\$25,150,661</u>	<u>\$20,424,592</u>

## NET ASSETS

### For Fiscal Years Ending June 30

#### **ENTERPRISE FUND - WATER & SEWER FUND**

	<b><u>06/30/20</u></b>	<b><u>06/30/19</u></b>	<b><u>06/30/18</u></b>	<b><u>06/30/17</u></b>	<b><u>06/30/16</u></b>
Invested in Capital Assets, Net of Related Debt	\$40,649,708	\$38,165,737	\$36,332,568	\$35,621,091	\$35,544,191
Unrestricted Assets	23,034,343	20,918,473	19,634,830	17,298,623	13,637,953
Net Assets	<u>\$63,684,051</u>	<u>\$59,084,210</u>	<u>\$55,967,398</u>	<u>\$52,919,714</u>	<u>\$49,182,144</u>

## LOCAL OPTION SALES TAX

### For Fiscal Years Ending June 30

	<b><u>06/30/20</u></b>	<b><u>06/30/19</u></b>	<b><u>06/30/18</u></b>	<b><u>06/30/17</u></b>	<b><u>06/30/16</u></b>
<b>Distribution to Following Fund:</b>					
General Fund	\$10,043,758	\$8,749,701	\$8,061,708	\$7,707,482	\$6,322,852
<b>Total Amount Collected</b>	<u>\$10,043,758</u>	<u>\$8,749,701</u>	<u>\$8,061,708</u>	<u>\$7,707,482</u>	<u>\$6,322,852</u>
% of Increase	14.79%	8.53%	4.60%	21.90%	12.10%
Tax Rate	2.75%	2.75%	2.75%	2.75%	2.75%

Sources: Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yearly, Howell and Associates, Certified Public Accountants, for the years ending June 30, 2016 - 2020 and City Officials.

**STATEMENT OF OPERATING REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR YEARS ENDING JUNE 30**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>					
Taxes	\$20,934,338	\$19,166,637	\$18,595,564	\$17,596,060	\$16,102,086
Licenses & Permits	2,592,288	2,773,035	2,087,492	2,660,065	2,533,208
Fines and Forfeits	297,143	421,790	542,623	417,624	439,492
Intergovernmental Revenue	5,591,636	5,260,961	5,168,242	5,876,438	4,652,343
Revenues from Use of Money	176,844	116,509	136,758	165,586	300,342
Miscellaneous	206,736	186,120	169,755	198,332	151,517
Proceeds from Debt Issue	-	-	-	1,995,000	9,827
Debt Issuance Premium	-	-	-	117,236	-
Insurance Proceeds	-	-	279,933	-	-
Sale of Capital Assets	-	-	-	-	-
Obligation to State of Tennessee	-	-	-	-	-
Operating Transfers In	124,671	85,000	385,707	185,904	435,000
<b>Total Revenues &amp; Other Sources</b>	<b>29,923,656</b>	<b>28,010,052</b>	<b>27,366,074</b>	<b>29,212,245</b>	<b>24,623,815</b>
<b>EXPENDITURES</b>					
Current:					
General Government	3,386,105	3,813,846	3,780,496	2,963,675	2,685,658
Police	7,417,922	7,490,685	6,841,104	6,150,358	6,209,129
Fire	4,375,261	4,192,919	3,714,513	3,356,973	3,268,591
Highways and Streets	2,007,202	1,978,786	1,390,440	1,359,377	1,419,474
Stormwater	921,156	943,535	764,989	719,396	673,320
Health and Welfare	980,797	722,481	535,899	526,169	545,099
Recreation	848,979	694,434	646,966	879,600	1,113,319
Library	642,930	678,494	682,168	606,504	631,971
Debt Service	2,079,547	2,092,907	2,399,045	4,497,802	2,796,805
Capital Outlay and Projects	4,795,770	2,669,753	1,966,329	3,239,227	1,642,772
Payment for Refunded Bonds	-	-	-	-	-
Operating Transfers Out	124,671	85,000	385,707	185,904	435,000
<b>Total Expenditures &amp; Other Uses</b>	<b>27,580,340</b>	<b>25,362,840</b>	<b>23,107,656</b>	<b>24,484,985</b>	<b>21,421,138</b>
Excess of Revenues & Other Sources					
Over (Under) Expenditures & Other Uses	2,343,316	2,647,212	4,258,418	4,727,260	3,202,677
Residual Equity Transfer					
<b>Fund Balance, July 1</b>	<b>32,057,925</b>	<b>29,409,907</b>	<b>25,150,661</b>	<b>20,424,592</b>	<b>17,222,649</b>
Restatement	-	-	-	-	-
Increase (decrease) in reserve for inventory	2,002	806	828	(1,191)	(734)
<b>Fund Balance, June 30</b>	<b>34,403,243</b>	<b>32,057,925</b>	<b>29,409,907</b>	<b>25,150,661</b>	<b>20,424,592</b>

Sources: Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yeary, Howell and Associates, Certified Public Accountants, for the years ending June 30, 2016 - 2020 and City Officials.

**STATEMENT OF OPERATING REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - WATER AND SEWER FUND  
FOR YEARS ENDING JUNE 30**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>					
Water Sales and Related Services	\$5,105,542	\$4,813,642	\$4,735,231	\$4,751,428	\$4,376,614
Sewer Service Charges	6,778,525	6,530,475	6,546,526	6,423,875	6,093,439
Fire Service and Hydrant Rental	66,638	67,203	66,835	68,756	68,639
Access Charges	70,470	72,540	71,745	78,041	80,258
Other	67,274	73,202	126,512	111,987	92,751
Forfeited Discounts	270,793	370,763	362,480	402,078	415,821
<b>Total Operating Revenues</b>	<b>12,359,242</b>	<b>11,927,825</b>	<b>11,909,329</b>	<b>11,836,165</b>	<b>11,127,522</b>
<b>OPERATING EXPENSES</b>					
Sewer Treatment Charges	2,234,070	1,984,192	1,761,681	1,480,422	1,555,558
Salaries	1,746,824	1,710,239	1,573,252	1,386,910	1,302,400
Benefits and Payroll Taxes	593,043	659,504	603,427	521,321	566,274
Office Supplies and Materials	38,513	33,668	38,940	30,485	26,630
Telephone and Utilities	494,825	519,796	321,205	199,269	187,728
Maintenance and Repairs	273,108	416,464	554,834	494,069	459,872
Operating Supplies	760,759	589,460	521,582	561,018	484,508
Insurance	306,268	297,659	314,205	277,998	272,463
Plant Operation Contract Service	1,611,944	1,572,442	1,732,050	1,810,260	1,762,939
Professional Service	205,193	185,416	265,698	207,934	178,831
Depreciation and Amortization	2,209,117	2,196,968	1,999,505	1,976,929	1,921,561
Other	35,209	35,801	37,747	59,151	16,084
<b>Total Operating Expenses</b>	<b>10,508,873</b>	<b>10,201,609</b>	<b>9,724,126</b>	<b>9,005,766</b>	<b>8,734,848</b>
<b>Operating Income (Loss)</b>	<b>1,850,369</b>	<b>1,726,216</b>	<b>2,185,203</b>	<b>2,830,399</b>	<b>2,392,674</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest Income	32,272	9,354	6,744	5,484	4,158
Rent Income	51,052	50,474	49,378	48,738	48,514
Interest Expense	(444,602)	(478,919)	(479,991)	(556,522)	(627,951)
Debt Issuance Costs	-	-	-	-	-
Gain on Disposal of Capital Asset	-	(4,222)	-	-	(3,550)
<b>Total Non-Operating Revenues</b>	<b>(361,278)</b>	<b>(423,313)</b>	<b>(423,869)</b>	<b>(502,300)</b>	<b>(578,829)</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>1,489,091</b>	<b>1,302,903</b>	<b>1,761,334</b>	<b>2,328,099</b>	<b>1,813,845</b>
<b>CAPITAL CONTRIBUTIONS</b>					
Tap Fees	2,377,105	920,575	716,053	1,070,649	760,362
Donated Capital Assets	746,307	932,513	536,860	594,390	393,412
	<b>3,123,412</b>	<b>1,853,088</b>	<b>1,252,913</b>	<b>1,665,039</b>	<b>1,153,774</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,612,503</b>	<b>3,155,991</b>	<b>3,014,247</b>	<b>3,993,138</b>	<b>2,967,619</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>58,749,952</b>	<b>55,593,961</b>	<b>52,598,985</b>	<b>48,605,847</b>	<b>45,638,228</b>
Restatement	-	-	(19,271)	-	-
<b>NET ASSETS, END OF YEAR</b>	<b>63,362,455</b>	<b>58,749,952</b>	<b>55,593,961</b>	<b>52,598,985</b>	<b>48,605,847</b>

Sources: Comprehensive Annual Financial Reports prepared by the City of La Vergne, Department of Finance, audited by Yeary, Howell and Associates, Certified Public Accountants, for the years ending June 30, 2016 - 2020 and City Officials.

## **APPENDIX C**

Comprehensive Annual Financial Report of the Issuer for the  
Fiscal Year Ended June 30, 2020

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**CITY OF LA VERGNE, TENNESSEE**

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020

Prepared by the Department of Finance

# CITY OF LA VERGNE, TENNESSEE

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## **INTRODUCTORY SECTION**



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Phone: (615) 793-6295 • Fax: (615) 793-6025

Web Page: [www.LaVergneTN.gov](http://www.LaVergneTN.gov)

October 26, 2020

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 comprehensive annual financial report of the City of La Vergne for the fiscal year ended June 30, 2020.

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 Yeary, Howell & Associates, 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, 2020 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, 2020 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 3, 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. 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 20-25. As part of the supplementary information the highway and capital projects streets fund comparison is presented on page 51. 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 45.

### **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 is one of the fastest growing communities in the state as well as the country. From 2010-2020, the City grew from 32,588 to approximately 40,595 (per Chamber of Commerce) which is an increase of 24%. During the same period, the total number of households within La Vergne climbed to 13,322 from 10,946 in 2010. La Vergne's median income, which topped out at \$71,468, is the highest in Rutherford County and well over the Tennessee state average of \$56,060. City residents enjoy a 9.1% lower cost of living than the U.S. average according to ACCRA Col Index.

The City of La Vergne is home to the largest industrial complex statewide with national and international companies such as Bridgestone, Ingram Book, Venture Express, Cardinal Health, Ajax Turner, UPS, Saks Fifth Avenue, and Schneider Electric among many others doing business within the city. ICEE Corporation has recently moved its headquarters from Ontario, California into the City of La Vergne and Amazon has announced a new Delivery Station to open before year end 2020.

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 151,000 vehicles daily, runs directly through the city. Additionally, the I-40, I-65 and I-840 interstates are within 15 minutes. La Vergne has a low unemployment rate even with today's Coronavirus statistics. Rates fluctuate daily and it would not be a good representative of La Vergne's rate to substantiate with a number at this time. The city's labor shed draws from up to 10 surrounding counties.

The numerous employment opportunities combined with a low city property tax rate (\$.71 per \$100 of assessed value); have caused La Vergne to experience -migration at over twice the national average. Residents have easy access to Percy Priest Lake and are just a few miles from pro football, pro hockey, Nashville International Airport, and two miles from the Smyrna Airport.

Rutherford County ranked 6<sup>th</sup> among the 95 counties throughout Tennessee in retail revenue behind only Nashville (Davidson), Memphis (Shelby), Franklin (Williamson) Chattanooga (Hamilton) and Knoxville (Knox). La Vergne leaders are prioritizing this commercial and retail growth as a means to sustain the city's growth into the future. La Vergne's Board of Mayor and aldermen recently voted unanimously to incorporate its

own city Industrial Development Board to partner and potentially incentivize quality retailers and developers looking to business within the city.

In addition, three elementary, one junior high and one high school provide quality education for all students. 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 awarded, under construction or just completed. Parks Capital Projects include: Recently awarded a grant for a Bark Park and Ball field upgrades. Water and Sewer Capital Projects include: water and sewer line upgrades and extensions, storage tank upgrades, and electronic meter leak detection and swap out program. Recently awarded was a Safe Room Grant and CMAC grant for sidewalks and cross walks through the City's main thoroughfare.

### **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 2019-20 year end general fund ending balance was approximately 95% 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 debt 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 97% sanitation rating on its last survey from the State of Tennessee Department of Environment and Conservation Division of Water Supply, which was done in 2019. This rating was up from the rating eight years ago 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 bond issues.

The cities property tax rate was \$.71 per \$100 assessed value in 2019. A county wide reappraisal was done in late 2017.



Improving safety for the citizens of La Vergne is also a focus for the city. The City has added new police officers and equipment for several years in a row. A new police substation was opened in the Lake Forrest residential area a few of years ago and is being utilized for the safety of citizens of La Vergne. Also, a new backup police dispatch center is now operating at an offsite facility. 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.

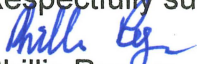
### **Awards and Acknowledgements**

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, 2020. [This was the twenty fifth 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 comprehensive annual 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 Yearly, Howell & Associates was most helpful in reviewing the interpretations of financial presentation and disclosure requirements.

Respectfully submitted,

  
Phillis Rogers  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of La Vergne  
Tennessee**

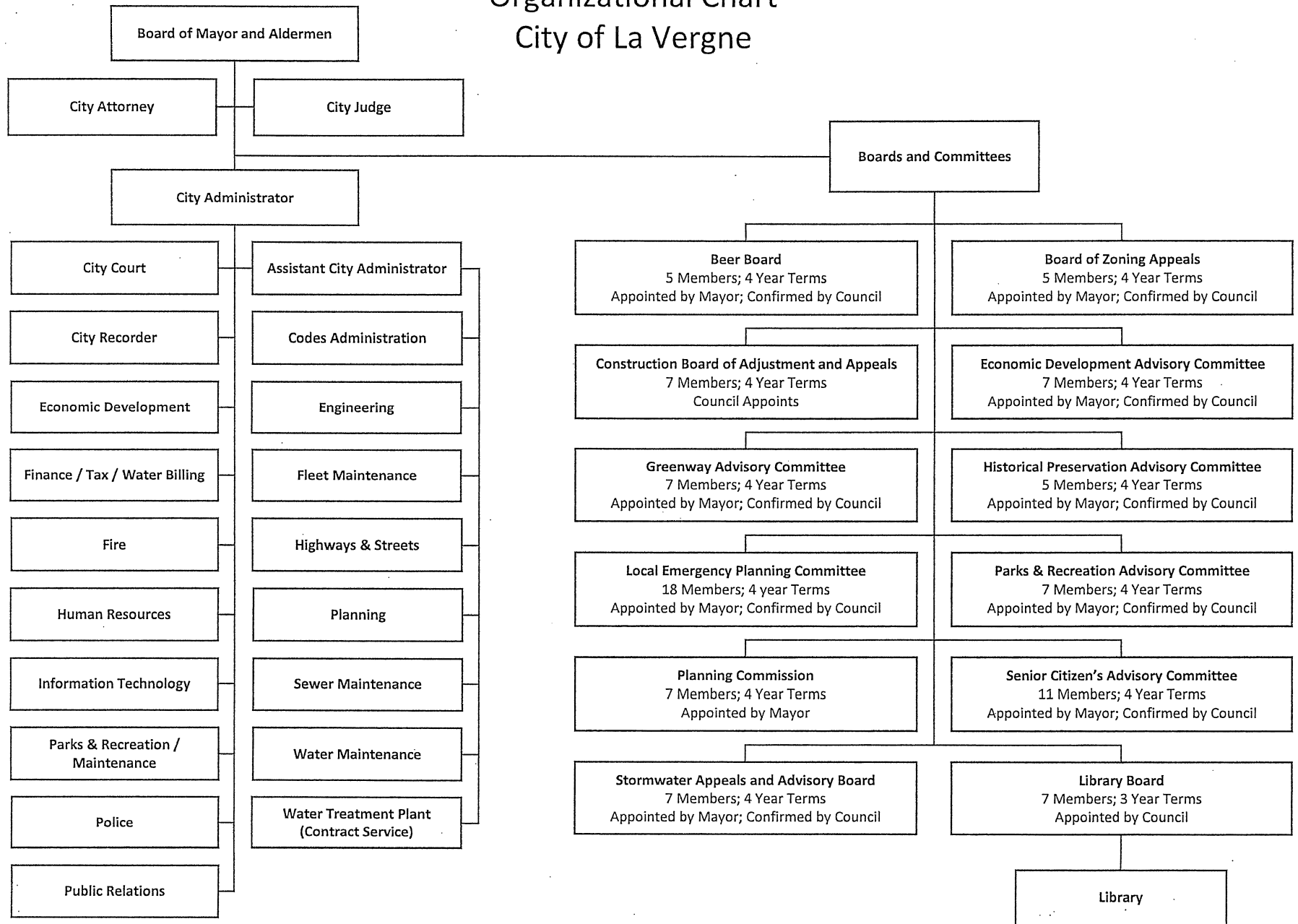
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrell*

Executive Director/CEO

# Organizational Chart City of La Vergne



# CITY OF LA VERGNE, TENNESSEE

## City Officials

2020

### ELECTED OFFICIALS:

<u>Name</u>	<u>Title</u>
Jason Cole	Mayor
Melisa Brown	Vice Mayor
Matt Church	Alderman
Calvin Jones	Alderman
Steve Noe	Alderman

### APPOINTED OFFICIALS:

Bruce Richardson*	City Administrator
-------------------	--------------------

### OTHER OFFICIALS:

<u>Name</u>	<u>Title</u>
Edward Hiland	City Judge
Evan Cope	City Attorney
Phillis Rogers*	Finance Director
Kyle Brown	Assistant City Administrator
Tonya Williams*	Accounting Supervisor
Mike Walker	Chief of Police
Mike Dietz	Public Works Director
Garlon Russell	Utilities Director
Becci Steed	Tax Collector
David McGowen	Parks and Recreation Director
Donna Bebout	Librarian
Cheryl Lewis-Smith	H. R. Director
Nickolaus Logan	City Planner
Randolph Salyers	Codes Director
Vacant	Storm Water Engineer
Nick Matthews-Interim	Fire Chief
Adam Leach	City Engineer

\*CMFO

## **FINANCIAL SECTION**

# YEARY, HOWELL & ASSOCIATES

*Certified Public Accountants*

501 EAST IRIS DRIVE  
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY  
GREGORY V. HOWELL

(615) 385-1008  
FAX (615) 385-1208

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business - type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Vergne, Tennessee (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Vergne, Tennessee as of June 30, 2020, 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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pages 3 through 13, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaVergne's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, statistical section and management's corrective action plan are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section, statistical section and management's corrective action plan have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

**Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020 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 of LaVergne's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Yeany Hensel".

October 15, 2020

# 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, 2020. Comparative information for fiscal year 2019 and 2020 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-v).

### **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 \$157,298,527 of this amount; \$46,659,599 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The governments total net position increased by \$11,729,173.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,403,243 an increase of \$2,345,318 resulting from the current year operation. Approximately \$11,007,226 of that total 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 \$23,396,017 or 95.0% of the total general fund expenditures.

The City's total debt (bonds, capital lease, capital outlay note, and other obligations including premiums) decreased by \$3,097,550 (11%) 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 14-15 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 eight 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 six 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 43-44 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 16-19 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 26-28 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 29-42 of this report.

