

CITY OF LEBANON, OHIO
Audit Reports Required by
Government Auditing Standards
December 31, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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City Council
City of Lebanon
50 S. Broadway
Lebanon, Ohio 45036

We have reviewed the Independent Auditor's Report of the City of Lebanon, Warren County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Lebanon is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

September 5, 2001

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CITY OF LEBANON, OHIO

Lebanon, Ohio

Financial Statements

For the Year Ended December 31, 2000

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards

City Council
City of Lebanon, Ohio
50 S. Broadway
Lebanon, Ohio 45036

We have audited the financial statements of the City of Lebanon, Ohio (the City) as of and for the year ended December 31, 2000 and have issued our report thereon dated June 13, 2001. We conducted our audit in accordance with generally accepted accounting standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted other matters involving compliance that we have reported to management of the City in a separate letter dated June 13, 2001.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated June 13, 2001.

This report is intended for the information and use of management and council and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackel & Co.

Middletown, Ohio
June 13, 2001

CITY OF LEBANON, OHIO

Schedule of Prior Findings and Questioned Costs

December 31, 2000

Findings:

Finding Number **1999-20483-001**

Internal Control/Government Oversight

The following conditions were noted during the audit of Fiscal Year 1999:

- Council did not receive monthly finance reports for review.
- Council approved a large transfer which funded the Early Retirement Incentive buyouts for possibly ineligible employees. Council did not question the payments regarding the Early Retirement Incentive buyouts until the following month and after the payments had been made.
- Expenditures were made without the original invoices.
- The City received and paid invoices for contracts that were never authorized by Council.

Effective in Fiscal Year 2000, Council received monthly financial reports. Expenditures tested over the course of the audit had appropriate invoices or supporting documentation. One contract from February 2000 had not been approved by Council. However, the City adopted controls in mid-year to prevent this type of unauthorized contractual expenditure. The controls appeared to operating effectively at year-end.

Questioned Costs:

None

Comprehensive
Annual
Financial Report



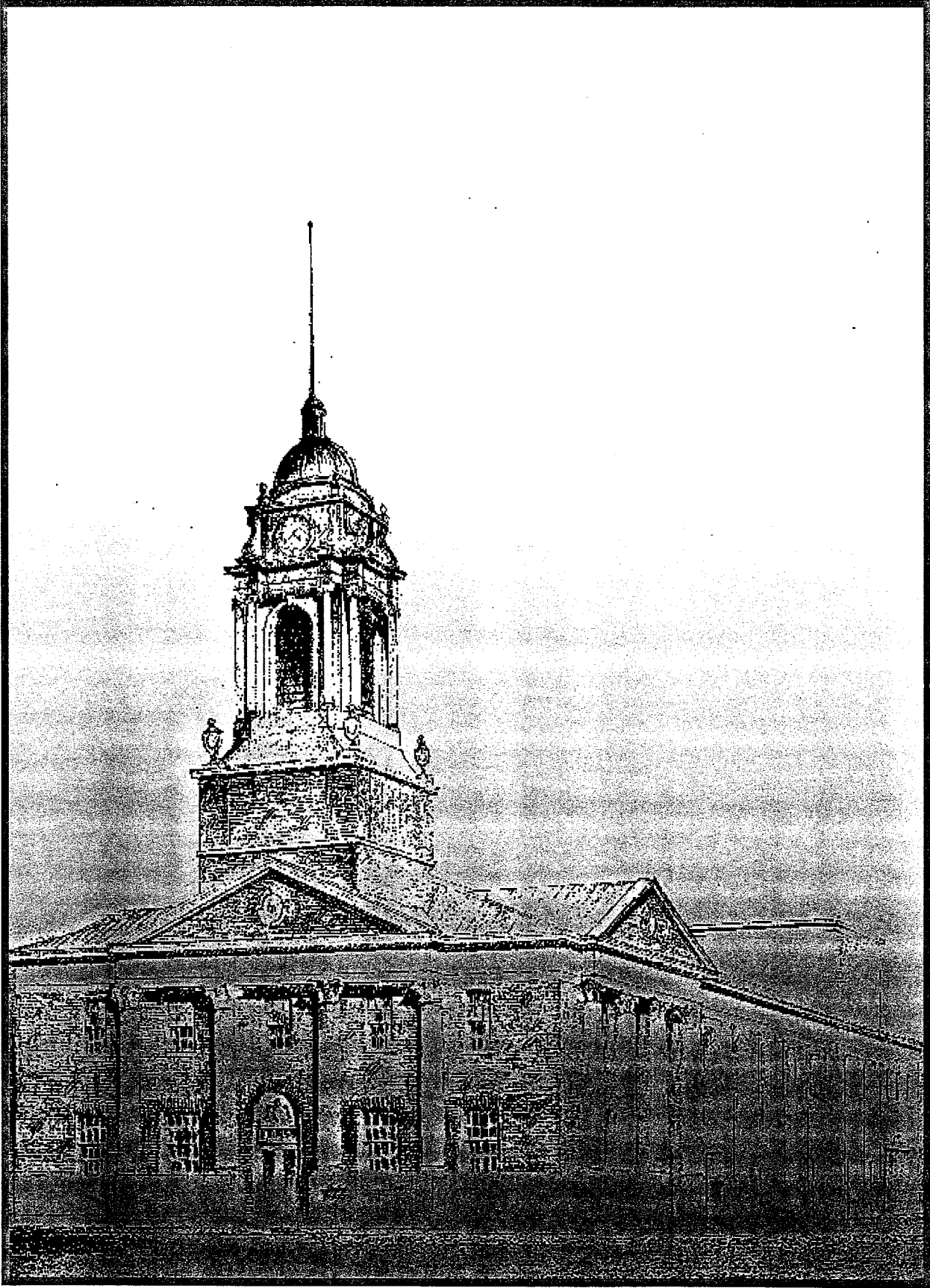
City of Lebanon, Ohio

For the Year Ended December 31st, 2000

**CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000**

Issued by:
Office of the Auditor

Gregory T. Dixon
City Auditor



INTRODUCTORY SECTION

CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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THE CITY OF LEBANON, OHIO

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June 13, 2001

Citizens of Lebanon
Mayor
Members of Council
City of Lebanon, Ohio

We are pleased to present the fourteenth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report, for the fiscal year ended December 31, 2000, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Lebanon ("the City"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically the City Auditor's office.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, letter of transmittal, GFOA Certificate of Achievement, a list of principal officials, and an organization chart of the City.
2. The Financial Section begins with the Independent Auditor's Report and includes the General Purpose Financial Statements and Notes which provide an overview of the City's financial position and operating results, and the Combining, Individual Fund and Account Group Statements and Schedules which provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City.

CITY OVERVIEW

The City of Lebanon is located in Southwestern Ohio, approximately halfway between the cities of Cincinnati and Dayton. The first settlers came to Lebanon in 1796; the town was platted in 1802 and was incorporated as a village in 1803. Centrally located in Warren County, the City has served as the county seat since 1806. Lebanon grew large enough to become a City in 1960 and, pursuant to Section 7 of Article XVIII of the Ohio Constitution, adopted a charter form of government in 1961.

CITY ORGANIZATION AND REPORTING ENTITY

A current Charter provides for a Council/Manager form of government. The voters elect a seven member council, who, in turn, elects a Mayor and Vice Mayor from its members. Council appoints the City Manager, City Auditor and City Attorney.

A reporting entity is comprised of the primary government. The primary government of the City consists of all funds, departments and activities which are not legally separate from the City. They provide various services including police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, community development, public health and welfare, water, sewer, electric and refuse collection. Council and the City Manager have direct responsibility for these activities.

The City considered potential component units for inclusion in the reporting entity. Component units are organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City has no component units.

The City participates in the Warren County General Health District, a jointly governed organization, for which the City has no financial responsibility or interest. In addition, the City is a member of the Hazardous Material Response Team, a joint venture that provides hazardous material response protection and mutual assistance in the event of a hazardous material incident. Information regarding these entities may be found in the notes to the general purpose financial statements.

ITEMS OF LOCAL INTEREST

Parks and Recreation

The City has a large one hundred fifty acre park and fourteen smaller neighborhood parks. The Caesars Creek State Park near Waynesville offers recreational facilities, including swimming and boating.

Fort Ancient, the oldest state park in Ohio and home of the historic Hopewell Indians, is located approximately seven miles southeast of Lebanon on the east bank of the Little Miami River.

The federal government has designated the Little Miami River a Scenic River Area. The river, fifty miles of which flows mainly in Warren County and through the Lebanon City limits, is being developed for boating, hiking and other recreational purposes. In addition, an old-style railroad tours the scenic area.

The Paramount Kings Island Amusement Center, a nationally known facility, is located on 1600 acres near Lebanon. It has more than one hundred individual attractions, including rides, shows, restaurants, shops, and a water park. Several inns, with more than seven hundred rooms, and a 35-acre campground, with tennis and swimming facilities, are available to accommodate visitors.

The Golf Center at Kings Island, formerly known as Jack Nicklaus Golf Center, opposite Paramount Kings Island on Interstate 71, offers thirty-six holes of play.

Located in the City at the Warren County Fairgrounds, Lebanon Raceway has spring and fall harness racing with pari-mutuel wagering.

The City also hosts one of the largest YMCAs in the world which offers many forms of indoor and outdoor athletic facilities. The one hundred twenty-five acre site includes meeting rooms, pools, gyms, tennis courts, health club facilities and outdoor sports fields.

Culture and Education

Lebanon has many nearby educational facilities, churches, cultural resources, parks and playgrounds. The numerous colleges and universities in the surrounding metropolitan area provide excellent opportunities and facilities for higher educational study to citizens of Lebanon.

The Lebanon Public Library has been serving Lebanon as well as Union and Turtlecreek Township since its dedication in December of 1907. With its over one million dollar addition in 1988, the library's 19,000 square feet hold over 60,000 volumes.

The Warren County Joint Vocational School District offers various areas of study, primarily to provide education in the industrial and commercial field. In addition, an Adult Education Program offers courses in a wide variety of subjects.

Several hospitals within a fifteen mile radius serve the area and are close to Interstate Highways 75, 71 and 275.

Places of historic interest in the City include:

Glendower State Museum – A Greek Revival mansion constructed in the early nineteenth century and showcasing elegant Empire and Victorian furnishings.

Warren County Museum - Acclaimed as one of the nation's outstanding county museums with displays of early life in the area, Shaker exhibits, and a library with a large collection of genealogical information.

Golden Lamb Inn - The oldest hotel in Ohio, dating from 1803 and boasting an extraordinary guest list of many famous people, including Henry Clay, Mark Twain, Charles Dickens, and ten Presidents of the United States.

Transportation

The nearest public airports are the Cincinnati - Northern Kentucky Airport and the Dayton International Airport at Vandalia. Both offer full commercial air passenger and freight service by many major airlines. The Warren County Airport northwest of Lebanon accommodates smaller aircraft.

ECONOMIC CONDITION AND OUTLOOK

Lebanon grew moderately in the year 2000 with the construction of 183 new housing units. This number was down substantially from the previous record breaking year of 321 units in 1999. The platting of residential lots continued in 2000 in anticipation of further growth of housing. New residential plats approved in 2000 created 222 new single family lots and 12 duplex lots. Residential, commercial and industrial growth is expected to remain strong in the year 2001. Warren County continues to be the second fastest growing county in Ohio and Lebanon is ranked as the eighth fastest growing city (ranked by percent growth). With the relatively low interest rates and high demand for real estate in the area it is expected that the growth will continue in 2001. The City added 3.253 miles of streets in 2000, 3.883 miles of water mains, 6.508 miles of sanitary sewers, and 3.277 miles of storm sewers.

New commercial developments approved in 2000 included a new 8,000 square foot CVS Pharmacy on Columbus Avenue, a new 6,700 (s.f.) Tire Discounters on Columbus Avenue, a new 6,700 (s.f.) Advance Auto Parts on Columbus Avenue, a new 2,566 (s.f.) Donatos Pizza on Columbus Avenue, a new 22,000 (s.f.) office condominium project on West Main Street, a new 10,000 (s.f.) Summer's Auto Service Center on Monroe Road, a new 13,000 (s.f.) Lebanon Collision Center on West Main Street, a 1,815 (s.f.) addition to the Custis Veterinary Hospital on West Main Street, a 1,460 (s.f.) addition to One Stop Printing on South Sycamore Street, a new 2,500 (s.f.) Peoples Savings Bank on Columbus Avenue, a new 3,800 (s.f.) Speedway gas and convenience store on East Main Street, and a new 103,000 (s.f.) Big K-Mart on Columbus Avenue.

New industrial development included a new 20,000 (s.f.) Tomak Precision machine shop on Henkle Drive, a 5,800 (s.f.) batch plant addition to Ernst Concrete on Columbia Road, a new 51,700 (s.f.) Franklin Brazing manufacturing plant on McKinley Blvd., a 20,000 (s.f.) storage facility addition to Kardol Quality Products on South West Street, a 83,200 (s.f.) addition to Amtex auto interior manufacturers on Kingsview Drive, a new 40,475 (s.f.) Trim Parts auto parts manufacturer on Deerfield Road, a 21,150 (s.f.) addition to SEI Brakes on Kingsview Drive, a 7,800 (s.f.) addition to Collins Ink on Henkle Drive, and a new 20,000 (s.f.) Doran Racing auto assembly building on McKinley Blvd..

A new master plan for downtown was prepared by Brandstetter-Carroll Consultants reflecting the economic vitality and symbolic importance of the historic core of town. Vacancy rates are extremely low and stores reflect a healthy mix of retail, restaurants, office and service businesses. Tourism remains strong with antique and specialty shops, the Turtlecreek Valley Railroad, the Golden Lamb, and Warren County Historical Society Museum. The Apple Festival and the Christmas Festival continue to draw record crowds.

MAIOR INITIATIVES

A new comprehensive master plan for Lebanon was initiated with consulting assistance from Pflum, Klausmeier and Gehrum, Inc. Several public hearings were held and base data regarding the rapid growth of the community was collected. It is expected that the plan will be completed in late 2001.

The Community Development Block Grant Program provided funding for restroom rehabilitation and playground equipment for Colonial Park South to be completed in 2001 and construction was completed for the restroom and picnic shelter for Pleasant Square Park.

The Lebanon Planning Commission, Shade Tree Commission and City Council worked to adopt a new landscape and tree preservation ordinance that progressively furthers the promotion of urban trees for all new developments. Many new developments approved in 2000 will incorporate large numbers of new shade trees and preserves existing trees of value.

DEPARTMENTAL HIGHLIGHT

The Division of General Services is the direct responsibility of the Deputy Director of Public Works who reports to the City Manager. This Division consists of three Bureaus including: Highway Maintenance, Street Maintenance and Auto Maintenance.

The Bureaus of Highway and Street Maintenance employ 9 full time employees and are responsible for repair and improvement of 79.545 miles of streets and the maintenance of 31.652 miles of storm sewer. The Bureaus perform street line painting such as crosswalks and school markings; fall leaf pick up, snow removal and salting; maintenance of street signs and traffic control signs within the public right-of-way; and storm sewer system repair and cleaning.

The Bureau of Auto Maintenance employs 2 full time employees and is responsible for maintenance and repair of over 100 City (including police and fire) vehicles and motorized pieces of equipment. One of these employees was selected city employee of the year because of the vigor and dedication with which he pursued his duties.

FINANCIAL INFORMATION

Basis of Accounting

The City's records are maintained on a cash basis for all fund types. Prior to the year end closing, adjusting entries are prepared for the various funds to convert the cash basis records to the modified accrual basis for all governmental, expendable trust and agency funds and the accrual basis for the proprietary and nonexpendable trust funds. The modified accrual basis of accounting requires that revenues be recognized when they are both measurable and available. Expenditures are generally recorded when liabilities are incurred. The accrual basis of accounting recognizes revenues when earned and expenses when incurred.

Internal Control Structure and Budgetary Controls

Development of the City's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance states that internal controls should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and members of the finance department. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of appropriations for the purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished with a monthly report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

Governmental Funds - Revenues and Expenditures

The following schedule presents a summary of the General, Special Revenue, Capital Projects and Debt Service funds revenues for the year ended December 31, 2000, and the amount and percentage of increases and decreases in relation to the prior year.

Revenue Sources	1999	2000	Percent of Total	Difference from 1999	Percent of Change
Property Taxes and Other Local Taxes	\$1,482,166	\$2,119,642	17%	\$637,476	43%
Income Taxes	3,571,178	3,786,105	31	214,927	6
Payments in Lieu of Taxes	304,260	383,995	3	79,735	26
Intergovernmental	3,634,545	1,892,082	15	(1,742,463)	(48)
Charges for Services	1,820,288	1,811,072	14	(9,216)	(.5)
Fines, Licenses and Permits	980,019	1,063,989	9	83,970	9
Special Assessments	190,612	197,895	2	7,283	4
Interest	849,336	1,065,810	8	216,474	25
Other	<u>316,974</u>	<u>138,732</u>	<u>1</u>	<u>(178,242)</u>	<u>(56)</u>
Total	<u>\$13,149,378</u>	<u>\$12,459,322</u>	<u>100%</u>	<u>\$ (690,056)</u>	<u>(5)%</u>

Property and other local tax revenue increased due to an increase in the tax rate from \$6.32 mills to \$7.82 mills along with an increase in assessed values.

The industries in the industrial park lease tax abated land from the City and are required to make a payment in lieu of real property taxes. The increase is the result of collecting payments in lieu of property taxes from companies that had completed construction in 1999 for collection in 2000.

Intergovernmental revenues primarily consist of local government assistance provided by the State through grants, reimbursements for real and personal property tax reductions, gasoline tax, state-levied motor vehicle license tax, pari-mutuel betting tax, inheritance tax and permissive motor vehicle license tax. Primarily, the decrease is due to the City receiving inheritance tax money in 1999 from the Cropper Estate.

Interest revenue increased due to more monies available for investment.

Other revenue decreased due to a majority of ambulance billings not done in 2000.

Expenditures for the General, Special Revenue, Capital Projects, and Debt Service funds' operations totaled \$12,157,799. Expenditures for major functions of the City, the percentage of the total and comparisons to last year are shown in the following table:

Function	1999	2000	Percent of Total	Difference from 1999	Percent of Change
Security of Persons and Property	\$3,224,419	\$3,791,041	31%	\$566,622	18%
Public Health Services	128,508	114,230	1	(14,278)	(11)
Leisure Time Activities	305,079	467,741	4	162,662	53
Community Environment	837,088	781,818	6	(55,270)	(7)
Transportation	534,387	596,798	5	62,411	12
General Government	2,414,817	2,532,576	21	117,759	5
Capital Outlay	3,900,571	3,116,609	25	(783,962)	(20)
Debt Service:					
Principal Retirement Interest and Fiscal Charges	315,276	330,287	3	15,011	5
	<u>418,459</u>	<u>426,699</u>	<u>4</u>	<u>8,240</u>	<u>2</u>
Total	<u>\$12,078,604</u>	<u>\$12,157,799</u>	<u>100%</u>	<u>\$79,195</u>	<u>.6%</u>

Security of Persons and Property includes the costs of the police division and the fire division. The increase in costs is due to increases in salaries and fringe benefits.

Public Health Services include costs associated with the annual County Health Board payment, cemetery operations and improvement. The decrease in expenditures is due to land purchased for the Cemetery in 1999.

Leisure Time activities expenditures increased due to adding personnel to run park activities, starting some new park programs, and adding equipment and other capital improvements to the parks.

Capital Outlay expenditures represent costs incurred in acquiring fixed assets and undertaking major projects. During 1999, the City purchased land and a building for a new fire station. In addition, renovation of the existing fire station was started in 1999. The City continues the Main Street Reconstruction Project, and finished the Silver Street Reconstruction Project and other building improvements in 1999.

Enterprise Funds

The City's Enterprise Funds consist of the electric, sanitation, sewer and water operating funds. The enterprise funds are user fee supported.

	Total Assets	Total Equity	Net Income (Loss)	Return on Assets	Return on Equity
Electric	\$26,297,144	\$11,937,672	(\$1,919,941)	(7.3%)	(16.1%)
Sanitation	743,238	686,476	(41,112)	(5.5)	(6.0)
Sewer	26,947,632	15,332,583	29,235	.1	.2
Water	25,732,684	15,816,885	954,913	3.7	6.0

Internal Service Funds

The City's Internal Service Funds consist of automotive maintenance and self-insurance funds. The internal service funds are supported by charges to other funds for services.

	Total Assets	Total Equity	Net Income <u>(Loss)</u>	Return on Assets	Return on Equity
Automotive Maintenance	\$ 182,814	\$ 146,646	\$25,322	13.9%	17.3%
Self-Insurance	252,211	(18,614)	(403,613)	(160.0)	(2,168.3)

Fiduciary Funds

The City uses Fiduciary Funds to hold assets in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The City's Fiduciary Fund types are an Expendable Trust Fund, a Nonexpendable Trust Fund and an Agency Fund.

Debt Administration

The Debt Service Funds relate to the general and special assessment obligations of the City. These funds are used to accumulate resources for the payment of principal and interest on the City's general obligation debt. Revenues for these funds consist primarily of property taxes (real and personal), state shared revenue, special assessments, interest, and municipal income tax.

As of December 31, 2000, the government had a number of debt issues outstanding: \$3,106,908 in general obligation non-voted bonded debt, \$752,711 in general obligation voted debt, \$1,208,091 in special assessment bonded debt with governmental commitment and \$23,881,905 in mortgage revenue bonded debt.

The City has maintained its AA rating from Standard and Poor's Corporation and an A1 rating from Moody's Investors Service, Inc. on general obligation bond issues. The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 2000, was as follows:

Overall Legal Debt Margin	\$26,768,363
Unvoted Legal Debt Margin	14,181,269
Net General Bonded Debt	561,059
Ratio of Net General Bonded Debt to Assessed Value	.21%
Net General Bonded Debt per Capita	33.07

A more complete presentation of the calculations of these figures may be found in the statistical section of this report.

Cash Management

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing available cash in accounts insured by the Federal Deposit Insurance Corporation. The total interest earned was \$2,319,105 for the year ended December 31, 2000, and represents an annual interest yield of 7.3 percent of the total receipts for the year. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must

equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided.

Risk Management

The City contracts with Hylant MacLean for vehicle, property and general liability insurance. Cincinnati Insurance Company covers boiler and machinery, while police and public officials is protected by the Hylant MacLean. The City has an internal accident review board which analyzes all accidents.

The City is self insured for medical and dental insurance and life benefits. A self-insurance internal service fund receives \$480 per employee each month from the other funds as a "premium." All claims are reviewed by a third party administrator and are paid by the City from money in the self-insurance internal service fund. The City purchases stop-loss insurance that reimburses the fund for claims exceeding \$25,000 per person, per occurrence.

OTHER INFORMATION

Independent Audit

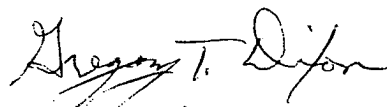
An audit team from Clark, Schaefer, Hackett & Co. has performed this year's audit. The results of the audit are presented in the Report of Independent Accountants.

Awards

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 Lebanon for its comprehensive annual financial report for the year ended December 31, 1999. This was the thirteenth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgments

A special thanks is extended to my staff for their hard work and dedication in compiling cash reports, accrual information and fixed asset information. I also would like to express appreciation to Mr. Jim Petro, Auditor of State, and his Local Government Services Staff for their assistance in preparing this report.


