

CITY OF LEBANON, OHIO

Annual Comprehensive Financial Report

For the Year Ended December 31, 2022



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of the City Council and Mayor
City of Lebanon
50 South Broadway Street
Lebanon, Ohio 45036

We have reviewed the *Independent Auditor's Report* of the City of Lebanon, Warren County, prepared by Julian & Grube, Inc., for the audit period January 1, 2022 through December 31, 2022. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 28, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION



THIS PAGE INTENTIONALLY LEFT BLANK

**CITY OF LEBANON, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Issued by:
Office of the Auditor**

**Dan Burke
City Auditor**

City of Lebanon
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022

Table of Contents

INTRODUCTORY SECTION

Title Page	
Table of Contents	i
Letter of Transmittal	v
GFOA Certificate of Achievement	x
List of Principal Officials.....	xi
Organizational Chart.....	xii

FINANCIAL SECTION

Independent Auditor’s Report	1
Management’s Discussion and Analysis	5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	16
Statement of Activities.....	18

Fund Financial Statements:

Balance Sheet – Governmental Funds	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund – Budget Basis	28
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Fire and Life Squad Special Revenue Fund – Budget Basis	29
Statement of Fund Net Position – Proprietary Funds	30

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	34
Statement of Cash Flows – Proprietary Funds.....	36
Statement of Fiduciary Assets and Liabilities – Custodial Funds	40
Statement of Change in Fiduciary Net Position – Custodial Funds.....	41
Notes to the Basic Financial Statements.....	42

Required Supplementary Information:

Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Nine Years.....	104
Schedule of the City’s Proportionate Share of the Net Pension Liability (Asset) – Ohio Public Employees Retirement System – Combined Plan – Last Five Years	106
Schedule of the City’s Proportionate Share of the Net OPEB Liability (Asset) – Ohio Public Employees Employees Retirement System – OPEB Plan – Last Six Years	108
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Nine Years	110
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Six Years.....	112
Schedule of City Contributions – Ohio Public Employees Retirement System – Last Ten Years.....	114
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years.....	116
Notes to the Required Supplementary Information	118

Combining Financial Statements:

Combining Statements – Nonmajor Governmental Funds:

Nonmajor Fund Descriptions.....	124
Combining Balance Sheet – Nonmajor Governmental Funds.....	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	127

Combining Balance Sheet – Nonmajor Special Revenue Funds	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	130
Combining Balance Sheet – Nonmajor Capital Projects Funds	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	134
Combining Statements – Internal Service Funds:	
Internal Service Fund Descriptions.....	136
Combining Statement of Fund Net Position – Internal Service Funds.....	137
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	138
Combining Statement of Cash Flows – Internal Service Funds	139
Combining Statements – Custodial Funds:	
Custodial Fund Descriptions.....	140
Combining Statement of Fiduciary Net Position – Custodial Funds.....	141
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds.....	142
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget and Actual (Budget Basis):	
Major Funds:	
General Fund.....	143
Fire and Life Squad Special Revenue Fund.....	147
Capital Improvement Capital Projects Fund.....	148
Electric Enterprise Fund	149
Sanitation Enterprise Fund.....	150
Sewer Enterprise Fund.....	151
Telecommunications Enterprise Fund	152
Water Enterprise Fund	153
Storm Water Utility Enterprise Fund.....	154
Nonmajor Funds:	
Cemetery Special Revenue Fund.....	155
Court Special Revenue Fund	156
Park/Recreation Impact Fee Special Revenue Fund.....	157
Transportation Special Revenue Fund.....	158
American Rescue Plan Act Special Revenue Fund	159

Debt Service Fund.....	160
Tax Increment Financing Capital Projects Fund	161
Cemetery Improvement Capital Projects Fund.....	162
OPWC Capital Grant Capital Projects Fund.....	163
Parks Reserve and Replacement Capital Projects Fund	164
Fire-EMS Reserve and Replacement Capital Projects Fund	165
Bike Trail Reserve and Replacement Capital Projects Fund.....	166
Automotive Maintenance Internal Service Fund	167
Self-Insurance Internal Service Fund.....	168

STATISTICAL SECTION

Statistical Tables Descriptions	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years	S4
Fund Balances, Governmental Funds – Last Ten Years.....	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S12
Income Tax Revenue Base and Collections – Last Ten Years	S14
Income Tax Filers by Income Level – Tax Years 2021 and 2012.....	S15
Electric Sold by Type of Customer – Last Ten Years	S16
Principal Electric Customers – 2022 and 2013.....	S19
Electric Rates per Year – Last Ten Years.....	S20
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years ...	S24
Computation of Direct and Overlapping Governmental Activities Debt – December 31, 2022	S26
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita – Last Ten Years.....	S27
Legal Debt Margin – Last Ten Years	S28
Pledged Revenue Coverage – Electric System Mortgage Revenue Bonds – Last Ten Years....	S30
Pledged Revenue Coverage – Sewer System Mortgage Revenue Bonds – Last Ten Years	S31
Pledged Revenue Coverage – Water System Mortgage Revenue Bonds – Last Ten Years.....	S32
Pledged Revenue Coverage – Special Assessment Bonds – Last Ten Years.....	S33
Demographic and Economic Statistics – Last Ten Years.....	S34
Principal Employers – 2022 and 2013	S36
Full-Time City Government Employees by Function/Program – Last Ten Years	S37
Operating Indicators by Function/Program – Last Ten Years	S38
Capital Assets Statistics by Function/Program – Last Ten Years.....	S44



June 20, 2023

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

We are pleased to present the thirty-fifth Annual Comprehensive Financial Report (ACFR) for the City of Lebanon. This report for the year ended December 31, 2022, contains the financial statements and other financial and statistical information, and conforms to accounting principles generally accepted in the United States of America as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the City of Lebanon (“the City”).

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (accounting principles generally accepted in the United States of America) basis, and Ohio Revised Code Section 117.38, which requires that cities reporting on a GAAP basis file an unaudited annual report with the Auditor of State within 150 days of year-end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements.

The Ohio Auditor of State performed the audit for the year ended December 31, 2022, and included in this report is their unmodified opinion rendered on the City’s basic financial statements. The Independent Auditor’s Report is located at the front of the Financial Section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

The City of Lebanon is 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.

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 members serve a four-year term and appoint the City Manager, City Auditor, and City Attorney.

City Building
50 South Broadway
Lebanon, Ohio 45036
P: 513-228-3105
lebanonohio.gov



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, storm water management 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 Combined Health District. This is a jointly governed organization, for which the City has no financial responsibility or interest. Information regarding this entity may be found in the notes to the basic financial statements.

Council is required to adopt an initial budget no later than April 1, Council may adopt a temporary budget to cover the first three months of the year. Upon presentation by the City Manager of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget, as it may have been amended, as the City's annual budget effective April 1, for the remainder of the year. The legal level of budgetary control has been established by Council at the object level (personal services, contractual services, supplies and materials, etc.) within each department and fund.

MAJOR INITIATIVES

The City remains committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2022. Over the next five years, the City's adopted Capital Improvement Budget allocates an average of \$9,300,000 in annual road improvements. The resurfacing of several streets and budgeted sidewalk repairs also occurred on schedule in 2022. Several of these projects included improvements or replacements of the water distribution system, rehabilitation of the sanitary sewer mains, and the installation of a new storm drainage system. City funds were supplemented with grants from the Ohio Public Works Commission.

The City continues to focus on replacing aging sanitary sewer and water mains throughout the City. The City has structured the water and sanitary sewer rates to ensure that this aging infrastructure will be replaced in a planned manner.

The City's Electric Department continued to operate debt-free while several transmission system improvements were completed throughout the City.

The City called existing street reconstruction bonds in December, 2022 and realized an interest savings of \$262,500.

LOCAL ECONOMY

All the major TV networks and several independent facilities, including several educational television channels are available to the City from Dayton and Cincinnati. Major daily, Sunday, and on-line newspapers from Cincinnati and Dayton are available in the City. The City also owns and operates "The Lebanon Channel 6". The channel broadcasts programming that is relevant to the Lebanon community. Programming includes City Council and Planning Commission meetings, "The City Show", and local events. The City also utilizes a variety of social media platforms to promote local businesses and events. The Lebanon Chamber of Commerce partners with the City to promote a business-friendly environment.

Residential Housing

Overall, the number of residential permits issued in 2022 (195) decreased as compared to 2021 (254). The residential sector continues to see investment in relation to new housing starts, as reflected by new construction permits issued during 2022 for 58 new housing units. This compares to 80 in 2021. The total construction valuation of residential development as reflected in the permit data for 2022 was \$17.69 million which decreased about 6 percent compared to 2021.

Commercial and Industrial

Lebanon has experienced sustained growth, both residential and nonresidential, over the past two decades. The City's growth can be attributed to several factors including its ideal location along the I-71 corridor, business-friendly environment, high-quality workforce, excellent school system, and great quality of life.

Lebanon continues to position itself to capitalize on new and emerging business opportunities as the market strengthens through long term investments in land and infrastructure. Lebanon maintains a strategic focus to leverage available economic development inducement programs to recruit new businesses and industry. The City has used economic development incentives to attract new business and to assist existing business expansions. TIFs have been successfully used as a mechanism to provide a funding source for public infrastructure improvements needed to provide access to undeveloped sites or to improve existing infrastructure to accommodate new development. The Community Reinvestment Area (CRA) program has also served as an important incentive for new facility construction within the City as well as expansion and renovation projects.

City Council and the administration management will continue to closely monitor the regional and local economy for impacts on Lebanon's financial position. The existing tax base, along with continued proactive development efforts, will not only allow the City to remain financially strong, but will strengthen its financial position in the future.

In recent years the City has consistently attracted new investment into the community. The City had quality growth in both the industrial and commercial sectors. These sectors continue to experience new development and investment. The commercial sector has also seen expansion in terms of new construction, and more importantly, adaptive reuse of existing facilities. The growth in both sectors is encouraging and created significant momentum heading into 2023.

The following are notable Economic Development projects from 2022:

511 North Broadway

Commercial development continued at this location and the Catch-a-Fire Restaurant opened in 2022. A second restaurant, Mi Cozumel, will open in the commercial space in 2023. The 28 new townhomes and 88 new apartment units reached full occupancy in 2022. This project, coupled with construction of the City's new Fire Station nearby, will serve as a development catalyst along the corridor.

120 South Broadway

The City purchased the Golden Turtle Chocolate Factory to retain control of this important central business district location. The City is exploring redevelopment options that are consistent with the Downtown Master Plan.

INX International

In compliance with the City's Community Reinvestment Area guidelines, this business completed a 29,000 square foot, \$7,500,000 expansion in 2022. Located in the Lebanon Commerce Center, INX began operations in 2015. INX produces solvent-based ink for a variety of consumer applications.

Newman Sanitary Gasket

In compliance with the City's Community Reinvestment Area guidelines, this business completed a 27,800 square foot, \$5,800,000 expansion in 2022. Newman Gasket was established in 1973. The company manufactures specialized product lines ranging from FDA-compliant gaskets to custom injection molded parts. The company's products span various sectors, and they serve multiple national and international distributors. The company's current growth in the pharmaceutical sector has led to an increase in demand for the company's product line.

G.M.I. Company

In compliance with the City's Community Reinvestment Area guidelines, this business completed a 36,000 square foot, \$2,400,000 expansion in 2022. Ghent was founded in Lebanon in 1976. Currently, the company has three leading brands including Ghent, Waddell and VividBoard that comprise GMi Companies, Inc. The company manufactures communication and display products across a wide range of applications for the business, education, and medical sectors. In 2020, the company expanded its operations to include personal protective equipment (PPE).

In 2022, the City had 23 active properties in the Community Reinvestment Area program with corporate investments exceeding \$102,500,000.

Lebanon's positive economic outlook reflects its strong and growing nonresidential tax base. The City continues to attract new business investment into the community while maintaining a focus on business retention and expansion of corporate workforces. Considering the City's reliance on income tax revenues, nonresidential development is critical to funding the services and facilities required by residential growth and is an integral part of the City's quality of life for all residents. The City continues its efforts to improve the mix of residential and nonresidential development, which is crucial to sustaining a diversified tax base. The financial health of the City is a direct result of the strength of the City's corporate investments.

FINANCIAL TRENDS

The City continues to benefit from its location within the Cincinnati – Dayton growth corridor, and has experienced moderate tax base expansion. City government has renewed its focus on the delivery of core services, decreased General Fund reserves, and reduced or eliminated non-essential programs. Through the elimination of lower priority programs and the aggressive use of State and federal grants, the City has been able to sustain an effective capital improvement program to address the community's infrastructure improvement requirements. The City's 2022 gross earnings tax revenue increased 9.4 percent compared to the 2021 gross earnings tax revenue collections. The 2022 General Fund cash reserves at year end decreased by \$1,400,000 compared to 2021. This decrease is attributed to a \$1,100,000 transfer to retire debt and \$2,000,000 was advanced to the Sewer Improvement Fund for the Glosser Road Pump Station Project. The \$2,000,000 will be returned to the General Fund after the grant proceeds are received.

FINANCIAL PLANNING AND POLICIES

It is the mission of the City to develop, maintain and implement financial accounting policies and procedures to protect and optimize the financial resources of the City. The City provides a sound accounting system for safeguarding the City's assets through the recording and reporting of financial transactions according to the Ohio Revised Code, Federal law guidelines, accounting principles generally accepted in the United States of America (GAAP), and the Lebanon Codified Ordinances. The departmental goals are to develop sound fiscal policies, provide solid fiscal management for the City, maintain reserves and fiscal integrity, and protect the assets of the Citizens of Lebanon. The City participates in the State Treasurer's Open Checkbook transparency program.

The City maintained a five-year capital improvement plan which drives the City's annual operating budget; a fiscal policy on cash reserves for the General Fund, the Capital Improvement Fund and the Debt Service Fund; and a conservative investment policy to safe-guard investment income.

OTHER INFORMATION

Independent Audit

An audit team from the Ohio Auditor of State has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lebanon for its annual comprehensive financial report for the year ended December 31, 2021. This was the thirty-fourth consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The 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. The City received the Auditor of State's Award with Distinction for the 2021 calendar year audit.

Acknowledgements

A special thanks is extended to our staff for their hard work and dedication in compiling cash reports, accrual information and capital assets information. We also would like to thank the Local Government Services personnel from the Auditor of State's office for their assistance in preparing this report.



Daniel Burke
City Auditor



Mark Messer
Mayor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lebanon
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2022

ELECTED OFFICIALS

MAYOR

Mark Messer

VICE MAYOR

Adam Mathews

COUNCIL MEMBERS:

Mike Cope
Kristen Eggers
Brad Lamoreaux
Scott Norris
Matt Sellers

APPOINTED OFFICIALS

CITY MANAGER

Scott Brunka

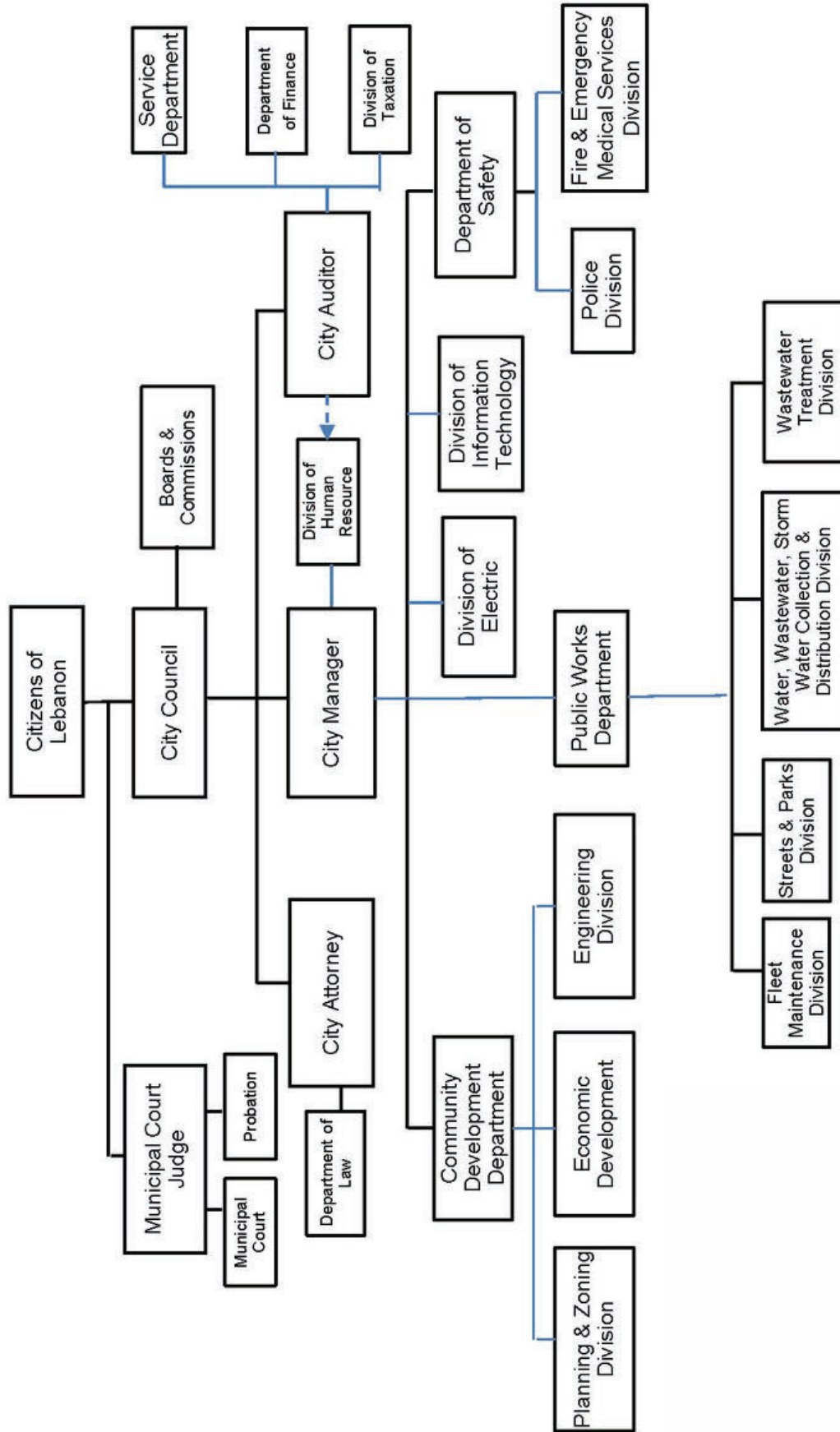
CITY AUDITOR

Dan Burke

CITY ATTORNEY

Mark S. Yurick

City of Lebanon, Ohio Organizational Chart



FINANCIAL SECTION



Independent Auditor's Report

City of Lebanon
Warren County
50 South Broadway
Lebanon, OH 45036

To the Members of the City Council and Mayor:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Fire and Life Squad Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lebanon's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023 on our consideration of the City of Lebanon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lebanon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lebanon's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 20, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LEBANON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the City of Lebanon's (the "City") financial performance provides an overview of the City's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole, and readers are encouraged to review the transmittal letter and the basic financial statements and notes to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

The City's total net position increased \$16,934,314. Net position of Governmental Activities increased \$7,641,840, and net position of Business-Type Activities increased \$9,292,474.

During the year the City utilized its cash reserves to retire 2013 Road Improvement Bonds and 2013 Road Improvement Refunding Bonds, as well as to advance fund the Glosser Road Pump Station Project. The Glosser Road Pump Station Project was started during the year and is funded by the Ohio Department of Development via the American Rescue Plan Act.

Governmental capital assets increased during the year as a result of multiple infrastructure projects being completed during the year, donations from developers and additions to the City's new fire station. Business-Type Activity capital assets also increased due to the completion and start of various infrastructure projects in addition to donations from developers. Notably, the Glosser Road Pump Station project was started during the year and is expected to be completed during 2023.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements that are presented to allow readers to understand the City's general financial situation, as well as provide a detailed view of the City's fiscal condition.

The statement of net position and the statement of activities provide information about the activities of the City and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements indicate how services were financed in the short-term as well as the amount of funds available for future requirements. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the statement of net position and the statement of activities. These statements provide information that will help the reader to determine if the City is financially stable or if its financial situation has deteriorated from the previous year's activities. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or disbursed.

The purpose of these two statements is to report the City's net position and any changes that have occurred to those net positions. These changes inform the reader whether the City's financial position, as a whole, has changed or diminished. In evaluating the overall financial health, the readers of these financial statements should take into consideration non-financial factors that may impact the City's financial stability. These factors include the City's tax structure, the condition of its infrastructure, as well as other capital asset needs.

In the statement of net position and the statement of activities, the City is divided into two types of activities.

Governmental Activities – These services include police, fire, leisure time services, community and economic development, public health, transportation, and general government.

Business-Type Activities – These services include electric, sanitation, sewer, telecommunications, water and storm water. Service fees for electric, sanitation, sewer and water operations are charged based upon the amounts of usage. The storm water utility service fee is based on a calculation of impervious area for businesses and a flat fee for residential usage which will allow the City to address the backlog of storm water infrastructure requirements to support Ohio Environmental Protection Agency mandates associated with storm water management.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Information about the City's major funds begins on page 13. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants while other funds may be established by Council at the suggestion of the City Manager or City Auditor. These funds help management control, manage, and report money received for a particular purpose or to show that the City is meeting its legal obligations. The City's major funds are General, Fire and Life Squad, Capital Improvement, Electric, Sanitation, Sewer, Telecommunications, Water and Storm Water Utility.

Governmental Funds – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for expenditures. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general

government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be expended in the near future on services provided to our residents. The relationship (or differences) between governmental activities that is reported in the statement of net position and the statement of activities is explained in the reconciliations in the governmental fund financial statements.

Enterprise Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. Enterprise funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

THE CITY AS A WHOLE

As stated previously, the statement of net position looks at the City as a whole. Table 1 provides a summary of the City’s net position for 2022 compared to 2021.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total		
	2022	2021	2022	2021	2022	2021	Change
Assets:							
Current and Other Assets	\$44,713,172	\$48,306,832	\$68,707,717	\$63,596,266	\$113,420,889	\$111,903,098	\$1,517,791
Net Pension Asset	137,978	\$102,474	71,080	\$52,793	209,058	155,267	53,791
Net OPEB Asset	940,464	\$517,534	484,478	\$266,610	1,424,942	784,144	640,798
Capital Assets	67,243,817	61,829,376	103,009,658	98,562,755	170,253,475	160,392,131	9,861,344
<i>Total Assets</i>	<u>113,035,431</u>	<u>110,756,216</u>	<u>172,272,933</u>	<u>162,478,424</u>	<u>285,308,364</u>	<u>273,234,640</u>	<u>12,073,724</u>
<i>Deferred Outflows of Resources</i>							
Deferred Charge on Refunding	0	12,482	237,703	284,909	237,703	297,391	(59,688)
Pension	6,189,630	3,168,034	692,399	379,940	6,882,029	3,547,974	3,334,055
OPEB	1,725,551	2,009,108	9,851	141,069	1,735,402	2,150,177	(414,775)
<i>Total Deferred Outflows of Resources</i>	<u>7,915,181</u>	<u>5,189,624</u>	<u>939,953</u>	<u>805,918</u>	<u>8,855,134</u>	<u>5,995,542</u>	<u>2,859,592</u>
Liabilities:							
Current and Other Liabilities	5,057,560	5,919,370	4,668,350	1,179,244	9,725,910	7,098,614	2,627,296
Long-Term Liabilities							
Net Pension Liability	12,678,306	13,925,014	1,381,537	2,268,164	14,059,843	16,193,178	(2,133,335)
Net OPEB Liability	1,753,846	1,479,933	0	0	1,753,846	1,479,933	273,913
Other Amounts	10,691,629	14,365,203	9,099,490	11,448,649	19,791,119	25,813,852	(6,022,733)
<i>Total Liabilities</i>	<u>30,181,341</u>	<u>35,689,520</u>	<u>15,149,377</u>	<u>14,896,057</u>	<u>45,330,718</u>	<u>50,585,577</u>	<u>(5,254,859)</u>
<i>Deferred Inflows of Resources</i>							
Property Tax	5,792,225	5,739,441	0	0	5,792,225	5,739,441	52,784
Payment in Lieu of Taxes	224,730	233,412	0	0	224,730	233,412	(8,682)
Deferred Charge on Refunding	615	738	0	0	615	738	(123)
Pension	7,116,351	3,703,861	1,698,390	998,729	8,814,741	4,702,590	4,112,151
OPEB	1,655,730	2,226,868	502,391	819,302	2,158,121	3,046,170	(888,049)
Leases	268,276	282,496	0	0	268,276	282,496	(14,220)
<i>Total Deferred Inflows of Resources</i>	<u>15,057,927</u>	<u>12,186,816</u>	<u>2,200,781</u>	<u>1,818,031</u>	<u>17,258,708</u>	<u>14,004,847</u>	<u>3,253,861</u>
Net Position:							
Net Investment in Capital Assets	56,665,907	48,421,254	91,079,770	87,819,711	147,745,677	136,240,965	11,504,712
Restricted for Pension Plans	137,980	111,804	71,078	57,594	209,058	169,398	39,660
Restricted	8,143,766	8,651,359	0	0	8,143,766	8,651,359	(507,593)
Unrestricted	10,763,691	10,885,087	64,711,880	58,692,949	75,475,571	69,578,036	5,897,535
<i>Total Net Position</i>	<u>\$75,711,344</u>	<u>\$68,069,504</u>	<u>\$155,862,728</u>	<u>\$146,570,254</u>	<u>\$231,574,072</u>	<u>\$214,639,758</u>	<u>\$16,934,314</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2022, and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The City also previously adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension/OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability (asset) to equal the City’s proportionate share of each plan’s collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees’ past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

Total governmental assets increased mainly due to construction projects that were started or completed during the year.

Net position of the City's governmental activities increased \$7,641,840 from the prior year. The increase was due to an increase in the taxpayer base increasing income tax revenue during the year.

The net position of the City's business-type activities increased \$9,292,474. Unrestricted net position increased \$6,018,931 mainly due to revenues continuing to outpace expenses. Net Invested in Capital Assets increased due to the start of multiple infrastructure projects throughout the City. Most notable is the Glosser Road Pump Station that has been funded by a grant through the Ohio Department of Development. The City still strives to control operational expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of the growing community in order to adjust for changes in City policy where necessary. City Council and administration are diligent in keeping the City fiscally strong, as indicated by the continued effort to achieve the goals set forth in the City's fiscal policy. The City's administration has developed a strategic planning process that utilizes a five-year capital improvement plan, which drives our operating budget and department superintendents are all involved in the entire process. The City's budget is developed from the bottom up with emphasis on good stewardship of our ratepayers' and taxpayers' money.

Table 2 shows the changes in net position for the years ended December 31, 2022 and 2021.

Table 2
Changes in Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$6,308,201	\$6,539,439	\$45,498,946	\$45,316,759	\$51,807,147	\$51,856,198
Operating Grants,						
Contributions and Interest	2,312,488	1,708,154	1,741,763	12,000	4,054,251	1,720,154
Capital Grants,						
Contributions and Interest	1,282,281	2,195,454	3,072,694	3,038,101	4,354,975	5,233,555
Total Program Revenues	9,902,970	10,443,047	50,313,403	48,366,860	60,216,373	58,809,907
General Revenues:						
Property Taxes	6,055,630	5,808,275	0	0	6,055,630	5,808,275
Income Taxes	13,159,341	11,708,708	0	0	13,159,341	11,708,708
Other Local Taxes	1,544,356	1,545,048	0	0	1,544,356	1,545,048
Payments in Lieu of Taxes	185,331	232,468	0	0	185,331	232,468
Grants and Entitlements Not						
Restricted to Specific Programs	2,044,018	684,939	0	0	2,044,018	684,939
Investment Earnings	(1,294,493)	(113,821)	(1,052,387)	9,007	(2,346,880)	(104,814)
Other	158,402	153,636	90,291	57,182	248,693	210,818
Gain on Sale of Capital Assets	0	281,600	0	10,000	0	291,600
Total General Revenues	21,852,585	20,300,853	(962,096)	76,189	20,890,489	20,377,042
Total Revenues	31,755,555	30,743,900	49,351,307	48,443,049	81,106,862	79,186,949
Program Expenses:						
General Government						
Primary Government	4,296,138	3,031,297	0	0	4,296,138	3,031,297
Intergovernmental	0	65,190	0	0	0	65,190
Security of Persons and Property:						
Police	5,861,158	5,258,962	0	0	5,861,158	5,258,962
Fire	3,487,658	5,837,368	0	0	3,487,658	5,837,368
Public Health Services	189,152	128,561	0	0	189,152	128,561
Leisure Time Services	1,224,765	2,008,963	0	0	1,224,765	2,008,963
Community and Economic						
Development	3,862,017	1,284,869	0	0	3,862,017	1,284,869
Transportation	4,433,325	4,801,439	0	0	4,433,325	4,801,439
Interest and Fiscal Charges	250,372	328,331	0	0	250,372	328,331
Electric	0	0	28,973,352	28,127,696	28,973,352	28,127,696
Sanitation	0	0	1,996,958	1,883,954	1,996,958	1,883,954
Sewer	0	0	3,987,423	3,415,280	3,987,423	3,415,280
Telecommunications	0	0	139,814	70,932	139,814	70,932
Water	0	0	4,535,755	4,576,621	4,535,755	4,576,621
Storm Water Utility	0	0	934,661	837,726	934,661	837,726
Total Expenses	23,604,585	22,744,980	40,567,963	38,912,209	64,172,548	61,657,189
Change in Net Position						
Before Transfers	8,150,970	7,998,920	8,783,344	9,530,840	16,934,314	17,529,760
Transfers	(509,130)	(357,377)	509,130	357,377	0	0
Change in Net Position	7,641,840	7,641,543	9,292,474	9,888,217	16,934,314	17,529,760
Net Position, January 1	68,069,504	60,427,961	146,570,254	136,682,037	214,639,758	197,109,998
Net Position, December 31	\$75,711,344	\$68,069,504	\$155,862,728	\$146,570,254	\$231,574,072	\$214,639,758

Governmental Activities

The City’s income tax was established in 1970 at a rate of one percent. The rate has not been increased even though this rate is much lower than the State average for municipalities. The City provides tax relief for taxes paid to another municipality. However, in 2017, the City decreased the tax relief from a full tax credit by 0.5 percent. The City’s income tax is the largest source of revenue for the City’s General Fund, Debt Service Fund, and Capital Improvement Fund. The City has mandatory filing for all residents that work regardless of their age. The revenues are allocated in the following manner: 54 percent General Fund, 39 percent Capital Improvement Fund, and 7 percent to the Debt Service Fund. This allocation begins after administration costs for the Division of Taxation have been obtained for the current operating year.

**Table 3
Governmental Activities**

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
General Government				
Primary Government	\$4,296,138	\$1,887,309	\$3,031,297	\$915,657
Intergovernmental	0	0	65,190	65,190
Security of Persons and Property:				
Police	5,861,158	4,105,841	5,258,962	3,325,784
Fire	3,487,658	2,762,259	5,837,368	5,077,584
Public Health Services	189,152	(11,512)	128,561	(88,324)
Leisure Time Services	1,224,765	348,776	2,008,963	1,213,545
Community and				
Economic Development	3,862,017	2,878,650	1,284,869	729,474
Transportation	4,433,325	1,479,920	4,801,439	734,692
Interest and Fiscal Charges	250,372	250,372	328,331	328,331
Total Expenses	<u>\$23,604,585</u>	<u>\$13,701,615</u>	<u>\$22,744,980</u>	<u>\$12,301,933</u>

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 31.2 percent of total revenues. The remaining revenues are primarily generated locally through property taxes, City income taxes, State distributions, grants and other miscellaneous income. City Council relies on these taxes and grants to furnish the quality of life to businesses and citizens to which they have always been committed.