Required budgetary information. The required budgetary information provides budget comparison information for the special revenue funds. Non-major governmental fund budgetary schedules can be found on pages 45-51 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 exceeded liabilities and deferred inflow of resources by \$157,298,527 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (63.3%) 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 2019	June 30 2020	June 30 2019	June 30 2020	June 30 2019	June 30 2020
	(000 omitted)		(000 omitted)		(000 omitted)	
Current and other assets	\$42,970	\$45,105	\$25,562	\$27,730	\$68,532	\$72,835
Capital assets	65,304	68,266	51,430	52,474	116,734	120,740
Total assets	108,274	113,371	76,992	80,204	185,266	193,575
Deferred Outflows	53	30	104	73	157	103
Long-term liabilities outstanding	11,728	9,879	17,105	15,811	28,833	25,690
Other Liabilities	2,255	1,712	906	782	3,161	2,494
Total liabilities	13,983	11,591	18,011	16,593	31,994	28,184
Deferred Inflows	7,859	8,195			7,859	8,195
Net Position						
Net investment in capital assets	53,646	58,989	38,166	40,650	91,812	99,639
Restricted	10,064	11,000	0	0	10,064	11,000
Unrestricted	22,775	23,625	20,918	23,034	43,693	46,659
Total Net Position	\$86,485	\$93,614	\$59,084	\$63,684	\$145,569	\$157,298

A portion of the City's net position (6.9%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position (\$46,659,599) 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 \$11,729,173 during the current fiscal year. Net position increased \$7,129,332 in the Governmental Activities mainly due the Following:

\$2,043,758 increase in Sales Tax due to increase in retail sales and online sales

\$244,303 increase in State Shared sales tax due to increase in population and retail sales

\$292,176 increase in Business Tax due to new businesses

\$209,406 decrease in expense due to unfilled Codes Department positions wages and benefits

\$716,603 decrease in expense due to unfilled Police positions wages and benefits

\$249,188 decrease in expense due to unfilled Fire positions wages and benefits

\$151,118 decrease in exp due to unfilled Parks and Recreation positions wages and benefits

\$1,803,980 increase due donated roads

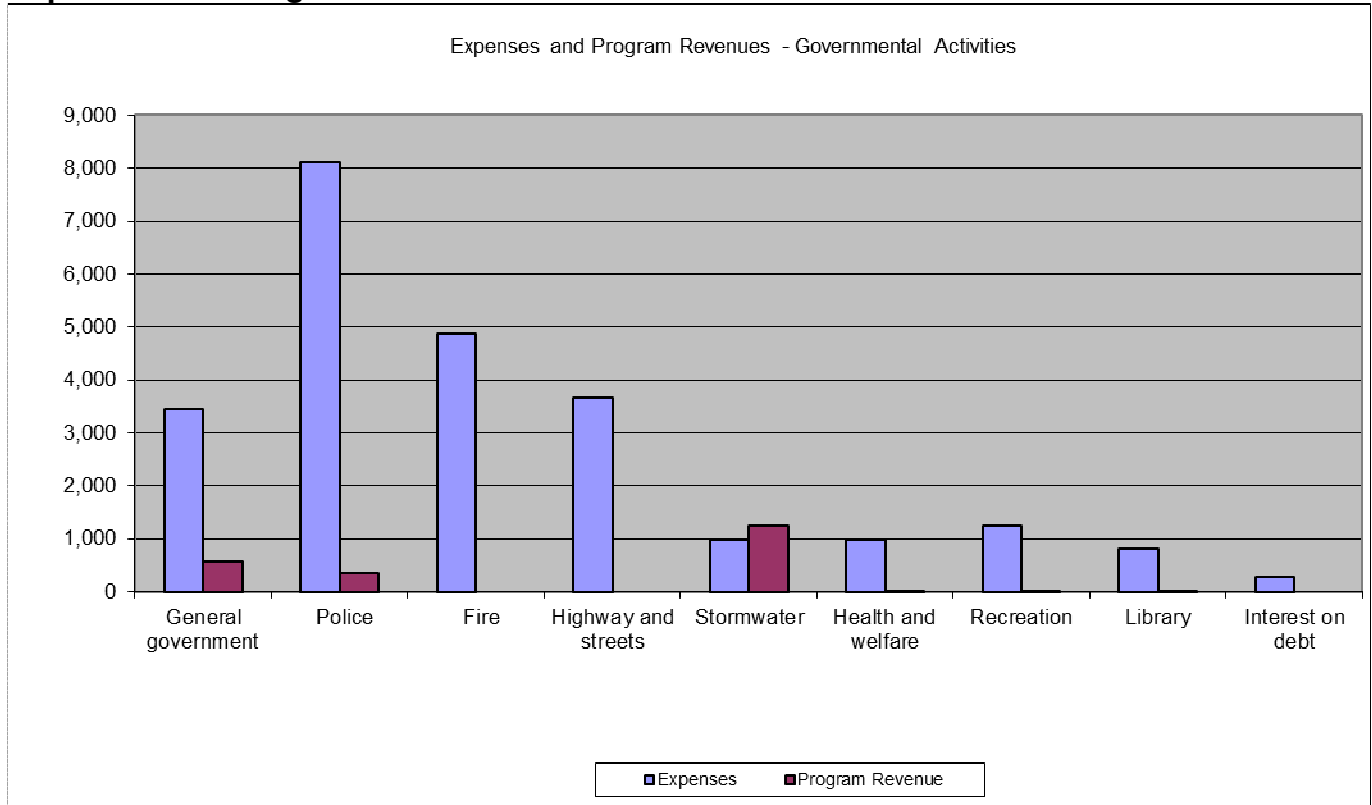
Other expenses remained about the same as when compared to prior year.

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

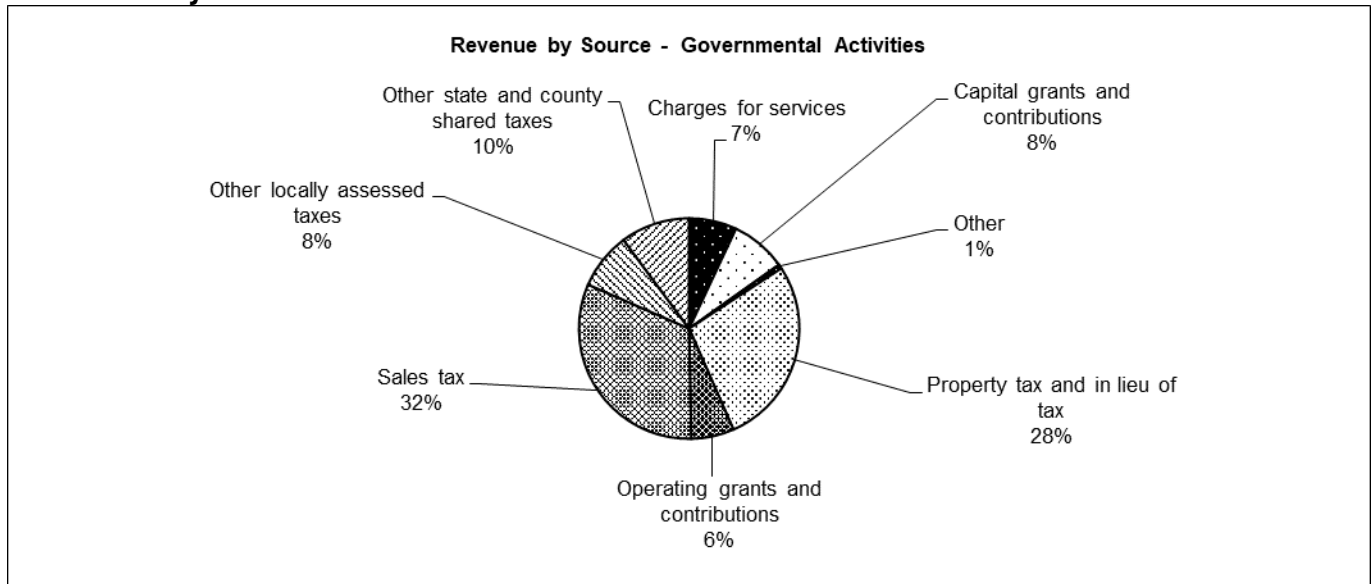
	Governmental Activities		Business-type Activities		Total	
	June 30 2019	June 30 2020	June 30 2019	June 30 2020	June 30 2019	June 30 2020
	(000 omitted)		(000 omitted)		(000 omitted)	
Revenues:						
Program revenues:						
Charges for services	\$2,310	\$2,206	\$11,978	\$12,410	\$14,288	\$14,616
Operating grants and contributions	1,727	1,987			1,727	1,987
Capital grants and contributions	1,810	2,578	1,853	3,123	3,663	5,701
General revenues:						
Property tax and in lieu of tax	8,470	8,715			8,470	8,715
Sales taxes	8,750	10,044			8,750	10,044
Business taxes	1,251	1,395			1,251	1,395
Wholesale beer & liquor taxes	708	785			708	785
Franchise taxes	385	370			385	370
Other locally assessed taxes	85	73			85	73
Other state and county shared taxes	3,143	3,203			3,143	3,203
Unrestricted investment earnings and rental income	30	109	10	32	40	141
Gain on disposal of capital asset	0	0	(4)		(4)	0
Other	39	90			39	90
Total revenue	<u>28,708</u>	<u>31,555</u>	<u>13,837</u>	<u>15,565</u>	<u>42,545</u>	<u>47,120</u>
Expenses:						
General government	4,079	3,441			4,079	3,441
Public safety:						
Police	7,918	8,127			7,918	8,127
Fire	4,736	4,869			4,736	4,869
Highway and streets	3,603	3,669			3,603	3,669
Stormwater	978	979			978	979
Health and welfare	739	983			739	983
Recreation	1,094	1,253			1,094	1,253
Library	878	821			878	821
Interest on debt	333	284			333	284
Water and sewer			10,720	10,965	10,720	10,965
Total expenses	<u>24,358</u>	<u>24,426</u>	<u>10,720</u>	<u>10,965</u>	<u>35,078</u>	<u>35,391</u>
Increase (decrease) in net position	4,350	7,129	3,117	4,600	7,467	11,729
Net position - beginning of the year, as restated	<u>82,135</u>	<u>86,485</u>	<u>55,967</u>	<u>59,084</u>	<u>138,102</u>	<u>145,569</u>
Net position - end of year	<u>\$86,485</u>	<u>\$93,614</u>	<u>\$59,084</u>	<u>\$63,684</u>	<u>\$145,569</u>	<u>\$157,298</u>

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

## Expenses and Program Revenues - Governmental Activities



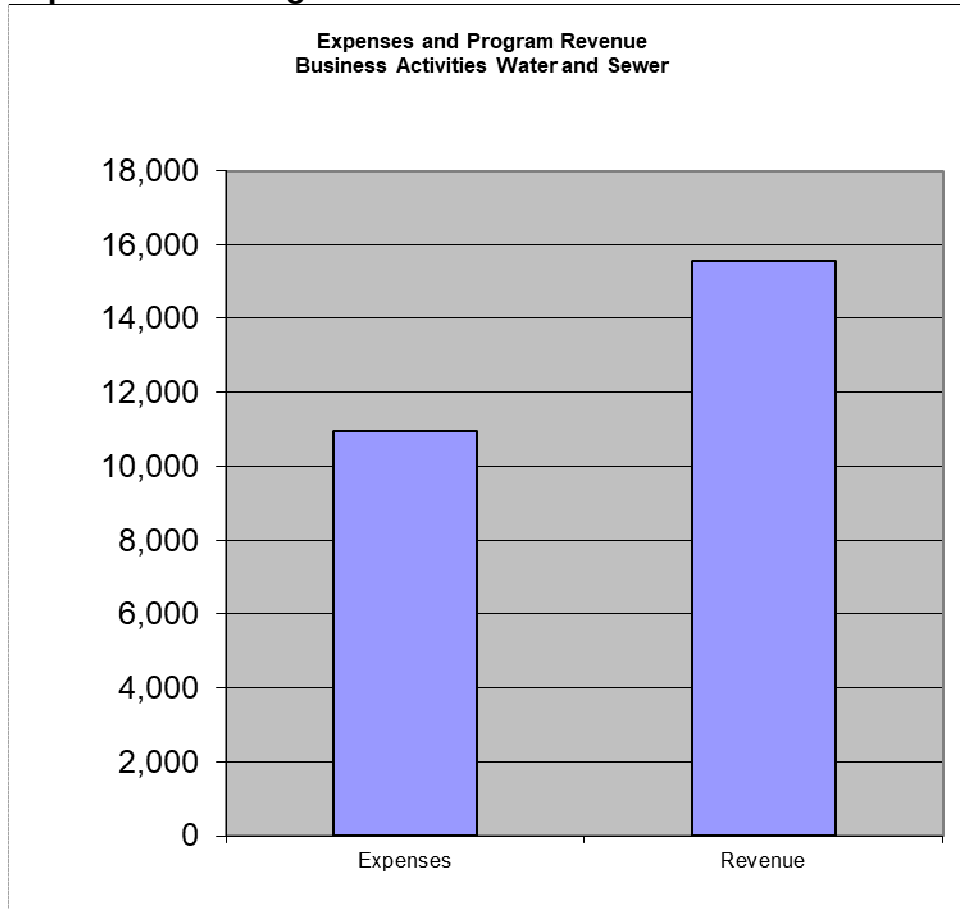
## Revenues by Source - Governmental Activities



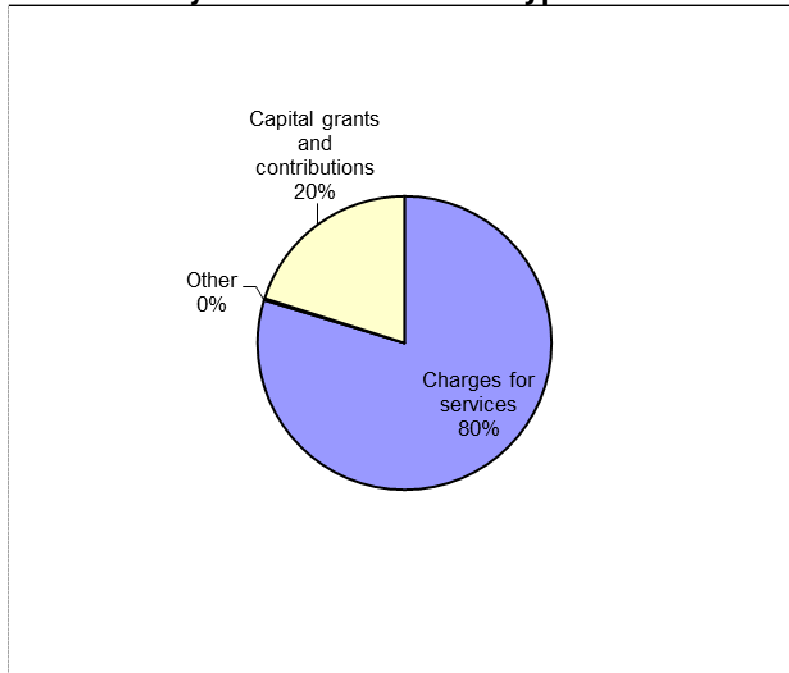
### Business-type activities

Business-type activities increased the City's net position by \$4,599,841 accounting for 39.2% 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.

## 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 \$34,403,243, an increase of \$2,345,318 in comparison with the prior year. Approximately 68% of this total amount (\$23,396,017) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance (\$11,007,226) 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 increase in sales tax revenue \$2,043,758 increase in property tax \$306,431, increase in state shared revenue \$244,303, increase in business tax \$292,176, increase in permits \$140,781, reduced spending in Police due to unfilled positions \$716,603, reduced spending in Fire due to staffing changes \$249,188, unspent Stormwater capital and labor \$280,654, offset by land purchase of \$2,279,822.

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 \$23,396,017, while total fund balance of general fund balance was \$23,421,420. 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 95% of total general fund expenditures. Total fund balance represents 95.1% of total general fund expenditures.

The unassigned fund balance of the City's general fund, at year end, increased by \$2,056,243. The major reason for General Fund unassigned balance increase was primarily related to increase in local sales tax of approximately \$2,043,758.

Total fund balance of the highway and street capital projects fund increased by \$334,194. This increase is mainly due to the increases in road impact fees.

Total fund balance of all non-major special revenue funds increased by \$607,854 mainly due \$153,025 in increased Fuel taxes to State Street Aid, \$108,096 in forfeitures and seizures in the Drug Fund and \$280,654 for unspent labor and professional services in the Stormwater Fund.

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 \$4,599,841. This is due to monitoring expenses closely and significant rate increases that began in 2011.

## Budgetary Highlights

Total general fund revenues for FY 2019-2020 were above final actual budgeted revenues by \$3,296,726 or 14.4%. Total actual expenditures for FY 2019-2020 were below final budgeted expenses by \$1,966,915 or 7.3%. Below are detail comparisons of original budget to final budget and final budget to actual results.

There were some notable increases from original budget to final actual revenues. The following revenue accounts make up the majority of the \$3,296,726 difference between final budget and actual revenues for 2019-2020:

Local Sales Tax	\$2,043,758 increase in local sales tax revenue
Property Tax	\$306,431 increase in property tax revenue
Business Tax	\$292,176 increase in business tax revenue
State Sales Tax	\$244,303 increase in state shared sales tax
License & Permits	\$140,781 increase in permits
Insurance Proceeds	\$105,945 increase in insurance proceeds

The difference between original budgeted revenues and final budgeted revenues was \$313,250 for 2019-2020. The following makes up the majority of the difference:

THDA Grant	\$300,000 increase to grant revenues
Christy Houston Grant	\$13,250 increase to grant revenues

There were \$3,527,188 increases/ (decreases) in General fund differences between the original budget for expenditures and the final amended budget. The following departments make up the majority of the increases and (decreases):

City Hall	\$2,279,822 increase due to purchases of 2 parcels of land
Police	\$498,950 inc. due to purchase of police communications equipment
Culture	\$300,000 increase due THDA grant expenses
Employee Benefits	\$256,667 increase due to rising health costs

There were (\$1,966,915) 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 and (decreases):

Fire Dept	(\$249,188) staffing structure changes
Police Dept	(\$716,603) unfilled/open positions and benefits
Codes Dept	(\$209,406) unfilled/open positions and benefits
Park & Rec	(\$151,118) unfilled/open positions and benefits
Human Resources	(\$77,044) unspent professional services
City Hall	(\$104,754) reduced spending for utilities and insurance
Library	(\$95,788) unfilled/open positions and benefits
City Recorder	(\$67,869) unfilled/open positions and benefits
Information Tech	(65,815) 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, 2020, amounts to \$120,739,722. 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 \$4,004,482 (7.4% increase for governmental activities and 2.6% increase for business-type activities).

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

- Approximately \$1,803,980 in donated Infrastructure (streets)
- Approximately \$586,280 in Construction in Process
- Approximately \$574,025 in Police Vehicles
- Approximately \$2,127,355 in Police, Fire and Parks Equipment
- Approximately \$4,346,267 in upgrades and additions to water and sewer system (\$2,377,105 donated)
- Approximately \$2,279,821 in Land
- 

### 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 3) Capital Assets, beginning on page 35 of this report.

### Long -Term Debt

#### City of La Vergne's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	June 30 2019	June 30 2020	June 30 2019	June 30 2020	June 30 2019	June 30 2020
	(000 omitted)		(000 omitted)		(000 omitted)	
General obligation bonds	10,135	8,705			10,135	8,705
Capital Lease	746	407			746	407
Notes payable	0	0			0	0
Other obligation to state	0	0			0	0
Bond Premiums	136	102	340	270	476	372
Revenue and tax bonds	-	-	16,765	15,540	16,765	15,540
Total	<u>11,017</u>	<u>9,214</u>	<u>17,105</u>	<u>15,810</u>	<u>28,122</u>	<u>25,024</u>

At the end of the current year, the City of La Vergne has debt outstanding of \$25,024,146. 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 \$3,097,550 (11%) during FY 2019-2020. 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) of the enterprise fund.

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 5) Long-term Debt and other Obligations Payable, beginning on page 37 of this report.

### **Economic Factors and Next Year's Budget and Rates**

The unemployment rate for the City of La Vergne is currently 12.8%, compared to the State unemployment rate of 9.7% and the national rate of 11.2%. Unemployment rates are volatile at this time due to the Covid 19 virus and are not a good indicator of true unemployment rates for La Vergne

In the FY 2020-2021 budget, General fund revenues and transfers in are budgeted to decrease by 13.6% from the FY 2019-2020 original budget year. This decrease is primarily due decrease in capital purchases over prior year. The city property tax rate remains the same at \$.71 per \$100 in assessed value for fiscal year 2020-2021. The City's budget, as is with most City budgets, has been challenged by current economic conditions. Covid 19 expenses are basically being reimbursed thru various State and Federal Grants. The City intends to utilize these grants where possible to minimize any revenue downturn or expense increase. As of current sales tax revenues are holding steady and only slight reduction 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 increased by \$2,056,243 (mainly due to increase in local and state sales tax along with non-recurring capital expenses) The ending total General fund balance increased to \$23,421,420 from previous year balance of \$22,018,150 after adjustment for the reserve for inventory. The fund balance for the General Fund is budgeted to remain unchanged or decrease slightly for fiscal year 2020-2021.