Gregory T. Dixon
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lebanon,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

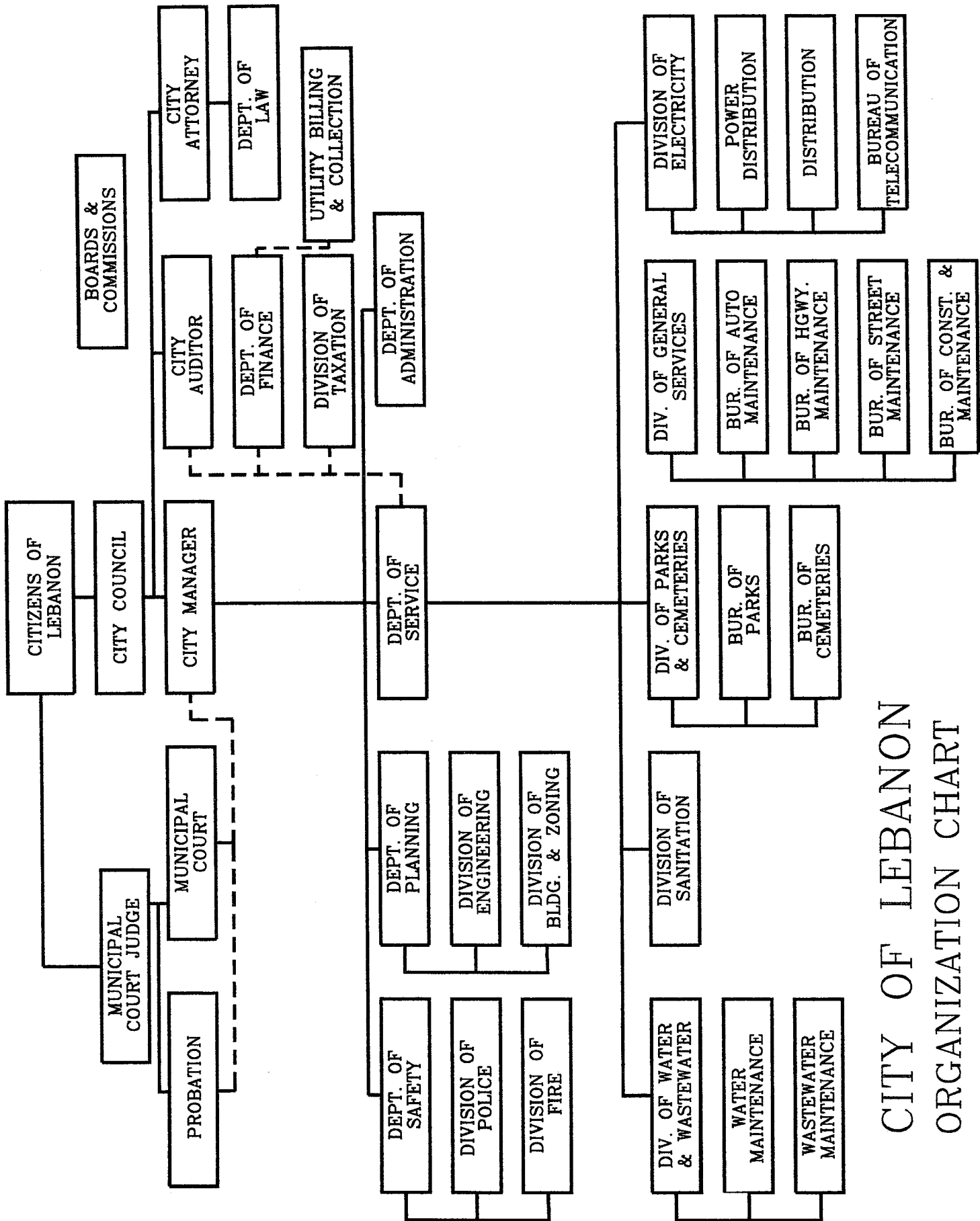
CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR	James R. Mills
VICE MAYOR	Amy Brewer
COUNCIL MEMBERS:	Mark L. Flick James T. Reinhard Ron Pandorf Amy Brewer James R. Mills Ben Cole Jane Davenport

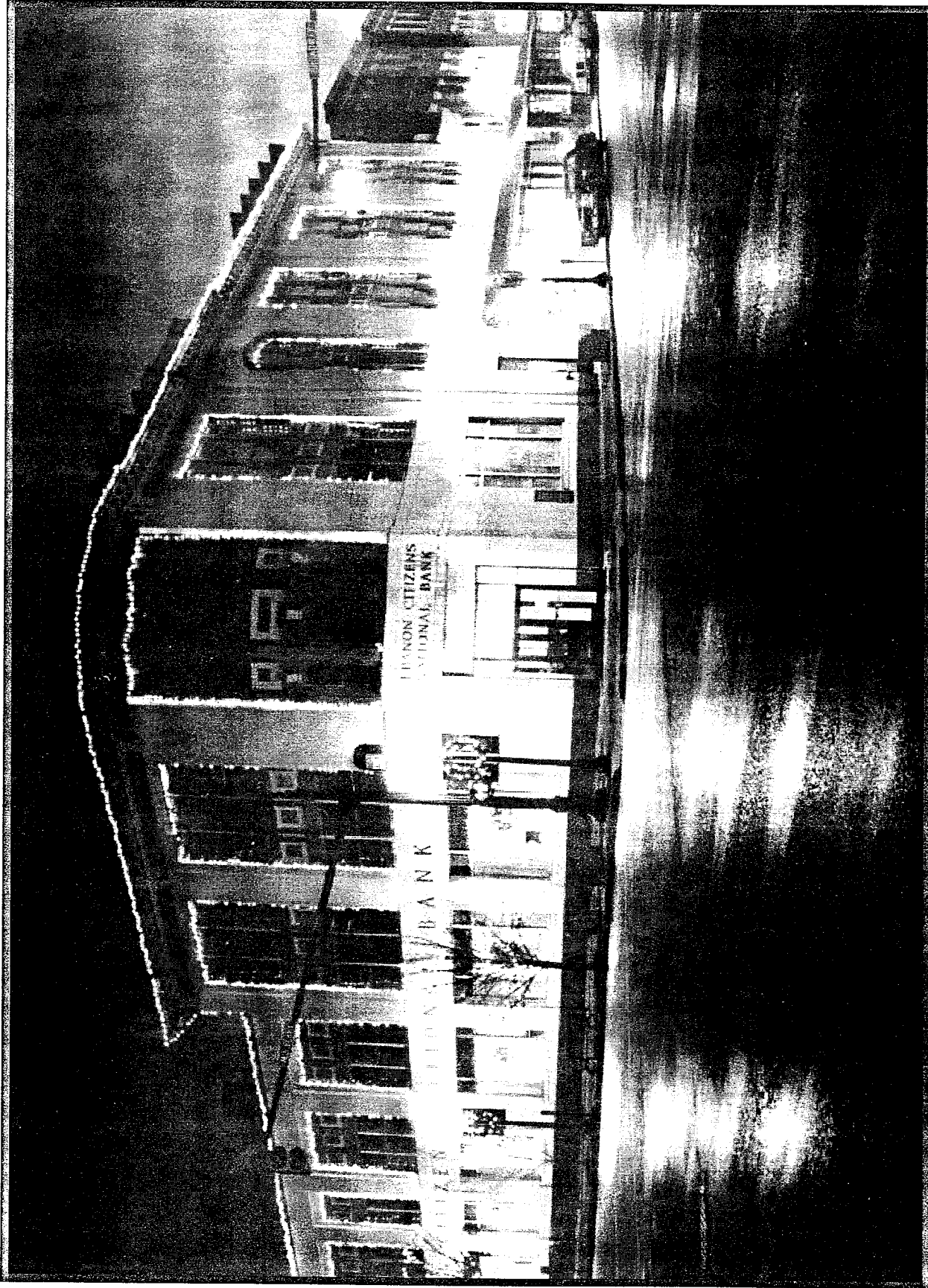
APPOINTED OFFICIALS

CITY MANAGER	James H. Patrick
CITY AUDITOR	Gregory T. Dixon
CITY ATTORNEY	Mark Yurick



CITY OF LEBANON
ORGANIZATION CHART

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FINANCIAL SECTION

Independent Auditors' Report

City Council
City of Lebanon
50 S. Broadway
Lebanon, Ohio 45036

We have audited the accompanying general purpose financial statements of the City of Lebanon, Ohio (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lebanon, Ohio as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Lebanon, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory, supplemental, and statistical information as listed in the accompanying table of contents and, therefore, express no opinion thereon.

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
June 13, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the City's financial position at December 31, 2000, and the results of operations and cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended.

**CITY OF LEBANON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 2000**

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Capital Projects	Debt Service
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,864,313	\$2,752,259	\$2,457,102	\$3,516,162
Cash and Cash Equivalents with Fiscal Agents	0	158,405	0	3,309
Receivables:				
Taxes	1,092,653	1,086,844	120,824	172,198
Payments in Lieu of Taxes	0	2,652,233	0	0
Accounts	0	0	0	0
Special Assessments	0	0	111,604	1,483,614
Notes	0	64,139	0	0
Due from Other Funds	31,066	3,297	0	0
Due from Other Governments	126,560	47,595	0	0
Inventory of Supplies	89,322	110,180	0	0
Prepaid Items	59,869	31,308	0	0
Interfund Receivables	565,000	0	63,000	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Deferred Charges - Mortgage Revenue Bond Issuance Costs	0	0	0	0
Advances to Other Funds	2,167,005	0	0	0
Capital Lease Receivable	0	0	62,190	0
Fixed Assets:				
Land	0	0	0	0
Improvements Other than Buildings	0	0	0	0
Buildings	0	0	0	0
Equipment	0	0	0	0
Vehicles	0	0	0	0
Infrastructure	0	0	0	0
Construction in Progress	0	0	0	0
Less: Accumulated Depreciation	0	0	0	0
Other Debits:				
Amount Available in General Obligation Debt Retirement Fund	0	0	0	0
Amount Available in Special Assessment Bond Retirement Fund	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
Amount to be Provided for Retirement of Special Assessment Bonds Payable	0	0	0	0
Total Assets and Other Debits	<u>\$6,995,788</u>	<u>\$6,906,260</u>	<u>\$2,814,720</u>	<u>\$5,175,283</u>

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$19,195,247	\$336,433	\$1,024,774	\$0	\$0	\$32,146,290
0	0	82,723	0	0	244,437
0	0	0	0	0	2,472,519
0	0	0	0	0	2,652,233
2,503,040	0	0	0	0	2,503,040
79,540	0	0	0	0	1,674,758
0	0	0	0	0	64,139
0	23,074	0	0	0	57,437
19,866	0	0	0	0	194,021
1,193,542	1,638	0	0	0	1,394,682
58,091	624	0	0	0	149,892
1,000,000	0	0	0	0	1,628,000
1,173,937	0	0	0	0	1,173,937
2,120,965	0	0	0	0	2,120,965
374,950	0	0	0	0	374,950
0	0	0	0	0	2,167,005
0	0	0	0	0	62,190
5,265,787	64,666	0	9,988,533	0	15,318,986
1,467,964	0	0	718,226	0	2,186,190
13,180,073	0	0	3,052,561	0	16,232,634
5,806,634	22,910	0	2,251,364	0	8,080,908
1,433,575	0	0	2,861,845	0	4,295,420
37,491,297	0	0	0	0	37,491,297
7,500,908	0	0	365,350	0	7,866,258
(20,144,718)	(14,320)	0	0	0	(20,159,038)
0	0	0	0	3,227,742	3,227,742
0	0	0	0	348,368	348,368
0	0	0	0	1,503,229	1,503,229
0	0	0	0	859,723	859,723
<u>\$79,720,698</u>	<u>\$435,025</u>	<u>\$1,107,497</u>	<u>\$19,237,879</u>	<u>\$5,939,062</u>	<u>\$128,332,212</u>

(Continued)

CITY OF LEBANON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 2000
 (Continued)

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Capital Projects	Debt Service
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$143,547	\$29,835	\$49,495	\$310
Claims Payable	0	0	0	0
Contracts Payable	0	0	234,753	0
Contracts Payable Retainage	0	0	79,479	0
Accrued Salaries Payable	37,605	12,661	0	0
Accrued Interest Payable	0	10,185	62,594	0
Due to Other Funds	8,801	9,041	0	0
Due to Other Governments	37,536	35,508	0	0
Interfund Payable	0	273,000	355,000	0
Matured Interest Payable	0	0	0	3,309
Payable from Restricted Assets:				
Refundable Deposits	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Undistributed Money	0	0	0	0
Deferred Revenue	762,550	3,731,308	173,794	1,595,399
Notes Payable	0	480,000	2,300,000	0
Advances From Other Funds	0	0	2,167,005	0
Compensated Absences Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Police Pension Liability	0	0	0	0
Total Liabilities	990,039	4,581,538	5,422,120	1,599,018
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved for Revenue Bonds				
Replacement and Improvement	0	0	0	0
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	94,528	82,641	747,529	155
Reserved for Inventory	89,322	110,180	0	0
Reserved for Restricted Principal	0	0	0	0
Reserved for Notes Receivable	0	64,139	0	0
Reserved for Advances Receivable	2,167,005	0	0	0
Unreserved, Undesignated (Deficit)	3,654,894	2,067,762	(3,354,929)	3,576,110
Total Fund Equity (Deficit) and Other Credits	6,005,749	2,324,722	(2,607,400)	3,576,265
Total Liabilities, Fund Equity and Other Credits	\$6,995,788	\$6,906,260	\$2,814,720	\$5,175,283

See accompanying notes to the general purpose financial statements

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$1,529,210	\$18,855	\$0	\$0	\$0	\$1,771,252	
0	270,825	0	0	0	270,825	
142,746	0	0	0	0	377,499	
557,457	0	0	0	0	636,936	
17,472	843	0	0	0	68,581	
63,683	0	0	0	0	136,462	
5,232	0	34,363	0	0	57,437	
55,172	2,593	27,312	0	140,447	298,568	
1,000,000	0	0	0	0	1,628,000	
0	0	0	0	0	3,309	
241,437	0	0	0	0	241,437	
840,200	0	0	0	0	840,200	
86,549	0	0	0	0	86,549	
0	0	21,048	0	0	21,048	
0	0	0	0	0	6,263,051	
8,250,000	0	0	0	0	11,030,000	
0	0	0	0	0	2,167,005	
116,219	13,877	0	0	708,121	838,217	
0	0	0	0	3,859,619	3,859,619	
0	0	0	0	1,208,091	1,208,091	
23,041,705	0	0	0	0	23,041,705	
0	0	0	0	22,784	22,784	
<u>35,947,082</u>	<u>306,993</u>	<u>82,723</u>	<u>0</u>	<u>5,939,062</u>	<u>54,868,575</u>	
0	0	0	19,237,879	0	19,237,879	
18,199,684	64,666	0	0	0	18,264,350	
932,500	0	0	0	0	932,500	
24,641,432	63,366	0	0	0	24,704,798	
0	0	0	0	0	924,853	
0	0	0	0	0	199,502	
0	0	49,658	0	0	49,658	
0	0	0	0	0	64,139	
0	0	0	0	0	2,167,005	
0	0	975,116	0	0	6,918,953	
<u>43,773,616</u>	<u>128,032</u>	<u>1,024,774</u>	<u>19,237,879</u>	<u>0</u>	<u>73,463,637</u>	
<u>\$79,720,698</u>	<u>\$435,025</u>	<u>\$1,107,497</u>	<u>\$19,237,879</u>	<u>\$5,939,062</u>	<u>\$128,332,212</u>	

**CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000**

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
Revenues:			
Property Taxes	\$684,371	\$1,093,174	\$0
Income Taxes	1,631,653	0	1,696,171
Other Local Taxes	35,195	109,673	75,000
Payments in Lieu of Taxes	0	383,995	0
Intergovernmental	1,175,908	703,707	0
Charges for Services	1,737,321	73,751	0
Fines, Licenses and Permits	841,541	222,448	0
Special Assessments	0	0	8,925
Interest	708,963	12,366	97,871
Other	32,159	57,644	48,929
Total Revenues	6,847,111	2,656,758	1,926,896
Expenditures:			
Current:			
Security of Persons and Property	2,185,853	1,605,188	0
Public Health Services	3,000	96,803	14,427
Leisure Time Activities	467,741	0	0
Community Environment	597,677	140,804	43,337
Transportation	0	596,798	0
General Government	2,464,768	0	67,808
Capital Outlay	236,601	0	2,880,008
Debt Service:			
Principal Retirement	287	0	0
Interest and Fiscal Charges	978	23,646	110,429
Total Expenditures	5,956,905	2,463,239	3,116,009
Excess of Revenues Over (Under) Expenditures	890,206	193,519	(1,189,113)
Other Financing Sources (Uses):			
Operating Transfers - In	47,495	141,300	169,298
Operating Transfers - Out	(207,300)	(233,293)	0
Total Other Financing Sources (Uses)	(159,805)	(91,993)	169,298
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	730,401	101,526	(1,019,815)
Fund Balances (Deficit) at Beginning of Year	5,263,372	2,187,928	(1,587,585)
Increase in Reserve for Inventory	11,976	35,268	0
Fund Balances (Deficit) at End of Year	\$6,005,749	\$2,324,722	(\$2,607,400)

See accompanying notes to the general purpose financial statements

	FIDUCIARY FUND TYPE		Total
Debt Service	Expendable Trust		(Memorandum Only)
\$122,229	\$0		\$1,899,774
458,281	0		3,786,105
0	0		219,868
0	0		383,995
12,467	0		1,892,082
0	0		1,811,072
0	0		1,063,989
188,970	0		197,895
246,610	0		1,065,810
0	264,029		402,761
<u>1,028,557</u>	<u>264,029</u>		<u>12,723,351</u>
0	289		3,791,330
0	0		114,230
0	0		467,741
0	0		781,818
0	0		596,798
0	0		2,532,576
0	0		3,116,609
330,000	0		330,287
291,646	0		426,699
<u>621,646</u>	<u>289</u>		<u>12,158,088</u>
<u>406,911</u>	<u>263,740</u>		<u>565,263</u>
82,500	0		440,593
0	0		(440,593)
<u>82,500</u>	<u>0</u>		<u>0</u>
489,411	263,740		565,263
3,086,854	612,165		9,562,734
0	0		47,244
<u>\$3,576,265</u>	<u>\$875,905</u>		<u>\$10,175,241</u>

**CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2000**

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$684,371	\$684,371	\$0
Income Taxes	1,623,189	1,623,189	0
Other Local Taxes	34,098	34,098	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	841,153	1,179,890	338,737
Charges for Services	1,740,155	1,740,155	0
Fines, Licenses and Permits	841,170	841,170	0
Special Assessments	0	0	0
Interest	680,072	680,072	0
Other	32,159	32,159	0
Total Revenues	6,476,367	6,815,104	338,737
Expenditures:			
Current:			
Security of Persons and Property	2,299,157	2,190,002	109,155
Public Health Services	3,000	3,000	0
Leisure Time Activities	580,070	485,403	94,667
Community Environment	703,166	651,906	51,260
Transportation	0	0	0
General Government	2,638,885	2,475,175	163,710
Capital Outlay	236,601	261,323	(24,722)
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	6,460,879	6,066,809	394,070
Excess of Revenues Over (Under) Expenditures	15,488	748,295	732,807
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	0	0	0
Advance - In	100,798	100,798	0
Advance - Out	(5,300)	(412,192)	(406,892)
Operating Transfers - In	47,495	47,495	0
Operating Transfers - Out	(100,000)	(207,300)	(107,300)
Total Other Financing Sources (Uses)	42,993	(471,199)	(514,192)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	58,481	277,096	218,615
Fund Balances at Beginning of Year	2,267,632	2,267,632	0
Prior Year Encumbrances Appropriated	145,789	145,789	0
Fund Balances (Deficit) at End of Year	\$2,471,902	\$2,690,517	\$218,615

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,093,174	\$1,093,174	\$0	\$0	\$0	\$0
0	0	0	1,474,548	1,474,548	0
109,554	109,554	0	75,000	75,000	0
383,995	383,995	0	0	0	0
633,246	686,644	53,398	0	0	0
68,784	73,751	4,967	0	0	0
195,968	222,464	26,496	0	0	0
0	0	0	16,480	8,925	(7,555)
8,642	8,642	0	82,163	97,871	15,708
57,473	57,694	221	73,423	48,929	(24,494)
<u>2,550,836</u>	<u>2,635,918</u>	<u>85,082</u>	<u>1,721,614</u>	<u>1,705,273</u>	<u>(16,341)</u>
1,861,474	1,728,638	132,836	0	0	0
116,230	99,131	17,099	63,000	36,546	26,454
0	0	0	75,000	0	75,000
209,000	174,416	34,584	44,290	43,337	953
673,700	631,942	41,758	0	0	0
0	0	0	67,808	67,808	0
0	0	0	5,805,970	3,632,204	2,173,766
600,000	600,000	0	2,300,000	2,300,000	0
24,000	23,497	503	92,059	90,510	1,549
<u>3,484,404</u>	<u>3,257,624</u>	<u>226,780</u>	<u>8,448,127</u>	<u>6,170,405</u>	<u>2,277,722</u>
<u>(933,568)</u>	<u>(621,706)</u>	<u>311,862</u>	<u>(6,726,513)</u>	<u>(4,465,132)</u>	<u>2,261,381</u>
480,000	480,000	0	2,300,000	2,300,000	0
0	0	0	414,692	412,192	(2,500)
0	0	0	(101,000)	(100,798)	202
136,000	141,300	5,300	169,500	169,298	(202)
(419,768)	(233,293)	186,475	0	0	0
<u>196,232</u>	<u>388,007</u>	<u>191,775</u>	<u>2,783,192</u>	<u>2,780,692</u>	<u>(2,500)</u>
(737,336)	(233,699)	503,637	(3,943,321)	(1,684,440)	2,258,881
2,231,019	2,231,019	0	2,427,758	2,427,758	0
647,162	647,162	0	688,604	688,604	0
<u>\$2,140,845</u>	<u>\$2,644,482</u>	<u>\$503,637</u>	<u>(\$826,959)</u>	<u>\$1,431,922</u>	<u>\$2,258,881</u>

(Continued)

CITY OF LEBANON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	DEBT SERVICE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$121,163	\$122,229	\$1,066
Income Taxes	737,277	737,277	0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	12,467	12,467	0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Special Assessments	188,970	188,970	0
Interest	147,956	246,610	98,654
Other	0	0	0
Total Revenues	1,207,833	1,307,553	99,720
Expenditures:			
Current:			
Security of Persons and Property	0	0	0
Public Health Services	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	580,000	580,000	0
Interest and Fiscal Charges	306,907	296,829	10,078
Total Expenditures	886,907	876,829	10,078
Excess of Revenues Over (Under) Expenditures	320,926	430,724	109,798
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	0	0	0
Advance - In	0	0	0
Advance - Out	0	0	0
Operating Transfers - In	82,500	82,500	0
Operating Transfers - Out	0	0	0
Total Other Financing Sources (Uses)	82,500	82,500	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	403,426	513,224	109,798
Fund Balances at Beginning of Year	3,002,783	3,002,783	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balances (Deficit) at End of Year	\$3,406,209	\$3,516,007	\$109,798

See accompanying notes to the general purpose financial statements

EXPENDABLE TRUST FUND

<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$0	\$0	\$0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>243,679</u>	<u>264,029</u>	<u>20,350</u>
<u>243,679</u>	<u>264,029</u>	<u>20,350</u>
410	289	121
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>410</u>	<u>289</u>	<u>121</u>
<u>243,269</u>	<u>263,740</u>	<u>20,471</u>
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>
243,269	263,740	20,471
612,165	612,165	0
0	0	0
<u>\$855,434</u>	<u>\$875,905</u>	<u>\$20,471</u>

**CITY OF LEBANON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating Revenues:				
Charges for Services	\$15,415,668	\$1,106,724	\$14,135	\$16,536,527
Fines, Licenses and Permits	67,791	0	0	67,791
Other	512,898	168,645	0	681,543
Interest	0	0	2,160	2,160
Total Operating Revenues	<u>15,996,357</u>	<u>1,275,369</u>	<u>16,295</u>	<u>17,288,021</u>
Operating Expenses:				
Personal Services	2,010,289	98,706	0	2,108,995
Travel Transportation	18,598	0	0	18,598
Contractual Services	3,667,510	236,526	0	3,904,036
Supplies and Materials	2,776,037	145,073	0	2,921,110
Purchased Power	5,588,843	0	0	5,588,843
Other	200,829	0	0	200,829
Claims	0	1,188,866	0	1,188,866
Depreciation	2,331,203	1,396	0	2,332,599
Total Operating Expenses	<u>16,593,309</u>	<u>1,670,567</u>	<u>0</u>	<u>18,263,876</u>
Operating Income (Loss)	<u>(596,952)</u>	<u>(395,198)</u>	<u>16,295</u>	<u>(975,855)</u>
Non-Operating Revenues (Expenses):				
Interest	1,234,228	16,907	0	1,251,135
Loss on Disposal of Fixed Assets	(23,509)	0	0	(23,509)
Interest and Fiscal Charges	(1,590,672)	0	0	(1,590,672)
Total Non-Operating Revenues (Expenses)	<u>(379,953)</u>	<u>16,907</u>	<u>0</u>	<u>(363,046)</u>
Net Income (Loss)	<u>(976,905)</u>	<u>(378,291)</u>	<u>16,295</u>	<u>(1,338,901)</u>
Retained Earnings/Fund Balance				
Beginning of Year - Restated (Note 3)	<u>26,550,837</u>	<u>441,657</u>	<u>132,574</u>	<u>27,125,068</u>
Retained Earnings/Fund Balance				
End of Year	<u>\$25,573,932</u>	<u>\$63,366</u>	<u>\$148,869</u>	<u>\$25,786,167</u>

See accompanying notes to the general purpose financial statements

CITY OF LEBANON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	ENTERPRISE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$16,380,813	\$14,681,909	(\$1,698,904)
Fines, Licenses and Permits	67,791	67,791	0
Other	67,756	513,183	445,427
Interest	1,234,228	1,234,228	0
Special Assessments	4,543	4,543	0
Proceeds From Sale of Notes	16,500,000	16,500,000	0
Utility Deposits Received	90,790	90,790	0
Total Revenues	34,345,921	33,092,444	(1,253,477)
Expenses:			
Personal Services	2,112,180	2,034,457	77,723
Travel Transportation	35,698	18,598	17,100
Contractual Services	4,354,965	4,149,963	205,002
Supplies and Materials	344,456	248,279	96,177
Purchased Power	4,979,083	4,857,667	121,416
Other	11,175	9,314	1,861
Utility Deposits Returned	95,200	95,016	184
Claims	0	0	0
Capital Outlay	12,101,077	7,973,508	4,127,569
Debt Service:			
Principal Retirement	19,829,625	17,340,000	2,489,625
Interest and Fiscal Charges	1,829,018	1,620,054	208,964
Total Expenses	45,692,477	38,346,856	7,345,621
Excess of Revenues Over (Under) Expenses Before Advances	(11,346,556)	(5,254,412)	6,092,144
Advance - In	500,000	500,000	0
Advance - Out	0	(500,000)	(500,000)
Excess of Revenues Over (Under) Expenses and Advances	(10,846,556)	(5,254,412)	5,592,144
Fund Equity at Beginning of Year	20,477,526	20,477,526	0
Prior Year Encumbrances Appropriated	4,426,093	4,426,093	0
Fund Equity at End of Year	\$14,057,063	\$19,649,207	\$5,592,144