Income tax revenue increased in 2022 due to an increase in the taxable income by citizens and people employed within the City.

Overall, the City’s governmental expenses increased from the prior year. For 2022, community and economic development increased due the City returning more money to contractors during 2022 than the prior year. The City collects deposits from contractors for construction projects within the City. Once the projects and inspections are completed, the City returns a portion of these deposits to the contractors.

Business-Type Activities

The City's business-type activities include Electric, Sanitation, Sewer, Telecommunications, Water, and Storm Water Utility operations.

Electric operations generate fees associated with the sale and delivery of electricity within Lebanon. Various electric service charges, not associated with the sale and delivery of electricity, are also generated by these operations. The fees collected are then used to purchase power, maintain and operate the electric generation, transmission, and distribution systems of the City, fund capital improvement projects and pay off debt service. Electric operating revenues decreased \$42,989, which is not significant, as operating expenses increased \$881,944. The primary cause of the change of expenses was personal services because of a decrease in the current year net pension liability and a difference between projected and actual earnings on investments.

Sanitation operations generate fees from citizens for the collection of residential garbage. The City outsources the actual collection by bidding the contract for services every three years. Revenues exceeded expenses causing an overall increase in net position for 2022 of \$23,150.

Sewer operations provide the City's wastewater collection and treatment system; this includes the Regional Wastewater Treatment Facility. Money that is collected from the fees that are billed, based upon number of gallons of water used, are used in the maintenance of the collection system, improvements to the Treatment Plant, and the payment of the debt incurred for the expansion of the facility. An important aspect of this fund's mission is to maintain the quality of the environment. As such, it is the policy of City Council, carried out by this operation, that all Ohio Environmental Protection Agency standards be met or exceeded. Sewer operating revenues increased \$138,020, and operating expenses increased \$603,522 due to personal services because of a decrease in the current net pension liability and a difference between projected and actual earnings on investments. The City continues to monitor the costs associated with wastewater treatment. The City Wastewater Department has a track record of receiving the National Associations of Clear Water Agencies Silver Award, given to facilities that have less than five National Pollutant Discharge Elimination System violations in a calendar year. During 2022, the City received a grant from the Ohio Department of Development for the improvements to Glosser Road via the American Rescue Plan Act.

The Telecommunications Fund accounts for charges collected and utilized for the operation of the community access cable channel. For 2022, the net position of this fund decreased \$124,787.

Water operations generate the fees charged for the sale of water within Lebanon and in several subdivisions in Turtlecreek and Union Townships. Those fees are then used to maintain lines for delivery and to treat water for further consumption. The City Council adopted legislation in 2009 to build a connection and begin purchasing water from the Greater Cincinnati Water Works in 2013. The City maintains four water towers within its jurisdiction and will continue to service all its infrastructure needs for distribution. This fund's mission from City Council is to maintain a high level of service while meeting all applicable Ohio Environmental Protection Agency standards. Water operating revenues decreased \$9,353, and operating expenses increased \$209,982.

Storm Water Utility operations manage the backlog of storm water infrastructure requirements, as well as to provide a funding mechanism to support unfunded Ohio Environmental Protection Agency mandates associated with storm water management. Each residential dwelling unit is billed at a flat fee of \$3.50 per month. For all other nonresidential properties, the rate is computed

based on total impervious area of property divided by the average impervious area of an equivalent residential unit. In conjunction with the implementation of the Storm Water Utility, the City is programmed to take over responsibility for the repair and replacement of defective curbs and gutters along public streets. Storm Water Utility operating revenues increased \$1,920 from 2021, and operating expenses increased \$97,741. Storm Water Utility also received \$459,096 in capital contributions from Governmental funds after the Summit Highland infrastructure project was completed.

THE CITY'S FUNDS

Information about the City's governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$31,581,950 and expenditures of \$34,075,962. The General Fund balance decreased \$2,234,628, which is mainly due to an increase in expenditures related to capital improvements throughout the City. Leisure Time Activities increased due to parking lot improvements and a new playground at Harmon Park. Community and Economic Development increased due to the City returning more money to contractors during 2022 than the prior year. The City collects deposits from contractors for construction projects within the City. Once the projects and inspections are completed, the City returns a portion of these deposits to the contractors.

The Fire and Life Squad Fund balance had an insignificant increase of \$85,351. The Fire department operates on monies from its 9.0 mill levy, which has allowed the Fire Department to operate two facilities, including additional staff requirements. Lebanon Fire Division hosts two stations: one newly constructed fire station on North Broadway near Lebanon's central business district, while the other station is located near State Route 48 close to Interstate I-71 and the surrounding industrial parks.

The Capital Improvement Fund balance increased \$1,871,527. Income Tax revenue increased mainly due to an increase in the taxable income by citizens and people employed within the City.

Lebanon continues to position itself to capitalize on new and emerging business opportunities as the market strengthens through long term investments in land and infrastructure. Lebanon continues to leverage available economic development inducement programs to recruit new businesses and industry. The City's economic strengths come from within the community. The business-friendly environment, high-quality workforce, excellent school system, and great quality of life that have become synonymous with Lebanon will continue to drive our success in 2023.

General Fund Budgeting Highlights

The City's budget is prepared according to the provision of the City Charter and State law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The City's budget is adopted on an object level basis by City Council in the form of an Appropriation Ordinance. It is the mission of this City to enhance the quality of life in our community by providing high quality and cost effective services, while maintaining the public trust through sound stewardship of our resources.

Original General Fund budgeted revenues and other financing sources were \$18,485,897. Final General Fund budgeted revenues and other financing sources were \$18,535,312. The variance between original and final budgeted revenues and other financing sources was \$49,415. This was primarily due to earning tax growth and an increase in charges for services revenues related to the return to pre-pandemic activity levels of many spring and summer recreational sports programs.

Actual revenues and other financing sources were \$361 higher final budgeted revenues and other financing sources due to unclaimed monies. Original appropriations and other financing uses were \$19,799,763, and final appropriations and other financing uses were \$25,151,191. The variance between original and final appropriations and other financing uses was \$5,351,428. Actual expenditures and other financing uses were \$2,978,121 less than final appropriations. This is mainly attributed to careful cost containment by the City and an advance to another fund being delayed.

CAPITAL ASSETS

Table 4 presents the net book value of the City’s capital assets for governmental and business-type activities for 2022 compared to 2021:

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$16,564,737	\$15,224,574	\$3,442,140	\$3,392,140	\$20,006,877	\$18,616,714
Construction in Progress	4,909,339	3,009,187	7,745,847	3,241,908	12,655,186	6,251,095
Land Improvements	1,096,750	1,102,717	0	0	1,096,750	1,102,717
Buildings and Improvements	13,187,093	11,566,232	9,161,535	10,081,933	22,348,628	21,648,165
Equipment	1,489,925	964,084	1,262,571	1,195,872	2,752,496	2,159,956
Vehicles	3,020,834	3,245,379	1,345,942	1,316,210	4,366,776	4,561,589
Infrastructure	26,975,139	26,717,203	80,051,623	79,334,692	107,026,762	106,051,895
Totals	<u>\$67,243,817</u>	<u>\$61,829,376</u>	<u>\$103,009,658</u>	<u>\$98,562,755</u>	<u>\$170,253,475</u>	<u>\$160,392,131</u>

Administration and Council have a quality of life commitment to the citizens and businesses located in the City of Lebanon. Lebanon has continued an aggressive roadway reconstruction program to address its roadway improvement needs.

For more information on capital assets, refer to Note 10 of the notes to the basic financial statements.

DEBT

Table 5 summarizes bonds and notes outstanding at December 31, 2022 and 2021:

Table 5
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$9,186,565	\$12,333,986	\$1,620,000	\$2,300,000	\$10,806,565	\$14,633,986
Financed Purchase	402,834	0	0	0	402,834	0
Police Pension - Specific Liability	12,142	12,869	0	0	12,142	12,869
Mortgage Revenue Bonds	0	0	8,257,186	8,720,998	8,257,186	8,720,998
Ohio Department of Transportation SIB Loan	0	77,194	0	0	0	77,194
	<u>\$9,601,541</u>	<u>\$12,424,049</u>	<u>\$9,877,186</u>	<u>\$11,020,998</u>	<u>\$19,478,727</u>	<u>\$23,445,047</u>

General obligation bond issues will be paid through the Debt Service Fund with income tax revenues and the Tax Increment Financing Fund with payment in lieu of taxes or the sewer fund with charges for services. The financed purchase will be paid from a nonmajor special revenue fund. The police pension specific liability will be paid from the General Fund from general property tax revenue. The mortgage revenue bonds will be paid from the Water Fund. The City's other long-term obligations include compensated absences and the net pension/OPEB liability.

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$63,431,936, and the unvoted debt margin was \$32,823,418. For more information regarding long-term obligations and short-term bond anticipation notes, refer to Notes 16 and 17 of the notes to the basic financial statements.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City Auditor, 50 South Broadway, Lebanon, Ohio 45036.

CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$29,068,424	\$56,757,131	\$85,825,555
Accounts Receivable, Net	0	7,906,108	7,906,108
Intergovernmental Receivable	1,232,538	2,074,262	3,306,800
Accrued Interest Receivable	113,102	89,551	202,653
Leases Receivable	268,276	0	268,276
Prepaid Items	154,336	75,995	230,331
Internal Balances	1,393,639	(1,393,639)	0
Materials and Supplies Inventory	458,992	3,198,309	3,657,301
Income Taxes Receivable	4,844,497	0	4,844,497
Property Taxes Receivable	6,143,276	0	6,143,276
Other Local Taxes Receivable	5,658	0	5,658
Payment in Lieu of Taxes Receivable	224,730	0	224,730
Special Assessments Receivable	405,704	0	405,704
Assets Held for Resale	400,000	0	400,000
Net Pension Asset	137,978	71,080	209,058
Net OPEB Asset	940,464	484,478	1,424,942
Nondepreciable Capital Assets	21,474,076	11,187,987	32,662,063
Depreciable Capital Assets, Net	45,769,741	91,821,671	137,591,412
Total Assets	113,035,431	172,272,933	285,308,364
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	237,703	237,703
Pension	6,189,630	692,399	6,882,029
OPEB	1,725,551	9,851	1,735,402
Total Deferred Outflows of Resources:	7,915,181	939,953	8,855,134
Liabilities:			
Accounts Payable	121,516	276,282	397,798
Accrued Wages Payable	538,240	155,608	693,848
Intergovernmental Payable	287,568	82,131	369,699
Contracts Payable	380,118	1,681,884	2,062,002
Contracts Payable - Economic Development	300,000	0	300,000
Retainage Payable	719,343	608,521	1,327,864
Accrued Interest Payable	23,264	22,358	45,622
Claims Payable	416,754	0	416,754
Unearned Revenue	985,500	0	985,500
Notes Payable	402,463	0	402,463
Refundable Deposits	0	619,662	619,662
Matured Compensated Absences Payable	7,195	37,553	44,748
Long-Term Liabilities:			
Due Within One Year	875,599	1,184,351	2,059,950
Due in More Than One Year:			
Net Pension Liability	12,678,306	1,381,537	14,059,843
Net OPEB Liability	1,753,846	0	1,753,846
Other Amounts	10,691,629	9,099,490	19,791,119
Total Liabilities	\$30,181,341	\$15,149,377	\$45,330,718

(Continued)

CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(CONTINUED)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Deferred Inflows of Resources:			
Property Taxes	\$5,792,225	\$0	\$5,792,225
Payment in Lieu of Taxes	224,730	0	224,730
Deferred Charge on Refunding	615	0	615
Pension	7,116,351	1,698,390	8,814,741
OPEB	1,655,730	502,391	2,158,121
Leases	268,276	0	268,276
Total Deferred Inflows of Resources	<u>15,057,927</u>	<u>2,200,781</u>	<u>17,258,708</u>
Net Position:			
Net Investment in Capital Assets	56,665,907	91,079,770	147,745,677
Restricted for:			
Debt Service	7,370	0	7,370
Capital Outlay	310,217	0	310,217
Security of Persons and Property	3,993,387	0	3,993,387
Public Health Services	1,066,157	0	1,066,157
Community and Economic Development	280	0	280
Transportation	2,766,355	0	2,766,355
Pension Plans	137,980	71,078	209,058
Unrestricted	<u>10,763,691</u>	<u>64,711,880</u>	<u>75,475,571</u>
Total Net Position	<u>\$75,711,344</u>	<u>\$155,862,728</u>	<u>\$231,574,072</u>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government:				
General Government	\$4,296,138	\$1,946,962	\$335,100	\$126,767
Security of Persons and Property:				
Police	5,861,158	1,639,567	115,750	0
Fire	3,487,658	699,505	25,894	0
Public Health Services	189,152	200,664	0	0
Leisure Time Services	1,224,765	564,055	76,510	235,424
Community and Economic Development	3,862,017	983,367	0	0
Transportation	4,433,325	274,081	1,759,234	920,090
Interest	250,372	0	0	0
Total Governmental Activities	23,604,585	6,308,201	2,312,488	1,282,281
Business-Type Activities:				
Electric	28,973,352	32,690,140	0	15,000
Sanitation	1,996,958	2,039,890	0	0
Sewer	3,987,423	4,378,769	1,741,763	2,871,459
Telecommunications	139,814	21,630	0	0
Water	4,535,755	5,367,542	0	178,600
Storm Water Utility	934,661	1,000,975	0	7,635
Total Business-Type Activities	40,567,963	45,498,946	1,741,763	3,072,694
Total Activities	\$64,172,548	\$51,807,147	\$4,054,251	\$4,354,975

General Revenues and Transfers:

Taxes:

Property Taxes:

 General Purposes

 Fire and Life Squad

Income Taxes

Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings/Interest

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Change in Net Position

Governmental Activities	Business-Type Activities	Total
(\$1,887,309)	\$0	(\$1,887,309)
(4,105,841)	0	(4,105,841)
(2,762,259)	0	(2,762,259)
11,512	0	11,512
(348,776)	0	(348,776)
(2,878,650)	0	(2,878,650)
(1,479,920)	0	(1,479,920)
(250,372)	0	(250,372)
<u>(13,701,615)</u>	<u>0</u>	<u>(13,701,615)</u>
0	3,731,788	3,731,788
0	42,932	42,932
0	5,004,568	5,004,568
0	(118,184)	(118,184)
0	1,010,387	1,010,387
0	73,949	73,949
<u>0</u>	<u>9,745,440</u>	<u>9,745,440</u>
<u>(13,701,615)</u>	<u>9,745,440</u>	<u>(3,956,175)</u>
1,520,096	0	1,520,096
4,535,534	0	4,535,534
13,159,341	0	13,159,341
1,544,356	0	1,544,356
185,331	0	185,331
2,044,018	0	2,044,018
(1,294,493)	(1,052,387)	(2,346,880)
158,402	90,291	248,693
(509,130)	509,130	0
<u>21,343,455</u>	<u>(452,966)</u>	<u>20,890,489</u>
7,641,840	9,292,474	16,934,314
<u>68,069,504</u>	<u>146,570,254</u>	<u>214,639,758</u>
<u>\$75,711,344</u>	<u>\$155,862,728</u>	<u>\$231,574,072</u>

**CITY OF LEBANON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General Fund	Fire and Life Squad Fund	Capital Improvement Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$8,256,476	\$3,268,824	\$6,541,841
Materials and Supplies Inventory	33,234	0	0
Prepaid Items	111,045	35,184	0
Income Taxes Receivable	2,911,627	0	1,722,775
Property Taxes Receivable	1,507,686	4,635,590	0
Other Local Taxes Receivable	5,658	0	0
Payment in Lieu of Taxes Receivable	0	0	0
Accrued Interest Receivable	85,965	0	14,105
Intergovernmental Receivable	283,281	25,395	215,486
Leases Receivable	248,890	0	19,386
Special Assessments Receivable	0	0	405,704
Interfund Receivable	14,123	0	0
Advances to Other Funds	2,035,683	0	0
Assets Held for Resale	0	0	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	361	0	0
Total Assets	<u>\$15,494,029</u>	<u>\$7,964,993</u>	<u>\$8,919,297</u>
Liabilities:			
Accounts Payable	\$66,497	\$36,593	\$869
Accrued Wages Payable	354,373	134,878	0
Contracts Payable	61,571	69,085	194,481
Contracts Payable - Economic Development	0	0	0
Intergovernmental Payable	147,560	45,791	0
Matured Compensated Absences	7,195	0	0
Accrued Interest Payable	0	3,989	0
Retainage Payable	0	314,522	356,213
Unearned Revenue	0	0	0
Notes Payable	0	402,463	0
Interfund Payable	314,089	54	5,692
Advances From Other Funds	0	0	0
Total Liabilities	<u>951,285</u>	<u>1,007,375</u>	<u>557,255</u>
Deferred Inflows of Resources:			
Property Taxes	1,421,955	4,370,270	0
Payment in Lieu of Taxes	0	0	0
Leases	248,890	0	19,386
Unavailable Revenue	2,327,488	290,715	2,099,722
Total Deferred Inflows of Resources	<u>3,998,333</u>	<u>4,660,985</u>	<u>2,119,108</u>
Fund Balances:			
Nonspendable	144,640	35,184	0
Restricted	0	2,261,449	0
Committed	0	0	6,242,934
Assigned	5,232,844	0	0
Unassigned	5,166,927	0	0
Total Fund Balances	<u>10,544,411</u>	<u>2,296,633</u>	<u>6,242,934</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$15,494,029</u>	<u>\$7,964,993</u>	<u>\$8,919,297</u>

See Accompanying Notes to the Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$9,521,364	\$27,588,505
343,663	376,897
5,114	151,343
210,095	4,844,497
0	6,143,276
0	5,658
224,730	224,730
9,405	109,475
708,376	1,232,538
0	268,276
0	405,704
0	14,123
0	2,035,683
400,000	400,000
0	361
\$11,422,747	\$43,801,066
\$14,330	\$118,289
33,438	522,689
54,981	380,118
300,000	300,000
86,684	280,035
0	7,195
0	3,989
48,608	719,343
985,500	985,500
0	402,463
5,411	325,246
35,683	35,683
1,564,635	4,080,550
0	5,792,225
224,730	224,730
0	268,276
781,290	5,499,215
1,006,020	11,784,446
348,777	528,601
4,135,284	6,396,733
4,368,031	10,610,965
0	5,232,844
0	5,166,927
8,852,092	27,936,070
\$11,422,747	\$43,801,066

**CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022**

Total Governmental Fund Balances \$27,936,070

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 67,243,817

Internal service funds are used by management to charge the costs of insurance and automotive maintenance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Net Position	1,060,002
Net Pension Asset	(4,182)
Net OPEB Asset	(28,499)
Capital Assets	(119,053)
Deferred Outflows - Pension	(40,725)
Deferred Outflows - OPEB	(579)
Deferred Inflows - Pension	99,904
Deferred Inflows - OPEB	29,553
Net Pension Liability	81,269
Compensated Absences	47,225

Total 1,124,915

Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. (294,945)

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Income Taxes	3,576,656
Property Taxes	351,051
Interest	93,938
Intergovernmental	1,071,866
Special Assessments	405,704

Total 5,499,215

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (19,275)

Deferred Outflows/Inflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.

Deferred Gain (\$615)

(Continued)

CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022
(CONTINUED)

The net pension liability/asset and net OPEB liability/asset are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:

Net Pension Asset	\$137,978	
Net OPEB Asset	940,464	
Deferred Outflows - Pension	6,189,630	
Deferred Outflows - OPEB	1,725,551	
Net Pension Liability	(12,678,306)	
Net OPEB Liability	(1,753,846)	
Deferred Inflows - Pension	(7,116,351)	
Deferred Inflows - OPEB	<u>(1,655,730)</u>	
Total		(14,210,610)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Premium on Bonds	(511,565)	
Bonds	(8,675,000)	
Financed Purchase	(402,834)	
Police Pension-Specific Liability	(12,142)	
Compensated Absences	<u>(1,965,687)</u>	
Total Liabilities		<u>(11,567,228)</u>
Net Position of Governmental Activities		<u><u>\$75,711,344</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Fire and Life Squad Fund	Capital Improvement Fund
Revenues:			
Property Taxes	\$1,514,194	\$4,538,342	\$0
Income Taxes	7,186,626	0	4,738,741
Other Local Taxes	1,544,356	0	0
Payments in Lieu of Taxes	0	0	0
Special Assessments	0	0	221,012
Charges for Services	3,887,780	699,505	0
Fines, Licenses, Permits and Settlements	1,040,617	0	0
Leases	33,606	0	2,553
Intergovernmental	2,381,986	225,750	795,009
Investment Earnings/Interest	(1,021,133)	0	(67,356)
Contributions and Donations	87,360	0	365,700
Other	97,735	5,207	54,486
Total Revenues	16,753,127	5,468,804	6,110,145
Expenditures:			
Current:			
General Government	5,224,815	0	587
Security of Persons and Property:			
Police	5,524,040	0	0
Fire	0	2,818,605	0
Public Health Services	0	0	0
Leisure Time Services	2,823,018	0	0
Community and Economic Development	3,637,616	0	0
Transportation	0	0	0
Capital Outlay	0	2,104,977	3,809,329
Debt Service:			
Principal Retirement	727	225,000	77,194
Interest	539	84,871	3,508
Capital Appreciation Bond Accretion	0	0	0
Total Expenditures	17,210,755	5,233,453	3,890,618
Excess of Revenues Over (Under) Expenditures	(457,628)	235,351	2,219,527
Other Financing Sources (Uses):			
Transfers In	0	0	452,000
Transfers Out	(1,777,000)	(150,000)	(800,000)
Inception of Financed Purchase	0	0	0
Total Other Financing Sources (Uses)	(1,777,000)	(150,000)	(348,000)
Net Change in Fund Balances	(2,234,628)	85,351	1,871,527
Fund Balances at Beginning of Year	12,779,039	2,211,282	4,371,407
Fund Balances at End of Year	<u>\$10,544,411</u>	<u>\$2,296,633</u>	<u>\$6,242,934</u>

See Accompanying Notes to the Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$6,052,536
835,794	12,761,161
0	1,544,356
185,331	185,331
0	221,012
220,022	4,807,307
254,950	1,295,567
0	36,159
1,927,545	5,330,290
(174,742)	(1,263,231)
0	453,060
974	158,402
<u>3,249,874</u>	<u>31,581,950</u>
133,268	5,358,670
91,272	5,615,312
0	2,818,605
203,887	203,887
277,958	3,100,976
369,064	4,006,680
1,450,778	1,450,778
2,100,111	8,014,417
2,844,807	3,147,728
261,594	350,512
8,397	8,397
<u>7,741,136</u>	<u>34,075,962</u>
<u>(4,491,262)</u>	<u>(2,494,012)</u>
2,275,000	2,727,000
0	(2,727,000)
439,435	439,435
<u>2,714,435</u>	<u>439,435</u>
(1,776,827)	(2,054,577)
<u>10,628,919</u>	<u>29,990,647</u>
<u><u>\$8,852,092</u></u>	<u><u>\$27,936,070</u></u>

**CITY OF LEBANON, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds (\$2,054,577)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense and donated assets are reported as revenue. In the current period, these amounts are:

Capital Asset Additions	10,256,483	
Capital Assets Donated by Developers	53,018	
Current Year Depreciation	<u>(4,340,996)</u>	
Excess of Capital Outlay and Capital Contributions over Depreciation Expense		5,968,505

When capital assets are disposed of, the cost of the capital assets is removed from the capital asset account in the statement of net position resulting in a gain/loss on sale of capital assets in the statement of activities.

Loss on Sale of Capital Assets		(44,934)
--------------------------------	--	----------

Assets transferred from governmental activities during the year to enterprise funds (509,130)

Because some revenues will not be collected for several months after the City's year end, they are not considered "available" revenues and are deferred in the governmental funds.

Property Taxes	3,094	
Income Taxes	398,180	
Special Assessments	(43,693)	
Charges for Services	(8,151)	
Intergovernmental	(197,581)	
Interest	<u>51,032</u>	
Total		202,881

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond Principal Retirement	3,041,603	
Local Principal Retirement	77,194	
Financed Purchase Principal Retirement	36,601	
Police Pension Principal Retirement	<u>727</u>	
Total		3,156,125

Some capital assets were financed through financed purchase. In governmental funds a financed purchase agreement is considered a source of financing, but in the statement of net position, the financed purchase obligation is reported as a liability. (439,435)

In the statement of activities, interest is accrued on outstanding bonds, and bond accretion, bond premium, bond issuance costs and gain/loss on refunding are amortized over the terms of the bonds, whereas in the governmental funds, the expenditure is reported when the bonds are issued.

Accretion on Bonds	(133)	
Amortization of Bond Premium	97,554	
Redemption of Accretion on Capital Appreciation Bonds	8,397	
Amortization of Loss/Gain on Refunding	(12,359)	
Accrued Interest	<u>6,681</u>	
Total		\$100,140

(Continued)

CITY OF LEBANON, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	\$1,665,931	
OPEB	25,676	
Total	<u>1,691,607</u>	1,691,607

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension	(774,613)	
OPEB	410,922	
Total	<u>(363,691)</u>	(363,691)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences		(24,533)
----------------------	--	----------

Internal service funds used by management to charge the costs of insurance and automotive maintenance to individuals funds are not reported in the entity-wide statement of activities. The net income of the internal service funds is reported with governmental activities, net of the adjustment to reflect the consolidation of internal service fund activities related to business type activities.

Change in Net Position	28,024	
Depreciation of Capital Assets	16,886	
Contractually Required Contributions for Pension	(21,356)	
Contractually Required Contributions for OPEB	(81)	
Pension Expense	(9,095)	
OPEB Expense	(23,656)	
Increase in Compensated Absences	3,213	
Adjustment to Business Type Activities	(35,053)	
Total	<u>(41,118)</u>	(41,118)

Change in Net Position of Governmental Activities	<u>\$7,641,840</u>
---	--------------------

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,542,000	\$1,514,194	\$1,514,194	\$0
Income Taxes	6,680,000	7,212,145	7,212,145	0
Other Local Taxes	1,528,000	1,543,239	1,543,239	0
Charges for Services	3,252,999	3,907,757	3,907,757	0
Fines, Licenses, Permits and Settlements	970,200	1,024,131	1,024,131	0
Intergovernmental	3,808,867	2,373,318	2,373,318	0
Investment Earnings/Interest	279,610	764,794	764,794	0
Contributions and Donations	93,000	87,360	87,360	0
Other	321,221	108,374	108,735	361
Total Revenues	18,475,897	18,535,312	18,535,673	361
Expenditures:				
Current:				
General Government	5,828,686	6,079,015	5,693,047	385,968
Security of Persons and Property	5,678,416	5,756,164	5,711,356	44,808
Leisure Time Services	2,723,218	3,381,779	3,047,782	333,997
Community and Economic Development	3,904,443	4,117,233	3,943,885	173,348
Total Expenditures	18,134,763	19,334,191	18,396,070	938,121
Excess of Revenues Over (Under) Expenditures	341,134	(798,879)	139,603	938,482
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	0	0	0
Transfers Out	(1,665,000)	(1,817,000)	(1,777,000)	40,000
Advances Out	0	(4,000,000)	(2,000,000)	2,000,000
Total Other Financing Sources (Uses)	(1,655,000)	(5,817,000)	(3,777,000)	2,040,000
Net Change in Fund Balance	(1,313,866)	(6,615,879)	(3,637,397)	2,978,482
Fund Balances at Beginning of Year	10,317,510	10,317,510	10,317,510	0
Prior Year Encumbrances Appropriated	880,170	880,170	880,170	0
Fund Balance at End of Year	\$9,883,814	\$4,581,801	\$7,560,283	\$2,978,482

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE AND LIFE SQUAD SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$4,402,000	\$4,538,342	\$4,538,342	\$0
Charges for Services	700,000	699,505	699,505	0
Intergovernmental	50,000	225,750	225,750	0
Other	44,140	5,207	5,207	0
Total Revenues	<u>5,196,140</u>	<u>5,468,804</u>	<u>5,468,804</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	4,336,797	4,557,939	4,556,823	1,116
Capital Outlay	182,000	2,293,901	2,256,686	37,215
Debt Service				
Principal Retirement	825,000	825,000	825,000	0
Interest and Fiscal Charges	87,858	87,858	87,769	89
Total Expenditures	<u>5,431,655</u>	<u>7,764,698</u>	<u>7,726,278</u>	<u>38,420</u>
Excess of Revenues Under Expenditures	<u>(235,515)</u>	<u>(2,295,894)</u>	<u>(2,257,474)</u>	<u>38,420</u>
Other Financing Sources (Uses):				
Transfers Out	(150,000)	(150,000)	(150,000)	0
Bond Anticipation Notes Issued	400,000	400,000	400,000	0
Premium on Debt Issued	0	3,284	3,284	0
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>253,284</u>	<u>253,284</u>	<u>0</u>
Net Change in Fund Balance	14,485	(2,042,610)	(2,004,190)	38,420
Fund Balance at Beginning of Year	2,606,211	2,606,211	2,606,211	0
Prior Year Encumbrances Appropriated	2,166,559	2,166,559	2,166,559	0
Fund Balance at End of Year	<u>\$4,787,255</u>	<u>\$2,730,160</u>	<u>\$2,768,580</u>	<u>\$38,420</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$40,652,766	\$790,520	\$6,255,410
Accounts Receivable, Net	5,137,139	294,646	554,039
Intergovernmental Receivable	0	0	2,074,262
Accrued Interest Receivable	63,896	1,783	7,741
Prepaid Items	39,648	0	16,062
Materials and Supplies Inventory	2,730,854	0	70,662
Interfund Receivable	29,951	0	0
Total Current Assets	48,654,254	1,086,949	8,978,176
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	569,363	0	0
Net Pension Asset	45,994	0	16,722
Net OPEB Asset	313,486	0	113,993
Nondepreciable Capital Assets	1,722,358	9,000	6,538,489
Depreciable Capital Assets, Net	14,805,980	141,732	22,906,351
Total Noncurrent Assets	17,457,181	150,732	29,575,555
Total Assets	66,111,435	1,237,681	38,553,731
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	0	0	91,647
	448,021	0	162,918
OPEB	6,374	0	2,318
Total Deferred Outflows of Resources	\$454,395	\$0	\$256,883

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$337,552	\$6,612,638	\$1,288,583	\$55,937,469	\$1,479,558
1,125,000	676,302	118,982	7,906,108	0
0	0	0	2,074,262	0
0	13,233	2,898	89,551	3,627
4,883	15,402	0	75,995	2,993
0	396,793	0	3,198,309	82,095
312,500	0	3,237	345,688	0
<u>1,779,935</u>	<u>7,714,368</u>	<u>1,413,700</u>	<u>69,627,382</u>	<u>1,568,273</u>
0	250,299	0	819,662	0
0	8,364	0	71,080	4,182
0	56,999	0	484,478	28,499
0	2,528,675	389,465	11,187,987	0
5,070	28,395,621	25,566,917	91,821,671	119,053
<u>5,070</u>	<u>31,239,958</u>	<u>25,956,382</u>	<u>104,384,878</u>	<u>151,734</u>
<u>1,785,005</u>	<u>38,954,326</u>	<u>27,370,082</u>	<u>174,012,260</u>	<u>1,720,007</u>
0	146,056	0	237,703	0
0	81,460	0	692,399	40,725
0	1,159	0	9,851	579
<u>\$0</u>	<u>\$228,675</u>	<u>\$0</u>	<u>\$939,953</u>	<u>\$41,304</u>