### **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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Net Position  
June 30, 2020**

	Primary Government			Component Unit
	Governmental	Business		Industrial Dev.
<u>Assets</u>	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Board</u>
Cash and cash equivalents	\$33,204,458	20,960,842	54,165,300	14,449
Receivables (net of allowance for uncollectibles)				
Property taxes	8,529,052	-	8,529,052	-
Other taxes	219,453	-	219,453	-
Due from other governments	3,276,407	-	3,276,407	-
Accounts receivable	193,230	2,295,743	2,488,973	-
Inventory of supplies, at cost	6,838	227,824	234,662	-
Restricted assets - cash and cash equivalents				
Cash - bond proceeds	-	3,921,530	3,921,530	-
Internal balances	(324,489)	324,489	-	-
Non-depreciable capital assets	8,652,834	3,621,862	12,274,696	-
Capital assets (net of accumulated depreciation)	59,612,903	48,852,123	108,465,026	-
Total Assets	<u>113,370,686</u>	<u>80,204,413</u>	<u>193,575,099</u>	<u>14,449</u>
<u>Deferred Outflows of Resources:</u>				
Deferred amount on refunding	<u>30,134</u>	<u>72,720</u>	<u>102,854</u>	<u>-</u>
<u>Liabilities:</u>				
Accounts payable	810,291	488,256	1,298,547	-
Accrued expenses	806,371	263,799	1,070,170	-
Contracts payable	93,250	8,170	101,420	-
Unearned revenue	3,000	-	3,000	-
Customer deposits	-	22,500	22,500	-
Long-term liabilities due within one year	2,319,571	1,220,000	3,539,571	-
Long-term liabilities due in more than one year	7,558,861	14,590,357	22,149,218	-
Total Liabilities	<u>11,591,344</u>	<u>16,593,082</u>	<u>28,184,426</u>	<u>-</u>
<u>Deferred Inflows of Resources:</u>				
Unlevied property and income taxes	<u>8,195,000</u>	<u>-</u>	<u>8,195,000</u>	<u>-</u>
<u>Net Position</u>				
Net investment in capital assets	58,988,832	40,649,708	99,638,540	
Restricted for:				
Highways and streets	4,785,101	-	4,785,101	
Parks and recreation	198,227	-	198,227	
Stormwater projects	5,015,012	-	5,015,012	
Senior citizens	108,415	-	108,415	
Law enforcement	893,633	-	893,633	
Unrestricted	<u>23,625,256</u>	<u>23,034,343</u>	<u>46,659,599</u>	<u>14,449</u>
Total Net Position	<u>\$93,614,476</u>	<u>63,684,051</u>	<u>157,298,527</u>	<u>14,449</u>

See accompanying notes to financial statements.

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Activities**

**For the Year Ended June 30, 2020**

Functions / Programs:	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		Total	Component Unit Industrial Dev. Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities		
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
General government	\$3,441,095	564,945	21,007	-	(2,855,143)	-	(2,855,143)	-
Public safety:								-
Police	8,127,393	361,242	214,648	-	(7,551,503)	-	(7,551,503)	-
Fire and emergency services	4,869,302	-	71,358	-	(4,797,944)	-	(4,797,944)	-
Highways and streets	3,669,539	-	1,291,347	2,512,118	133,926	-	133,926	-
Stormwater	979,529	1,251,322	-	-	271,793	-	271,793	-
Health and welfare	982,594	3,543	375,214	-	(603,837)	-	(603,837)	-
Recreation	1,253,163	15,074	13,152	65,455	(1,159,482)	-	(1,159,482)	-
Library	821,169	9,881	-	-	(811,288)	-	(811,288)	-
Interest on debt	283,574	-	-	-	(283,574)	-	(283,574)	-
Total Government Activities	24,427,358	2,206,007	1,986,726	2,577,573	(17,657,052)	-	(17,657,052)	-
<b>Business-type Activities:</b>								
Water and Sewer	10,966,183	12,410,294	-	3,123,412	-	4,567,523	4,567,523	-
Total Business-type Activities	10,966,183	12,410,294	-	3,123,412	-	4,567,523	4,567,523	-
Total Primary Government	\$35,393,541	14,616,301	1,986,726	5,700,985	(17,657,052)	4,567,523	(13,089,529)	-
<b>Component Unit:</b>								
Industrial Development Board	5,551	-	20,000	-	-	-	-	14,449
Total Component Unit	\$5,551	-	20,000	-	-	-	-	14,449
<b>General Revenues:</b>								
Property taxes					\$8,016,235	-	8,016,235	-
In lieu tax - commercial					232,324	-	232,324	-
In lieu tax - utility					467,498	-	467,498	-
Sales taxes					10,043,758	-	10,043,758	-
Business taxes					1,395,176	-	1,395,176	-
Wholesale beer & liquor taxes					784,772	-	784,772	-
Franchise taxes					369,871	-	369,871	-
Hotel / Motel tax					73,430	-	73,430	-
Unrestricted state shared taxes:								-
State shared income taxes					16,694	-	16,694	-
State shared beer tax					16,121	-	16,121	-
State shared sales tax					3,144,303	-	3,144,303	-
Other unrestricted other state and county shared taxes					26,327	-	26,327	-
Unrestricted investment earnings					109,446	32,318	141,764	-
Other					90,429	-	90,429	-
Total general revenues					24,786,384	32,318	24,818,702	-
Change in net position					7,129,332	4,599,841	11,729,173	14,449
Net position - beginning of year					86,485,144	59,084,210	145,569,354	-
Net position - end of year					\$93,614,476	63,684,051	157,298,527	14,449

See accompanying notes to financial statements

**CITY OF LA VERGNE, TENNESSEE**

**Balance Sheet  
Governmental Funds**

**June 30, 2020**

	General Fund	Capital Project Fund Highways & Streets Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$21,127,129	3,053,226	7,865,932	32,046,287
Receivables				
Property taxes	8,706,052	-	-	8,706,052
Other taxes	219,453	-	-	219,453
Due from other governments	3,065,457	-	210,950	3,276,407
Accounts receivable	11,104	-	107,639	118,743
Inventory of supplies, at cost	6,838	-	-	6,838
Total Assets	<u>\$33,136,033</u>	<u>3,053,226</u>	<u>8,184,521</u>	<u>44,373,780</u>
<u>Liabilities:</u>				
Accounts payable	\$271,585	-	91,819	363,404
Contracts payable	93,250	90,047	-	183,297
Accrued costs	677,211	-	71,058	748,269
Due to other funds	2,893	-	-	2,893
Unearned revenue	-	-	3,000	3,000
Total Liabilities	<u>1,044,939</u>	<u>90,047</u>	<u>165,877</u>	<u>1,300,863</u>
<u>Deferred Inflows of Resources:</u>				
Unavailable revenue	8,669,674	-	-	8,669,674
<u>Fund Balance:</u>				
Nonspendable:				
Inventory	6,838	-	-	6,838
Restricted for:				
Law enforcement	18,565	-	578,746	597,311
Highways and streets	-	-	1,821,922	1,821,922
Stormwater	-	-	5,015,012	5,015,012
Senior citizens	-	-	108,415	108,415
Highways and streets capital projects	-	2,963,179	-	2,963,179
Law enforcement capital projects	-	-	296,322	296,322
Recreation capital projects	-	-	198,227	198,227
Assigned to:				
Unassigned	23,396,017	-	-	23,396,017
Total Fund Balances	<u>23,421,420</u>	<u>2,963,179</u>	<u>8,018,644</u>	<u>34,403,243</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$33,136,033</u>	<u>3,053,226</u>	<u>8,184,521</u>	<u>44,373,780</u>

See accompanying notes to financial statements.

**CITY OF LA VERGNE, TENNESSEE**

**Reconciliation of Balance Sheet to Statement of Net Position  
of Governmental Activities**

**June 30, 2020**

<b>Amounts reported for fund balance - total governmental funds</b>	<b>\$34,403,243</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and , therefore, are not reported in the funds.	68,265,737
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Property taxes receivable	297,674
Interest payable on long-term obligations are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.	(58,102)
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 is included in governmental activities in the statement of net position.	
Cash	1,158,171
Accounts receivable	74,487
Accounts payable	(356,840)
Due to other funds	(321,596)
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.	30,134
Bond premiums and discounts are amortized as a component of interest over the life of the bonds on the statement of net position.	(101,518)
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 capital leases payable	(9,112,271)
Compensated absences payable	(664,643)
<b>Net position of governmental activities</b>	<b><u>\$93,614,476</u></b>

See accompanying notes to financial statements.

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds**

**For the Year Ended June 30, 2020**

		Capital Project Fund		
	General	Highways & Streets Fund	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues</u></b>				
Taxes	\$20,934,338	-	-	20,934,338
Licenses and permits	525,681	694,273	1,372,334	2,592,288
Fines and fees	183,752	-	113,391	297,143
Intergovernmental	4,155,676	-	1,435,960	5,591,636
Uses of money and property	169,152	1,179	6,513	176,844
Miscellaneous	179,347	-	27,389	206,736
Total Revenue	26,147,946	695,452	2,955,587	29,798,985
<b><u>Expenditures</u></b>				
Current:				
General government	3,386,105	-	-	3,386,105
Public safety:				
Police	7,347,262	-	70,660	7,417,922
Fire and emergency services	4,375,261	-	-	4,375,261
Highways and streets	1,027,363	1,101	978,738	2,007,202
Stormwater	-	-	921,156	921,156
Health and welfare	856,293	-	124,504	980,797
Recreation	771,065	-	77,914	848,979
Library	642,930	-	-	642,930
Debt service	2,008,791	-	70,756	2,079,547
Capital outlay	4,206,937	360,157	228,676	4,795,770
Total Expenditures	24,622,007	361,258	2,472,404	27,455,669
Excess (deficiency) revenues over expenditures	1,525,939	334,194	483,183	2,343,316
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers from other funds	-	-	124,671	124,671
Transfers to other funds	(124,671)	-	-	(124,671)
Total Other Financing Sources (Uses)	(124,671)	-	124,671	-
Net Change in Fund Balance	1,401,268	334,194	607,854	2,343,316
Fund Balance, Beginning of Year	22,018,150	2,628,985	7,410,790	32,057,925
Increase (decrease) in reserve for inventory	2,002	-	-	2,002
Fund Balance, End of Year	\$23,421,420	2,963,179	8,018,644	34,403,243

See accompanying notes to financial statements.

**CITY OF LA VERGNE, TENNESSEE**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities**

**For the Year Ended June 30, 2020**

**Amounts reported for net change in fund balance - total governmental funds** \$2,343,316

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

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:

Cost of assets acquired	4,795,770
Depreciation expense	(3,620,846)
Cost of capital assets disposed of in excess of accumulated depreciation	(17,904)

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the funds:

Property taxes	(18,772)
Contributed capital assets	1,803,980

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 effect of premiums, discounts, loss on  
refundings and similar items when debt is first issued, whereas these  
amounts are deferred and amortized in the statement of activities.

Debt repayment	1,768,458
Amortization of premiums, discounts and deferred amount on refundings	10,843

Interest is accrued on the outstanding bonds in the Statement of Activities,  
whereas in the governmental funds, an interest expenditure is reported  
when due:

Interest on bonded debt	16,672
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Expenses reported for governmental activities do not require the use of  
current financial resources and are not reported as expenditures in the  
governmental funds:

Inventory	2,002
Compensated absences	46,836

Internal service funds are used by management to charge the costs of  
medical insurance to individual funds. The net revenue of certain  
activities of internal service funds is reported with governmental  
activities.

(1,023)

**Change in net position of governmental activities**

\$7,129,332

See accompanying notes to financial statements.



**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, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes:				
Real estate taxes	\$7,840,900	7,840,900	8,035,007	194,107
Payments in lieu of taxes	120,000	120,000	232,324	112,324
Business tax	1,103,000	1,103,000	1,395,176	292,176
Wholesale beer tax	470,000	470,000	541,266	71,266
Wholesale liquor tax	163,500	163,500	243,506	80,006
Local option sales tax	8,000,000	8,000,000	10,043,758	2,043,758
Franchise tax	375,000	375,000	369,871	(5,129)
Hotel/Motel tax	82,000	82,000	73,430	(8,570)
Total Taxes	18,154,400	18,154,400	20,934,338	2,779,938
Licenses and Permits				
Building permits	260,000	260,000	328,374	68,374
Plumbing and mechanical permits	45,000	45,000	45,945	945
Plan review fees	35,000	35,000	109,516	74,516
Beer and liquor licenses	3,000	3,000	500	(2,500)
Other permits	41,900	41,900	41,346	(554)
Total Licenses and Permits	384,900	384,900	525,681	140,781
Intergovernmental Revenues:				
State of Tennessee income tax	25,000	25,000	16,694	(8,306)
State of Tennessee beer tax	15,000	15,000	16,121	1,121
State of Tennessee sales tax	2,900,000	2,900,000	3,144,303	244,303
State of Tennessee petroleum special tax	65,000	65,000	68,322	3,322
State of Tennessee police supplements	32,000	32,000	44,800	12,800
State of Tennessee fire supplements	25,000	25,000	39,200	14,200
TVA and NES in lieu tax	420,000	420,000	467,498	47,498
Grants- federal and state	31,000	331,000	332,411	1,411
Other state and county shared taxes	14,220	14,220	26,327	12,107
Total Intergovernmental Revenues	3,527,220	3,827,220	4,155,676	328,456
Fines and forfeits	352,000	352,000	183,752	(168,248)
Uses of Property and Money:				
Penalties	30,000	30,000	25,545	(4,455)
Interest earned	17,000	17,000	104,933	87,933
Rent	12,000	12,000	8,735	(3,265)
Recreation fees	9,500	9,500	15,074	5,574
Library fees	14,600	14,600	9,881	(4,719)
Fees and commissions	4,050	4,050	4,984	934
Total Uses of Property and Money	87,150	87,150	169,152	82,002
Other:				
Contributions and private grants	12,300	25,550	61,051	35,501
Sale of capital assets	8,000	8,000	351	(7,649)
Miscellaneous	12,000	12,000	117,945	105,945
Total Other	32,300	45,550	179,347	133,797
Total revenues	22,537,970	22,851,220	26,147,946	3,296,726
Expenditures:				
General Government:				
Current:				
Legislative Board:				
Salaries	29,400	29,400	29,400	-
Benefits and payroll taxes	106,764	106,764	106,526	238
Travel	4,000	4,000	459	3,541
Other	18,900	18,900	14,980	3,920
Total Legislative Board	159,064	159,064	151,365	7,699

Continued on next page

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

**General Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
General Government, Continued:				
Current, Continued:				
Judicial:				
Salaries	\$164,382	164,382	161,021	3,361
Benefits and payroll taxes	72,102	72,102	66,714	5,388
Contractual services and other	49,050	49,050	26,895	22,155
Total City and General Sessions Court	285,534	285,534	254,630	30,904
City Administration:				
Salaries	111,257	111,257	117,561	(6,304)
Benefits and payroll taxes	72,187	72,187	71,025	1,162
Memberships and publications	3,000	3,000	2,682	318
Supplies	5,200	5,200	3,854	1,346
Other	2,920	2,920	764	2,156
Travel	2,000	2,000	601	1,399
Total City Administration	196,564	196,564	196,487	77
City Recorder				
Salaries	91,319	91,319	47,016	44,303
Benefits and payroll taxes	53,534	53,534	37,377	16,157
Memberships and publications	5,300	5,300	3,221	2,079
Professional services	2,500	2,500	3,481	(981)
Equipment rental	4,000	4,000	2,549	1,451
Other	9,390	9,390	4,530	4,860
Total City Recorder	166,043	166,043	98,174	67,869
Tax Administration:				
Salaries	45,823	45,823	46,638	(815)
Benefits and payroll taxes	26,784	26,784	25,874	910
Professional services	5,500	5,500	4,332	1,168
Supplies and postage	7,850	7,850	4,356	3,494
Repairs and maintenance	6,000	6,000	4,466	1,534
Tax relief	9,500	9,500	9,736	(236)
Total Tax Administration	101,457	101,457	95,402	6,055
Treasurer:				
Salaries	144,227	144,227	148,235	(4,008)
Benefits and payroll taxes	169,329	169,329	153,981	15,348
Memberships, training and publications	4,800	4,800	2,603	2,197
Supplies	7,200	7,200	8,302	(1,102)
Repairs and maintenance	15,000	15,000	24,173	(9,173)
Professional services	20,500	20,500	19,236	1,264
Bank charges	16,000	16,000	173	15,827
Other	4,000	4,000	-	4,000
Total Treasurer	381,056	381,056	356,703	24,353
Human Resources:				
Salaries	84,526	84,526	76,610	7,916
Benefits and payroll taxes	110,385	110,385	94,589	15,796
Memberships, training and publications	15,900	15,900	13,527	2,373
Travel	2,200	2,200	806	1,394
Supplies and other	4,200	4,200	2,253	1,947
Professional services	112,000	112,000	64,382	47,618
Total Human Resources	329,211	329,211	252,167	77,044

Continued on next page

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

**General Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
General Government, Continued:				
Current, Continued:				
Engineering::				
Salaries	\$108,205	108,205	115,057	(6,852)
Benefits and payroll taxes	103,964	103,964	102,321	1,643
Memberships, training and publications	3,600	3,600	1,159	2,441
Professional services	15,000	15,000	6,681	8,319
Supplies	8,450	8,450	6,732	1,718
Travel	500	500	333	167
Other	14,350	14,350	5,532	8,818
Total Engineering	254,069	254,069	237,815	16,254
Information Technology:				
Salaries	107,127	107,127	76,497	30,630
Benefits and payroll taxes	66,400	66,400	59,568	6,832
Memberships and publications	43,700	43,700	27,621	16,079
Supplies	46,350	46,350	36,054	10,296
Telephone	180,000	180,000	204,053	(24,053)
Professional services	21,495	21,495	-	21,495
Repairs and maintenance	70,000	70,000	65,493	4,507
Other	100	100	71	29
Total Information Technology	535,172	535,172	469,357	65,815
Codes Administration:				
Salaries	444,118	444,118	383,395	60,723
Benefits and payroll taxes	233,127	233,127	169,797	63,330
Memberships, training and publications	12,300	12,300	11,067	1,233
Utilities	5,150	5,150	5,090	60
Repairs and maintenance	40,000	40,000	34,802	5,198
Supplies	20,750	20,750	9,909	10,841
Professional services	205,200	205,200	156,113	49,087
Grants and donations	22,000	22,000	20,155	1,845
Other	20,950	20,950	3,861	17,089
Total Codes Administration	1,003,595	1,003,595	794,189	209,406
Buildings and grounds maintenance				
Salaries	-	-	-	-
Benefits and payroll taxes	-	-	-	-
Health department	4,000	4,000	4,000	-
Utilities	37,000	37,000	26,012	10,988
Repairs and maintenance	65,000	65,000	17,109	47,891
Supplies	24,300	24,300	19,079	5,221
Equipment rentals and pole fee	24,000	24,000	22,686	1,314
Insurance	420,000	420,000	389,763	30,237
Other	1,700	10,270	1,167	9,103
Total City Hall Building	576,000	584,570	479,816	104,754
Total Current	3,987,765	3,996,335	3,386,105	610,230
Capital Outlay	65,000	2,463,368	2,427,697	35,671
Total General Government	4,052,765	6,459,703	5,813,802	645,901

Continued on next page

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

**General Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Public Safety:				
Police :				
Current:				
Salaries	\$4,821,600	4,821,600	4,572,400	249,200
Benefits and payroll taxes	2,184,311	2,184,311	1,866,418	317,893
Memberships, training and publications	69,600	69,600	39,985	29,615
Utilities	51,300	51,300	48,902	2,398
Communications	220,000	220,000	116,613	103,387
Professional services	55,200	55,200	34,909	20,291
Repairs and maintenance	227,500	227,500	258,447	(30,947)
Travel	19,000	19,000	22,535	(3,535)
K-9 operations	5,500	5,500	7,989	(2,489)
Supplies	363,754	363,754	339,386	24,368
Equipment rental	12,000	12,000	8,324	3,676
Grants and appropriations	8,000	8,000	6,407	1,593
Other	26,100	26,100	24,947	1,153
Total Police	8,063,865	8,063,865	7,347,262	716,603
Fire Protection and Emergency Services				
Salaries	2,707,734	2,707,734	2,634,719	73,015
Benefits and payroll taxes	1,307,195	1,307,195	1,222,324	84,871
Memberships, training and public relations	35,500	35,500	32,139	3,361
Utilities	36,800	36,800	36,545	255
Repairs and maintenance	133,500	133,500	141,083	(7,583)
Equipment rental	5,000	5,000	5,285	(285)
Supplies	175,000	188,250	229,425	(41,175)
Hazmat supplies	10,000	10,000	10,516	(516)
Professional services	20,500	127,500	11,716	115,784
Training	30,000	30,000	32,605	(2,605)
Fire prevention program	21,000	21,000	14,083	6,917
Grants, contributions and indemnities	10,000	10,000	-	10,000
Other	11,970	11,970	4,821	7,149
Total Fire Protection and Control	4,504,199	4,624,449	4,375,261	249,188
Total Current	12,568,064	12,688,314	11,722,523	965,791
Capital Outlay	957,950	1,562,950	1,558,493	4,457
Total Public Safety	13,526,014	14,251,264	13,281,016	970,248
Highways and Streets:				
Road Maintenance:				
Current:				
Salaries	336,414	336,414	316,536	19,878
Benefits and payroll taxes	207,620	207,620	220,836	(13,216)
Utilities	7,800	7,800	6,722	1,078
Repairs and maintenance	36,400	36,400	51,483	(15,083)
Professional services	-	-	378	(378)
Equipment rental	850	850	820	30
Supplies	75,300	75,300	51,219	24,081
Other	2,400	2,400	-	2,400
Total Road Maintenance	666,784	666,784	647,994	18,790
Fleet Maintenance:				
Salaries	96,966	96,966	96,467	499
Benefits and payroll taxes	54,248	54,248	53,140	1,108
Repairs and maintenance	121,500	196,500	192,205	4,295
Supplies and other	37,550	37,550	37,557	(7)
Total Fleet Maintenance	310,264	385,264	379,369	5,895
Total Current	977,048	1,052,048	1,027,363	24,685
Capital Outlay	-	-	5,864	(5,864)
Total Highways and Streets	977,048	1,052,048	1,033,227	18,821