(Continued)

CITY OF LEBANON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	<u>INTERNAL SERVICE FUNDS</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$1,076,862	\$1,101,416	\$24,554
Fines, Licenses and Permits	0	0	0
Other	172,405	168,645	(3,760)
Interest	9,972	16,907	6,935
Special Assessments	0	0	0
Proceeds From Sale of Notes	0	0	0
Utility Deposits Received	0	0	0
Total Revenues	<u>1,259,239</u>	<u>1,286,968</u>	<u>27,729</u>
Expenses:			
Personal Services	98,242	97,285	957
Travel Transportation	700	0	700
Contractual Services	195,312	237,765	(42,453)
Supplies and Materials	155,066	149,981	5,085
Purchased Power	0	0	0
Other	0	0	0
Utility Deposits Returned	0	0	0
Claims	1,334,320	1,226,130	108,190
Capital Outlay	11,120	9,214	1,906
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenses	<u>1,794,760</u>	<u>1,720,375</u>	<u>74,385</u>
Excess of Revenues Over (Under) Expenses	(535,521)	(433,407)	102,114
Advance - In	0	0	0
Advance - Out	0	0	0
Excess of Revenues Over (Under) Expenses	(535,521)	(433,407)	102,114
Fund Equity at Beginning of Year	613,075	613,075	0
Prior Year Encumbrances Appropriated	39,852	39,852	0
Fund Equity at End of Year	<u>\$117,406</u>	<u>\$219,520</u>	<u>\$102,114</u>

See accompanying notes to the general purpose financial statements

NONEXPENDABLE TRUST FUND

<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$12,392	\$14,135	\$1,743
0	0	0
0	0	0
2,160	2,160	0
0	0	0
0	0	0
0	0	0
<u>14,552</u>	<u>16,295</u>	<u>1,743</u>
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
14,552	16,295	1,743
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
14,552	16,295	1,743
132,574	132,574	0
0	0	0
<u>\$147,126</u>	<u>\$148,869</u>	<u>\$1,743</u>

CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$14,749,700	\$0
Cash Received from Quasi-External Operating Transactions with Other Funds	0	1,101,416
Cash Payments for Employee Services and Benefits	(1,821,337)	(97,285)
Cash Payments to Suppliers for Goods and Services	(11,473,887)	(371,428)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(282,101)	0
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(1,126,824)
Other Operating Revenues	513,183	168,645
Other Operating Expenses	(9,048)	0
Utility Deposits Received	90,790	0
Utility Deposits Returned	(95,016)	0
Net Cash Provided by (Used for) Operating Activities	<u>1,672,284</u>	<u>(325,476)</u>
Cash Flows from Noncapital Financing Activities:		
Short-Term Advance to Another Fund	(500,000)	0
Short-Term Advance From Another Fund	500,000	0
Net Cash Provided by Noncapital financing Activities	<u>0</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:		
Cash Received from Special Assessments	4,543	0
Acquisition of Capital Assets	(2,865,611)	(7,925)
Proceeds from Sale of Notes	16,500,000	0
Principal Paid on Notes	(16,500,000)	0
Interest Paid on Notes	(383,079)	0
Principal Paid on Mortgage Revenue Bonds	(840,000)	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(1,235,835)	0
Net Cash Used for Capital and Related Financing Activities	<u>(5,319,982)</u>	<u>(7,925)</u>
Cash Flows from Investing Activities:		
Interest	1,234,228	16,907
Net Cash Provided by Investing Activities	<u>1,234,228</u>	<u>16,907</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,413,470)	(316,494)
Cash and Cash Equivalents Beginning of Year	<u>24,903,619</u>	<u>652,927</u>
Cash and Cash Equivalents End of Year	<u>\$22,490,149</u>	<u>\$336,433</u>

<u>FIDUCIARY FUND TYPE</u>	<u>Total (Memorandum Only)</u>
<u>Nonexpendable Trust</u>	
\$14,135	\$14,763,835
0	1,101,416
0	(1,918,622)
0	(11,845,315)
0	(282,101)
0	(1,126,824)
0	681,828
0	(9,048)
0	90,790
0	(95,016)
<u>14,135</u>	<u>1,360,943</u>
0	(500,000)
0	500,000
<u>0</u>	<u>0</u>
0	4,543
0	(2,873,536)
0	16,500,000
0	(16,500,000)
0	(383,079)
0	(840,000)
0	(1,235,835)
<u>0</u>	<u>(5,327,907)</u>
<u>2,160</u>	<u>1,253,295</u>
<u>2,160</u>	<u>1,253,295</u>
16,295	(2,713,669)
<u>132,574</u>	<u>25,689,120</u>
<u>\$148,869</u>	<u>\$22,975,451</u>

(Continued)

CITY OF LEBANON, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	<u>PROPRIETARY FUND TYPES</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Reconciliation of Operating Income (Loss) to Net Cash <u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss)	(\$596,952)	(\$395,198)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	2,331,203	1,396
Interest Received by Nonexpendable Trust Funds	0	0
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(734,176)	0
Increase in Due from Other Funds	0	(5,308)
Decrease in Due from Other Governments	191,931	0
(Increase) Decrease in Inventory of Supplies	(289,816)	2
Increase in Prepaids Items	(6,223)	(118)
Increase in Accounts Payable	647,784	10,287
Decrease in Contracts Payable	(365,470)	0
Increase in Contracts Payable Retainage	531,632	0
Increase in Claims Payable	0	62,042
Increase in Accrued Salaries Payable	931	11
Decrease in Due to Other Funds	(522)	0
Decrease in Due to Other Governments	(11,077)	(318)
Decrease in Liabilities Payable from Restricted Assets	(4,626)	0
Increase (Decrease) in Compensated Absences Payable	(22,335)	1,728
Net Cash Provided by (Used for) Operating Activities	<u>\$1,672,284</u>	<u>(\$325,476)</u>

Noncash Capital Financing Activities:

During 2000, the Sewer and Water Enterprise Funds received sewer and water lines from developers with a fair market value of \$714,920 and \$584,350 respectively. During 2000, the Sewer Enterprise Fund received sewer fixed assets from the Water Fund with a fair market value of \$203,362. During 2000, the Electric Enterprise Fund received from the General Fixed Asset Account Group fixed assets with a fair market value of \$43,000.

Reconciliation of Nonexpendable Trust Fund to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds
Cash and Cash Equivalents - Expendable Trust and Agency Fund

Cash and Cash Equivalents - Nonexpendable Trust Fund

See accompanying notes to general purpose financial statements

FIDUCIARY FUND TYPE	
<u>Nonexpendable Trust</u>	<u>Total (Memorandum Only)</u>
\$16,295	(\$975,855)
0	2,332,599
(2,160)	(2,160)
0	(734,176)
0	(5,308)
0	191,931
0	(289,814)
0	(6,341)
0	658,071
0	(365,470)
0	531,632
0	62,042
0	942
0	(522)
0	(11,395)
0	(4,626)
0	(20,607)
<u>\$14,135</u>	<u>\$1,360,943</u>

\$1,107,497
(958,628)
\$148,869

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

The City of Lebanon (the "City") is a home rule municipal corporation organized under the laws of the State of Ohio, which operates under its own charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1961. The seven-member Council is elected to four-year terms. Biennially, Council selects one of its members to serve as Mayor and one of its members to serve as Vice Mayor. Council appoints the City Manager, City Auditor and City Attorney.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments, which comprise the legal entity of the City. They provide various services including police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, community development, public health and welfare, water, sewer, electric and refuse collection. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt or the levying of their taxes. The City has no component units.

The Lebanon Municipal Court has been included in the City's financial statements as an agency fund. The City clerk of courts has a fiduciary responsibility for the collection and distribution of court fees and fines.

The City is a member of the Hazardous Material Response Team ("HAZ MAT"), a joint venture whose purpose is to provide hazardous material protection and assistance. HAZ MAT is managed by a board of four trustees, one each from the City of Franklin, the City of Lebanon, Clearcreek Township and Franklin Township. The City of Lebanon has no explicit and measurable equity interest in HAZ MAT. See Note 21.

The Warren County General Health District, a jointly governed organization, provides health services within the County. The Board of Health, which consists of a representative from each of the participating governments, oversees the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. See Note 21.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Basis of Presentation - Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and fiduciary funds) are accounted for through governmental funds. The following are the City's governmental fund types.

General Fund - This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest and related costs.

Proprietary Fund Types

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following are the City's proprietary fund types:

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION (continued)

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - These funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. These include expendable trust, nonexpendable trust and agency funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. The nonexpendable trust fund is accounted for in essentially the same manner as proprietary funds. The agency fund is purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the City other than those accounted for in proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is used to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds or trust funds, including special assessment debt for which the City is obligated in some manner.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued before November 30, 1989, to its proprietary activities, provided that they do not conflict with or contradict GASB pronouncements.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types and the nonexpendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to the time when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

All governmental fund types, the expendable trust fund and the agency fund are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is thirty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: state-levied locally shared taxes (including gasoline tax), fines and forfeitures and income tax.

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current property taxes, which are not intended to finance current period obligations, and delinquent property taxes measurable as of December 31, 2000, and whose availability is indeterminate, have been recorded as a receivable and deferred revenue. Payments in lieu of taxes and levied special assessments are measurable, and have been recorded as a receivable. Since all assessments and payments in lieu of taxes are due outside the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and the nonexpendable trust fund. Revenues are recognized when they are earned and become measurable, and expenses are recognized when incurred if measurable. Unbilled service charges receivable is recognized as revenue at year-end.

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. A budgetary statement has not been presented for the Federal Asset Forfeiture Special Revenue Fund and the State Issue II Capital Projects Fund because the City did not anticipate any revenues or expenditures in 2000. No revenues or expenditures occurred for these funds in 2000. The legal level of budgetary control is at the object level (personal services, contractual services, supplies and materials etc.) within each department and fund. For the proprietary funds, the City has elected to present the budgetary statements with more detail within the object level. Budgetary modifications may only be made by resolution of the City Council.

Tax Budget

A tax budget of estimated revenues and expenditures for all budgeted funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue to be collected is greater or less than the current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department and object level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During the year, twenty-seven supplemental appropriation measures were passed. The budget figures, which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all modifications.

Advances are not required to be budgeted since they represent a temporary cash flow resource that will be repaid.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and are reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year and is not re-appropriated.

Cash and Cash Equivalents

Cash balances of the City's funds, except cash held by fiscal agent, are pooled and invested in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During 2000, investments were limited to STAR Ohio, City issued debt and open-end mutual funds. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less and investments of the cash management pool are considered to be cash equivalents.

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent". In addition, cash maintained with the Municipal Court is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent". Monies maintained by the Lebanon Housing Services Corporation to administer the Community Development Block Grant is also presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent".

Interest income is distributed to the funds according to Ohio statutory requirements and the City charter. Interest revenue credited to the General Fund during 2000 amounted to \$708,963, which includes \$653,326 assigned from other City funds.

Inventory of Supplies

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at cost or market value, whichever is lower. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. The inventory in the electric enterprise fund consists of poles, transformers, lines and switch gears not yet put into service.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside to satisfy bond indenture requirements for current and future debt payments and for the replacement and improvement of fixed assets originally acquired with bond proceeds. In addition, electric customer deposits are presented as a restricted cash and cash equivalents.

Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost when historical records are available and at estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The City capitalized assets in excess of five hundred dollars.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. Interest incurred during the construction of general fixed assets is not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation in the proprietary fund types is computed using the straight-line method over the following useful lives:

Improvements Other than Buildings	20 years
Buildings	45 years
Equipment	5-15 years
Vehicles	5-20 years
Electric Lines, Poles, Transformers and Switch Gears	20-30 years
Sewer Lines	65 years
Water Lines	40-65 years
Telecommunications Equipment	10 years

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Vacation benefits and holiday pay are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated, unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated, unused sick leave for employees after ten years of current service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty days after year-end are generally considered not to have been paid with current available financial resources. Bonds and police pension are recognized as a liability of the General Long-Term Obligations Account Group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Capitalization of Interest

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, no material interest costs were incurred on construction projects in proprietary funds.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Capital

Contributed capital represents resources from other funds, federal and state grants, other governments, and private sources provided to the City's proprietary funds which are not subject to repayment.

Because prior to 1987 the City had not prepared its financial statements in accordance with generally accepted accounting principles, the exact amount of contributed capital pertaining to years prior to 1987 cannot be determined. Only those amounts that could be specifically identified have been classified as contributed capital in the accompanying general purpose financial statements. All other fund equity amounts pertaining to the enterprise funds have been classified as retained earnings.

Reservations of Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, inventory, restricted principal (the nonexpendable contributions to the nonexpendable trust fund), notes receivable and advances receivable. Retained earnings have been reserved as a result of bond covenants for replacement and improvement (accumulations of resources for unforeseen repairs and replacements of assets originally acquired with bond proceeds).

Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, shared revenues, and entitlements intended to finance the current year are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

Bond Discounts/Issuance Costs

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

The accounting loss on the refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is being amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "Due From Other Funds" or "Due to Other Funds" on the balance sheet. Short-term interfund loans are classified as "Interfund Receivables/Payables." Long-term interfund loan receivables are reported as "Advances to Other Funds" or "Advances from Other Funds" and are equally offset by a fund balance reserve, which indicates that they do not constitute available expendable resources.

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as operating transfers.

Self-Insurance Fund

The City has created a self-insurance internal service fund for the purpose of paying employee health and life benefits. Contributions to the fund are made in lieu of insurance premium payments.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Total Columns on General Purpose Financial Statements

Total columns on the General Purpose Financial Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 3 - PRIOR PERIOD ADJUSTMENT

In the prior year, the City overstated Compensated Absences Payable and understated fixed assets. The effect of these changes on net income for the year ended December 31, 1999, and the effect on retained earnings as of December 31, 1999, follows:

	<u>Enterprise</u>
Net Income as previously reported	\$1,227,194
Compensated Absences Payable	(75,012)
Restated Amounts for the year Ended 12/31/99	<u>\$1,152,182</u>
Retained Earnings 12/31/99	\$26,509,594
Compensated Absences Payable	(75,012)
Fixed Assets	<u>116,255</u>
Restated Retained Earnings at 12/31/99	<u>\$26,550,837</u>

NOTE 4 - BUDGET TO GAAP RECONCILIATION

Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, requires accounting for certain transactions on a basis of cash receipts, disbursements, appropriations and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, All Governmental Fund Types and Expendable Trust Fund, Budget Basis, and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual, All Proprietary Fund Types and Nonexpendable Trust Fund, Budget Basis are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 4 - BUDGET TO GAAP RECONCILIATION (continued)

5. Receipt and payment of year-end interfund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).
6. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Excess of Revenues and
Other Financing Sources Over (Under)
Expenditures and Other Financing Uses
Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Capital Projects	Debt Service	Expendable Trust
GAAP Basis	\$730,401	\$101,576	(\$1,019,815)	\$489,411	\$263,740
Adjustments:					
Revenue Accruals	(3,639)	(20,890)	38,250	278,996	0
Expenditure Accruals	35,524	(86,608)	270,784	(264,901)	0
Encumbrances	(145,428)	(107,777)	(1,025,180)	(155)	0
Debt Principal Retirement	0	(600,000)	(2,300,000)	(250,000)	0
Reallocation for Debt	0	0	(259,873)	259,873	0
Proceeds from Sale of Notes	0	480,000	2,300,000	0	0
Advances	(311,394)	0	311,394	0	0
Unrecorded Cash	(28,368)	0	0	0	0
Budget Basis	<u>\$277,096</u>	<u>(\$233,699)</u>	<u>(\$1,684,440)</u>	<u>\$513,224</u>	<u>\$263,740</u>

Net Income (Loss)/Excess of Revenues
Over (Under) Expenses and Advances
Proprietary Fund Types and Nonexpendable Trust Fund

	Enterprise	Internal Service	Nonexpendable Trust
GAAP Basis	(\$976,905)	(\$378,291)	\$16,295
Adjustments:			
Revenue Accruals	(547,351)	(5,308)	0
Expense Accruals	480,968	73,634	0
Acquisition of Fixed Assets	(2,865,611)	(7,925)	0
Depreciation	2,331,203	1,396	0
Encumbrances	(2,840,942)	(116,913)	0
Debt Principal Payments	(17,340,000)	0	0
Utility Deposits Received	95,016	0	0
Utility Deposits Returned	(90,790)	0	0
Note Proceeds	16,500,000	0	0
Budget Basis	<u>(\$5,254,412)</u>	<u>(\$433,407)</u>	<u>\$16,295</u>

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS

The City is a charter City and has adopted an investment policy through City ordinance. The policy classifies monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit, maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Auditor by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies can be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Commercial paper;
5. Bankers acceptances;
6. No-load money market mutual funds investing exclusively in United States Treasury obligations provided that investments in securities described in this division are made only through eligible institutions; and

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Auditor or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At year-end, the carrying amount of the City's deposits was \$1,306,296 and the bank balance was \$1,849,988. Of the bank balance, \$186,881 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer, and investments in open-end mutual funds made by the trustee who is managing the enterprise funds' restricted assets are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category <u>1</u>	Fair <u>Value</u>
STAR Ohio	\$0	\$32,128,368
Mutual Funds	0	2,120,965
City Bonds	<u>130,000</u>	<u>130,000</u>
Total	<u>\$130,000</u>	<u>\$34,379,333</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 (See Note 2). A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$35,685,629	\$0
Investments:		
STAR Ohio	(32,128,368)	32,128,368
Mutual Funds	(2,120,965)	2,120,965
City Bonds	<u>(130,000)</u>	<u>130,000</u>
GASB Statement 3	<u>\$ 1,306,296</u>	<u>\$ 34,379,333</u>

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2000 for real and public utility property taxes represents collections of 1999 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 2000 taxes.

2000 real property taxes are levied after October 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2000 real property taxes are collected in and intended to finance 2001.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2000, was \$7.82 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$151,321,540
Public Utility Real Property	59,396,390
Public Utility Tangible Personal Property	5,765,920
Tangible Personal Property	<u>41,357,405</u>
Total	<u>\$257,841,255</u>

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - PROPERTY TAXES (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Lebanon. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 7 - PAYMENTS IN LIEU OF TAXES

The City acquired property that is leased to twenty corporations, Amtex Inc., Lucas Sumitomo Brakes Inc., Bunnell Hill, Ghent Manufacturing, Cinmar, JBM, E-Beam Services, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, Eastgate Graphics, Flint Ink, J & N Distribution, R & I Enterprises Quantum Metals, Dorn Enterprises, Franklin Brazing, Tomak Precision, and Trim Parts. The corporations have built or are in the process of building factories on the land leased from the City. To encourage development, the companies have been granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due. These payments are being used for costs associated with promoting and improving the industrial park. Payments will continue over the thirty-year life of the lease.

A receivable for the amount of the payments has been recorded in the Tax Increment Financing Special Revenue Fund with a corresponding credit to deferred revenue. At the conclusion of the lease term, the companies may purchase the leased property for \$1. See Note 14.

NOTE 8 - INCOME TAX

The City levies a municipal income tax of one percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 8 - INCOME TAX (continued)

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2000, the proceeds were allocated to the General Fund, the Capital Improvements Capital Projects Fund and the General Obligation Debt Retirement Debt Service Fund. Income tax revenue for 2000 was \$3,786,105.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2000, consisted of property, income and other local taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, notes, payments in lieu of taxes, utility accounts, interfund, and capital leases. All receivables are considered fully collectible except utility accounts.

Utility Accounts Receivable	Estimated Uncollectible	Net Receivable
<u>\$2,660,394</u>	<u>\$157,354</u>	<u>\$2,503,040</u>

A summary of due from other governments:

<u>General Fund</u>	
Inheritance Tax	\$34,219
Local Government Assistance	4,743
Bailiff	7,192
City of Franklin	<u>80,406</u>
Total General Fund	<u>126,560</u>
<u>Special Revenue Funds</u>	
<u>Cemetery Fund</u>	
Pari-Mutuel Tax	15,000
<u>State Highway Fund</u>	
Motor Vehicle Tax	1,862
<u>Street Maintenance And Repair Fund</u>	
Permissive Tax	7,769
Motor Vehicle Tax	<u>22,964</u>
Total Street Maintenance and Repair Fund	<u>30,733</u>
Total Special Revenue Funds	<u>\$47,595</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 9 – RECEIVABLES (continued)

<u>Enterprise Fund</u>	
<u>Sewer Fund</u>	
Village of Morrow	\$10,408
Village of South Lebanon	<u>9,458</u>
Total Sewer Fund	<u>19,866</u>
Total Enterprise Funds	<u>19,866</u>
Total All Funds	<u>\$194,021</u>

The City is involved in a home rehabilitation program that was begun with Community Development Block Grant monies. The Notes Receivable reflected on the balance sheet represent amounts that individuals owe the City on these loans.

NOTE 10 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2000, were as follows:

<u>Asset Category</u>	<u>Balance at January 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2000</u>
Land	\$9,578,755	\$409,778	\$0	\$9,988,533
Improvements Other than Buildings	624,263	93,963	0	718,226
Buildings	2,784,614	274,230	6,283	3,052,561
Equipment	2,054,556	384,474	187,666	2,251,364
Vehicles	2,395,355	676,874	210,384	2,861,845
Construction in Progress	<u>271,916</u>	<u>135,554</u>	<u>42,120</u>	<u>365,350</u>
Totals	<u>\$17,709,459</u>	<u>\$1,974,873</u>	<u>\$446,453</u>	<u>\$19,237,879</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$229,170, \$357,085, and \$317,715, respectively. The full amount has been contributed for 1999 and 1998. 80 percent has been contributed for 2000 with the remainder being reported as a fund liability and within the general long-term obligations account group.

Police and Firemen's Disability and Pension Fund

The City of Lebanon contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999, the City contributions were 12.5 percent for Police and 17 Percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$163,294 and 19,561 for the year ended December 31, 2000, \$142,286 and \$10,793 for the year ended December 31, 1999, and \$132,280 and \$9,948 for the year ended December 31, 1998. The full amount has been contributed for 1999 and 1998. 74 percent for police and 76 percent for firefighters has been contributed for 2000 with the remainder being reported as a liability within the general long-term obligations account group.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2000, the unfunded liability of the City was \$22,784, payable in semiannual installments through the year 2030. This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$415,837. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

Police and Firemen's Disability and Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen whether or not he is attending school or under the age of twenty-two if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care costs paid from the OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll was applied to the postemployment health care program during 2000. For 1999, the percentage used to fund health care was 7 percent. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$99,603 for police and \$8,467 for fire. The OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. In the past, vacation leave was permitted to accumulate with no limit. Currently, vacation leave earned in one year must be used in the next year. If the employee has not used the vacation earned for one year, the vacation accrual stops. When an employee terminates employment, he is paid for his unused vacation leave. The total obligation for vacation accrual for the City as a whole amounted to \$300,097 at December 31, 2000.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement, an employee (or his estate) is paid 50% of accumulated sick leave up to 1040 hours and 10% for accumulated hours in excess of 1,040. The total obligation for sick leave accrual for the City as a whole as of December 31, 2000, was \$501,577.

Accumulated Unpaid Holiday Pay

Under contract, police personnel who work a holiday receive holiday time in addition to four hours pay. Accumulated unpaid holiday time is paid to employees upon separation or death. At December 31, 2000, the accrual for unpaid holiday time amounted to \$36,543.

NOTE 14 - CAPITAL LEASE RECEIVABLE

In 1994, City-owned land within the Kingsview Industrial Park was leased to twenty companies, Amtex Inc., Lucas Sumitomo Brakes Inc., Bunnell Hill, Ghent Manufacturing, Cinmar, E-Beam Services, Eastgate Graphics, Flint Ink, J & N Distribution, JBM, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, R & I Enterprises, Quantum Metals, Dorn Enterprises, Franklin Brazing, Tomak Precision, and Trim Parts. The companies are developing the land. The new construction has been granted a tax exemption, although payments in lieu of taxes will be made to the City. See Note 7.

The lease period is thirty years. At the conclusion of the lease period, the companies may purchase the leased properties for \$1. The City has classified these agreements as direct financing capital leases. The lease payments to the City are paid into the Industrial Development Capital Projects Fund and will be used for improvements to the industrial park.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - CAPITAL LEASE RECEIVABLE(continued)

The City has recognized the future minimum lease payments, less unearned interest income, as leases receivable in the capital projects fund type. That portion (other than unearned interest income) which is not available at year-end is classified as deferred revenue.

Total Minimum Lease Payments to be Received	\$103,666
Less: Unearned Interest	<u>(41,476)</u>
Net Investment in Direct Financing Leases	<u>\$62,190</u>

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2000, the City contracted with Hylant MacLean for vehicle, property and general liability insurance. Cincinnati Insurance Company covers boiler and machinery, while police liability and public officials are protected by Hylant MacLean.