(Continued)

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022
(CONTINUED)

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Liabilities:			
Current Liabilities:			
Accounts Payable	\$76,636	\$132,863	\$57,659
Accrued Wages Payable	91,350	6,570	34,700
Contracts Payable	3,604	0	1,466,502
Retainage Payable	1,431	0	454,289
Intergovernmental Payable	43,018	3,105	21,822
Accrued Interest Payable	0	0	2,741
Interfund Payable	497	872	28,075
Claims Payable	0	0	0
Compensated Absences Payable	63,053	244	14,433
Matured Compensated Absences Payable	0	0	0
General Obligation Bonds Payable	0	0	695,000
Mortgage Revenue Bonds Payable	0	0	0
Total Current Liabilities	<u>279,589</u>	<u>143,654</u>	<u>2,775,221</u>
Long-term Liabilities:			
Refundable Deposits	569,363	0	0
Advances from Other Funds	0	0	2,000,000
Compensated Absences Payable	198,898	2,321	62,550
General Obligation Bonds Payable	0	0	925,000
Mortgage Revenue Bonds Payable	0	0	0
Net Pension Liability	893,937	0	325,066
Total Long-term Liabilities	<u>1,662,198</u>	<u>2,321</u>	<u>3,312,616</u>
Total Liabilities	<u>1,941,787</u>	<u>145,975</u>	<u>6,087,837</u>
Deferred Inflows of Resources:			
Pension	1,098,957	0	399,621
OPEB	325,078	0	118,208
Total Deferred Inflows of Resources	<u>1,424,035</u>	<u>0</u>	<u>517,829</u>
Net Position:			
Net Investment in Capital Assets	16,523,303	150,732	25,995,696
Restricted for:			
Pension Plans	45,992	0	16,722
Unrestricted	46,630,713	940,974	6,192,530
Total Net Position	<u>\$63,200,008</u>	<u>\$1,091,706</u>	<u>\$32,204,948</u>

Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds
Net Position of Business-Type Activities

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$0	\$8,644	\$480	\$276,282	\$3,227
3,488	15,349	4,151	155,608	15,551
0	106,730	105,048	1,681,884	0
0	46,276	106,525	608,521	0
1,649	10,594	1,943	82,131	7,533
0	19,617	0	22,358	0
0	4,828	0	34,272	293
0	0	0	0	416,754
0	8,118	3,503	89,351	8,310
37,553	0	0	37,553	0
0	0	0	695,000	0
0	400,000	0	400,000	0
<u>42,690</u>	<u>620,156</u>	<u>221,650</u>	<u>4,082,960</u>	<u>451,668</u>
0	50,299	0	619,662	0
0	0	0	2,000,000	0
0	36,856	16,679	317,304	38,915
0	0	0	925,000	0
0	7,857,186	0	7,857,186	0
0	162,534	0	1,381,537	81,269
<u>0</u>	<u>8,106,875</u>	<u>16,679</u>	<u>13,100,689</u>	<u>120,184</u>
<u>42,690</u>	<u>8,727,031</u>	<u>238,329</u>	<u>17,183,649</u>	<u>571,852</u>
0	199,812	0	1,698,390	99,904
0	59,105	0	502,391	29,553
<u>0</u>	<u>258,917</u>	<u>0</u>	<u>2,200,781</u>	<u>129,457</u>
5,070	22,660,160	25,744,809	91,079,770	119,053
0	8,364	0	71,078	4,180
1,737,245	7,528,529	1,386,944	64,416,935	936,769
<u>\$1,742,315</u>	<u>\$30,197,053</u>	<u>\$27,131,753</u>	155,567,783	<u>\$1,060,002</u>
			294,945	
			<u>\$155,862,728</u>	

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$32,690,140	\$2,039,890	\$4,378,769
Other	23,310	46	353
Total Operating Revenues	<u>32,713,450</u>	<u>2,039,936</u>	<u>4,379,122</u>
Operating Expenses:			
Personal Services	1,835,528	215,389	663,828
Contractual Services	2,158,520	1,767,612	1,783,791
Purchased Power	23,453,667	0	0
Supplies and Materials	240,782	0	186,777
Claims	0	0	0
Depreciation	1,299,280	15,748	1,285,727
Other	0	0	0
Total Operating Expenses	<u>28,987,777</u>	<u>1,998,749</u>	<u>3,920,123</u>
Operating Income (Loss)	<u>3,725,673</u>	<u>41,187</u>	<u>458,999</u>
Non-Operating Revenues (Expenses):			
Interest	(754,471)	(18,037)	(116,782)
Intergovernmental	0	0	1,741,763
Other Non-Operating Revenues	63,787	0	0
Loss on Disposal of Capital Assets	(3,056)	0	0
Interest and Fiscal Charges	0	0	(75,001)
Total Non-Operating Revenues (Expenses)	<u>(693,740)</u>	<u>(18,037)</u>	<u>1,549,980</u>
Income (Loss) Before Capital Contributions and Transfers	<u>3,031,933</u>	<u>23,150</u>	<u>2,008,979</u>
Capital Contributions from Other Funds	0	0	16,678
Capital Contributions from Other Governments	15,000	0	2,534,009
Capital Contributions from Developers	0	0	337,450
Transfer In	5,774	0	0
Transfer Out	0	0	0
Total Capital Contributions and Transfers	<u>20,774</u>	<u>0</u>	<u>2,888,137</u>
Change in Net Position	3,052,707	23,150	4,897,116
Net Position at Beginning of Year	<u>60,147,301</u>	<u>1,068,556</u>	<u>27,307,832</u>
Net Position at End of Year	<u>\$63,200,008</u>	<u>\$1,091,706</u>	<u>\$32,204,948</u>

Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds
Change in Net Position of Business-Type Activities

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
\$21,630	\$5,367,542	\$1,000,975	\$45,498,946	\$2,560,446
0	2,735	40	26,484	488,111
<u>21,630</u>	<u>5,370,277</u>	<u>1,001,015</u>	<u>45,525,430</u>	<u>3,048,557</u>
69,682	284,321	119,585	3,188,333	238,332
69,713	884,345	226,096	6,890,077	542,692
0	0	0	23,453,667	0
0	1,935,156	0	2,362,715	3,336
0	0	0	0	2,136,993
1,268	1,245,326	590,209	4,437,558	16,886
0	2,155	0	2,155	0
<u>140,663</u>	<u>4,351,303</u>	<u>935,890</u>	<u>40,334,505</u>	<u>2,938,239</u>
<u>(119,033)</u>	<u>1,018,974</u>	<u>65,125</u>	<u>5,190,925</u>	<u>110,318</u>
0	(140,451)	(22,646)	(1,052,387)	(82,294)
0	0	0	1,741,763	0
20	0	0	63,807	0
0	0	0	(3,056)	0
0	(190,454)	0	(265,455)	0
<u>20</u>	<u>(330,905)</u>	<u>(22,646)</u>	<u>484,672</u>	<u>(82,294)</u>
<u>(119,013)</u>	<u>688,069</u>	<u>42,479</u>	<u>5,675,597</u>	<u>28,024</u>
0	33,356	459,096	509,130	0
0	0	0	2,549,009	0
0	178,600	7,635	523,685	0
0	0	0	5,774	0
(5,774)	0	0	(5,774)	0
<u>(5,774)</u>	<u>211,956</u>	<u>466,731</u>	<u>3,581,824</u>	<u>0</u>
(124,787)	900,025	509,210	9,257,421	28,024
<u>1,867,102</u>	<u>29,297,028</u>	<u>26,622,543</u>		<u>1,031,978</u>
<u>\$1,742,315</u>	<u>\$30,197,053</u>	<u>\$27,131,753</u>		<u>\$1,060,002</u>
			35,053	
			<u>\$9,292,474</u>	

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$32,120,508	\$2,016,570	\$4,290,076
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(2,456,540)	(211,998)	(858,423)
Cash Payments to Suppliers for Goods and Services	(26,076,092)	(1,764,930)	(32,044)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	23,310	46	353
Other Operating Expenses	0	0	0
Other Non-Operating Revenues	63,787	0	0
Utility Deposits Received	148,285	0	0
Utility Deposits Returned	(123,745)	0	0
Net Cash Provided by Operating Activities	<u>3,699,513</u>	<u>39,688</u>	<u>3,399,962</u>
Cash Flows from Noncapital Financing Activities:			
Operating Grants	0	0	1,741,763
Short-Term Advance From Another Fund	0	0	2,000,000
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>3,741,763</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(561,982)	0	(5,318,047)
Principal Paid on Mortgage Revenue Bonds	0	0	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	0	0	0
Principal Paid on General Obligation Bonds	0	0	(680,000)
Interest Paid on General Obligation Bonds	0	0	(46,690)
Capital Contributions from Other Governments	15,000	0	500,000
Net Cash Used for Capital and Related Financing Activities	<u>(546,982)</u>	<u>0</u>	<u>(5,544,737)</u>
Cash Flows from Investing Activities:			
Interest	(789,994)	(19,024)	(121,011)
Net Increase (Decrease) in Cash and Cash Equivalents	2,362,537	20,664	1,475,977
Cash and Cash Equivalents at Beginning of Year	<u>38,859,592</u>	<u>769,856</u>	<u>4,779,433</u>
Cash and Cash Equivalents at End of Year	<u>\$41,222,129</u>	<u>\$790,520</u>	<u>\$6,255,410</u>

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental Activities- Internal Service Funds
Telecommunications Fund	Water Fund	Storm Water Utility Fund	Total	
\$21,630	\$5,295,946	\$1,012,740	\$44,757,470	\$0
0	0	0	0	2,560,446
(30,515)	(381,233)	(116,088)	(4,054,797)	(280,213)
(69,935)	(2,954,084)	(14,079)	(30,911,164)	(556,799)
0	0	0	0	(2,038,819)
0	2,735	40	26,484	488,111
0	(2,155)	0	(2,155)	0
125,020	0	0	188,807	0
0	7,250	0	155,535	0
0	(6,476)	0	(130,221)	0
<u>46,200</u>	<u>1,961,983</u>	<u>882,613</u>	<u>10,029,959</u>	<u>172,726</u>
0	0	0	1,741,763	0
0	0	0	2,000,000	0
0	0	0	3,741,763	0
0	(1,399,053)	(575,620)	(7,854,702)	0
0	(395,000)	0	(395,000)	0
0	(241,850)	0	(241,850)	0
0	0	0	(680,000)	0
0	0	0	(46,690)	0
0	0	0	515,000	0
0	(2,035,903)	(575,620)	(8,703,242)	0
0	(147,579)	(24,514)	(1,102,122)	(84,432)
46,200	(221,499)	282,479	3,966,358	88,294
291,352	7,084,436	1,006,104	52,790,773	1,391,264
<u>\$337,552</u>	<u>\$6,862,937</u>	<u>\$1,288,583</u>	<u>\$56,757,131</u>	<u>\$1,479,558</u>

(Continued)

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(CONTINUED)

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$3,725,673	\$41,187	\$458,999
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,299,280	15,748	1,285,727
Other Non-Operating Revenues	63,787	0	0
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	(207,979)	0	(12,616)
Accounts Receivable	(563,647)	(23,320)	(64,229)
Interfund Receivable	(5,985)	0	0
Intergovernmental Receivable	0	0	(24,464)
Prepays Items	(37,394)	117	(14,568)
Net Pension Asset	(5,250)	0	(1,909)
Net OPEB Asset	4,545	0	1,654
Deferred Outflows of Resources - Pension	324,660	0	118,057
Deferred Outflows of Resources - OPEB	126,965	0	46,168
Increase (Decrease) in Liabilities:			
Accounts Payable	26,190	2,565	38,620
Accrued Wages Payable	2,659	1,201	9,107
Contracts Payable	3,604	0	1,466,502
Intergovernmental Payable	1,115	(375)	5,013
Retainage Payable	1,431	0	454,289
Interfund Payable	20	0	6,109
Claims Payable	0	0	0
Matured Compensated Absences Payable	0	0	0
Liabilities Payable from Restricted Assets	24,540	0	0
Compensated Absences Payable	(37,667)	2,565	8,245
Net Pension Liability	(51,360)	0	(18,678)
Deferred Inflows of Resources - Pension	(603,036)	0	(219,286)
Deferred Inflows of Resources - OPEB	(392,638)	0	(142,778)
Net Cash Provided by Operating Activities	<u>\$3,699,513</u>	<u>\$39,688</u>	<u>\$3,399,962</u>

Noncash Capital Financing Activities:

The Electric Fund received assets transferred in the amount of \$5,774 from the Telecommunications Fund.

The Sewer Fund received assets donated from developers in the amount of \$337,450.

The Sewer Fund received assets transferred from governmental activities in the amount of \$16,678.

The Water Fund received assets donated from developers in the amount of \$178,600.

The Water Fund received assets transferred from governmental activities in the amount of \$33,356.

The Storm Water Utility Fund received assets donated from developers in the amount of \$7,635.

The Storm Water Utility Fund received assets donated from governmental funds in the amount of \$459,096.

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
(\$119,033)	\$1,018,974	\$65,125	\$5,190,925	\$110,318
1,268	1,245,326	590,209	4,437,558	16,886
125,020	0	0	188,807	0
0	(129,315)	0	(349,910)	(9,295)
0	(71,596)	11,890	(710,902)	0
0	0	(125)	(6,110)	0
0	0	0	(24,464)	0
(222)	(13,922)	48	(65,941)	(2,993)
0	(956)	0	(8,115)	(477)
0	826	0	7,025	412
0	59,027	0	501,744	29,516
0	23,086	0	196,219	11,545
0	(137,299)	396	(69,528)	1,401
2,368	3,650	779	19,764	6,234
0	99,775	105,048	1,674,929	0
1,203	2,103	622	9,681	2,976
0	46,276	106,525	608,521	0
0	(98)	0	6,031	0
0	0	0	0	98,174
37,553	0	0	37,553	0
0	774	0	25,314	0
(1,957)	5,722	2,096	(20,996)	3,213
0	(9,338)	0	(79,376)	(4,669)
0	(109,643)	0	(931,965)	(54,821)
0	(71,389)	0	(606,805)	(35,694)
<u>\$46,200</u>	<u>\$1,961,983</u>	<u>\$882,613</u>	<u>\$10,029,959</u>	<u>\$172,726</u>

**CITY OF LEBANON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
CUSTODIAL FUNDS
DECEMBER 31, 2022**

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$5,351
Cash and Cash Equivalents in Segregated Accounts	<u>29,350</u>
Total Assets	<u><u>\$34,701</u></u>
Liabilities:	
Accounts Payable	\$2,337
Intergovernmental Payable	<u>32,364</u>
Total Liabilities	<u><u>\$34,701</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions:	
Fines and Forfeitures for Other Governments	\$1,279,308
Special Assessment Collections for Other Governments	557,204
Amounts Received as Fiscal Agent	<u>23,335</u>
Total Additions	<u>1,859,847</u>
Deductions:	
Distributions to the State of Ohio	1,132,936
Fines and Forfeitures Distributions to Other Governments	133,413
Special Assessment Distributions to Other Governments	557,204
Distributions to Individuals	12,959
Distributions as Fiscal Agent	<u>23,335</u>
Total Deductions	<u>1,859,847</u>
Net Position Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$0</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1 - Reporting Entity

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, telecommunications, refuse collection, and storm water management. 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 the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City has no component units.

The City participates in one jointly governed organization and one insurance purchasing pool. These organizations are presented in Note 19.

Jointly Governed Organizations:

Warren County Combined Health District

Insurance Purchasing Pool:

Ohio Municipal League Group Rating Program

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 2 - Summary of Significant Accounting Policies and Basis of Presentation

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

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for the City's fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The government-wide financial statements usually distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds, rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined, and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the City are divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the operating fund of the City and is used to account for and report all financial resources not accounted and reported 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.

Fire and Life Squad Fund – This fund is used to account for and report voted property taxes restricted to the operation of the fire department and life squad.

Capital Improvement Fund – This fund is used to account for and report restricted State and federal revenues as well as income tax revenues committed to expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets.

The nonmajor governmental funds of the City account for and report debt service, grants, and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Fund Types

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are enterprise and internal service funds.

Enterprise Funds – Enterprise funds may be used to account for and report any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Electric Fund – This fund is used to account for and report the provision of electricity to residential and commercial users living within the City.

Sanitation Fund – This fund is used to account for and report the provision of refuse collection service to residential and commercial users living within the City.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Sewer Fund – This fund is used to account for and report the provision of sanitary sewer service to residential and commercial users living within the City.

Telecommunications Fund – This fund is used to account for and report the operation of the City’s community access cable channel.

Water Fund – This fund is used to account for and report the provision of water treatment and distribution to residential and commercial users living within the City.

Storm Water Utility Fund – This fund is used to account for and report the provision of storm water management within the City.

Internal Service Funds

Internal service funds 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. The City’s internal service funds report on automotive maintenance services for City vehicles and self-insurance programs for employee medical benefits.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has three custodial funds: one is used to account for municipal court collections that are distributed to various other governments and the other two are used to distribute income tax and special assessment revenues to Turtlecreek Township.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e.,

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Proprietary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows / outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, “available” means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payments in lieu of taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the exchange on which the tax is imposed takes place, and revenue from property taxes/payment in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (see Notes 6, 7, and 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: intergovernmental revenues (including motor vehicle license tax, gasoline tax, permissive tax, homestead and rollback, and local government assistance), interest, and income taxes.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net assets for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, deferred charge on refunding, payment in lieu of taxes, unavailable revenue, pension, OPEB, and leases. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent income taxes, property taxes, interest, intergovernmental revenues, including grants, and special assessments. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 22. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 12 and 13).

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue received before the eligibility requirements are met.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation ordinance, and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that Council may appropriate. The appropriation ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by Council. The legal level of budgetary control has been established by Council at the object level (personal services, contractual services, supplies and materials, etc.) within each department and fund. Budgetary modifications may only be made by ordinance of Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed by Council.

The appropriation ordinance is subject to amendment by Council throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year including all supplemental appropriations.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash and Cash Equivalents

To improve cash management, cash received by the City, except cash held by fiscal agent and cash in segregated accounts, is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The City's Municipal Court has its own checking accounts for collection and distribution of court fines and forfeitures, which are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City Treasury.

During 2022, the City's investments were limited to Commercial Paper, Money Market Mutual Funds, Federal Agency Securities, Tennessee Valley Authority Bonds, negotiable certificates of deposit, U.S. Treasury Notes, and Municipal Bonds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price. The City's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Investment Earnings/Interest revenue credited to the General Fund during 2022 amounted to (\$1,021,133), of which (\$794,735) was assigned from other funds.

Investments of the cash management pool and investments with original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Assets Held for Resale

Assets held for resale represent properties purchased by the City which will be sold for economic repurposing.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption. On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure/expense is reported in the year in which services are consumed.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the governmental funds represent unclaimed monies held to be reclaimed by its rightful owners. Restricted assets in the enterprise funds represent electric and water customer deposits and are presented as “Restricted Assets: Equity in Pooled Cash and Cash Equivalents.” Restricted assets in the enterprise funds represent amounts held in trust by the pension and OPEB plans for future benefits.

Capital Assets and Depreciation

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds. Capital assets used by the internal service funds are reported in both the governmental activities column of the government-wide statement of net position and in the respective funds.

All purchased capital assets are valued at cost when historical records are available or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition, where no historical records exist. Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	45 years
Equipment	5-15 years
Vehicles	5-20 years
Infrastructure:	
Roads	10-20 years
Bridges	20-50 years
Curbs, Gutters and Sidewalks	15 years
Traffic Lights and Signals	15-35 years
Electric Lines, Poles, Transformers and Switch Gears	20-30 years
Sewer Lines	65 years
Water Lines	40-65 years
Storm Water Drainage	50 years
Telecommunications Equipment	10 years

The City only reports infrastructure acquired after 1980 for its governmental activities.

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 10 years of current service.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

The entire compensated absences liability is reported on the government-wide financial statements.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. The contract payable – economic development is reported as a fund liability as it represents a claim against current financial resources of the City. However, compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, financed purchases, loans, and the police and fire pension liability are recognized as liabilities on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

Bond Premiums

On the government-wide financial statements (and in the enterprise funds), bond premiums 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 premiums are presented as additions to the face amount of the bonds payable.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

On the governmental fund financial statements, bond premiums are recognized in the period when the bonds were issued. Note premiums are presented as an addition to the face of the notes payable.

OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City/County received the first of eighteen distributions in 2022. This distribution of \$7,550 is reflected as fines, forfeitures and settlements revenue in the General Fund in the accompanying financial statements.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Amounts restricted for Pension Plans represent the restricted asset after considering the related deferred outflows and deferred inflows.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party – such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The future appropriations amount assigned in the General Fund represents 2023 appropriations that exceed estimated resources.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric, sanitation, sewer, telecommunications, water services, storm water, and automotive maintenance services provided to other City departments, and self-insurance programs. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

Leases

The City serves as lessor in various noncancellable leases which are accounted for as follows:

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another, or within the same function, are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers and are eliminated from the statement of activities. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "Interfund Receivable/Payable." Long-term interfund loan receivables are reported as "Advances to Other Funds" or "Advances from Other Funds." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Note 3 – Change in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3,

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Leases. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and *Implementation Guide No. 2020-1*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements. The City recognized \$282,496 in leases receivable at January 1, 2022; however, this entire amount was offset by the deferred inflows related to leases.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City's financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 91 and GASB 97 were incorporated in the City's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Budgetary Basis of Accounting

While the City is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures, and changes in fund balance - budget and actual (budget basis) is presented for the General Fund and the Fire and Life Squad Major Special Revenue Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Cash is held by the custodial fund on behalf of the City on a budget basis and allocated and reported on the balance sheet (GAAP basis) in the appropriate City funds.
6. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.
7. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and the Fire and Life Squad Fund.

Net Change in Fund Balance		
	General Fund	Fire and Life Squad Fund
GAAP Basis	(\$2,234,628)	\$85,351
Revenue Accruals	17,645	403,284
Expenditure Accruals	(107,711)	(1,992,581)
Encumbrances	(1,077,604)	(500,244)
Advances	(2,000,000)	0
Unrecorded Cash - 2021	1,370,690	0
Unrecorded Cash - 2022	(883,844)	0
Change in Fair Value of Investments - 2021	(58,429)	0
Change in Fair Value of Investments - 2022	1,319,187	0
Custodial Fund Allocation - 2021	(36,996)	0
Custodial Fund Allocation - 2022	54,293	0
Budget Basis	(\$3,637,397)	(\$2,004,190)

Note 5 - Deposits and Investments

The City has adopted an investment policy by City ordinance in which the City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Active deposits are public deposits determined to be necessary to meet current demands upon the City treasury. Active 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 five-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 passbook 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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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. Except as noted above, 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 treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments:

Investments are reported at fair value. As of December 31, 2022, the City had the following investments:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Measurement/Investment	Measurement Amount	Maturity	S&P Rating	Percent of Total Investments
Amortized Cost:				
Commercial Paper	\$14,148,330	Less than one year	A-1	18.73%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	1,928,439	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Farm Credit Banks Consolidation Bonds	11,081,364	Less than five years	AA+	14.67%
Federal Home Loan Mortgage Bonds	1,588,947	Less than three years	AA+	N/A
Federal National Mortgage Association Bonds	3,227,619	Less than four years	AA+	N/A
Federal Home Loan Banks Bonds	24,148,892	Less than five years	AA+	31.97%
Tennessee Valley Authority Bonds	818,820	Less than five years	AAA	N/A
Federal Agricultural Mortgage Corporation Bonds	403,112	Less than three years	AAA	N/A
Negotiable Certificates of Deposit	3,610,580	Less than three years	N/A	N/A
United States Treasury Notes	11,044,163	Less than three years	AA+	14.62%
Municipal Bonds	3,536,119	Less than six years	AA	N/A
Total Fair Value - Level Two Inputs	59,459,616			
Total Investments	\$75,536,385			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2022. The Money Market Mutual Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk – As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two years from the date of investment.

Credit Risk –The City has no investment policy that addresses credit risk.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Concentration of Credit Risk – The City’s investment policy states that the City will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50 percent of the City’s total investment portfolio will be invested in a single security type or with a single financial institution. The percentage that each investment represents of total investments is listed in the table above.

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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.

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. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$11.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$595,201,030
Public Utility Real Property	8,912,650
Total	\$604,113,680

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which were measurable as of December 31, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 7 - Payments in Lieu of Taxes

The City acquired property that is leased to a number of companies. The companies 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 on any improvements subsequent to the year the exemption was granted. These payments are being used for costs associated with improving the industrial park. Payments will continue over the life of the lease. At the conclusion of the lease term, the companies may purchase the leased property for \$1.

A receivable for the amount of the payments estimated to be received in the following year has been recorded in the Tax Increment Financing Capital Projects Fund with a corresponding credit to deferred inflows of resources – payment in lieu of taxes.

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 one-half of one percent of the City's current tax rate.

Employers within the City are required to withhold income tax on gross 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.

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 2022, the proceeds were allocated to the General Fund, the Capital Improvement Capital Projects Fund, and the Debt Service nonmajor governmental fund.

Note 9 - Receivables

Receivables at December 31, 2022, consisted of income, property and other local taxes, payment in lieu of taxes, accrued interest, intergovernmental, special assessments, leases, interfund, advances to other funds, utility accounts, and amounts due from the sale of the telecommunications system. The \$1,125,000 accounts receivable in the telecommunications relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$1,000,000 is expected to be collected in more than one year. Property taxes, income taxes, leases and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All receivables are considered fully collectible except utility accounts and interfund receivable. The following table provides a summary of business-type activities accounts receivable:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$6,848,293	\$67,185	\$6,781,108
Telecommunications	1,125,000	0	1,125,000
Total	\$7,973,293	\$67,185	\$7,906,108

A summary of intergovernmental receivables follows:

Governmental Activities:

Local Government Assistance	\$179,809
Warren County Reimbursement for Baliff Services	7,323
Homestead and Rollback	109,602
Warren County Building Department	2,609
Wireless 911	9,333
Permissive Motor Vehicle License Tax	120,558
Motor Vehicle Tax	180,519
Gasoline Tax	407,299
OPWC Grants	215,486
Total Governmental Activities	1,232,538

Business-Type Activities:

Village of South Lebanon Sewage Processing Fees	40,253
ODOD Grant	2,034,009
Total Business Activities	2,074,262

Total Intergovernmental Receivables	\$3,306,800
-------------------------------------	-------------

Leases Receivable

The City is reporting leases receivable of \$248,890 in the General Fund and \$19,386 in the Capital Improvement Fund at December 31, 2022. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2022, the City recognized lease revenue of \$33,605 and interest revenue of \$2,552 in the General Fund and recognized lease revenue of \$2,553 and interest revenue of \$447 in the Capital Improvement Fund related to lease payments received. A description of the City's leasing arrangements is as follows:

Field Usage Leases – The City has entered into various lease agreements for the usage of soccer fields with multiple organizations which commenced during 2021, are for 5 years ending in 2025 and are paid annually. The organizations are as follows: Warren County United Soccer, Cincinnati United Soccer and Lebanon Youth Soccer Association.

Cell Tower Lease – The City has entered into a lease agreement with Hot Corner, LLC. for a cell tower which commenced during 2011, is for 30 years ending in 2040, and is paid annually.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Railroad – The City has entered into an agreement with Cincinnati Scenic Railway for a passenger excursion on City-owned rail lines during 2022, is for 8 years ending in 2030, and is paid annually.

A summary of future lease revenue is as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2023	\$37,392	\$4,658
2024	38,643	4,157
2025	39,910	3,640
2026	10,892	3,108
2027	11,115	2,885
2028-2032	49,883	11,117
2033-2037	48,743	2,656
2038-2040	31,698	1,302
Totals	<u>\$268,276</u>	<u>\$33,523</u>

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2022, was as follows:

	Balance at 12/31/21	Additions	Deductions	Transfers	Balance at 12/31/22
<u>Governmental Activities:</u>					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$15,224,574	\$1,340,163	\$0	\$0	\$16,564,737
Construction in Progress	3,009,187	6,883,878	(4,983,726)	0	4,909,339
Total Capital Assets, Not Being Depreciated	<u>18,233,761</u>	<u>8,224,041</u>	<u>(4,983,726)</u>	<u>0</u>	<u>21,474,076</u>
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	2,209,210	72,390	0	0	2,281,600
Buildings and Improvements	15,953,627	2,011,139	(59,907)	0	17,904,859
Equipment	2,635,676	781,956	(89,849)	0	3,327,783
Vehicles	6,466,366	289,958	(76,159)	0	6,680,165
Infrastructure	84,166,756	3,913,743	0	(509,130)	87,571,369
Total Capital Assets, Being Depreciated	<u>\$111,431,635</u>	<u>\$7,069,186</u>	<u>(\$225,915)</u>	<u>(\$509,130)</u>	<u>\$117,765,776</u>

(Continued)

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Balance at 12/31/21	Additions	Deductions	Transfers	Balance at 12/31/22
<u>Governmental Activities:</u>					
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(\$1,106,493)	(\$78,357)	\$0	\$0	(\$1,184,850)
Buildings and Improvements	(4,387,395)	(387,842)	57,471	0	(4,717,766)
Equipment	(1,671,592)	(213,617)	47,351	0	(1,837,858)
Vehicles	(3,220,987)	(514,503)	76,159	0	(3,659,331)
Infrastructure	(57,449,553)	(3,146,677)	0	0	(60,596,230)
Total Accumulated Depreciation	<u>(67,836,020)</u>	<u>(4,340,996)</u>	<u>180,981</u>	<u>0</u>	<u>(71,996,035)</u>
Total Capital Assets, Being Depreciated, Net	<u>43,595,615</u>	<u>2,728,190</u>	<u>(44,934)</u>	<u>(509,130)</u>	<u>45,769,741</u>
Governmental Activities Capital Assets, Net	<u>\$61,829,376</u>	<u>\$10,952,231</u>	<u>(\$5,028,660)</u>	<u>(\$509,130)</u>	<u>\$67,243,817</u>

The City's Sewer, Water and Storm Enterprise funds received transferred assets from the Governmental funds in the amount of \$509,130. There was no depreciation associated with the transfer as these were newly constructed assets. Additions to capital assets being depreciated include \$53,018 in assets donated by developers for the year ended December 31, 2022.