Continued on next page

**CITY OF LA VERGNE, TENNESSEE**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (GAAP Basis) and Actual, Continued**  
**General Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures, Continued:				
Health and Welfare:				
Health and social benefits::				
Current:				
Housing rehabs	\$ -	300,000	294,695	5,305
Total Health and social benefits	-	300,000	294,695	5,305
Culture and Tourism:				
Grants and contributions	71,835	71,835	68,335	3,500
Total Culture and Tourism	71,835	71,835	68,335	3,500
Economic Development				
Current:				
Salaries	223,286	223,286	230,369	(7,083)
Benefits and payroll taxes	107,693	107,693	107,109	584
Public relations, memberships and recruitment	39,600	39,600	18,361	21,239
Professional services	50,000	50,000	53,810	(3,810)
Supplies and repairs	21,550	21,550	2,870	18,680
Travel	21,200	21,200	12,247	8,953
Grants and contributions	39,000	59,000	59,000	-
Conference expenditures	15,000	15,000	2,648	12,352
Pageant and Christmas promotions	3,000	3,000	3,000	-
Other	5,886	5,886	3,849	2,037
Total Economic Development	526,215	546,215	493,263	52,952
Total Current	598,050	918,050	856,293	61,757
Capital Outlay	200,000	200,000	153,195	46,805
Total Health and Welfare	798,050	1,118,050	1,009,488	108,562
Recreation:				
Current:				
Salaries	337,185	337,185	286,206	50,979
Benefits and payroll taxes	339,348	339,348	253,032	86,316
Utilities	69,000	69,000	61,526	7,474
Repairs and maintenance	52,500	52,500	50,680	1,820
Professional services	1,000	1,000	298	702
Public relations and community events	54,000	54,000	53,926	74
Supplies	49,500	49,500	48,679	821
Equipment rental	4,500	4,500	4,146	354
Program and league expenditures	12,300	12,300	8,487	3,813
Other	2,850	2,850	4,085	(1,235)
Total Recreation	922,183	922,183	771,065	151,118
Total Current	922,183	922,183	771,065	151,118
Capital Outlay	38,000	38,000	61,688	(23,688)
Total Recreation	960,183	960,183	832,753	127,430
Library:				
Current:				
Salaries	362,652	362,652	338,335	24,317
Benefits and payroll taxes	141,074	141,074	115,196	25,878
Memberships and publications	11,700	11,700	6,515	5,185
Utilities	55,992	55,992	43,994	11,998
Professional services	300	300	178	122
Repairs and maintenance	45,000	45,000	53,629	(8,629)
Books and materials	64,500	64,500	36,534	27,966
Supplies	23,500	23,500	18,248	5,252
Equipment rental	12,000	12,000	12,988	(988)
Childrens' programs	21,500	21,500	17,313	4,187
Other	500	500	-	500
Total Library	738,718	738,718	642,930	95,788
Total Current	738,718	738,718	642,930	95,788
Capital Outlay	-	-	-	-
Total Library	738,718	738,718	642,930	95,788
Debt Service:				
Principal	1,707,208	1,707,208	1,707,208	-
Interest	299,948	299,948	299,948	-
Other charges - bond and service charges	1,800	1,800	1,635	165
Total Debt Service	2,008,956	2,008,956	2,008,791	165
Total Expenditures	23,061,734	26,588,922	24,622,007	1,966,915

Continued on next page

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual, Continued**

**General Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess of Revenues Over (Under) Expenditures, Continued:				
Excess Revenues Over (Under) Expenditures	(\$523,764)	(3,737,702)	1,525,939	5,263,641
Other Financing Sources (Uses):				
Insurance proceeds	-	-	-	-
Transfer out	(124,671)	(124,671)	(124,671)	-
Total Other Financing Sources (Uses)	(124,671)	(124,671)	(124,671)	-
Net Change in Fund Balance	(648,435)	(3,862,373)	1,401,268	5,263,641
Fund Balance, Beginning of Year	22,018,150	22,018,150	22,018,150	-
Increase (decrease) in reserve for inventory	-	-	2,002	2,002
Fund Balance, End of Year	\$21,369,715	18,155,777	23,421,420	5,265,643

See accompanying notes to financial statements.

**CITY OF LA VERGNE, TENNESSEE**

**Statement of Net Position  
Proprietary Funds**

**June 30, 2020**

	Activity Type	
	Business Enterprise Fund	Governmental Internal Service Fund
	Water & Sewer Fund	Self-Insured Medical Insurance Fund
<b><u>Assets</u></b>		
Current Assets:		
Cash and cash equivalents	\$20,960,842	\$1,158,171
Receivables:		
Utility customers / stop loss insurance , net of allowance for estimated uncollectible	2,295,743	74,487
Due from other funds	2,893	-
Inventory, at cost	227,824	-
Total Current Assets	<u>23,487,302</u>	<u>1,232,658</u>
Noncurrent Assets:		
Restricted Assets: Cash - bond proceeds	3,921,530	-
Property, Plant and Equipment		
Land and improvements	1,332,193	-
Water storage rights	1,636,695	-
Water treatment plant	18,809,780	-
Structures and improvements	60,320,061	-
Operating equipment	7,374,728	-
Office furniture and equipment	429,670	-
Transportation equipment	739,166	-
Construction in progress	652,974	-
Less accumulated depreciation	(38,821,282)	-
Total Property, Plant and Equipment, Net	<u>52,473,985</u>	<u>-</u>
Total Noncurrent Assets	<u>56,395,515</u>	<u>-</u>
Total Assets	<u>79,882,817</u>	<u>1,232,658</u>
<b><u>Deferred Outflows of Resources:</u></b>		
Deferred amounts on refunding	<u>72,720</u>	<u>-</u>
<b><u>Liabilities:</u></b>		
Current Liabilities (payable from current assets):		
Accounts payable	\$488,256	356,840
Accrued expenses	119,854	-
Interest payable	143,945	-
Contracts payable	8,170	-
Current maturities of long-term debt	1,220,000	-
Total Current Liabilities (payable from current assets)	<u>1,980,225</u>	<u>356,840</u>
Current Liabilities (payable from restricted assets):		
Customer deposits	22,500	-
Total Current Liabilities	<u>2,002,725</u>	<u>356,840</u>
Long-term debt, net of current maturities	<u>14,590,357</u>	<u>-</u>
Total Liabilities	<u>16,593,082</u>	<u>356,840</u>
<b><u>Net Position</u></b>		
Net invesment in capital assets	40,649,708	-
Unrestricted	22,712,747	875,818
Total Net Position	<u>\$63,362,455</u>	<u>875,818</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>321,596</u>	
Net postioon of business-type activities	<u>\$63,684,051</u>	

See accompanying notes to financial statements

**CITY OF LA VERGNE, TENNESSEE**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	Business-type Activities Enterprise Fund	Governmental- type Activities Internal Service Fund Self-Insured Medical Insurance Fund
<u>Operating Revenues</u>		
Water sales and related services	\$5,105,542	-
Sewer service charges	6,778,525	-
Fire service	66,638	-
Access charges	70,470	-
Other	67,274	-
Charges for services	-	4,134,681
Forfeited discounts	270,793	-
Total Operating Revenues	<u>12,359,242</u>	<u>4,134,681</u>
<u>Operating Expenses</u>		
Medical claims paid and related items	-	3,511,284
Sewer treatment charges	2,234,070	-
Salaries	1,746,824	-
Benefits and payroll taxes	593,043	-
Office supplies and materials	38,513	-
Telephone and utilities	494,825	-
Maintenance and repairs	273,108	-
Operating supplies	760,759	-
Insurance and insurance administrative fees	306,268	637,492
Plant operation contract service	1,611,944	-
Professional services	205,193	-
Depreciation	2,209,117	-
Other	35,209	-
Total Operating Expenses	<u>10,508,873</u>	<u>4,148,776</u>
Operating Income (loss)	<u>1,850,369</u>	<u>(14,095)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Interest income	32,272	410
Rent income	51,052	-
Interest expense	<u>(444,602)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(361,278)</u>	<u>410</u>
Net Income (loss) Before Contributions	1,489,091	(13,685)
<u>Capital Contributions - tap fees</u>	2,377,105	-
<u>Capital Contributions - donated capital assets</u>	746,307	-
Change in Net Position	<u>4,612,503</u>	<u>(13,685)</u>
Net Position, Beginning of Year,	<u>58,749,952</u>	<u>889,503</u>
Net Position, End of Year	<u>63,362,455</u>	<u>875,818</u>
Change in Net Position shown above	4,612,503	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund	<u>(12,662)</u>	
Change in net position of business-type activities	<u>\$4,599,841</u>	

See accompanying notes to financial statements



**CITY OF LA VERGNE, TENNESSEE**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year Ended June 30, 2020**

	Business-type Activities Enterprise Fund	Governmental- type Activities Internal Service Fund Self-Insured Medical Insurance Fund
<u>Cash Flows Provided (Used) by Operations</u>		
Cash received from customers	\$12,379,276	-
Premiums and stop-loss received	-	4,168,198
Cash paid to employees for services	(1,741,256)	-
Cash paid to suppliers of goods and services	(6,431,511)	(4,038,149)
Cash paid for inter-fund borrowing	(2,893)	-
Cash received (paid) for customer deposits	7,500	-
Net Cash Provided (Used) by Operating Activities	<u>4,211,116</u>	<u>130,049</u>
<u>Cash Flows Provided (Used) by Capital Related Financing Activities</u>		
Contributions from customers and others	2,377,105	-
Purchase of property, plant and equipment	(2,706,160)	-
Interest paid on debt	(492,335)	-
Cash from rents received	51,052	-
Payments on long-term debt	(1,225,000)	-
Net Cash Used by Capital Related Financing Activities	<u>(1,995,338)</u>	<u>-</u>
<u>Cash Flows Provided (Used) by Investing Activities</u>		
Interest received on investments	32,272	410
Net Cash Provided (Used) by Investing Activities	<u>32,272</u>	<u>410</u>
Net Increase (Decrease) in Cash	2,248,050	130,459
Cash, Cash Equivalents and Restricted Cash, Beginning of year	<u>22,634,322</u>	<u>1,027,712</u>
Cash, Cash Equivalents and Restricted Cash, End of year	<u><u>\$24,882,372</u></u>	<u><u>1,158,171</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operations</u>		
Operating income (loss)	\$1,850,369	(14,095)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	2,209,117	-
(Increase) decrease in:		
Accounts receivable and other receivables	20,034	33,517
Inventory	49,139	-
Due from other funds	(2,893)	-
Increase (decrease) in:		
Accounts payable	74,873	110,627
Accrued expenses	2,977	-
Customer deposits	7,500	-
Net Cash Provided (Used) from Operating Activities	<u><u>\$4,211,116</u></u>	<u><u>130,049</u></u>
<u>Supplemental Schedule of Non-Cash Capital Financing Activities</u>		
Contributed water and sewer lines	\$746,307	
Capital assets acquired with contracts payable	8,170	
Liquidation of contracts payable for capital assets	(208,038)	
Amortization of bond premiums	69,897	
Amortization of deferred amounts on refundings	(31,143)	

See accompanying notes to financial statements

# **City of La Vergne, Tennessee**

## **Notes to Financial Statements**

**June 30, 2020**

### **1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of La Vergne, Tennessee 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 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 Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's 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 the Governmental Accounting Standards Board Statement Number 14. The accompanying financial statements present the government and its component unit. Component units are entities for which the government is considered to be 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 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 limitations to maintain and increase employment opportunities, production of agricultural commodities and 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.

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 changes in net position) 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, 2020 the City had no fiduciary activities.

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.

**City of La Vergne, Tennessee**

**Notes to Financial Statements**

**June 30, 2020**

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 revenue 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 susceptible to 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 Capital Projects Fund is used to account 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 funds:

The Water & Sewer Fund accounts for the water and waste water services provided to customers of the system.

Additionally, the City reports the following fund types:

Internal service fund, to account for costs associated with the employees' health insurance plan.

As a general rule the effect of interfund activity has 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 for which elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 non-operating 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 non-operating 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.

#### Cash, Cash Equivalents and Investments

The City of La Vergne is authorized to invest in U.S. Treasury Bills bond or notes and certificates of deposit in local state and federal chartered banks and savings and loan associations as well as participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposits, U.S. Treasury securities and Repurchase Agreements, backed by the U.S. Treasury Securities. The investment pool is administered by the Treasurer of the State of Tennessee. City of La Vergne policy, as required by state statutes, dictates that collateral meet certain requirements, such as, be deposited in an institution which participates in the State Collateral Pool or be deposited in an escrow account in another institution for the benefit of the City of La Vergne and must be a minimum of 105% of the value of the deposits placed in the institutions less the amount protected by federal deposit insurance. The state collateral pool is 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, 2020, all City cash deposits were in checking or pass book accounts at a local bank which 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.

#### Inventory and Prepaid Items

Inventory of proprietary funds, principally materials, supplies and replacement parts, is valued using the first-in, first-out method (FIFO). Any inventories of governmental funds have been valued at cost also using the first-in, first-out method (FIFO). Inventory of governmental funds are accounted for on the purchase basis. 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.

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 uncollectibles. The property tax receivable allowance is equal to 30.5 percent of outstanding undeferred receivable.

#### 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 activities columns in the government-wide financial statements. Capital assets are defined by the government 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 asset or materially extend assets' lives 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 Number 10.

#### Appropriations

Appropriations to other funds are accounted for as inter-fund 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 that are properly applicable to another fund. These are recorded as revenues in the fund being reimbursed and expenses in the fund reimbursing.

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Compensated Absences

City policy permits the accumulation within certain limitations, of vacation and sick leave. Vacation leave may accumulate to a maximum of 30 days. Sick leave accumulation is unlimited. No amounts 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. Governmental funds compensated absences are generally liquidated by the General Fund.

#### Long-term Obligations

In the government-wide financial statements, and 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. Loss or refunding is reported as deferred outflows of resources and 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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) 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.

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, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) 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 recognized as an inflow of resources in the periods that the amounts become available. The deferred inflows reported in the statement of net position consists primarily of assessed and unlevied property taxes and income taxes, and arises from imposed non-exchange revenues (property taxes) which are assessed prior to the end of the year but levied the subsequent year.

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Equity Classification

In the government-wide financial statements, equity is shown as net position and 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* – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (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 net position* – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

#### Fund Balance

In accordance with Governmental Accounting Standard Board (GASB) Statement 54, fund balance is reported in the fund financial statements under the following categories. *Nonspendable fund balance* represents amounts that are required to be maintained intact, 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 resource or through enabling legislation. *Committed fund balance* includes amounts constrained to specific purposes as determined by formal action of the City using its highest level of decision-making authority, 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. *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 require that committed amounts would 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	40%
- Personal	30%

Public Utility Property	55%
Farm and Residential Property	25%

Taxes were levied at a rate of \$.71 per \$100 and \$.71 per \$100 of assessed valuation for tax year 2019 and tax year 2020, respectively. Payments may be made during the period from October 1 through February 28. Current tax collections of \$8,157,728 for the fiscal year ended June 30, 2020 were approximately 98 percent of the tax levy. Delinquent taxes past due for fourteen months are turned over to the county clerk for collection.

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property Tax (Continued)

The government-wide financial statements report property taxes receivable of \$8,529,052 which is net of an allowance for doubtful collections of \$177,000. Of this receivable amount, \$511,052 represents prior year property taxes, \$8,195,000 represents the estimated net realizable 2020 property taxes assessed but which will not be levied until the subsequent fiscal year, and which are included in deferred inflow of resources. The receivable reported in the governmental funds balance sheet is \$8,706,052 with an offsetting deferred inflow of resources for amounts not available at June 30, 2020. The amount included in other taxes receivable reported in the statements of \$219,453 is for beer, business, liquor, franchise and hotel-motel taxes. There were no tax abatements requiring disclosure under GASB 77.

### 2) 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 percent secured by collateral, less the amount of Federal Deposit Insurance Corporation insurance (FDIC) or deposited in an institution which 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, 2020, there were no amounts exposed to custodial credit risk.

#### Investments

At June 30, 2020, the City had no investments.

### 3) CAPITAL ASSETS

#### Governmental Activities

Capital assets activity for the year ended June 30, 2020 was as follows:

Asset	Balance July 1, 2019	Increases	Decreases	Reclasses	Balance June 30, 2020
<u>Capital assets not being depreciated:</u>					
Land & right of way	\$ 5,786,733	2,279,821	-	-	8,066,554
Construction in process	1,181,520	1,257,332	-	(1,852,572)	586,280
<u>Capital assets being depreciated:</u>					
Buildings	9,165,803	125,500	-	-	9,291,303
Improvements other than buildings	9,358,697	215,107	-	-	9,573,804
Equipment	19,325,436	918,010	(435,613)	1,852,572	21,660,405
Infrastructure	73,221,779	1,803,980	-	-	75,025,759
Total	\$ 118,039,968	6,599,750	(435,613)	-	124,204,105
<u>Accumulated Depreciation</u>					
Buildings	\$ 3,641,075	228,911	-	-	3,869,986
Improvements other than buildings	3,492,362	237,560	-	-	3,729,922
Equipment	12,363,740	1,547,138	(417,709)	-	13,493,169
Infrastructure	33,238,054	1,607,237	-	-	34,845,291
Total accumulated depreciation	\$ 52,735,231	3,620,846	(417,709)	-	55,938,368
Governmental activities capital assets – net	\$ 65,304,737				68,265,737



**City of La Vergne, Tennessee**

**Notes to Financial Statements**

**June 30, 2020**

**3) CAPITAL ASSETS (Continued)**

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

General Government	\$ 156,491
Public Safety	
Police	632,127
Fire	653,242
Highways and Streets	1,662,653
Stormwater	108,925
Health and Welfare	1,797
Recreation	322,619
Library	<u>82,992</u>
	\$ <u>3,620,846</u>

Current year additions included \$1,803,980 of donated improvements from developers.

**Business-Type Activities:**

Capital assets of the Enterprise Fund consisted of the following at June 30, 2020:

Asset	Balance July 1, 2019	Increases	Decreases	Reclasses	Balance June 30, 2020
<b><u>Capital assets not being depreciated:</u></b>					
Land	\$ 1,332,193	-	-	-	1,332,193
Water storage rights	1,636,695	-	-	-	1,636,695
Construction in progress	1,746,641	820,773	-	(1,914,480)	652,974
<b><u>Capital assets being depreciated:</u></b>					
Utility plant and buildings	74,853,856	2,377,105	-	1,898,880	79,129,841
Machinery and equipment	<u>8,473,283</u>	<u>54,681</u>	-	<u>15,600</u>	<u>8,543,564</u>
Total capital assets	<u>88,042,668</u>	<u>3,252,559</u>	-	-	<u>91,295,267</u>
<b><u>Less accumulated depreciation:</u></b>					
Utility plant and buildings	30,545,505	1,908,162	-	-	32,453,667
Machinery and equipment	<u>6,066,660</u>	<u>300,955</u>	-	-	<u>6,367,615</u>
Total accumulated depreciation	<u>36,612,165</u>	<u>2,209,117</u>	-	-	<u>38,821,282</u>
Net capital assets	\$ <u>51,430,503</u>				<u>52,473,985</u>

Depreciation expense for 2020 amounted to \$2,209,117.

Current year additions included \$746,307 of donated water and sewer lines.