Boiler and machinery deductible levels vary with equipment. EDT equipment has a \$250 deductible for computer equipment and \$10,000 deductible for cable equipment. Vehicles hold a \$250 to \$500 deductible, general liability has a \$0 deductible, and property has a \$1,000 deductible. The City carries a \$2,500 deductible for both police professional and public officials liability insurance. The City has an internal accident review board which analyzes all vehicle accidents. The City also contracts with Hylant MacLean, who reviews each accident claim. Settled claims have not exceeded this commercial coverage in any of the past four years and there have been no significant reductions in coverage from last year. However, the City did renew the coverage with Hylant MacLean last year and received a three year rate guarantee.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City has elected to provide employee medical, dental and life insurance benefits through a self insured program. The City maintains a Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$50 single and \$50 per person family deductible for City employees. The City also provides a dental plan with a \$50 deductible, and \$30,000 in accidental life insurance. A third party administrator reviews all claims which the City then pays. Klais & Company, located in Akron, was the third party administrator for the year. The City purchases stop-loss coverage for claims in excess of \$25,000 per employee, per occurrence.

The City pays into the Self-Insurance Internal Service Fund \$480 per employee per month. The fund that pays the salary for the employee pays this premium which is based on historic cost information. The claims liability of \$270,825 reported in the fund at December 31, 2000, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 15 - RISK MANAGEMENT(continued)

loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the past two years were:

	Balance at January 1,	Current Year Claims	Claim Payments	Balance at December 31,
1999	\$159,781	\$838,938	\$789,936	\$208,783
2000	208,783	1,188,866	1,126,824	270,825

NOTE 16 - LONG-TERM OBLIGATIONS

Changes in general long-term obligations during 2000 were as follows:

	Balance at January 1, 2000	Increases	Decreases	Balance at December 31, 2000
Special Assessment Bonds				
1981 - 9.125%				
Mound Court	\$20,000	\$0	\$10,000	\$10,000
1989 - 7.15%				
Kingsview/Fujitec Road Improvement	248,016	0	18,084	229,932
1990 - 7.00%				
Kingsview/Henkle Drive Improvement	272,550	0	27,600	244,950
1991 - 6.45%				
Deerfield Road Improvement	581,880	0	33,570	548,310
1993 - 5.75%				
Henkle Dr. Extension	140,000	0	10,000	130,000
1994 - 5.00%				
Pleasant Street Improvement	<u>47,263</u>	<u>0</u>	<u>2,364</u>	<u>44,899</u>
TOTAL - Special Assessment Bonds Payable	<u>\$1,309,709</u>	<u>\$0</u>	<u>\$101,618</u>	<u>\$1,208,091</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

	Balance at January 1, 2000	Increases	Decreases	Balance at December 31, 2000
Voted General Obligation Bonds				
1997 - 4.0 to 13.5%				
Library Improvement	<u>\$821,299</u>	<u>\$16,412</u>	<u>\$85,000</u>	<u>\$752,711</u>
TOTAL - Voted General Obligation Bonds	<u>821,299</u>	<u>16,412</u>	<u>85,000</u>	<u>752,711</u>
Unvoted General Obligation Bonds				
1989 - 7.15%				
Kingsview/Fujitec Road Improvement	231,984	0	16,916	215,068
1990 - 7.00%				
Kingsview/Henkle Road Improvement	122,450	0	12,400	110,050
1991 - 6.45%				
Deerfield Road Improvement	198,120	0	11,430	186,690
1994 - 5.50%				
Pleasant Street Improvement	152,736	0	7,636	145,100
1997 - 3.90 - 5.25%				
Miller Road	<u>2,545,000</u>	<u>0</u>	<u>95,000</u>	<u>2,450,000</u>
TOTAL - Unvoted General Obligation Bonds Payable	<u>3,250,290</u>	<u>0</u>	<u>143,382</u>	<u>3,106,908</u>
Due to Other Governments	165,373	140,447	165,373	140,447
Compensated Absences Payable	653,483	54,638	0	708,121
Police Pension	<u>23,071</u>	<u>0</u>	<u>287</u>	<u>22,784</u>
TOTAL - General Long-Term Obligations	<u>\$6,223,225</u>	<u>\$211,497</u>	<u>\$495,660</u>	<u>\$5,939,062</u>

The Kingsview/Fujitec and Kingsview/Henkle special assessment/general obligation bonds were issued to finance the construction and improvement of two roads near the industrial park area. The City owns some of the land that borders these roads and is therefore paying a portion of this debt with payments in lieu of tax revenue generated from Amtex Inc., Lucas Sumitomo Brakes Inc., Bunnell Hill, Ghent Manufacturing, Cinmar, JBM, E-Beam Services, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, Eastgate

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Graphics, Flint Ink, J & N Distribution and R & I Enterprises, Quantum Metals, Dorn Enterprises, Franklin Brazing, Tomak Precision, and Trim Parts, the twenty corporations that occupy land in the industrial park. The debt is being paid from the General Obligation Debt Retirement Debt Service Fund with income tax revenue. The remainder is being assessed to the property owners.

The Deerfield Road Improvement special assessment/general obligation bonds were issued to finance the construction and improvement of a road. The City is responsible for paying for the costs of intersections, rights of way and some additional costs as determined by legal counsel. This is being paid through the General Obligation Debt Retirement Debt Service Fund with income tax revenue. The remainder is being assessed.

The Pleasant Street Improvement special assessment/general obligation bonds were issued to finance the construction and improvement of a road and new storm sewer. The City is responsible for paying for the costs of the intersections, rights of way, storm sewer and some additional costs as determined by legal counsel. This is being paid through the General Obligation Debt Retirement Debt Service Fund with income tax revenue. The remainder is being assessed.

The Miller Road general obligation bonds will be paid through the General Obligation Debt Retirement Debt Service Fund with City income tax revenue.

The Special Assessment Bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The Library Improvement general obligation bonds consist of \$620,000 in serial bonds and \$89,224 of capital appreciation bonds which were accreted \$16,412 in 2000. The carrying balance of the capital appreciation bonds at December 31, 2000, was \$132,711. The Library Improvement Bond will be paid through the Library Bond Retirement Debt Service Fund with property tax levy revenue.

Compensated absences and due to other governments, which represents contractually required pension contributions, will be paid from the fund which the employees' salaries are paid from. The police pension liability is paid from general property tax revenue.

Changes during 2000 in the City's long-term enterprise fund obligations were as follows:

	Balance at January 1, 2000	Increases	Decreases	Balance at December 31, 2000
Mortgage Revenue Bonds				
1999 - 4.9 to 5.35%				
Sanitary Sewer	\$8,830,000	\$0	\$200,000	\$8,630,000

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

	Balance at January 1, 2000	Increases	Decreases	Balance at December 31, 2000
1999 - 3.75 to 5.3% Water System Improvement and Refunding	\$10,106,590	\$0	\$316,843	\$9,789,747
1997 - 4.0 to 4.8% Sanitary Sewer	1,352,376	0	120,820	1,231,556
Mortgage Revenue Bonds 1996 - 3.70% Electric System	<u>4,403,139</u>	<u>0</u>	<u>172,537</u>	<u>4,230,602</u>
TOTAL - Mortgage Revenue Bonds Payable	24,692,105	0	810,200	23,881,905
Compensated Absences Payable	<u>213,566</u>	<u>0</u>	<u>97,347</u>	<u>116,219</u>
TOTAL - Enterprise Funds	<u>\$24,905,671</u>	<u>\$ 0</u>	<u>\$907,547</u>	<u>\$23,998,124</u>

The Mortgage Revenue Bonds are being repaid from charges for services in the respective enterprise fund. Compensated absences will be paid from the fund which the employees' salaries are paid from.

In prior years, the City defeased Water System Improvement Mortgage Revenue Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and the liability of the defeased bonds are not included in the City's financial statements. On December 31, 2000, \$1,205,000 of bonds are considered defeased.

The 1999 Water System improvement bond is reported at carrying value. Face value of the bond was \$9,855,000 and the unamortized deferred charge on the refunded bonds was \$65,253 at December 31, 2000.

The 1997 sewer system mortgage revenue bond is reported at carrying value. Face value of the bond was \$1,385,000 and the unamortized deferred charge on the refunded bonds was \$153,444 at December 31, 2000.

The electric system mortgage revenue bond issue is reported at carrying value. Face value of the bond was \$4,270,000 and the unamortized discount was \$39,398 at December 31, 2000.

The Enterprise Funds' related bond indentures have certain restrictive covenants, which require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties in good condition.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

As of December 31, 2000, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$26,768,363 and the unvoted debt margin was \$14,181,269. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2000, were:

	Special Assessment Bonds	General Obligation Bonds	Police Pension Liability	Mortgage Revenue Bonds	Total
2001	\$181,650	\$430,623	\$1,264	\$2,061,943	\$2,675,480
2002	167,497	426,383	1,264	2,061,117	2,656,261
2003	164,936	425,754	1,264	2,054,265	2,646,219
2004	160,988	430,549	1,264	2,058,148	2,650,949
2005	160,586	425,606	1,264	2,061,045	2,648,501
2006-10	740,907	1,993,464	6,320	9,516,373	12,257,064
2011-15	106,338	1,181,615	6,320	8,343,055	9,637,328
2016-39	<u>0</u>	<u>437,287</u>	<u>23,416</u>	<u>2,932,510</u>	<u>3,393,213</u>
TOTAL	<u>\$1,682,902</u>	<u>\$5,751,281</u>	<u>\$42,376</u>	<u>\$31,088,456</u>	<u>\$38,565,015</u>

NOTE 17 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2000, follows:

Fund Type/Fund/Issue	Balance at January 1, <u>2000</u>	Increases	Decreases	Balance at December 31, <u>2000</u>
Special Revenue				
Fire and Life Squad Fund				
Fire Improvement, 3.91%	<u>\$600,000</u>	<u>\$480,000</u>	<u>\$600,000</u>	<u>\$480,000</u>
Total Special Revenue	<u>\$600,000</u>	<u>\$480,000</u>	<u>\$600,000</u>	<u>\$480,000</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17 - SHORT-TERM OBLIGATIONS (continued)

<u>Fund Type/Fund/Issue</u>	<u>Balance at January 1, 2000</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2000</u>
Capital Projects				
Industrial Development Fund				
Columbia Business Pk Bluebird Farms, 3.30%	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Capital Improvements Fund				
Henkle Drive Extension 3.82%	250,000	0	250,000	0
Main Street Improvement 4.26%	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Total Capital Projects	<u>2,550,000</u>	<u>2,300,000</u>	<u>2,550,000</u>	<u>2,300,000</u>
Enterprise				
Electric Fund				
Telecommunications 3.82%	6,100,000	12,200,000	12,200,000	6,100,000
Electric Systems Improvement 4.21%	<u>2,150,000</u>	<u>4,300,000</u>	<u>4,300,000</u>	<u>2,150,000</u>
Total Enterprise Funds	<u>8,250,000</u>	<u>16,500,000</u>	<u>16,500,000</u>	<u>8,250,000</u>
Grand Total	<u>\$11,400,000</u>	<u>\$19,280,000</u>	<u>\$19,650,000</u>	<u>\$11,030,000</u>

The notes are issued in anticipation of long-term bond financing and will be refinanced until such bonds are issued. They are backed by the full faith and credit of the City and will mature within one year. The liability for the notes is presented in the fund that received the note proceeds.

NOTE 18 - INTERFUND ASSETS/LIABILITIES

Individual fund interfund asset and liability balances at December 31, 2000, were as follows:

<u>Due from/to Other Funds</u>	<u>Due From</u>	<u>Due To</u>
Fund		
General	\$31,066	\$8,801
Special Revenue Funds:		
Cemetery	0	613
Computer Improvement	2,300	0
Computerized Legal Research	765	0
Education and Enforcement	50	0
Fire and Life Squad	\$0	\$2,171

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 18 - INTERFUND ASSETS/LIABILITIES (continued)

Fund	Due From	Due To
Indigent Drivers' Alcohol Treatment	\$182	\$0
State Highway	0	2,503
Street Maintenance and Repair	<u>0</u>	3,754
Total Special Revenue Funds	<u>3,297</u>	<u>9,041</u>
Enterprise Funds:		
Electric	0	2,949
Sewer	0	1,444
Water	<u>0</u>	<u>839</u>
Total Enterprise Funds	<u>0</u>	<u>5,232</u>
Internal Service Fund:		
Auto Maintenance	23,074	<u>0</u>
Agency Fund:		
Municipal Court	<u>0</u>	<u>34,363</u>
Total All Funds	<u>\$57,437</u>	<u>\$57,437</u>
Interfund Receivable/Payable		
<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$565,000	<u>\$0</u>
Special Revenue Funds:		
Community Development	0	63,000
COPS FAST	0	50,000
Urban Redevelopment	<u>0</u>	<u>160,000</u>
Total Special Revenue Funds	<u>0</u>	<u>273,000</u>
Capital Projects Funds:		
Capital Improvements	63,000	0
Industrial Development	<u>0</u>	<u>355,000</u>
Total Capital Projects	<u>63,000</u>	<u>355,000</u>
Enterprise Funds:		
Sewer	0	1,000,000
Water	1,000,000	<u>0</u>
Total Enterprise	<u>1,000,000</u>	<u>1,000,000</u>
Grand Total	<u>\$1,628,000</u>	<u>\$1,628,000</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 18 - INTERFUND ASSETS/LIABILITIES (continued)

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Advances From/To Other Funds		
General	\$2,167,005	\$0
Capital Projects Fund:		
Industrial Development	0	2,167,005
Grand Total	<u>\$2,167,005</u>	<u>\$2,167,005</u>

NOTE 19 - SEGMENT INFORMATION

The City's enterprise funds account for the provision of electric, sanitation, sewer and water services. Key financial information as of and for the year ended December 31, 2000, for each enterprise fund is as follows:

	<u>Electric Fund</u>	<u>Sanitation Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues	\$11,015,754	\$780,923	\$1,935,006	\$2,264,674	\$15,996,357
Depreciation Expense	1,670,513	3,333	356,584	300,773	2,331,203
Operating Income/(Loss)	(1,493,948)	(41,112)	113,676	824,432	(596,952)
Net Non-Operating Revenues (Expenses)	(425,993)	0	(84,441)	130,481	(379,953)
Net Income (Loss)	(1,919,941)	(41,112)	29,235	954,913	(976,905)
Current Capital Contributions	43,000	0	918,282	584,350	1,545,632
Fixed Assets:					
Additions	351,633	0	2,012,451	501,527	2,865,611
Deletions	44,471	9,105	93,840	57,048	204,464
Net Working Capital	(3,568,638)	578,712	6,122,535	9,295,745	12,428,354
Total Assets	26,297,144	743,238	26,947,632	25,732,684	79,720,698
Bonds and Other Long-Term Liabilities Payable from					
Revenues	4,120,564	0	9,555,887	9,481,473	23,157,924
Total Equity	11,937,672	686,476	15,332,583	15,816,885	43,773,616
Encumbrances at December 31, 2000	\$1,280,775	\$5,698	\$1,281,984	\$272,485	\$2,840,942

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 20 - CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts:

Source	Electric Fund	Sanitation Fund	Sewer Fund	Water Fund	Total
Developer	\$0	\$0	\$714,920	\$584,350	\$1,299,270
Contribution from Other Fund	43,000	0	203,362	0	246,362
Contributed Capital					
January 1	<u>67,995</u>	<u>347,887</u>	<u>11,016,392</u>	<u>5,221,778</u>	<u>16,654,052</u>
Contributed Capital					
December 31	<u>\$110,995</u>	<u>\$347,887</u>	<u>\$11,934,674</u>	<u>\$5,806,128</u>	<u>\$18,199,684</u>

In addition, the Auto Maintenance Internal Service Fund had contributed capital at the beginning and end of the year of \$64,666.

NOTE 21 - JOINT VENTURE/JOINTLY GOVERNED ORGANIZATION

Hazardous Materials Response Team

As described in Note 1, the City is a member of a Hazardous Material Response Team ("HAZ MAT") which is a joint venture with three other local governments. This joint venture was created to provide hazardous material response protection and mutual assistance in the event of a hazardous material incident.

In March 2000, the HAZ MAT joint venture was disbanded and management of its operation was assumed by the Warren County Board of Commissioners. The balance of the HAZ MAT fund will be paid to the County in the next fiscal year.

The following is a summary of the financial information of the year ended December 31, 2000, prepared on the basis of cash receipts and disbursements:

Operating Revenues	\$-0-
Operating Expenditures	<u>21,338</u>
Excess of Operating Revenues	
Over Expenditures	(21,338)
Fund Balance Beginning of Year	<u>21,351</u>
Fund Balance End of Year	<u>\$13</u>

Warren County General Health District

The Warren County General Health District, a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The City contributed \$3,000 during 2000 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. You may obtain financial information from Kathy Steptenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 22 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The City of Lebanon has entered into the following contracts as of December 31, 2000:

<u>Company</u>	<u>Purpose</u>	<u>Amount Remaining</u>
National Engineering	Wastewater Treatment Plant	\$546,928
Hummel Industries	City Bldg. Exterior Repair	66,271
Weidle Corporation	Columbia Bus. Pk. Sec I	144,584
Armrel Byrnes	Henkle Dr. Sanitary Swr	131,385
Layne-Ohio	Groundwater Exploration	73,955
Brock & Sons	Cemetery Rd. Reconst.	326,701
Armrel Byrnes	Interstate Sanitary Sewer	420,883
Preload Corporation	1.0 MG Clearwell	196,928
Woolpert	Wastewater Treatment Plant	123,461
Excel Contracting	Cemetery Fountain	138,229
Clark Substations	Monroe Substation	48,380
Virginia Transformer	Monroe Substation	231,718
Alstom USA	Monroe Substation	37,790
Utiliserve High Volt.	Monroe Substation	\$169,000

NOTE 23 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability - Fund Equity Deficits

The COPS FAST and Urban Redevelopment Special Revenue Funds have deficit fund balances of \$49,725 and \$129,996 respectively. The Industrial Development Capital Projects Fund had a deficit fund balance of \$4,566,082. The deficit fund balances are a result of the application of generally accepted accounting principles to the financial reporting of this fund. Advances (long term and current) from other funds and proceeds of notes used to finance these projects are not recognized as other financing sources, but rather as a fund liability. The deficits will be eliminated when the advances and notes are repaid. The Self-Insurance Internal Service Fund had deficit fund equity of \$18,614. The City is currently monitoring the Self-Insurance Fund to find a way to alleviate this deficit.

B. Compliance

The City had appropriations in excess of estimated receipts plus available balances for the Community Development and the COPS FAST Special Revenue Funds of \$8,245 and \$1,138, respectively. The Capital Improvements Capital Projects Fund had appropriations in excess of estimated receipts plus available balances of \$1,478,689.

The General Fund had expenditures in excess of appropriations in Capital Outlay and Operating Transfers - Out of \$24,722 and \$107,300, respectively. The Self-Insurance Internal Service Fund had expenditures in excess of appropriations in Contractual Services of \$44,735.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 24 - CONTINGENT LIABILITIES

Litigation

The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Federal and State Grants

For the period January 1, 2000, to December 31, 2000, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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**COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for governmental resources which are not required to be accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of Ohio.

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$684,371	\$684,371	\$0
Income Taxes	1,623,189	1,623,189	0
Other Local Taxes	34,098	34,098	0
Intergovernmental	841,153	1,179,890	338,737
Charges for Services	1,740,155	1,740,155	0
Fines, Licenses and Permits	841,170	841,170	0
Interest	680,072	680,072	0
Other	32,159	32,159	0
Total Revenues	6,476,367	6,815,104	338,737
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	1,972,638	1,905,099	67,539
Travel Transportation	21,990	21,933	57
Contractual Services	251,834	219,991	31,843
Supplies and Materials	52,695	42,979	9,716
Total Security of Persons and Property	2,299,157	2,190,002	109,155
Public Health Services			
Contractual Services	3,000	3,000	0
Total Public Health Services	3,000	3,000	0
Leisure Time Activities			
Recreation Programs			
Personal Services	82,728	59,615	23,113
Travel Transportation	2,075	1,757	318
Contractual Services	35,910	35,308	602
Supplies and Materials	40,961	40,864	97
Parks			
Personal Services	324,695	260,202	64,493
Travel Transportation	4,500	3,569	931
Contractual Services	57,917	52,848	5,069
Supplies and Materials	31,284	31,240	44
Total Leisure Time Activities	\$580,070	\$485,403	\$94,667

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Planning and Development			
Personal Services	\$227,345	\$213,613	\$13,732
Travel Transportation	2,000	394	1,606
Contractual Services	6,300	4,460	1,840
Supplies and Materials	4,318	4,297	21
Building and Zoning			
Personal Services	155,853	128,184	27,669
Travel Transportation	1,300	1,274	26
Contractual Services	79,330	79,307	23
Supplies and Materials	2,469	1,660	809
Engineer Services			
Personal Services	186,692	184,852	1,840
Travel Transportation	3,200	2,430	770
Contractual Services	30,259	27,576	2,683
Supplies and Materials	4,100	3,859	241
Total Community Environment	703,166	651,906	51,260
General Government			
Legislative			
Personal Services	10,475	9,529	946
Travel Transportation	1,000	51	949
Contractual Services	39,128	37,535	1,593
Supplies and Materials	11,087	6,123	4,964
City Manager			
Personal Services	342,183	341,186	997
Travel Transportation	16,000	12,215	3,785
Contractual Services	98,161	97,991	170
Supplies and Materials	4,643	4,641	2
Finance			
Personal Services	499,628	498,912	716
Travel Transportation	4,730	3,727	1,003
Contractual Services	100,812	84,635	16,177
Supplies and Materials	1,100	1,073	27
Income Tax			
Personal Services	106,848	96,077	10,771
Travel Transportation	800	729	71
Contractual Services	7,975	7,592	383
Supplies and Materials	15,144	15,087	57
Refunds	40,000	39,679	321
Law			
Personal Services	128,143	128,073	70
Travel Transportation	2,500	453	2,047
Contractual Services	257,680	205,538	52,142
Supplies and Materials	\$3,154	\$2,581	\$573

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Municipal Court			
Personal Services	\$271,999	\$271,912	\$87
Travel Transportation	1,050	218	832
Contractual Services	103,304	95,818	7,486
Supplies and Materials	12,456	11,269	1,187
Probation			
Personal Services	136,698	136,286	412
Travel Transportation	2,500	1,851	649
Contractual Services	3,307	3,198	109
Supplies and Materials	1,600	1,296	304
Building Maintenance			
Personal Services	246,078	209,057	37,021
Travel Transportation	1,450	20	1,430
Contractual Services	147,239	130,856	16,383
Supplies and Materials	20,013	19,967	46
Total General Government	2,638,885	2,475,175	163,710
Capital Outlay	236,601	261,323	(24,722)
Total Expenditures	6,460,879	6,066,809	394,070
Excess of Revenues Over Expenditures	15,488	748,295	732,807
Other Financing Sources (Uses):			
Advance - In	100,798	100,798	0
Advance - Out	(5,300)	(412,192)	(406,892)
Operating Transfers - In	47,495	47,495	0
Operating Transfers - Out	(100,000)	(207,300)	(107,300)
Total Other Financing Sources (Uses):	42,993	(471,199)	(514,192)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	58,481	277,096	218,615
Fund Balance at Beginning of Year	2,267,632	2,267,632	0
Prior Year Encumbrances Appropriated	145,789	145,789	0
Fund Balance at End of Year	\$2,471,902	\$2,690,517	\$218,615

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditure for specific purposes.

Bi-Centennial Celebration

To account for monies received for the celebration of the bi-centennial of the City.

Cemetery

To account for monies received for the operation and maintenance of the cemeteries.

Community Development

To account for monies received from the federal government under the Community Development Block Grant Program

Computer Improvement

To account for an additional court cost that will be used to computerize the clerk of court's office.

Computerized Legal Research

To account for an additional court cost that will be used to purchase and maintain computer equipment used in legal research.

COPS FAST

To account for monies received from the federal government for the COPS FAST Grant, a program of the U.S. Department of Justice, established for the hiring of an additional police officer.

DARE

To account for donations and fund raising proceeds that are used to operate the Drug Abuse Resistance Education program.

Drug Law Enforcement

To account for fines generated from the prosecution of illegal drug usage and sales.

Enforcement and Education

To account for a portion of fines collected in DUI cases to be used to enforce DUI laws and teach the public about the dangers of driving under the influence.

Federal Asset Forfeiture

To account for monies received from federal forfeitures to be used for law enforcement. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 2000. The budgetary fund balance was \$1,357 at December 31, 2000.

Fire and Life Squad

To account for revenues to be used for the operation of the fire and life squad.

(Continued)

SPECIAL REVENUE FUNDS (Continued)

Indigent Drivers' Alcohol Treatment

To account for a portion of fines collected in DUI cases to be used to pay for the treatment of indigent persons convicted of DUI offenses.

Law Enforcement

To account for proceeds from the sale of confiscated contraband.

Parking

To account for the monies collected from the City's parking meters used for the maintenance of parking meters and parking lots.

Park Recreation Impact Fee

To account for monies received from all sources for the purpose of purchasing land for open space.

State Highway

To account for gasoline tax and motor vehicle license fees used for routine maintenance of state highways within the City.