Depreciation expense was charged to governmental functions as follows:

General Government	\$15,246
Security of Persons and Property:	
Police	246,915
Fire	457,611
Public Health Services	17,415
Leisure Time Services	186,963
Community and Economic Development	103,062
Transportation	3,313,784
Total Depreciation Expense	<u>\$4,340,996</u>

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Balance at 12/31/21	Additions	Deductions	Transfers	Balance at 12/31/22
<u>Business-Type Activities:</u>					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$3,392,140	\$50,000	\$0	\$0	\$3,442,140
Construction in Progress	3,241,908	7,263,503	(2,759,564)	0	7,745,847
Total Capital Assets, Not Being Depreciated	<u>6,634,048</u>	<u>7,313,503</u>	<u>(2,759,564)</u>	<u>0</u>	<u>11,187,987</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	29,750,930	9,200	0	0	29,760,130
Equipment	5,555,274	181,315	0	0	5,736,589
Vehicles	3,356,440	255,504	(85,568)	0	3,526,376
Infrastructure	131,368,942	3,378,429	0	509,130	135,256,501
Total Capital Assets, Being Depreciated	<u>170,031,586</u>	<u>3,824,448</u>	<u>(85,568)</u>	<u>509,130</u>	<u>174,279,596</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(19,668,997)	(929,598)	0	0	(20,598,595)
Equipment	(4,359,402)	(114,616)	0	0	(4,474,018)
Vehicles	(2,040,230)	(222,716)	82,512	0	(2,180,434)
Infrastructure	(52,034,250)	(3,170,628)	0	0	(55,204,878)
Total Accumulated Depreciation	<u>(78,102,879)</u>	<u>(4,437,558)</u>	<u>82,512</u>	<u>0</u>	<u>(82,457,925)</u>
Total Capital Assets, Being Depreciated, Net	<u>91,928,707</u>	<u>(613,110)</u>	<u>(3,056)</u>	<u>509,130</u>	<u>91,821,671</u>
Business-Type Activities Capital Assets, Net	<u>\$98,562,755</u>	<u>\$6,700,393</u>	<u>(\$2,762,620)</u>	<u>\$509,130</u>	<u>\$103,009,658</u>

The City's Sewer, Water and Storm Enterprise funds received transferred assets from the Governmental funds in the amount of \$509,130. There was no depreciation associated with the transfer as these were newly constructed assets. Additions to capital assets being depreciated include \$523,685 in assets donated by developers for the year ended December 31, 2022.

Note 11 - Risk Management

Property and Liability

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. The City contracts with Marsh and McLennan Insurance Group as their broker for vehicle, property, general liability, multi-media, boiler and machinery, police liability, and public officials' liability insurance. The insurance claims are covered by Toko Marine HCC.

Machinery deductible levels vary with equipment. Enterprise Deployment Team has a \$1,000 deductible for computer equipment. Vehicles hold a \$500 deductible, general liability has a \$0 deductible, and property has a \$1,000 deductible. The City carries a \$5,000 deductible for both police professional and public officials liability insurance. The City has an internal accident review board that analyzes all vehicle accidents and a Safety Committee to help avoid vehicle accidents

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

and workplace injuries. The City also contracts with Marsh and McLennan Insurance Group, who reviews each accident claim. The City met all of the Three Factor Authentication network compliance standards that travelers insurance required for the Cyber Security Insurance policy.

Coverage provided by the insurance follows:

Excess Liability Umbrella	\$10,000,000
General Liability - Each Occurrence	1,000,000
Police Professionals Liability - Each Occurrence	1,000,000
Public Officials Liability - Each Occurrence	1,000,000
Vehicle Liability	1,000,000
Vehicle Physical Damage	Actual Cash Value
Property Coverage (Maximum \$5,000,000)	Replacement Cost

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in coverage from last year.

Workers' Compensation

For year 2022, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience, and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

Employee Benefits

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 \$500 single and \$1,000 cap per family deductible for City employees. The City also provides a dental plan with a \$50 deductible and \$1,500 cap in maximum benefits per year, a vision plan with a \$250 single and \$750 cap per family, per year, and \$50,000 in life insurance. A third party administrator reviews all claims, which the City then pays. The City purchases stop-loss coverage for medical in excess of \$60,000 per employee, per occurrence. UMR was the third party administrator for the year.

The City budgets into the Self-Insurance Internal Service Fund \$1,167 per full-time employee, per month. The amount transferred is based on the medical claim activity, the fund cash balance, and other benchmarking data. The fund that pays the salary for the employee pays this premium, which is based on historic cost information. The claims liability of \$416,754 reported in the fund at December 31, 2022, is based on the requirements of Governmental Accounting Standards Board

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Statement No. 30, 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 loss can be reasonably estimated. The claims liability was based on an estimate provided by an actuary. 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,
2021	\$216,105	\$1,928,280	\$1,825,805	\$318,580
2022	318,580	2,136,993	2,038,819	416,754

Note 12 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability (asset) calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net pension/OPEB asset or a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in intergovernmental payable. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

(which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee *	10.0%
2022 Actual Contribution Rates:	
Employer:	
Pension **	14.0%
Post-employment Health Care Benefits **	0.0
Total Employer	14.0%
Employee	10.0%

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2022, the City’s contractually required contribution was \$1,032,820 for the traditional plan, \$35,019 for the combined plan and \$10,179 for the member-directed plan. Of these amounts, \$181,986 is reported as an intergovernmental payable for the traditional plan, \$6,178 for the combined plan, and \$1,798 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension 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 and detailed information about OP&F fiduciary net position.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2022 Statutory Maximum Contribution Rates:		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2022 Actual Contribution Rates:		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50%	24.00%
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$961,158 for 2022. Of this amount, \$85,517 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2022, the specific liability of the City was \$12,142 payable in semi-annual payments through the year 2035.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City’s defined benefit pension plans:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.04670300%	0.05306000%	0.16000990%	
Prior Measurement Date	<u>0.04505100%</u>	<u>0.05378800%</u>	<u>0.13967990%</u>	
Change in Proportionate Share	<u>0.00165200%</u>	<u>(0.00072800%)</u>	<u>0.02033000%</u>	
Proportionate Share of the:				
Net Pension Asset	\$0	(\$209,058)	\$0	(\$209,058)
Net Pension Liability	4,063,351	0	9,996,492	14,059,843
Pension Expense	(450,195)	(4,641)	1,074,803	619,967

2022 pension expense for the member-directed defined contribution plan was \$14,251. The aggregate pension expense for all pension plans was \$634,218 for 2022.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences between expected and actual experience	\$207,144	\$1,297	\$288,240	\$496,681
Changes of assumptions	508,118	10,506	1,826,930	2,345,554
Changes in proportion and differences between City contributions and proportionate share of contributions	215,453	26,105	1,769,239	2,010,797
City contributions subsequent to the measurement date	<u>1,032,820</u>	<u>35,019</u>	<u>961,158</u>	<u>2,028,997</u>
Total Deferred Outflows of Resources	<u>\$1,963,535</u>	<u>\$72,927</u>	<u>\$4,845,567</u>	<u>\$6,882,029</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$89,119	\$23,382	\$519,681	\$632,182
Net difference between projected and actual earnings on pension plan investments	4,833,207	44,819	2,620,926	7,498,952
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>0</u>	<u>4,726</u>	<u>678,881</u>	<u>683,607</u>
Total Deferred Inflows of Resources	<u>\$4,922,326</u>	<u>\$72,927</u>	<u>\$3,819,488</u>	<u>\$8,814,741</u>

\$2,028,997 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2023	(\$482,431)	(\$10,642)	\$461,454	(\$31,619)
2024	(1,603,847)	(15,896)	(502,550)	(2,122,293)
2025	(1,136,482)	(9,363)	(191,284)	(1,337,129)
2026	(768,851)	(6,112)	(56,824)	(831,787)
2027	0	2,512	354,125	356,637
Thereafter	0	4,482	0	4,482
Total	<u>(\$3,991,611)</u>	<u>(\$35,019)</u>	<u>\$64,921</u>	<u>(\$3,961,709)</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented as follows:

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented as follows:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized as follows:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate

The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Sensitivity of the City’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$10,713,201	\$4,063,351	(\$1,470,210)
OPERS Combined Plan	(155,996)	(209,058)	(250,443)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented as follows.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds *	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	<u>125.00%</u>	

Note: Assumptions are geometric.

* levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$14,824,660	\$9,996,492	\$5,975,822

Note 13 – Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$4,072 for 2022. Of this amount, \$719 is reported as an intergovernmental payable.

Plan Description - Ohio Police and Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$22,989 for 2022. Of this amount, \$2,035 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04549400%	0.16000990%	
Prior Measurement Date	<u>0.04401400%</u>	<u>0.13967990%</u>	
Change in Proportionate Share	<u>0.00148000%</u>	<u>0.02033000%</u>	
Proportionate Share of the Net			
Net OPEB (Asset)	(\$1,424,942)	\$0	(\$1,424,942)
Net OPEB Liability	0	1,753,846	1,753,846
OPEB Expense	(1,182,877)	369,779	(813,098)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$79,784	\$79,784
Changes of assumptions	0	776,306	776,306
Changes in proportion and differences between City contributions and proportionate share of contributions	24,900	827,351	852,251
City contributions subsequent to the measurement date	<u>4,072</u>	<u>22,989</u>	<u>27,061</u>
Total Deferred Outflows of Resources	<u>\$28,972</u>	<u>\$1,706,430</u>	<u>\$1,735,402</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$216,142	\$231,795	\$447,937
Changes of assumptions	576,800	203,699	780,499
Net difference between projected and actual earnings on OPEB plan investments	679,312	158,431	837,743
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>5,368</u>	<u>86,574</u>	<u>91,942</u>
Total Deferred Inflows of Resources	<u>\$1,477,622</u>	<u>\$680,499</u>	<u>\$2,158,121</u>

\$27,061 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2023	(\$899,545)	\$298,647	(\$600,898)
2024	(307,191)	275,127	(32,064)
2025	(148,427)	274,669	126,242
2026	(97,559)	39,782	(57,777)
2027	0	49,598	49,598
Thereafter	0	65,119	65,119
Total	<u>(\$1,452,722)</u>	<u>\$1,002,942</u>	<u>(\$449,780)</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Asset Class</u>	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00%</u>	<u>3.45%</u>

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$837,999)	(\$1,424,942)	(\$1,912,113)

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	(\$1,440,340)	(\$1,424,942)	\$1,406,674

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Discount Rate

For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$2,204,624	\$1,753,846	\$1,383,306

Note 14 – Asset Retirement Obligation (ARO)

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with the waste water treatment facilities. Any ARO associated with these public safety issues are not reasonably estimable. Currently, there is significant uncertainty as to what public safety items would need addressed; therefore, a reliable estimated amount could not be determined.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Note 15 - Employee Benefits

Compensated Absences

Accumulated Unpaid Vacation – City employees earn vacation leave at varying rates based upon length of service. Vacation leave up to a maximum of two times the individual employee’s annual accrual may be carried forward. When an employee terminates employment, he/she is paid for unused vacation leave.

Accumulated Unpaid Sick Leave – City employees earn sick leave at the rate of four and six tenths hours per 80 hours of service. Sick leave is cumulative without limit. In the case of death or retirement, an employee (or his estate) is paid 50 percent of accumulated sick leave up to 1,040 hours and 10 percent for accumulated hours in excess of 1,040.

Accumulated Unpaid Holiday Pay – Under contract, police personnel who work a holiday receive holiday time in addition to four hours of pay. Accumulated unpaid holiday time is paid to employees upon separation or death.

Note 16 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2022, follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
<u>Governmental Activities:</u>				
2021 - Fire Equipment Acquisition				
Bond Anticipation Notes, 1.125%	\$600,000	\$0	\$600,000	\$0
Premium	4,378	0	4,378	0
2022 - Fire Equipment Acquisition				
Bond Anticipation Notes, 4.000%	0	400,000	0	400,000
Premium	0	3,284	821	2,463
Total	<u>\$604,378</u>	<u>\$403,284</u>	<u>\$605,199</u>	<u>\$402,463</u>

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

Note 17 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2022 follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Types/ Issues	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022	Amount Due in One Year
<u>Unvoted General Obligation Bonds:</u>					
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial/Term Bonds	\$475,000	\$0	\$475,000	\$0	\$0
Capital Appreciation Bonds	1,603	0	1,603	0	0
Accretion on Capital Appreciation Bonds	8,264	133	8,397	0	0
Premium on Debt Issue	21,659	0	21,659	0	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial/Term Bonds	1,650,000	0	1,650,000	0	0
Premium on Debt Issue	48,080	0	48,080	0	0
2016 - 1.0 to 4.0% \$1,935,000					
Service Building Bonds					
Serial/Term Bonds	1,225,000	0	125,000	1,100,000	130,000
Premium on Debt Issue	76,353	0	8,181	68,172	0
2020 - 2.0 to 4.0% \$7,350,000					
Fire House Construction Bonds					
Serial/Term Bonds	7,150,000	0	225,000	6,925,000	215,000
Premium on Debt Issue	463,027	0	19,634	443,393	0
<u>Direct Placements</u>					
2017 - 2.03% \$2,125,000					
Various Purpose Bonds	440,000	0	440,000	0	0
2017 - 2.03% \$1,250,000					
Various Purpose Refunding Bonds	775,000	0	125,000	650,000	125,000
Total - Unvoted General Obligation Bonds	<u>12,333,986</u>	<u>133</u>	<u>3,147,554</u>	<u>9,186,565</u>	<u>470,000</u>
<u>Other Long-Term Obligations:</u>					
2018 - 3.0% \$302,000					
Ohio Department of Transportation					
SIB Loan	77,194	0	77,194	0	0
Compensated Absences Payable	1,941,154	630,980	606,447	1,965,687	366,777
Financed Purchase	0	439,435	36,601	402,834	38,065
Police Pension - specific liability	12,869	0	727	12,142	757
Total - Other Long-Term Obligations	<u>2,031,217</u>	<u>1,070,415</u>	<u>720,969</u>	<u>2,380,663</u>	<u>405,599</u>
<u>Net Pension Liability:</u>					
OP&F	9,522,105	474,387	0	9,996,492	0
OPERS	4,402,909	0	1,721,095	2,681,814	0
Total - Net Pension Liability	<u>13,925,014</u>	<u>474,387</u>	<u>1,721,095</u>	<u>12,678,306</u>	<u>0</u>
<u>Net OPEB Liability:</u>					
OP&F	1,479,933	273,913	0	1,753,846	0
Total - Governmental Activities	<u>\$29,770,150</u>	<u>\$1,818,848</u>	<u>\$5,589,618</u>	<u>\$25,999,380</u>	<u>\$875,599</u>

In April 2013, the City issued a Road Improvement Refunding Bond, in the amount of \$2,311,603 to refund bonds previously issued in fiscal year 2003. Of these bonds \$2,065,000 were serial bonds and \$245,000 are term bonds. \$1,603 were issued as capital appreciation bonds. The bonds were issued with interest rates varying from two to three percent. The bonds were paid off during 2022 from the Debt Service Fund.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

The capital appreciation bonds, issued at \$1,603, are not subject to prior redemption. The capital appreciation bonds matured in 2022, with a maturity amount of \$10,000, including interest. For 2022, the capital appreciation bonds were accreted \$133.

In April 2013, the City issued general obligation bonds, in the amount of \$2,655,000 for making improvements to roadways. The bonds were issued with interest rates varying from 2.0 to 3 percent. The bonds were paid off during 2022 from the Debt Service Fund.

During 2016, the City issued general obligation bonds, in the amount of \$1,935,000 for improvements to a service building. Of these bonds \$710,000 were serial bonds and \$1,225,000 were term bonds. The bonds were issued with interest rates varying from 1.0 to 4.0 percent. The bonds were issued for a fifteen year period with the final maturity during 2030. These bonds will be retired through the Debt Service Fund.

In 2020, the City issued general obligation bonds, in the amount of \$7,350,000 for construction of a fire house. Of these bonds \$2,335,000 were serial bonds and \$5,015,000 were term bonds. The bonds were issued with interest rates varying from 2.0 to 4.0 percent. The bonds were issued for a twenty five year period with the final maturity during 2045. These bonds will be retired through the Fire and Life Squad Fund.

In October 2017, the City issued \$2,125,000 in general obligation bonds for the purpose of refunding the \$2,100,000 Columbia Road bond anticipation notes. These bonds are paid from the Tax Increment Financing Fund and matured in December 2022.

In October 2017, the City issued \$1,250,000 in general obligation bonds for the purpose of advance refunding \$1,530,000 of the 2008 road improvement refunding general obligation bonds, in order to take advantage of lower interest rates. These bonds are paid from the Debt Service Fund and will mature in December 2027. The 2008 bonds were called in June 2018.

In 2018, the City entered into a \$302,000 loan with the Ohio Department of Transportation (ODOT) for the resurfacing of Ohio Route 48 between East Main Street (State Route 123) and Columbus Avenue (US Route 42). The interest rate on the loan is three percent and has a four year term. The loan will be retired through the Capital Improvement Fund.

Financed Purchase Agreements – During 2022, the City entered into a financed purchase agreement for equipment. The City is purchasing the equipment from Axon Enterprise, Inc. This agreement meets the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made during 2022 totaled \$36,601 from the Court Fund.

The agreement provides for minimum annual financed purchase payments as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Year	Financed Purchase	
	Principal	Interest
2023	\$38,065	\$16,114
2024	39,588	14,591
2025	41,171	13,008
2026	42,818	11,361
2027	44,531	9,648
2028-2031	196,661	20,055
Totals	\$402,834	\$84,777

Compensated absences will be paid from the General Fund, Fire and Life Squad, Cemetery, and Transportation Special Revenue Funds, and Automotive Maintenance Internal Service Fund. The police pension specific liability is a fixed long-term obligation, paid from the General Fund from general property tax revenue. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the General Fund, Fire and Life Squad, Cemetery and Transportation Special Revenue Funds. For additional information related to the net pension and OPEB liability see Notes 12 and 13.

In addition to current contributions, the City pays installments on the specific liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. This is an accounting liability of the City which will not vary. The liability is reported on the government-wide financial statements.

Changes in the long-term obligations reported in business-type activities of the City during 2022 were as follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022	Amounts Due in One Year
<u>General Obligation Bonds:</u>					
<u>Direct Placements</u>					
2017 - 2.03% \$4,895,000					
Sewer Various Purpose Refunding Bonds	\$2,300,000	\$0	\$680,000	\$1,620,000	\$695,000
<u>Mortgage Revenue Bonds:</u>					
2021 - 1.0 to 4.0% \$7,710,000					
Water System Revenue Refunding	7,620,000	0	395,000	7,225,000	400,000
Premium on Debt Issue	1,100,998	0	68,812	1,032,186	0
Total - Mortgage Revenue Bonds Payable	8,720,998	0	463,812	8,257,186	400,000
Net Pension Liability - OPERS	2,268,164	0	886,627	1,381,537	0
Compensated Absences Payable	427,651	122,606	143,602	406,655	89,351
Total - Business-Type Activities	\$13,716,813	\$122,606	\$2,174,041	\$11,665,378	\$1,184,351

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

In October 2017, the City issued \$4,895,000 in general obligation bonds for the purpose of current refunding \$6,415,000 of the 2006 sewer system mortgage revenue bonds, in order to take advantage of lower interest rates. These bonds are paid from the sewer fund and will mature in December 2026. The 2006 bonds were called in December 2017.

In August 2021, the City issued \$7,710,000 in water system revenue refunding bonds in order to refund \$9,940,000 of the 2012 water system improvement refunding bonds. The bonds are serial bonds. The bonds were issued for a 16 year period with a final maturity in December 2037.

The City has pledged future water revenues, net of operating expenses, to repay the water system improvement and refunding bonds in the Water Fund. The debt is payable solely from net revenues and is payable through 2037. Annual principal and interest payments on the debt issues are expected to require 27 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$9,540,950. Principal and interest paid for the current year were \$636,850. Total net revenues were \$2,402,016, and total revenues were \$5,507,993.

The mortgage revenue bonds are being repaid from charges for services in the water enterprise fund.

Compensated absences will be paid from the Electric, Sanitation, Sewer, Telecommunications, Water, and Storm Water Utility Enterprise Funds and Automotive Maintenance Internal Service Fund. The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: Electric, Sanitation, Sewer, Telecommunications, Water, and Storm Water Utility Enterprise Funds and Automotive Maintenance Internal Service Fund. For additional information related to the net pension and OPEB liability see Notes 12 and 13.

The Water Fund's related bond indenture has 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.

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$63,431,936, and the unvoted debt margin was \$32,823,418.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2022, were:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Year	Governmental Activities					
	General Obligation Bonds		General Obligation Bonds from Direct Placements		Police Pension	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$345,000	\$218,106	\$125,000	\$13,196	\$757	\$508
2024	350,000	211,206	130,000	10,658	790	476
2025	360,000	200,706	125,000	8,018	824	442
2026	370,000	189,906	135,000	5,482	859	406
2027	385,000	177,406	135,000	2,740	896	369
2028-2032	1,770,000	654,230	0	0	5,093	1,235
2033-2037	1,575,000	394,030	0	0	2,923	187
2038-2042	1,740,000	229,787	0	0	0	0
2043-2045	1,130,000	48,349	0	0	0	0
Totals	\$8,025,000	\$2,323,726	\$650,000	\$40,094	\$12,142	\$3,623

Year	Business-Type Activities			
	General Obligation Bonds from Direct Placements		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$695,000	\$32,886	\$400,000	\$235,400
2024	705,000	18,778	405,000	231,400
2025	110,000	4,466	400,000	227,350
2026	110,000	2,233	415,000	219,350
2027	0	0	425,000	211,050
2028-2032	0	0	2,340,000	841,600
2033-2037	0	0	2,840,000	349,800
Totals	\$1,620,000	\$58,363	\$7,225,000	\$2,315,950

Note 18 - Interfund Activity

Interfund Payable/Receivable

Interfund balances at December 31, 2022, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Receivable				Total
	General	Electric	Telecom	Stormwater Utility	
Payable					
General	\$0	\$0	\$312,500	\$1,589	\$314,089
Fire and Life Squad	0	0	0	54	54
Capital Improvement	5,692	0	0	0	5,692
All Nonmajor Governmental	4,150	841	0	420	5,411
Electric	0	0	0	497	497
Sanitation	872	0	0	0	872
Sewer	361	27,339	0	375	28,075
Water	2,755	1,771	0	302	4,828
Internal Service	293	0	0	0	293
Total	<u>\$14,123</u>	<u>\$29,951</u>	<u>\$312,500</u>	<u>\$3,237</u>	<u>\$359,811</u>

Advances From/To Other Funds

The General Fund advanced monies to a Nonmajor Governmental Fund for the purchase of property for use as an industrial park. The property is being developed and used by several corporations, who are leasing the property from the City. The advance is being repaid over time, with lease payments received by the participating companies. As of year-end, the outstanding balance of \$35,683 is expected to be repaid in 2023.

The General Fund advanced monies to the Sewer Fund for a capital improvement project. As of year-end, the outstanding balance of \$2,000,000 is expected to be repaid in 2023.

Transfers From/To Other Funds

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and/or to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfers between the General Fund and the Capital Improvement Fund was for capital improvements during the year. The transfer from the Fire and Life Squad Fund to Nonmajor Governmental Funds was for capital improvements during the year. The transfer from the Capital Improvement Fund to Nonmajor Governmental Funds was for capital improvements during the year.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

		Transfers From				Total
		General Fund	Fire and Life Squad Fund	Capital Improvement Fund	Telecommunications Fund	
Transfers To	Capital Improvement	\$452,000	\$0	\$0	\$0	\$452,000
	Nonmajor Governmental	1,325,000	150,000	800,000	0	2,275,000
	Electric	0	0	0	5,774	5,774
	Total	\$1,777,000	\$150,000	\$800,000	\$5,774	\$2,732,774

Note 19 - Jointly Governed Organization and Insurance Purchasing Pool

Jointly Governed Organization

Warren County Combined Health District

The Warren County Combined Health District (the 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 Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$12,930 during 2022 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 the County Treasurer serve as fiscal officers. Financial information can be obtained from Brenda Joseph at the Warren County Combined Health District, 416 S. East Street, Lebanon, Ohio 45036.

Insurance Purchasing Pool

Ohio Municipal League Group Rating Program

The City participates in the Ohio Municipal League Group Rating Program (GRRP), an insurance purchasing pool. The GRRP's business and affairs are conducted by a five-member Board of Directors. Each year, the participants pay an enrollment fee to CompManagement, Inc. to cover the costs of administering the program.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2022

Note 20 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balances	General Fund	Fire and Life Squad Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>					
Inventory	\$33,234	\$0	\$0	\$343,663	\$376,897
Prepays	111,045	35,184	0	5,114	151,343
Unclaimed Monies	361	0	0	0	361
<i>Total Nonspendable</i>	<u>144,640</u>	<u>35,184</u>	<u>0</u>	<u>348,777</u>	<u>528,601</u>
<u>Restricted for:</u>					
Debt Service	0	0	0	7,370	7,370
Capital Outlay	0	0	0	310,217	310,217
Security of Persons and Property	0	2,261,449	0	876,300	3,137,749
Public Health Services	0	0	0	1,074,765	1,074,765
Community and Economic Development	0	0	0	280	280
Transportation	0	0	0	1,866,352	1,866,352
<i>Total Restricted</i>	<u>0</u>	<u>2,261,449</u>	<u>0</u>	<u>4,135,284</u>	<u>6,396,733</u>
<u>Committed to:</u>					
Leisure Time Services	0	0	0	190,530	190,530
Debt Service	0	0	0	2,691,059	2,691,059
Capital Improvements	0	0	6,242,934	1,486,442	7,729,376
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>6,242,934</u>	<u>4,368,031</u>	<u>10,610,965</u>
<u>Assigned to:</u>					
Purchases on Order for:					
General Government	390,917	0	0	0	390,917
Security of Persons and Property	132,419	0	0	0	132,419
Leisure Time Services	202,500	0	0	0	202,500
Community and Economic Development	256,080	0	0	0	256,080
Future Appropriations	4,250,928	0	0	0	4,250,928
<i>Total Assigned</i>	<u>5,232,844</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,232,844</u>
<u>Unassigned:</u>	<u>5,166,927</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,166,927</u>
Total Fund Balances	<u><u>\$10,544,411</u></u>	<u><u>\$2,296,633</u></u>	<u><u>\$6,242,934</u></u>	<u><u>\$8,852,092</u></u>	<u><u>\$27,936,070</u></u>

Note 21 - Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

At year-end, the amount of cash basis encumbrances expected to be honored upon performance by the vendor in the next year as follows:

<u>Governmental Funds:</u>	
General	\$1,077,604
Fire and Life Squad	500,244
Capital Improvement	4,118,277
Nonmajor Governmental Funds	6,357,243
Total Governmental Funds	12,053,368
<u>Enterprise Funds:</u>	
Electric	1,361,687
Sanitation	6,546
Sewer	11,590,382
Telecommunications	626
Water	732,137
Storm Water Utility	386,486
Total Enterprise Funds	14,077,864
<u>Internal Service Funds:</u>	
Automotive Maintenance	12,229
Self Insurance	7,149
Total Internal Service Funds	19,378
Total	\$26,150,610

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2022:

Contractor	Purpose	Amount Remaining
Adleta	2022 Concrete Program	\$202,355
John R. Jurgensen	2022 Paving Program and Mechanic St. Parking Lot	1,164,272
Milcon Concrete	Mechanic St. Reconstruction	1,376,493
WG Stang	Mulberry St. Water Main	121,733
Dugan & Meyers LLC	Glosser Road Pump Station EQ Basin Design	9,703,238
Leo J Brielmaier Co.	Downtown Restrooms Construction	54,347
Leo J Brielmaier Co.	Miller Park Welcome Center Construction	115,064
Elevar Design Group	Design Downtown Restrooms/Miller Park Welcom Center	12,470
KT Supply	Grant Drive Cul-De-Sac	138,808
Eagle Bridge Co.	Railroad Bride 4.10 Replacement	1,902,000
Ford Development	North Broadway Streetscape Phase 3	63,410
Stauffer Site Services LLC	Reeders Run Sanitary Sewer Phase 2	643,945
Flowbird	Parking Equipment and Management	93,560
GDP	Glosser Rd. Substation Engineering	614,758
KZF Design	Police Public Safety Facility Study	\$38,600

(Continued)

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Contractor	Purpose	Amount Remaining
John R. Jurgensen	2021 Paving Program	\$646,992
Barrett Paving	New St. Reconstruction	395,981
Smith Corp.-Marvin J Smith	Reeders Run Sanitary Sewer Phase 1	214,243
IBI Group	Reeders Run Sewer Anti-Deg Study	5,500
Choice One Engineering	Cherry Street Reconstruction Design	11,874
Fishbeck	Glosser Rd. Widening	204,728
McGill Smith Punshon Incorporated	Parkside Bike Path and Parking Lot Design	30,094
Fishbeck	Design 2024 Urban Paving Program	126,976
Choice One Engineering	Design Bowman Multi-Use Trail	158,600
Westside Paving	Harmon Park Tennis Courts	10,000
Graybach	Fire Station 41 Construction	377,776
Tec Engineering	Deerfield Bike Path Right of Way Services	8,186
Choice One Engineering	Design Keever Street Reconstruction	16,010
Choice One Engineering	Design Cedar Lane and Crescent Ct. Reconstruction	21,660
Burgess & Niple Incorporated	Construction Mgt. Glosser Rd. Pump Station	424,079
Kleingers Group	Water Main North Broadway - Bike Path Design	66,392
Total Contractual Commitments		<u><u>\$18,964,144</u></u>

Note 22 – Joint Economic Development District

In January 2013, the City entered into a contract with neighboring Turtlecreek Township to form the Lebanon-Turtlecreek Joint Economic Development District (JEDD). It is entirely located in the Turtlecreek Township, and its primary purpose was to promote regional growth and economic development. The JEDD Board shall levy an income tax of one percent. The JEDD Board also contracted with the City of Lebanon to administer this income tax.

The JEDD agreement requires the City of Lebanon and Turtlecreek Township each receive 45 percent of the remaining balance of the income tax revenue collected in the JEDD after designating 8 percent to be set aside to maintain areas within the JEDD. Financial information for the JEDD can be obtained by contacting the City Auditor, 50 South Broadway, Lebanon, Ohio 45036.

Note 23 - Contingent Liabilities

Litigation

The City is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 24 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or State, cannot be estimated.

During 2022, the City received American Rescue Plan Act Coronavirus State and Local Fiscal Recovery (SLFRF) funding. Of the amounts received, none was sub-granted to other governments and organizations, none was returned to the granting agency, and none was spent on-behalf of other governments.

CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PLAN
LAST NINE YEARS (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.04670300%	0.04505100%	0.04481300%	0.04346400%
City's Proportionate Share of the Net Pension Liability	\$4,063,351	\$6,671,073	\$8,857,593	\$11,903,909
City's Covered Payroll	\$6,777,993	\$6,345,321	\$6,304,971	\$5,870,614
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.13%	140.49%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.04320000%	0.04361400%	0.04368000%	0.04331800%	0.04331800%
\$6,777,242	\$9,903,997	\$7,560,383	\$5,224,636	\$5,106,628
\$5,823,085	\$5,638,025	\$5,431,836	\$5,310,750	\$5,297,364
116.39%	175.66%	139.19%	98.38%	96.40%
84.66%	77.25%	81.08%	86.45%	86.36%

CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - COMBINED PLAN
LAST FIVE YEARS (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Asset	0.05306000%	0.05378800%	0.06626000%
City's Proportionate Share of the Net Pension Asset	(\$209,058)	(\$155,267)	(\$138,168)
City's Covered Payroll	\$241,900	\$237,043	\$294,964
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-86.42%	-65.50%	-46.84%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Asset	169.88%	157.67%	145.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

<u>2019</u>	<u>2018</u>
0.07949800%	0.07814400%
(\$88,896)	(\$106,379)
\$340,007	\$320,038
-26.15%	-33.24%
126.64%	137.28%

CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - OPEB PLAN
LAST SIX YEARS (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net OPEB Liability (Asset)	0.04549400%	0.04401400%	0.04417800%	0.04334000%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,424,942)	(\$784,144)	\$6,102,129	\$5,650,513
City's Covered Payroll	\$7,094,343	\$6,656,589	\$6,674,185	\$6,286,396
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-20.09%	-11.78%	91.43%	89.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	128.23%	115.57%	47.80%	46.33%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.04281000%	0.04279000%
\$4,648,849	\$4,321,935
\$6,178,248	\$5,913,767
75.25%	73.08%
54.14%	54.04%

CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST NINE YEARS (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net Pension Liability	0.16000990%	0.13967990%	0.15482180%	0.14809800%
City's Proportionate Share of the Net Pension Liability	\$9,996,492	\$9,522,105	\$10,429,622	\$12,088,710
City's Covered Payroll	\$4,153,964	\$3,743,880	\$3,657,312	\$3,479,288
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	240.65%	254.34%	285.17%	347.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.12655100%	0.11685800%	0.12170300%	0.13375310%	0.13375310%
\$7,767,006	\$7,401,668	\$7,829,239	\$6,928,969	\$6,514,196
\$2,917,109	\$2,665,193	\$2,821,335	\$2,790,353	\$2,376,423
266.26%	277.72%	277.50%	248.32%	274.12%
70.91%	68.36%	66.77%	71.71%	73.00%

CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST SIX YEARS (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's Proportion of the Net OPEB Liability	0.16000990%	0.13967990%	0.15482180%	0.14809800%
City's Proportionate Share of the Net OPEB Liability	\$1,753,846	\$1,479,933	\$1,529,289	\$1,348,658
City's Covered Payroll	\$4,153,964	\$3,743,880	\$3,657,312	\$3,479,288
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.22%	39.53%	41.81%	38.76%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%	46.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.12655100%	0.11685800%
\$7,170,202	\$5,546,986
\$2,917,109	\$2,665,193
245.80%	208.13%
14.13%	15.96%

**CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (1) (2)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,032,820	\$948,919	\$888,345	\$882,696
Contributions in Relation to the Contractually Required Contribution	<u>(1,032,820)</u>	<u>(948,919)</u>	<u>(888,345)</u>	<u>(882,696)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,377,286	\$6,777,993	\$6,345,321	\$6,304,971
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Asset - Combined Plan				
Contractually Required Contribution	\$35,019	\$33,866	\$33,186	\$41,295
Contributions in Relation to the Contractually Required Contribution	<u>(35,019)</u>	<u>(33,866)</u>	<u>(33,186)</u>	<u>(41,295)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$250,136	\$241,900	\$237,043	\$294,964
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability (Asset) - OPEB Plan				
Contractually Required Contribution	\$4,072	\$2,978	\$2,969	\$2,970
Contributions in Relation to the Contractually Required Contribution	<u>(4,072)</u>	<u>(2,978)</u>	<u>(2,969)</u>	<u>(2,970)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$7,729,222	\$7,094,343	\$6,656,589	\$6,674,185
OPEB Contributions as a Percentage of Covered Payroll	<u>0.05%</u>	<u>0.04%</u>	<u>0.04%</u>	<u>0.04%</u>

- (1) Although this schedule is intended to reflect information for ten years, information prior to 2013 for the Net OPEB Liability (Asset) is not available. An additional column will be added each year.
- (2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented for the OPEB plan.
- (3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$821,886	\$757,001	\$676,563	\$651,820	\$637,290	\$698,999
<u>(821,886)</u>	<u>(757,001)</u>	<u>(676,563)</u>	<u>(651,820)</u>	<u>(637,290)</u>	<u>(698,999)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,870,614	\$5,823,085	\$5,638,025	\$5,431,836	\$5,310,750	\$5,297,364
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.20%</u>
\$47,601	\$41,605	\$28,958	\$28,428	\$27,458	\$28,338
<u>(47,601)</u>	<u>(41,605)</u>	<u>(28,958)</u>	<u>(28,428)</u>	<u>(27,458)</u>	<u>(28,338)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$340,007	\$320,038	\$241,317	\$236,900	\$228,817	\$217,985
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$3,031	\$61,694	\$118,964			
<u>(3,031)</u>	<u>(61,694)</u>	<u>(118,964)</u>			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$6,286,396	\$6,178,248	\$5,913,767			
<u>0.05%</u>	<u>1.00%</u>	<u>2.01%</u>			

**CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
OHIO POLICE AND FIRE PENSION FUND
LAST TEN YEARS**

	2022	2021	2020	2019	2018
Net Pension Liability					
Contractually Required Contribution	\$961,158	\$853,274	\$770,858	\$750,303	\$712,151
Contributions in Relation to the Contractually Required Contribution	<u>(961,158)</u>	<u>(853,274)</u>	<u>(770,858)</u>	<u>(750,303)</u>	<u>(712,151)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$4,597,752	\$4,153,964	\$3,743,880	\$3,657,312	\$3,479,288
Contributions as a Percentage of Covered Payroll:	<u>20.90%</u>	<u>20.54%</u>	<u>20.59%</u>	<u>20.52%</u>	<u>20.47%</u>
Net OPEB Liability					
Contractually Required Contribution	\$22,989	\$20,769	\$18,719	\$18,286	\$17,396
Contributions in Relation to the Contractually Required Contribution	<u>(22,989)</u>	<u>(20,769)</u>	<u>(18,719)</u>	<u>(18,286)</u>	<u>(17,396)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.40%</u>	<u>21.04%</u>	<u>21.09%</u>	<u>21.02%</u>	<u>20.97%</u>

(1) The City's Covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$584,341	\$531,059	\$564,223	\$559,748	\$402,727
<u>(584,341)</u>	<u>(531,059)</u>	<u>(564,223)</u>	<u>(559,748)</u>	<u>(402,727)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,917,109	\$2,665,193	\$2,821,335	\$2,790,353	\$2,376,423
<u>20.03%</u>	<u>19.93%</u>	<u>20.00%</u>	<u>20.06%</u>	<u>16.95%</u>
\$14,585	\$13,326	\$14,107	\$13,952	\$85,948
<u>(14,585)</u>	<u>(13,326)</u>	<u>(14,107)</u>	<u>(13,952)</u>	<u>(85,948)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>
<u>20.53%</u>	<u>20.43%</u>	<u>20.50%</u>	<u>20.56%</u>	<u>20.57%</u>

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual	Individual	Individual
	Entry Age	Entry Age	Entry Age

For 2022, 2021, and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented as follows:

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77%	68%
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

CITY OF LEBANON, OHIO
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED DECEMBER 31, 2022

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:	
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

INDIVIDUAL FUND SCHEDULES OF REVENUES,
EXPENDITURES/EXPENSES AND CHANGES IN FUND
BALANCES/FUND EQUITY – BUDGET AND ACTUAL

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The following are descriptions of the City's Nonmajor Special Revenue Funds.

NONMAJOR SPECIAL REVENUE FUNDS

Cemetery Fund

To account for and report fees restricted for the operation and maintenance of the City's cemeteries.

Community Development Fund

To account for and report grants received from federal, state and local sources which are restricted for economic development within the City. This fund had no budget nor cash activity during 2022. Therefore, no budgetary statement is presented.

Court Fund

To account for and report charges for services, fines, forfeitures and money received from the State that are received by the Municipal Court and restricted for expenditures related to activities of the court and law enforcement.

Park/Recreation Impact Fee Fund

To account for and report fees received from new housing construction committed to leisure time activities.

Transportation Fund

To account for and report state gasoline taxes and motor vehicle license fees restricted to maintenance of streets and State highways within the City.

American Rescue Plan Act Fund

To account for and report monies received from the federal American Rescue Plan Act, whose use is restricted for local Coronavirus relief.

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is used to account for and report financial resources that are restricted or committed for payment of general obligation principal and interest and fiscal charges. The City has only one Debt Service Fund.

(Continued)

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS
(CONTINUED)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

NONMAJOR CAPITAL PROJECTS FUNDS

Tax Increment Financing Fund

This fund is used to account for and report payments in lieu of taxes on property granted a tax exemption by the City. This revenue is restricted to land purchases or infrastructure improvements, as well as payments to Kings Local and Lebanon City School Districts for a portion of the taxes lost as a result of the exemptions.

Cemetery Improvement Fund

To account for and report fees restricted for cemetery improvements.

OPWC Capital Grant Fund

To account for and report infrastructure improvement projects throughout the City from committed local resources.

Parks Reserve and Replacement Fund

To account for and report parks maintenance and replacement needs from committed local resources.

Fire-EMS Reserve and Replacement Fund

To account for and report scheduled replacement of vehicles and heavy equipment from committed local resources.

Bike Trail Reserve and Replacement Fund

To account for and report bike trail maintenance and replacement needs from committed local resources.

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$4,951,776	\$2,666,321	\$1,903,267	\$9,521,364
Materials and Supplies Inventory	343,663	0	0	343,663
Prepaid Items	5,114	0	0	5,114
Income Taxes Receivable	0	210,095	0	210,095
Payment in Lieu of Taxes Receivable	0	0	224,730	224,730
Accrued Interest Receivable	3,446	5,959	0	9,405
Intergovernmental Receivable	708,376	0	0	708,376
Assets Held for Resale	0	0	400,000	400,000
Total Assets	\$6,012,375	\$2,882,375	\$2,527,997	\$11,422,747
Liabilities:				
Accounts Payable	\$14,330	\$0	\$0	\$14,330
Accrued Wages Payable	33,438	0	0	33,438
Contracts Payable	0	0	54,981	54,981
Contracts Payable - Economic Development	0	0	300,000	300,000
Intergovernmental Payable	19,348	0	67,336	86,684
Retainage Payable	0	0	48,608	48,608
Unearned Revenue	985,500	0	0	985,500
Interfund Payable	5,411	0	0	5,411
Advances From Other Funds	0	0	35,683	35,683
Total Liabilities	1,058,027	0	506,608	1,564,635
Deferred Inflows of Resources:				
Payment in Lieu of Taxes	0	0	224,730	224,730
Unavailable Revenue	597,344	183,946	0	781,290
Total Deferred Inflows of Resources	597,344	183,946	224,730	1,006,020
Fund Balances:				
Nonspendable	348,777	0	0	348,777
Restricted	3,817,697	7,370	310,217	4,135,284
Committed	190,530	2,691,059	1,486,442	4,368,031
Total Fund Balances	4,357,004	2,698,429	1,796,659	8,852,092
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$6,012,375	\$2,882,375	\$2,527,997	\$11,422,747

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$835,794	\$0	\$835,794
Payments in Lieu of Taxes	0	0	185,331	185,331
Charges for Services	198,562	0	21,460	220,022
Fines, Licenses, Permits and Settlements	254,950	0	0	254,950
Intergovernmental	1,927,545	0	0	1,927,545
Interest	(38,130)	(136,612)	0	(174,742)
Other	905	0	69	974
Total Revenues	<u>2,343,832</u>	<u>699,182</u>	<u>206,860</u>	<u>3,249,874</u>
Expenditures:				
Current:				
General Government	133,268	0	0	133,268
Security of Persons and Property:				
Police	91,272	0	0	91,272
Public Health Services	199,951	0	3,936	203,887
Leisure Time Services	277,958	0	0	277,958
Community and Economic Development	0	0	369,064	369,064
Transportation	1,450,778	0	0	1,450,778
Capital Outlay	468,945	0	1,631,166	2,100,111
Debt Service:				
Principal Retirement	36,601	2,368,206	440,000	2,844,807
Investment Earnings/Interest	17,578	235,084	8,932	261,594
Capital Appreciation Bond Accretion	0	8,397	0	8,397
Total Expenditures	<u>2,676,351</u>	<u>2,611,687</u>	<u>2,453,098</u>	<u>7,741,136</u>
Excess of Revenues Under Expenditures	<u>(332,519)</u>	<u>(1,912,505)</u>	<u>(2,246,238)</u>	<u>(4,491,262)</u>
Other Financing Sources:				
Transfers In	50,000	1,100,000	1,125,000	2,275,000
Inception of Financed Purchase	439,435	0	0	439,435
Total Other Financing Sources	<u>489,435</u>	<u>1,100,000</u>	<u>1,125,000</u>	<u>2,714,435</u>
Net Change in Fund Balances	156,916	(812,505)	(1,121,238)	(1,776,827)
Fund Balances at Beginning of Year	<u>4,200,088</u>	<u>3,510,934</u>	<u>2,917,897</u>	<u>10,628,919</u>
Fund Balances at End of Year	<u><u>\$4,357,004</u></u>	<u><u>\$2,698,429</u></u>	<u><u>\$1,796,659</u></u>	<u><u>\$8,852,092</u></u>

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022**

	Cemetery Fund	Community Development Fund	Court Fund	Park/Recreation Impact Fee Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,089,541	\$280	\$884,707	\$190,530
Materials and Supplies Inventory	4,289	0	0	0
Prepaid Items	0	0	2,121	0
Accrued Interest Receivable	2,494	0	0	0
Intergovernmental Receivable	0	0	0	0
Total Assets	<u>\$1,096,324</u>	<u>\$280</u>	<u>\$886,828</u>	<u>\$190,530</u>
Liabilities:				
Accounts Payable	\$624	\$0	\$904	\$0
Accrued Wages Payable	9,584	0	0	0
Intergovernmental Payable	4,638	0	3,267	0
Unearned Revenue	0	0	0	0
Interfund Payable	284	0	4,236	0
Total Liabilities	<u>15,130</u>	<u>0</u>	<u>8,407</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Revenue	2,140	0	0	0
Fund Balances:				
Nonspendable	4,289	0	2,121	0
Restricted	1,074,765	280	876,300	0
Committed	0	0	0	190,530
Total Fund Balances	<u>1,079,054</u>	<u>280</u>	<u>878,421</u>	<u>190,530</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$1,096,324</u>	<u>\$280</u>	<u>\$886,828</u>	<u>\$190,530</u>

Transportation Fund	American Rescue Plan Act Fund	Total Nonmajor Special Revenue Funds
\$1,801,218	\$985,500	\$4,951,776
339,374	0	343,663
2,993	0	5,114
952	0	3,446
708,376	0	708,376
<u>\$2,852,913</u>	<u>\$985,500</u>	<u>\$6,012,375</u>
\$12,802	\$0	\$14,330
23,854	0	33,438
11,443	0	19,348
0	985,500	985,500
891	0	5,411
<u>48,990</u>	<u>985,500</u>	<u>1,058,027</u>
<u>595,204</u>	<u>0</u>	<u>597,344</u>
342,367	0	348,777
1,866,352	0	3,817,697
0	0	190,530
<u>2,208,719</u>	<u>0</u>	<u>4,357,004</u>
<u>\$2,852,913</u>	<u>\$985,500</u>	<u>\$6,012,375</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Cemetery Fund	Community Development Fund	Court Fund	Park/Recreation Impact Fee Fund
Revenues:				
Charges for Services	\$192,664	\$0	\$5,898	\$0
Fines, Licenses, Permits and Settlements	0	0	120,614	40,127
Intergovernmental	0	0	115,000	0
Interest	(34,104)	0	0	0
Other	52	0	682	0
Total Revenues	<u>158,612</u>	<u>0</u>	<u>242,194</u>	<u>40,127</u>
Expenditures:				
Current:				
General Government	0	0	6,884	0
Security of Persons and Property:				
Police	0	0	91,272	0
Public Health Services	199,951	0	0	0
Leisure Time Services	0	0	0	42,151
Transportation	0	0	0	0
Capital Outlay	0	0	454,215	0
Debt Service:				
Principal Retirement	0	0	36,601	0
Investment Earnings/Interest	0	0	17,578	0
Total Expenditures	<u>199,951</u>	<u>0</u>	<u>606,550</u>	<u>42,151</u>
Excess of Revenues Over Expenditures	<u>(41,339)</u>	<u>0</u>	<u>(364,356)</u>	<u>(2,024)</u>
Other Financing Sources (Uses):				
Transfers In	40,000	0	0	0
Inception of Financed Purchase	0	0	439,435	0
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>0</u>	<u>439,435</u>	<u>0</u>
Net Change in Fund Balances	(1,339)	0	75,079	(2,024)
Fund Balances at Beginning of Year	<u>1,080,393</u>	<u>280</u>	<u>803,342</u>	<u>192,554</u>
Fund Balances at End of Year	<u><u>\$1,079,054</u></u>	<u><u>\$280</u></u>	<u><u>\$878,421</u></u>	<u><u>\$190,530</u></u>

Transportation Fund	American Rescue Plan Act Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$198,562
94,209	0	254,950
1,450,354	362,191	1,927,545
(4,026)	0	(38,130)
171	0	905
<u>1,540,708</u>	<u>362,191</u>	<u>2,343,832</u>
0	126,384	133,268
0	0	91,272
0	0	199,951
0	235,807	277,958
1,450,778	0	1,450,778
14,730	0	468,945
0	0	36,601
0	0	17,578
<u>1,465,508</u>	<u>362,191</u>	<u>2,676,351</u>
<u>75,200</u>	<u>0</u>	<u>(332,519)</u>
10,000	0	50,000
0	0	439,435
<u>10,000</u>	<u>0</u>	<u>489,435</u>
85,200	0	156,916
<u>2,123,519</u>	<u>0</u>	<u>4,200,088</u>
<u>\$2,208,719</u>	<u>\$0</u>	<u>\$4,357,004</u>

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2022**

	Tax Increment Financing Fund	Cemetery Improvement Fund	OPWC Capital Grant Fund	Parks Reserve and Replacement Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$203,104	\$110,132	\$1,140,031	\$50,000
Payment in Lieu of Taxes Receivable	224,730	0	0	0
Assets Held for Resale	400,000	0	0	0
Total Assets	\$827,834	\$110,132	\$1,140,031	\$50,000
Liabilities:				
Contracts Payable	\$0	\$0	\$54,981	\$0
Contracts Payable - Economic Development	300,000	0	0	0
Intergovernmental Payable	67,336	0	0	0
Retainage Payable	0	0	48,608	0
Advances From Other Funds	35,683	0	0	0
Total Liabilities	403,019	0	103,589	0
Deferred Inflows of Resources:				
Payment in Lieu of Taxes	224,730	0	0	0
Fund Balances:				
Restricted	200,085	110,132	0	0
Committed	0	0	1,036,442	50,000
Total Fund Balances	200,085	110,132	1,036,442	50,000
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$827,834	\$110,132	\$1,140,031	\$50,000

Fire-EMS Reserve and Replacement Fund	Bike Trail Reserve and Replacement Fund	Total Nonmajor Capital Projects Funds
\$300,000	\$100,000	\$1,903,267
0	0	224,730
0	0	400,000
<u>\$300,000</u>	<u>\$100,000</u>	<u>\$2,527,997</u>
\$0	\$0	\$54,981
0	0	300,000
0	0	67,336
0	0	48,608
0	0	35,683
<u>0</u>	<u>0</u>	<u>506,608</u>
0	0	224,730
0	0	310,217
<u>300,000</u>	<u>100,000</u>	<u>1,486,442</u>
<u>300,000</u>	<u>100,000</u>	<u>1,796,659</u>
<u>\$300,000</u>	<u>\$100,000</u>	<u>\$2,527,997</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Tax Increment Financing Fund	Cemetery Improvement Fund	OPWC Capital Grant Fund	Parks Reserve and Replacement Fund
Revenues:				
Payments in Lieu of Taxes	\$185,331	\$0	\$0	\$0
Charges for Services	13,460	8,000	0	0
Other	69	0	0	0
Total Revenues	<u>198,860</u>	<u>8,000</u>	<u>0</u>	<u>0</u>
Expenditures:				
Current:				
Public Health Services	0	3,936	0	0
Community and Economic Development	369,064	0	0	0
Capital Outlay	211,309	0	1,419,857	0
Debt Service:				
Principal Retirement	440,000	0	0	0
Interest	8,932	0	0	0
Total Expenditures	<u>1,029,305</u>	<u>3,936</u>	<u>1,419,857</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(830,445)</u>	<u>4,064</u>	<u>(1,419,857)</u>	<u>0</u>
Other Financing Sources:				
Transfers In	<u>75,000</u>	<u>0</u>	<u>800,000</u>	<u>50,000</u>
Net Change in Fund Balances	(755,445)	4,064	(619,857)	50,000
Fund Balances at Beginning of Year	<u>955,530</u>	<u>106,068</u>	<u>1,656,299</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$200,085</u></u>	<u><u>\$110,132</u></u>	<u><u>\$1,036,442</u></u>	<u><u>\$50,000</u></u>

Fire-EMS Reserve and Replacement Fund	Bike Trail Reserve and Replacement Fund	Total Nonmajor Capital Projects Funds
\$0	\$0	\$185,331
0	0	21,460
<u>0</u>	<u>0</u>	<u>69</u>
<u>0</u>	<u>0</u>	<u>206,860</u>
0	0	3,936
0	0	369,064
0	0	1,631,166
0	0	440,000
<u>0</u>	<u>0</u>	<u>8,932</u>
<u>0</u>	<u>0</u>	<u>2,453,098</u>
<u>0</u>	<u>0</u>	<u>(2,246,238)</u>
<u>150,000</u>	<u>50,000</u>	<u>1,125,000</u>
150,000	50,000	(1,121,238)
<u>150,000</u>	<u>50,000</u>	<u>2,917,897</u>
<u><u>\$300,000</u></u>	<u><u>\$100,000</u></u>	<u><u>\$1,796,659</u></u>

CITY OF LEBANON, OHIO

INTERNAL SERVICE FUNDS

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

Automotive Maintenance Fund

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

Self-Insurance Fund

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

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$64,761	\$1,414,797	\$1,479,558
Accrued Interest Receivable	0	3,627	3,627
Prepaid Items	2,993	0	2,993
Materials and Supplies Inventory	82,095	0	82,095
Total Current Assets	149,849	1,418,424	1,568,273
Noncurrent Assets:			
Restricted Asset:			
Net Pension Asset	4,182	0	4,182
Net OPEB Asset	28,499	0	28,499
Depreciable Capital Assets, Net	119,053	0	119,053
Total Noncurrent Assets	151,734	0	151,734
Total Assets	301,583	1,418,424	1,720,007
Deferred Outflows of Resources:			
Pension	40,725	0	40,725
OPEB	579	0	579
Total Deferred Outflows of Resources	41,304	0	41,304
Liabilities:			
Current Liabilities:			
Accounts Payable	720	2,507	3,227
Accrued Wages Payable	15,551	0	15,551
Intergovernmental Payable	7,498	35	7,533
Interfund Payable	293	0	293
Claims Payable	0	416,754	416,754
Compensated Absences Payable	8,310	0	8,310
Total Current Liabilities	32,372	419,296	451,668
Long-term Liabilities:			
Compensated Absences Payable	38,915	0	38,915
Net Pension Liability	81,269	0	81,269
Total Long-Term Liabilities	120,184	0	120,184
Total Liabilities	152,556	419,296	571,852
Deferred Inflows of Resources:			
Pension	99,904	0	99,904
OPEB	29,553	0	29,553
Total Deferred Inflow of Resources	129,457	0	129,457
Net Position:			
Investment in Capital Assets	119,053	0	119,053
Restricted for Pension Plans	4,180	0	4,180
Unrestricted (Deficit)	(62,359)	999,128	936,769
Total Net Position	\$60,874	\$999,128	\$1,060,002

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Operating Revenues:			
Charges for Services	\$299,153	\$2,261,293	\$2,560,446
Other	106	488,005	488,111
Total Operating Revenues	<u>299,259</u>	<u>2,749,298</u>	<u>3,048,557</u>
Operating Expenses:			
Personal Services	238,332	0	238,332
Contractual Services	43,735	498,957	542,692
Supplies and Materials	3,336	0	3,336
Claims	0	2,136,993	2,136,993
Depreciation	16,886	0	16,886
Total Operating Expenses	<u>302,289</u>	<u>2,635,950</u>	<u>2,938,239</u>
Operating Income (Loss)	(3,030)	113,348	110,318
Non-Operating Revenues:			
Interest	0	(82,294)	(82,294)
Change in Net Position	(3,030)	31,054	28,024
Net Position at Beginning of Year	<u>63,904</u>	<u>968,074</u>	<u>1,031,978</u>
Net Position at End of Year	<u><u>\$60,874</u></u>	<u><u>\$999,128</u></u>	<u><u>\$1,060,002</u></u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Automotive Maintenance Fund	Self- Insurance Fund	Total
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Interfund Services Provided	\$299,153	\$2,261,293	\$2,560,446
Cash Payments for Employee Services and Benefits	(280,213)	0	(280,213)
Cash Payments to Suppliers for Goods and Services	(59,024)	(497,775)	(556,799)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(2,038,819)	(2,038,819)
Other Operating Revenues	106	488,005	488,111
Net Cash Provided by (Used for) Operating Activities	<u>(39,978)</u>	<u>212,704</u>	<u>172,726</u>
Cash Flows from Investing Activities:			
Interest	0	(84,432)	(84,432)
Net Increase (Decrease) in Cash and Cash Equivalents	(39,978)	128,272	88,294
Cash and Cash Equivalents at Beginning of Year	<u>104,739</u>	<u>1,286,525</u>	<u>1,391,264</u>
Cash and Cash Equivalents at End of Year	<u><u>\$64,761</u></u>	<u><u>\$1,414,797</u></u>	<u><u>\$1,479,558</u></u>
Reconciliation of Operating Income (Loss) to <u>Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	<u>(\$3,030)</u>	<u>\$113,348</u>	<u>\$110,318</u>
Adjustments to Reconcile Operating Income (Loss) to <u>Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation	16,886	0	16,886
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	(9,295)	0	(9,295)
Prepays Items	(2,993)	0	(2,993)
Net Pension Asset	(477)	0	(477)
Net OPEB Asset	412	0	412
Deferred Outflows of Resources - Pension	29,516	0	29,516
Deferred Outflows of Resources - OPEB	11,545	0	11,545
Increase (Decrease) in Liabilities:			
Accounts Payable	254	1,147	1,401
Accrued Wages Payable	6,234	0	6,234
Intergovernmental Payable	2,941	35	2,976
Claims Payable	0	98,174	98,174
Compensated Absences Payable	3,213	0	3,213
Net Pension Liability	(4,669)	0	(4,669)
Deferred Inflows of Resources - Pension	(54,821)	0	(54,821)
Deferred Inflows of Resources - OPEB	(35,694)	0	(35,694)
Net Cash Provided by (Used for) Operating Activities	<u><u>(\$39,978)</u></u>	<u><u>\$212,704</u></u>	<u><u>\$172,726</u></u>

CITY OF LEBANON, OHIO

CUSTODIAL FUNDS

To account for and report assets held by the City as an agent for individuals, private organizations, or other governmental units.

Municipal Court Fund

To account for and report monies that are disbursed to other governments through the Clerk of Courts Office. The liabilities represent amounts where no further action is needed to release the assets.

Joint Economic Development District Fund

To account for and report income tax monies received from various business owners within the Joint Economic Development District collected by the City to be disbursed to Turtlecreek Township. The liabilities represent amounts where no further action is needed to release the assets.

Energy Special Improvement District Fund

To account for and report special assessment collections received from the County within the Energy Special Improvement District collected by the City to be disbursed to Turtlecreek Township. The liabilities represent amounts where no further action is needed to release the assets.