**4) RECEIVABLES**

A summary of receivables at June 30, 2020 is as follows:

	Major Governmental Fund	Nonmajor Funds	Water and Sewer Fund	Self Insured Medical Insurance Fund	Total
Property tax	\$ 8,706,052	-	-	-	8,706,052
Other taxes	219,453	-	-	-	219,453
Customer & other	11,104	-	-	-	11,104
Other governments	3,065,457	318,589	2,726,856	74,487	6,185,389
Less allowance	<u>(177,000)</u>	-	<u>(431,113)</u>	-	<u>(608,113)</u>
Total	\$ <u>11,825,066</u>	<u>318,589</u>	<u>2,295,743</u>	<u>74,487</u>	<u>14,513,885</u>

**City of La Vergne, Tennessee**

**Notes to Financial Statements**

**June 30, 2020**

**5) DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

Deferred inflows of resources consist of amounts that are unavailable to liquidate liabilities of the current period. At June 30, 2020 the various components of deferred outflows and inflows of resources were as follows:

	Government-wide <u>Statements</u>
<u>Deferred outflows of resources</u>	
Deferred charge on refunding	\$ <u>102,854</u>
<u>Deferred inflows of resources</u>	
Property taxes- 2020 assessed and unlevied	\$ <u>8,195,000</u>

In the fund statements, deferred inflows of resources in the Proprietary Fund consists of deferred amounts on refunding. The deferred inflows of resources in the governmental funds of \$8,669,674 consist of unlevied property taxes of \$8,195,000 and delinquent property taxes of \$474,674.

**6) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE**

The government issues general obligation bonds, 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 where the government pledges income derived from the acquired or constructed assets to pay debt service. These bonds related 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 ended June 30, 2020:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Payable</u> <u>Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
General obligations bonds	\$10,135,000	-	1,430,000	8,705,000	1,435,000
Bond premiums	<u>135,713</u>	-	<u>34,195</u>	<u>101,518</u>	-
	<u>10,270,713</u>	-	<u>1,464,195</u>	<u>8,806,518</u>	<u>1,435,000</u>
Capital lease obligation	745,729	-	338,458	407,271	219,928
Compensated absences	<u>711,479</u>	<u>462,167</u>	<u>509,003</u>	<u>664,643</u>	<u>664,643</u>
Total	<u>\$11,727,921</u>	<u>462,167</u>	<u>2,311,656</u>	<u>9,878,432</u>	<u>2,319,571</u>
<u>Business-type Activities:</u>					
Revenue and tax bonds	\$16,765,000	-	1,225,000	15,540,000	1,220,000
Bond premiums	<u>340,254</u>	-	<u>69,897</u>	<u>270,357</u>	-
	<u>\$17,105,254</u>	-	<u>1,294,897</u>	<u>15,810,357</u>	<u>1,220,000</u>

**City of La Vergne, Tennessee**

**Notes to Financial Statements**

**June 30, 2020**

**6) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (Continued)**

Long-term debt payable at June 30, 2020 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 average rate of 3.639%.	\$ 2,160,000
2014 General Obligation Refunding Bonds (\$2,630,000) due in annual installments through 2025. Interest accrues at 2% to 3%.	1,360,000
2015 General Obligation Refunding Bonds (\$5,420,000) due in annual installments through 2035. Interest accrues at 2% to 3.25%.	4,370,000
2016 General Obligation Refunding Bonds (\$1,995,000) due in annual installments through October 2021. Interest accrues at 3%.	<u>815,000</u>
Total Governmental Activities	\$ <u>8,705,000</u>

Business-type activities

2013 Water and Sewer Revenue and Tax Refunding Bonds (\$13,585,000) due in annual installments through March 2033. Interest accrues at 2.0% to 3.3%.	\$ 11,320,000
2014 Water and Sewer Revenue and Tax Refunding Bonds (\$6,410,000) due in annual installments through 2025. Interest accrues at 2% to 3%.	3,455,000
2016 Water and Sewer Revenue and Tax Refunding Bonds (\$1,820,000) due in annual installments through October 2021. Interest accrues at 3%.	<u>765,000</u>
Total Business-type activities	\$ <u>15,540,000</u>

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2020 including interest payments are as follows:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Bonds</u>		<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,435,000	247,301	1,220,000	457,785
2022	1,465,000	205,895	1,200,000	423,110
2023	1,065,000	169,308	1,240,000	394,385
2024	1,090,000	136,872	1,215,000	362,685
2025	560,000	103,373	1,195,000	331,235
2026-2030	1,440,000	385,132	6,100,000	1,104,925
2031-2035	<u>1,650,000</u>	<u>161,750</u>	<u>3,370,000</u>	<u>220,605</u>
	\$ <u>8,705,000</u>	<u>1,409,631</u>	<u>15,540,000</u>	<u>3,294,730</u>

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 6) LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (Continued)

#### Advance Refundings

The City's prior year's advance refunding issues that have underlying refunded debt outstanding at June 30, 2020, consisted of the following:

<u>Defeased Debt</u>	
<u>Description of Issues Refunded</u>	<u>Balance 6/30/2020</u>
Water and Sewer Revenue and Tax Bonds 2001	\$ 875,000
General Obligation Bonds 2001	<u>805,000</u>
	<u>\$1,680,000</u>

#### Debt Coverage

The Water and Sewer Revenue and Tax Bonds do not require specific debt coverage ratios.

#### Other

The City's outstanding bond payables contain provisions that in the event of default, outstanding amounts are to become immediately due if the City is unable to make payment. At June 30, 2020, 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 Activities Revenue and Tax Bonds are secured by the user fees of the system as well as the taxing authority of the City.

#### Capital Leases

The City entered into leases for the purchase of certain public safety communications equipment. The leases require repayment terms and have been accounted for as financing transactions. The City will have title to the assets by satisfying the minimum lease payments. The assets acquired through the capital lease are as follows:

	<u>Governmental Activities</u>
Communication equipment	\$ 1,646,259
Less accumulated depreciation	<u>1,001,474</u>
	<u>\$ 644,785</u>

The future minimum lease obligations and net present value of those payments are as follows:

	<u>Lease Obligations</u>		<u>Total</u>
2021	\$ 163,340	65,270	228,610
2022	-	65,270	65,270
2023	-	65,270	65,270
2024	-	<u>65,270</u>	<u>65,270</u>
	163,340	261,080	424,420
Less amount representing interest	<u>3,140</u>	<u>14,009</u>	<u>17,149</u>
Present value of lease obligations	\$ <u>160,200</u>	<u>247,071</u>	<u>407,271</u>

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 7) DEFINED CONTRIBUTION PENSION PLAN AND DEFERRED COMPENSATION PLAN

The City offers its employees a defined contribution and salary reduction plan created in accordance with Internal Service Code Sections 401 (a) and 457. The plans' participation is optional and are available to fulltime employees after 90 days of service. The plans allow employees to defer a portion of their salary to future years. The plans may be amended or terminated by action of the City board, however no termination or amendment shall affect the rights of a participants' credited benefits or 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. The plans are administered by ICMA Retirement Services, a non-profit financial services corporation. Separate financial statements are not available for the plans.

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

Monthly contributions are optional up to IRS regulated amounts. Employee benefits are available after separation from service, death, after age 70 1/2 and emergency withdrawals as defined by the IRS. Total contributions by employees were \$172,509.

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

Monthly contributions are optional and a 1% employee contribution of gross wages is required to receive a 4.5% maximum matching contribution by the City. Employees are 100% vested upon participation which results in no forfeitures of matching contributions. Employee benefits are available after separation of service or after age 70 1/2. The plan also allows loans from the plan. 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 2020 was \$11,977,595. The City's contributions were calculated using the base salary amount of \$7,860,200. The contributions to the plan by the City for the year ended June 30, 2020 were \$353,709 (4.5% of covered payroll) and total contributions by employees were \$78,602 (1% covered payroll).

### 8) COMMITMENTS AND CONTINGENCIES

#### Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City 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 on the City.

#### Contractual Agreements

The City is under contract with the Metropolitan Government of Nashville and Davidson County, Tennessee (Metro) to provide sewer treatment services for its customers. The City paid \$2,234,070 under the contract for 2020. The contract is through November 2020.

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 February 2023 and during fiscal 2020 the City paid \$1,611,944 under the contract. The fiscal year 2020 annual base amount is \$1,511,671.

#### Construction Contracts

The City's construction contracts were all substantially complete at June 30, 2020.

#### 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.

# City of La Vergne, Tennessee

## Notes to Financial Statements

June 30, 2020

### 8) COMMITMENTS AND CONTINGENCIES, Continued

#### 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 one hundred 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 the commercial insurance company is in bankruptcy, and 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, any potential future assessments would be material to the City's financial statements.

### 9) INTERFUND TRANSACTIONS

Interfund receivables and payables are attributable to obligations for operating transfers between funds. The consolidation of the internal service fund resulted in an internal balance of \$324,489.

Interfund transfers for the year ended June 30, 2020 are attributable to the budgeted allocation of resources from one fund to another and consist of the following:

	<u>Transfer In</u> <u>Other Governmental Funds</u>		
	Senior Citizens Fund	Drug Enforcement Fund	Total
<u>Transfer from:</u>			
General Fund	\$ <u>94,671</u>	<u>30,000</u>	<u>124,671</u>

### 10) RISK MANAGEMENT

The City has chosen to establish the Self Insured Medical Insurance Fund (internal service fund) for risks associated with the employees' health insurance plan. The fund is accounted for as an internal service fund where assets are set aside for claim settlements. The City retains the risk of loss to a limit of \$85,000 per employee, and \$5,474,707 aggregate annual cap which includes stop loss and administration fees. The City has obtained a stop/loss commercial insurance policy to cover claims beyond this liability. All full-time employees of the government 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 assets and liabilities of this fund have been allocated to the participating funds.

Changes in the balance of claims liabilities during the past three fiscal years are as follows:

	<u>Beginning-of-</u> <u>Fiscal-Year Liability</u>	<u>Current Year Claims</u> <u>and Changes in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Fiscal Year-End</u>
2017-2018	\$ 189,962	3,676,437	(3,674,518)	191,881
2018-2019	191,881	3,674,454	(3,620,122)	246,213
2019-2020	246,213	3,511,284	(3,400,657)	356,840

# **City of La Vergne, Tennessee**

## **Notes to Financial Statements**

**June 30, 2020**

### **10) RISK MANAGEMENT, Continued**

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 as opposed to purchasing 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.

### **11) BUDGET COMPLIANCE AND ACCOUNTABILITY**

The City of La Vergne 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 Board of Mayor and Aldermen. The City's budgetary basis is consistent with generally accepted accounting principles. 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 to the Board of Mayor and Aldermen a proposed operating budget for the fiscal year commencing July 1. The operating departmental budget establishes the budgetary level of control for the proposed expenditures and 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 generally accepted accounting principles (GAAP). These budget appropriations lapse at year end.

During the fiscal year, the General Fund original budget was amended by increasing budgeted expenditures \$3,527,188 (15.3%). The primary amendments related to public safety professional services and capital items (\$725,250), housing rehabilitation (\$300,000) and for land purchases (\$2,398,368). The original budgets for the nonmajor governmental funds were increased by \$8,453 primarily related to capital items.

### **12) SUBSEQUENT EVENTS**

Subsequent to year end the City entered into contracts for fiber optics upgrades and a roof for the library. The contracts totaled approximately \$757,000 and will be funded by a state grant. The City has applied to the state for approximately \$200,000 CARES Act funds to reimburse pandemic related expenses incurred in fiscal year 2020. These expenses relate primarily to safety related payroll costs.

## **NONMAJOR GOVERNMENT 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 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.



CITY OF LA VERGNE, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue Funds				Capital Projects Funds		
<u>Assets</u>	State Street Aid Fund	Drug Enforcement Fund	Stormwater Fund	Senior Citizens Fund	Police Impact Fee Fund	Parks and Recreation Improvement Fund	Total
Cash in bank	\$1,646,650	637,817	4,964,565	106,468	296,322	214,110	7,865,932
Accounts receivable	-	-	99,097	-	-	8,542	107,639
Due from other governments	202,853	1,396	-	6,701	-	-	210,950
Total Assets	<u>\$1,849,503</u>	<u>639,213</u>	<u>5,063,662</u>	<u>113,169</u>	<u>296,322</u>	<u>222,652</u>	<u>8,184,521</u>
<u>Liabilities and Fund Balance</u>							
Liabilities:							
Accounts payable	\$27,581	-	38,059	1,754	-	24,425	91,819
Accrued liabilities	-	60,467	10,591	-	-	-	71,058
Unearned revenue	-	-	-	3,000	-	-	3,000
Total Liabilities	<u>27,581</u>	<u>60,467</u>	<u>48,650</u>	<u>4,754</u>	<u>-</u>	<u>24,425</u>	<u>165,877</u>
Fund balance:							
Restricted	<u>1,821,922</u>	<u>578,746</u>	<u>5,015,012</u>	<u>108,415</u>	<u>296,322</u>	<u>198,227</u>	<u>8,018,644</u>
Total Fund Balance	<u>1,821,922</u>	<u>578,746</u>	<u>5,015,012</u>	<u>108,415</u>	<u>296,322</u>	<u>198,227</u>	<u>8,018,644</u>
Total Liabilities and Fund Balance	<u>\$1,849,503</u>	<u>639,213</u>	<u>5,063,662</u>	<u>113,169</u>	<u>296,322</u>	<u>222,652</u>	<u>8,184,521</u>

**CITY OF LA VERGNE, TENNESSEE**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue Funds				Capital Projects Funds		
	State Street Aid Fund	Drug Enforcement Fund	Stormwater Fund	Senior Citizens Fund	Police Impact Fee Fund	Parks and Recreation Improvement Fund	Total
Revenues:							
Intergovernmental:							
State gasoline and motor fuel taxes	\$1,223,025	-	-	-	-	-	1,223,025
Grants and appropriations	-	137,625	-	75,310	-	-	212,935
Total Intergovernmental	<u>1,223,025</u>	<u>137,625</u>	<u>-</u>	<u>75,310</u>	<u>-</u>	<u>-</u>	<u>1,435,960</u>
Fines, forfeitures and seizures	-	113,391	-	-	-	-	113,391
Licenses and permits	-	-	1,251,322	-	64,099	56,913	1,372,334
Uses of Money and Property:							
Interest	538	240	1,915	24	107	146	2,970
Program revenue	-	-	-	3,543	-	-	3,543
Total Uses of Money and Property	<u>538</u>	<u>240</u>	<u>1,915</u>	<u>3,567</u>	<u>107</u>	<u>146</u>	<u>6,513</u>
Other Revenues - called bonds / contributions	13,865	-	-	4,982	-	8,542	27,389
Total Revenues	<u>1,237,428</u>	<u>251,256</u>	<u>1,253,237</u>	<u>83,859</u>	<u>64,206</u>	<u>65,601</u>	<u>2,955,587</u>
Expenditures:							
Current:							
Public safety	-	70,285	-	-	375	-	70,660
Highways and Streets	978,738	-	-	-	-	-	978,738
Health and welfare	-	-	-	124,504	-	-	124,504
Recreation	-	-	-	-	-	77,914	77,914
Stormwater	-	-	921,156	-	-	-	921,156
Total Current	<u>978,738</u>	<u>70,285</u>	<u>921,156</u>	<u>124,504</u>	<u>375</u>	<u>77,914</u>	<u>2,172,972</u>
Capital outlay	-	-	19,426	-	-	209,250	228,676
Debt service	70,756	-	-	-	-	-	70,756
Total Expenditures	<u>1,049,494</u>	<u>70,285</u>	<u>940,582</u>	<u>124,504</u>	<u>375</u>	<u>287,164</u>	<u>2,472,404</u>
Excess (deficiency) of revenues over expenditures	187,934	180,971	312,655	(40,645)	63,831	(221,563)	483,183
Other Financing Sources (Uses):							
Transfer in (out)	-	30,000	-	94,671	-	-	124,671
Net Change in Fund Balance	187,934	210,971	312,655	54,026	63,831	(221,563)	607,854
Fund Balance, Beginning of year	<u>1,633,988</u>	<u>367,775</u>	<u>4,702,357</u>	<u>54,389</u>	<u>232,491</u>	<u>419,790</u>	<u>7,410,790</u>
Fund Balance, End of Year	<u>\$1,821,922</u>	<u>578,746</u>	<u>5,015,012</u>	<u>108,415</u>	<u>296,322</u>	<u>198,227</u>	<u>8,018,644</u>

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**State Street Aid Fund**

**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
State gasoline and motor fuel tax and fees	<u>\$1,070,000</u>	<u>1,070,000</u>	<u>1,223,025</u> *	<u>153,025</u>
Uses of Money and Property:				
Interest	<u>500</u>	<u>500</u>	<u>538</u>	<u>38</u>
Other revenue - called bonds, miscellaneous	<u>-</u>	<u>-</u>	<u>13,865</u>	<u>13,865</u>
Total Revenues	<u>1,070,500</u>	<u>1,070,500</u>	<u>1,237,428</u>	<u>166,928</u>
Expenditures:				
Current:				
Street maintenance - repairs	700,350	700,350	693,503	6,847
Lighting	<u>285,000</u>	<u>285,000</u>	<u>285,235</u>	<u>(235)</u>
Total Current	<u>985,350</u>	<u>985,350</u>	<u>978,738</u>	<u>6,612</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service				
Principal	61,250	60,250	61,250	(1,000)
Interest	<u>9,506</u>	<u>9,506</u>	<u>9,506</u>	<u>-</u>
Total Debt service	<u>70,756</u>	<u>69,756</u>	<u>70,756</u>	<u>(1,000)</u>
Total Expenditures	<u>1,056,106</u>	<u>1,055,106</u>	<u>1,049,494</u>	<u>5,612</u>
Excess (deficiency) of revenues over expenditures	<u>14,394</u>	<u>15,394</u>	<u>187,934</u>	<u>172,540</u>
Fund Balance, Beginning of Year	<u>1,633,988</u>	<u>1,633,988</u>	<u>1,633,988</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$1,648,382</u></u>	<u><u>1,649,382</u></u>	<u><u>1,821,922</u></u>	<u><u>172,540</u></u>

* Gas 1989 tax	\$99,026
Gas 3 cent tax	183,488
Gasoline & motor fuel city tax	626,312
Gas 2017 tax	314,199
	<u><u>\$1,223,025</u></u>

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**Drug Enforcement Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Grants	\$80,000	80,000	137,625	57,625
Fines forfeitures and seizures	63,000	63,000	113,391	50,391
Uses of Money and Property:				
Interest	160	160	240	80
Total Revenue	143,160	143,160	251,256	108,096
Expenditures:				
Current:				
Public Safety:				
DARE program	10,000	10,000	2,469	7,531
Investigative operations	31,040	31,040	6,921	24,119
Training and travel	32,000	32,000	21,378	10,622
Repairs and maintenance	1,000	1,000	-	1,000
Drug enforcement supplies	79,000	79,000	39,517	39,483
Total Current	153,040	153,040	70,285	82,755
Capital outlay	-	-	-	-
Total Expenditures	153,040	153,040	70,285	82,755
Excess (deficiency) of revenues over expenditures	(9,880)	(9,880)	180,971	190,851
Other Financing Sources (Uses):				
Transfer in (out)	30,000	30,000	30,000	-
Net Change in Fund Balance	20,120	20,120	210,971	190,851
Fund Balance, Beginning of Year	367,775	367,775	367,775	-
Fund Balance, End of Year	\$387,895	387,895	578,746	190,851

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**Stormwater Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses, permits and fees	\$1,267,000	1,267,000	1,251,322	(15,678)
Uses of money and property:				
Interest	1,800	1,800	1,915	115
Total Revenues	1,268,800	1,268,800	1,253,237	(15,563)
Expenditures:				
Stormwater:				
Current:				
Salaries and wages	555,945	555,945	489,165	66,780
Benefits	190,115	190,115	166,895	23,220
Supplies	57,300	57,300	50,251	7,049
Repairs and maintenance	99,000	99,000	62,726	36,274
Professional services	184,500	184,500	50,481	134,019
Insurance	82,000	82,000	76,567	5,433
Other	32,950	32,950	25,071	7,879
Total Current	1,201,810	1,201,810	921,156	280,654
Capital outlay	402,000	402,000	19,426	382,574
Total Expenditures	1,603,810	1,603,810	940,582	663,228
Excess (deficiency) of revenues over expenditures	(335,010)	(335,010)	312,655	647,665
Fund Balance, Beginning of Year	4,702,357	4,702,357	4,702,357	-
Fund Balance, End of Year	<u>\$4,367,347</u>	<u>4,367,347</u>	<u>5,015,012</u>	<u>647,665</u>