Street Maintenance and Repair

To account for gasoline tax and motor vehicle license fees remitted to the City for routine street maintenance.

Tax Increment Financing

To account for payments received in lieu of taxes on property granted a tax exemption by the City.

Urban Redevelopment

To account for monies received, primarily debt, for the housing redevelopment projects in the North Mechanic Street area.

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 2000**

	Bi-Centennial Celebration	Cemetery	Community Development	Computer Improvement
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$27,483	\$137,784	\$676	\$103,633
Cash and Cash Equivalents with Fiscal Agents	0	0	158,405	0
Receivables:				
Taxes	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Notes	0	0	64,139	0
Due from Other Funds	0	0	0	2,300
Due from Other Governments	0	15,000	0	0
Inventory of Supplies	0	2,447	0	0
Prepaid Items	0	1,074	0	0
Total Assets	\$27,483	\$156,305	\$223,220	\$105,933
Liabilities:				
Accounts Payable	\$0	\$579	\$0	\$0
Accrued Salaries Payable	0	410	0	0
Accrued Interest Payable	0	0	0	0
Due to Other Funds	0	613	0	0
Due to Other Governments	0	587	0	0
Interfund Payable	0	0	63,000	0
Deferred Revenue	0	0	0	0
Notes Payable	0	0	0	0
Total Liabilities	0	2,189	63,000	0
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	0	1,214	281	1,597
Reserved for Inventory	0	2,447	0	0
Reserved for Notes Receivable	0	0	64,139	0
Unreserved, Undesignated (Deficit)	27,483	150,455	95,800	104,336
Total Fund Equity (Deficit)	27,483	154,116	160,220	105,933
Total Liabilities and Fund Equity	\$27,483	\$156,305	\$223,220	\$105,933

<u>Computerized Legal Research</u>	<u>COPS FAST</u>	<u>DARE</u>	<u>Drug Law Enforcement</u>	<u>Enforcement and Education</u>	<u>Federal Asset Forfeiture</u>	<u>Fire and Life Squad</u>
\$65,190	\$4,221	\$5,501	\$5,107	\$20,496	\$1,357	\$580,429
0	0	0	0	0	0	0
0	0	0	0	0	0	1,079,075
0	0	0	0	0	0	0
0	0	0	0	0	0	0
765	0	0	0	50	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	32,146
1,598	0	0	42	0	0	19,825
<u>\$67,553</u>	<u>\$4,221</u>	<u>\$5,501</u>	<u>\$5,149</u>	<u>\$20,546</u>	<u>\$1,357</u>	<u>\$1,711,475</u>
\$2,004	\$0	\$0	\$0	\$0	\$0	\$10,208
0	2,012	0	0	0	0	5,185
0	0	0	0	0	0	10,185
0	0	0	0	0	0	2,171
0	1,934	0	0	0	0	3,858
0	50,000	0	0	0	0	0
0	0	0	0	0	0	1,079,075
0	0	0	0	0	0	480,000
<u>2,004</u>	<u>53,946</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,590,682</u>
0	0	0	0	0	0	34,145
0	0	0	0	0	0	32,146
0	0	0	0	0	0	0
65,549	(49,725)	5,501	5,149	20,546	1,357	54,502
<u>65,549</u>	<u>(49,725)</u>	<u>5,501</u>	<u>5,149</u>	<u>20,546</u>	<u>1,357</u>	<u>120,793</u>
<u>\$67,553</u>	<u>\$4,221</u>	<u>\$5,501</u>	<u>\$5,149</u>	<u>\$20,546</u>	<u>\$1,357</u>	<u>\$1,711,475</u>

(Continued)

CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 2000
(Continued)

	Indigent Drivers' Alcohol Treatment	Law Enforcement	Parking	Park Recreation Impact Fee
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$49,097	\$20,694	\$62,077	\$441,403
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Notes	0	0	0	0
Due from Other Funds	182	0	0	0
Due from Other Governments	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$49,279	\$20,694	\$62,077	\$441,403
Liabilities:				
Accounts Payable	\$0	\$0	\$342	\$0
Accrued Salaries Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Notes Payable	0	0	0	0
Total Liabilities	0	0	342	0
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	0	0	18,676	0
Reserved for Inventory	0	0	0	0
Reserved for Notes Receivable	0	0	0	0
Unreserved, Undesignated (Deficit)	49,279	20,694	43,059	441,403
Total Fund Equity (Deficit)	49,279	20,694	61,735	441,403
Total Liabilities and Fund Equity	\$49,279	\$20,694	\$62,077	\$441,403

<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Tax Increment Financing</u>	<u>Urban Redevelopment</u>	<u>Total</u>
\$42,350	\$828,571	\$326,186	\$30,004	\$2,752,259
0	0	0	0	158,405
0	7,769	0	0	1,086,844
0	0	2,652,233	0	2,652,233
0	0	0	0	64,139
0	0	0	0	3,297
1,862	30,733	0	0	47,595
0	75,587	0	0	110,180
0	8,769	0	0	31,308
<u>\$44,212</u>	<u>\$951,429</u>	<u>\$2,978,419</u>	<u>\$30,004</u>	<u>\$6,906,260</u>
\$5,717	\$10,985	\$0	\$0	\$29,835
0	5,054	0	0	12,661
0	0	0	0	10,185
2,503	3,754	0	0	9,041
0	4,389	24,740	0	35,508
0	0	0	160,000	273,000
0	0	2,652,233	0	3,731,308
0	0	0	0	480,000
<u>8,220</u>	<u>24,182</u>	<u>2,676,973</u>	<u>160,000</u>	<u>4,581,538</u>
6,063	20,665	0	0	82,641
0	75,587	0	0	110,180
0	0	0	0	64,139
29,929	830,995	301,446	(129,996)	2,067,762
<u>35,992</u>	<u>927,247</u>	<u>301,446</u>	<u>(129,996)</u>	<u>2,324,722</u>
<u>\$44,212</u>	<u>\$951,429</u>	<u>\$2,978,419</u>	<u>\$30,004</u>	<u>\$6,906,260</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Bi-Centennial Celebration</u>	<u>Cemetery</u>	<u>Community Development</u>	<u>Computer Improvement</u>
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental	0	30,000	0	0
Charges for Services	0	55,869	0	0
Fines, Licenses and Permits	0	0	0	32,447
Interest	0	8,642	3,724	0
Other	7,625	12,052	0	0
Total Revenues	<u>7,625</u>	<u>106,563</u>	<u>3,724</u>	<u>32,447</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	41,979
Public Health Services	0	96,803	0	0
Community Environment	9,221	0	56,079	0
Transportation	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	<u>9,221</u>	<u>96,803</u>	<u>56,079</u>	<u>41,979</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,596)</u>	<u>9,760</u>	<u>(52,355)</u>	<u>(9,532)</u>
Other Financing Sources (Uses):				
Operating Transfers - In	6,000	30,000	0	0
Operating Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>30,000</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,404	39,760	(52,355)	(9,532)
Fund Balances (Deficit) at Beginning of Year	23,079	116,638	212,575	115,465
Increase (Decrease) in Reserve for Inventory	<u>0</u>	<u>(2,282)</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>\$27,483</u>	<u>\$154,116</u>	<u>\$160,220</u>	<u>\$105,933</u>

Computerized Legal Research	COPS FAST	DARE	Drug Law Enforcement	Enforcement and Education	Federal Asset Forfeiture	Fire and Life Squad
\$0	\$0	\$0	\$0	\$0	\$0	\$1,093,174
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	106,250	0	0	0	0	111,293
0	0	0	0	2,798	0	3,384
10,776	0	0	3,879	2,085	0	0
0	0	0	0	0	0	0
0	3	957	0	0	0	5,557
<u>10,776</u>	<u>106,253</u>	<u>957</u>	<u>3,879</u>	<u>4,883</u>	<u>0</u>	<u>1,213,408</u>
11,483	229,945	1,900	11,907	6,241	0	1,301,683
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	23,646
<u>11,483</u>	<u>229,945</u>	<u>1,900</u>	<u>11,907</u>	<u>6,241</u>	<u>0</u>	<u>1,325,329</u>
<u>(707)</u>	<u>(123,692)</u>	<u>(943)</u>	<u>(8,028)</u>	<u>(1,358)</u>	<u>0</u>	<u>(111,921)</u>
0	105,300	0	0	0	0	0
0	0	0	0	0	0	0
0	105,300	0	0	0	0	0
(707)	(18,392)	(943)	(8,028)	(1,358)	0	(111,921)
66,256	(31,333)	6,444	13,177	21,904	1,357	228,432
0	0	0	0	0	0	4,282
<u>\$65,549</u>	<u>(\$49,725)</u>	<u>\$5,501</u>	<u>\$5,149</u>	<u>\$20,546</u>	<u>\$1,357</u>	<u>\$120,793</u>

(Continued)

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Indigent Drivers' Alcohol Treatment	Law Enforcement	Parking	Park Recreation Impact Fee
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	2,388	0	45,558	125,315
Interest	0	0	0	0
Other	8,225	8,967	0	0
Total Revenues	10,613	8,967	45,558	125,315
Expenditures:				
Current:				
Security of Persons and Property	0	50	0	0
Public Health Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	43,070	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	0	50	43,070	0
Excess of Revenues Over (Under) Expenditures	10,613	8,917	2,488	125,315
Other Financing Sources (Uses):				
Operating Transfers - In	0	0	0	0
Operating Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	10,613	8,917	2,488	125,315
Fund Balances (Deficit) at Beginning of Year	38,666	11,777	59,247	316,088
Increase (Decrease) in Reserve for Inventory	0	0	0	0
Fund Balances (Deficit) at End of Year	\$49,279	\$20,694	\$61,735	\$441,403

State Highway	Street Maintenance and Repair	Tax Increment Financing	Urban Redevelopment	Total
\$0	\$0	\$0	\$0	\$1,093,174
0	109,673	0	0	109,673
0	0	383,995	0	383,995
30,417	382,919	42,574	254	703,707
0	11,700	0	0	73,751
0	0	0	0	222,448
0	0	0	0	12,366
0	14,258	0	0	57,644
<u>30,417</u>	<u>518,550</u>	<u>426,569</u>	<u>254</u>	<u>2,656,758</u>
0	0	0	0	1,605,188
0	0	0	0	96,803
0	0	75,504	0	140,804
64,125	489,603	0	0	596,798
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,646</u>
<u>64,125</u>	<u>489,603</u>	<u>75,504</u>	<u>0</u>	<u>2,463,239</u>
<u>(33,708)</u>	<u>28,947</u>	<u>351,065</u>	<u>254</u>	<u>193,519</u>
0	0	0	0	141,300
<u>0</u>	<u>0</u>	<u>(233,293)</u>	<u>0</u>	<u>(233,293)</u>
<u>0</u>	<u>0</u>	<u>(233,293)</u>	<u>0</u>	<u>(91,993)</u>
(33,708)	28,947	117,772	254	101,526
69,700	865,032	183,674	(130,250)	2,187,928
<u>0</u>	<u>33,268</u>	<u>0</u>	<u>0</u>	<u>35,268</u>
<u>\$35,992</u>	<u>\$927,247</u>	<u>\$301,446</u>	<u>(\$129,996)</u>	<u>\$2,324,722</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BI-CENTENNIAL CELEBRATION FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$7,625	\$7,625	\$0
Total Revenues	7,625	7,625	0
Expenditures:			
Current:			
Community Environment			
Contractual Services	28,000	9,221	18,779
Total Community Environment	28,000	9,221	18,779
Total Expenditures	28,000	9,221	18,779
Excess of Revenues Under Expenditures	(20,375)	(1,596)	18,779
Other Financing Sources:			
Operating Transfers - In	6,000	6,000	0
Total Other Financing Sources	6,000	6,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(14,375)	4,404	18,779
Fund Balance at Beginning of Year	23,079	23,079	0
Fund Balance at End of Year	<u>\$8,704</u>	<u>\$27,483</u>	<u>\$18,779</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$30,000	\$30,000	\$0
Charges for Services	51,726	55,869	4,143
Interest	8,642	8,642	0
Other	12,052	12,052	0
Total Revenues	<u>102,420</u>	<u>106,563</u>	<u>4,143</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	81,175	70,044	11,131
Travel Transportation	950	- 0	950
Contractual Services	28,605	23,697	4,908
Supplies and Materials	5,500	5,390	110
Total Public Health Services	<u>116,230</u>	<u>99,131</u>	<u>17,099</u>
Total Expenditures	<u>116,230</u>	<u>99,131</u>	<u>17,099</u>
Excess of Revenues Over (Under) Expenditure	<u>(13,810)</u>	<u>7,432</u>	<u>21,242</u>
Other Financing Sources:			
Operating Transfers - In	30,000	30,000	0
Total Other Financing Sources	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	16,190	37,432	21,242
Fund Balance at Beginning of Year	98,299	98,299	0
Prior Year Encumbrances Appropriated	261	261	0
Fund Balance at End of Year	<u><u>\$114,750</u></u>	<u><u>\$135,992</u></u>	<u><u>\$21,242</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Community Environment			
Community Development			
Capital Outlay	65,000	56,360	8,640
Total Community Environment	65,000	56,360	8,640
Total Expenditures	65,000	56,360	8,640
Excess of Revenues Over (Under) Expenditures	(65,000)	(56,360)	8,640
Fund Balance at Beginning of Year	56,755	56,755	0
Fund Balance (Deficit) at End of Year	(\$8,245)	\$395	\$8,640

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMPUTER IMPROVEMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$29,887	\$32,497	\$2,610
Total Revenues	29,887	32,497	2,610
Expenditures:			
Current:			
Security of Persons and Property			
Computer Improvement			
Contractual Services	18,395	14,778	3,617
Supplies and Materials	5,000	4,274	726
Capital Outlay	36,690	36,597	93
Total Security of Persons and Property	60,085	55,649	4,436
Total Expenditures	60,085	55,649	4,436
Excess of Revenues Over (Under) Expenditures	(30,198)	(23,152)	7,046
Fund Balance at Beginning of Year	86,911	86,911	0
Prior Year Encumbrances Appropriated	38,278	38,278	0
Fund Balance at End of Year	\$94,991	\$102,037	\$7,046

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMPUTERIZED LEGAL RESEARCH FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$9,976	\$10,849	\$873
Total Revenues	9,976	10,849	873
Expenditures:			
Current:			
Security of Persons and Property			
Computerized Legal Research			
Contractual Services	6,889	6,723	166
Supplies and Materials	4,800	4,354	446
Capital Outlay	3,120	0	3,120
Total Security of Persons and Property	14,809	11,077	3,732
Total Expenditures	14,809	11,077	3,732
Excess of Revenues Over (Under) Expenditures	(4,833)	(228)	4,605
Fund Balance at Beginning of Year	65,158	65,158	0
Prior Year Encumbrances Appropriated	260	260	0
Fund Balance at End of Year	\$60,585	\$65,190	\$4,605

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COPS FAST FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$106,250	\$106,250	\$0
Other	3	3	0
Total Revenues	<u>106,253</u>	<u>106,253</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property COPS FAST			
Personal Services	228,755	228,696	59
Total Security Persons and Property	<u>228,755</u>	<u>228,696</u>	<u>59</u>
Total Expenditures	<u>228,755</u>	<u>228,696</u>	<u>59</u>
Excess of Revenues Over (Under) Expenditures	<u>(122,502)</u>	<u>(122,443)</u>	<u>59</u>
Other Financing Sources:			
Operating Transfers - In	100,000	105,300	5,300
Total Other Financing Sources	<u>100,000</u>	<u>105,300</u>	<u>5,300</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(22,502)</u>	<u>(17,143)</u>	<u>5,359</u>
Fund Balance at Beginning of Year	21,319	21,319	0
Prior Year Encumbrances Appropriated	45	45	0
Fund Balance (Deficit) at End of Year	<u><u>(\$1,138)</u></u>	<u><u>\$4,221</u></u>	<u><u>\$5,359</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DARE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$1,007	\$1,007	\$0
Total Revenues	<u>1,007</u>	<u>1,007</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
DARE Program			
Supplies and Materials	1,900	1,900	0
Total Security of Persons and Property	<u>1,900</u>	<u>1,900</u>	<u>0</u>
Total Expenditures	<u>1,900</u>	<u>1,900</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(893)	(893)	0
Fund Balance at Beginning of Year	<u>6,394</u>	<u>6,394</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,501</u></u>	<u><u>\$5,501</u></u>	<u><u>\$0</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG LAW ENFORCEMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$3,450	\$3,879	\$429
Total Revenues	<u>3,450</u>	<u>3,879</u>	<u>429</u>
Expenditures:			
Current:			
Security of Persons and Property			
Drug Law Enforcement			
Capital Outlay	11,949	11,949	0
Total Security of Persons and Property	<u>11,949</u>	<u>11,949</u>	<u>0</u>
Total Expenditures	<u>11,949</u>	<u>11,949</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	(8,499)	(8,070)	429
Fund Balance at Beginning of Year	<u>13,177</u>	<u>13,177</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$4,678</u></u>	<u><u>\$5,107</u></u>	<u><u>\$429</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENFORCEMENT AND EDUCATION FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,974	\$2,798	\$824
Fines, Licenses and Permits	2,035	2,035	0
Total Revenues	<u>4,009</u>	<u>4,833</u>	<u>824</u>
Expenditures:			
Current:			
Security of Persons and Property			
Enforcement and Education			
Other	6,265	6,241	24
Total Security of Persons and Property	<u>6,265</u>	<u>6,241</u>	<u>24</u>
Total Expenditures	<u>6,265</u>	<u>6,241</u>	<u>24</u>
Excess of Revenues Over (Under) Expenditures	(2,256)	(1,408)	848
Fund Balance at Beginning of Year	<u>21,904</u>	<u>21,904</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$19,648</u></u>	<u><u>\$20,496</u></u>	<u><u>\$848</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE AND LIFE SQUAD FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$1,093,174	\$1,093,174	\$0
Intergovernmental	100,290	111,293	11,003
Charges for Services	3,384	3,384	0
Other	5,557	5,557	0
Total Revenues	<u>1,202,405</u>	<u>1,213,408</u>	<u>11,003</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	462,052	394,155	67,897
Travel Transportation	28,668	28,537	131
Contractual Services	186,195	186,126	69
Supplies and Materials	33,290	33,192	98
Capital Outlay	818,406	767,035	51,371
Total Security of Persons and Property	<u>1,528,611</u>	<u>1,409,045</u>	<u>1,409,045</u>
Debt Service:			
Principal Retirement	600,000	600,000	0
Interest and Fiscal Charges	24,000	23,497	503
Total Debt Service	<u>624,000</u>	<u>623,497</u>	<u>503</u>
Total Expenditures	<u>2,152,611</u>	<u>2,032,542</u>	<u>120,069</u>
Excess of Revenues Under Expenditures	<u>(950,206)</u>	<u>(819,134)</u>	<u>(131,072)</u>
Other Financing Sources:			
Proceeds from Sale of Notes	480,000	480,000	0
Total Other Financing Sources	<u>480,000</u>	<u>480,000</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Under Expenditures	(470,206)	(339,134)	(131,072)
Fund Balance at Beginning of Year	282,122	282,122	0
Prior Year Encumbrances Appropriated	595,435	595,435	0
Fund Balance at End of Year	<u>\$407,351</u>	<u>\$538,423</u>	<u>(\$131,072)</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INDIGENT DRIVERS' ALCOHOL TREATMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$2,331	\$2,331	\$0
Other	8,079	8,225	146
Total Revenues	<u>10,410</u>	<u>10,556</u>	<u>146</u>
Expenditures:			
Current:			
Security of Persons and Property			
Indigent Drivers' Alcohol Treatment			
Other	5,000	0	5,000
Total Security of Persons and Property	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess of Revenues Over Expenditures	5,410	10,556	5,146
Fund Balance at Beginning of Year	<u>38,541</u>	<u>38,541</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$43,951</u></u>	<u><u>\$49,097</u></u>	<u><u>\$5,146</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW ENFORCEMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$8,892	\$8,967	\$75
Total Revenues	8,892	8,967	75
Expenditures:			
Current:			
Security of Persons and Property Law Enforcement			
Capital Outlay	4,100	4,081	19
Total Expenditures	4,100	4,081	19
Excess of Revenues Over Expenditures	4,792	4,886	94
Fund Balance at Beginning of Year	11,777	11,777	0
Fund Balance at End of Year	<u>\$16,569</u>	<u>\$16,663</u>	<u>\$94</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKING FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$43,224	\$45,558	\$2,334
Total Revenues	43,224	45,558	2,334
Expenditures:			
Current:			
Transportation			
Parking Facilities			
Contractual Services	5,725	4,032	1,693
Supplies and Materials	175	0	175
Reimbursements	24,150	24,150	0
Capital Outlay	35,000	33,222	1,778
Total Transportation	65,050	61,404	3,646
Total Expenditures	65,050	61,404	3,646
Excess of Revenues Over (Under) Expenditures	(21,826)	(15,846)	5,980
Fund Balance at Beginning of Year	57,247	57,247	0
Prior Year Encumbrances Appropriated	2,000	2,000	0
Fund Balance at End of Year	\$37,421	\$43,401	\$5,980

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK RECREATION IMPACT FEE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$105,065	\$125,315	\$20,250
Total Revenues	105,065	125,315	20,250
Expenditures:	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	105,065	125,315	20,250
Fund Balance at Beginning of Year	316,088	316,088	0
Fund Balance at End of Year	\$421,153	\$441,403	\$20,250

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE HIGHWAY FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$27,191	\$29,720	\$2,529
Total Revenues	<u>27,191</u>	<u>29,720</u>	<u>2,529</u>
Expenditures:			
Current:			
Transportation			
State Highway			
Contractual Services	37,000	36,141	859
Supplies and Materials	30,548	29,178	1,370
Total Transportation	<u>67,548</u>	<u>65,319</u>	<u>2,229</u>
Total Expenditures	<u>67,548</u>	<u>65,319</u>	<u>2,229</u>
Excess of Revenues Over (Under) Expenditures	(40,357)	(35,599)	4,758
Fund Balance at Beginning of Year	68,533	68,533	0
Prior Year Encumbrances Appropriated	<u>550</u>	<u>550</u>	<u>0</u>
Fund Balance at End of Year	<u>\$28,726</u>	<u>\$33,484</u>	<u>\$4,758</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET MAINTENANCE AND REPAIR FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other Local Taxes	\$109,554	\$109,554	\$0
Intergovernmental	326,687	366,553	39,866
Charges for Services	11,700	11,700	0
Other	14,258	14,258	0
Total Revenues	<u>462,199</u>	<u>502,065</u>	<u>39,866</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	421,561	394,282	27,279
Travel Transportation	800	0	800
Contractual Services	83,440	79,742	3,698
Supplies and Materials	35,301	31,195	4,106
Total Transportation	<u>541,102</u>	<u>505,219</u>	<u>35,883</u>
Total Expenditures	<u>541,102</u>	<u>505,219</u>	<u>35,883</u>
Excess of Revenues Over (Under) Expenditures	(78,903)	(3,154)	75,749
Fund Balance at Beginning of Year	790,863	790,863	0
Prior Year Encumbrances Appropriated	10,333	10,333	0
Fund Balance at End of Year	<u><u>\$722,293</u></u>	<u><u>\$798,042</u></u>	<u><u>\$75,749</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Payments in Lieu of Taxes	\$383,995	\$383,995	\$0
Intergovernmental	42,574	42,574	0
Total Revenues	426,569	426,569	0
Expenditures:			
Current:			
Community Environment			
Community Planning			
Supplies and Materials	116,000	108,835	7,165
Total Community Environment	116,000	108,835	7,165
Total Expenditures	116,000	108,835	7,165
Excess of Revenues Over Expenditures	310,569	317,734	7,165
Other Financing Uses:			
Operating Transfers - Out	(419,768)	(233,293)	186,475
Total Other Financing Uses	(419,768)	(233,293)	186,475
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(109,199)	84,441	193,640
Fund Balance at Beginning of Year	241,745	241,745	0
Fund Balance at End of Year	\$132,546	\$326,186	\$193,640

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
URBAN REDEVELOPMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$254	\$254	\$0
Total Revenues	254	254	0
Expenditures:	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	254	254	0
Fund Balance at Beginning of Year	29,750	29,750	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	<u>\$30,004</u>	<u>\$30,004</u>	<u>\$0</u>

CITY OF LEBANON, OHIO
 SCHEDULE OF REVENUES, AND EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 ALL SPECIAL REVENUE FUNDS
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Favorable (Unfavorable)
Revenues:			
Property Taxes	\$1,093,174	\$1,093,174	\$0
Other Local Taxes	109,554	109,554	0
Payments in Lieu of Taxes	383,995	383,995	0
Intergovernmental	633,246	686,644	53,398
Charges for Services	68,784	73,751	4,967
Fines, Licenses and Permits	195,968	222,464	26,496
Interest	8,642	8,642	0
Other	57,473	57,694	221
Total Revenues	2,550,836	2,635,918	85,082
Expenditures:			
Current:			
Security of Persons and Property			
DARE Program			
Supplies and Materials	1,900	1,900	0
Indigent Driver's Alcohol Treatment			
Other	5,000	0	5,000
Enforcement and Education			
Other	6,265	6,241	24
Fire Fighting, Prevention and Inspection			
Personal Services	462,052	394,155	67,897
Travel Transportation	28,668	28,537	131
Contractual Services	186,195	186,126	69
Supplies and Materials	33,290	33,192	98
Capital Outlay	818,406	767,035	51,371
Computer Improvement			
Contractual Services	18,395	14,778	3,617
Supplies and Materials	5,000	4,274	726
Capital Outlay	36,690	36,597	93
Computerized Legal Research			
Contractual Services	6,889	6,723	166
Supplies and Materials	4,800	4,354	446
Capital Outlay	3,120	0	3,120
COPS FAST			
Personal Services	228,755	228,696	59
Drug Law Enforcement			
Capital Outlay	11,949	11,949	0
Law Enforcement			
Capital Outlay	4,100	4,081	19
Total Security of Persons and Property	1,861,474	1,728,638	132,836
Public Health Services			
Cemetery			
Personal Services	81,175	70,044	11,131
Travel Transportation	950	0	950
Contractual Services	28,605	23,697	4,908
Supplies and Materials	5,500	5,390	110
Total Public Health Services	\$116,230	\$99,131	\$17,099

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, AND EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Bi-Centennial Celebration			
Contractual Services	\$28,000	\$9,221	\$18,779
Community Development			
Capital Outlay	65,000	56,360	8,640
Tax Increment Financing			
Supplies and Materials	116,000	108,835	7,165
Total Community Environment	209,000	174,416	34,584
Transportation			
Street Maintenance and Repair			
Personal Services	421,561	394,282	27,279
Travel Transportation	800	0	800
Contractual Services	83,440	79,742	3,698
Supplies and Materials	35,301	31,195	4,106
State Highway Maintenance			
Contractual Services	37,000	36,141	859
Supplies and Materials	30,548	29,178	1,370
Parking Facilities			
Contractual Services	5,725	4,032	1,693
Supplies and Materials	175	0	175
Reimbursements	24,150	24,150	0
Capital Outlay	35,000	33,222	1,778
Total Transportation	673,700	631,942	41,758
Debt Service:			
Principal Retirement	600,000	600,000	0
Interest and Fiscal Charges	24,000	23,497	503
Total Debt Service	624,000	623,497	503
Total Expenditures	3,484,404	3,257,624	226,780
Excess of Revenues Over (Under) Expenditures	(933,568)	(621,706)	311,862
Other Financing Sources (Uses):			
Proceeds from Sale Notes	480,000	480,000	0
Operating Transfers - In	136,000	141,300	5,300
Operating Transfers - Out	(419,768)	(233,293)	186,475
Total Other Financing Sources (Uses)	196,232	388,007	191,775
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(737,336)	(233,699)	503,637
Fund Balances at Beginning of Year	2,231,019	2,231,019	0
Prior Year Encumbrances Appropriated	647,162	647,162	0
Fund Balances at End of Year	\$2,140,845	\$2,644,482	\$503,637

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CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities; other than those financed by proprietary or trust funds.