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF
FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022**

	Municipal Court Fund	Joint Economic Development District Fund	Energy Special Improvement District Fund	Total
Assets:				
Equity In Pooled Cash And Cash Equivalents	\$0	\$3,033	\$2,318	\$5,351
Cash and Cash Equivalents In Segregated Accounts	29,350	0	0	29,350
Total Assets	<u>\$29,350</u>	<u>\$3,033</u>	<u>\$2,318</u>	<u>\$34,701</u>
Liabilities:				
Accounts Payable	\$19	\$0	\$2,318	\$2,337
Intergovernmental Payable	29,331	3,033	0	32,364
Total Liabilities	<u>\$29,350</u>	<u>\$3,033</u>	<u>\$2,318</u>	<u>\$34,701</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Municipal Court Fund	Joint Economic Development District Fund	Energy Special Improvement District Fund	Total
Additions:				
Fines and Forfeitures for Other Governments	\$1,279,308	\$0	\$0	\$1,279,308
Special Assessment Collections for Other Governments	0	0	557,204	557,204
Amounts Received as Fiscal Agent	0	23,335	0	23,335
Total Additions	1,279,308	23,335	557,204	1,859,847
Deductions:				
Distributions to the State of Ohio	1,132,936	0	0	1,132,936
Fines and Forfeitures Distributions to Other Governments	133,413	0	0	133,413
Special Assessment Distributions to Other Governments	0	0	557,204	557,204
Distributions to Individuals	12,959	0	0	12,959
Distributions as Fiscal Agent	0	23,335	0	23,335
Total Deductions	1,279,308	23,335	557,204	1,859,847
Net Position Beginning Of Year	0	0	0	0
Net Position End Of Year	\$0	\$0	\$0	\$0

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, 2022

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$1,514,194	\$1,514,194	\$0
Income Taxes	7,212,145	7,212,145	0
Other Local Taxes	1,543,239	1,543,239	0
Charges for Services	3,907,757	3,907,757	0
Fines, Licenses, Permits and Settlements	1,024,131	1,024,131	0
Intergovernmental	2,373,318	2,373,318	0
Investment Earnings/Interest	764,794	764,794	0
Contributions and Donations	87,360	87,360	0
Other	108,374	108,735	361
Total Revenues	18,535,312	18,535,673	361
Expenditures:			
Current:			
General Government			
Legislative			
Personal Services	52,784	51,714	1,070
Contractual Services	108,300	102,744	5,556
Supplies and Materials	15,600	11,960	3,640
Total Legislative	176,684	166,418	10,266
City Manager			
Personal Services	467,219	467,043	176
Contractual Services	97,572	95,264	2,308
Supplies and Materials	23,484	21,661	1,823
Total City Manager	588,275	583,968	4,307
Personnel			
Personal Services	187,225	185,458	1,767
Contractual Services	37,961	37,738	223
Supplies and Materials	9,380	9,098	282
Total Personnel	234,566	232,294	2,272
Department of Service			
Personal Services	413,942	398,666	15,276
Contractual Services	13,140	11,679	1,461
Supplies and Materials	5,575	2,655	2,920
Total Department of Service	432,657	413,000	19,657
Information Technology			
Personal Services	225,400	224,981	419
Contractual Services	379,635	358,152	21,483
Supplies and Materials	3,680	1,206	2,474
Total Information Technology	\$608,715	\$584,339	\$24,376

(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, 2022
(CONTINUED)

	Budgeted Amounts		Variance
	Final		with
	Budget	Actual	Final Budget
Finance			
Personal Services	\$518,683	\$511,500	\$7,183
Contractual Services	105,782	98,974	6,808
Supplies and Materials	7,163	7,039	124
	<hr/>	<hr/>	<hr/>
Total Finance	631,628	617,513	14,115
	<hr/>	<hr/>	<hr/>
Income Tax			
Personal Services	336,620	305,698	30,922
Contractual Services	32,802	32,337	465
Supplies and Materials	17,581	7,845	9,736
Refunds	380,000	366,652	13,348
Other	273,000	270,753	2,247
	<hr/>	<hr/>	<hr/>
Total Income Tax	1,040,003	983,285	56,718
	<hr/>	<hr/>	<hr/>
Law			
Personal Services	242,824	240,645	2,179
Contractual Services	216,632	168,830	47,802
Supplies and Materials	300	201	99
	<hr/>	<hr/>	<hr/>
Total Law	459,756	409,676	50,080
	<hr/>	<hr/>	<hr/>
Municipal Court			
Personal Services	753,856	642,796	111,060
Contractual Services	138,180	113,314	24,866
Supplies and Materials	13,000	7,916	5,084
	<hr/>	<hr/>	<hr/>
Total Municipal Court	905,036	764,026	141,010
	<hr/>	<hr/>	<hr/>
Parking System			
Contractual Services	2,000	870	1,130
Capital Outlay	95,000	93,560	1,440
	<hr/>	<hr/>	<hr/>
Total Parking System	97,000	94,430	2,570
	<hr/>	<hr/>	<hr/>
Probation			
Personal Services	373,973	372,364	1,609
Contractual Services	22,452	8,863	13,589
Supplies and Materials	5,626	3,892	1,734
	<hr/>	<hr/>	<hr/>
Total Probation	402,051	385,119	16,932
	<hr/>	<hr/>	<hr/>
Building Maintenance			
Personal Services	229,126	215,045	14,081
Contractual Services	104,035	91,424	12,611
Supplies and Materials	29,923	25,768	4,155
	<hr/>	<hr/>	<hr/>
Total Building Maintenance	\$363,084	\$332,237	\$30,847
	<hr/>	<hr/>	<hr/>

(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, 2022
(CONTINUED)

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Other General Government			
Contractual Services	\$109,260	\$98,396	\$10,864
Supplies and Materials	29,300	28,346	954
Reimbursements	1,000	0	1,000
Total Other General Government	139,560	126,742	12,818
Total General Government	6,079,015	5,693,047	385,968
Security of Persons and Property			
Police			
Personal Services	4,854,533	4,848,458	6,075
Contractual Services	588,146	583,993	4,153
Supplies and Materials	219,139	204,265	14,874
Capital Outlay	85,000	74,294	10,706
Total Police	5,746,818	5,711,010	35,808
Police Donation Trust			
Supplies and Materials	9,346	346	9,000
Total Security of Persons and Property	5,756,164	5,711,356	44,808
Leisure Time Services			
Recreation Programs			
Personal Services	419,389	315,512	103,877
Contractual Services	435,583	415,213	20,370
Supplies and Materials	143,070	142,947	123
Capital Outlay	2,383,487	2,174,110	209,377
Refunds	250	0	250
Total Leisure Time Services	3,381,779	3,047,782	333,997
Community and Economic Development			
Planning and Development			
Personal Services	398,320	395,098	3,222
Contractual Services	461,535	436,692	24,843
Supplies and Materials	7,800	3,145	4,655
Capital Outlay	30,000	27,299	2,701
Refunds	1,500	0	1,500
Total Planning and Development	\$899,155	\$862,234	\$36,921

(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, 2022
(CONTINUED)

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Engineer Services			
Personal Services	\$455,723	\$434,026	\$21,697
Contractual Services	2,745,093	2,644,234	100,859
Supplies and Materials	16,462	2,641	13,821
Refunds	800	750	50
Total Engineer Services	3,218,078	3,081,651	136,427
Total Community and Economic Development	4,117,233	3,943,885	173,348
Total Expenditures	19,334,191	18,396,070	938,121
Excess of Revenues Over (Under)Expenditures	(798,879)	139,603	938,482
Other Financing Uses:			
Transfers Out	(1,817,000)	(1,777,000)	40,000
Advances Out	(4,000,000)	(2,000,000)	2,000,000
Total Other Financing Uses	(5,817,000)	(3,777,000)	2,040,000
Net Change in Fund Balance	(6,615,879)	(3,637,397)	2,978,482
Fund Balance at Beginning of Year	10,317,510	10,317,510	0
Prior Year Encumbrances Appropriated	880,170	880,170	0
Fund Balance at End of Year	\$4,581,801	\$7,560,283	\$2,978,482

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE AND LIFE SQUAD SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$4,538,342	\$4,538,342	\$0
Charges for Services	699,505	699,505	0
Intergovernmental	225,750	225,750	0
Other	5,207	5,207	0
Total Revenues	5,468,804	5,468,804	0
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	3,743,545	3,742,799	746
Contractual Services	746,244	746,111	133
Supplies and Materials	68,150	67,913	237
Total Security of Persons and Property	4,557,939	4,556,823	1,116
Capital Outlay	2,293,901	2,256,686	37,215
Debt Service:			
Principal Retirement	825,000	825,000	0
Interest	87,858	87,769	89
Total Debt Service	912,858	912,769	89
Total Expenditures	7,764,698	7,726,278	38,420
Excess of Revenues Under Expenditures	(2,295,894)	(2,257,474)	38,420
Other Financing Sources (Uses):			
Transfers Out	(150,000)	(150,000)	0
Bond Anticipation Notes Issued	400,000	400,000	0
Premium on Debt Issued	3,284	3,284	0
Total Other Financing Sources (Uses)	253,284	253,284	0
Net Change in Fund Balance	(2,042,610)	(2,004,190)	38,420
Fund Balance at Beginning of Year	2,606,211	2,606,211	0
Prior Year Encumbrances Appropriated	2,166,559	2,166,559	0
Fund Balance at End of Year	\$2,730,160	\$2,768,580	\$38,420

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final Budget	Actual	with Final Budget
Revenues:			
Income Taxes	\$4,566,729	\$4,566,729	\$0
Special Assessments	259,274	259,274	0
Intergovernmental	795,009	795,009	0
Interest	85,203	85,203	0
Contributions and Donations	365,700	365,700	0
Other	57,486	57,486	0
Total Revenues	6,129,401	6,129,401	0
Expenditures:			
Capital Outlay	8,881,891	8,470,107	411,784
Debt Service:			
Principal Retirement	77,194	77,194	0
Interest	3,508	3,508	0
Total Debt Service	80,702	80,702	0
Total Expenditures	8,962,593	8,550,809	411,784
Excess of Revenues Under Expenditures	(2,833,192)	(2,421,408)	411,784
Other Financing Sources (Uses):			
Transfers In	452,000	452,000	0
Transfers Out	(875,000)	(800,000)	75,000
Total Other Financing Sources (Uses)	(423,000)	(348,000)	75,000
Net Change in Fund Balance	(3,256,192)	(2,769,408)	486,784
Fund Balance at Beginning of Year	2,694,619	2,694,619	0
Prior Year Encumbrances Appropriated	2,543,220	2,543,220	0
Fund Balance at End of Year	\$1,981,647	\$2,468,431	\$486,784

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
ELECTRIC ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$32,120,508	\$32,120,508	\$0
Other	23,310	23,310	0
Interest	560,304	560,304	0
Utility Deposits Received	148,285	148,285	0
Other Non-Operating Revenues	63,787	63,787	0
Capital Grants and Contributions	15,000	15,000	0
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	32,931,194	32,931,194	0
	<u> </u>	<u> </u>	<u> </u>
Expenses:			
Personal Services	2,661,631	2,467,965	193,666
Contractual Services	2,519,103	1,702,181	816,922
Purchased Power	23,899,417	23,454,820	444,597
Supplies and Materials	450,258	331,276	118,982
Utility Deposits Returned	150,000	123,745	26,255
Capital Outlay	5,963,126	2,500,059	3,463,067
Other	8,200	0	8,200
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	35,651,735	30,580,046	5,071,689
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Equity	(2,720,541)	2,351,148	5,071,689
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at Beginning of Year	36,515,374	36,515,374	0
Prior Year Encumbrances Appropriated	1,289,190	1,289,190	0
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at End of Year	<u>\$35,084,023</u>	<u>\$40,155,712</u>	<u>\$5,071,689</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
SANITATION ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$2,016,570	\$2,016,570	\$0
Other	46	46	0
Interest	14,300	14,300	0
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	2,030,916	2,030,916	0
	<u> </u>	<u> </u>	<u> </u>
Expenses:			
Personal Services	215,682	211,998	3,684
Contractual Services	1,810,952	1,771,476	39,476
Other	1,500	0	1,500
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	2,028,134	1,983,474	44,660
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Equity	2,782	47,442	44,660
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at Beginning of Year	726,890	726,890	0
Prior Year Encumbrances Appropriated	16,980	16,980	0
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at End of Year	<u>\$746,652</u>	<u>\$791,312</u>	<u>\$44,660</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final Budget	Actual	with Final Budget
Revenues:			
Charges for Services	\$4,290,076	\$4,290,076	\$0
Operating Grants	1,741,763	1,741,763	0
Capital Grants and Contributions	500,000	500,000	0
Interest	86,492	86,492	0
Other	353	353	0
Total Revenues	<u>6,618,684</u>	<u>6,618,684</u>	<u>0</u>
Expenses:			
Personal Services	870,443	858,423	12,020
Contractual Services	1,930,161	1,916,180	13,981
Supplies and Materials	160,929	137,212	23,717
Capital Outlay	14,893,790	14,887,081	6,709
Other	1,200	0	1,200
Debt Service:			
Principal Retirement	680,000	680,000	0
Interest	49,190	46,690	2,500
Total Expenses	<u>18,585,713</u>	<u>18,525,586</u>	<u>60,127</u>
Excess of Revenues Under Expenses Before Transfers and Advances	(11,967,029)	(11,906,902)	60,127
Advances In	2,000,000	2,000,000	0
Transfers Out	(2,500)	0	2,500
Advances Out	(4,000,000)	0	4,000,000
Net Change in Fund Equity	(13,969,529)	(9,906,902)	4,062,627
Fund Equity at Beginning of Year	3,406,409	3,406,409	0
Prior Year Encumbrances Appropriated	<u>1,208,903</u>	<u>1,208,903</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u><u>(\$9,354,217)</u></u>	<u><u>(\$5,291,590)</u></u>	<u><u>\$4,062,627</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
TELECOMMUNICATIONS ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$21,630	\$21,630	\$0
Other Non Operating	125,020	125,020	0
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	146,650	146,650	0
	<u> </u>	<u> </u>	<u> </u>
Expenses:			
Personal Services	79,695	30,515	49,180
Contractual Services	70,350	68,138	2,212
Capital Outlay	5,000	2,423	2,577
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	155,045	101,076	53,969
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Equity	(8,395)	45,574	53,969
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at Beginning of Year	290,973	290,973	0
Prior Year Encumbrances Appropriated	387	387	0
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at End of Year	<u>\$282,965</u>	<u>\$336,934</u>	<u>\$53,969</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
WATER ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final Budget	Actual	with Final Budget
Revenues:			
Charges for Services	\$5,295,946	\$5,295,946	\$0
Other	2,735	2,735	0
Interest	122,952	122,952	0
Utility Deposits Received	7,250	7,250	0
	<u>5,428,883</u>	<u>5,428,883</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	381,703	381,233	470
Contractual Services	1,039,266	997,019	42,247
Supplies and Materials	2,333,908	2,305,324	28,584
Utility Deposits Returned	15,000	6,476	8,524
Capital Outlay	2,057,400	1,782,931	274,469
Other	3,800	2,155	1,645
Debt Service:			
Principal Retirement	395,000	395,000	0
Interest	241,850	241,850	0
	<u>6,467,927</u>	<u>6,111,988</u>	<u>355,939</u>
Total Expenses			
Net Change in Fund Equity	(1,039,044)	(683,105)	355,939
Fund Equity at Beginning of Year	5,984,546	5,984,546	0
Prior Year Encumbrances Appropriated	886,369	886,369	0
Fund Equity at End of Year	<u>\$5,831,871</u>	<u>\$6,187,810</u>	<u>\$355,939</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
STORM WATER UTILITY ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$1,012,740	\$1,012,740	\$0
Other	40	40	0
Interest	16,858	16,858	0
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	1,029,638	1,029,638	0
	<u> </u>	<u> </u>	<u> </u>
Expenses:			
Personal Services	116,270	116,088	182
Contractual Services	212,893	167,956	44,937
Capital Outlay	1,099,459	808,229	291,230
Other	1,000	0	1,000
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	1,429,622	1,092,273	337,349
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Equity	(399,984)	(62,635)	337,349
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at Beginning of Year	672,837	672,837	0
Prior Year Encumbrances Appropriated	301,835	301,835	0
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at End of Year	<u>\$574,688</u>	<u>\$912,037</u>	<u>\$337,349</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	Final Budget	Actual	
Revenues:			
Charges for Services	\$192,664	\$192,664	\$0
Investment Earnings/Interest	22,409	22,409	0
Other	52	52	0
Total Revenues	<u>215,125</u>	<u>215,125</u>	<u>0</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	166,158	144,582	21,576
Contractual Services	52,592	46,725	5,867
Supplies and Materials	5,450	5,414	36
Other	2,500	0	2,500
Total Expenditures	<u>226,700</u>	<u>196,721</u>	<u>29,979</u>
Excess of Revenues Over (Under) Expenditures	(11,575)	18,404	29,979
Other Financing Sources:			
Transfers In	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Net Change in Fund Balance	28,425	58,404	29,979
Fund Balance at Beginning of Year	1,030,269	1,030,269	0
Prior Year Encumbrances Appropriated	<u>9,048</u>	<u>9,048</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,067,742</u></u>	<u><u>\$1,097,721</u></u>	<u><u>\$29,979</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Variance with
	Final Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$5,898	\$5,898	\$0
Fines, Licenses, Permits and Settlements	118,222	118,222	0
Intergovernmental	115,000	115,000	0
Total Revenues	<u>239,120</u>	<u>239,120</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Municipal Court Special Project			
Contractual Services	30,000	18,100	11,900
Federal Asset Forfeiture			
Capital Outlay	4,000	0	4,000
Total General Government	<u>34,000</u>	<u>18,100</u>	<u>15,900</u>
Security of Persons and Property			
Indigent Drivers Alcohol			
Contractual Services	105,108	38,543	66,565
Supplies and Materials	31,101	2,334	28,767
Total Indigent Drivers Alcohol	<u>136,209</u>	<u>40,877</u>	<u>95,332</u>
Computerized Legal Research			
Contractual Services	5,000	2,584	2,416
Supplies and Materials	39,600	39,588	12
Capital Outlay	2,000	0	2,000
Total Computerized Legal Research	<u>46,600</u>	<u>42,172</u>	<u>4,428</u>
Computer Improvement			
Contractual Services	20,000	13,375	6,625
Capital Outlay	10,000	8,411	1,589
Total Computer Improvement	<u>30,000</u>	<u>21,786</u>	<u>8,214</u>
Total Security of Persons and Property	<u>212,809</u>	<u>104,835</u>	<u>107,974</u>
Capital Outlay	<u>27,500</u>	<u>15,586</u>	<u>11,914</u>
Debt Service:			
Principal Retirement	36,601	36,601	0
Interest	17,578	17,578	0
Total Debt Service	<u>54,179</u>	<u>54,179</u>	<u>0</u>
Total Expenditures	<u>328,488</u>	<u>192,700</u>	<u>135,788</u>
Net Change in Fund Balance	(89,368)	46,420	135,788
Fund Balance at Beginning of Year	766,154	766,154	0
Prior Year Encumbrances Appropriated	34,492	34,492	0
Fund Balance at End of Year	<u>\$711,278</u>	<u>\$847,066</u>	<u>\$135,788</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK/RECREATION IMPACT FEE SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Fines, Licenses, Permits and Settlements	\$40,127	\$40,127	\$0
Expenditures:			
Current:			
Leisure Time Services			
Capital Outlay	230,078	92,151	137,927
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	(189,951)	(52,024)	(137,927)
Fund Balance at Beginning of Year	162,475	162,475	0
Prior Year Encumbrances Appropriated	30,078	30,078	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at End of Year	<u>\$2,602</u>	<u>\$140,529</u>	<u>(\$137,927)</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final Budget	Actual	with Final Budget
Revenues:			
Fines, Licenses, Permits and Settlements	\$94,209	\$94,209	\$0
Intergovernmental	1,452,502	1,452,502	0
Investment Earnings/Interest	5,545	5,545	0
Other	171	171	0
	<u>1,552,427</u>	<u>1,552,427</u>	<u>0</u>
Total Revenues			
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	556,702	531,993	24,709
Contractual Services	474,918	474,885	33
Supplies and Materials	283,556	262,341	21,215
	<u>1,315,176</u>	<u>1,269,219</u>	<u>45,957</u>
Total Street Maintenance and Repair			
Division Highway Maintenance			
Contractual Services	7,725	7,571	154
Supplies and Materials	61,500	60,451	1,049
	<u>69,225</u>	<u>68,022</u>	<u>1,203</u>
Total Division Highway Maintenance			
Transportation Impact Fee			
Contractual Services	311,000	310,918	82
Capital Outlay	16,168	16,168	0
	<u>327,168</u>	<u>327,086</u>	<u>82</u>
Total Transportation Impact Fee			
Total Transportation	<u>1,711,569</u>	<u>1,664,327</u>	<u>47,242</u>
Capital Outlay	<u>284,602</u>	<u>31,787</u>	<u>252,815</u>
Total Expenditures	<u>1,996,171</u>	<u>1,696,114</u>	<u>300,057</u>
Excess of Revenues Under Expenditures	<u>(443,744)</u>	<u>(143,687)</u>	<u>300,057</u>
Other Financing Sources:			
Transfers In	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	(433,744)	(133,687)	300,057
Fund Balance at Beginning of Year	1,648,279	1,648,279	0
Prior Year Encumbrances Appropriated	<u>170,663</u>	<u>170,663</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,385,198</u>	<u>\$1,685,255</u>	<u>\$300,057</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Intergovernmental	\$265,665	\$265,665	\$0
Expenditures:			
Current:			
General Government			
Capital Outlay	331,496	150,000	181,496
Leisure Time Services			
Capital Outlay	618,504	300,000	318,504
Transportation			
Capital Outlay	450,000	450,000	0
Total Expenditures	1,400,000	900,000	500,000
Net Change in Fund Balance	(1,134,335)	(634,335)	500,000
Fund Balance at Beginning of Year	1,082,026	1,082,026	0
Fund Balance at End of Year	(\$52,309)	\$447,691	\$500,000

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Income Taxes	\$819,669	\$819,669	\$0
Interest	80,190	80,190	0
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	899,859	899,859	0
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Debt Service:			
Principal Retirement	2,376,603	2,376,603	0
Interest	255,084	235,084	20,000
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	2,631,687	2,611,687	20,000
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Under Expenditures	(1,731,828)	(1,711,828)	20,000
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources:			
Transfers In	1,100,000	1,100,000	0
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	(631,828)	(611,828)	20,000
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at Beginning of Year	3,325,285	3,325,285	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at End of Year	<u>\$2,693,457</u>	<u>\$2,713,457</u>	<u>\$20,000</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Payments in Lieu of Taxes	\$185,331	\$185,331	\$0
Charges for Services	13,460	13,460	0
Other	69	69	0
	<u>198,860</u>	<u>198,860</u>	<u>0</u>
Total Revenues			
Expenditures:			
Current:			
Community and Economic Development			
Community Planning			
Contractual Services	87,250	68,644	18,606
Supplies and Materials	10,000	1,728	8,272
Total Community and Economic Development	<u>97,250</u>	<u>70,372</u>	<u>26,878</u>
Intergovernmental			
Reimbursements	<u>85,000</u>	<u>0</u>	<u>85,000</u>
Capital Outlay	<u>620,000</u>	<u>611,309</u>	<u>8,691</u>
Debt Service:			
Principal Retirement	440,000	440,000	0
Interest	8,932	8,932	0
Total Debt Service	<u>448,932</u>	<u>448,932</u>	<u>0</u>
Total Expenditures	<u>1,251,182</u>	<u>1,130,613</u>	<u>120,569</u>
Excess of Revenues Under Expenditures	<u>(1,052,322)</u>	<u>(931,753)</u>	<u>120,569</u>
Other Financing Sources:			
Transfers In	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	(977,322)	(856,753)	120,569
Fund Balance at Beginning of Year	<u>1,059,859</u>	<u>1,059,859</u>	<u>0</u>
Fund Balance at End of Year	<u>\$82,537</u>	<u>\$203,106</u>	<u>\$120,569</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY IMPROVEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	<u>Actual</u>	Final Budget
Revenues:			
Charges for Services	\$8,000	\$8,000	\$0
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Capital Outlay	35,000	35,000	0
Net Change in Fund Balance	(27,000)	(27,000)	0
Fund Balance at Beginning of Year	106,065	106,065	0
Fund Balance at End of Year	<u>\$79,065</u>	<u>\$79,065</u>	<u>\$0</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OPWC CAPITAL GRANT PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	<u>Actual</u>	Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>2,417,427</u>	<u>2,289,579</u>	<u>127,848</u>
Excess of Revenues Under Expenditures	(2,417,427)	(2,289,579)	127,848
Other Financing Sources:			
Transfers In	<u>800,000</u>	<u>800,000</u>	<u>0</u>
Net Change in Fund Balance	(1,617,427)	(1,489,579)	127,848
Fund Balance at Beginning of Year	125,742	125,742	0
Prior Year Encumbrances Appropriated	<u>1,534,537</u>	<u>1,534,537</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$42,852</u></u>	<u><u>\$170,700</u></u>	<u><u>\$127,848</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKS RESERVE AND REPLACEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final Budget	<u>Actual</u>	with Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
Other Financing Sources:			
Transfers In	50,000	50,000	0
Net Change in Fund Balance	50,000	50,000	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$0</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE-EMS RESERVE AND REPLACEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance with Final Budget
	Final Budget	<u>Actual</u>	<u>Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources:			
Transfers In	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	150,000	150,000	0
Fund Balance at Beginning of Year	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$300,000</u></u>	<u><u>\$300,000</u></u>	<u><u>\$0</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BIKE TRAIL RESERVE AND REPLACEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
Other Financing Sources:			
Transfers In	50,000	50,000	0
Net Change in Fund Balance	50,000	50,000	0
Fund Balance at Beginning of Year	50,000	50,000	0
Fund Balance at End of Year	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$0</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
AUTOMOTIVE MAINTENANCE INTERNAL SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$299,153	\$299,153	\$0
Other	106	0	(106)
Total Revenues	<u>299,259</u>	<u>299,153</u>	<u>(106)</u>
Expenses:			
Personal Services	322,072	280,213	41,859
Contractual Services	46,785	42,268	4,517
Supplies and Materials	21,475	13,742	7,733
Capital Outlay	15,243	15,243	0
Total Expenses	<u>405,575</u>	<u>351,466</u>	<u>54,109</u>
Net Change in Fund Equity	(106,316)	(52,313)	54,003
Fund Equity at Beginning of Year	92,633	92,633	0
Prior Year Encumbrances Appropriated	<u>12,106</u>	<u>12,106</u>	<u>0</u>
Fund Equity at End of Year	<u><u>(\$1,577)</u></u>	<u><u>\$52,426</u></u>	<u><u>\$54,003</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SELF-INSURANCE INTERNAL SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$2,261,293	\$2,261,293	\$0
Other	488,005	488,005	0
Interest	35,124	35,124	0
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	2,784,422	2,784,422	0
	<u> </u>	<u> </u>	<u> </u>
Expenses:			
Contractual Services	561,341	504,824	56,517
Claims	2,061,776	2,038,919	22,857
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	2,623,117	2,543,743	79,374
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Equity	161,305	240,679	79,374
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at Beginning of Year	1,190,432	1,190,432	0
Prior Year Encumbrances Appropriated	4,648	4,648	0
	<u> </u>	<u> </u>	<u> </u>
Fund Equity at End of Year	<u>\$1,356,385</u>	<u>\$1,435,759</u>	<u>\$79,374</u>

STATISTICAL SECTION



STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	S2-S13
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	S14-S23
These schedules contain information to help the reader assess the City’s most significant local revenue sources, income taxes and charges for services for electricity.	
Debt Capacity	S24-S33
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	S34-S36
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	S37-S45
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year and/or City of Lebanon records.

CITY OF LEBANON, OHIO
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>
Governmental Activities			
Net Investment in Capital Assets	\$39,004,204	\$41,585,043	\$44,393,758
Restricted	5,585,635	6,267,670	7,975,274
Unrestricted (Deficit)	<u>18,978,185</u>	<u>7,838,796</u>	<u>5,832,012</u>
<i>Total Governmental Activities Net Position</i>	<u>63,568,024</u>	<u>55,691,509</u>	<u>58,201,044</u>
Business Type - Activities			
Net Investment in Capital Assets	55,500,876	59,251,800	60,080,356
Restricted	5,680,330	5,267,826	4,724,747
Unrestricted	<u>33,331,420</u>	<u>34,483,221</u>	<u>38,736,281</u>
<i>Total Business-Type Activities Net Position</i>	<u>94,512,626</u>	<u>99,002,847</u>	<u>103,541,384</u>
Primary Government			
Net Investment in Capital Assets	94,505,080	100,836,843	104,474,114
Restricted	11,265,965	11,535,496	12,700,021
Unrestricted	<u>52,309,605</u>	<u>42,322,017</u>	<u>44,568,293</u>
<i>Total Primary Government Net Position</i>	<u>\$158,080,650</u>	<u>\$154,694,356</u>	<u>\$161,742,428</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

(2) The City reported the impact of GASB Statement No. 75 beginning in 2017.

(3) The City reported the impact of GASB Statement No. 84 beginning in 2018.

<u>2016</u>	<u>2017 (2)</u>	<u>2018 (3)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$44,914,941	\$45,187,387	\$46,669,201	\$49,340,377	\$48,004,730	\$48,421,254	\$56,665,907
9,034,221	10,733,107	6,973,104	6,980,172	7,596,937	8,763,163	8,281,746
<u>3,619,152</u>	<u>(3,960,757)</u>	<u>(2,461,164)</u>	<u>4,233,397</u>	<u>4,826,294</u>	<u>10,885,087</u>	<u>10,763,691</u>
<u>57,568,314</u>	<u>51,959,737</u>	<u>51,181,141</u>	<u>60,553,946</u>	<u>60,427,961</u>	<u>68,069,504</u>	<u>75,711,344</u>
74,004,313	78,562,446	81,347,572	80,711,145	82,678,943	87,819,711	91,079,770
2,933,782	1,817,123	1,028,468	1,029,212	1,028,241	57,594	71,078
<u>32,769,402</u>	<u>36,361,995</u>	<u>41,541,838</u>	<u>48,841,951</u>	<u>52,974,853</u>	<u>58,692,949</u>	<u>64,711,880</u>
<u>109,707,497</u>	<u>116,741,564</u>	<u>123,917,878</u>	<u>130,582,308</u>	<u>136,682,037</u>	<u>146,570,254</u>	<u>155,862,728</u>
118,919,254	123,749,833	128,016,773	130,051,522	130,683,673	136,240,965	147,745,677
11,968,003	12,550,230	8,001,572	8,009,384	8,625,178	8,820,757	8,352,824
<u>36,388,554</u>	<u>32,401,238</u>	<u>39,080,674</u>	<u>53,075,348</u>	<u>57,801,147</u>	<u>69,578,036</u>	<u>75,475,571</u>
<u>\$167,275,811</u>	<u>\$168,701,301</u>	<u>\$175,099,019</u>	<u>\$191,136,254</u>	<u>\$197,109,998</u>	<u>\$214,639,758</u>	<u>\$231,574,072</u>

CITY OF LEBANON, OHIO
 CHANGES IN NET POSITION
 LAST TEN YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015 (1)
Program Revenues			
Governmental Activities:			
Charges for Services and Sales:			
General Government	\$2,209,851	\$2,466,267	\$981,480
Security of Persons and Property:			
Police	626,391	742,244	1,787,766
Fire	370,420	424,694	432,627
Public Health Services	104,226	119,496	153,546
Leisure Time Services	21,916	36,481	356,308
Community and Economic Development	8,130	8,130	8,129
Transportation	130,505	40,923	24,122
Subtotal - Charges for Services	<u>3,471,439</u>	<u>3,838,235</u>	<u>3,743,978</u>
Operating Grants, Contributions and Interest:			
General Government	0	0	0
Security of Persons and Property:			
Police	0	0	0
Fire	240,311	315,717	0
Public Health Services	15,000	11,463	20,750
Leisure Time Services	19,195	20,000	0
Community and Economic Development	489,069	0	0
Transportation	1,051,014	1,033,035	1,017,682
Subtotal - Operating Grants, Contributions and Interest	<u>1,814,589</u>	<u>1,380,215</u>	<u>1,038,432</u>
Capital Grants, Contributions and Interest:			
General Government	0	0	0
Public Health Services	2,874	8,146	3,669
Leisure Time Services	559,470	220,000	538,267
Transportation	2,652,544	1,374,725	1,346,575
Subtotal - Capital Grants, Contributions and Interest	<u>3,214,888</u>	<u>1,602,871</u>	<u>1,888,511</u>
<i>Total Governmental Activities Program Revenues</i>	<u>8,500,916</u>	<u>6,821,321</u>	<u>6,670,921</u>
Business-Type Activities:			
Charges for Services:			
Electric	30,606,725	32,857,624	30,582,103
Sanitation	1,512,454	1,628,911	1,683,702
Sewer	3,248,192	3,377,730	3,461,898
Telecommunications	156,348	155,642	145,296
Water	3,093,645	3,371,176	3,643,684
Storm Water Utility	793,106	848,592	976,963
Operating Grants, Contributions and Interest	0	0	0
Capital Grants, Contributions and Interest			
Electric	0	0	0
Sewer	0	0	0
Water	0	0	0
Storm Water Utility	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>39,410,470</u>	<u>42,239,675</u>	<u>40,493,646</u>
<i>Total Primary Government Program Revenues</i>	<u>\$47,911,386</u>	<u>\$49,060,996</u>	<u>\$47,164,567</u>

2016	2017 (2)	2018	2019	2020	2021	2022
\$1,131,466	\$1,065,750	\$989,195	\$1,137,062	\$1,494,913	\$2,115,640	\$1,946,962
1,129,698	1,235,170	1,143,786	1,255,220	1,245,706	1,932,340	1,639,567
445,067	492,836	567,552	567,442	578,741	697,066	699,505
116,213	104,520	148,890	142,032	137,378	213,252	200,664
697,533	699,761	657,187	616,365	676,258	596,418	564,055
216,250	235,082	237,784	257,505	316,095	555,395	983,367
92,944	121,192	278,574	359,617	333,937	429,328	274,081
3,829,171	3,954,311	4,022,968	4,335,243	4,783,028	6,539,439	6,308,201
0	0	0	0	457,030	0	335,100
0	1,000	1,674	437,122	530,480	838	115,750
0	56,458	416,393	0	635,186	62,718	25,894
29,113	0	0	0	504	0	0
10,000	1,500	3,030	500	39,663	3,000	76,510
0	774,812	0	0	144,219	0	0
1,067,460	1,001,629	1,192,576	1,395,223	1,291,702	1,641,598	1,759,234
1,106,573	1,835,399	1,613,673	1,832,845	3,098,784	1,708,154	2,312,488
0	0	0	0	0	0	126,767
8,898	4,659	12,370	19,883	9,670	3,633	0
67,385	35,250	51,547	529,171	424,723	196,000	235,424
1,255,942	1,740,358	1,409,867	1,943,452	1,340,724	1,995,821	920,090
1,332,225	1,780,267	1,473,784	2,492,506	1,775,117	2,195,454	1,282,281
6,267,969	7,569,977	7,110,425	8,660,594	9,656,929	10,443,047	9,902,970
30,372,073	31,792,788	34,392,469	33,427,305	31,128,666	32,718,002	32,690,140
1,677,936	1,722,062	1,767,643	1,788,850	1,908,450	1,966,340	2,039,890
3,553,255	3,730,088	3,862,365	3,833,562	4,122,001	4,238,787	4,378,769
58,976	54,424	40,121	32,796	25,405	23,150	21,630
4,121,890	4,525,928	4,698,976	4,799,754	5,284,141	5,371,501	5,367,542
722,944	892,518	880,798	900,552	994,465	998,979	1,000,975
0	0	118,141	0	0	12,000	1,741,763
0	0	0	0	95,890	0	15,000
230,050	1,310,860	477,950	0	0	954,855	2,871,459
410,465	1,117,535	0	0	0	1,332,657	178,600
41,630	44,572	261,165	118,609	0	750,589	7,635
41,189,219	45,190,775	46,499,628	44,901,428	43,559,018	48,366,860	50,313,403
\$47,457,188	\$52,760,752	\$53,610,053	\$53,562,022	\$53,215,947	\$58,809,907	\$60,216,373