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**Senior Citizens Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Grants and appropriations	\$73,000	73,000	75,310	2,310
Uses of money and property:				
Charges for services	5,000	5,000	3,543	(1,457)
Interest	30	30	24	(6)
Total Uses of Money and Property	5,030	5,030	3,567	(1,463)
Other revenues-contributions	2,100	23,100	4,982	(18,118)
Total Revenues	80,130	101,130	83,859	(17,271)
Expenditures:				
Heath and Welfare:				
Current:				
Salaries	123,171	123,171	83,500	39,671
Utilities	13,700	13,700	11,600	2,100
Supplies	19,500	19,500	16,579	2,921
Program expenditures	8,100	8,100	6,400	1,700
Repairs and maintenance	4,500	4,500	4,285	215
Travel	2,100	2,100	1,408	692
Other	1,000	1,000	732	268
Total Current	172,071	172,071	124,504	47,567
Capital Outlay	-	-	-	-
Total Expenditures	172,071	172,071	124,504	47,567
Excess (deficiency) of revenues over expenditures	(91,941)	(70,941)	(40,645)	30,296
Other Financing Sources (Uses):				
Transfer from General Fund	94,671	94,671	94,671	-
Net Change in Fund Balance	2,730	23,730	54,026	30,296
Fund Balance, Beginning of Year	54,389	54,389	54,389	-
Fund Balance, End of Year	\$57,119	78,119	108,415	30,296

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**Police Impact Fee Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$40,000	40,000	64,099	24,099
Uses of money and property:				
Interest	50	50	107	57
Total Revenues	40,050	40,050	64,206	24,156
Expenditures:				
Public Safety:				
Current:				
Supplies and repairs	400	400	375	25
Capital Outlay	-	-	-	-
Total Expenditures	400	400	375	25
Excess (deficiency) of revenues over expenditures	39,650	39,650	63,831	24,181
Fund Balance, Beginning of Year	232,491	232,491	232,491	-
Fund Balance, End of Year	<u>\$272,141</u>	<u>272,141</u>	<u>296,322</u>	<u>24,181</u>

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**Parks and Recreation Improvement Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licences and permits	30,000	30,000	56,913	26,913
Uses of Money and Property:				
Interest	-	-	146	146
Contributions	-	-	8,542	8,542
Total Revenue	30,000	30,000	65,601	35,601
Expenditures:				
Recreation				
Current:				
Program cost	78,700	78,700	77,914	786
Total Current	78,700	78,700	77,914	786
Capital Outlay	207,000	215,543	209,250	6,293
Total Expenditures	285,700	294,243	287,164	7,079
Excess (deficiency) of revenues over expenditures	(255,700)	(264,243)	(221,563)	42,680
Fund Balance , Beginning of Year	419,790	419,790	419,790	-
Fund Balance , End of Year	<u>\$164,090</u>	<u>155,547</u>	<u>198,227</u>	<u>42,680</u>



**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual**

**Highways and Streets Fund  
Capital Projects Fund**

**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licences and permits	\$300,000	300,000	694,273	394,273
Uses of Money and Property:				
Interest	500	500	1,179	679
Total Revenue	300,500	300,500	695,452	394,952
Expenditures:				
Highways and Streets:				
Current:				
Repairs and maintenance	10,800	10,800	1,101	9,699
Total Current	10,800	10,800	1,101	9,699
Capital outlay	845,000	845,000	360,157	484,843
Total Expenditures	855,800	855,800	361,258	494,542
Excess (deficiency) of revenues over expenditures	(555,300)	(555,300)	334,194	889,494
Net Change in Fund Balance	(555,300)	(555,300)	334,194	889,494
Fund Balance Beginning of Year	2,628,985	2,628,985	2,628,985	-
Fund Balance End of Year	\$2,073,685	2,073,685	2,963,179	889,494

**CITY OF LA VERGNE, TENNESSEE**

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule By Function and Activity**

**June 30, 2020**

Function and Activity:	Land	Buildings & Improvements	Improvements Other Than Buildings	Equipment	Infrastructure	Construction In Progress	Total
General Government	\$2,538,400	1,119,553	75,439	1,851,374	-	-	5,584,766
Public Safety							
Police	1,183	795,635	113,800	10,169,629	-	-	11,080,247
Fire	813,000	1,725,939	1,250	6,249,147	-	110,755	8,900,091
Highways and Streets	3,519,191	49,800	-	1,130,903	74,849,712	466,982	80,016,588
Stormwater	-	1,009,294	374,064	872,199	176,047	-	2,431,604
Health and Welfare	-	64,075	7,800	112,900	-	-	184,775
Recreation	392,013	1,255,652	8,960,035	950,992	-	8,543	11,567,235
Library	802,767	3,271,355	41,416	323,261	-	-	4,438,799
Total governmental capital assets	<u>\$8,066,554</u>	<u>9,291,303</u>	<u>9,573,804</u>	<u>21,660,405</u>	<u>75,025,759</u>	<u>586,280</u>	<u>124,204,105</u>

**CITY OF LA VERGNE, TENNESSEE**

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule of Changes in Capital Assets  
By Function and Activity**

**For the Year Ended June 30, 2020**

Function and Activity:	Balance July 1, 2019	Additions	Reclasses & Deletions	Balance June 30, 2020
General Government	\$3,239,578	2,427,697	82,509	5,584,766
Public Safety				
Police	9,820,825	1,368,792	109,370	11,080,247
Fire	8,710,390	189,701	-	8,900,091
Highways and Streets	77,846,586	2,170,001	(1)	80,016,588
Stormwater	2,412,178	19,426	-	2,431,604
Health and Welfare	275,514	153,195	243,934	184,775
Recreation	11,296,099	270,938	(198)	11,567,235
Library	4,438,798	-	(1)	4,438,799
Total governmental capital assets	<u>\$118,039,968</u>	<u>6,599,750</u>	<u>435,613</u>	<u>124,204,105</u>

**CITY OF LA VERGNE TENNESSEE**

**Schedule of Cash and Cash Equivalents**

**All Funds**

**June 30, 2020**

Major Governmental Funds

<u>Type of Account</u>	<u>Amount</u>
General Fund :	
Demand deposits and savings	\$21,126,079
Change funds	1,050
Total General Fund	<u>21,127,129</u>
State Street Aid Fund :	
Demand deposits and savings	<u>1,646,650</u>
Highways and Streets Improvement Fund :	
Demand deposits and savings	<u>3,053,226</u>
<u>Nonmajor Governmental Funds</u>	
Stormwater Fund :	
Demand deposits and savings	<u>4,964,565</u>
Drug Enforcement Fund :	
Demand deposits and savings	637,817
Cash on hand	-
Total Drug Enforcement Fund	<u>637,817</u>
Senior Citizens Fund :	
Cash	100
Demand deposits and savings	106,368
Total Senior Citizens Fund	<u>106,468</u>
Police Impact Fee Fund :	
Demand deposits and savings	<u>296,322</u>
Parks and Recreation Improvement Fund :	
Demand deposits and savings	<u>214,110</u>

Proprietary Funds

Water and Sewer Fund :	
Change funds	250
Demand deposits and savings	24,882,122
Total Water and Sewer Fund	<u>24,882,372</u>
Self Insured Medical Insurance Trust Fund :	
	<u>1,158,171</u>
Total Cash and Cash Equivalents Primary Government	<u><u>\$58,086,830</u></u>

Component Unit

Industrial Development Board	
Demand deposits and savings	<u><u>\$14,449</u></u>

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Changes in Property Taxes Receivable**

**General Fund**

**For the Year Ended June 30, 2020**

<u>Fiscal Year</u>	Property Tax Receivable Balance June 30, 2019	Assessments	Collections	Adjustments	Property Tax Receivable Balance June 30, 2020
2019 - 2020	\$ -	8,319,506	(8,157,728)	-	161,778
2018 - 2019	190,002	-	(45,741)	(3,273)	140,988
2017 - 2018	89,999	-	(36,960)	(314)	52,725
2016 - 2017	39,977	-	(8,103)	512	32,386
2015 - 2016	32,016	-	(4,899)	-	27,117
2014 - 2015	26,279	-	(1,288)	-	24,991
2013 - 2014	13,635	-	(1,237)	-	12,398
2012 - 2013	16,927	-	(405)	-	16,522
2011 - 2012	23,860	-	(383)	-	23,477
2010 - 2011	18,680	-	(10)	-	18,670
2009 - 2010	39,909	-	(8)	(39,901)	-
	<u>\$491,284</u>	<u>8,319,506</u>	<u>(8,256,762)</u>	<u>(42,976)</u>	<u>511,052</u>
2020 - 2021 **					8,195,000
Property taxes receivable per Governmental Funds Financial Statements					8,706,052
Allowance for uncollectibles					(177,000)
Property taxes receivable per Government Wide Financial Statements					<u>\$8,529,052</u>

Fiscal year 2017-2018 and prior have been turned over to the County Clerk and Master for collection.

\*\* Unlevied taxes receivable (anticipated current year levy)

**CITY OF LAVERGNE, TENNESSEE**  
**Schedule of Changes in Long-Term Debt by Individual Issue**  
**June 30, 2020**

Description Of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-19	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6-30-20
<b>Governmental Activities</b>									
<u>NOTES PAYABLE</u>									
<u>Payable Through General Fund</u>									
Capital; Lease - Motorola	\$ 997,000	4.99 %	9-15-09	9-15-19	\$ 122,920		122,920		(0)
Capital; Lease - Suntrust	1,058,759	1.96	7-31-13	7-30-20	317,320		157,120		160,200
Capital; Lease - Suntrust	587,500	2.22	2-28-14	7-1-23	305,490		58,418		247,072
Total Notes Payable Through General Fund					<u>\$ 745,729</u>	<u>-</u>	<u>338,458</u>	<u>-</u>	<u>407,271</u>
<u>BONDS PAYABLE</u>									
<u>Payable Through General Fund</u>									
G O Refunding Bonds Payable Series 2014 <sup>(*)</sup>	\$ 2,630,000	2.0 to 3.0 %	8-28-14	4-1-25	\$ 1,266,650		183,750		1,082,900
G O Bonds Payable Series 2015	5,420,000	2.0 to 3.25	1-8-15	4-1-35	4,615,000		245,000		4,370,000
G O Bonds Payable Series 2009	4,050,000	3.0 to 4.0	6-15-09	6-1-24	2,690,000		530,000		2,160,000
G O Refunding Series 2016A	1,995,000	3.0	10-26-16	10-1-21	1,225,000		410,000		815,000
Total Bonds Payable Through General Fund					<u>\$ 9,796,650</u>	<u>-</u>	<u>1,368,750</u>	<u>-</u>	<u>8,427,900</u>
<u>Payable Through State Street Aid Fund</u>									
G O Ref. Bonds Pay Series 2014 <sup>(*)</sup>	\$ -	2.0 to 3.0 %	8-28-14	4-1-25	\$ 338,350		61,250		277,100
Total Bonds Payable Through State Street Aid Fund					<u>\$ 338,350</u>	<u>-</u>	<u>61,250</u>	<u>-</u>	<u>8,705,000</u>
<b>Business-Type Activities</b>									
<u>BONDS PAYABLE</u>									
<u>Payable Through Water and Sewer Fund</u>									
Rev & Tax Refunding Bonds 2014	\$ 6,410,000	2.0 to 3.3 %	8-28-14	4-1-25	\$ 4,070,000		615,000		3,455,000
Rev & Tax Refunding Bonds 2016	1,820,000	3.0	10-26-16	10-1-21	1,125,000		360,000		765,000
Rev & Tax Refunding Bonds 2013	13,585,000	1.0 to 3.3	4-24-13	3-1-33	11,570,000		250,000		11,320,000
Total Bonds Payable Through Water and Sewer Fund					<u>\$ 16,765,000</u>	<u>-</u>	<u>1,225,000</u>	<u>-</u>	<u>15,540,000</u>

Notes To Schedule:

(\*) Bond payment 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, 2020**

Year Ending <u>June 30,</u>	Principal				Interest Requirements	Total
	Series 2016 General Obligation Ref. Bonds	Series 2009 General Obligation Bonds	Series 2014 General Obligation Bonds	Series 2015 General Obligation Bonds		
2021	\$400,000	530,000	260,000	245,000	247,301	1,682,301
2022	415,000	535,000	265,000	250,000	205,895	1,670,895
2023	-	545,000	265,000	255,000	169,308	1,234,308
2024	-	550,000	280,000	260,000	136,872	1,226,872
2025	-	-	290,000	270,000	103,373	663,373
2026	-	-	-	275,000	90,047	365,047
2027	-	-	-	280,000	83,860	363,860
2028	-	-	-	285,000	76,860	361,860
2029	-	-	-	295,000	73,165	368,165
2030	-	-	-	305,000	61,200	366,200
2031	-	-	-	310,000	52,050	362,050
2032	-	-	-	320,000	42,750	362,750
2033	-	-	-	330,000	33,150	363,150
2034	-	-	-	340,000	22,425	362,425
2035	-	-	-	350,000	11,375	361,375
	<u>\$815,000</u>	<u>2,160,000</u>	<u>1,360,000</u>	<u>4,370,000</u>	<u>1,409,631</u>	<u>10,114,631</u>

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Maturities of Indebtedness and Interest Requirements**

**Water and Sewer Fund**

**June 30, 2020**

Year Ending June 30,	Principal			Interest Requirements	Total
	Bond Issue Series				
	2016	2013	2014		
2021	\$380,000	200,000	640,000	457,785	1,677,785
2022	385,000	150,000	665,000	423,110	1,623,110
2023	-	550,000	690,000	394,385	1,634,385
2024	-	500,000	715,000	362,685	1,577,685
2025	-	450,000	745,000	331,235	1,526,235
2026	-	1,250,000	-	295,385	1,545,385
2027	-	1,250,000	-	257,885	1,507,885
2028	-	1,225,000	-	220,385	1,445,385
2029	-	1,200,000	-	183,635	1,383,635
2030	-	1,175,000	-	147,635	1,322,635
2031	-	1,150,000	-	111,210	1,261,210
2032	-	1,125,000	-	73,260	1,198,260
2033	-	1,095,000	-	36,135	1,131,135
	\$765,000	11,320,000	3,455,000	3,294,730	18,834,730



**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2020**

Federal Awards as Identified in the  
Catalog of Federal Domestic Assistance

CFDA Number	Program Name	Grantor Agency	Pass Through Entity Identifying Number	Federal Expenditures	Total Program Expenditures
14.239	HOME Grant	Tennessee Housing Agency	HM-17-12	\$294,922	\$294,922
16.607	Bullet Proof Vest Grant	U. S. Department of Justice	N/A	4,426	4,426
16.922	Equitable Sharing Grant	U. S. Department of Justice	N/A	5,655	5,655
17.225	Unemployment Insurance - COVID	Employment and Training Administration	TN Department of Labor	4,346	4,346
97.036	Public Assistance Program-COVID	FEMA	5669573	8,204	8,204
20.607	Traffic Law Enforcement	Tennessee Dept. of Safety	PT-19-36/402 154AL-18-029 /154AL	10,967	10,967
93.044	Senior Citizens Grant	Tennessee Commission on Aging	N/A	14,250	14,250
				<u>\$342,770</u>	<u>\$342,770</u>

Notes:

This schedule was prepared using the modified accrual basis of accounting.

During 2020 there were no federal grant amounts provided to subrecipients and the City did not elect to use the de minimus cost rate.

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Federal and State Financial Assistance**

**For the Year Ended June 30, 2020**

Federal Awards as Identified in the  
Catalog of Federal Domestic Assistance:

CFDA Number	Federal, State or Other Grant Number	Program Name	Grantor Agency	(Accrued) or Deferred Revenue at July 1, 2019	Program Income & Grant Receipts	Grant Funds Adjustment or Refunded	Expenditures	(Reserved), (Accrued) or Deferred Revenue at June 30, 2020
20.607	Z19THS155 Z20THS135	Alcohol Saturation Patrols	* Federal Highway Administration	(\$1,021)	11,988	-	10,967	-
16.607	N/A	Bullet Proof Vest Grant	U. S. Dept. of Justice	(13,175)	13,175	-	4,426	(4,426)
16.922	N/A	Organized Crime Drug Enforcement	U. S. Dept. of Justice	344,263	137,796	-	5,655	476,404
17.225	N/A	Unemployment Insurance-COVID	Employment and Training Administration	-	-	-	4,346	(4,346)
97.036	5669573	Public Assistance Program-COVID	FEMA	-	-	-	8,204	(8,204)
93.044	N/A	Senior Citizen Grant	*** U. S. Dept. of Health and Human Services	(3,561)	14,248	-	14,250	(3,563)
14.239	HM-12-13	HOME Grant	**** Tennessee Housing Agency	(73,854)	314,653	-	294,922	(54,123)
97.044	EMW-2015-FO-01551	Assistance to Firefighters Grant	Federal Emergency Management	6	-	-	-	6
Total Federal Assistance				<u>\$252,658</u>	<u>491,860</u>	<u>-</u>	<u>342,770</u>	<u>401,748</u>

\* Passed through TN Department of Safety

\*\*\* Passed through TN Commission on Aging & Disability

\*\*\*\* Passed through TN Housing Development Agency

State Financial Assistance:

N/A	N/A	TN Agriculture Enhancement Program	TN Department of Agriculture	\$0	940	-	940	-
N/A	N/A	Senior Citizen Grant	TN Commission on Aging & Disability	(\$3,136)	12,549	-	12,550	(3,137)
Total State Assistance				<u>(\$3,136)</u>	<u>13,489</u>	<u>-</u>	<u>13,490</u>	<u>(3,137)</u>

There were no federal or state assistance passed through to subrecipients during 2020.  
This schedule was prepared using the modified accrual basis of accounting.

# CITY OF LA VERGNE, TENNESSEE

## Schedule of Utility Data

For the Year Ended June 30, 2020

<u>Services</u>	<u>Number of Customers</u>
Water	12,252
Sewer	11,552

<u>Rates</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
Water (inside City):			
First 2,000 gallons	\$ 14.21	18.39	334.38
Thereafter	3.67/1,000 gallons	4.18	5.60
Water (outside City):			
First 2,000 gallons	\$ 17.30		
Next 4,000 gallons	4.50/1,000 gallons		
Thereafter	6.43/1,000 gallons		
Sewer (inside City):			
First 2,000 gallons	\$ 22.43	29.03	527.47
Thereafter	5.81/1,000 gallons	6.59	7.36

## **STATISTICAL SECTION**

## CITY OF LA VERGNE, TENNESSEE

### STATISTICAL SECTION

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

Schedule #

#### Contents

##### Financial Trends

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

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##### 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 affordability of 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.

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

**CITY OF LA VERGNE, TENNESSEE**

**Financial Trends Information -  
Net Position By Component - Last Ten Years**

**Schedule 1**

(Prepared using the accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>Governmental Activities:</u></b>										
Net investment in capital assets	\$37,129,882	38,778,767	40,596,135	50,472,476	48,465,920	49,509,960	52,013,489	52,746,409	53,645,481	58,988,832
Restricted for:										
Highway and streets	1,751,994	1,850,952	1,876,199	1,616,397	2,990,466	2,675,709	2,694,575	3,463,542	4,262,973	4,785,101
Parks and recreation	16,563	2,729	138,024	392,165	409,633	447,354	294,505	378,238	419,790	198,227
Senior citizens	60,701	32,830	16,718	-	9,504	34,268	39,245	41,878	54,389	108,415
Capital projects	-	-	-	-	-	331	-	-	-	-
Stormwater projects	1,966,943	2,389,445	2,837,840	3,258,585	3,660,628	4,037,002	4,211,741	4,554,915	4,702,357	5,015,012
Law enforcement	204,607	215,531	233,780	232,268	309,445	312,114	397,519	498,071	625,371	893,633
Unrestricted	3,812,969	7,445,308	8,772,714	6,804,021	10,158,970	13,378,320	17,700,525	20,451,900	22,774,783	23,625,256
<b>Total Net Position</b>	<b>\$44,943,659</b>	<b>50,715,562</b>	<b>54,471,410</b>	<b>62,775,912</b>	<b>66,004,566</b>	<b>70,395,058</b>	<b>77,351,599</b>	<b>82,134,953</b>	<b>86,485,144</b>	<b>93,614,476</b>
<b><u>Business-Type Activities</u></b>										
Net investment in capital assets	30,666,043	33,652,575	34,847,827	35,441,278	35,215,483	35,544,191	35,621,091	36,332,568	38,165,737	40,649,708
Unrestricted	6,668,803	6,287,446	6,304,612	8,132,418	10,939,420	13,637,953	17,298,623	19,634,830	20,918,473	23,034,343
<b>Total Net Position</b>	<b>\$37,334,846</b>	<b>39,940,021</b>	<b>41,152,439</b>	<b>43,573,696</b>	<b>46,154,903</b>	<b>49,182,144</b>	<b>52,919,714</b>	<b>55,967,398</b>	<b>59,084,210</b>	<b>63,684,051</b>
<b><u>Primary Government</u></b>										
Net investment in capital assets	\$67,435,331	67,795,925	75,443,962	85,913,754	83,681,403	85,054,151	87,634,850	89,078,977	91,811,218	99,638,540
Restricted for:										
Highway and streets	1,886,063	1,751,994	1,876,199	1,616,397	2,990,466	2,675,709	2,694,575	3,463,542	4,262,973	4,785,101
Parks and recreation	-	16,563	138,024	392,165	409,633	447,354	294,505	378,238	419,790	198,227
Senior citizens	-	60,701	16,718	-	9,504	34,268	39,245	41,878	54,389	108,415
Capital projects	447,830	-	-	-	-	331	-	-	-	-
Stormwater projects	1,443,235	1,966,943	2,837,840	3,258,585	3,660,628	4,037,002	4,211,741	4,554,915	4,702,357	5,015,012
Law enforcement	274,519	204,607	233,780	232,268	30,945	312,114	397,519	498,071	625,371	893,633
Unrestricted	12,308,862	10,655,631	15,077,326	14,936,439	21,098,390	27,016,273	34,999,148	40,086,730	43,693,256	46,659,599
<b>Total Primary Government</b>	<b>\$82,278,505</b>	<b>90,655,583</b>	<b>95,623,849</b>	<b>106,349,608</b>	<b>112,159,469</b>	<b>119,577,202</b>	<b>130,271,313</b>	<b>138,102,351</b>	<b>145,569,354</b>	<b>157,298,527</b>

In 2013 all classifications of net assets were changed to net position in accordance with GASB 63.