Capital Improvements

To account for capital acquisitions purchased from City municipal income tax revenue.

Cemetery Improvement

To account for monies received from all sources for cemetery improvements.

Community Center

To account for monies received from all sources for the Community Center.

Industrial Development

To account for capital expenditures connected with the development of the Kingsview Industrial Park.

State Issue II

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 2000. The budgetary fund balance was \$81,167.

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 2000**

	<u>Capital Improvements</u>	<u>Cemetery Improvement</u>	<u>Community Center</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,311,355	\$496,047	\$552,110
Receivables:			
Taxes	120,824	0	0
Special Assessments	111,604	0	0
Interfund Receivables	63,000	0	0
Capital Lease Receivable	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$1,606,783</u>	<u>\$496,047</u>	<u>\$552,110</u>
Liabilities:			
Accounts Payable	\$48,340	\$1,155	\$0
Contracts Payable	150,742	84,011	0
Contracts Payable Retainage	72,212	7,267	0
Accrued Interest Payable	2,094	0	0
Interfund Payable	0	0	0
Deferred Revenue	111,604	0	0
Notes Payable	300,000	0	0
Advances From Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>684,992</u>	<u>92,433</u>	<u>0</u>
Fund Equity:			
Fund Balances:			
Reserved for Encumbrances	469,816	277,713	0
Unreserved, Undesignated (Deficit)	<u>451,975</u>	<u>125,901</u>	<u>552,110</u>
Total Fund Equity (Deficit)	<u>921,791</u>	<u>403,614</u>	<u>552,110</u>
Total Liabilities and Fund Equity	<u>\$1,606,783</u>	<u>\$496,047</u>	<u>\$552,110</u>

<u>Industrial Development</u>	<u>State Issue II</u>	<u>Total</u>
\$16,423	\$81,167	\$2,457,102
0	0	120,824
0	0	111,604
0	0	63,000
62,190	0	62,190
<u>\$78,613</u>	<u>\$81,167</u>	<u>\$2,814,720</u>
\$0	\$0	\$49,495
0	0	234,753
0	0	79,479
60,500	0	62,594
355,000	0	355,000
62,190	0	173,794
2,000,000	0	2,300,000
2,167,005	0	2,167,005
<u>4,644,695</u>	<u>0</u>	<u>5,422,120</u>
0	0	747,529
(4,566,082)	81,167	(3,354,929)
<u>(4,566,082)</u>	<u>81,167</u>	<u>(2,607,400)</u>
<u>\$78,613</u>	<u>\$81,167</u>	<u>\$2,814,720</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Capital Improvements</u>	<u>Cemetery Improvement</u>	<u>Community Center</u>
Revenues:			
Income Taxes	\$1,696,171	\$0	\$0
Other Local Taxes	75,000	0	0
Special Assessments	8,925	0	0
Interest	0	42,350	40,696
Other	42,517	314	0
Total Revenues	<u>1,822,613</u>	<u>42,664</u>	<u>40,696</u>
Expenditures:			
Current:			
Public Health Services	0	14,427	0
Community Environment	0	0	0
General Government	67,808	0	0
Capital Outlay	1,831,792	638,700	0
Debt Service:			
Interest and Fiscal Charges	20,317	0	0
Total Expenditures	<u>1,919,917</u>	<u>653,127</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(97,304)</u>	<u>(610,463)</u>	<u>40,696</u>
Other Financing Sources:			
Operating Transfers - In	66,000	0	0
Total Other Financing Sources	<u>66,000</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(31,304)</u>	<u>(610,463)</u>	<u>40,696</u>
Fund Balances (Deficit) at Beginning of Year	<u>953,095</u>	<u>1,014,077</u>	<u>511,414</u>
Fund Balances (Deficit) at End of Year	<u>\$921,791</u>	<u>\$403,614</u>	<u>\$552,110</u>

<u>Industrial Development</u>	<u>State Issue II</u>	<u>Total</u>
\$0	\$0	\$1,696,171
0	0	75,000
0	0	8,925
14,825	0	97,871
6,098	0	48,929
<u>20,923</u>	<u>0</u>	<u>1,926,896</u>
0	0	14,427
43,337	0	43,337
0	0	67,808
409,516	0	2,880,008
<u>90,112</u>	<u>0</u>	<u>110,429</u>
<u>542,965</u>	<u>0</u>	<u>3,116,009</u>
<u>(522,042)</u>	<u>0</u>	<u>(1,189,113)</u>
<u>103,298</u>	<u>0</u>	<u>169,298</u>
<u>103,298</u>	<u>0</u>	<u>169,298</u>
(418,744)	0	(1,019,815)
<u>(4,147,338)</u>	<u>81,167</u>	<u>(1,587,585)</u>
<u>(\$4,566,082)</u>	<u>\$81,167</u>	<u>(\$2,607,400)</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$1,474,548	\$1,474,548	\$0
Other Local Taxes	75,000	75,000	0
Special Assessments	16,480	8,925	(7,555)
Proceeds from Sale of Notes	300,000	300,000	0
Other	67,011	42,517	(24,494)
Total Revenues	1,933,039	1,900,990	(32,049)
Expenditures:			
Current:			
General Government			
Contractual Services	67,808	67,808	0
Total General Government	67,808	67,808	0
Capital Outlay	4,482,957	2,323,165	2,159,792
Debt Service:			
Principal Retirement			
Principal Retirement	300,000	300,000	0
Interest and Fiscal Charges			
Interest and Fiscal Charges	13,059	13,059	0
Total Debt Service	313,059	313,059	0
Total Expenditures	4,863,824	2,704,032	2,159,792
Excess of Revenues Over (Under) Expenditures	(2,930,785)	(803,042)	2,127,743
Other Financing Sources:			
Operating Transfers - In			
Operating Transfers - In	66,000	66,000	0
Total Other Financing Sources	66,000	66,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(2,864,785)	(737,042)	2,127,743
Fund Balance at Beginning of Year	779,007	779,007	0
Prior Year Encumbrances Appropriated	607,089	607,089	0
Fund Balance (Deficit) at End of Year	(\$1,478,689)	\$649,054	\$2,127,743

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY IMPROVEMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$39,886	\$42,350	\$2,464
Other	314	314	0
Total Revenues	40,200	42,664	2,464
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Contractual Services	61,000	35,637	25,363
Supplies and Materials	2,000	909	1,091
Total Public Health Services	63,000	36,546	26,454
Capital Outlay	905,421	899,523	5,898
Total Expenditures	968,421	936,069	32,352
Excess of Revenues Over (Under) Expenditures	(928,221)	(893,405)	34,816
Fund Balance at Beginning of Year	952,258	952,258	0
Prior Year Encumbrances Appropriated	74,315	74,315	0
Fund Balance at End of Year	\$98,352	\$133,168	\$34,816

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY CENTER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$30,798	\$40,696	\$9,898
Total Revenues	<u>30,798</u>	<u>40,696</u>	<u>9,898</u>
Expenditures:			
Current:			
Leisure Time Activities			
Community Center			
Contractual Services	75,000	0	75,000
Total Leisure Time Activities	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total Expenditures	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Excess of Revenues Over (Under) Expenditures	(44,202)	40,696	84,898
Fund Balance at Beginning of Year	<u>511,414</u>	<u>511,414</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$467,212</u></u>	<u><u>\$552,110</u></u>	<u><u>\$75,000</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Favorable)
Revenues:			
Interest	\$11,479	\$14,825	\$3,346
Other	6,098	6,098	0
Total Revenues	<u>17,577</u>	<u>20,923</u>	<u>3,346</u>
Expenditures:			
Current:			
Community Environment			
Contractual Services	44,290	43,337	953
Total Community Environment	<u>44,290</u>	<u>43,337</u>	<u>953</u>
Capital Outlay	417,592	409,516	8,076
Debt Service:			
Principal Retirement	2,000,000	2,000,000	0
Interest and Fiscal Charges	79,000	77,451	1,549
Total Debt Service	<u>2,079,000</u>	<u>2,077,451</u>	<u>1,549</u>
Total Expenditures	<u>2,540,882</u>	<u>2,530,304</u>	<u>10,578</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,523,305)</u>	<u>(2,509,381)</u>	<u>13,924</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	2,000,000	2,000,000	0
Advance - In	414,692	412,192	(2,500)
Advance - Out	(101,000)	(100,798)	202
Operating Transfers - In	103,500	103,298	(202)
Total Other Financing Sources (Uses)	<u>2,417,192</u>	<u>2,414,692</u>	<u>(2,500)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(106,113)	(94,689)	11,424
Fund Balance at Beginning of Year	103,912	103,912	0
Prior Year Encumbrances Appropriated	7,200	7,200	0
Fund Balance at End of Year	<u>\$4,999</u>	<u>\$16,423</u>	<u>\$11,424</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$1,474,548	\$1,474,548	\$0
Other Local Taxes	75,000	75,000	0
Special Assessments	16,480	8,925	(7,555)
Interest	82,163	97,871	15,708
Other	73,423	48,929	(24,494)
Total Revenues	1,721,614	1,705,273	(16,341)
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Contractual Services	61,000	35,637	25,363
Supplies and Materials	2,000	909	1,091
Total Public Health Services	63,000	36,546	26,454
Leisure Time Activities			
Community Center			
Contractual Services	75,000	0	75,000
Total Leisure Time Activities	75,000	0	75,000
Community Environment			
Contractual Services	44,290	43,337	953
Total Community Environment	44,290	43,337	953
General Government			
Contractual Services	67,808	67,808	0
Total General Government	67,808	67,808	0
Capital Outlay	5,805,970	3,632,204	2,173,766
Debt Service:			
Principal Retirement	2,300,000	2,300,000	0
Interest and Fiscal Charges	92,059	90,510	1,549
Total Debt Service	2,392,059	2,390,510	1,549
Total Expenditures	8,448,127	6,170,405	2,277,722
Excess of Revenues Over (Under) Expenditures	(\$6,726,513)	(\$4,465,132)	\$2,261,381

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	\$2,300,000	\$2,300,000	\$0
Advance - In	414,692	412,192	(2,500)
Advance - Out	(101,000)	(100,798)	202
Operating Transfers - In	<u>169,500</u>	<u>169,298</u>	<u>(202)</u>
Total Other Financing Sources (Uses)	<u>2,783,192</u>	<u>2,780,692</u>	<u>(2,500)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,943,321)	(1,684,440)	2,258,881
Fund Balances at Beginning of Year	2,427,758	2,427,758	0
Prior Year Encumbrances Appropriated	<u>688,604</u>	<u>688,604</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>(\$826,959)</u>	<u>\$1,431,922</u>	<u>\$2,258,881</u>

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

General Obligation Debt Retirement

To account for income taxes collected for the payment of general obligation bonded debt.

Library Bond Retirement

To account for property taxes collected for the payment of the library bond.

Special Assessment Bond Retirement

To account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 2000**

	General Obligation Debt Retirement	Library Bond Retirement	Special Assessment Bond Retirement	Total
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,975,832	\$191,652	\$348,678	\$3,516,162
Cash and Cash Equivalents with Fiscal Agents	105	0	3,204	3,309
Receivables:				
Taxes	60,413	111,785	0	172,198
Special Assessments	0	0	1,483,614	1,483,614
Total Assets	<u>\$3,036,350</u>	<u>\$303,437</u>	<u>\$1,835,496</u>	<u>\$5,175,283</u>
Liabilities:				
Accounts Payable	\$0	\$0	\$310	\$310
Matured Interest Payable	105	0	3,204	3,309
Deferred Revenue	0	111,785	1,483,614	1,595,399
Total Liabilities	<u>105</u>	<u>111,785</u>	<u>1,487,128</u>	<u>1,599,018</u>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	155	0	0	155
Unreserved, Undesignated	3,036,090	191,652	348,368	3,576,110
Total Fund Equity	<u>3,036,245</u>	<u>191,652</u>	<u>348,368</u>	<u>3,576,265</u>
Total Liabilities and Fund Equity	<u>\$3,036,350</u>	<u>\$303,437</u>	<u>\$1,835,496</u>	<u>\$5,175,283</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL DEBT SERVICES FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General Obligation Debt Retirement	Library Bond Retirement	Special Assessment Bond Retirement	Total
Revenues:				
Property Taxes	\$0	\$122,229	\$0	\$122,229
Income Taxes	458,281	0	0	458,281
Intergovernmental	0	12,467	0	12,467
Special Assessments	0	0	188,970	188,970
Interest	246,610	0	0	246,610
Total Revenues	<u>704,891</u>	<u>134,696</u>	<u>188,970</u>	<u>1,028,557</u>
Expenditures:				
Debt Service:				
Principal Retirement	143,382	85,000	101,618	330,000
Interest and Fiscal Charges	172,355	31,690	87,601	291,646
Total Expenditures	<u>315,737</u>	<u>116,690</u>	<u>189,219</u>	<u>621,646</u>
Excess of Revenues Over (Under) Expenditures	<u>389,154</u>	<u>18,006</u>	<u>(249)</u>	<u>406,911</u>
Other Financing Sources:				
Operating Transfers - In	<u>0</u>	<u>0</u>	<u>82,500</u>	<u>82,500</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>82,500</u>	<u>82,500</u>
Excess of Revenues and Other Financing Sources Over Expenditures	389,154	18,006	82,251	489,411
Fund Balances at Beginning of Year	<u>2,647,091</u>	<u>173,646</u>	<u>266,117</u>	<u>3,086,854</u>
Fund Balances at End of Year	<u>\$3,036,245</u>	<u>\$191,652</u>	<u>\$348,368</u>	<u>\$3,576,265</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL OBLIGATION DEBT RETIREMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$737,277	\$737,277	\$0
Interest	147,956	246,610	98,654
Total Revenues	<u>885,233</u>	<u>983,887</u>	<u>98,654</u>
Expenditures:			
Debt Service:			
Principal Retirement	393,382	393,382	0
Interest and Fiscal Charges	184,171	182,383	1,788
Total Debt Service	<u>577,553</u>	<u>575,765</u>	<u>1,788</u>
Total Expenditures	<u>577,553</u>	<u>575,765</u>	<u>1,788</u>
Excess of Revenues Over Expenditures	307,680	408,122	100,442
Fund Balance at Beginning of Year	<u>2,567,555</u>	<u>2,567,555</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,875,235</u></u>	<u><u>\$2,975,677</u></u>	<u><u>\$100,442</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY BOND RETIREMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$121,163	\$122,229	\$1,066
Intergovernmental	12,467	12,467	0
Total Revenues	<u>133,630</u>	<u>134,696</u>	<u>1,066</u>
Expenditures:			
Debt Service:			
Principal Retirement	85,000	85,000	0
Interest and Fiscal Charges	33,190	31,690	1,500
Total Debt Service	<u>118,190</u>	<u>116,690</u>	<u>1,500</u>
Total Expenditures	<u>118,190</u>	<u>116,690</u>	<u>1,500</u>
Excess of Revenues Over Expenditures	15,440	18,006	2,566
Fund Balance at Beginning of Year	<u>173,646</u>	<u>173,646</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$189,086</u></u>	<u><u>\$191,652</u></u>	<u><u>\$2,566</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL ASSESSMENT BOND RETIREMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special Assessments	\$188,970	\$188,970	\$0
Total Revenues	<u>188,970</u>	<u>188,970</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	101,618	101,618	0
Interest and Fiscal Charges	<u>89,546</u>	<u>82,756</u>	<u>6,790</u>
Total Debt Service	<u>191,164</u>	<u>184,374</u>	<u>6,790</u>
Total Expenditures	<u>191,164</u>	<u>184,374</u>	<u>6,790</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,194)</u>	<u>4,596</u>	<u>6,790</u>
Other Financing Sources:			
Operating Transfers - In	<u>82,500</u>	<u>82,500</u>	<u>0</u>
Total Other Financing Sources	<u>82,500</u>	<u>82,500</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	80,306	87,096	6,790
Fund Balance at Beginning of Year	<u>261,582</u>	<u>261,582</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$341,888</u></u>	<u><u>\$348,678</u></u>	<u><u>\$6,790</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$121,163	\$122,229	\$1,066
Income Taxes	737,277	737,277	0
Intergovernmental	12,467	12,467	0
Special Assessments	188,970	188,970	0
Interest	147,956	246,610	98,654
Total Revenues	<u>1,207,833</u>	<u>1,307,553</u>	<u>99,720</u>
Expenditures:			
Debt Service:			
Principal Retirement	580,000	580,000	0
Interest and Fiscal Charges	306,907	296,829	10,078
Total Debt Service	<u>886,907</u>	<u>876,829</u>	<u>10,078</u>
Total Expenditures	<u>886,907</u>	<u>876,829</u>	<u>10,078</u>
Excess of Revenues Over Expenditures	<u>320,926</u>	<u>430,724</u>	<u>109,798</u>
Other Financing Sources:			
Operating Transfers - In	82,500	82,500	0
Total Other Financing Sources	<u>82,500</u>	<u>82,500</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	403,426	513,224	109,798
Fund Balance at Beginning of Year	<u>3,002,783</u>	<u>3,002,783</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,406,209</u></u>	<u><u>\$3,516,007</u></u>	<u><u>\$109,798</u></u>

ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Electric

To account for the provision of electricity and telecommunication operations to residential and commercial users living within the City.

Sanitation

To account for the provision of refuse collection service to residential and commercial users living within the City.

Sewer

To account for the provision of sanitary sewer service to residential and commercial users living within the City.

Water

To account for the provision of water treatment and distribution to residential and commercial users living within the City.

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2000**

	Electric	Sanitation	Sewer	Water	Total
Assets:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$3,122,794	\$504,026	\$7,489,156	\$8,079,271	\$19,195,247
Accounts Receivable	2,027,057	86,636	190,744	198,603	2,503,040
Special Assessments	0	0	79,540	0	79,540
Due from Other Governments	0	0	19,866	0	19,866
Inventory of Supplies	1,058,736	44,771	23,367	66,668	1,193,542
Prepaid Items	35,894	41	7,733	14,423	58,091
Interfund Receivables	0	0	0	1,000,000	1,000,000
Total Current Assets	6,244,481	635,474	7,810,406	9,358,965	24,049,326
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	733,937	0	240,000	200,000	1,173,937
Cash and Cash Equivalents with Fiscal Agents	437,249	0	850,700	833,016	2,120,965
Total Restricted Assets:	1,171,186	0	1,090,700	1,033,016	3,294,902
Deferred Charges - Mortgage Revenue Bond Issuance Costs					
	81,936	0	52,994	240,020	374,950
Fixed Assets:					
Land	889,301	54,000	676,677	3,645,809	5,265,787
Improvements Other than Buildings	451,485	0	19,746	996,733	1,467,964
Buildings	1,770,882	100,000	8,822,570	2,486,621	13,180,073
Equipment	5,187,053	0	211,223	408,358	5,806,634
Vehicles	901,347	56,600	328,701	146,927	1,433,575
Infrastructure	22,141,474	0	6,676,699	8,673,124	37,491,297
Construction In Progress	306,083	0	5,349,537	1,845,288	7,500,908
Less: Accumulated Depreciation	(12,848,084)	(102,836)	(4,091,621)	(3,102,177)	(20,144,718)
Total Fixed Assets	18,799,541	107,764	17,993,532	15,100,683	52,001,520
Total Assets	\$26,297,144	\$743,238	\$26,947,632	\$25,732,684	\$79,720,698

(Continued)

CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 2000
(Continued)

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Liabilities:					
Current Liabilities:					
Accounts Payable	\$1,446,693	\$56,762	\$16,425	\$9,330	\$1,529,210
Contracts Payable	0	0	142,746	0	142,746
Contracts Payable Retainage	0	0	514,795	42,662	557,457
Accrued Salaries Payable	11,966	0	2,933	2,573	17,472
Accrued Interest Payable	63,683	0	0	0	63,683
Due to Other Funds	2,949	0	1,444	839	5,232
Due to Other Governments	37,828	0	9,528	7,816	55,172
Interfund Payable	0	0	1,000,000	0	1,000,000
Notes Payable	8,250,000	0	0	0	8,250,000
Total Current Liabilities	<u>9,813,119</u>	<u>56,762</u>	<u>1,687,871</u>	<u>63,220</u>	<u>11,620,972</u>
Liabilities Payable from Restricted Assets:					
Refundable Deposits	241,437	0	0	0	241,437
Mortgage Revenue Bonds Payable	177,537	0	330,820	331,843	840,200
Accrued Interest Payable	6,815	0	40,471	39,263	86,549
Total Liabilities Payable from Restricted Assets	<u>425,789</u>	<u>0</u>	<u>371,291</u>	<u>371,106</u>	<u>1,168,186</u>
Long-Term Liabilities:					
Compensated Absences Payable	67,499	0	25,151	23,569	116,219
Mortgage Revenue Bonds Payable	4,053,065	0	9,530,736	9,457,904	23,041,705
Total Long-Term Liabilities	<u>4,120,564</u>	<u>0</u>	<u>9,555,887</u>	<u>9,481,473</u>	<u>23,157,924</u>
Total Liabilities	<u>14,359,472</u>	<u>56,762</u>	<u>11,615,049</u>	<u>9,915,799</u>	<u>35,947,082</u>
Fund Equity:					
Contributed Capital	110,995	347,887	11,934,674	5,806,128	18,199,684
Retained Earnings:					
Reserved for Revenue Bonds					
Replacement and Improvement	492,500	0	240,000	200,000	932,500
Unreserved	11,334,177	338,589	3,157,909	9,810,757	24,641,432
Total Fund Equity	<u>11,937,672</u>	<u>686,476</u>	<u>15,332,583</u>	<u>15,816,885</u>	<u>43,773,616</u>
Total Liabilities and Fund Equity	<u>\$26,297,144</u>	<u>\$743,238</u>	<u>\$26,947,632</u>	<u>\$25,732,684</u>	<u>\$79,720,698</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
Operating Revenues:			
Charges for Services	\$10,452,918	\$769,388	\$1,934,999
Fines, Licenses and Permits	67,791	0	0
Other	495,045	11,535	7
Total Operating Revenues	<u>11,015,754</u>	<u>780,923</u>	<u>1,935,006</u>
Operating Expenses:			
Personal Services	1,400,624	0	324,834
Travel Transportation	16,639	0	512
Contractual Services	1,915,685	772,148	287,518
Supplies and Materials	1,718,575	46,288	850,803
Purchased Power	5,588,843	0	0
Other	198,823	266	1,079
Depreciation	1,670,513	3,333	356,584
Total Operating Expenses	<u>12,509,702</u>	<u>822,035</u>	<u>1,821,330</u>
Operating Income (Loss)	<u>(1,493,948)</u>	<u>(41,112)</u>	<u>113,676</u>
Non-Operating Revenues (Expenses):			
Interest	167,170	0	466,246
Loss on Disposal of Fixed Assets	(6,295)	0	(7,309)
Interest and Fiscal Charges	(586,868)	0	(543,378)
Total Non-Operating Revenues (Expenses)	<u>(425,993)</u>	<u>0</u>	<u>(84,441)</u>
Net Income (Loss)	(1,919,941)	(41,112)	29,235
Retained Earnings at Beginning of Year	<u>13,746,618</u>	<u>379,701</u>	<u>3,368,674</u>
Retained Earnings at End of Year	<u>\$11,826,677</u>	<u>\$338,589</u>	<u>\$3,397,909</u>

<u>Water</u>	<u>Total</u>
\$2,258,363	\$15,415,668
0	67,791
<u>6,311</u>	<u>512,898</u>
<u>2,264,674</u>	<u>15,996,357</u>
284,831	2,010,289
1,447	18,598
692,159	3,667,510
160,371	2,776,037
0	5,588,843
661	200,829
<u>300,773</u>	<u>2,331,203</u>
<u>1,440,242</u>	<u>16,593,309</u>
<u>824,432</u>	<u>(596,952)</u>
600,812	1,234,228
(9,905)	(23,509)
<u>(460,426)</u>	<u>(1,590,672)</u>
<u>130,481</u>	<u>(379,953)</u>
954,913	(976,905)
<u>9,055,844</u>	<u>26,550,837</u>
<u>\$10,010,757</u>	<u>\$25,573,932</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
ELECTRIC FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$9,711,438	\$9,711,438	\$0
Fines, Licenses and Permits	67,791	67,791	0
Other	49,903	495,330	445,427
Interest	167,170	167,170	0
Utility Deposits Received	90,790	90,790	0
Proceeds from Sale of Notes	16,500,000	16,500,000	0
Total Revenues	26,587,092	27,032,519	445,427
Expenses:			
Personal Services			
Administration	167,910	144,200	23,710
Customer Account Expense	53,232	52,595	637
Distribution	645,577	644,419	1,158
Telecommunications	458,908	458,778	130
Power Production-Maintenance	106,347	106,014	333
Total Personal Services	1,431,974	1,406,006	25,968
Travel Transportation			
Administration	5,000	4,956	44
Customer Account Expense	4,000	0	4,000
Distribution	5,000	3,002	1,998
Telecommunications	9,000	8,681	319
Power Production-Maintenance	3,000	0	3,000
Total Travel Transportation	26,000	16,639	9,361
Contractual Services			
Administration	989,869	989,739	130
Customer Account Expense	105,466	103,219	2,247
Distribution	274,381	272,915	1,466
Telecommunications	800,882	774,099	26,783
Power Production-Maintenance	143,596	143,318	278
Total Contractual Services	\$2,314,194	\$2,283,290	\$30,904

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
ELECTRIC FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$6,194	\$5,049	\$1,145
Customer Account Expense	7,157	6,775	382
Distribution	56,399	48,989	7,410
Telecommunications	57,480	57,113	367
Power Production-Maintenance	67,606	35,740	31,866
Total Supplies and Materials	194,836	153,666	41,170
Purchased Power			
Power Production-Operation	4,979,083	4,857,667	121,416
Other	8,775	7,308	1,467
Utility Deposits Returned	95,200	95,016	184
Capital Outlay	3,607,734	3,274,974	332,760
Debt Service:			
Principal Retirement	16,675,000	16,675,000	0
Interest and Fiscal Charges	803,292	611,264	192,028
Total Expenses	30,136,088	29,380,830	755,258
Excess of Revenues Under Expenses	(3,548,996)	(2,348,311)	(1,200,685)
Fund Equity at Beginning of Year	3,944,135	3,944,135	0
Prior Year Encumbrances Appropriated	1,417,381	1,417,381	0
Fund Equity at End of Year	\$1,812,520	\$3,013,205	(\$1,200,685)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
SANITATION FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$704,351	\$764,972	\$60,621
Other	11,535	11,535	0
Total Revenues	<u>715,886</u>	<u>776,507</u>	<u>60,621</u>
Expenses:			
Contractual Services	720,328	719,616	712
Supplies and Materials	36,500	2,600	33,900
Capital Outlay	7,009	2,009	5,000
Other	300	266	34
Total Expenses	<u>764,137</u>	<u>724,491</u>	<u>39,646</u>
Excess of Revenues Over (Under) Expenses	(48,251)	52,016	100,267
Fund Equity at Beginning of Year	428,303	428,303	0
Prior Year Encumbrances Appropriated	<u>18,009</u>	<u>18,009</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$398,061</u></u>	<u><u>\$498,328</u></u>	<u><u>(\$100,267)</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$2,789,786	\$1,921,896	(\$867,890)
Other	7	7	0
Interest	466,246	466,246	0
Special Assessments	4,543	4,543	0
Total Revenues	3,260,582	2,392,692	(867,890)
Expenses:			
Personal Services			
Administration	72,743	71,699	1,044
Maintenance	90,568	77,206	13,362
Plant	180,471	179,621	850
Total Personal Services	343,782	328,526	15,256
Travel Transportation			
Administration	2,960	0	2,960
Treatment - Upper Turtlecreek	2,450	512	1,938
Total Travel Transportation	5,410	512	4,898
Contractual Services			
Administration	338,665	314,566	24,099
Maintenance	28,740	18,376	10,364
Regional Sewer	0	29,913	(29,913)
Treatment - Upper Turtlecreek	336,612	260,405	76,207
Total Contractual Services	\$704,017	\$623,260	\$80,757

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$711	\$702	\$9
Maintenance	4,095	3,937	158
Treatment - Upper Turtlecreek	55,106	54,600	506
	<hr/>	<hr/>	<hr/>
Total Supplies and Materials	59,912	59,239	673
Other	1,100	1,079	21
Capital Outlay	5,423,141	3,530,581	1,892,560
Debt Service:			
Principal Retirement	1,359,110	340,000	1,019,110
Interest and Fiscal Charges	523,381	507,541	15,840
	<hr/>	<hr/>	<hr/>
Total Expenses	8,419,853	5,390,738	3,029,115
Excess of Revenues Over (Under) Expenses Before Advances	(5,159,271)	(2,998,046)	2,161,225
Advance - In	500,000	500,000	0
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over (Under) Expenses and Advances	(4,659,271)	(2,498,046)	2,161,225
Fund Equity at Beginning of Year	7,472,141	7,472,141	0
Prior Year Encumbrances Appropriated	2,323,777	2,323,777	0
	<hr/>	<hr/>	<hr/>
Fund Equity at End of Year	<u>\$5,136,647</u>	<u>\$7,297,872</u>	<u>\$2,161,225</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
WATER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$3,175,238	\$2,283,603	(\$891,635)
Other	6,311	6,311	0
Interest	600,812	600,812	0
Total Revenues	<u>3,782,361</u>	<u>2,890,726</u>	<u>(891,635)</u>
Expenses:			
Personal Services			
Administration	72,905	71,663	1,242
Water System Maintenance	199,439	189,765	9,674
Supply and Treatment	64,080	38,497	25,583
Total Personal Services	<u>336,424</u>	<u>299,925</u>	<u>36,499</u>
Travel Transportation			
Administration	3,128	367	2,761
Supply and Treatment	1,160	1,080	80
Total Travel Transportation	<u>4,288</u>	<u>1,447</u>	<u>2,841</u>
Contractual Services			
Administration	316,637	315,500	1,137
Water System Maintenance	103,382	91,176	12,206
Supply and Treatment	196,407	117,121	79,286
Total Contractual Services	<u>\$616,426</u>	<u>\$523,797</u>	<u>\$92,629</u>

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
WATER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$9,334	\$3,981	\$5,353
Water System Maintenance	15,301	12,784	2,517
Supply and Treatment	28,573	16,009	12,564
Total Supplies and Materials	53,208	32,774	20,434
Other	1,000	661	339
Capital Outlay	3,063,193	1,165,944	1,897,249
Debt Service:			
Principal Retirement	1,795,515	325,000	1,470,515
Interest and Fiscal Charges	502,345	501,249	1,096
Total Expenses	6,372,399	2,850,797	3,521,602
Excess of Revenues Over (Under) Expenses Before Advances	(2,590,038)	39,929	2,629,967
Advance Out	0	(500,000)	(500,000)
Excess of Revenues Over (Under) Expenses and Advances	(2,590,038)	(460,071)	2,129,967
Fund Equity at Beginning of Year	8,632,947	8,632,947	0
Prior Year Encumbrances Appropriated	666,926	666,926	0
Fund Equity at End of Year	\$6,709,835	\$8,839,802	\$2,129,967

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL ENTERPRISE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$16,380,813	\$14,681,909	(\$1,698,904)
Fines, Licenses and Permits	67,791	67,791	0
Other	67,756	513,183	445,427
Interest	1,234,228	1,234,228	0
Special Assessments	4,543	4,543	0
Proceeds From Sale of Notes	16,500,000	16,500,000	0
Utility Deposits Received	90,790	90,790	0
Total Revenues	34,345,921	33,092,444	(1,253,477)
Expenses:			
Personal Services			
Electric Administration	167,910	144,200	23,710
Electric Customer Account Expense	53,232	52,595	637
Electric Distribution	645,577	644,419	1,158
Telecommunications	458,908	458,778	130
Electric Power Production - Maintenance	106,347	106,014	333
Sewer Administration	72,743	71,699	1,044
Sewer Maintenance	90,568	77,206	13,362
Sewer Plant	180,471	179,621	850
Water Administration	72,905	71,663	1,242
Water System Maintenance	199,439	189,765	9,674
Water Supply and Treatment	64,080	38,497	25,583
Total Personal Services	2,112,180	2,034,457	77,723
Travel Transportation			
Electric Administration	5,000	4,956	44
Electric Customer Account Expense	4,000	0	4,000
Electric Distribution	5,000	3,002	1,998
Telecommunications	9,000	8,681	319
Electric Power Production - Maintenance	3,000	0	3,000
Sewer Administration	2,960	0	2,960
Treatment - Upper Turtlecreek	2,450	512	1,938
Water Administration	3,128	367	2,761
Water Supply and Treatment	1,160	1,080	80
Total Travel Transportation	\$35,698	\$18,598	\$17,100

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL ENTERPRISE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Contractual Services			
Electric Administration	\$989,869	\$989,739	\$130
Electric Customer Account Expense	105,466	103,219	2,247
Electric Distribution	274,381	272,915	1,466
Telecommunications	800,882	774,099	26,783
Electric Power Production - Maintenance	143,596	143,318	278
Sanitation Operations	720,328	719,616	712
Sewer Administration	338,665	314,566	24,099
Sewer Maintenance	28,740	18,376	10,364
Regional Sewer	0	29,913	(29,913)
Sewer Treatment - Upper Turtlecreek	336,612	260,405	76,207
Water Administration	316,637	315,500	1,137
Water System Maintenance	103,382	91,176	12,206
Water Supply and Treatment	196,407	117,121	79,286
Total Contractual Services	4,354,965	4,149,963	205,002
Supplies and Materials			
Electric Administration	6,194	5,049	1,145
Electric Customer Account Expense	7,157	6,775	382
Electric Distribution	56,399	48,989	7,410
Telecommunications	57,480	57,113	367
Electric Power Production - Maintenance	67,606	35,740	31,866
Sanitation Operations	36,500	2,600	33,900
Sewer Administration	711	702	9
Sewer Maintenance	4,095	3,937	158
Sewer Treatment - Upper Turtlecreek	55,106	54,600	506
Water Administration	9,334	3,981	5,353
Water System Maintenance	15,301	12,784	2,517
Water Supply and Treatment	28,573	16,009	12,564
Total Supplies and Materials	\$344,456	\$248,279	\$96,177

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL ENTERPRISE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Purchased Power			
Power Production - Operation	\$4,979,083	\$4,857,667	\$121,416
Total Purchased Power	4,979,083	4,857,667	121,416
Other	11,175	9,314	1,861
Utility Deposits Returned	95,200	95,016	184
Capital Outlay	12,101,077	7,973,508	4,127,569
Debt Service:			
Principal Retirement	19,829,625	17,340,000	2,489,625
Interest and Fiscal Charges	1,829,018	1,620,054	208,964
Total Expenses	45,692,477	38,346,856	7,345,621
Excess of Revenues Over (Under) Expenses Before Advances	(11,346,556)	(5,254,412)	6,092,144
Advance - In	500,000	500,000	0
Advance - Out	0	(500,000)	(500,000)
Excess of Revenues Over (Under) Expenses and Advances	(10,846,556)	(5,254,412)	5,592,144
Fund Equity at Beginning of Year	20,477,526	20,477,526	0
Prior Year Encumbrances Appropriated	4,426,093	4,426,093	0
Fund Equity at End of Year	<u>\$14,057,063</u>	<u>\$19,649,207</u>	<u>\$5,592,144</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
Cash Flows from Operating Activities:			
Cash Received from Customers	\$9,779,229	\$764,972	\$1,921,896
Cash Payments for Employee Services and Benefits	(1,262,006)	0	(293,966)
Cash Payments to Suppliers for Goods and Services	(8,921,163)	(718,793)	(891,532)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(176,665)	0	(62,185)
Other Operating Revenues	495,330	11,535	7
Other Operating Expenses	(7,308)	0	(1,079)
Utility Deposits Received	90,790	0	0
Utility Deposits Returned	(95,016)	0	0
Net Cash Provided by (Used for) Operating Activities	(96,809)	57,714	673,141
Cash Flows from Noncapital Financing Activities:			
Short-Term Advance to Another Fund	0	0	0
Short-Term Advance From Another Fund	0	0	500,000
Net Cash Provided by (Used for) Noncapital Financing Activities	0	0	500,000
Cash Flows from Capital and Related Financing Activities:			
Cash Received from Special Assessments	0	0	4,543
Acquisition of Capital Assets	(351,633)	0	(2,012,451)
Proceeds from Sale of Notes	16,500,000	0	0
Principal Paid on Notes	(16,500,000)	0	0
Interest Paid on Notes	(383,079)	0	0
Principal Paid on Mortgage Revenue Bonds	(175,000)	0	(340,000)
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(228,185)	0	(507,541)
Net Cash Used for Capital and Related Financing Activities	(1,137,897)	0	(2,855,449)
Cash Flows from Investing Activities:			
Interest	167,170	0	466,246
Net Cash Provided by Investing Activities	167,170	0	466,246
Net Increase (Decrease) in Cash and Cash Equivalents	(1,067,536)	57,714	(1,216,062)
Cash and Cash Equivalents Beginning of Year	5,361,516	446,312	9,795,918
Cash and Cash Equivalents End of Year	\$4,293,980	\$504,026	\$8,579,856

<u>Water</u>	<u>Total</u>
\$2,283,603	\$14,749,700
(265,365)	(1,821,337)
(942,399)	(11,473,887)
(43,251)	(282,101)
6,311	513,183
(661)	(9,048)
0	90,790
0	(95,016)
1,038,238	1,672,284
(500,000)	(500,000)
0	500,000
(500,000)	0
0	4,543
(501,527)	(2,865,611)
0	16,500,000
0	(16,500,000)
0	(383,079)
(325,000)	(840,000)
(500,109)	(1,235,835)
(1,326,636)	(5,319,982)
600,812	1,234,228
600,812	1,234,228
(187,586)	(2,413,470)
9,299,873	24,903,619
\$9,112,287	\$22,490,149
	(Continued)

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	(\$1,493,948)	(\$41,112)	\$113,676
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities			
Depreciation	1,670,513	3,333	356,584
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(741,570)	(4,416)	(13,430)
Decrease in Due from Other Governments	191,604	0	327
(Increase) Decrease in Inventory of Supplies	(327,521)	43,188	(491)
(Increase) Decrease in Prepaids Items	(3,756)	(41)	352
Increase (Decrease) in Accounts Payable	623,149	56,762	(23,816)
Decrease in Contracts Payable	(4,453)	0	(271,220)
Increase in Contracts Payable Retainage	0	0	514,795
Increase (Decrease) in Accrued Salaries Payable	952	0	2
Increase (Decrease) in Due to Other Funds	(819)	0	(69)
Decrease in Due to Other Governments	(1,416)	0	(291)
Decrease in Liabilities Payable from Restricted Assets	(4,626)	0	0
Decrease in Compensated Absences Payable	(4,918)	0	(3,278)
Net Cash Provided by (Used For) Operating Activities	<u>(\$96,809)</u>	<u>\$57,714</u>	<u>\$673,141</u>

Noncash Capital Financing Activities:

During 2000, the Electric Enterprise Fund received from the General Fixed Asset Account Group fixed assets with a fair market value of \$43,000.

During 2000, the Sewer and Water Enterprise Funds received sewer and water lines from developers with a fair market value of \$714,920 and \$584,350 respectively.

During 2000, the Sewer Enterprise Fund received sewer fixed assets from the Water Fund with a fair market value of \$203,362.

<u>Water</u>	<u>Total</u>
\$824,432	(\$596,952)
300,773	2,331,203
25,240	(734,176)
0	191,931
(4,992)	(289,816)
(2,778)	(6,223)
(8,311)	647,784
(89,797)	(365,470)
16,837	531,632
(23)	931
366	(522)
(9,370)	(11,077)
0	(4,626)
(14,139)	(22,335)
<u>\$1,038,238</u>	<u>\$1,672,284</u>

INTERNAL SERVICE FUNDS

To account for the financing of goods and services provided by one department to other departments within the City.

Automotive Maintenance

To account for the operation of the municipal vehicle repair garage for work performed for all departments within the City.

Self-Insurance

To account for the payment of all City employees' medical, dental and life insurance claims.

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 DECEMBER 31, 2000**

	Automotive Maintenance	Self- Insurance	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$84,222	\$252,211	\$336,433
Due from Other Funds	23,074	0	23,074
Inventory of Supplies	1,638	0	1,638
Prepaid Items	624	0	624
Total Current Assets	109,558	252,211	361,769
Fixed Assets:			
Land	64,666	0	64,666
Equipment	22,910	0	22,910
Less: Accumulated Depreciation	(14,320)	0	(14,320)
Total Fixed Assets	73,256	0	73,256
Total Assets	\$182,814	\$252,211	\$435,025
Liabilities:			
Current Liabilities:			
Accounts Payable	\$18,855	\$0	\$18,855
Claims Payable	0	270,825	270,825
Accrued Salaries Payable	843	0	843
Due to Other Governments	2,593	0	2,593
Total Current Liabilities	22,291	270,825	293,116
Long-Term Liabilities:			
Compensated Absences Payable	13,877	0	13,877
Total Long-Term Liabilities	13,877	0	13,877
Total Liabilities	36,168	270,825	306,993
Fund Equity:			
Contributed Capital	64,666	0	64,666
Retained Earnings:			
Unreserved (Deficit)	81,980	(18,614)	63,366
Total Fund Equity (Deficit)	146,646	(18,614)	128,032
Total Liabilities and Fund Equity	\$182,814	\$252,211	\$435,025

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Automotive Maintenance</u>	<u>Self- Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$271,397	\$835,327	\$1,106,724
Other	1,705	166,940	168,645
	<u>273,102</u>	<u>1,002,267</u>	<u>1,275,369</u>
Total Operating Revenues			
Operating Expenses:			
Personal Services	98,706	0	98,706
Contractual Services	2,605	233,921	236,526
Supplies and Materials	145,073	0	145,073
Claims	0	1,188,866	1,188,866
Depreciation	1,396	0	1,396
	<u>247,780</u>	<u>1,422,787</u>	<u>1,670,567</u>
Total Operating Expenses			
Operating Income (Loss)	<u>25,322</u>	<u>(420,520)</u>	<u>(395,198)</u>
Non-Operating Revenues:			
Interest	0	16,907	16,907
	<u>0</u>	<u>16,907</u>	<u>16,907</u>
Total Non-Operating Revenues			
Net Income (Loss)	25,322	(403,613)	(378,291)
Retained Earnings at Beginning of Year	<u>56,658</u>	<u>384,999</u>	<u>441,657</u>
Retained Earnings (Deficit) at End of Year	<u>\$81,980</u>	<u>(\$18,614)</u>	<u>\$63,366</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
AUTOMOTIVE MAINTENANCE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$241,535	\$266,089	\$24,554
Other	5,465	1,705	(3,760)
Total Revenues	<u>247,000</u>	<u>267,794</u>	<u>20,794</u>
Expenses:			
Personal Services	98,242	97,285	957
Travel Transportation	700	0	700
Contractual Services	5,312	3,030	2,282
Supplies and Materials	155,066	149,981	5,085
Capital Outlay	11,120	9,214	1,906
Total Expenses	<u>270,440</u>	<u>259,510</u>	<u>10,930</u>
Excess of Revenues Over (Under) Expenses	(23,440)	8,284	31,724
Fund Equity at Beginning of Year	53,613	53,613	0
Prior Year Encumbrances Appropriated	5,532	5,532	0
Fund Equity at End of Year	<u>\$35,705</u>	<u>\$67,429</u>	<u>\$31,724</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SELF-INSURANCE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$835,327	\$835,327	\$0
Other	166,940	166,940	0
Interest	9,972	16,907	6,935
Total Revenues	<u>1,012,239</u>	<u>1,019,174</u>	<u>6,935</u>
Expenses:			
Contractual Services	190,000	234,735	(44,735)
Claims	1,334,320	1,226,130	108,190
Total Expenses	<u>1,524,320</u>	<u>1,460,865</u>	<u>63,455</u>
Excess of Revenues Over (Under) Expenses	(512,081)	(441,691)	70,390
Fund Equity at Beginning of Year	559,462	559,462	0
Prior Year Encumbrances Appropriated	34,320	34,320	0
Fund Equity at End of Year	<u>\$81,701</u>	<u>\$152,091</u>	<u>\$70,390</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL INTERNAL SERVICE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,076,862	\$1,101,416	\$24,554
Other	172,405	168,645	(3,760)
Interest	9,972	16,907	6,935
Total Revenues	<u>1,259,239</u>	<u>1,286,968</u>	<u>27,729</u>
Expenses:			
Personal Services	98,242	97,285	957
Travel Transportation	700	0	700
Contractual Services			
Automotive Maintenance	5,312	3,030	2,282
Self-Insurance	190,000	234,735	(44,735)
Supplies and Materials	155,066	149,981	5,085
Claims	1,334,320	1,226,130	108,190
Capital Outlay	11,120	9,214	1,906
Total Expenses	<u>1,794,760</u>	<u>1,720,375</u>	<u>74,385</u>
Excess of Revenues Over (Under) Expenses	(535,521)	(433,407)	102,114
Fund Equity at Beginning of Year	613,075	613,075	0
Prior Year Encumbrances Appropriated	<u>39,852</u>	<u>39,852</u>	<u>0</u>
Fund Equity at End of Year	<u>\$117,406</u>	<u>\$219,520</u>	<u>\$102,114</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	Automotive Maintenance	Self- Insurance	Total
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Quasi-External Operating Transactions with Other Funds	\$266,089	\$835,327	\$1,101,416
Cash Payments for Employee Services and Benefits	(97,285)	0	(97,285)
Cash Payments to Suppliers for Goods and Services	(137,507)	(233,921)	(371,428)
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(1,126,824)	(1,126,824)
Other Operating Revenues	1,705	166,940	168,645
Net Cash Provided by (Used For) Operating Activities	<u>33,002</u>	<u>(358,478)</u>	<u>(325,476)</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(7,925)	0	(7,925)
Net Cash Used for Capital and Related Financing Activities	<u>(7,925)</u>	<u>0</u>	<u>(7,925)</u>
Cash Flows from Investing Activities:			
Interest	0	16,907	16,907
Net Cash Provided by Investing Activities	<u>0</u>	<u>16,907</u>	<u>16,907</u>
Net Increase (Decrease) in Cash and Cash Equivalents	25,077	(341,571)	(316,494)
Cash and Cash Equivalents Beginning of Year	59,145	593,782	652,927
Cash and Cash Equivalents End of Year	<u>\$84,222</u>	<u>\$252,211</u>	<u>\$336,433</u>
Reconciliation of Operating Income (Loss) to <u>Net Cash Provided by (Used For) Operating Activities:</u>			
Operating Income (Loss)	\$25,322	(\$420,520)	(\$395,198)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities			
Depreciation	1,396	0	1,396
Changes in Assets and Liabilities:			
Increase in Due from Other Funds	(5,308)	0	(5,308)
Decrease in Inventory of Supplies	2	0	2
Increase in Prepaids Items	(118)	0	(118)
Increase in Accounts Payable	10,287	0	10,287
Increase in Claims Payable	0	62,042	62,042
Increase in Accrued Salaries Payable	11	0	11
Decrease in Due to Other Governments	(318)	0	(318)
Increase in Compensated Absences Payable	1,728	0	1,728
Net Cash Provided by (Used For) Operating Activities	<u>\$33,002</u>	<u>(\$358,478)</u>	<u>(\$325,476)</u>

FIDUCIARY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has one expendable trust fund and one nonexpendable trust fund, and the level of budgetary control is the same as that presented in the general purpose financial statements.

EXPENDABLE TRUST FUND

Donation

To account for donations for fire, police, life squad and parks and recreation.