(Continued)

CITY OF LEBANON, OHIO
 CHANGES IN NET POSITION
 LAST TEN YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (CONTINUED)

	2013	2014	2015 (1)
Expenses			
Governmental Activities:			
General Government	\$3,731,306	\$3,858,814	\$3,924,199
Intergovernmental	900,216	0	418,817
Security of Persons and Property:			
Police	4,067,094	4,361,049	4,243,356
Fire	3,136,542	2,611,925	3,165,407
Public Health Services	216,095	211,544	196,806
Leisure Time Services	1,328,928	848,639	1,340,847
Community and Economic Development	1,278,496	1,459,944	1,021,078
Transportation	3,934,203	4,112,839	4,584,011
Interest	280,800	239,369	213,544
<i>Total Governmental Activities Expenses</i>	<u>18,873,680</u>	<u>17,704,123</u>	<u>19,108,065</u>
Business-Type Activities:			
Electric	27,155,807	29,100,455	26,348,054
Sanitation	1,524,770	1,568,798	1,625,356
Sewer	2,541,355	3,722,315	3,504,416
Telecommunications	153,569	132,226	161,943
Water	3,839,171	3,848,723	3,971,143
Storm Water Utility	506,859	664,189	634,635
<i>Total Business-Type Activities Expenses</i>	<u>35,721,531</u>	<u>39,036,706</u>	<u>36,245,547</u>
<i>Total Primary Government Program Expenses</i>	<u>54,595,211</u>	<u>56,740,829</u>	<u>55,353,612</u>
Net (Expense)/Revenue			
Governmental Activities	(10,372,764)	(10,882,802)	(12,437,144)
Business-Type Activities	3,688,939	3,202,969	4,248,099
<i>Total Primary Government Net Expense</i>	<u>(6,683,825)</u>	<u>(7,679,833)</u>	<u>(8,189,045)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Taxes:			
Property Taxes Levied For:			
General Purposes	989,809	988,577	1,002,485
Fire and Life Squad	1,905,228	1,905,588	2,639,539
Income Taxes	6,371,559	6,751,574	7,425,983
Other Local Taxes	1,337,972	1,380,635	1,439,547
Payments in Lieu of Taxes	1,476,519	1,772,913	1,757,214
Grants and Entitlements not Restricted to			
Specific Programs	420,153	750,994	406,357
Investment Earnings/Interest	227,603	396,425	64,872
Other	374,038	384,300	294,305
Gain on Sale of Capital Assets	0	0	508
Transfers	(500,000)	(2,420,508)	(84,131)
<i>Total Governmental Activities</i>	<u>\$12,602,881</u>	<u>\$11,910,498</u>	<u>\$14,946,679</u>

2016	2017 (2)	2018	2019	2020	2021	2022
\$5,157,129	\$4,840,572	\$4,718,932	\$5,389,856	\$5,807,787	\$3,031,297	\$4,296,138
428,151	0	4,461,868	891,445	402,687	65,190	0
5,115,826	5,122,645	5,668,034	1,860,634	5,995,882	5,258,962	5,861,158
3,276,015	3,396,681	4,216,795	1,727,750	5,288,833	5,837,368	3,487,658
197,737	220,040	178,851	241,369	192,502	128,561	189,152
828,117	984,126	611,815	1,791,839	1,042,114	2,008,963	1,224,765
1,240,968	1,314,860	1,410,511	1,413,635	1,748,686	1,284,869	3,862,017
4,339,489	5,099,318	4,556,884	4,985,093	7,998,060	4,801,439	4,433,325
293,757	242,283	207,370	206,733	372,476	328,331	250,372
20,877,189	21,220,525	26,031,060	18,508,354	28,849,027	22,744,980	23,604,585
27,684,350	28,290,002	29,853,214	28,561,167	28,219,233	28,127,696	28,973,352
1,617,010	1,660,252	1,707,946	1,755,902	1,771,721	1,883,954	1,996,958
3,235,514	3,287,280	3,887,245	3,556,030	3,611,975	3,415,280	3,987,423
162,201	266,372	92,969	48,610	49,528	70,932	139,814
3,672,987	4,108,375	3,894,737	4,737,953	4,385,121	4,576,621	4,535,755
754,859	707,040	886,106	826,067	909,310	837,726	934,661
37,126,921	38,319,321	40,322,217	39,485,729	38,946,888	38,912,209	40,567,963
58,004,110	59,539,846	66,353,277	57,994,083	67,795,915	61,657,189	64,172,548
(14,609,220)	(13,650,548)	(18,920,635)	(9,847,760)	(19,192,098)	(12,301,933)	(13,701,615)
4,062,298	6,871,454	6,177,411	5,415,699	4,612,130	9,454,651	9,745,440
(10,546,922)	(6,779,094)	(12,743,224)	(4,432,061)	(14,579,968)	(2,847,282)	(3,956,175)
1,039,309	1,052,956	1,059,991	1,222,270	1,298,119	1,296,654	1,520,096
2,772,706	2,752,718	2,768,300	2,886,011	4,623,288	4,511,621	4,535,534
7,613,002	9,548,135	9,847,997	10,580,698	10,113,404	11,708,708	13,159,341
1,526,713	1,503,991	1,557,388	1,531,496	1,502,883	1,545,048	1,544,356
1,774,947	1,730,854	1,684,982	1,617,904	270,425	232,468	185,331
366,251	352,609	366,847	498,567	461,333	684,939	2,044,018
460,102	274,506	530,248	751,257	961,344	(113,821)	(1,294,493)
248,975	443,889	768,637	275,323	670,490	153,636	158,402
0	0	0	0	0	281,600	0
(1,825,515)	(1,273,527)	(497,767)	(142,961)	(835,173)	(357,377)	(509,130)
\$13,976,490	\$16,386,131	\$18,086,623	\$19,220,565	\$19,066,113	\$19,943,476	\$21,343,455

(Continued)

CITY OF LEBANON, OHIO
 CHANGES IN NET POSITION
 LAST TEN YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (CONTINUED)

	<u>2013</u>	<u>2014</u>	<u>2015 (1)</u>
General Revenues and Other Changes in Net Position (Continued)			
Business-Type Activities:			
Investment Earnings/Interest	\$113,323	\$282,679	\$139,240
Other	168,793	103,639	67,067
Gain on Sale of Capital Assets	0	0	0
Transfers	<u>500,000</u>	<u>2,420,508</u>	<u>84,131</u>
<i>Total Business-Type Activities</i>	<u>782,116</u>	<u>2,806,826</u>	<u>290,438</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>			
	<u>13,384,997</u>	<u>14,717,324</u>	<u>15,237,117</u>
Prior Year Restatement of Governmental Activities Net Position	0	(8,904,211)	0
Prior Year Restatement of Business-Type Activities Net Position	<u>0</u>	<u>(1,519,574)</u>	<u>0</u>
Changes in Net Position			
Governmental Activities	2,230,117	(7,876,515)	2,509,535
Business-Type Activities	<u>4,471,055</u>	<u>4,490,221</u>	<u>4,538,537</u>
<i>Total Primary Government Changes in Net Position</i>	<u>\$6,701,172</u>	<u>(\$3,386,294)</u>	<u>\$7,048,072</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2017.

2016	2017 (2)	2018	2019	2020	2021	2022
\$198,153	\$218,950	\$414,121	\$852,746	\$393,571	\$9,007	(\$1,052,387)
66,747	107,353	87,015	253,024	258,855	57,182	90,291
13,400	11,265	0	0	0	10,000	0
1,825,515	1,273,527	497,767	142,961	835,173	357,377	509,130
2,103,815	1,611,095	998,903	1,248,731	1,487,599	433,566	(452,966)
16,080,305	17,997,226	19,085,526	20,469,296	20,553,712	20,377,042	20,890,489
0	(8,344,160)	0	0	0	0	0
0	(1,448,482)	0	0	0	0	0
(632,730)	(5,608,577)	(834,012)	9,372,805	(125,985)	7,641,543	7,641,840
6,166,113	7,034,067	7,176,314	6,664,430	6,099,729	9,888,217	9,292,474
\$5,533,383	\$1,425,490	\$6,342,302	\$16,037,235	\$5,973,744	\$17,529,760	\$16,934,314

CITY OF LEBANON, OHIO
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund			
Nonspendable	\$682,168	\$565,102	\$411,009
Assigned	194,031	140,952	628,373
Unassigned	<u>5,056,978</u>	<u>5,779,984</u>	<u>5,399,631</u>
Total General Fund	<u>5,933,177</u>	<u>6,486,038</u>	<u>6,439,013</u>
All Other Governmental Funds			
Nonspendable	124,814	197,501	187,072
Restricted	4,764,186	5,531,792	7,144,478
Committed	9,520,830	4,702,921	5,903,271
Unassigned (Deficit)	<u>0</u>	<u>(238,372)</u>	<u>0</u>
Total All Other Governmental Funds	<u>14,409,830</u>	<u>10,193,842</u>	<u>13,234,821</u>
Total Governmental Funds	<u><u>\$20,343,007</u></u>	<u><u>\$16,679,880</u></u>	<u><u>\$19,673,834</u></u>

2016	2017	2018	2019	2020	2021	2022
\$204,518	\$111,593	\$104,384	\$113,084	\$133,447	\$105,955	\$144,640
4,227,592	315,523	290,171	319,871	4,521,506	2,123,434	5,232,844
866,041	5,723,205	6,805,662	8,198,455	6,978,469	10,549,650	5,166,927
5,298,151	6,150,321	7,200,217	8,631,410	11,633,422	12,779,039	10,544,411
154,692	139,403	154,686	197,053	237,201	269,749	383,961
8,245,204	10,187,756	6,272,909	5,134,492	11,542,370	7,018,622	6,396,733
5,709,472	5,684,713	5,869,249	8,117,619	7,880,312	9,923,237	10,610,965
0	0	0	0	0	0	0
14,109,368	16,011,872	12,296,844	13,449,164	19,659,883	17,211,608	17,391,659
\$19,407,519	\$22,162,193	\$19,497,061	\$22,080,574	\$31,293,305	\$29,990,647	\$27,936,070

CITY OF LEBANON, OHIO
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2013	2014	2015	2016	2017
Revenues					
Property Taxes	\$2,936,952	\$2,940,203	\$3,651,116	\$3,848,031	\$3,786,101
Income Taxes	6,334,779	6,765,581	7,055,726	7,541,820	8,611,067
Other Local Taxes	1,337,972	1,380,635	1,439,547	1,526,713	1,503,991
Payments in Lieu of Taxes	1,476,519	1,772,913	1,757,214	1,774,947	1,730,854
Special Assessments	124,099	37,671	324	64,425	79,585
Charges for Services	2,601,728	2,902,988	2,886,962	2,953,745	3,011,271
Fines, Licenses, Permits and Settlements	754,072	906,570	857,016	834,416	863,288
Leases	0	0	0	0	0
Intergovernmental	5,404,430	2,407,179	4,674,712	2,731,688	3,912,435
Investment Earnings/Interest	167,756	397,885	58,337	444,478	282,943
Contributions and Donations	19,195	20,000	20,750	10,000	2,500
Other	374,038	384,300	294,305	248,975	443,889
Total Revenues	21,531,540	19,915,925	22,696,009	21,979,238	24,227,924
Expenditures					
Current:					
General Government	3,845,070	4,022,641	3,905,327	4,976,238	4,215,031
Security of Persons and Property:					
Police	4,145,205	4,491,399	4,367,772	4,537,637	4,702,582
Fire	2,867,920	2,960,394	2,646,167	3,016,268	3,062,306
Public Health Services	166,325	180,868	158,906	168,762	167,715
Leisure Time Services	1,184,816	750,673	1,198,390	680,947	703,577
Community and Economic Development	1,225,319	990,247	1,099,926	1,038,424	1,113,108
Transportation	1,226,412	947,545	1,217,506	921,484	1,191,944
Intergovernmental	900,216	407,960	418,817	428,151	0
Capital Outlay	7,728,631	8,522,810	3,906,252	7,033,480	5,102,432
Debt Service:					
Principal Retirement	605,496	2,080,519	2,595,541	2,715,564	4,650,588
Interest	291,117	283,889	239,999	319,007	298,092
Capital Appreciation Bonds Accretion	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	326,092
Total Expenditures	24,186,527	25,638,945	21,754,603	25,835,962	25,533,467
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,654,987)	(5,723,020)	941,406	(3,856,724)	(1,305,543)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	32,077	19,541	30,498	43,396	854,877
Proceeds of Loans	0	0	0	0	0
Transfers In	702,500	1,632,500	1,007,500	1,087,500	372,500
Transfers Out	(1,202,500)	(1,632,500)	(1,007,500)	(1,733,068)	(1,392,500)
Inception of Financed Purchase	0	0	0	0	0
General Obligation Bonds Issued	2,655,000	0	0	1,935,000	2,125,000
Bond Anticipation Notes Issued	0	0	2,000,000	2,100,000	2,100,000
Refunding Bonds Issued	2,311,603	0	0	0	1,250,000
Proceeds from Sale of Notes	1,500,000	2,000,000	0	0	0
Premium on Debt Issued	239,158	40,352	22,050	157,581	0
Payment to Refunded Bond Escrow Agent	(2,401,675)	0	0	0	(1,249,660)
Total Other Financing Sources (Uses)	3,836,163	2,059,893	2,052,548	3,590,409	4,060,217
Net Change in Fund Balances	\$1,181,176	(\$3,663,127)	\$2,993,954	(\$266,315)	\$2,754,674
Debt Service as a Percentage of Noncapital Expenditures	5.4%	12.6%	15.6%	16.2%	23.9%

2018	2019	2020	2021	2022
\$3,837,316	\$4,088,573	\$5,718,881	\$5,802,092	\$6,052,536
9,873,295	10,480,206	10,455,825	11,597,238	12,761,161
1,557,388	1,531,496	1,502,883	1,545,048	1,544,356
1,684,982	1,617,904	270,425	232,468	185,331
95,436	221,520	89,828	246,213	221,012
2,985,962	3,256,905	3,458,233	5,035,275	4,807,307
778,927	725,167	1,184,142	1,153,071	1,295,567
0	0	0	0	36,159
2,445,772	5,048,356	4,227,676	4,517,982	5,330,290
466,086	748,333	1,005,873	(132,302)	(1,263,231)
46,536	500	1,000	3,000	453,060
768,637	275,323	670,490	153,636	158,402
<u>24,540,337</u>	<u>27,994,283</u>	<u>28,585,256</u>	<u>30,153,721</u>	<u>31,581,950</u>
4,291,645	4,451,582	5,151,347	4,866,989	5,358,670
4,984,432	4,741,246	4,824,061	5,311,831	5,615,312
3,527,903	3,494,190	4,457,930	5,052,163	2,818,605
144,214	168,621	140,509	153,514	203,887
811,296	1,860,472	820,602	1,958,924	3,100,976
1,222,729	1,094,395	1,423,275	1,612,772	4,006,680
976,040	943,223	4,077,416	1,154,183	1,450,778
4,461,868	891,445	402,687	65,190	0
6,507,367	6,068,983	4,687,435	9,887,614	8,014,417
995,614	1,505,640	1,030,668	1,465,502	3,147,728
215,664	222,345	380,448	363,663	350,512
0	0	0	0	8,397
0	0	0	0	0
<u>28,138,772</u>	<u>25,442,142</u>	<u>27,396,378</u>	<u>31,892,345</u>	<u>34,075,962</u>
<u>(3,598,435)</u>	<u>2,552,141</u>	<u>1,188,878</u>	<u>(1,738,624)</u>	<u>(2,494,012)</u>
75,887	31,372	183,011	479,233	0
302,000	0	0	0	0
1,145,000	2,530,000	2,380,000	1,579,123	2,727,000
(1,145,000)	(2,530,000)	(2,380,000)	(1,622,390)	(2,727,000)
0	0	0	0	439,435
0	0	7,350,000	0	0
500,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	490,842	0	0
0	0	0	0	0
<u>877,887</u>	<u>31,372</u>	<u>8,023,853</u>	<u>435,966</u>	<u>439,435</u>
<u>(\$2,720,548)</u>	<u>\$2,583,513</u>	<u>\$9,212,731</u>	<u>(\$1,302,658)</u>	<u>(\$2,054,577)</u>
5.7%	9.1%	6.2%	8.3%	14.5%

CITY OF LEBANON, OHIO
 INCOME TAX REVENUE BASE AND COLLECTIONS
 LAST TEN YEARS

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2013	1.00%	\$6,323,285	\$4,609,675	72.90%	670,268	10.60%	\$1,043,342	16.50%
2014	1.00	6,658,556	4,892,707	73.48	763,736	11.47	1,002,113	15.05
2015	1.00	7,054,685	5,275,555	74.78	641,281	9.09	1,137,849	16.13
2016	1.00	7,554,661	5,712,740	75.62	700,769	9.28	1,141,152	15.10
2017	1.00	8,497,022	6,055,536	71.27	827,787	9.74	1,613,699	18.99
2018	1.00	9,706,803	6,698,504	69.01	791,053	8.15	2,217,246	22.84
2019	1.00	10,458,446	6,842,935	65.43	1,132,100	10.82	2,483,411	23.75
2020	1.00	10,376,921	6,899,528	66.49	1,111,237	10.71	2,366,156	22.80
2021	1.00	11,521,368	7,491,364	65.02	1,581,926	13.73	2,448,078	21.25
2022	1.00	12,598,543	8,177,279	64.91	1,836,234	14.57	2,585,030	20.52

Source: City Income Tax Department, provided on a cash basis

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

CITY OF LEBANON, OHIO
 INCOME TAX FILERS BY INCOME LEVEL
 TAX YEARS 2021 AND 2012 (1)

Tax Year 2021 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,613	22.79 %	\$280,355,130	56.30 %
75,001-100,000	691	9.76	61,828,594	12.42
50,001-75,000	1,078	15.23	68,632,637	13.78
25,000-50,000	1,520	21.48	60,466,637	12.14
Under 25,000	2,175	30.74	26,703,735	5.36
Total	<u>7,077</u>	<u>100.00</u>	<u>\$497,986,733</u>	<u>100.00</u>

Tax Year 2012 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,146	19.46 %	\$180,598,523	50.04 %
75,001-100,000	636	10.80	55,421,537	15.36
50,001-75,000	906	15.38	56,206,163	15.57
25,000-50,000	1,299	22.05	48,227,901	13.36
Under 25,000	1,903	32.31	20,479,177	5.67
Total	<u>5,890</u>	<u>100.00</u>	<u>\$360,933,301</u>	<u>100.00</u>

Source: City Income Tax Department

- (1) Tax year 2022 information is not available.
- (2) Includes individuals who live within the corporation limits

CITY OF LEBANON, OHIO
 ELECTRIC SOLD BY TYPE OF CUSTOMER
 LAST TEN YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Type of Customer:					
Residential	\$10,001,557	\$10,015,251	\$9,602,351	\$9,302,438	\$9,160,783
Industrial	1,890,244	1,930,896	1,801,187	1,745,760	1,733,759
Commercial (1)	<u>18,967,595</u>	<u>20,582,711</u>	<u>19,712,760</u>	<u>20,303,536</u>	<u>20,928,621</u>
Total (2)	<u>\$30,859,396</u>	<u>\$32,528,858</u>	<u>\$31,116,298</u>	<u>\$31,351,734</u>	<u>\$31,823,163</u>

(1) Majority of government buildings included in this category

(2) Amount based on electric billed instead of actual cash collected

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$10,264,321	\$9,720,651	\$9,507,181	\$10,074,204	\$10,410,856
1,817,776	1,755,379	1,513,927	1,590,106	1,560,172
<u>22,548,466</u>	<u>21,856,921</u>	<u>19,424,769</u>	<u>20,788,751</u>	<u>20,350,252</u>
<u>\$34,630,563</u>	<u>\$33,332,951</u>	<u>\$30,445,877</u>	<u>\$32,453,061</u>	<u>\$32,321,280</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LEBANON, OHIO
 PRINCIPAL ELECTRIC CUSTOMERS
 2022 AND 2013

2022		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CyrusOne LLC	\$3,584,093	11.09 %
Advics Manufacturing	2,545,109	7.87
Mane Inc.	1,843,039	5.70
Green Bay Packaging	642,668	1.99
JBM Packaging	566,620	1.75
Quantum Metals	386,236	1.19
City of Lebanon	332,529	1.03
Countryside YMCA	316,146	0.98
Flint Ink	286,946	0.89
Wal-Mart	247,773	0.77
Total	\$10,751,159	33.26 %
Total Electric Charges for Services (1)	\$32,321,280	

2013		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CBTS	\$2,825,818	9.16 %
Advics Manufacturing	2,341,255	7.59
HTNA	1,041,305	3.37
Warren County Commissioners	983,141	3.19
Mane Inc.	947,241	3.07
Lebanon School District	697,113	2.26
Countryside YMCA	430,993	1.40
JBM Envelope	418,957	1.36
Wal-Mart	408,830	1.31
City of Lebanon	376,088	1.22
Total	\$10,470,741	33.93 %
Total Electric Charges for Services (1)	\$30,859,395	

(1) Amount based on electric billed instead of actual cash collected

CITY OF LEBANON, OHIO
ELECTRIC RATES PER YEAR
LAST TEN YEARS

	2013	2014	2015	2016
Residential				
Customer Service Charge	\$5.15	\$5.15	\$5.15	\$5.15
Energy Charge KWH:				
All KWH	\$0.0670	\$0.0670	\$0.0670	\$0.0670
Distribution Charge per KWH:				
First 800 KWH	\$0.0412	\$0.0412	\$0.0412	\$0.0412
Next 800 KWH	\$0.0361	\$0.0361	\$0.0361	\$0.0361
Over 1,600 KWH	\$0.0206	\$0.0206	\$0.0206	\$0.0206
Fuel Adjustment all KWH (yr avg)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
General Service Rate				
Customer Service Charge:				
Single Phase (1 Ph) Meter	\$15.45	\$15.45	\$15.45	\$15.45
Three Phase (3 Ph) Meter	\$20.60	\$20.60	\$20.60	\$20.60
Energy Charge KWH:				
1 Phase-First 165 KWH/KW	\$0.0824	\$0.0824	\$0.0824	\$0.0824
1 Phase-Next 85 KWH/KW	\$0.0721	\$0.0721	\$0.0721	\$0.0721
1 Phase-Over 250 KWH/KW	\$0.0412	\$0.0412	\$0.0412	\$0.0412
3 Phase-First 300 KWH/KW	\$0.0618	\$0.0618	\$0.0618	\$0.0618
3 Phase-Over 300 KWH/KW	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Demand Charge per KW:				
1 Phase-First 10 KW	Free	Free	Free	Free
1 Phase-Next 15 KW	\$7.21	\$7.21	\$7.21	\$7.21
1 Phase-Over 25 KW	\$9.27	\$9.27	\$9.27	\$9.27
3 Phase-First 1,000 KW	\$10.30	\$10.30	\$10.30	\$10.30
3 Phase-Over 1,000 KW	\$12.36	\$12.36	\$12.36	\$12.36
Distribution Charge KWH:				
1 Phase-First 1,000 KWH	\$0.0412	\$0.0412	\$0.0412	\$0.0412
1 Phase-Next 800 KWH	\$0.0361	\$0.0361	\$0.0361	\$0.0361
1 Phase-Over 1,800 KWH	\$0.0206	\$0.0206	\$0.0206	\$0.0206
3 Phase-First 5,000 KWH	\$0.0258	\$0.0258	\$0.0258	\$0.0258
3 Phase-Next 10,000 KWH	\$0.0206	\$0.0206	\$0.0206	\$0.0206
3 Phase-Over 15,000 KWH	\$0.0155	\$0.0155	\$0.0155	\$0.0155
Fuel Adjustment all KWH (yr avg)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363

2017	2018	2019	2020	2021	2022
\$5.15	\$5.15	\$5.15	\$7.00	\$7.00	\$7.00
\$0.0670	\$0.0670	\$0.0670	\$0.06316	\$0.06316	\$0.06316
\$0.0412	\$0.0412	\$0.0412	\$0.03884	\$0.03884	\$0.03884
\$0.0361	\$0.0361	\$0.0361	\$0.03403	\$0.03403	\$0.03403
\$0.0206	\$0.0206	\$0.0206	\$0.01942	\$0.01942	\$0.01942
(\$0.00580)	(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$15.45	\$15.45	\$15.45	\$17.00	\$17.00	\$17.00
\$20.60	\$20.60	\$20.60	\$22.00	\$22.00	\$22.00
\$0.0824	\$0.0824	\$0.0824	\$0.06779	\$0.06779	\$0.06779
\$0.0721	\$0.0721	\$0.0721	\$0.05932	\$0.05932	\$0.05932
\$0.0412	\$0.0412	\$0.0412	\$0.03390	\$0.03390	\$0.03390
\$0.0618	\$0.0618	\$0.0618	\$0.05179	\$0.05179	\$0.05179
\$0.0309	\$0.0309	\$0.0309	\$0.02589	\$0.02589	\$0.02589
Free	Free	Free	Free	Free	Free
\$7.21	\$7.21	\$7.21	\$7.21	\$7.21	\$7.21
\$9.27	\$9.27	\$9.27	\$9.27	\$9.27	\$9.27
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$12.36	\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
\$0.0412	\$0.0412	\$0.0412	\$0.03390	\$0.03390	\$0.03390
\$0.0361	\$0.0361	\$0.0361	\$0.02970	\$0.02970	\$0.02970
\$0.0206	\$0.0206	\$0.0206	\$0.01695	\$0.01695	\$0.01695
\$0.0258	\$0.0258	\$0.0258	\$0.02162	\$0.02162	\$0.02162
\$0.0206	\$0.0206	\$0.0206	\$0.01726	\$0.01726	\$0.01726
\$0.0155	\$0.0155	\$0.0155	\$0.01299	\$0.01299	\$0.01299
(\$0.00580)	(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

(Continued)

CITY OF LEBANON, OHIO
ELECTRIC RATES PER YEAR
LAST TEN YEARS
(CONTINUED)

	2013	2014	2015	2016
Large Power-Secondary Metered				
Customer Service Charge	\$103.00	\$103.00	\$103.00	\$103.00
Energy Charge KWH:				
First 300 KWH/KVA	\$0.0361	\$0.0361	\$0.0361	\$0.0361
Over 300 KWH/KVA	\$0.0288	\$0.0288	\$0.0288	\$0.0288
Demand Charge:				
First 1,000 KVA	\$15.45	\$15.45	\$15.45	\$15.45
Over 1,000 KVA	\$13.39	\$13.39	\$13.39	\$13.39
Distribution Charge KWH:				
First 200,000 KWH	\$0.01550	\$0.01550	\$0.01550	\$0.01550
Over 200,000 KWH	\$0.01030	\$0.01030	\$0.01030	\$0.01030
Fuel Adjustment all KWH (yr avg)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
Large Power-Primary Metered				
Customer Service Charge	\$103.00	\$103.00	\$103.00	\$103.00
Energy Charge KWH:				
First 300 KWH/KVA	\$0.0464	\$0.0464	\$0.0464	\$0.0464
Over 300 KWH/KVA	\$0.0103	\$0.0103	\$0.0103	\$0.0103
Demand Charge per KVA:				
First 1,000 KVA	\$8.24	\$8.24	\$8.24	\$8.24
Over 1,000 KVA	\$10.30	\$10.30	\$10.30	\$10.30
Distribution Charge KWH:				
First 500,000 KWH	\$0.02580	\$0.02580	\$0.02580	\$0.02580
Over 500,000 KWH	\$0.01550	\$0.01550	\$0.01550	\$0.01550
Fuel Adjustment all KWH (yr avg)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00412	\$0.00411	\$0.00411	\$0.00411
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363

Note: Management presents rate studies and recommends rate changes to City Council.
Utility rate can be changed by Legislative Authority.

2017	2018	2019	2020	2021	2022
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.0361	\$0.0361	\$0.0361	\$0.03065	\$0.03065	\$0.03065
\$0.0288	\$0.0288	\$0.0288	\$0.02445	\$0.02445	\$0.02445
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$0.01550	\$0.01550	\$0.01550	\$0.01316	\$0.01316	\$0.01316
\$0.01030	\$0.01030	\$0.01030	\$0.00874	\$0.00874	\$0.00874
(\$0.00580)	(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.0464	\$0.0464	\$0.0464	\$0.04213	\$0.04213	\$0.04213
\$0.0103	\$0.0103	\$0.0103	\$0.00935	\$0.00935	\$0.00935
\$8.24	\$8.24	\$8.24	\$8.24	\$8.24	\$8.24
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$0.02580	\$0.02580	\$0.02580	\$0.02343	\$0.02343	\$0.02343
\$0.01550	\$0.01550	\$0.01550	\$0.01407	\$0.01407	\$0.01407
(\$0.00580)	(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00411	\$0.00411	\$0.00411	\$0.00411	\$0.00411	\$0.00411
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

CITY OF LEBANON, OHIO
RATIO OF OUTSTANDING DEBT TO
TOTAL PERSONAL INCOME AND DEBT PER CAPITA
LAST TEN YEARS

Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Financed Purchase	Notes Payable	Loans Payable	General Obligation Bonds	Mortgage Revenue Bonds	Notes Payable
2013	\$7,461,050	\$0	\$1,509,526	\$0	\$0	\$34,507,122	\$1,400,000
2014	6,861,017	0	2,010,088	0	0	32,093,636	1,200,000
2015	6,245,984	0	2,007,350	0	0	29,605,150	1,000,000
2016	7,563,209	0	2,111,623	0	0	21,148,265	1,000,000
2017	8,884,278	0	0	0	4,895,000	14,061,730	0
2018	7,865,656	0	0	302,000	4,265,000	10,904,723	0
2019	6,837,204	0	0	302,000	3,620,000	10,463,768	0
2020	13,616,618	0	0	302,000	2,965,000	10,007,813	0
2021	12,333,986	0	0	77,194	2,300,000	8,720,998	0
2022	9,186,565	402,834	0	0	1,620,000	8,257,186	0

Note: Population and Personal Income data are presented on page S34.