2017 information has been restated to reflect effect of 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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses:</b>										
Governmental Activities:										
General government	\$2,587,572	2,522,444	2,706,539	2,646,612	3,000,115	2,786,720	3,341,787	4,106,559	4,078,459	3,441,095
Public safety:										
Police	4,913,562	5,106,995	5,899,972	6,173,670	6,437,504	6,973,721	6,695,161	7,446,583	7,918,291	8,127,393
Fire	1,609,911	2,214,332	2,527,325	4,019,676	2,959,476	3,745,011	3,902,073	4,143,445	4,735,458	4,869,302
Highways and streets	2,579,766	2,463,823	2,674,995	3,441,428	3,057,884	2,973,130	2,950,935	3,034,647	3,603,073	3,669,539
Stormwater	544,216	684,679	695,284	700,435	912,788	820,085	855,709	901,463	978,199	979,529
Health and welfare	378,504	454,012	484,767	523,145	402,611	546,771	527,872	539,723	739,178	982,594
Recreation	1,068,523	964,479	955,798	1,075,555	1,136,043	1,281,630	1,239,543	921,436	1,094,034	1,253,163
Library	632,779	661,072	647,282	700,317	774,335	731,037	832,908	791,186	878,395	821,169
Interest expense on long-term debt	581,614	550,556	543,896	505,082	510,982	521,493	443,926	384,723	333,210	283,574
Total governmental activities expenses	14,896,447	15,622,392	17,135,858	19,785,920	19,191,738	20,379,598	20,789,914	22,269,765	24,358,297	24,427,358
Business-Type Activities										
Water and Sewer	8,841,838	8,567,646	8,835,822	8,446,600	8,672,645	9,303,224	9,804,886	10,170,713	10,719,737	10,966,183
Total business-type activities expenses	8,841,838	8,567,646	8,835,822	8,446,600	8,672,645	9,303,224	9,804,886	10,170,713	10,719,737	10,966,183
Total primary government expenses	\$23,738,285	24,190,038	25,971,680	28,232,520	27,864,383	29,682,822	30,594,800	32,440,478	35,078,034	35,393,541
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for services:										
General government	\$167,648	162,082	166,864	241,526	250,168	492,353	580,762	512,700	542,915	564,945
Public safety:										
Police	621,081	484,927	509,830	428,140	378,789	512,476	502,454	580,672	501,299	361,242
Fire	-	-	-	-	-	-	-	-	-	-
Highways and streets	73,588	126,561	-	-	-	-	-	-	-	-
Stormwater	1,134,439	1,136,736	1,096,036	1,077,521	1,056,773	1,052,846	1,068,562	1,179,244	1,235,948	1,251,322
Health and welfare	751	599	1,603	7,758	6,687	7,693	5,362	5,698	4,687	3,543
Recreation	67,693	50,933	54,007	182,080	171,943	195,487	67,165	22,366	9,180	15,074
Library	39,300	39,700	36,400	35,279	37,860	31,119	22,290	18,412	16,254	9,881
Operating grants and contributions	1,150,293	1,146,951	1,098,760	1,081,678	1,141,910	1,291,415	1,282,511	1,476,871	1,727,641	1,986,726
Capital grants and contributions	673,317	2,265,200	1,888,286	8,300,719	590,690	1,851,892	3,213,525	1,246,036	1,810,420	2,577,573
Total governmental activities program revenues	3,928,110	5,413,689	4,851,786	11,354,701	3,634,820	5,435,281	6,742,631	5,041,999	5,848,344	6,770,306
Business-Type Activities:										
Charges for services:										
Water and Sewer	6,795,985	9,535,531	9,689,364	10,542,155	10,886,498	11,176,036	11,884,903	11,958,707	11,974,077	12,410,294
Capital grants and contributions:										
Water and Sewer	600,237	1,631,193	499,140	302,091	363,640	1,153,774	1,665,039	1,252,913	1,853,088	3,123,412
Total business-type activities program revenues	7,396,222	11,166,724	10,188,504	10,844,246	11,250,138	12,329,810	13,549,942	13,211,620	13,827,165	15,533,706
Total primary government program revenues	11,324,332	16,580,413	15,040,290	22,198,947	14,884,958	17,765,091	20,292,573	18,253,619	19,675,509	22,304,012
<b>Net (Expense)/Renewue</b>										
Governmental Activities	(10,968,337)	(10,208,703)	(12,284,072)	(8,431,219)	(15,556,918)	(14,944,317)	(14,047,283)	(17,227,766)	(18,509,953)	(17,657,052)
Business-Type Activities	(1,445,616)	2,599,078	1,352,682	2,397,646	2,577,493	3,026,586	3,745,056	3,040,907	3,107,428	4,567,523
Total primary government net expense	(\$12,413,953)	(7,609,625)	(10,931,390)	(6,033,573)	(12,979,425)	(11,917,731)	(10,302,227)	(14,186,859)	(15,402,525)	(13,089,529)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes										
Property and in lieu of taxes	\$4,016,057	8,286,016	7,987,594	8,121,160	8,466,115	8,214,052	8,102,727	8,495,923	7,880,764	8,716,057
Sales taxes	3,289,732	3,857,098	4,184,977	4,552,693	5,640,249	6,322,852	7,707,482	8,061,708	8,749,701	10,043,758
Other locally assessed taxes	1,339,545	1,457,315	1,600,346	1,587,613	1,953,723	1,992,344	2,188,176	2,420,851	3,018,135	2,623,249
Other state shared taxes	2,169,309	2,265,839	2,355,311	2,405,647	2,656,807	2,708,918	2,786,067	2,890,453	3,142,822	3,203,445
Unrestricted investment earnings	17,261	9,849	10,035	6,968	8,020	10,845	20,971	26,781	30,053	109,446
Other	35,501	104,489	51,552	61,640	60,658	85,798	150,156	115,404	38,669	90,429
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	10,867,405	15,980,606	16,189,815	16,735,721	18,785,572	19,334,809	20,955,579	22,011,120	22,860,144	24,786,384
Business-Type Activities										
Investments earnings	29,213	6,097	4,253	3,296	3,714	4,205	5,535	6,777	9,384	32,318
Other & special item	-	-	-	20,315	-	(3,550)	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	29,213	6,097	4,253	23,611	3,714	655	5,535	6,777	9,384	32,318
Total primary government	10,896,618	15,986,703	16,194,068	16,759,332	18,789,286	19,335,464	20,961,114	22,017,897	22,869,528	24,818,702
<b>Change in Net Position</b>										
Governmental activities	(100,932)	5,771,902	3,905,743	8,304,502	3,228,654	4,390,492	6,908,296	4,783,354	4,350,191	7,129,332
Business-type activities	(1,416,403)	2,605,175	1,356,935	2,421,257	2,581,207	3,027,241	3,750,591	3,047,684	3,116,812	4,599,841
Total primary government	(\$1,517,335)	8,377,077	5,262,678	10,725,759	5,809,861	7,417,733	10,658,887	7,831,038	7,467,003	11,729,173

In 2013 all classifications of net assets were changed to net position in accordance with GASB 63.  
2017 information has been restated to reflect effect of 2018 restatement

## CITY OF LA VERGNE, TENNESSEE

Financial Trends Information -  
Fund Balances, Governmental Funds, Last Ten Years

## Schedule 3

(Prepared using the modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$6,838	4,836	4,030	3,202	4,393	5,127	7,516	5,695	7,054	10,919
Restricted	18,565	25,105	23,605	21,155	20,836	20,205	19,055	16,230	14,409	12,349
Assigned	-	648,435	953,510	-	-	-	1,999,965	-	171,441	202,608
Unassigned	23,396,017	21,339,774	19,515,723	17,509,874	12,913,421	9,837,846	4,905,038	8,711,420	7,166,622	3,708,215
Total General Fund	<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>	<u>\$8,733,345</u>	<u>\$7,359,526</u>	<u>\$3,934,091</u>
All Other Governmental Funds										
Restricted reported in:										
Capital Projects Fund	\$3,457,728	3,281,266	2,459,805	2,170,050	2,187,816	2,377,097	876,813	1,487,174	3,826,547	3,789,146
Special Revenue Funds	<u>7,524,095</u>	<u>6,758,509</u>	<u>6,453,234</u>	<u>5,446,380</u>	<u>5,298,126</u>	<u>4,982,374</u>	<u>4,603,297</u>	<u>4,536,671</u>	<u>3,957,381</u>	<u>3,502,076</u>
Total all other governmental funds	<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>	<u>\$6,023,845</u>	<u>\$7,783,928</u>	<u>\$7,291,222</u>
Total	<u>\$34,403,243</u>	<u>\$32,057,925</u>	<u>\$29,409,907</u>	<u>\$25,150,661</u>	<u>\$20,424,592</u>	<u>\$17,222,649</u>	<u>\$12,411,684</u>	<u>\$14,757,190</u>	<u>\$15,143,454</u>	<u>\$11,225,313</u>



**CITY OF LA VERGNE, TENNESSEE**

**Financial Trend Information -  
Changes in Fund Balances, Governmental Funds, Last Ten Years**

**Schedule 4**

(Prepared using the modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Taxes and in lieu tax	\$20,934,338	19,166,637	18,595,564	17,596,060	16,102,086	15,566,571	14,012,691	13,268,365	12,925,491	8,620,838
Licenses and permits	2,592,288	2,773,035	2,087,492	2,660,065	2,533,208	1,662,971	1,386,785	1,280,009	1,384,602	1,357,982
Fines and fees	297,143	421,790	542,623	417,624	439,492	334,865	412,502	504,259	468,117	614,154
Intergovernmental	5,591,636	5,260,961	5,168,242	5,876,438	4,652,343	4,229,399	4,107,903	4,586,496	3,929,586	3,159,051
Uses of property and money	176,844	116,509	136,758	165,586	300,342	277,828	328,833	154,884	133,752	159,935
Other	206,736	186,120	169,755	198,332	151,517	63,633	419,173	549,922	180,055	258,796
Total revenues	<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>	<u>20,343,935</u>	<u>19,021,603</u>	<u>14,170,756</u>
<b>Expenditures:</b>										
General government	3,386,105	3,813,846	3,780,496	2,685,658	2,685,658	2,908,150	2,560,804	2,671,696	2,425,465	2,442,321
Public safety	11,793,183	11,683,604	10,555,617	9,477,720	9,477,720	8,882,744	9,608,403	7,758,782	6,873,373	6,196,243
Highways and streets	2,007,202	1,978,786	1,390,440	1,419,474	1,419,474	1,398,086	1,918,853	1,495,547	1,291,325	1,406,608
Stormwater	921,156	943,535	764,989	673,320	673,320	643,403	622,109	616,184	590,705	539,748
Health and welfare	980,797	722,481	535,899	545,099	545,099	400,939	521,473	483,095	452,340	377,195
Recreation	848,979	694,434	646,966	1,113,319	1,113,319	1,074,882	948,246	800,364	792,158	862,550
Library	642,930	678,494	682,168	631,971	631,971	629,442	595,239	571,117	577,509	541,125
Capital outlay	4,795,770	2,669,753	1,966,329	1,642,772	1,642,772	5,295,350	7,677,034	4,939,137	1,532,147	750,379
Debt service- Principal	1,768,458	1,733,314	1,988,014	2,264,629	2,264,629	1,782,994	1,453,882	1,440,065	1,013,280	937,676
Debt service- Interest & other	311,089	359,593	411,031	532,176	532,176	603,752	488,377	516,002	541,295	568,943
Total expenditures	<u>27,455,669</u>	<u>25,277,840</u>	<u>22,721,949</u>	<u>20,986,138</u>	<u>20,986,138</u>	<u>23,619,742</u>	<u>26,394,420</u>	<u>21,291,989</u>	<u>16,089,597</u>	<u>14,622,788</u>
Excess of revenues over (under) expenditures	<u>2,343,316</u>	<u>2,647,212</u>	<u>3,978,485</u>	<u>5,927,967</u>	<u>3,192,850</u>	<u>(1,484,475)</u>	<u>(5,726,533)</u>	<u>(948,054)</u>	<u>2,932,006</u>	<u>(452,032)</u>
<b>Other Financing Sources &amp; Uses:</b>										
Bond, notes and leases	-	-	-	2,112,236	9,827	8,050,000	3,237,168	563,149	990,000	227,633
Premiums/ discounts on issued bonds	-	-	-	-	-	135,145	-	-	-	-
Other	-	-	279,933	-	-	(1,887,316)	142,038	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Payments to refunding escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>279,933</u>	<u>2,112,236</u>	<u>9,827</u>	<u>6,297,829</u>	<u>3,379,206</u>	<u>563,149</u>	<u>990,000</u>	<u>227,633</u>
<b>Net Change in Fund Balance</b>	<u>\$2,343,316</u>	<u>2,647,212</u>	<u>4,258,418</u>	<u>8,040,203</u>	<u>3,202,677</u>	<u>4,813,354</u>	<u>(2,347,327)</u>	<u>(384,905)</u>	<u>3,922,006</u>	<u>(224,399)</u>
<b>Debt Service as % of noncapital Expenditures</b>	<u>9.2%</u>	<u>9.3%</u>	<u>11.6%</u>	<u>14.5%</u>	<u>14.5%</u>	<u>13.0%</u>	<u>10.4%</u>	<u>12.0%</u>	<u>10.7%</u>	<u>10.9%</u>

Note: In 2015 Other Financing Uses includes \$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 Years**

**Schedule 5**

Fiscal Year	Appraised Value				Assessed Value	Total Direct Tax Rate*
	Public Utility Commercial & Industrial	Personal Property	Residential & Farm	Total		
2011	\$ 814,324,300	356,956,696	1,460,525,700	2,631,806,696	806,823,800	0.50
2012	810,850,400	315,278,564	1,413,588,900	2,539,717,864	785,532,500	1
2013	801,211,700	334,700,731	1,479,090,400	2,615,002,831	776,971,510	1
2014	802,798,600	324,549,497	1,478,724,900	2,606,072,997	788,414,753	1
2015	797,526,787	379,463,510	1,495,166,500	2,672,156,797	800,109,300	1
2016	780,237,525	400,188,101	1,429,164,992	2,609,590,618	801,532,194	0.975
2017	788,035,016	373,754,956	1,531,045,422	2,692,835,394	790,022,736	0.95
2018	915,629,616	400,107,746	1,503,378,852	2,819,116,214	855,033,263	0.95
2019	1,147,266,555	402,237,914	2,245,010,838	3,794,515,307	1,127,398,592	0.71
2020	1,136,036,877	460,449,028	2,324,166,920	3,920,652,825	1,171,761,408	0.71

Property is assessed as follows:

Industrial and Commercial:

Real 40%

Personal 30%

Public Utility 55%

Farm and Residential 25%

\* Per \$100 of assessed valuation

Note - Property of the City is reappraised frequently. For this reason appraised value is considered equal to actual value. The appraised values do not include exempt property.

Most recent reappraisal was in 2019.

**CITY LA VERGNE, TENNESSEE**

**Revenue Capacity Information  
Direct and Overlapping Property Tax Rates, Last Ten Years**

**Schedule 6**

Fiscal Year	Direct Rate City	Overlapping Rates	Total
		County**	
2011	\$0.50	\$2.74	\$3.24
2012	1	2.47	3.47
2013	1	2.57	3.57
2014	1	2.565	3.57
2015	1	2.4867	3.49
2016	0.975	2.68	3.66
2017	0.95	2.68	3.63
2018	0.95	2.68	3.63
2019	0.71	2.1	2.81
2020	0.71	2.2194	2.93

There City tax rate is a general rate with no seperate components.

Source - County Tax Assessor

\*\* Levied on County property within the City

Per \$100 of Assessed Valuation

There are no components of the City direct rate.

**CITY OF LA VERGNE, TENNESSEE**

**Revenue Capacity Information  
Principal Property Taxpayers, Current Year and Nine Years Ago**

**Schedule 7**

<u>Taxpayer</u>	2020			2011		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percent of Total Assessed Value</u>
Bridgestone Tire Manufacturing	\$34,550,769	1	2.95%	\$28,677,732	1	3.55%
LIT Industrial limited	\$15,969,640	2	1.36%			
Bridgestone USA	12,884,360	3	1.10%	14,000,000	2	1.74%
Ingram	11,852,300	4	1.01%	-		
Big Box Property Owner	11,223,720	5	0.96%	-		
Five Star	10,380,760	6	0.89%	-		
Prologis	9,631,120	7	0.82%	12,178,240	3	1.51%
Prologis A4 TN	9,428,400	8	0.80%	-		
Ajax Turner	9,051,480	9	0.77%	-		
Prologis Exchange	9,036,080	10	0.77%	-		
Warehouse Holdings Inc	-			7,045,200	9	0.87%
DCT Mid South LLC	-			8,104,400	7	1.00%
Baptist Hospitals	-			8,194,492	6	1.02%
Mid South Building I	-			8,369,000	4	1.04%
Mid South Building III	-			8,319,000	5	1.03%
Mid South Building IV	-			7,185,000	8	0.89%
U.S. Industrial	-			6,952,600	10	0.86%
 Totals	 <u>\$134,008,629</u>		 <u>11.44%</u>	 <u>\$109,025,664</u>		 <u>13.51%</u>
 otal Assessed Value	 <u>\$1,171,761,408</u>			 <u>\$806,823,800</u>		

Source: Lavergne tax records

**CITY OF LA VERGNE, TENNESSEE**

**Property Tax Levies and Collections, Last Ten Fiscal Years**

**Schedule 8**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Collections	Total Collected as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Levy
2011	\$4,034,119	3,928,572	97.384%	86,877	4,015,449	99.537%	\$18,670	0.463%
2012	7,855,325	7,477,680	95.192%	354,168	7,831,848	99.701%	23,477	0.299%
2013	7,721,206	7,463,545	96.663%	241,139	7,704,684	99.786%	16,522	0.214%
2014	7,884,426	7,739,694	98.164%	132,334	7,872,028	99.843%	12,398	0.157%
2015	8,001,093	7,852,527	98.143%	123,575	7,976,102	99.688%	24,991	0.312%
2016	7,796,485	7,648,872	98.107%	120,496	7,769,368	99.652%	27,117	0.348%
2017	7,723,035	7,601,830	98.431%	88,819	7,690,649	99.581%	32,386	0.419%
2018	8,122,816	7,972,335	98.147%	97,756	8,070,091	99.351%	52,725	0.649%
2019	8,055,982	7,865,980	97.641%	49,014	7,914,994	98.250%	140,988	1.750%
2020	8,319,506	8,157,728	98.055%	-	8,157,728	98.055%	161,778	1.945%
							<u>\$511,052</u>	

Taxes are assessed as of January 1 and 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 Fiscal Ten Years**

**Schedule 9**

Fiscal Year	Population *	Governmental Activities				Business-type Activities	Total Primary Government	Percent of Personal Income**	Debt Per Capita
		General Obligation Bonds	Capital Outlay Notes & Other Obligations	Capital Leases	Total	Water and Sewer Revenue & Tax Bonds			
2011	32,588	\$13,176,374	-	1,138,618	14,314,992	13,737,382	28,052,374	3.71%	861
2012	32,588	12,274,986	990,000	1,021,119	14,286,105	12,729,116	27,015,221	3.58%	829
2013	34,703	11,343,598	748,542	1,323,220	13,415,360	24,447,944	37,863,304	5.03%	1,091
2014	35,482	10,387,210	2,094,009	2,716,039	15,197,258	23,319,529	38,516,787	4.92%	1,086
2015	36,242	15,630,946	1,844,517	2,247,537	19,723,000	22,285,312	42,008,312	5.33%	1,159
2016	34,144	14,435,199	1,250,736	1,771,518	17,457,453	20,981,940	38,439,393	5.33%	1,126
2017	34,077	13,124,102	1,000,736	1,428,346	15,553,184	19,730,048	35,283,232	4.31%	1,035
2018	34,414	11,709,907	-	1,074,044	12,783,951	18,420,151	31,204,102	3.97%	907
2019	34,423	10,270,713	-	745,729	11,016,442	17,105,254	28,121,696	3.71%	817
2020	40,595	8,806,518	-	407,271	9,213,789	15,810,357	25,024,146	2.53%	616

Notes:

Details of the City's debt can be found in the Note 5 in the current financial statements.

\* Based on Rutherford County Chamber of Commerce estimates except in years when census taken.

\*\* See schedule 14 for personal income information. Most recent information available from state and business organizations are used.

Above amounts include bond premiums

Capital leases are included since they will be repaid from general government resources.

**CITY OF LA VERGNE, TENNESSEE**

**Debt Capacity Information  
Ratios of General Obligation Debt Outstanding, Last Ten Years**

**Schedule 10**

<u>Fiscal Year</u>	<u>Population</u>	<u>Estimated Actual Value</u>	<u>General Obligation Debts</u>	<u>Ratio of General Obligation Debt to Actual Value of Property</u>	<u>Net General Obligation Debt Per Capita</u>
2011	32,588	\$2,631,806,696	14,314,992	0.54%	439
2012	32,588	2,539,717,864	14,286,105	0.56%	438
2013	34,703	2,615,002,831	13,415,360	0.51%	387
2014	35,482	2,606,072,997	15,197,258	0.58%	428
2015	36,242	2,672,156,797	19,723,000	0.74%	544
2016	34,144	2,609,590,618	17,457,453	0.67%	511
2017	34,077	2,692,835,394	15,553,184	0.58%	456
2018	34,414	2,819,116,214	12,783,951	0.45%	371
2019	34,423	3,794,515,307	11,016,442	0.29%	320
2020	40,595	3,920,652,825	9,213,789	0.24%	227

Note: Details regarding the City's debt can be found in Note 5 to the current financial statements.

See Schedule 5 for City's property value data.

The above debt includes capital leases.

See Schedule 9 for information on population.

**CITY OF LA VERGNE, TENNESSEE**

**Debt Capacity Information  
Direct and Overlapping Governmental Activities Debt**

**Schedule 11**

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City*</u>	<u>Amount Applicable to City*</u>
City of Laverne	\$9,213,789	100.00%	\$9,213,789
Rutherford County	442,238,726	11.88% *	52,538,100
Total	<u>\$451,452,515</u>		<u>\$61,751,889</u>

\* Based upon Assessed Value of Property in:

County	\$ 9,863,285,330	From County Finance Department
City	\$ 1,171,761,408	



**CITY OF LA VERGNE, TENNESSEE**

**Debt Capacity Information  
Debt Margin Information, Last Ten Years**

**Schedule 12**

Fiscal Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Value	\$1,171,761,408	1,127,398,592	855,033,263	790,022,736	801,532,194	800,109,300	788,414,753	776,971,510	785,532,500	806,823,800
General Obligation Debt	9,213,789	11,016,442	12,783,951	17,457,453	17,457,453	19,723,000	15,197,258	13,415,360	14,286,105	14,314,992
Debt as % of Assessed Value	0.79%	0.98%	1.50%	2.21%	2.18%	2.47%	1.93%	1.73%	1.82%	1.77%

Note - The City has no legal debt limit.

**CITY OF LA VERGNE, TENNESSEE**

**Debt Capacity Information  
Pledged - Revenue Coverage, Last Ten Years**

**Schedule 13  
Water and Sewer Enterprise Fund**

Fiscal Year	Gross Revenues*	Direct** Operating Expense	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2011	\$6,825,070	6,460,818	364,252	970,000	613,360	1,583,360	0.23
2012	9,451,588	5,507,618	3,943,970	1,005,000	575,317	1,580,317	2.50
2013	9,693,575	6,309,180	3,384,395	1,060,000 ***	601,724	1,661,724	2.04
2014	10,565,734	6,260,321	4,305,413	1,120,000	661,951	1,781,951	2.42
2015	10,890,174	6,272,450	4,617,724	1,240,000 ***	673,870	1,913,870	2.41
2016	11,176,644	6,813,287	4,363,357	1,255,000	627,951	1,882,951	2.32
2017	11,890,387	6,994,774	4,895,613	1,225,000 ***	556,522	1,781,522	2.75
2018	11,965,451	7,724,621	4,240,830	1,240,000	479,991	1,719,991	2.47
2019	11,983,431	8,004,641	3,978,790	1,245,000	478,919	1,723,919	2.31
2020	12,442,566	8,299,756	4,142,810	1,220,000	444,602	1,664,602	2.49

\* Includes nonoperating revenues

\*\* Net of depreciation and amortization

\*\*\* Excludes refunding

**CITY OF LA VERGNE, TENNESSEE**

**Demographic and Economic Information  
Demographic and Economic Statistics, Last Ten Years**

**Schedule 14**

Year	Population *	Personal Income ****	Per Capita Income***	Median Age***	School Enrollment**	Unemployment Rate***
2011	32,588	\$755,129,136	\$23,172	31.2	5,973	8.2%
2012	32,588	755,129,136	23,172	31.2	6,108	7.0%
2013	34,703	752,673,367	21,689	31.2	6,160	7.2%
2014	35,482	782,378,100	22,050	32.2	6,759	5.6%
2015	36,242	787,719,870	21,735	32.2	6,066	5.2%
2016	34,144	721,292,000	21,125	33.2	6,070	4.2%
2017	38,077	817,970,114	21,482	33.4	6,182	3.4%
2018	34,414	786,979,352	22,868	31.7	6,200	3.1%
2019	34,423	757,546,961	22,007	32	6,458	3.2%
2020	40,595	989,340,745	24,371	31.5	7,156	12.8%

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

	2020			2011		
Employer	Employees	Rank	Percentage	Employees	Rank	Percentage
Ingram Distribution Group	1,500	1	29.01%	1,324	1	34.79%
Bridgestone/Firestone	1,010	2	19.54%	720	2	18.92%
Venture Express	500	3	9.67%	-	-	-
Saks	454	4	8.78%	-	-	-
Schneider Electric	426	5	8.24%	426	3	11.19%
Cardinal Health	300	6	5.80%	270	4	7.09%
Parthenon Metal Works	250	7	4.84%	190	7	4.99%
Ajax Turner	250	8	4.84%	-	-	-
Quality Industriies	240	9	4.64%	240	5	6.31%
SVP Worldwide	240	10	4.64%	160	8	4.20%
Sim Recycling	-	-	-	200	6	5.25%
Chromalox	-	-	-	150	9	3.94%
Trinidad Benham	-	-	-	126	10	3.31%
	<u>5,170</u>		<u>100.00%</u>	<u>3,806</u>		<u>100.00%</u>

Note: Total employment for the city was not available.

Source: Rutherford Chamber of Commerce

**CITY OF LA VERGNE, TENNESSEE**

**Operating Information  
Full-time Equivalent Town Government Employees by Function, Last Ten Fiscal Years**

**Schedule 16**

Function	Full-time Equivalent Employees as of June 30									
	2020	2019	2018	2017	2015	2015	2014	2013	2012	2011
General government:										
Management services	20	20	20	19	15	15	15	15	17	16
Finance	7	7	7	6	6	6	6	6	6	6
Planning and engineering	5	5	5	5	5	5	5	5	5	5
Codes	8	7	7	7	6	6	6	6	5	5
Other	0	0	0	0	0	0	0	0	1	1
Public Safety:										
Police										
Officers	69	68	65	64	53	53	55	55	51	47
Civilians	20	20	19	13	18	18	17	16	18	18
Fire *	53	51	43	39	39	39	39	0	0	0
Highways and streets/stormwater	19	19	17	17	17	17	17	17	16	15
Recreation	14	14	14	15	16	16	16	16	14	14
Library	6	6	6	6	6	6	6	6	7	8
Water and Sewer	30	28	28	27	27	27	29	29	29	29
Total	251	245	231	218	208	208	211	171	169	164

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**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Codes										
Building permits issued	289	468	363	321	200	62	48	75	72	81
Public Safety:										
Police										
Calls *	44218	50,337	44,660	44,075	33,787	27,389	30,500	34,069	30,116	34,482
Physical arrest *	2037	2,726	2,337	1,424	1,300	872	2,105	2,000	1,609	1,786
Citations issue *	3339	3,853	4,034	7,649	5,297	3,598	8,476	11,402	10,134	11,697
Fire (Subcontracted until 2014)										
Emergency responses	3334	3,315	3,473	3,187	3,254	2,822	3,186	1,027	894	775
Recreation (participants)										
Leagues	2337	2,500	3,920	4,860	3,937	4,695	5,000	6,340	1,961	2,220
Facility rentals	12620	13,684	13,957	18,890	20,876	25,345	17,530	15,884	17,132	17,293
Programs	557	404	612	1,650	2,150	3,838	5,421	7,790	10,773	7,672
Special events	9460	8,515	7,930	8,080	5,736	7,925	3,645	3,256	3,275	6,770
Summer camp	0	0	0	0	100	115	345	885	896	1,185
Community clean-up	0	0	0	0	0	0	0	0	60	55
Senior citizens Participants)	11213	7,207	7,767	7,485	7,444	6,490	5,826	7,419	5,878	5,739
Library										
Attendance	47679	78,358	82,173	63,337	100,118	104,236	104,359	110,818	115,829	130,714
Items checked out	41624	70,576	71,687	62,441	82,593	105,822	109,570	116,352	127,155	154,635
New cards issued	864	1,548	1,508	1,279	1,685	1,488	2,128	2,347	2,422	2,845
Water and Sewer										
Customers	12252	12,079	11,985	11,985	11,784	11,992	11,608	11,593	11,270	11,255
Average daily consumption	2,678,338	2,517,083	1,941,765	2,267,867	2,154,405	1,944,372	1,914,362	2,144,876	2,091,002	2,593,055

Sources: City departments and utility billing records.

N/A Information not available.

\* New computer system in 2015 and all information was not captured

In 2020 some items were affected by the pandemic.

**CITY OF LA VERGNE, TENNESSEE**

**Operating Information  
Capital Assets Statistics by Function/Program, Last Ten Fiscal Years**

**Schedule 18**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Autos and trucks	17	17	23	18	14	14	14	14	14	14
Public Safety:										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles, motorcycles, and boats	92	87	78	72	72	74	74	92	87	61
Fire (Subcontracted)										
Stations	3	3	3	3	3	3	3	3	3	3
Fire trucks	8	8	9	8	8	10	4	4	7	7
Autos and trucks	1	4	5	4	4	5	5	5	2	2
Hydrants	1425	1419	1381	1378	1355	1336	1325	1325	1300	1300
Highways and streets										
Autos and trucks	10	10	12	9	9	11	10	11	13	11
Streets (miles)	185	185	178	178	178	178	178	178	178	178
Streets lights	811	811	496	496	496	495	495	490	487	485
Traffic signals	176	176	146	146	146	138	138	138	138	137
Recreation										
Autos and trucks	10	10	13	11	11	10	10	10	12	12
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 rink	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	3	3	3
Library										
Autos and trucks	0	0	0	0	0	0	0	0	0	0
Water										
Water mains (miles)	184	184	184	181	180	180	174	172	172	170
Sanitary sewer (miles)	164	164	133	133	133	N/A	N/A	N/A	N/A	N/A
Storage capacity (million gallons)	5	5	5	5	5	5	5	5	5	5
Storage facilities	4	4	4	4	4	4	4	4	4	4
Production capacity (million gallons)	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Autos and trucks (water&sewer)	34	34	36	31	34	33	30	35	34	32


Sources: City departments and insurance records.

N/A Information not available.

Note: Capital asset statistics will be continued to be updated and added to.

**CITY OF LA VERGNE, TENNESSEE**  
**JUNE 30, 2020**

AWWA REPORTING WORKSHEET (UNAUDITED)



**AWWA Free Water Audit Software:**  
**Reporting Worksheet**

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

? Click to access definition

+ Click to add a comment

**Water Audit Report for:** City Of La Vergne  
**Reporting Year:** 2020 7/2019 - 6/2020

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

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

---

**WATER SUPPLIED**

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

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+	?	8	1,229.784	MG/Yr
Water imported:	+	?	n/a	0.000	MG/Yr
Water exported:	+	?	n/a	0.000	MG/Yr

---

**WATER SUPPLIED:**

**1,267.819**

MG/Yr

**Master Meter and Supply Error Adjustments**

Pcnt:	+	?	8	-3.00%	MG/Yr
Value:	+	?	?	MG/Yr	MG/Yr
	+	?	?	MG/Yr	MG/Yr
	+	?	?	MG/Yr	MG/Yr

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

---

**AUTHORIZED CONSUMPTION**

Billed metered:	+	?	9	977.500	MG/Yr
Billed unmetered:	+	?	n/a	0.000	MG/Yr
Unbilled metered:	+	?	8	11.514	MG/Yr
Unbilled unmetered:	+	?	7	5.565	MG/Yr

---

**AUTHORIZED CONSUMPTION:**

**994.579**

MG/Yr

Click here: ? for help using option buttons below

Pcnt: 0.25% Value: 545 MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt: 0.25% Value: MG/Yr

Pcnt: 9.50% Value: MG/Yr

Pcnt: 0.25% Value: MG/Yr

---

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

273.240

**Apparent Losses**

Unauthorized consumption: 3.170 MG/Yr

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

Customer metering inaccuracies: 103.819 MG/Yr

Systematic data handling errors: 2.444 MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

**Apparent Losses:** 109.432 MG/Yr

---

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

Real Losses = Water Losses - Apparent Losses: 163.807 MG/Yr

---

**WATER LOSSES:** 273.240 MG/Yr

---

**NON-REVENUE WATER**

**NON-REVENUE WATER:** 290.319 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

---

**SYSTEM DATA**

Length of mains: 184.0 miles

Number of active AND inactive service connections: 12,254

Service connection density: 67 conn./mile main

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

Average length of customer service line: 110.0 psi

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: 110.0 psi

(length of service line, beyond the property boundary, that is the responsibility of the utility)

---

**COST DATA**

Total annual cost of operating water system: \$7,478,289 \$/Year

Customer retail unit cost (applied to Apparent Losses): \$5.29 \$/1000 gallons (US)

Variable production cost (applied to Real Losses): \$501.26 \$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

---

**WATER AUDIT DATA VALIDITY SCORE:**

\*\*\* YOUR SCORE IS: 82 out of 100 \*\*\*

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

**PRIORITY AREAS FOR ATTENTION:**

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources

2: Unauthorized consumption

3: Systematic data handling errors

81



## CITY OF LA VERGNE, TENNESSEE

JUNE 30, 2020

## AWWA PERFORMANCE INDICATORS (UNAUDITED)



# AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.  
Copyright © 2014. All Rights Reserved.Water Audit Report for: **City Of La Vergne**Reporting Year: **2020** **7/2019 - 6/2020**

\*\*\* YOUR WATER AUDIT DATA VALIDITY SCORE IS: 82 out of 100 \*\*\*

System Attributes:

Apparent Losses:	109.432	MG/Yr
+ Real Losses:	163.807	MG/Yr
= <b>Water Losses:</b>	<b>273.240</b>	MG/Yr

? Unavoidable Annual Real Losses (UARL):	113.77	MG/Yr
--	--------	-------

Annual cost of Apparent Losses:	\$578,898
---------------------------------	-----------

Annual cost of Real Losses:	\$82,109	Valued at <b>Variable Production Cost</b>
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Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:

{	Non-revenue water as percent by volume of Water Supplied:	22.9%	
	Non-revenue water as percent by cost of operating system:	9.0%	Real Losses valued at Variable Production Cost

Operational Efficiency:

{	Apparent Losses per service connection per day:	24.47	gallons/connection/day
	Real Losses per service connection per day:	36.62	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	0.33	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL):	163.81	million gallons/year
--	--------	----------------------

? Infrastructure Leakage Index (ILI) [CARL/UARL]:	1.44
---	------

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

## **OTHER REPORTS**

# YEARY, HOWELL & ASSOCIATES

*Certified Public Accountants*

501 EAST IRIS DRIVE  
NASHVILLE, TN 37204-3109

HUBERT E. (BUDDY) YEARY  
GREGORY V. HOWELL

(615) 385-1008  
FAX (615) 385-1208

## **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  
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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of La Vergne, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of La Vergne, Tennessee's basic financial statements, and have issued our report thereon dated October 15, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of La Vergne, Tennessee's internal control over financial reporting (internal control) to determine the 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 City of La Vergne, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of La Vergne, Tennessee's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. (2020-001)

### **Compliance and Other Matters**

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

We noted certain other matters that were reported to management in a separate letter dated October 15, 2020.

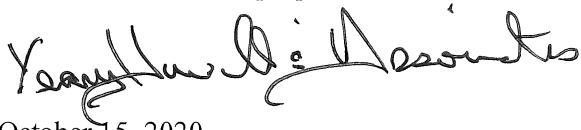
Honorable Mayor and the Board of Aldermen  
City of La Vergne, Tennessee

**City of La Vergne's Corrective Action Plan**

The City of La Vergne, Tennessee's response to the findings identified in our audit is described in the accompanying management's corrective action plan. The City of La Vergne, Tennessee's management's corrective action plan was not subjected to the auditing procedures applied in the audit and, accordingly, we express no opinion on it.

**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.

A handwritten signature in black ink, appearing to read "Ysaiah D. Desrosiers". The signature is fluid and cursive, with a large initial "Y" and a long, sweeping underline.

October 15, 2020

**CITY OF LA VERGNE, TENNESSEE**

**Schedule of Prior Year Findings and Questioned Costs**

**June 30, 2020**

Financial Statement Findings

<b>Prior Year Finding Number</b>	<b>Finding Title</b>	<b>Status/ Current Year Finding</b>
2019-001	Ineffective internal control over cash Original finding 2019-001	Resolved
2019-002	Utility billing weakness Original finding 2019-002	Resolved.
2019-003	Employee flex time Original finding 2019-003	Resolved.

Federal Awards Findings and Questioned Costs

None.

**City of La Vergne, Tennessee**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2020**

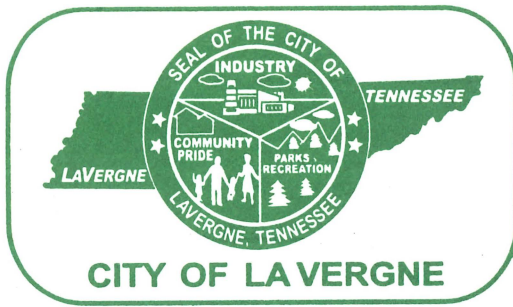
Current Year Findings and Questioned Costs

(2020-001)      Ineffective internal controls over travel credit card charges

Criteria/condition/cause: Internal controls over credit cards related to travel are required to authorize payment of credit card charges. Documentation for payment of credit card charges were not always provided to the Finance Department prior to the due date of the credit card payments.

Effect: This weakness in internal control resulted in payment of credit card charges without proper documentation to prevent late payment charges.

Recommendation: We recommend that approved travel claim forms with attached supporting documentation be submitted to the Finance Department in a timely manner and prior to the due date of the credit card payment.



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E-Mail: [city@lavergne.org](mailto:city@lavergne.org) • Web Page: [www.lavergne.org](http://www.lavergne.org)

### Management's Corrective Action Plan

(2020-001) Ineffective internal controls over travel credit card charges

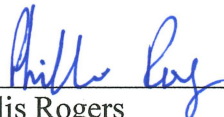
Person Responsible:

Lisa Arrington/Bruce Richardson

Action Planned or Taken:

To improve the travel credit card charges we will require all supporting documentation to be attached. All attempts will be made to obtain another copy or a Missing Receipt Affidavit must be filled out and submitted. If documents or affidavits are not submitted we will suspend travel or credit card usage until such employee becomes compliant.

Anticipated Completion Date: June 30, 2021

  
\_\_\_\_\_  
Phillis Rogers  
Director of Finance, Utility Billing and Tax