NONEXPENDABLE TRUST FUND

Cemetery Perpetual Care

To account for a portion of all plot sales and the opening and closing of graves. The interest will be spent to maintain the cemetery.

AGENCY FUND

Municipal Court

To account for monies that flow through the Clerk of Courts Office.

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 DECEMBER 31, 2000**

	Expendable Trust	Non- Expendable Trust	Agency Fund	
	Donation	Cemetery Perpetual Care	Municipal Court	Total
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$875,905	\$148,869	\$0	\$1,024,774
Cash and Cash Equivalents with Fiscal Agents	0	0	82,723	82,723
Total Assets	\$875,905	\$148,869	\$82,723	\$1,107,497
Liabilities:				
Due to Other Funds	\$0	\$0	\$34,363	\$34,363
Due to Other Governments	0	0	27,312	27,312
Undistributed Money	0	0	21,048	21,048
Total Liabilities	0	0	82,723	82,723
Fund Equity:				
Fund Balances:				
Reserved for Restricted Principal	0	49,658	0	49,658
Unreserved, Undesignated	875,905	99,211	0	975,116
Total Fund Equity	875,905	148,869	0	1,024,774
Total Liabilities and Fund Equity	\$875,905	\$148,869	\$82,723	\$1,107,497

**CITY OF LEBANON, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000**

	Balance 1/1/00	Additions	Reductions	Balance 12/31/00
MUNICIPAL COURT				
Assets:				
Cash and Cash Equivalents with Fiscal Agents	\$91,629	\$664,460	\$673,366	\$82,723
Total Assets	<u>\$91,629</u>	<u>\$664,460</u>	<u>\$673,366</u>	<u>\$82,723</u>
Liabilities:				
Due to Other Funds	\$34,058	\$361,109	\$360,804	\$34,363
Due to Other Governments	28,482	223,645	224,815	27,312
Undistributed Money	29,089	79,706	87,747	21,048
Total Liabilities	<u>\$91,629</u>	<u>\$664,460</u>	<u>\$673,366</u>	<u>\$82,723</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets other than those accounted for in the proprietary funds or trust funds.

CITY OF LEBANON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2000

General Fixed Assets:

Land	\$9,988,533
Improvements Other than Buildings	718,226
Buildings	3,052,561
Equipment	2,251,364
Vehicles	2,861,845
Construction in Progress	365,350
	<hr/>
Total General Fixed Assets	<u>\$19,237,879</u>

Investment in General Fixed Assets From:

General Fund Revenues	\$3,232,890
Special Revenue Fund Revenues	3,972,048
Capital Projects Fund Revenues	8,072,912
Enterprise Fund	27,409
Expendable Trust Fund	985
Donations	4,875
Acquired before 12/31/86	3,926,760
	<hr/>
Total Investment in General Fixed Assets	<u>\$19,237,879</u>

CITY OF LEBANON, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2000

FUNCTION AND ACTIVITY	General Fixed Assets 1-1-00	Additions	Deductions	General Fixed Assets 12-31-00
Security of Persons and Property:				
Police Law Enforcement	\$1,044,181	\$86,113	\$81,889	\$1,048,405
Fire	2,774,817	619,490	67,037	3,327,270
Total Security of Persons and Property	3,818,998	705,603	148,926	4,375,675
Leisure Time Activities:				
Recreation	292,119	8,412	0	300,531
Parks	1,746,717	461,705	61,402	2,147,020
Total Leisure Time Activities	2,038,836	470,117	61,402	2,447,551
Community Environment:				
Community Planning and Zoning	578,136	2,380	15,907	564,609
Community Development	64,499	0	0	64,499
Urban Redevelopment	702,810	0	0	702,810
Industrial Development	6,048,159	404,073	0	6,452,232
Total Community Environment	7,393,604	406,453	15,907	7,784,150
General Government:				
Administration	1,395,257	44,621	55,842	1,384,036
Legislative	1,005	0	0	1,005
Judicial	152,138	42,175	14,208	180,105
Finance	125,699	7,001	22,120	110,580
Total General Government	1,674,099	93,797	92,170	1,675,726
Transportation:				
Street	1,542,193	103,958	82,278	1,563,873
Parking	466,937	0	0	466,937
Total Transportation	2,009,130	103,958	82,278	2,030,810
Public Health:				
Cemetery	316,976	25,991	3,650	339,317
Cemetery Improvement	185,900	33,400	0	219,300
Total Public Health	502,876	59,391	3,650	558,617
Construction in Progress	271,916	135,554	42,120	365,350
Total General Fixed Assets	<u>\$17,709,459</u>	<u>\$1,974,873</u>	<u>\$446,453</u>	<u>\$19,237,879</u>

CITY OF LEBANON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2000

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Improvements Other than Buildings</u>	<u>Buildings</u>
Security of Persons and Property:			
Police Law Enforcement	\$11,478	\$18,700	\$282,001
Fire	122,944	11,904	929,425
Total Security of Persons and Property	<u>134,422</u>	<u>30,604</u>	<u>1,211,426</u>
Leisure Time Activities:			
Recreation	0	112,939	161,925
Parks	839,199	372,777	451,512
Total Leisure Time Activities	<u>839,199</u>	<u>485,716</u>	<u>613,437</u>
Community Environment:			
Community Planning and Zoning	375,000	7,028	0
Community Development	0	0	64,499
Urban Redevelopment	649,330	53,480	0
Industrial Development	6,452,232	0	0
Total Community Environment	<u>7,476,562</u>	<u>60,508</u>	<u>64,499</u>
General Government:			
Administration	150,000	18,466	983,638
Legislative	0	0	0
Judicial	0	0	0
Finance	0	6,084	0
Total General Government	<u>150,000</u>	<u>24,550</u>	<u>983,638</u>
Transportation:			
Street	598,442	21,379	138,278
Parking	466,937	0	0
Total Transportation	<u>1,065,379</u>	<u>21,379</u>	<u>138,278</u>
Public Health:			
Cemetery	137,071	95,469	7,883
Cemetery Improvement	185,900	0	33,400
Total Public Health	<u>322,971</u>	<u>95,469</u>	<u>41,283</u>
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>
Total General Fixed Assets	<u>\$9,988,533</u>	<u>\$718,226</u>	<u>\$3,052,561</u>

<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$387,756	\$348,470	\$1,048,405
623,274	1,639,723	3,327,270
<u>1,011,030</u>	<u>1,988,193</u>	<u>4,375,675</u>
15,038	10,629	300,531
414,478	69,054	2,147,020
<u>429,516</u>	<u>79,683</u>	<u>2,447,551</u>
75,139	107,442	564,609
0	0	64,499
0	0	702,810
0	0	6,452,232
<u>75,139</u>	<u>107,442</u>	<u>7,784,150</u>
197,049	34,883	1,384,036
1,005	0	1,005
180,105	0	180,105
83,342	21,154	110,580
<u>461,501</u>	<u>56,037</u>	<u>1,675,726</u>
219,332	586,442	1,563,873
0	0	466,937
<u>219,332</u>	<u>586,442</u>	<u>2,030,810</u>
54,846	44,048	339,317
0	0	219,300
<u>54,846</u>	<u>44,048</u>	<u>558,617</u>
0	0	365,350
<u>\$2,251,364</u>	<u>\$2,861,845</u>	<u>\$19,237,879</u>

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STATISTICAL SECTION

STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND
FISCAL CAPACITY OF THE CITY

**CITY OF LEBANON, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN YEARS**

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	General Government	Capital Outlay	Debt Service	Total
1991	\$1,200,993	\$10,238	\$160,348	\$220,628	\$1,156,933	\$51,492	\$1,313	\$2,801,945
1992	1,346,286	8,447	179,726	235,811	1,250,749	160,000	1,183	3,182,202
1993	1,436,423	8,527	192,663	244,177	1,291,379	217,949	980	3,392,098
1994	1,528,382	12,533	261,703	261,465	1,356,555	7,483	1,732	3,429,853
1995	1,634,120	13,072	220,279	287,736	1,497,249	75,000	2,078	3,729,534
1996	1,764,566	14,196	227,566	367,154	1,650,029	0	3,341	4,026,852
1997	1,774,054	15,023	250,297	410,198	1,783,627	1,444,437	3,354	5,680,990
1998	1,773,810	15,457	279,607	530,552	1,924,845	220,000	1,600	4,745,871
1999	1,966,318	15,635	305,079	553,989	2,347,009	896,474	1,265	6,085,769
2000	2,185,853	3,000	467,741	597,677	2,464,768	236,601	1,265	5,956,905

Source: Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN YEARS**

Year	Taxes (1)	Inter-Governmental	Charges for Services	Fines, Licenses and Permits	Interest	Other	Total
1991	\$984,424	\$384,003	\$993,492	\$318,672	\$327,540	\$57,237	\$3,065,368
1992	1,096,873	383,305	1,020,170	350,715	158,312	32,240	3,041,615
1993	1,148,937	512,644	1,115,616	366,603	285,171	104,600	3,533,571
1994	1,339,393	430,046	1,153,363	418,296	473,194	81,041	3,895,333
1995	1,481,067	450,664	1,254,152	536,348	740,529	83,369	4,546,129
1996	1,592,286	802,504	1,391,847	545,310	700,202	117,543	5,149,692
1997	1,824,987	649,136	1,645,823	639,621	306,340	96,893	5,162,800
1998	2,036,108	833,989	1,620,326	690,722	530,313	229,889	5,941,347
1999	2,178,720	2,686,894	1,701,739	759,406	591,843	163,740	8,082,342
2000	2,351,219	1,175,908	1,737,321	841,541	708,963	32,159	6,847,111

(1) Includes property, income and other local taxes

Source: Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent Of		Accumulated Outstanding Delinquent Taxes	Percentage Of Accumulated Delinquent Taxes To Total Tax Levy
					Total Tax Collections To Tax Levy	Total Tax Collections To Tax Levy		
1991	\$795,979	\$767,155	\$23,862	\$791,017	99%	99%	\$31,485	3%
1992	867,056	810,468	25,853	836,321	96	96	39,661	4
1993	922,922	857,536	33,846	891,382	96	96	55,752	6
1994	937,998	876,675	25,180	901,855	96	96	36,846	3
1995	1,017,680	988,868	29,990	1,018,858	100	100	45,929	5
1996	1,089,315	1,059,258	36,634	1,095,892	101	101	43,428	3
1997	1,159,680	1,125,618	31,339	1,156,957	100	100	43,046	4
1998	1,282,020	1,243,653	49,891	1,293,544	100.9	100.9	49,403	4
1999	1,383,551	1,333,675	61,504	1,395,179	100.8	100.8	32,864	2
2000	2,075,061	2,020,900	84,292	2,105,192	101.4	101.4	30,949	2

Source: County Auditor; Warren County, Ohio

**CITY OF LEBANON, OHIO
 ASSESSED VALUE AND ESTIMATED
 TRUE VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS**

Year	Assessed Real	Assessed Public Utility		Assessed Tangible Personal	Total	Estimated True Value (1)	Percentage Of Assessed Value To Estimated True Value
		Real	Tangible Personal				
1991	\$58,209,000	\$31,673,950	\$5,166,930	\$15,757,475	\$110,807,355	\$321,040,958	35%
1992	68,466,210	36,709,990	5,614,550	19,018,419	129,809,169	380,031,364	35
1993	71,372,180	36,982,110	6,004,660	18,568,531	132,927,481	387,824,590	34
1994	75,480,990	37,114,340	6,335,910	18,890,296	137,821,536	404,462,025	34
1995	91,821,240	40,488,290	6,443,330	22,988,515	161,741,375	477,303,254	34
1996	98,719,800	40,954,260	6,273,910	24,803,624	170,751,594	498,344,769	34
1997	107,688,450	45,256,790	6,421,460	28,826,299	188,192,999	559,588,710	34
1998	132,550,330	48,844,300	6,393,050	32,506,594	220,294,274	655,561,576	34
1999	143,105,080	55,025,060	6,413,020	38,071,619	242,614,779	725,660,100	33
2000	151,321,540	59,396,390	5,765,920	41,357,405	257,841,255	774,033,030	33

Source: County Auditor, Warren County, Ohio

(1) This is calculated by dividing the Assessed value by the assessment percentage. The percentages for 2000 were 35 percent for real property and public utility real, 88 percent public utility tangible and 25 percent for tangible personal.

CITY OF LEBANON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Collection Year	General Fund	Fire and Life Squad Fund	Library Bond Retirement Fund	Total City (1)	Lebanon City Schools (2)	Warren County (2)	Mental Health (2)	Warren Co JVS (2)
1991	\$2.80	\$3.00	\$1.15	\$6.95	\$40.90	\$7.10	\$1.00	\$0.00
1992	2.80	3.00	1.00	6.80	45.12	7.10	1.00	0.00
1993	2.80	3.00	0.90	6.70	44.62	7.10	1.00	0.00
1994	2.80	3.00	0.90	6.70	44.62	7.10	1.00	0.00
1995	2.82	3.00	0.80	6.62	51.13	7.07	1.00	4.50
1996	2.82	3.00	0.80	6.62	51.13	7.07	1.00	4.50
1997	2.82	3.00	0.50	6.32	51.13	5.00	1.50	4.50
1998	2.82	3.00	0.50	6.32	50.03	4.75	1.00	4.50
1999	2.82	3.00	0.50	6.32	50.03	4.75	1.00	4.50
2000	2.82	4.50	0.50	7.82	50.63	4.50	1.00	4.50

Source: (1) City of Lebanon's Operating Budget.

(2) County Auditor, Warren County, Ohio

**CITY OF LEBANON, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

<u>Collection Year</u>	<u>Amount Billed (1)</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
1991	\$131,513	\$125,572	95%
1992	239,414	226,089	94
1993	229,985	219,824	96
1994	203,785	194,987	96
1995	227,638	218,731	96
1996	241,876	209,249	87
1997	247,320	216,130	87
1998	204,068	166,284	81
1999	237,258	202,679	85
2000	231,377	197,895	86

Source (1) County Auditor; Warren County, Ohio

(2) City's Tax Settlement Sheets

Note: Additions and remitters were not included in calculations

Unless otherwise noted, this table reflects only those special assessments collected through the County Auditor's office. Direct payments received by the City are not included.

CITY OF LEBANON, OHIO
 RATIO OF NET GENERAL BONDED DEBT
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS

Year	Population	Assessed Value (In Thousands)	Gross Bonded Debt (1)	Debt Service Monies Available (2)	Debt Payable From City Income Tax	Debt Payable From Payments In Lieu Of Taxes	Debt Payable From Enterprise Revenues (3)	Net General Bonded Debt	Ratio Of Net General Bonded Debt To Assessed Value	Net General Bonded Debt Per Capita
1991	10,423	110,807	6,615,893	114,815	235,000	805,622	4,335,271	1,125,185	1.02	107.95
1992	10,423	129,809	6,306,106	135,363	435,270	528,228	4,137,608	1,069,637	0.82	102.62
1993	10,423	132,927	6,030,082	144,706	388,920	506,162	3,965,000	1,025,294	0.77	98.37
1994	10,423	137,822	5,893,323	145,178	511,945	484,096	3,767,282	984,822	0.71	94.49
1995	10,423	161,741	5,609,739	148,351	460,507	459,613	3,599,619	941,649	0.58	90.34
1996	10,423	170,752	10,171,905	164,784	394,068	435,131	8,297,706	880,216	0.52	84.45
1997	10,423	188,193	12,279,881	180,019	381,360	408,232	7,826,065	3,484,205	1.85	334.28
1998	10,423	220,294	11,732,691	170,383	368,652	381,333	7,455,790	3,356,533	1.52	322.03
1999	10,423	242,615	29,051,589	173,646	350,856	354,434	24,980,000	3,192,653	1.32	306.31
2000	16,962	257,841	27,999,619	191,652	2,781,790	325,118	24,140,000	561,059	0.21	33.07

(1) Excludes special assessment general obligation debt.

(2) Includes only money available in the Library Bond Retirement Debt Service Fund.

(3) Excludes discount on revenue bonds

Source: 1990 and 2000 Census and Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN
 DECEMBER 31, 2000**

Assessed Value		<u>\$257,841,255</u>
Overall Debt Limit (10 1/2% of the Assessed Value)		\$27,073,332
Total Voted and Unvoted Debt Outstanding at December 31, 2000	\$40,237,710	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	1,208,091	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax and Payments in Lieu of Taxes to be Applied to Debt Service	3,106,908	
Unvoted Mortgage Revenue Bonds to be Paid from Enterprise Fund Revenues	24,140,000	
Unvoted General Obligation Notes to be Paid from Enterprise Fund Revenues	<u>8,250,000</u>	
Total	3,532,711	
Less: Amount Available to Pay Non-Exempt Debt	<u>3,227,742</u>	
Net Subject to 10 1/2 percent Limitation		<u>304,969</u>
Legal debt Margin within 10 1/2 percent Limitation		<u>\$26,768,363</u>

Source: Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
 COMPUTATION OF UNVOTED LEGAL DEBT MARGIN
 DECEMBER 31, 2000**

Assessed Value		<u>\$257,841,255</u>
Overall Debt Limit (5 1/2% of the Assessed Value)		\$14,181,269
Total Unvoted Debt Outstanding at December 31, 2000	\$39,484,999	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	1,208,091	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax and Payments in Lieu of Taxes to be Applied to Debt Service	3,106,908	
Unvoted Mortgage Revenue Bonds to be Paid from Enterprise Fund Revenues	24,140,000	
Unvoted General Obligation Notes to be Paid from Enterprise Fund Revenues	<u>8,250,000</u>	
Total	2,780,000	
Less: Amount Available to Pay Non-Exempt Debt	<u>2,780,000</u>	
Net Subject to 5 1/2 percent Limitation		<u>0</u>
Legal debt Margin within 5 1/2 percent Limitation		<u><u>\$14,181,269</u></u>

Source: Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT
 DECEMBER 31, 2000**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City Of Lebanon</u>	<u>Amount Applicable To City Of Lebanon</u>
City of Lebanon	\$561,059	100.00%	\$561,059
Warren County	17,248,205	6.74	<u>1,162,529</u>
Total			<u><u>\$1,723,588</u></u>

Source: Ohio Municipal Advisory Service

Note: The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed value within the City by the subdivision's total assessed valuation.

CITY OF LEBANON, OHIO
RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL FUND EXPENDITURES
LAST TEN YEARS

<u>Year</u>	<u>Debt Principal And Interest (1)</u>	<u>General Fund Expenditures</u>	<u>Ratio Of Debt Principal And Interest To General Fund Expenditures</u>
1991	\$124,615	\$2,801,945	4.4%
1992	127,239	3,182,202	4.0
1993	125,192	3,392,098	3.7
1994	127,815	3,429,853	3.7
1995	125,201	3,729,534	3.4
1996	126,733	4,026,852	3.2
1997	165,161	5,680,990	2.9
1998	123,702	4,745,871	2.6
1999	120,218	6,085,769	2.0
2000	116,690	5,956,905	2.0

Source: Auditor's Office, City of Lebanon

(1) Includes only General Obligation Debt payable from property taxes.

**CITY OF LEBANON, OHIO
REVENUE BOND COVERAGE
LAST TEN YEARS**

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
ELECTRIC							
1991	\$5,687,780	\$4,863,602	\$824,178	\$25,000	\$5,362	\$30,362	27.1%
1992	5,808,844	5,187,016	621,828	25,000	2,625	27,625	22.5
1993	6,225,321	5,697,213	528,108	25,000	1,312	26,312	20.1
1994	6,553,126	4,798,695	1,754,431	0	0	0	0.0
1995	6,798,142	6,673,997	124,145	0	0	0	0.0
1996	7,014,943	5,860,330	1,154,613	0	0	0	0.0
1997	7,217,373	6,013,800	1,203,573	155,000	249,795	404,795	3.0
1998	7,733,375	8,682,967	(949,592)	160,000	244,060	404,060	(2.4)
1999	8,695,819	7,004,633	1,691,186	165,000	237,660	402,660	4.2
2000	11,015,754	10,839,189	176,565	175,000	228,185	403,185	0.4
SEWER							
1991	1,006,898	588,012	418,886	70,000	164,833	234,833	1.8
1992	1,075,751	632,162	443,589	75,000	160,563	235,563	1.9
1993	1,176,878	662,423	514,455	80,000	155,913	235,913	2.2
1994	1,313,550	746,084	567,466	82,663	162,950	245,613	2.3
1995	1,467,877	823,588	644,289	90,000	148,057	238,057	2.7
1996	1,548,851	1,177,153	371,698	95,000	139,538	234,538	1.6
1997	1,719,824	1,116,893	602,931	125,000	80,868	205,868	2.9
1998	1,582,869	994,573	588,296	130,000	80,550	210,550	2.8
1999	1,817,875	1,224,270	593,605	135,000	329,561	464,561	1.3
2000	1,935,006	1,464,746	470,260	340,000	507,541	847,541	0.5
WATER							
1991	1,148,379	612,076	536,303	30,000	115,604	145,604	3.7
1992	1,217,582	720,568	497,014	70,000	128,495	198,495	2.5
1993	1,423,710	684,485	739,225	75,000	126,945	201,945	3.7
1994	1,493,615	745,773	747,842	80,000	120,800	200,800	3.7
1995	1,784,680	707,200	1,077,480	80,000	116,480	196,480	5.5
1996	1,877,081	1,260,381	616,700	85,000	111,836	196,836	3.1
1997	2,058,358	1,347,491	710,867	90,000	108,737	198,737	3.6
1998	1,903,230	725,699	1,177,531	100,000	101,082	201,083	5.9
1999	2,203,332	848,868	1,354,464	105,000	281,951	386,951	3.5
2000	2,264,674	1,139,469	1,125,205	325,000	500,109	825,109	1.4

Source: Auditor's Office, City of Lebanon

(1) Does not include depreciation

**CITY OF LEBANON, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Warren County (3)</u>
1991	10,423	3,408	5.9
1992	10,423	3,538	6.5
1993	10,423	3,632	5.7
1994	10,423	3,842	4.9
1995	10,423	3,842	4.2
1996	10,423	4,214	3.9
1997	10,423	4,354	3.2
1998	10,423	4,405	-2.9
1999	10,423	4,462	3.0
2000	16,962	4,496	3.0

Sources: (1) 1990 Census and 2000 Census

(2) Lebanon City School District Board of Education

(3) Ohio Bureau of Employment Services

**CITY OF LEBANON, OHIO
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 2000**

	<u>Taxpayer</u>	<u>Real Property Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
1.	Lucas Sumitomo Brakes Inc.	\$11,592,338	4.50 %
2.	Fujitec America	8,777,220	3.40
3.	Johnson & Hardin	5,011,560	1.94
4.	Cincinnati Gas & Electric	3,778,310	1.47
5.	Flint Ink No. Amer. Corp.	2,910,610	1.13
6.	Amtex Inc.	2,632,430	1.02
7.	United Telephone Co.	2,194,070	0.85
8.	Lebanon Park Towne Homes	1,873,010	.073
9.	Charlie Watson Ford	1,582,510	0.61
10.	Southern Ohio Gun Dist.	1,492,170	0.58

Source: County Auditor, Warren County, Ohio

**CITY OF LEBANON, OHIO
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS**

Year	Property Values (2)	Residential Construction (1)		Commercial Construction (1)		City Bank Deposits (3)	County Bank Deposits (3)
		Number Of Permits	Value	Number Of Permits	Value		
1991	\$166,311,429	136	\$6,022,968	45	\$3,054,711	\$236,605,000	\$342,162,000
1992	195,617,743	192	8,198,299	42	4,575,812	305,529,000	367,097,000
1993	203,920,514	228	10,892,924	32	2,374,595	333,849,000	411,164,000
1994	215,659,971	192	8,573,264	49	22,151,935	346,078,000	422,581,000
1995	262,346,400	284	17,677,894	82	11,362,500	370,414,000	460,950,000
1996	282,056,571	351	20,637,230	78	6,356,055	379,213,000	465,584,000
1997	307,681,286	291	19,110,569	80	13,093,658	427,736,000	523,595,000
1998	378,715,229	267	15,298,503	82	16,028,448	437,918,000	521,795,000
1999	408,871,657	321	20,556,607	89	22,130,622	445,370,000	533,873,000
2000	432,347,257	268	18,796,587	87	17,792,980	453,127,000	548,623,000

Sources: (1) City of Lebanon Building Department

(2) Estimated true values for real property from County Auditor, Warren County, Ohio

(3) Federal Reserve Bank of Cleveland

**CITY OF LEBANON, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 2000**

Year of Incorporation	1960
Form of Government	Charter - Council/Manager
Area	11.9185 Square Miles
Miles of Streets	79.545
Number of Street Lights	1689
Police Protection:	
Number of Stations	1
Number of Police Officers	26
Hospitals	1 Emergency Treatment Center
Education (K-12) (Public only)	
Attendance Centers	6
Number of Classrooms	222
Number of Teachers	282
Number of Students	4496
Municipal Water Department	
Miles of Water Main	76.748
Sewers:	
Sanitary Sewers	69.146
Storm Sewer	31.652
Building Permits Issued	355
Recreation and Culture:	
Number of Parks	15
Number of Libraries	1
Employees	177

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STATE OF OHIO
OFFICE OF THE AUDITOR

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CITY OF LEBANON

WARREN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 18, 2001**