<u>Total Debt</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
\$44,877,698	8.76%	\$2,240
42,164,741	8.23	2,105
38,858,484	7.58	1,940
31,823,097	6.21	1,589
27,841,008	5.43	1,390
23,337,379	4.55	1,165
21,222,972	4.14	1,059
26,891,431	5.25	1,342
23,432,178	3.56	1,124
19,466,585	2.96	934

CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2022

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Lebanon			
General Obligation Bonds	\$9,589,399	100.00%	\$9,589,399
Overlapping			
Lebanon City School District			
General Obligation Bonds	36,275,000	50.24	18,224,560
Leases	1,765,000	50.24	886,736
Kings Local School District			
General Obligation Bonds	39,724,027	1.15	456,826
Warren County Career Center			
Energy Conservation Notes	1,830,079	10.49	191,975
Warren County			
General Obligation Bonds	10,104,624	6.56	662,863
Special Assessment Bonds	1,195,606	6.56	78,432
Loans Payable	420,796	6.56	27,604
TIF Revenue Bonds	2,637,000	7.07	186,436
<i>Total Overlapping Debt</i>	<u>93,952,132</u>		<u>20,715,433</u>
Total	<u><u>\$103,541,531</u></u>		<u><u>\$30,304,832</u></u>

Source: Ohio Municipal Advisory Council

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

CITY OF LEBANON, OHIO
RATIO OF GENERAL OBLIGATION BONDED DEBT TO ESTIMATED ACTUAL
VALUE AND BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Obligation Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2013	20,033	\$1,126,979,400	\$7,461,050	0.66%	\$372.44
2014	20,033	1,137,115,970	6,861,017	0.60	342.49
2015	20,033	1,190,838,314	6,245,984	0.52	311.78
2016	20,033	1,188,919,085	7,563,209	0.64	377.54
2017	20,033	1,199,939,971	13,779,278	1.15	687.83
2018	20,033	1,359,697,685	12,130,656	0.89	605.53
2019	20,033	1,419,038,657	10,457,204	0.74	522.00
2020	20,033	1,446,068,628	16,581,618	1.15	827.72
2021	20,841	1,674,238,371	14,633,986	0.87	702.17
2022	20,841	1,726,039,085	10,806,565	0.63	518.52

(1) 2011-2020 from 2010 Federal Census; 2021 from 2020 Federal Census--Note: 2020 Census data was delayed due to Corona Virus

(2) County Auditor

(3) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

CITY OF LEBANON, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS

	2013	2014	2015	2016
Total Assessed Property Value	<u>\$396,645,380</u>	<u>\$397,990,590</u>	<u>\$416,793,410</u>	<u>\$416,121,680</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>41,647,765</u>	<u>41,789,012</u>	<u>43,763,308</u>	<u>43,692,776</u>
Debt Outstanding:				
General Obligation Bonds	7,196,603	6,816,603	6,021,603	7,241,603
Mortgage Revenue Bonds	34,220,000	31,835,000	29,375,000	20,995,000
Bond Anticipation Notes	4,500,000	5,200,000	3,000,000	4,600,000
ODOT Loans	0	0	0	0
Financed Purchase	0	0	0	0
Total Gross Indebtedness	45,916,603	43,851,603	38,396,603	32,836,603
Less:				
General Obligation Bonds	(7,196,603)	(6,816,603)	(6,021,603)	(7,241,603)
Mortgage Revenue Bonds	(34,220,000)	(31,835,000)	(29,375,000)	(20,995,000)
Bond Anticipation Notes	(4,500,000)	(5,200,000)	(3,000,000)	(4,600,000)
ODOT Loans	0	0	0	0
Financed Purchase	0	0	0	0
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$41,647,765</u>	<u>\$41,789,012</u>	<u>\$43,763,308</u>	<u>\$43,692,776</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>
Total Gross Indebtedness	45,916,603	43,851,603	38,396,603	32,836,603
Less:				
General Obligation Bonds	(7,196,603)	(6,816,603)	(6,021,603)	(7,241,603)
Mortgage Revenue Bonds	(34,220,000)	(31,835,000)	(29,375,000)	(20,995,000)
Bond Anticipation Notes	(4,500,000)	(5,200,000)	(3,000,000)	(4,600,000)
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

2017	2018	2019	2020	2021	2022
<u>\$419,978,990</u>	<u>\$475,894,190</u>	<u>\$496,663,530</u>	<u>\$506,124,020</u>	<u>\$585,983,430</u>	<u>\$604,113,680</u>
<u>44,097,794</u>	<u>49,968,890</u>	<u>52,149,671</u>	<u>53,143,022</u>	<u>61,528,260</u>	<u>63,431,936</u>
13,531,603	11,905,000	10,255,000	15,920,000	14,015,000	10,295,000
13,950,000	10,805,000	10,380,000	9,940,000	7,620,000	7,225,000
0	500,000	400,000	800,000	600,000	400,000
0	302,000	302,000	302,000	77,194	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>402,834</u>
27,481,603	23,512,000	21,337,000	26,962,000	22,312,194	18,322,834
(13,531,603)	(11,905,000)	(10,255,000)	(15,920,000)	(14,015,000)	(10,295,000)
(13,950,000)	(10,805,000)	(10,380,000)	(9,940,000)	(7,620,000)	(7,225,000)
0	(500,000)	(400,000)	(800,000)	(600,000)	(400,000)
0	(302,000)	(302,000)	(302,000)	(77,194)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(402,834)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$44,097,794</u>	<u>\$49,968,890</u>	<u>\$52,149,671</u>	<u>\$53,143,022</u>	<u>\$61,528,260</u>	<u>\$63,431,936</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$23,098,844</u>	<u>\$26,174,180</u>	<u>\$27,316,494</u>	<u>\$27,836,821</u>	<u>\$32,229,089</u>	<u>\$33,226,252</u>
27,481,603	23,512,000	21,337,000	26,962,000	22,312,194	18,322,834
(13,531,603)	(11,905,000)	(10,255,000)	(15,920,000)	(14,015,000)	(10,295,000)
(13,950,000)	(10,805,000)	(10,380,000)	(9,940,000)	(7,620,000)	(7,225,000)
0	(500,000)	(400,000)	(800,000)	(600,000)	(400,000)
<u>0</u>	<u>302,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>402,834</u>
<u>\$23,098,844</u>	<u>\$25,872,180</u>	<u>\$27,316,494</u>	<u>\$27,836,821</u>	<u>\$32,229,089</u>	<u>\$32,823,418</u>
100.00%	98.85%	100.00%	100.00%	100.00%	98.79%

CITY OF LEBANON, OHIO
 PLEDGED REVENUE COVERAGE
 ELECTRIC SYSTEM MORTGAGE REVENUE BONDS
 LAST TEN YEARS

Year	Electric Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total (2)	
2013	\$30,705,867	\$25,338,073	\$5,367,794	\$1,390,000	\$602,025	\$1,992,025	2.69%
2014	33,074,747	27,381,946	5,692,801	1,440,000	549,438	1,989,438	2.86
2015	30,765,726	24,583,288	6,182,438	1,495,000	491,838	1,986,838	3.11
2016	30,477,240	25,748,316	4,728,924	7,375,000	432,823	7,807,823	0.61
2017	31,949,053	26,882,225	5,066,828	215,000	125,132	340,132	14.90
2018	34,692,302	28,520,556	6,171,746	2,725,000	57,473	2,782,473	2.22
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Direct operating expenses do not include depreciation expense.

(2) During 2016, the City chose to retire the total outstanding balance of \$7,170,000 associated with the September 2006 Electric System Improvement Mortgage Revenue Bonds.

CITY OF LEBANON, OHIO
 PLEDGED REVENUE COVERAGE
 SEWER SYSTEM MORTGAGE REVENUE BONDS
 LAST TEN YEARS

Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total (2)	
2013	\$3,234,784	\$1,140,723	\$2,094,061	\$535,000	\$367,481	\$902,481	2.32%
2014	3,404,925	2,323,575	1,081,350	560,000	346,081	906,081	1.19
2015	3,475,157	2,029,082	1,446,075	575,000	323,681	898,681	1.61
2016	3,597,630	1,937,375	1,660,255	605,000	202,981	807,981	2.05
2017	3,762,383	2,144,549	1,617,834	0	132,341	132,341	12.22
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Direct operating expenses do not include depreciation expense.
- (2) During 2017, the City refunded the total outstanding balance of \$6,415,000 associated with the 2006 Sewer System Improvement Mortgage Revenue Bonds.

CITY OF LEBANON, OHIO
 PLEDGED REVENUE COVERAGE
 WATER SYSTEM MORTGAGE REVENUE BONDS
 LAST TEN YEARS

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2013	\$3,105,305	\$2,137,596	\$967,709	\$380,000	\$466,863	\$846,863	1.14%
2014	3,392,408	2,383,892	1,008,516	385,000	459,263	844,263	1.19
2015	3,643,684	2,533,639	1,110,045	390,000	451,563	841,563	1.32
2016	4,151,055	2,248,001	1,903,054	400,000	443,762	843,762	2.26
2017	4,552,611	2,740,308	1,812,303	415,000	435,654	850,654	2.13
2018	4,769,142	2,469,385	2,299,757	420,000	423,052	843,052	2.73
2019	4,959,094	2,748,991	2,210,103	425,000	418,012	843,012	2.62
2020	5,347,527	2,848,965	2,498,562	440,000	405,263	845,263	2.96
2021	5,356,823	2,961,670	2,395,153	90,000	454,614	544,614	4.40
2022	5,507,993	3,105,977	2,402,016	395,000	241,850	636,850	3.77

(1) Direct operating expenses do not include depreciation expense.

CITY OF LEBANON, OHIO
 PLEDGED REVENUE COVERAGE
 SPECIAL ASSESSMENT BONDS
 LAST TEN YEARS

Year (1)	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2013	\$12,086	\$9,439	\$288	\$9,727	1.24%
2014	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A

Source: Provided by the City Auditor, cash basis collections for debt service fund

(1) The special assessment debt was paid off in 2013.

CITY OF LEBANON, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2013	20,033	\$512,544,305	\$25,585	\$61,085	33.9
2014	20,033	512,544,305	25,585	61,085	33.9
2015	20,033	512,544,305	25,585	61,085	33.9
2016	20,033	512,544,305	25,585	61,085	33.9
2017	20,033	512,544,305	25,585	61,085	33.9
2018	20,033	512,544,305	25,585	61,085	33.9
2019	20,033	512,544,305	25,585	61,085	33.9
2020	20,033	512,544,305	25,585	61,085	33.9
2021	20,841	658,096,257	31,577	65,960	33.9
2022	20,841	658,096,257	31,577	65,960	39.1

(1) 2011-2020 from 2010 Federal Census; 2021 from 2020 Federal Census--Note: 2020 Census data was delayed due to Corona Virus

(2) Computation of per capita personal income multiplied by population

(3) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

(4) Source: Ohio Department of Job and Family Services

<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (3)</u>	<u>Warren County Unemployment Rate (4)</u>
26.0%	5,442	5.6
26.0	5,715	4.8
26.0	5,381	3.9
26.0	5,302	3.9
26.0	5,299	3.8
26.0	5,311	3.9
26.0	5,289	3.1
26.0	5,284	4.0
28.9	5,007	2.6
28.9	5,080	2.9

CITY OF LEBANON, OHIO
 PRINCIPAL EMPLOYERS
 2022 AND 2013

2022

Employer	Employees
Warren County	1,410
Advics Manufacturing	1,304
FedEx Ground Package System	971
Lebanon City Schools	932
Mane Inc.	842
Countyside YMCA	784
Action Staffing	757
Intelycare Inc.	663
Sheakley HR	628
Wal-Mart Associates Inc.	456
Total	8,747

2013

Employer	Employees
Warren County	1,182
Lebanon City School District	884
Countryside YMCA	791
Advics Manufacturing	671
Kroger Limited Partnership Inc.	479
CM Temporary	478
Wal-Mart Associates Inc.	404
FedEx Ground Package System	362
Mane Inc.	328
Amtex, Inc.	295
Total	5,874

Information on total employment within the City is not available.

Source: Number of employees obtained from the W-2's
 from the City Tax Department.

CITY OF LEBANON, OHIO
 FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Council (1)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50
Tax	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.50	3.50
Law	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Building Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Department	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Court	7.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	7.00	8.00
Probation	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Security of Persons and Property										
Police										
Police - Chiefs/Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police - Sergeants/Captains	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	7.00
Police - Officers	21.00	21.00	21.00	21.00	21.00	21.00	21.00	22.00	21.00	22.00
Police - Dispatchers	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Fire (2)(3)										
Fire - Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Captains	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Lieutenants	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Firefighters/EMTs	0.00	0.00	0.00	0.00	3.00	9.00	9.00	9.00	12.00	12.00
Public Health										
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Services										
Parks & Recreation (3)	3.00	3.00	3.00	3.00	2.00	2.00	2.00	3.00	3.50	3.50
Community Development										
Building and Zoning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning and Development	3.00	3.00	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Internal Service										
Automotive Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Transportation										
Street M&R (3)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	4.50
Basic Utility Services										
Electric - Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.75	2.75
Electric - Meter Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Electric - Operation & Maintenance (3)	13.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00	14.00
Electric - Power Production	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sanitation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Storm Water Utility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Telecommunications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.25	0.25
Water - Administration	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.25
Water - Maintenance	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50
Water - Supply and Treatment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater - Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.25
Wastewater - Maintenance	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.50	3.00
Wastewater - Collection and Treatment	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Totals:	136.00	135.00	135.00	132.00	137.00	145.00	146.00	150.00	153.00	158.00

Source: City of Lebanon Annual Budget

- (1) Elected Officials meet twice a month.
- (2) Fire Department uses approximately 50-60 part-time EMTs, Officers and Firefighters.
- (3) Seasonal employees are used during the summer months.

CITY OF LEBANON, OHIO
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2013	2014	2015	2016
General Government				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	114	99	132	117
Number of Planning Commission Docket Items	32	34	63	37
Zoning Board of Appeals Docket Items	3	11	9	10
<i>Finance Department (1)</i>				
Number of Checks Issued	5,509	4,425	4,173	4,101
Number of Purchase Orders Issued	1,045	873	992	997
Amount of Checks Written (includes interfund transfers)	\$72,899,728	\$78,072,236	\$71,328,633	\$86,679,935
Interest Earnings for Fiscal Year (cash basis)	\$231,840	\$251,836	\$390,473	\$496,631
Number of Supplemental Appropriations Issued	20	21	23	14
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2
Health Insurance Costs vs. General Fund Expenditures	11.13%	11.90%	10.19%	8.57%
General Fund Receipts (cash basis in thousands)	\$10,055	\$10,604	\$10,857	\$10,904
General Fund Expenditures (cash basis in thousands)	\$10,186	\$10,323	\$10,663	\$12,924
General Fund (unexpended) Cash Balances (in thousands)	\$4,721	\$5,003	\$5,196	\$3,177
<i>Income Tax Department</i>				
Number of Individual Returns	9,807	10,573	10,091	7,746
Number of Business Returns	1,522	1,713	1,346	1,693
Number of Business Withholding Accounts	2,385	2,632	1,310	1,955
Annual Number of Corporate Withholding Forms Processed	8,411	8,448	8,010	10,750
Annual Number of Balance Due Statements Forms Processed	745	760	586	600
Annual Number of Estimated Payment Forms Processed	2,158	2,017	1,801	1,846
Annual Number of Reconciliations of Withholdings Processed	1,343	1,278	1,726	1,951
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$8,577,939	\$11,874,633	\$2,173,804	\$8,346,500
<i>Municipal Court</i>				
Number of Civil Cases	593	605	638	592
Number of Criminal Cases	1,475	1,573	1,562	1,685
<i>Civil Service</i>				
Number of Police Entry Tests Administered	1	30	57	73
Number of Police Promotional Tests Administered	0	5	1	0
Number of Hires of Police Officers from Certified Lists	2	2	2	2
Number of Promotions from Police Certified Lists	0	2	2	0

2017	2018	2019	2020	2021	2022
126	108	106	125	118	141
52	62	55	51	44	56
12	11	11	10	7	6
4,207	4,494	4,781	5,679	7,938	6,261
1,114	1,674	1,372	1,333	1,334	1,360
\$88,570,629	\$78,726,004	\$79,743,248	\$79,177,548	\$82,694,250	\$94,448,648
\$501,666	\$421,578	\$536,396	\$521,034	\$417,376	\$1,794,171
12	4	6	6	6	8
Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
9.18%	8.73%	6.51%	6.98%	7.22%	6.58%
\$12,537	\$13,064	\$13,028	\$14,679	\$14,057	\$17,586
\$10,980	\$11,935	\$12,221	\$12,104	\$13,882	\$18,888
\$4,734	\$5,863	\$6,670	\$9,246	\$9,421	\$8,118
10,941	9,060	9,402	8,487	9,143	9,771
2,475	1,644	1,549	1,410	1,277	1,338
2,281	2,495	2,768	3,072	3,209	3,635
12,103	13,789	13,735	26,982	29,558	29,875
915	1,040	1,810	920	1,421	1,675
2,980	3,943	6,371	6,817	6,369	6,969
1,778	2,094	2,357	2,770	2,926	3,521
\$7,311,859	\$4,042,190	\$10,008,121	\$11,888,230	\$7,803,318	\$7,122,702
649	658	755	493	603	591
1,626	1,583	1,636	1,122	1,128	1,129
0	77	78	59	27	53
1	0	0	1	0	0
0	1	1	3	3	3
2	0	0	2	0	0

(Continued)

CITY OF LEBANON, OHIO
 OPERATING INDICATORS BY PROGRAM/FUNCTION
 LAST TEN YEARS
 (CONTINUED)

Function/Program	2013	2014	2015	2016
<i>Building Department Indicators</i>				
Commercial Construction Permits Issued	65	93	81	119
Estimated Value of Commercial Construction	\$33,482,059	\$44,964,185	\$125,985,538	\$54,500,000
Residential Construction Building Permits Issued	170	176	149	200
Estimated Value of Residential Construction	\$2,533,487	\$5,870,806	\$3,308,718	\$7,400,000
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	21,449	21,932	22,617	23,864
Number of Traffic Citations Issued	1,656	1,406	1,192	1,626
Number of Parking Citations Issued	572	48	352	121
Number of Criminal Arrests	1,138	1,308	1,118	1,199
Number of Accident Reports Completed	550	645	413	455
Part 1 Offenses (major offenses)	500	494	355	397
Animal Complaints	317	358	362	332
DUI Arrests	104	137	78	105
Traffic Crashes	550	452	413	455
Crash Injuries	100	73	91	93
Crash Deaths	1	0	0	0
Gasoline Costs of Fleet	\$78,641	\$83,046	\$53,001	\$47,552
<i>Fire</i>				
EMS Calls	2,169	2,099	1,948	2,434
Ambulance Billing Collections (net)	\$370,420	\$424,694	\$432,627	\$475,864
Fire Calls	1,528	591	786	777
Fires with Loss	19	15	9	19
Fires with Losses Exceeding \$10K	7	6	4	12
Fire Losses	\$249,056	\$331,491	\$235,434	\$1,539,500
Fire Safety Inspections	38	300	375	375
Number of Times Mutual Aid Given to Fire and EMS	24	37	39	77
Number of Times Mutual Aid Received for Fire and EMS	56	25	39	86
Public Health				
Cemetery Receipts (includes interfund transfers)	\$158,214	\$178,975	\$189,634	\$164,639

2017	2018	2019	2020	2021	2022
104	93	72	109	101	113
\$39,764,540	\$17,048,291	\$91,157,101	\$79,457,327	\$42,036,128	\$32,964,837
196	218	230	242	254	195
\$7,482,998	\$6,551,520	\$6,356,505	\$14,651,186	\$18,708,396	\$17,687,265
24,648	24,242	24,018	21,913	24,861	21,499
1,441	881	851	693	868	723
537	127	192	42	615	122
1,158	1,048	969	703	701	614
433	415	446	370	470	400
350	426	386	317	337	349
299	299	335	274	262	312
56	52	48	37	60	56
433	415	446	370	470	400
76	90	81	101	82	68
0	0	1	2	0	0
\$54,016	\$57,043	\$58,727	\$45,870	\$67,551	\$90,152
2,452	2,553	2,488	2,391	2,716	2,459
\$492,836	\$535,269	\$531,959	\$531,959	\$653,085	\$655,630
734	914	926	890	927	1,013
20	18	21	13	15	23
5	7	8	7	8	10
\$827,501	\$254,500	\$1,490,000	\$196,000	\$711,931	\$716,840
490	1,171	1,090	115	734	317
47	87	89	64	72	59
73	54	78	113	258	119
\$156,424	\$173,658	\$174,002	\$178,286	\$177,530	\$182,541

(Continued)

CITY OF LEBANON, OHIO
 OPERATING INDICATORS BY PROGRAM/FUNCTION
 LAST TEN YEARS
 (CONTINUED)

Function/Program	2013	2014	2015	2016
Leisure Time Services				
<i>Recreation Receipts</i>				
Farmer's Market	\$1,600	\$1,540	\$1,150	\$1,200
Recreation Programs	19,940	20,995	21,945	17,236
Field Usage Fees	29,332	41,945	50,778	48,640
Total Recreation Department Receipts	<u>\$50,872</u>	<u>\$64,480</u>	<u>\$73,873</u>	<u>\$67,076</u>
Transportation				
Crackseal Coating Program (Miles)	8.00	8.50	6.50	3.00
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,000	2,150	2,400	1,800
Street Sweeper (hours)	1,300	750	1,100	980
Cold Patch (hours)	30	48	40	94
After Hours Sewer and Water Calls	64	117	74	59
Sewer Cleaning (feet)	51,451	68,813	85,434	34,435
Sewer Jet, Vac-All, Video (feet)	23,998	17,241	15,485	28,634
Landscaping Stump-Chipper Service (hours)	20	80	100	80
Leaf Collection (hours)	1,900	2,250	1,500	1,800
Downtown Square Repair After Events (hours)	500	550	500	500
Equipment Repair/Body Shop (hours)	4,507	5,334	5,224	6,677
Sign Department (hours)	1,000	1,150	1,600	600
Tons of Snow Melting Salt Purchased (Nov-Mar)	2,400	3,000	700	998
Cost of Salt Purchased	\$112,832	\$208,172	\$214,245	\$112,649
Water Department				
Water Rates per 1st 2,500 Gallons of Water Used	\$14.24	\$14.24	\$16.34	\$17.32
Avg. Number of Water Accounts Billed Monthly	7,360	7,377	7,412	7,421
Total Water Collections Annually	\$2,987,747	\$3,209,751	\$3,518,933	\$4,015,783
Wastewater Department				
Wastewater Rates per 1st 2,500 Gallons Used	\$17.20	\$17.20	\$18.06	\$18.06
Total Flow of Wastewater Treatment Plant (MG)	1,045.000	1,022.000	1,036.900	1,061.652
Average Daily Flow (millions of gallons per day)	2.860	2.810	2.840	2.901
Tons of Dry Sludge Removed	348.31	473.43	454.37	444.71

Source: City of Lebanon records

(1) Receipts and expenditures include interfund transfers

2017	2018	2019	2020	2021	2022
\$2,350	\$1,960	\$1,965	\$1,350	\$1,665	\$1,400
19,457	16,727	12,225	779	5,375	5,395
43,510	57,100	50,720	16,975	45,607	95,160
<u>\$65,317</u>	<u>\$75,787</u>	<u>\$64,910</u>	<u>\$19,104</u>	<u>\$52,647</u>	<u>\$101,955</u>

28.00	2.10	4.07	2.00	5.00	10.24
2,200	1,340	1,645	1,099	1,308	1,703
1,440	473	199	120	1,412	568
120	350	341	73	112	32
25	52	57	59	58	45
28,931	70,023	19,312	11,446	16,218	14,324
16,500	26,748	70,785	20,602	26,046	9,222
140	53	60	0	0	0
1,440	695	255	313	221	237
768	890	1,350	368	1,152	1,634
7,052	7,680	7,809	6,912	4,485	6,101
840	215.50	78.50	182.00	132.50	92.00
2,615	1,294	1,000	1,150	1,764	2,104
\$65,176	\$135,852	\$131,627	\$85,344	\$153,300	\$236,291
\$18.01	\$18.73	\$19.29	\$19.29	\$19.87	\$19.87
7,466	7,520	7,545	7,586	7,640	7,730
\$4,226,355	\$4,468,877	\$4,626,255	\$4,744,977	\$4,859,925	\$4,920,567

\$18.06	\$18.60	\$18.60	\$18.60	\$19.16	\$20.21
1,042.478	1,125.952	1,123.590	1,048.030	1,070.169	1,240.525
2.856	3.103	3.078	2.863	2.932	3.398
473.43	499.56	551.00	535.35	575.66	664.17

CITY OF LEBANON, OHIO
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2013	2014	2015	2016
General Government				
Square Footage Occupied	12,226	12,226	12,226	12,226
Administrative Vehicles	7	7	10	10
Inspection Vehicles	3	3	3	3
Information Technology	1	1	1	1
Cemetery				
Square Footage of Building	4,126	4,126	4,126	4,126
Vehicles	1	1	1	1
Police				
Stations	1	1	1	1
Square Footage of Building	17,610	17,610	17,610	17,610
Vehicles	18	16	19	19
Fire				
Stations	2	2	2	2
Square Footage of Buildings	17,331	17,331	17,331	17,331
Vehicles	20	19	17	16
Recreation				
Number of Parks	16	16	16	16
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	12	12	12	12
Number of Soccer Fields	37	37	37	37
Number of Community Access Buildings (1)	4	4	3	3
Number of Disc Golf Course	1	1	1	1
Other Public Works				
Streets (miles)	95.040	102.893	102.893	102.893
Service Vehicles	24	21	23	25
Auto Maintenance Internal Service	2	2	1	1
Square Footage of Building(NEW-2015)			37,060	37,060
Electric				
Vehicles	20	17	18	18
Sanitation				
Vehicles	1	1	1	1
Telecommunications				
Vehicles	2	2	2	2
Wastewater				
Sanitary Sewers (miles)	114.327	114.406	114.419	114.778
Storm Sewers (miles)	88.52	90.00	90.94	91.68
Vehicles	7	6	6	5
Water Department				
Water Lines (miles)	113.636	114.145	114.145	114.781
Vehicles	10	10	10	11

(1) Community Buildings are available for non-profit organizations' meetings, food pantry and free store.

2017	2018	2019	2020	2021	2022
12,226	12,226	12,226	12,226	12,226	12,226
10	10	10	9	7	9
3	3	4	5	4	6
1	1	1	1	1	1
4,126	4,126	4,126	4,126	4,126	4,126
1	1	1	1	1	1
1	1	1	1	1	1
17,610	17,610	17,610	17,610	17,610	17,610
20	22	23	23	22	27
2	2	2	2	2	2
17,331	17,331	17,331	17,331	30,602	30,602
17	16	13	14	14	14
16	17	17	17	17	17
6	6	5	5	5	5
13	13	10	10	10	10
37	37	37	37	37	37
3	3	4	4	4	4
1	1	1	1	1	1
102.969	103.246	103.246	104.114	105.066	105.178
22	23	23	22	25	23
1	2	2	2	4	3
37,060	37,060	37,060	37,060	37,060	37,060
17	18	19	18	21	22
1	1	1	1	1	1
2	2	1	1	1	0
116.260	116.501	116.501	117.109	117.863	118.260
91.76	92.09	92.28	93.07	93.64	93.67
5	6	6	6	10	6
116.287	116.481	116.481	117.519	119.016	119.358
12	11	11	10	10	12

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LEBANON
WARREN COUNTY, OHIO

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

**CITY OF LEBANON
WARREN COUNTY, OHIO**

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .	3 - 4
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5 - 7
Schedule of Findings 2 <i>CFR</i> § 200.515	8 - 9
Corrective Action Plan 2 <i>CFR</i> § 200.511(c)	10

CITY OF LEBANON
WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through N/A:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	1,187,191
<i>Passed Through Ohio Department of Development:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Water and Wastewater Infrastructure Program	21.027	COVID-19, DEV-2021- 181480	<u>2,666,670</u>
Total Coronavirus State and Local Fiscal Recovery Funds			<u>3,853,861</u>
Total U.S. Department of Treasury			<u>3,853,861</u>
Total Federal Financial Assistance			<u>\$ 3,853,861</u>

See accompanying notes to the schedule of expenditures of federal awards

**CITY OF LEBANON
WARREN COUNTY, OHIO**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Lebanon under programs of the federal government for the fiscal year ended December 31, 2022 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Lebanon, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Lebanon. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The City of Lebanon has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

City of Lebanon
Warren County
50 South Broadway
Lebanon, OH 45036

To the Members of the City Council and Mayor:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Lebanon

Warren County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

City of Lebanon's Response to Finding

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

Purpose of this Report

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



Julian & Grube, Inc.

June 20, 2023

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

City of Lebanon
Warren County
50 South Broadway
Lebanon, OH 45036

To the Member of Council and Mayor:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Lebanon’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Lebanon’s major federal programs for the year ended December 31, 2022. The City of Lebanon’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the City of Lebanon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

Report Revision

Subsequent to the original issuance of the 2022 audit report, it was determined that a federal program that was originally evaluated to be subject to the Alternative Compliance Examination, was in fact not, and should have been subject to a Single Audit under the Uniform Guidance. Julian & Grube, Inc., performed the appropriate procedures over the federal program. Changes to the various reports that have been made are as follows:

- Modification of the title page from Regular Audit to Single Audit.
- Add the Schedule of Expenditures of Federal Awards, and the Notes to the Schedule of Expenditures of Federal Awards 2 *CFR* 200.510(b)(6).
- Add the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, the Schedule of Findings 2 *CFR* § 200.515, and the Corrective Action Plan 2 *CFR* § 200.511(c).
- Modification of the Table of Contents, as applicable, for the items listed above.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements. We issued our unmodified report thereon dated June 20, 2023. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
June 20, 2023, except as described above, which is as of December 1, 2023

**CITY OF LEBANON
WARREN COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**CITY OF LEBANON
WARREN COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Utility Billing – Significant Deficiency:

The City provides various utility services to businesses and residents in its jurisdiction, including water, sewer, trash collection and electricity. The City utilizes a software company to track customer usage and accounts (billings and collections). The City, through Ordinances, sets the rates for each utility service and can increase or decrease those as necessary. Those rates are then provided to the billing software company to utilize when calculating the customers' bills, usually based on usage of each service. That usage is provided by the City through meter readings or other necessary means.

The City provided the most current rates to the billing software company for billings in 2022. However, during audit testing over utility bill recalculations, some inaccuracies were noted for the electric utility, causing some of the business accounts to be undercharged. The City was made aware of these findings and is currently in the process of correcting the issue for future billings.

By charging customers inaccurate amounts for utility services, the City is at risk of financial losses as well as potential financial burden to its customers.

We recommend the City implement additional procedures to help ensure electric rates are accurate such as performing random billing samples of accounts throughout the year. We further recommend the City continue to evaluate the over and under billing of the customer accounts and determine "a Council approved" course of action, to rectify the situation.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None



Department of Finance
 50 South Broadway
 Lebanon, Ohio 45036
 P: 513-932-3060
 F: 513-228-3902

**CITY OF LEBANON
 WARREN COUNTY, OHIO**

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2022

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	When this matter was identified by the auditors, city staff took immediate action to research and correct the calculations. The correction for future electric service calculations occurred in May 2023. The city staff's investigation determined that our software provider installed a periodic update that failed to correctly calculate a specific component of the commercial customer accounts. Prior to this update, everything was calculating properly. Further, city staff did nothing to initiate or change anything in the electric rate structure to cause this error in the electric usage calculation for certain commercial accounts. The city's Power Cost Adjustment safeguard worked properly to ensure that no revenue was lost. The city will immediately implement a monthly audit of sample accounts to verify that any software errors are identified and corrected immediately.	08/31/2023	Dan Burke, City Auditor

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



CITY OF LEBANON

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/9/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov