

CITY OF LEBANON, OHIO

Annual Comprehensive Financial Report

For the Year Ended December 31, 2023



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Columbus, Ohio 43215
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800-282-0370

Members of Council and Management
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, 2023 through December 31, 2023. 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.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 03, 2025

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INTRODUCTORY SECTION



**CITY OF LEBANON, OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Issued by:
Office of the Auditor**

**Dan Burke
City Auditor**

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City of Lebanon
Annual Comprehensive Financial Report
For the Year Ended December 31, 2023

Table of Contents

INTRODUCTORY SECTION

Title Page	
Table of Contents	i
Letter of Transmittal	v
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 Net Position – 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 Ten Years	104
Schedule of the City’s Proportionate Share of the Net Pension Asset – Ohio Public Employees Retirement System – Combined Plan – Last Six Years	106
Schedule of the City’s Proportionate Share of the Net OPEB Liability (Asset) – Ohio Public Employees Employees Retirement System – OPEB Plan – Last Seven Years	108
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Ten Years.....	110
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund – Last Seven 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
Community Development Special Revenue Fund.....	156
Court Special Revenue Fund	157
Park/Recreation Impact Fee Special Revenue Fund.....	158
Transportation Special Revenue Fund.....	159
Opioid OneOhio Settlement Special Revenue Fund.....	160
Monsanto Settlement Special Revenue Fund	161

American Rescue Plan Act Special Revenue Fund	162
Debt Service Fund.....	163
Tax Increment Financing Capital Projects Fund	164
Cemetery Improvement Capital Projects Fund.....	165
OPWC Capital Grant Capital Projects Fund.....	166
Parks Reserve and Replacement Capital Projects Fund	167
Fire-EMS Reserve and Replacement Capital Projects Fund	168
Bike Trail Reserve and Replacement Capital Projects Fund	169
Public Safety Facility Capital Projects Fund	170
Automotive Maintenance Internal Service Fund	171
Self-Insurance Internal Service Fund.....	172

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 2022 and 2013.....	S15
Electric Sold by Type of Customer – Last Ten Years	S16
Principal Electric Customers – 2023 and 2014.....	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, 2023	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
Demographic and Economic Statistics – Last Ten Years	S34
Principal Employers – 2023 and 2014.....	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



July 23, 2024

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

We are pleased to present the thirty-sixth Annual Comprehensive Financial Report (ACFR) for the City of Lebanon. This report for the year ended December 31, 2023, 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.

Independent Auditing Firm Julian & Grube performed the audit for the year ended December 31, 2023, 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.

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50 South Broadway
Lebanon, Ohio 45036
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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.

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, and 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 2023. Over the next five years,

the City's adopted Capital Improvement Budget allocates more than \$9,000,000 in annual road improvements. The resurfacing of several streets and budgeted sidewalk repairs also occurred on schedule in 2023. 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 and the Ohio Department of Transportation Urban Paving program.

The City continues to focus on replacing aging sanitary sewer and water mains throughout the City. The City contracted for a third-party water and sanitary sewer rate study in 2021 and that document helps structure billing 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. In an effort to offset the peak electric demand, the City began site preparation for a solar energy array on City owned land. The solar array project will be completed and become operational in 2024. The City expects to receive federal Solar Investment Tax Credits (I.T.C. Program) to offset approximately 30 percent of the project cost.

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 City contracts with the Intercommunity Cable Regulatory Commission (I.C.R.C.) to create and broadcast 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 2023 (146) decreased when compared to 2022 (195). The residential sector continues to see investment in relation to new housing starts, as reflected by new construction permits issued during 2023 for 22 new housing units. This compares to 58 in 2022. The total construction valuation of residential development as reflected in the Warren County permit data for 2023 was \$8.08 million which decreased about 54 percent compared to 2022. The residential housing market is expected to bounce back significantly in 2024 with new home construction on several sites throughout the City including Grey's Run, Summerlin Farms, and Parkside at Lebanon.

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. Although the 88 commercial construction permits issued in 2023 were less than the 113 issued in 2022, the \$54.6 million valuation was considerably higher than \$32.9 million in 2022 and \$42.0 million in 2021. This valuation growth in the commercial and industrial sectors created significant momentum heading into 2024.

The following are notable Economic Development projects from 2023:

North Broadway Corridor

Development momentum in this corridor continued in the wake of the 2022 completion of the 511 N. Broadway Apartment project and the City's new Fire Station. The Catch-a-Fire Restaurant opened in 2022 and a second restaurant, Mi Cozumel, opened next door in early 2024. A significant renovation project occurred at 535 N. Broadway and led to the relocation of coffee roasting company Script Coffee from another community. Script Coffee opened a retail café with a drive through earlier this year. Several other small businesses have leases to operate inside the 535 N. Broadway building later this year.

120 South Broadway

The City purchased the Golden Turtle Chocolate Factory in 2022 to retain control of this important central business district location. The City is exploring redevelopment options that are consistent with the Downtown Master Plan.

New Retail Businesses and Restaurants

Nationally branded businesses opening in Lebanon in 2023 included Valvoline and Chipotle. In addition to Mi Cozumel and Script Coffee, Dominos Pizza and Jersey Mike's Subs have opened in 2024. Dunkin and WaWa have identified sites where they plan to build later this year.

Green Bay Packaging

In compliance with the City's Community Reinvestment Area guidelines, this business began a 117,000 square foot, \$47,500,000 expansion project adding a new corrugator line. Construction began in the third quarter and is scheduled for completion in 2025. Green Bay Packaging was established in 1933 and operates 41 facilities in 16 states. The company opened a facility in the Lebanon Commerce Center in 2013 and is a full-service manufacturer providing custom corrugated packaging, folding cartons, and coated label products.

In 2023, the City had 23 active properties in the Community Reinvestment Area program with corporate investments exceeding \$130,595,000.

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 continued tax base expansion. City government has renewed its focus on the delivery of core services, reduced or eliminated non-essential programs and increased General Fund reserves. 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 2023 gross earnings tax revenue increased 6.24 percent compared to the 2022 gross earnings tax revenue collections. In November of 2023, the voters of Lebanon approved a ballot measure lowering property taxes while raising the City income tax from 1.00 percent to 1.50 percent. The additional income tax revenue will be earmarked for public safety improvements. A \$2,000,000 advance was repaid from the Sewer Improvement Fund to the General Fund in 2023. The 2023 General Fund cash reserves at year end increased by \$1,780,456 compared to 2022. This change represents a 25 percent increase.

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 firm Julian & Grube performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

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 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



CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS
AS OF DECEMBER 31, 2023

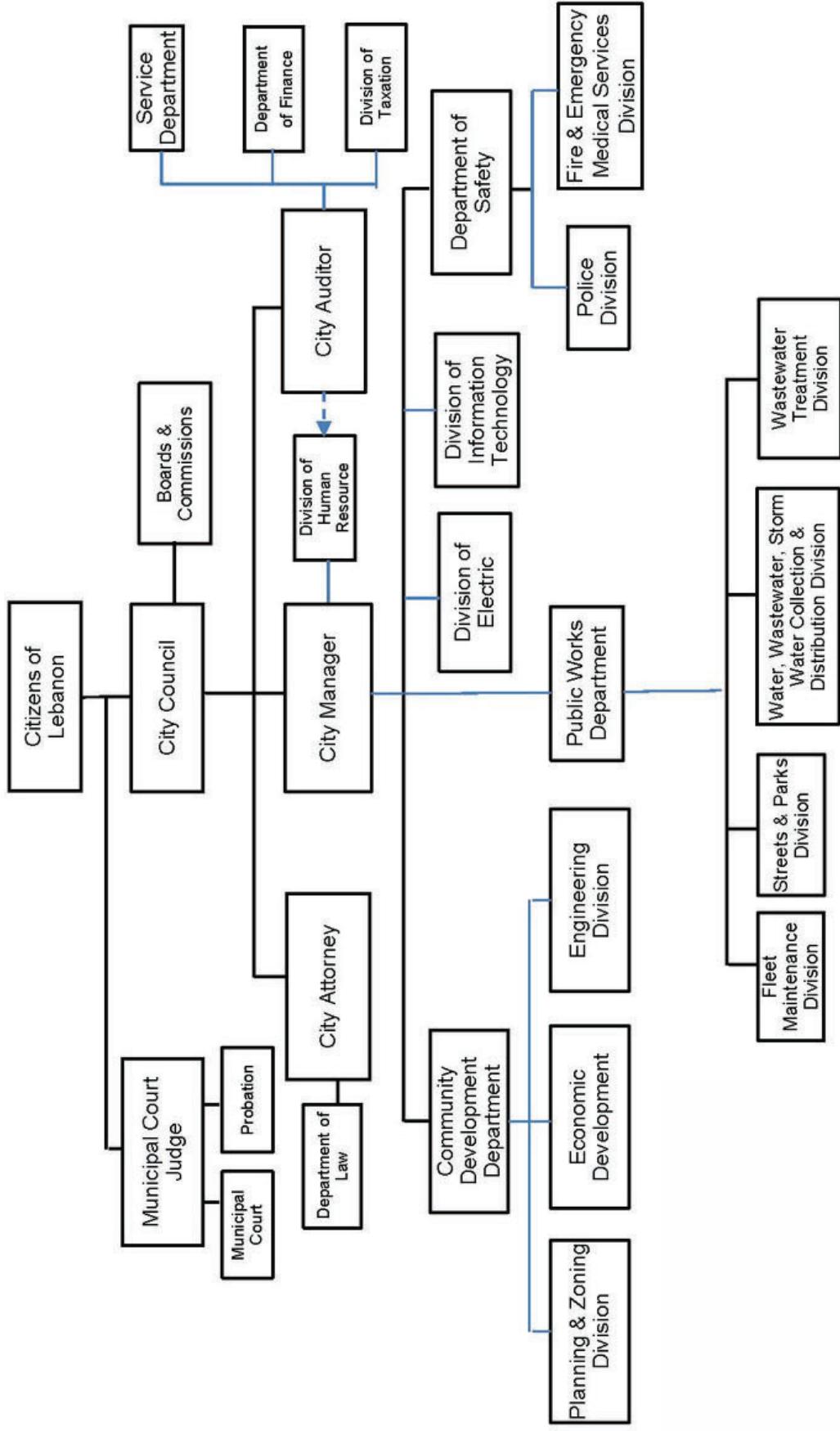
ELECTED OFFICIALS

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 Council and Management:

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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Fire and Life Squad funds 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the City of Lebanon restated Governmental Activities beginning net position due to a correction of construction in progress balances. Our opinions are not modified with respect to this matter.

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 July 23, 2024 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 the City of Lebanon's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 23, 2024

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CITY OF LEBANON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023. 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 \$7,548,452. Net position of Governmental Activities increased \$3,102,193, and net position of Business-Type Activities increased \$4,446,259.

During the year the City continued to develop areas of the City to meet the ever changing needs of the citizens including the construction of a new solar farm to generate electricity and revitalization of the Mechanic Street area. The Glosser Road Pump Station Project experienced significant progress 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, especially the improvements to the Mechanic Street area. 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 Solar Farm was started during the year and Glosser Road Pump Station project underwent significant progress during the year and both are expected to be completed during 2024.

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. 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 general government, police, fire, public health, leisure time services, community and economic development, and transportation.

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 2023 compared to 2022.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total		Restated 2022	Change
	2023	Restated 2022	2023	2022	2023	Restated 2022		
Assets:								
Current and Other Assets	\$48,833,338	\$44,713,172	\$70,716,428	\$68,707,717	\$119,549,766	\$113,420,889		\$6,128,877
Net Pension Asset	80,016	137,978	46,995	71,080	127,011	209,058		(82,047)
Net OPEB Asset	0	940,464	0	484,478	0	1,424,942		(1,424,942)
Capital Assets	64,178,174	64,457,376	112,825,498	103,009,658	177,003,672	167,467,034		9,536,638
<i>Total Assets</i>	<i>113,091,528</i>	<i>110,248,990</i>	<i>183,588,921</i>	<i>172,272,933</i>	<i>296,680,449</i>	<i>282,521,923</i>		<i>14,158,526</i>
<i>Deferred Outflows of Resources</i>								
Deferred Charge on Refunding	0	0	190,498	237,703	190,498	237,703		(47,205)
Pension	10,499,495	6,189,630	2,413,473	692,399	12,912,968	6,882,029		6,030,939
OPEB	2,013,854	1,725,551	329,552	9,851	2,343,406	1,735,402		608,004
<i>Total Deferred Outflows of Resources</i>	<i>12,513,349</i>	<i>7,915,181</i>	<i>2,933,523</i>	<i>939,953</i>	<i>15,446,872</i>	<i>8,855,134</i>		<i>6,591,738</i>
Liabilities:								
Current and Other Liabilities	3,823,285	5,057,560	4,426,196	4,668,350	8,249,481	9,725,910		(1,476,429)
Long-Term Liabilities								
Net Pension Liability	24,880,670	12,678,306	5,202,155	1,381,537	30,082,825	14,059,843		16,022,982
Net OPEB Liability	1,385,431	1,753,846	108,353	0	1,493,784	1,753,846		(260,062)
Other Amounts	10,420,308	10,691,629	16,380,213	9,099,490	26,800,521	19,791,119		7,009,402
<i>Total Liabilities</i>	<i>40,509,694</i>	<i>30,181,341</i>	<i>26,116,917</i>	<i>15,149,377</i>	<i>66,626,611</i>	<i>45,330,718</i>		<i>21,295,893</i>
<i>Deferred Inflows of Resources</i>								
Property Taxes	5,945,103	5,792,225	0	0	5,945,103	5,792,225		152,878
Payment in Lieu of Taxes	140,000	224,730	0	0	140,000	224,730		(84,730)
Deferred Charge on Refunding	492	615	0	0	492	615		(123)
Pension	1,315,819	7,116,351	60,532	1,698,390	1,376,351	8,814,741		(7,438,390)
OPEB	1,352,456	1,655,730	36,008	502,391	1,388,464	2,158,121		(769,657)
Leases	314,217	268,276	0	0	314,217	268,276		45,941
<i>Total Deferred Inflows of Resources</i>	<i>9,068,087</i>	<i>15,057,927</i>	<i>96,540</i>	<i>2,200,781</i>	<i>9,164,627</i>	<i>17,258,708</i>		<i>(8,094,081)</i>
Net Position:								
Net Investment in Capital Assets	55,091,081	54,088,518	93,936,773	91,079,770	149,027,854	145,168,288		3,859,566
Restricted for Pension/OPEB Plans	80,016	1,078,442	46,995	555,558	127,011	1,634,000		(1,506,989)
Other Restricted Amounts	8,877,449	8,143,766	0	0	8,877,449	8,143,766		733,683
Unrestricted	11,978,550	9,614,175	66,325,219	64,227,402	78,303,769	73,841,577		4,462,192
<i>Total Net Position</i>	<i>\$76,027,096</i>	<i>\$72,924,901</i>	<i>\$160,308,987</i>	<i>\$155,862,730</i>	<i>\$236,336,083</i>	<i>\$228,787,631</i>		<i>\$7,548,452</i>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2023, 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 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, respectively, not accounted for as deferred inflows/outflows.

Current and Other Governmental Assets increased mainly due to an increase in cash and cash equivalents and income taxes receivable. Cash and cash equivalents saw an increase related to interest earned during the year along with an increase in the fair value of the City's investments during the year, which is reflected as an increase in investment earnings. Income taxes receivable increased due to increased wages and net profits earned by citizens and people employed within the City.

Overall, the City's total governmental liabilities increased \$10,328,353. The net pension liability increased \$12,202,364, due to the City's proportionate share of the OPERS traditional plan's unfunded benefits.

The City's governmental deferred inflows of liabilities decreased \$5,989,840, primarily due to the change in Pension. The Pension deferred inflows decreased \$5,800,532 mainly due to the significant decrease in the State-wide pension systems' net difference between projected and actual earnings on pension plan investments compared to the prior year.

Net position of the City's governmental activities increased \$3,102,193 from the prior year. Net Investment in Capital Asset increased due to a combination of annual debt payments and fewer contracts and/or retainage payable than the prior year. The City also received opioid settlement monies that are restricted for Public Health Services but have not yet been spent. Unrestricted net position increased mainly due to an increase related to interest earned during the year along with an increase in the fair value of the City's investments, which is reflected as an increase in investment earnings.

The net position of the City's business-type activities increased \$4,446,259. Unrestricted net position increased \$2,097,817 mainly due to revenues continuing to outpace expenses. Net Invested in Capital Assets increased due to the start of the new solar farm as well as the continued work on multiple infrastructure projects throughout the City. Most notable is the Glosser Road Pump Station that has been funded by a grant and loan 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, 2023 and 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$6,357,786	\$6,308,201	\$42,979,862	\$45,498,946	\$49,337,648	\$51,807,147
Operating Grants, Contributions and Interest	1,640,603	2,312,488	0	1,741,763	1,640,603	4,054,251
Capital Grants, Contributions and Interest	1,315,700	1,282,281	515,746	3,072,694	1,831,446	4,354,975
Total Program Revenues	<u>9,314,089</u>	<u>9,902,970</u>	<u>43,495,608</u>	<u>50,313,403</u>	<u>52,809,697</u>	<u>60,216,373</u>
General Revenues:						
Property Taxes	5,952,997	6,055,630	0	0	5,952,997	6,055,630
Income Taxes	14,014,523	13,159,341	0	0	14,014,523	13,159,341
Other Local Taxes	1,736,539	1,544,356	0	0	1,736,539	1,544,356
Payment in Lieu of Taxes	183,739	185,331	0	0	183,739	185,331
Grants and Entitlements Not Restricted to Specific Programs	908,283	2,044,018	0	0	908,283	2,044,018
Investment Earnings/Interest	2,030,802	(1,294,493)	1,732,326	(1,052,387)	3,763,128	(2,346,880)
Other	378,549	158,402	264,936	90,291	643,485	248,693
Gain on Sale of Capital Assets	0	0	8,955	0	8,955	0
Total General Revenues	<u>25,205,432</u>	<u>21,852,585</u>	<u>2,006,217</u>	<u>(962,096)</u>	<u>27,211,649</u>	<u>20,890,489</u>
Total Revenues	<u>34,519,521</u>	<u>31,755,555</u>	<u>45,501,825</u>	<u>49,351,307</u>	<u>80,021,346</u>	<u>81,106,862</u>
Program Expenses:						
General Government	5,907,541	4,296,138	0	0	5,907,541	4,296,138
Security of Persons and Property:						
Police	7,396,301	5,861,158	0	0	7,396,301	5,861,158
Fire	6,400,328	3,487,658	0	0	6,400,328	3,487,658
Public Health Services	254,584	189,152	0	0	254,584	189,152
Leisure Time Services	1,467,553	1,224,765	0	0	1,467,553	1,224,765
Community and Economic Development	2,042,218	3,862,017	0	0	2,042,218	3,862,017
Transportation	8,961,003	4,433,325	0	0	8,961,003	4,433,325
Interest	235,733	250,372	0	0	235,733	250,372
Electric	0	0	27,776,225	28,973,352	27,776,225	28,973,352
Sanitation	0	0	2,102,494	1,996,958	2,102,494	1,996,958
Sewer	0	0	4,055,695	3,987,423	4,055,695	3,987,423
Telecommunications	0	0	57,021	139,814	57,021	139,814
Water	0	0	4,868,617	4,535,755	4,868,617	4,535,755
Storm Water Utility	0	0	947,581	934,661	947,581	934,661
Total Expenses	<u>\$32,665,261</u>	<u>\$23,604,585</u>	<u>\$39,807,633</u>	<u>\$40,567,963</u>	<u>\$72,472,894</u>	<u>\$64,172,548</u>

(Continued)

Table 2
Changes in Net Position
(Continued)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Change in Net Position						
Before Transfers	\$1,854,260	\$8,150,970	\$5,694,192	\$8,783,344	\$7,548,452	\$16,934,314
Transfers	1,247,933	(509,130)	(1,247,933)	509,130	0	0
Change in Net Position	3,102,193	7,641,840	4,446,259	9,292,474	7,548,452	16,934,314
Restatement	0	(2,786,441)	0	0	0	(2,786,441)
Net Position, January 1	72,924,903	68,069,504	155,862,728	146,570,254	228,787,631	214,639,758
Net Position, December 31	<u>\$76,027,096</u>	<u>\$72,924,903</u>	<u>\$160,308,987</u>	<u>\$155,862,728</u>	<u>\$236,336,083</u>	<u>\$228,787,631</u>

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, 5 percent to the Debt Service Fund, and 41 percent Capital Improvement 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 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
	\$5,907,541	\$3,862,400	\$4,296,138	\$1,887,309
General Government				
Security of Persons and Property:				
Police	7,396,301	5,833,240	5,861,158	4,105,841
Fire	6,400,328	5,361,521	3,487,658	2,762,259
Public Health Services	254,584	(399,949)	189,152	(11,512)
Leisure Time Services	1,467,553	897,907	1,224,765	348,776
Community and Economic Development	2,042,218	1,574,151	3,862,017	2,878,650
Transportation	8,961,003	5,986,169	4,433,325	1,479,920
Interest	235,733	235,733	250,372	250,372
Total Expenses	<u>\$32,665,261</u>	<u>\$23,351,172</u>	<u>\$23,604,585</u>	<u>\$13,701,615</u>

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 27.0 percent of total revenues. Operating grants, contributions and interest decreased mainly due to the City not receiving a donation for railway maintenance during 2023 compared to 2022 along with a decrease in grants related to the American Rescue Plan Act fund. 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. Interest revenue increased due to an overall increase in the fair value of the City's investments during the year, which is reflected as an increase in investment earnings.

Income tax revenue increased in 2023 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 2023, fire expenses increased due to additional personnel being hired, police expenses increased partly due to the addition of two new patrol officer positions, and transportation expenses increased related to street repaving and concrete maintenance programs throughout the City.

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 and expenses decreased \$2,685,017 and \$1,225,028, respectively, due to the decrease in purchased power expenses related to a decrease in service demand in 2023.

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 2023 of \$26,075.

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 and expenses increased \$168,183 and \$68,457, respectively, which are both insignificant. The Sewer Fund received a significant amount of grant funding in 2022 related to the Glosser Road Substation project, which decreased in 2023 as the project nears completion. 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.

The Telecommunications Fund accounts for charges collected and utilized for the operation of the community access cable channel. During 2023, the telecommunications operations were discontinued and the fund was closed.

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 and expenses increased \$138,134 and \$326,208, respectively. Expenses increased due to the normal rise in costs associated with continuing operations.

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 and expenses increased \$43,389 and \$10,773, respectively. Storm Water Utility also received \$346,902 in capital contributions from Governmental funds after the 2022 Concrete Program 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 \$33,192,956 and expenditures of \$30,963,582. The General Fund balance increased \$2,999,723, which is mainly due to an increase in interest revenue, the transfer of operations from Telecommunications Fund to the General Fund, and a decrease in expenditures primarily in Leisure Time Activities and Community and Economic Development. Interest revenue increased due to interest earned during the year along with an increase in the fair value of the City's investments, which is reflected as an increase in investment earnings. Leisure Time Activities decreased due to the completion of multiple improvement projects including the Downtown Restrooms Project on Mechanic Street. Community and Economic Development decreased due to a return to normal activity levels for the contractor deposit returns. 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 increased of \$296,590 due to a decrease in Capital Outlay expenditures related to the completion of the new fire station in 2022. 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 decreased \$1,569,640. Expenditures increased due to the street repaving and concrete infrastructure improvement programs throughout 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 \$19,520,300. Final General Fund budgeted revenues and other financing sources were \$19,447,600. The variance between original and final budgeted revenues and other financing sources was \$72,700. This was primarily due to a decrease in grant funding resulting a decrease in intergovernmental revenue compared to what was originally anticipated to be received. Actual revenues and other financing sources were the same as final budgeted revenues and other financing sources. Original appropriations and other financing uses were \$19,725,050, and final appropriations and other financing uses were \$20,970,236. The variance between original and final appropriations and other financing uses was \$1,245,186. Actual expenditures and other financing uses were \$1,925,196 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 2023 compared to 2022:

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2023	2022	2023	2022	2023	2022
Land	\$16,344,188	\$16,564,737	\$3,442,140	\$3,442,140	\$19,786,328	\$20,006,877
Construction in Progress	2,697,439	2,122,898	18,668,776	7,745,847	21,366,215	9,868,745
Land Improvements	1,618,432	1,096,750	0	0	1,618,432	1,096,750
Buildings and Improvements	13,758,249	13,187,093	8,231,937	9,161,535	21,990,186	22,348,628
Equipment	1,510,472	1,489,925	1,146,802	1,262,571	2,657,274	2,752,496
Vehicles	2,994,810	3,020,834	1,362,239	1,345,942	4,357,049	4,366,776
Infrastructure	25,254,584	26,975,139	79,973,604	80,051,623	105,228,188	107,026,762
Totals	\$64,178,174	\$64,457,376	\$112,825,498	\$103,009,658	\$177,003,672	\$167,467,034

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 debt outstanding at December 31, 2023 and 2022:

Table 5
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$8,688,750	\$9,186,565	\$925,000	\$1,620,000	\$9,613,750	\$10,806,565
Financed Purchase	364,769	402,834	0	0	364,769	402,834
Police Pension - Specific Liability	11,385	12,142	0	0	11,385	12,142
OWDA Loan	0	0	8,351,993	0	8,351,993	0
Mortgage Revenue Bonds	0	0	7,788,374	8,257,186	7,788,374	8,257,186
	<u>\$9,064,904</u>	<u>\$9,601,541</u>	<u>\$17,065,367</u>	<u>\$9,877,186</u>	<u>\$26,130,271</u>	<u>\$19,478,727</u>

General obligation bond issues will be paid through the Debt Service Fund with income tax revenues and the Fire and Life Squad Fund with property tax revenues 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 OWDA Loan will be paid from the Sewer Fund. 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, 2023, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$66,396,876, and the unvoted debt margin was \$26,062,554. 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, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$32,518,252	\$59,555,617	\$92,073,869
Accounts Receivable, Net	1,210,405	6,828,455	8,038,860
Intergovernmental Receivable	1,622,497	155,917	1,778,414
Accrued Interest Receivable	218,927	155,499	374,426
Leases Receivable	314,217	0	314,217
Prepaid Items	267,153	84,096	351,249
Internal Balances	(215,413)	215,413	0
Materials and Supplies Inventory	366,048	3,721,431	4,087,479
Income Taxes Receivable	5,474,152	0	5,474,152
Property Taxes Receivable	6,113,405	0	6,113,405
Other Local Taxes Receivable	7,233	0	7,233
Payment in Lieu of Taxes Receivable	140,000	0	140,000
Special Assessments Receivable	396,462	0	396,462
Assets Held for Resale	400,000	0	400,000
Net Pension Asset	80,016	46,995	127,011
Nondepreciable Capital Assets	19,041,627	22,110,916	41,152,543
Depreciable Capital Assets, Net	45,136,547	90,714,582	135,851,129
Total Assets	113,091,528	183,588,921	296,680,449
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	190,498	190,498
Pension	10,499,495	2,413,473	12,912,968
OPEB	2,013,854	329,552	2,343,406
Total Deferred Outflows of Resources:	12,513,349	2,933,523	15,446,872
Liabilities:			
Accounts Payable	370,984	284,317	655,301
Accrued Wages Payable	585,669	169,289	754,958
Intergovernmental Payable	295,224	87,519	382,743
Contracts Payable	221,430	1,801,814	2,023,244
Contracts Payable - Economic Development	206,850	0	206,850
Retainage Payable	374,248	215,857	590,105
Accrued Interest Payable	20,484	20,848	41,332
Claims Payable	585,659	0	585,659
Unearned Revenue	50,000	0	50,000
Notes Payable	200,000	0	200,000
Refundable Deposits	0	627,012	627,012
Long-Term Liabilities:			
Due Within One Year	912,737	1,219,540	2,132,277
Due in More Than One Year:			
Net Pension Liability	24,880,670	5,202,155	30,082,825
Net OPEB Liability	1,385,431	108,353	1,493,784
Other Amounts	10,420,308	16,380,213	26,800,521
Total Liabilities	\$40,509,694	\$26,116,917	\$66,626,611

(Continued)

CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2023
(CONTINUED)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Deferred Inflows of Resources:			
Property Taxes	\$5,945,103	\$0	\$5,945,103
Payment in Lieu of Taxes	140,000	0	140,000
Deferred Charge on Refunding	492	0	492
Pension	1,315,819	60,532	1,376,351
OPEB	1,352,456	36,008	1,388,464
Leases	314,217	0	314,217
Total Deferred Inflows of Resources	<u>9,068,087</u>	<u>96,540</u>	<u>9,164,627</u>
Net Position:			
Net Investment in Capital Assets	55,091,081	93,936,773	149,027,854
Restricted for:			
Capital Outlay	668,774	0	668,774
Security of Persons and Property	3,502,430	0	3,502,430
Public Health Services	1,602,164	0	1,602,164
Transportation	3,104,081	0	3,104,081
Pension Plans	80,016	46,995	127,011
Unrestricted	11,978,550	66,325,219	78,303,769
Total Net Position	<u>\$76,027,096</u>	<u>\$160,308,987</u>	<u>\$236,336,083</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$5,907,541	\$2,045,141	\$0	\$0
Security of Persons and Property:				
Police	7,396,301	1,563,061	0	0
Fire	6,400,328	776,173	262,634	0
Public Health Services	254,584	603,933	0	50,600
Leisure Time Services	1,467,553	569,646	0	0
Community and Economic Development	2,042,218	468,067	0	0
Transportation	8,961,003	331,765	1,377,969	1,265,100
Interest	235,733	0	0	0
Total Governmental Activities	32,665,261	6,357,786	1,640,603	1,315,700
Business-Type Activities:				
Electric	27,776,225	29,782,464	0	0
Sanitation	2,102,494	2,099,690	0	0
Sewer	4,055,695	4,542,696	0	515,746
Telecommunications	57,021	7,179	0	0
Water	4,868,617	5,503,699	0	0
Storm Water Utility	947,581	1,044,134	0	0
Total Business-Type Activities	39,807,633	42,979,862	0	515,746
Total Activities	\$72,472,894	\$49,337,648	\$1,640,603	\$1,831,446

General Revenues and Transfers:

Taxes:

 Property Taxes:

 General Purposes

 Fire and Life Squad

 Income Taxes

 Other Local Taxes

 Municipal Motor Vehicle Taxes

 Payment in Lieu of Taxes

 Grants and Entitlements not Restricted to Specific Programs

 Investment Earnings/Interest

 Other

 Gain on Sale of Capital Assets

 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year - Restated (See Note 3)

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
(\$3,862,400)	\$0	(\$3,862,400)
(5,833,240)	0	(5,833,240)
(5,361,521)	0	(5,361,521)
399,949	0	399,949
(897,907)	0	(897,907)
(1,574,151)	0	(1,574,151)
(5,986,169)	0	(5,986,169)
(235,733)	0	(235,733)
<u>(23,351,172)</u>	<u>0</u>	<u>(23,351,172)</u>

0	2,006,239	2,006,239
0	(2,804)	(2,804)
0	1,002,747	1,002,747
0	(49,842)	(49,842)
0	635,082	635,082
0	96,553	96,553
<u>0</u>	<u>3,687,975</u>	<u>3,687,975</u>
<u>(23,351,172)</u>	<u>3,687,975</u>	<u>(19,663,197)</u>

1,492,068	0	1,492,068
4,460,929	0	4,460,929
14,014,523	0	14,014,523
1,519,719	0	1,519,719
216,820	0	216,820
183,739	0	183,739
908,283	0	908,283
2,030,802	1,732,326	3,763,128
378,549	264,936	643,485
0	8,955	8,955
<u>1,247,933</u>	<u>(1,247,933)</u>	<u>0</u>
<u>26,453,365</u>	<u>758,284</u>	<u>27,211,649</u>
3,102,193	4,446,259	7,548,452
<u>72,924,903</u>	<u>155,862,728</u>	<u>228,787,631</u>
<u>\$76,027,096</u>	<u>\$160,308,987</u>	<u>\$236,336,083</u>

CITY OF LEBANON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Fund	Fire and Life Squad Fund	Capital Improvement Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$11,954,434	\$2,976,498	\$5,183,709
Accounts Receivable	1,035,000	0	0
Materials and Supplies Inventory	23,142	0	0
Prepaid Items	173,354	62,877	0
Income Taxes Receivable	3,371,949	0	1,873,703
Property Taxes Receivable	1,513,169	4,600,236	0
Other Local Taxes Receivable	7,233	0	0
Payment in Lieu of Taxes Receivable	0	0	0
Accrued Interest Receivable	166,957	0	27,857
Intergovernmental Receivable	308,504	24,102	612,465
Leases Receivable	297,435	0	16,782
Special Assessments Receivable	0	0	396,462
Interfund Receivable	14,123	0	0
Advances to Other Funds	35,683	0	0
Assets Held for Resale	0	0	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	2,155	0	0
Total Assets	\$18,903,138	\$7,663,713	\$8,110,978
Liabilities:			
Accounts Payable	\$156,181	\$30,773	\$151,799
Accrued Wages Payable	390,761	158,752	0
Contracts Payable	44,008	0	134,882
Contracts Payable - Economic Development	0	0	0
Intergovernmental Payable	188,796	54,578	0
Accrued Interest Payable	0	1,995	0
Retainage Payable	0	0	334,758
Unearned Revenue	0	0	0
Notes Payable	0	200,000	0
Interfund Payable	1,618	54	5,692
Advances From Other Funds	0	0	0
Total Liabilities	781,364	446,152	627,131
Deferred Inflows of Resources:			
Property Taxes	1,469,312	4,475,791	0
Payment in Lieu of Taxes	0	0	0
Leases	297,435	0	16,782
Unavailable Revenue	2,810,893	148,547	2,793,771
Total Deferred Inflows of Resources	4,577,640	4,624,338	2,810,553
Fund Balances:			
Nonspendable	198,651	62,877	0
Restricted	0	2,530,346	0
Committed	0	0	4,673,294
Assigned	4,249,376	0	0
Unassigned	9,096,107	0	0
Total Fund Balances	13,544,134	2,593,223	4,673,294
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$18,903,138	\$7,663,713	\$8,110,978

See Accompanying Notes to the Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$10,693,827	\$30,808,468
175,405	1,210,405
266,336	289,478
21,404	257,635
228,500	5,474,152
0	6,113,405
0	7,233
140,000	140,000
17,972	212,786
677,426	1,622,497
0	314,217
0	396,462
0	14,123
0	35,683
400,000	400,000
 0	 2,155
 \$12,620,870	 \$47,298,699
 \$26,313	 \$365,066
22,605	572,118
42,540	221,430
206,850	206,850
45,412	288,786
0	1,995
39,490	374,248
50,000	50,000
0	200,000
5,411	12,775
35,683	35,683
 474,304	 2,328,951
 0	 5,945,103
140,000	140,000
0	314,217
958,678	6,711,889
 1,098,678	 13,111,209
 287,740	 549,268
5,306,763	7,837,109
5,453,385	10,126,679
0	4,249,376
0	9,096,107
 11,047,888	 31,858,539
 \$12,620,870	 \$47,298,699

CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total Governmental Fund Balances	\$31,858,539
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.	64,178,174
Internal service funds are used by management to charge the costs of insurance and automotive maintenance to individual funds. The remaining assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
Net Position	1,058,650
Net Pension Asset	(3,811)
Capital Assets	(102,167)
Deferred Outflows - Pension	(228,521)
Deferred Outflows - OPEB	(26,854)
Deferred Inflows - Pension	2,022
Deferred Inflows - OPEB	2,898
Net Pension Liability	421,798
Net OPEB Liability	8,786
Compensated Absences	<u>55,198</u>
Total	1,187,999
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.	(216,468)
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:	
Accounts	174,128
Income Taxes	4,295,376
Property Taxes	168,302
Interest	181,341
Intergovernmental	1,496,280
Special Assessments	<u>396,462</u>
Total	6,711,889
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(18,489)
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 Inflow	(\$492)

(Continued)

CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023
(CONTINUED)

The net pension liability 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	\$80,016
Deferred Outflows - Pension	10,499,495
Deferred Outflows - OPEB	2,013,854
Net Pension Liability	(24,880,670)
Net OPEB Liability	(1,385,431)
Deferred Inflows - Pension	(1,315,819)
Deferred Inflows - OPEB	(1,352,456)
Total	(16,341,011)

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	(483,750)
Bonds	(8,205,000)
Financed Purchase	(364,769)
Police Pension-Specific Liability	(11,385)
Compensated Absences	(2,268,141)
Total Liabilities	(11,333,045)
Net Position of Governmental Activities	\$76,027,096

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, 2023

	General Fund	Fire and Life Squad Fund	Capital Improvement Fund
Revenues:			
Property Taxes	\$1,533,942	\$4,601,804	\$0
Income Taxes	7,595,641	0	5,080,580
Other Local Taxes	1,519,719	0	0
Permissive Motor Vehicle License Taxes	0	0	0
Payment in Lieu of Taxes	0	0	0
Special Assessments	0	0	266,973
Charges for Services	3,213,622	776,173	0
Fines, Licenses, Permits and Settlements	1,105,808	0	0
Leases	35,419	0	2,604
Intergovernmental	883,344	263,927	619,085
Investment Earnings/Interest	1,657,791	0	237,399
Contributions and Donations	0	0	87,600
Other	<u>239,081</u>	<u>62,169</u>	<u>66,639</u>
Total Revenues	<u>17,784,367</u>	<u>5,704,073</u>	<u>6,360,880</u>
Expenditures:			
Current:			
General Government	5,625,142	0	0
Security of Persons and Property:			
Police	5,973,649	0	0
Fire	0	4,947,329	0
Public Health Services	0	0	0
Leisure Time Services	1,336,610	0	0
Community and Economic Development	1,841,340	0	0
Transportation	0	0	4,205,023
Capital Outlay	0	249,264	3,152,597
Debt Service:			
Principal Retirement	38,822	215,000	0
Interest	<u>16,622</u>	<u>195,890</u>	<u>0</u>
Total Expenditures	<u>14,832,185</u>	<u>5,607,483</u>	<u>7,357,620</u>
Excess of Revenues Over (Under) Expenditures	<u>2,952,182</u>	<u>96,590</u>	<u>(996,740)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	0	13,330
Transfers In	1,747,415	350,000	750,000
Transfers Out	<u>(1,699,874)</u>	<u>(150,000)</u>	<u>(1,336,230)</u>
Total Other Financing Sources (Uses)	<u>47,541</u>	<u>200,000</u>	<u>(572,900)</u>
Net Change in Fund Balances	<u>2,999,723</u>	<u>296,590</u>	<u>(1,569,640)</u>
Fund Balances at Beginning of Year	<u>10,544,411</u>	<u>2,296,633</u>	<u>6,242,934</u>
Fund Balances at End of Year	<u>\$13,544,134</u>	<u>\$2,593,223</u>	<u>\$4,673,294</u>

See Accompanying Notes to the Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$6,135,746
619,582	13,295,803
0	1,519,719
216,820	216,820
183,739	183,739
0	266,973
208,818	4,198,613
539,772	1,645,580
0	38,023
1,320,834	3,087,190
243,411	2,138,601
0	87,600
<u>10,660</u>	<u>378,549</u>
<u>3,343,636</u>	<u>33,192,956</u>
35,466	5,660,608
117,773	6,091,422
0	4,947,329
237,127	237,127
43,290	1,379,900
50,263	1,891,603
1,211,441	5,416,464
1,163,989	4,565,850
<u>255,000</u>	<u>508,822</u>
<u>51,945</u>	<u>264,457</u>
<u>3,166,294</u>	<u>30,963,582</u>
<u>177,342</u>	<u>2,229,374</u>
90,000	103,330
1,936,104	4,783,519
<u>(7,650)</u>	<u>(3,193,754)</u>
<u>2,018,454</u>	<u>1,693,095</u>
2,195,796	3,922,469
<u>8,852,092</u>	<u>27,936,070</u>
<u>\$11,047,888</u>	<u>\$31,858,539</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, 2023

Net Change in Fund Balances - Total Governmental Funds \$3,922,469

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	4,789,151
Current Year Depreciation	(4,357,371)
Excess of Capital Outlay over Depreciation Expense	<u>431,780</u>

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	(369,150)
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Assets transferred from enterprise activities during the year to governmental activities.	5,070
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Assets transferred from governmental activities during the year to enterprise funds.	(346,902)
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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	(182,749)
Income Taxes	718,720
Special Assessments	(9,242)
Charges for Services	43,711
Fines, Licenses, Permits and Settlements	174,128
Intergovernmental	380,703
Investment Earnings/Interest	<u>87,403</u>
Total	1,212,674

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	470,000
Financed Purchase Principal Retirement	38,065
Police Pension Principal Retirement	<u>757</u>
Total	508,822

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

Amortization of Bond Premium	27,815
Amortization of Deferred Charge on Refunding	123
Accrued Interest	<u>786</u>
Total	28,724

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

Pension	\$1,832,968
OPEB	<u>(29,204)</u>
Total	1,803,764

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	(3,982,897)
OPEB	<u>48,732</u>
Total	(\$3,934,165)

(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, 2023
(CONTINUED)

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	(\$302,454)
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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	(1,352)
Depreciation of Capital Assets	16,886
Contractually Required Contributions for Pension	(34,202)
Contractually Required Contributions for OPEB	(345)
Pension Expense	89,424
OPEB Expense	(15,300)
Increase in Compensated Absences	7,973
Adjustment to Business Type Activities	<u>78,477</u>
Total	<u>141,561</u>
Change in Net Position of Governmental Activities	<u><u>\$3,102,193</u></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, 2023

	Budgeted Amounts		Variance with Final Budget	
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$1,565,000	\$1,533,942	\$1,533,942	\$0
Income Taxes	7,322,200	7,523,428	7,523,428	0
Other Local Taxes	1,512,000	1,518,144	1,518,144	0
Charges for Services	3,753,850	3,265,429	3,265,429	0
Fines, Licenses, Permits and Settlements	1,078,900	1,102,372	1,102,372	0
Intergovernmental	2,118,800	889,162	889,162	0
Interest	415,000	930,127	930,127	0
Contributions and Donations	750	0	0	0
Other	453,800	375,081	375,081	0
Total Revenues	18,220,300	17,137,685	17,137,685	0
Expenditures:				
Current:				
General Government	5,909,990	6,221,164	5,990,302	230,862
Security of Persons and Property	6,412,379	6,399,684	6,035,505	364,179
Leisure Time Services	2,839,004	3,280,868	3,198,968	81,900
Community and Economic Development	2,123,677	2,314,341	2,066,212	248,129
Debt Service:				
Principal Retirements	0	38,065	38,065	0
Interest	0	16,114	16,114	0
Total Expenditures	17,285,050	18,270,236	17,345,166	925,070
Excess of Revenues Over (Under) Expenditures	935,250	(1,132,551)	(207,481)	925,070
Other Financing Sources (Uses):				
Transfers In	300,000	309,915	309,915	0
Advances In	1,000,000	2,000,000	2,000,000	0
Transfers Out	(1,440,000)	(1,700,000)	(1,699,874)	126
Advances Out	(1,000,000)	(1,000,000)	0	1,000,000
Total Other Financing Sources (Uses)	(1,140,000)	(390,085)	610,041	1,000,126
Net Change in Fund Balance	(204,750)	(1,522,636)	402,560	1,925,196
Fund Balance at Beginning of Year	7,560,283	7,560,283	7,560,283	0
Prior Year Encumbrances Appropriated	1,077,604	1,077,604	1,077,604	0
Fund Balance at End of Year	\$8,433,137	\$7,115,251	\$9,040,447	\$1,925,196

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, 2023

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Property Taxes	\$4,500,000	\$4,601,804	\$4,601,804	\$0
Charges for Services	720,000	776,173	776,173	0
Intergovernmental	666,376	155,287	155,287	0
Other	0	170,809	170,809	0
Total Revenues	<u>5,886,376</u>	<u>5,704,073</u>	<u>5,704,073</u>	<u>0</u>
Expenditures:				
Current:				
Security of Persons and Property	5,283,532	5,289,213	5,046,793	242,420
Capital Outlay	173,309	627,401	591,895	35,506
Debt Service				
Principal Retirement	615,000	615,000	615,000	0
Interest	200,856	200,856	200,347	509
Total Expenditures	<u>6,272,697</u>	<u>6,732,470</u>	<u>6,454,035</u>	<u>278,435</u>
Excess of Revenues Under Expenditures	<u>(386,321)</u>	<u>(1,028,397)</u>	<u>(749,962)</u>	<u>278,435</u>
Other Financing Sources (Uses):				
Transfers In	450,000	350,000	350,000	0
Transfers Out	(150,000)	(150,000)	(150,000)	0
Bond Anticipation Notes Issued	200,000	200,000	200,000	0
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>400,000</u>	<u>400,000</u>	<u>0</u>
Net Change in Fund Balance	113,679	(628,397)	(349,962)	278,435
Fund Balance at Beginning of Year	2,768,580	2,768,580	2,768,580	0
Prior Year Encumbrances Appropriated	500,244	500,244	500,244	0
Fund Balance at End of Year	<u>\$3,382,503</u>	<u>\$2,640,427</u>	<u>\$2,918,862</u>	<u>\$278,435</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-Type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$43,721,455	\$878,210	\$5,277,464
Accounts Receivable, Net	5,050,079	303,785	578,501
Intergovernmental Receivable	0	0	155,917
Accrued Interest Receivable	105,513	3,407	16,063
Prepaid Items	37,881	159	28,255
Materials and Supplies Inventory	3,214,528	0	77,348
Interfund Receivable	30,779	0	0
Total Current Assets	<u>52,160,235</u>	<u>1,185,561</u>	<u>6,133,548</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	576,588	0	0
Net Pension Asset	29,215	2,541	10,158
Nondepreciable Capital Assets	4,669,552	9,000	14,837,003
Depreciable Capital Assets, Net	14,021,301	125,984	22,700,424
Total Noncurrent Assets	<u>19,296,656</u>	<u>137,525</u>	<u>37,547,585</u>
Total Assets	<u>71,456,891</u>	<u>1,323,086</u>	<u>43,681,133</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	0	62,187
Pension	1,428,622	217,027	480,037
OPEB	204,508	18,178	71,062
Total Deferred Outflows of Resources	<u>\$1,633,130</u>	<u>\$235,205</u>	<u>\$613,286</u>

See Accompanying Notes to the Basic Financial Statements

Water Fund	Enterprise Funds			Governmental Activities Internal Service Funds
	Storm Water Fund	Utility Fund	Totals	
\$7,565,109	\$1,286,367	\$58,728,605		\$1,707,629
778,739	117,351	6,828,455		0
0	0	155,917		0
24,937	5,579	155,499		6,141
17,801	0	84,096		9,518
429,555	0	3,721,431		76,570
0	3,266	34,045		0
<u>8,816,141</u>	<u>1,412,563</u>	<u>69,708,048</u>		<u>1,799,858</u>
250,424	0	827,012		0
3,810	1,271	46,995		3,811
1,950,192	645,169	22,110,916		0
<u>28,132,531</u>	<u>25,734,342</u>	<u>90,714,582</u>		<u>102,167</u>
<u>30,336,957</u>	<u>26,380,782</u>	<u>113,699,505</u>		<u>105,978</u>
<u>39,153,098</u>	<u>27,793,345</u>	<u>183,407,553</u>		<u>1,905,836</u>
128,311	0	190,498		0
179,274	108,513	2,413,473		228,521
26,715	9,089	329,552		26,854
<u>\$334,300</u>	<u>\$117,602</u>	<u>\$2,933,523</u>		<u>\$255,375</u>

(Continued)

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023
(CONTINUED)

	Business-Type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Liabilities:			
Current Liabilities:			
Accounts Payable	\$63,816	\$138,821	\$50,566
Accrued Wages Payable	106,599	5,940	35,828
Contracts Payable	1,514,012	0	188,047
Retainage Payable	129,111	0	35,833
Intergovernmental Payable	50,687	2,799	22,238
Accrued Interest Payable	0	0	1,565
Interfund Payable	497	872	28,966
Claims Payable	0	0	0
Compensated Absences Payable	77,489	0	18,976
General Obligation Bonds Payable	0	0	705,000
Mortgage Revenue Bonds Payable	0	0	0
Total Current Liabilities	<u>1,942,211</u>	<u>148,432</u>	<u>1,087,019</u>
Long-term Liabilities:			
Refundable Deposits	576,588	0	0
Compensated Absences Payable	269,191	0	98,076
OWDA Loans Payable	0	0	8,351,993
General Obligation Bonds Payable	0	0	220,000
Mortgage Revenue Bonds Payable	0	0	0
Net Pension Liability	3,233,772	281,198	1,124,788
Net OPEB Liability	<u>67,354</u>	<u>5,857</u>	<u>23,431</u>
Total Long-term Liabilities	<u>4,146,905</u>	<u>287,055</u>	<u>9,818,288</u>
Total Liabilities	<u>6,089,116</u>	<u>435,487</u>	<u>10,905,307</u>
Deferred Inflows of Resources:			
Pension	6,806	3,091	1,913
OPEB	<u>22,213</u>	<u>1,932</u>	<u>7,725</u>
Total Deferred Inflows of Resources	<u>29,019</u>	<u>5,023</u>	<u>9,638</u>
Net Position:			
Net Investment in Capital Assets	17,047,730	134,984	28,098,741
Restricted for:			
Pension Plans	29,215	2,541	10,158
Unrestricted	<u>49,894,941</u>	<u>980,256</u>	<u>5,270,575</u>
Total Net Position	<u>\$66,971,886</u>	<u>\$1,117,781</u>	<u>\$33,379,474</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

Water Fund	Enterprise Funds			Governmental Activities Internal Service Funds
	Storm Water Fund	Utility Fund	Totals	
\$30,886	\$228	\$284,317		\$5,918
15,422	5,500	169,289		13,551
0	99,755	1,801,814		0
15,268	35,645	215,857		0
9,173	2,622	87,519		6,438
19,283	0	20,848		0
4,765	0	35,100		293
0	0	0		585,659
9,438	3,637	109,540		9,919
0	0	705,000		0
<u>405,000</u>	<u>0</u>	<u>405,000</u>		<u>0</u>
 509,235	 147,387	 3,834,284		 621,778
 50,424	 0	 627,012		 0
35,189	22,390	424,846		45,279
0	0	8,351,993		0
0	0	220,000		0
7,383,374	0	7,383,374		0
421,798	140,599	5,202,155		421,798
<u>8,783</u>	<u>2,928</u>	<u>108,353</u>		<u>8,786</u>
 <u>7,899,568</u>	 <u>165,917</u>	 <u>22,317,733</u>		 <u>475,863</u>
 <u>8,408,803</u>	 <u>313,304</u>	 <u>26,152,017</u>		 <u>1,097,641</u>
 47,176	 1,546	 60,532		 2,022
<u>3,172</u>	<u>966</u>	<u>36,008</u>		<u>2,898</u>
 <u>50,348</u>	 <u>2,512</u>	 <u>96,540</u>		 <u>4,920</u>
 22,407,392	 26,247,926	 93,936,773		 102,167
 3,810	 1,271	 46,995		 3,811
<u>8,617,045</u>	<u>1,345,934</u>	<u>66,108,751</u>		<u>952,672</u>
 <u>\$31,028,247</u>	 <u>\$27,595,131</u>	 <u>160,092,519</u>		 <u>\$1,058,650</u>
		 <u>216,468</u>		
		 <u>\$160,308,987</u>		

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$29,782,464	\$2,099,690	\$4,542,696
Other	<u>245,969</u>	<u>453</u>	<u>4,609</u>
Total Operating Revenues	<u>30,028,433</u>	<u>2,100,143</u>	<u>4,547,305</u>
Operating Expenses:			
Personal Services	2,916,708	252,847	1,016,496
Contractual Services	2,141,188	1,832,500	1,550,533
Purchased Power	21,266,093	0	0
Supplies and Materials	142,329	0	109,336
Claims	0	0	0
Depreciation	1,296,094	15,748	1,312,215
Other	<u>337</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>27,762,749</u>	<u>2,101,095</u>	<u>3,988,580</u>
Operating Income (Loss)	<u>2,265,684</u>	<u>(952)</u>	<u>558,725</u>
Non-Operating Revenues (Expenses):			
Investment Earnings/Interest	1,488,546	27,027	161,225
Other Non-Operating Revenues	8,693	0	0
Gain on Sale of Capital Assets	8,955	0	0
Capital Grants and Contributions	0	0	408,280
Interest	<u>0</u>	<u>0</u>	<u>(61,170)</u>
Total Non-Operating Revenues (Expenses)	<u>1,506,194</u>	<u>27,027</u>	<u>508,335</u>
Income (Loss) Before Capital Contributions and Transfers	<u>3,771,878</u>	<u>26,075</u>	<u>1,067,060</u>
Capital Contributions from Other Funds	0	0	0
Capital Contributions from Developers	0	0	107,466
Transfer In	0	0	0
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Contributions and Transfers	<u>0</u>	<u>0</u>	<u>107,466</u>
Special Item-Telecommunications close out	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u>3,771,878</u>	<u>26,075</u>	<u>1,174,526</u>
Net Position at Beginning of Year	<u>63,200,008</u>	<u>1,091,706</u>	<u>32,204,948</u>
Net Position at End of Year	<u><u>\$66,971,886</u></u>	<u><u>\$1,117,781</u></u>	<u><u>\$33,379,474</u></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

Enterprise Funds				Governmental Activities Internal Service Funds
Telecommunications Fund	Water Fund	Storm Water Utility Fund	Total	
\$7,179	\$5,503,699	\$1,044,134	\$42,979,862	\$2,735,564
0	4,712	270	256,013	448,745
7,179	5,508,411	1,044,404	43,235,875	3,184,309
6	388,303	151,549	4,725,909	355,172
4,883	948,927	193,067	6,671,098	569,106
0	0	0	21,266,093	0
0	2,069,411	0	2,321,076	22,989
0	0	0	0	2,335,399
0	1,269,860	602,047	4,495,964	16,886
0	1,010	0	1,347	0
4,889	4,677,511	946,663	39,481,487	3,299,552
2,290	830,900	97,741	3,754,388	(115,243)
0	36,793	18,735	1,732,326	113,891
230	0	0	8,923	0
0	0	0	8,955	0
0	0	0	408,280	0
0	(186,499)	0	(247,669)	0
230	(149,706)	18,735	1,910,815	113,891
2,520	681,194	116,476	5,665,203	(1,352)
0	0	346,902	346,902	0
0	0	0	107,466	0
0	150,000	0	150,000	0
(1,739,765)	0	0	(1,739,765)	0
(1,739,765)	150,000	346,902	(1,135,397)	0
(5,070)	0	0	(5,070)	0
(1,742,315)	831,194	463,378	4,524,736	(1,352)
1,742,315	30,197,053	27,131,753		1,060,002
\$0	\$31,028,247	\$27,595,131		\$1,058,650
			(78,477)	
			\$4,446,259	

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	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	\$29,868,696	\$2,090,551	\$4,535,903
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(2,654,353)	(202,016)	(924,862)
Cash Payments to Suppliers for Goods and Services	(22,397,254)	(1,826,701)	(3,382,226)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	245,969	453	4,609
Other Operating Expenses	(337)	0	0
Other Non-Operating Revenues	8,693	0	184,052
Utility Deposits Received	126,675	0	0
Utility Deposits Returned	(119,450)	0	0
Net Cash Provided by (Used for) Operating Activities	<u>5,078,639</u>	<u>62,287</u>	<u>417,476</u>
Cash Flows from Noncapital Financing Activities:			
Short-Term Advance to Another Fund	0	0	(2,000,000)
Transfers In	0	0	0
Transfers Out	0	0	0
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>0</u>	<u>0</u>	<u>(2,000,000)</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Sale of Capital Assets	8,955	0	0
Acquisition of Capital Assets	(3,458,609)	0	(9,297,336)
Proceeds of OWDA Loan	0	0	8,351,993
Principal Paid on Mortgage Revenue Bonds	0	0	0
Interest Paid on Mortgage Revenue Bonds	0	0	0
Principal Paid on General Obligation Bonds	0	0	(695,000)
Interest Paid on General Obligation Bonds	0	0	(32,886)
Capital Contributions from Other Governments	0	0	2,124,904
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(3,449,654)</u>	<u>0</u>	<u>451,675</u>
Cash Flows from Investing Activities:			
Investment Earnings/Interest	<u>1,446,929</u>	<u>25,403</u>	<u>152,903</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>3,075,914</u>	<u>87,690</u>	<u>(977,946)</u>
Cash and Cash Equivalents at Beginning of Year	<u>41,222,129</u>	<u>790,520</u>	<u>6,255,410</u>
Cash and Cash Equivalents at End of Year	<u><u>\$44,298,043</u></u>	<u><u>\$878,210</u></u>	<u><u>\$5,277,464</u></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	
\$7,179	\$5,401,262	\$1,045,736	\$42,949,327	\$0
0	0	0	0	2,735,564
(42,696)	(392,337)	(116,510)	(4,332,774)	(310,601)
0	(3,169,058)	(269,492)	(31,044,731)	(590,520)
0	0	0	0	(2,166,494)
0	4,712	270	256,013	448,745
0	(1,010)	0	(1,347)	0
230	0	0	192,975	0
0	6,725	0	133,400	0
0	(6,600)	0	(126,050)	0
<u>(35,287)</u>	<u>1,843,694</u>	<u>660,004</u>	<u>8,026,813</u>	<u>116,694</u>
0	0	0	(2,000,000)	0
0	150,000	0	150,000	0
<u>(302,265)</u>	<u>0</u>	<u>0</u>	<u>(302,265)</u>	<u>0</u>
<u>(302,265)</u>	<u>150,000</u>	<u>0</u>	<u>(2,152,265)</u>	<u>0</u>
0	0	0	8,955	0
0	(428,287)	(678,274)	(13,862,506)	0
0	0	0	8,351,993	0
0	(400,000)	0	(400,000)	0
0	(237,900)	0	(237,900)	0
0	0	0	(695,000)	0
0	0	0	(32,886)	0
0	0	0	2,124,904	0
<u>0</u>	<u>(1,066,187)</u>	<u>(678,274)</u>	<u>(4,742,440)</u>	<u>0</u>
<u>0</u>	<u>25,089</u>	<u>16,054</u>	<u>1,666,378</u>	<u>111,377</u>
<u>(337,552)</u>	<u>952,596</u>	<u>(2,216)</u>	<u>2,798,486</u>	<u>228,071</u>
<u>337,552</u>	<u>6,862,937</u>	<u>1,288,583</u>	<u>56,757,131</u>	<u>1,479,558</u>
<u><u>\$0</u></u>	<u><u>\$7,815,533</u></u>	<u><u>\$1,286,367</u></u>	<u><u>\$59,555,617</u></u>	<u><u>\$1,707,629</u></u>

(Continued)

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$2,265,684	(\$952)	\$558,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,296,094	15,748	1,312,215
Other Non-Operating Revenues	8,693	0	0
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	(483,674)	0	(6,686)
Accounts Receivable	87,060	(9,139)	(24,462)
Interfund Receivable	(828)	0	0
Intergovernmental Receivable	0	0	201,721
Prepays Items	1,767	(159)	(12,193)
Net Pension Asset	2,290	(470)	920
Deferred Outflows of Resources - Pension	651,682	117,464	215,619
Deferred Outflows of Resources - OPEB	138,962	12,119	48,328
Increase (Decrease) in Liabilities:			
Accounts Payable	(12,820)	5,958	(7,093)
Accrued Wages Payable	15,249	(630)	1,128
Contracts Payable	1,510,408	0	(1,278,455)
Intergovernmental Payable	7,669	(306)	416
Retainage Payable	127,680	0	(418,456)
Interfund Payable	0	0	891
Claims Payable	0	0	0
Matured Compensated Absences Payable	0	0	0
Liabilities Payable from Restricted Assets	7,225	0	0
Compensated Absences Payable	84,729	(2,565)	40,069
Net Pension Liability	94,137	(11,571)	36,336
Net OPEB Liability	(2,633)	(308)	(898)
Deferred Inflows of Resources - Pension	(464,247)	(40,702)	(161,416)
Deferred Inflows of Resources - OPEB	(256,488)	(22,200)	(89,233)
Net Cash Provided by (Used for) Operating Activities	<u>\$5,078,639</u>	<u>\$62,287</u>	<u>\$417,476</u>

Noncash Capital Financing Activities:

The Sewer Fund received assets donated from developers in the amount of \$107,466.

The Storm Water Utility Fund received assets donated from governmental activities in the amount of \$346,902.

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
\$2,290	\$830,900	\$97,741	\$3,754,388	(\$115,243)
0	1,269,860	602,047	4,495,964	16,886
230	0	0	8,923	0
0	(32,762)	0	(523,122)	5,525
0	(102,437)	1,631	(47,347)	0
0	0	(29)	(857)	0
0	0	0	201,721	0
4,883	(2,399)	0	(8,101)	(6,525)
0	695	(235)	3,200	(6)
0	80,726	58,733	1,124,224	112,636
0	18,275	6,060	223,744	18,143
0	22,242	(252)	8,035	2,691
(3,488)	73	1,349	13,681	(2,000)
0	(106,730)	(5,293)	119,930	0
(1,649)	(1,421)	679	5,388	(1,095)
0	(31,008)	(70,880)	(392,664)	0
0	(63)	0	828	0
0	0	0	0	168,905
(37,553)	0	0	(37,553)	0
0	125	0	7,350	0
0	(347)	5,845	127,731	7,973
0	23,954	(5,786)	137,070	3,297
0	(298)	(155)	(4,292)	(380)
0	(92,007)	(20,351)	(778,723)	(60,705)
0	(33,684)	(11,100)	(412,705)	(33,408)
<u><u>(\$35,287)</u></u>	<u><u>\$1,843,694</u></u>	<u><u>\$660,004</u></u>	<u><u>\$8,026,813</u></u>	<u><u>\$116,694</u></u>

CITY OF LEBANON, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

Assets:

Equity in Pooled Cash and Cash Equivalents	\$22,356
Cash and Cash Equivalents in Segregated Accounts	<u>30,403</u>
Total Assets	<u><u>\$52,759</u></u>

Liabilities:

Accounts Payable	\$1,927
Intergovernmental Payable	<u>50,832</u>
Total Liabilities	<u><u>\$52,759</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, 2023

Additions:

Fines and Forfeitures for Other Governments	\$1,482,782
Special Assessment Collections for Other Governments	554,886
Amounts Received as Fiscal Agent	<u>51,433</u>

Total Additions 2,089,101

Deductions:

Distributions to the State of Ohio	1,278,645
Fines and Forfeitures Distributions to Other Governments	163,002
Special Assessment Distributions to Other Governments	554,886
Distributions to Individuals	41,135
Distributions as Fiscal Agent	<u>51,433</u>

Total Deductions 2,089,101

Net Position Beginning of Year 0

Net Position End of Year \$0

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

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, 2023

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 and charges for services 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, or committed, 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, 2023

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. The operations of the telecommunications fund were discontinued in 2023. See Note 24 for more information.

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., 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, payment 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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

which all eligibility requirements have been satisfied. Eligibility requirements include timing 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 position for deferred charge 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, payment in lieu of taxes, deferred charge on refunding, pension, OPEB, leases, and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. 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 accounts, 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, 2023

Reclassifications

Net position restricted for the OPEB plan has been reclassified in the prior year financial statements to conform with the presentation and calculation used in the current year financial statements.

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, 2023

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 2023, the City's investments were limited to Commercial Paper, Money Market Mutual Funds, Federal Agency Securities, Tennessee Valley Authority Bonds, negotiable certificates of deposit, United States 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 2023 amounted to \$1,657,791, of which \$1,123,215 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, 2023, 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, 2023

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 plan 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.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. 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 expensed.

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, 2023

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.

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 proprietary funds are reported on the proprietary 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, claims and 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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

purchases, 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.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows/inflows of resources on the Statement of Net Position.

Monsanto Settlement Monies

During 2023, Ohio reached a settlement agreement with Monsanto. As a participating subdivision, the City received a settlement payment of \$17,414 during 2023. This amount is reflected as fines, licenses, permits and settlements revenue in the Monsanto Special Revenue Fund in the accompanying financial statements.

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for Pension plans represent the corresponding restricted asset amounts held in trust by the pension plan for future benefits.

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 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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2024 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, 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.

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

Special Items

Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. During 2023, the City incurred a transaction that was classified as a special item relating to an abandoned operation. See Note 24 for further details.

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.

Contributions of Capital

Contributions of capital arise from outside contributions of capital assets and grants, or outside contributions of resources restricted to capital acquisition and construction or transfers of governmental capital assets financed by governmental funds to enterprise funds.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 3 – Change in Accounting Principles and Restatement of Net Position

For 2023, the City implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The City did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the City also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

Restatement of Net Position

The correction of an error had the following effect on net position as of December 31, 2022:

	Governmental Activities
Net Position, December 31, 2022	<u>\$75,711,344</u>
Adjustment:	
Nondepreciable Capital Assets	<u>(2,786,441)</u>
Restated Net Position, December 31, 2022	<u><u>\$72,924,903</u></u>

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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).
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.

<u>Net Change in Fund Balance</u>		
	General Fund	Fire and Life Squad Fund
GAAP Basis	\$2,999,723	\$296,590
Revenue Accruals	94,250	200,000
Expenditure Accruals	45,835	(788,916)
Encumbrances	(2,558,816)	(57,636)
Advances	2,000,000	0
Transfers	(1,437,500)	0
Unrecorded Cash - 2022	883,844	0
Unrecorded Cash - 2023	(746,105)	0
Change in Fair Value of Investments - 2022	(1,319,187)	0
Change in Fair Value of Investments - 2023	441,794	0
Custodial Fund Allocation - 2022	(54,293)	0
Custodial Fund Allocation - 2023	53,015	0
Budget Basis	<u><u>\$402,560</u></u>	<u><u>(\$349,962)</u></u>

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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;

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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;
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, 2023, the City had the following investments:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Measurement/Investment	Measurement Amount	Maturity	S&P Rating	Percent of Total Investments
Amortized Cost:				
Commercial Paper	<u>\$19,382,088</u>	Less than one year	A-1	21.75%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	<u>3,485,992</u>	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Farm Credit Banks Consolidation Bonds	9,987,278	Less than five years	AA+	11.21%
Federal Home Loan Mortgage Bonds	3,437,057	Less than five years	AA+	N/A
Federal National Mortgage Association Bonds	6,438,101	Less than four years	AA+	7.23%
Federal Home Loan Banks Bonds	23,886,456	Less than five years	AA+	26.81%
Tennessee Valley Authority Bonds	831,591	Less than four years	AAA	N/A
Federal Agricultural Mortgage Corporation Bonds	408,512	Less than two years	AAA	N/A
Negotiable Certificates of Deposit	10,314,927	Less than five years	N/A	11.58%
United States Treasury Notes	5,536,617	Less than four years	AA+	6.21%
Municipal Bonds	<u>5,398,077</u>	Less than eight years	AA	6.06%
Total Fair Value - Level Two Inputs	<u>66,238,616</u>			
Total Investments	<u><u>\$89,106,696</u></u>			

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, 2023. 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 dealing with investment credit risk beyond the requirements in State statutes.

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes were levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2023, was \$8.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$621,940,330
Public Utility Real Property	10,410,870
Total	\$632,351,200

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, 2023, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2023 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.

Note 7 - Payment 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, payment 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2023, 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, 2023, consisted of accounts, income, property and other local taxes, payment in lieu of taxes, accrued interest, intergovernmental, leases, special assessments, interfund, advances to other funds, and utility accounts. Property taxes, income taxes, accounts, 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:

	Accounts		Accounts Receivable, Net
	Receivable	Uncollectible	
Utility	\$6,896,492	\$68,037	\$6,828,455

A summary of intergovernmental receivables follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Governmental Activities:

Local Government Assistance	\$206,950
Warren County Reimbursement for Bailiff Services	8,711
Homestead and Rollback	109,622
Warren County Building Department	7,323
Permissive Motor Vehicle License Tax	20,511
Motor Vehicle Tax	206,073
Gasoline Tax	450,842
OPWC Grants	612,465
Total Governmental Activities	<u>1,622,497</u>

Business-Type Activities:

Village of South Lebanon Sewage Processing Fees	22,584
Ohio Department of Development Grant	133,333
Total Business-Type Activities	<u>155,917</u>
Total Intergovernmental Receivables	<u><u>\$1,778,414</u></u>

Leases Receivable

The City is reporting leases receivable of \$297,435 in the General Fund and \$16,782 in the Capital Improvement Fund at December 31, 2023. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For 2023, the City recognized lease revenue of \$35,419 and interest revenue of \$20,064 in the General Fund and recognized lease revenue of \$2,604 and interest revenue of \$395 in the Capital Improvement Fund related to lease payments received. A description of the City's leasing arrangements is as follows:

Soccer 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: Cincinnati United Soccer and Lebanon Youth Soccer Association. During 2023, the lease agreement with Warren County United Soccer was terminated due to the club losing their not-for-profit status after merging with another for-profit club. Therefore, the \$33,138 remaining balance of the lease receivable was removed.

Baseball/Softball Field Usage Lease – The City has entered a lease agreement for the usage of baseball/softball fields with Lebanon Youth Baseball, and Lebanon Fastpitch Softball which commenced during 2023, is for 5 years ending in 2027 and is paid annually.

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.

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

A summary of future lease amounts receivable is as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2024	\$50,975	\$18,408
2025	60,093	14,289
2026	33,023	8,977
2027	39,801	6,199
2028	11,341	2,659
2029-2033	47,901	10,099
2034-2038	49,738	5,262
2039-2040	21,345	655
Totals	\$314,217	\$66,548

OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$175,405 as a receivable related to opioid settlement monies in the Opioid OneOhio Special Revenue Fund in the accompanying financial statements.

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2023, was as follows:

	Restated				Balance at 12/31/23	
	Balance at 12/31/22	Additions	Deductions	Transfers		
<u>Governmental Activities:</u>						
<i>Capital Assets, Not Being Depreciated:</i>						
Land	\$16,564,737	\$127,840	(\$348,389)	\$0	\$16,344,188	
Construction in Progress	2,122,898	2,866,242	(2,291,701)	0	2,697,439	
Total Capital Assets, Not Being Depreciated	18,687,635	2,994,082	(2,640,090)	0	19,041,627	
<i>Capital Assets, Being Depreciated:</i>						
Land Improvements	2,281,600	635,052	(101,256)	0	2,815,396	
Buildings and Improvements	17,904,859	996,069	(51,153)	0	18,849,775	
Equipment	3,327,783	249,750	(9,950)	23,925	3,591,508	
Vehicles	6,680,165	500,179	(295,909)	6,648	6,891,083	
Infrastructure	87,571,369	1,705,720	0	(346,902)	88,930,187	
Total Capital Assets, Being Depreciated	\$117,765,776	\$4,086,770	(\$458,268)	(\$316,329)	\$121,077,949	

(Continued)

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Restated				
	Balance at				Balance at
	12/31/22	Additions	Deductions	Transfers	12/31/23
Governmental Activities:					
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(\$1,184,850)	(\$99,944)	\$87,830	\$0	(\$1,196,964)
Buildings and Improvements	(4,717,766)	(424,913)	51,153	0	(5,091,526)
Equipment	(1,837,858)	(234,272)	9,950	(18,856)	(2,081,036)
Vehicles	(3,659,331)	(518,869)	288,574	(6,647)	(3,896,273)
Infrastructure	(60,596,230)	(3,079,373)	0	0	(63,675,603)
Total Accumulated Depreciation	<u>(71,996,035)</u>	<u>(4,357,371)</u>	<u>437,507</u>	<u>(25,503)</u>	<u>(75,941,402)</u>
Total Capital Assets, Being Depreciated, Net	<u>45,769,741</u>	<u>(270,601)</u>	<u>(20,761)</u>	<u>(341,832)</u>	<u>45,136,547</u>
Governmental Activities Capital Assets, Net	<u>\$64,457,376</u>	<u>\$2,723,481</u>	<u>(\$2,660,851)</u>	<u>(\$341,832)</u>	<u>\$64,178,174</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$26,894
<i>Security of Persons and Property:</i>	
Police	264,097
Fire	468,201
Public Health Services	18,602
Leisure Time Services	231,923
Community and Economic Development	105,577
Transportation	3,242,077
Total Depreciation Expense	<u>\$4,357,371</u>

	Balance at				Balance at
	12/31/22	Additions	Deductions	Transfers	12/31/23
Business-Type Activities:					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$3,442,140	\$0	\$0	\$0	\$3,442,140
Construction in Progress	7,745,847	13,238,821	(2,315,892)	0	18,668,776
Total Capital Assets, Not Being Depreciated	<u>11,187,987</u>	<u>13,238,821</u>	<u>(2,315,892)</u>	<u>0</u>	<u>22,110,916</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	29,760,130	0	0	0	29,760,130
Equipment	5,736,589	0	0	(23,925)	5,712,664
Vehicles	3,526,376	235,246	(36,026)	(6,648)	3,718,948
Infrastructure	135,256,501	2,811,797	0	346,902	138,415,200
Total Capital Assets, Being Depreciated	<u>\$174,279,596</u>	<u>\$3,047,043</u>	<u>(\$36,026)</u>	<u>\$316,329</u>	<u>\$177,606,942</u>

(Continued)

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance at 12/31/22	Additions	Deductions	Transfers	Balance at 12/31/23
<u>Business-Type Activities:</u>					
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(\$20,598,595)	(\$929,598)	\$0	\$0	(\$21,528,193)
Equipment	(4,474,018)	(110,700)	0	18,856	(4,565,862)
Vehicles	(2,180,434)	(218,948)	36,026	6,647	(2,356,709)
Infrastructure	(55,204,878)	(3,236,718)	0	0	(58,441,596)
Total Accumulated Depreciation	<u>(82,457,925)</u>	<u>(4,495,964)</u>	<u>36,026</u>	<u>25,503</u>	<u>(86,892,360)</u>
Total Capital Assets, Being Depreciated, Net	<u>91,821,671</u>	<u>(1,448,921)</u>	<u>0</u>	<u>341,832</u>	<u>90,714,582</u>
Business-Type Activities Capital Assets, Net	<u><u>\$103,009,658</u></u>	<u><u>\$11,789,900</u></u>	<u><u>(\$2,315,892)</u></u>	<u><u>\$341,832</u></u>	<u><u>\$112,825,498</u></u>

The City's Storm Water Utility Enterprise fund received transferred assets from the Governmental activities in the amount of \$346,902. There was no depreciation associated with the transfer as these were newly constructed assets. The City's Governmental activities received transferred assets from the Telecommunications Enterprise fund in the amount of \$30,573, there was also \$25,503 in depreciation associated with the transfer of these assets. Additions to capital assets being depreciated in the Sewer Enterprise Fund includes \$107,466 in assets donated by developers for the year ended December 31, 2023.

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 Travelers Insurance.

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 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:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2023, the City participated in the Ohio Municipal League Group Rating Program (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 Sedgwick 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 \$585,659 reported in the fund at December 31, 2023, is based on the requirements of Governmental Accounting Standards Board 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in the fund's claims liability amount for the past two years were:

	<u>Balance at January 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at December 31,</u>
2022	\$318,580	\$2,136,993	\$2,038,819	\$416,754
2023	416,754	2,335,399	2,166,494	585,659

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

The net pension liability (asset) and the net OPEB liability 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 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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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, 2023

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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, 2023

(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.

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
 Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
 Employee	<u>10.0 %</u>	<u>10.0 %</u>

* 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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was \$1,108,486 for the traditional plan, \$31,577 for the combined plan and \$20,475 for the member-directed plan. Of these amounts, \$186,592 is reported as an intergovernmental payable for the traditional plan, \$5,310 for the combined plan, and \$3,447 for the member-directed plan.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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. 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, statutory survivors and annuity beneficiaries. 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates:		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2023 Actual Contribution Rates:		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50%</u>	<u>24.00%</u>
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 \$1,114,730 for 2023. Of this amount, \$99,928 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, 2023, the specific liability of the City was \$11,385 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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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, 2023

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.04759600%	0.05388900%	0.16867980%	
Prior Measurement Date	0.04670300%	0.05306000%	0.16000990%	
Change in Proportionate Share	<u>0.00089300%</u>	<u>0.00082900%</u>	<u>0.00866990%</u>	
Proportionate Share of the:				
Net Pension Asset	\$0	(\$127,011)	\$0	(\$127,011)
Net Pension Liability	14,059,879	0	16,022,946	30,082,825
Pension Expense	2,261,761	21,504	2,607,228	4,890,493

2023 pension expense for the member-directed defined contribution plan was \$20,475. The aggregate pension expense for all pension plans was \$4,910,968 for 2023.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$467,010	\$7,808	\$240,337	\$715,155
Changes of assumptions	148,532	8,409	1,445,215	1,602,156
Net difference between projected and actual earnings on pension plan investments	4,007,507	46,288	2,332,744	6,386,539
Changes in proportion and differences between City contributions and proportionate share of contributions	340,092	27,335	1,586,898	1,954,325
City contributions subsequent to the measurement date	<u>1,108,486</u>	<u>31,577</u>	<u>1,114,730</u>	<u>2,254,793</u>
Total Deferred Outflows of Resources	<u>\$6,071,627</u>	<u>\$121,417</u>	<u>\$6,719,924</u>	<u>\$12,912,968</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$0	\$18,148	\$365,049	\$383,197
Changes of assumptions	0	0	312,443	312,443
Changes in proportion and differences between City contributions and proportionate share of contributions	187,165	11,149	482,397	680,711
Total Deferred Inflows of Resources	<u>\$187,165</u>	<u>\$29,297</u>	<u>\$1,159,889</u>	<u>\$1,376,351</u>

\$2,254,793 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 2024. 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, 2023

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2024	\$666,578	\$4,687	\$670,771	\$1,342,036
2025	966,639	11,321	1,005,005	1,982,965
2026	1,179,605	14,626	1,143,349	2,337,580
2027	1,963,154	23,373	1,576,626	3,563,153
2028	0	3,456	49,554	53,010
Thereafter	0	3,080	0	3,080
Total	<u>\$4,775,976</u>	<u>\$60,543</u>	<u>\$4,445,305</u>	<u>\$9,281,824</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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	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 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

During 2022, 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 12.1 percent for 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, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

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 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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$21,061,230	\$14,059,879	\$8,236,012
OPERS Combined Plan	(66,283)	(127,011)	(175,139)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 2022, are presented below.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
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

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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.

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

For 2021, 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Age	Police	Fire
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, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60%	4.80%
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds *	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u><u>125.00%</u></u>	

Note: Assumptions are geometric.

* levered 2.5x

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 2022, 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.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$21,137,357	\$16,022,946	\$11,771,335

Note 13 – Defined Benefit OPEB Plans

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

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit.

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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, 2023

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the 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; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution was \$11,503 for 2023. Of this amount, \$1,936 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, 2023

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 2023, 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 \$26,529 for 2023. Of this amount, \$2,375 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 and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability 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, 2023

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04644300%	0.16867980%	
Prior Measurement Date	0.04549400%	0.16000990%	
Change in Proportionate Share	<u>0.00094900%</u>	<u>0.00866990%</u>	
Proportionate Share of the Net OPEB Liability			
Net OPEB Liability	\$292,833	\$1,200,951	\$1,493,784
OPEB Expense	(511,064)	336,315	(174,749)

At December 31, 2023, 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	\$71,665	\$71,665
Changes of assumptions	286,016	598,488	884,504
Net difference between projected and actual earnings on OPEB plan investments	581,575	103,006	684,581
Changes in proportion and differences between City contributions and proportionate share of contributions	10,254	654,370	664,624
City contributions subsequent to the measurement date	11,503	26,529	38,032
Total Deferred Outflows of Resources	<u>\$889,348</u>	<u>\$1,454,058</u>	<u>\$2,343,406</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$73,044	\$236,804	\$309,848
Changes of assumptions	23,534	982,280	1,005,814
Changes in proportion and differences between City contributions and proportionate share of contributions	1,078	71,724	72,802
Total Deferred Inflows of Resources	<u>\$97,656</u>	<u>\$1,290,808</u>	<u>\$1,388,464</u>

\$38,032 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 in 2024. 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, 2023

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2024	\$104,970	\$220,460	\$325,430
2025	212,918	220,475	433,393
2026	181,352	(16,467)	164,885
2027	280,949	(5,453)	275,496
2028	0	(79,344)	(79,344)
Thereafter	0	(202,950)	(202,950)
Total	<u>\$780,189</u>	<u>\$136,721</u>	<u>\$916,910</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. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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

During 2022, 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 contribution 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 15.6 percent for 2022.

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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average
		Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u><u>100.00%</u></u>	

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Discount Rate

A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(4.22%)	(5.22%)	(6.22%)
City's proportionate share of the net OPEB liability/asset	\$996,667	\$292,833	(\$287,947)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability 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 or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or 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 2023 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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 liability/asset	\$274,478	\$292,833	\$313,490

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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.

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Blended discount rate:

Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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.

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

For 2021, 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.

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

The most recent experience study was completed for the five year period ended December 31, 2021.

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.

Discount Rate

For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	Current		
	1% Decrease (3.27%)	Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$1,478,859	\$1,200,951	\$966,326

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, 2023

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.

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457 and is considered an other employee benefit plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

Note 16 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2023, follows:

	Balance at December 31, 2022		Balance at December 31, 2023	
	Increases	Decreases		
<u>Fire and Life Squad Fund:</u>				
2022 - Fire Equipment Acquisition				
Bond Anticipation Notes, 4.000%	\$400,000	\$0	\$400,000	\$0
Premium	2,463	0	2,463	0
2023 - Fire Equipment Acquisition				
Bond Anticipation Notes, 4.000%	0	200,000	0	200,000
Total	<u>\$402,463</u>	<u>\$200,000</u>	<u>\$402,463</u>	<u>\$200,000</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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 17 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2023 follows:

Types/ Issues	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023	Amount Due Within One Year
<u>Unvoted General Obligation Bonds:</u>					
2016 - 1.0 to 4.0% \$1,935,000					
Service Building Bonds					
Serial/Term Bonds	\$1,100,000	\$0	\$130,000	\$970,000	\$130,000
Premium on Debt Issue	68,172	0	8,181	59,991	0
2020 - 2.0 to 4.0% \$7,350,000					
Fire House Construction Bonds					
Serial/Term Bonds	6,925,000	0	215,000	6,710,000	220,000
Premium on Debt Issue	443,393	0	19,634	423,759	0
<u>Direct Placements</u>					
2017 - 2.03% \$1,250,000					
Various Purpose Refunding Bonds	650,000	0	125,000	525,000	130,000
Total - Unvoted General Obligation Bonds	<u>9,186,565</u>	<u>0</u>	<u>497,815</u>	<u>8,688,750</u>	<u>480,000</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences Payable	1,965,687	960,415	657,961	2,268,141	392,359
Financed Purchase	402,834	0	38,065	364,769	39,588
Police Pension - specific liability	12,142	0	757	11,385	790
Total - Other Long-Term Obligations	<u>2,380,663</u>	<u>960,415</u>	<u>696,783</u>	<u>2,644,295</u>	<u>432,737</u>
<u>Net Pension Liability:</u>					
OP&F	9,996,492	6,026,454	0	16,022,946	0
OPERS	2,681,814	6,175,910	0	8,857,724	0
Total - Net Pension Liability	<u>12,678,306</u>	<u>12,202,364</u>	<u>0</u>	<u>24,880,670</u>	<u>0</u>
<u>Net OPEB Liability:</u>					
OP&F	1,753,846	0	552,895	1,200,951	0
OPERS	0	184,480	0	184,480	0
Total - Net OPEB Liability	<u>1,753,846</u>	<u>184,480</u>	<u>552,895</u>	<u>1,385,431</u>	<u>0</u>
Total - Governmental Activities	<u>\$25,999,380</u>	<u>\$13,347,259</u>	<u>\$1,747,493</u>	<u>\$37,599,146</u>	<u>\$912,737</u>

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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 2023 totaled \$38,065 from the General Fund.

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

Year	Financed Purchase	
	<u>Principal</u>	<u>Interest</u>
2024	\$39,588	\$14,591
2025	41,171	13,008
2026	42,818	11,361
2027	44,531	9,648
2028	46,312	7,867
2029-2031	<u>150,349</u>	<u>12,188</u>
Totals	<u><u>\$364,769</u></u>	<u><u>\$68,663</u></u>

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 2023 were as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023	Amounts Due Within One Year
General Obligation Bonds:					
<u>Direct Placements</u>					
2017 - 2.03% \$4,895,000					
Sewer Various Purpose Refunding Bonds	\$1,620,000	\$0	\$695,000	\$925,000	\$705,000
<u>Ohio Water Development Authority</u>					
<u>(OWDA) Loans from Direct Borrowing:</u>					
2023 - 1.56% \$9,451,090					
Sewer Glosser Road Pump Station	0	8,351,993	0	8,351,993	0
Mortgage Revenue Bonds:					
2021 - 1.0 to 4.0% \$7,710,000					
Water System Revenue Refunding	7,225,000	0	400,000	6,825,000	405,000
Premium on Debt Issue	1,032,186	0	68,812	963,374	0
Total - Mortgage Revenue	8,257,186	0	468,812	7,788,374	405,000
Bonds Payable	8,257,186	0	468,812	7,788,374	405,000
Net Pension Liability - OPERS	1,381,537	3,820,618	0	5,202,155	0
Net OPEB Liability - OPERS	0	108,353	0	108,353	0
Compensated Absences Payable	406,655	298,394	170,663	534,386	109,540
Total - Business-Type Activities	<u>\$11,665,378</u>	<u>\$12,579,358</u>	<u>\$1,334,475</u>	<u>\$22,910,261</u>	<u>\$1,219,540</u>

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.

In February 2023, the City was approved for a \$9,451,090 loan through the Ohio Water Development Authority (OWDA) for the Glosser Road Pump Station Equalization Improvement project. As of December 31, 2023, \$8,351,993 of loan proceeds have been utilized. The remaining proceeds will be used in future years to complete the project with a final amortization schedule for repayment being provided once all loan proceeds have been spent. The loan will be repaid from the Sewer Enterprise Fund.

The City's outstanding OWDA loan from direct borrowings of \$8,351,993 related to business-type activities contain provisions that in an event of default (1) the amount of any such default shall bear interest at the default rate from the due date until the date of payment, (2) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional rate charge of 1 percent on the default amount until such charges are paid, and (3) any costs incurred by OWDA to cure the default will be paid by the City either as a direct charge or as part of the project principal amount.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 30 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$8,905,550. Principal and interest paid for the current year were \$637,900. Total net revenues were \$2,132,841, and total revenues were \$5,540,492.

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, Water, and Storm Water Utility Enterprise Funds. 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, 2023, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$66,396,876, and the unvoted debt margin was \$26,062,554.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2023, were:

Year	Governmental Activities						
	General Obligation Bonds		General Obligation Bonds from Direct Placements		Police Pension		
	Principal	Interest	Principal	Interest	Principal	Interest	
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	400,000	162,006	0	0	935	331	
2029-2033	1,675,000	583,430	0	0	5,311	1,017	
2034-2038	1,605,000	362,530	0	0	1,770	75	
2039-2043	1,775,000	194,094	0	0	0	0	
2044-2045	760,000	24,336	0	0	0	0	
Totals	<u>\$7,680,000</u>	<u>\$2,105,620</u>	<u>\$525,000</u>	<u>\$26,898</u>	<u>\$11,385</u>	<u>\$3,116</u>	

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Year	Business-Type Activities			
	General Obligation Bonds from Direct Placements		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
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	0	0	440,000	198,300
2029-2033	0	0	2,425,000	756,900
2034-2037	0	0	2,315,000	236,200
Totals	<u>\$925,000</u>	<u>\$25,477</u>	<u>\$6,825,000</u>	<u>\$2,080,550</u>

Note 18 - Interfund Activity

Interfund Payable/Receivable

Interfund balances at December 31, 2023, 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.

Payable	Receivable			
	General	Electric	Storm Water	Total
			Utility	
General	\$0	\$0	\$1,618	\$1,618
Fire and Life Squad	0	0	54	54
Capital Improvement	5,692	0	0	5,692
All Nonmajor Governmental	4,150	841	420	5,411
Electric	0	0	497	497
Sanitation	872	0	0	872
Sewer	361	28,230	375	28,966
Water	2,755	1,708	302	4,765
Automotive Maintenance	293	0	0	293
Total	<u>\$14,123</u>	<u>\$30,779</u>	<u>\$3,266</u>	<u>\$48,168</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 2024.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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 Fire and Life Squad Fund, Capital Improvement Fund, Nonmajor Governmental Funds, and Water Fund were 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. The Telecommunications Fund was closed during the year and the assets were transferred to the General Fund. The transfers between Nonmajor Governmental Funds and the General Fund were for the closeout of funds that are no longer active.

Transfers From						
Transfers To	General Fund	Fire and Life Squad Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Telecommu- nications Fund	Total
General Fund	\$0	\$0	\$0	\$7,650	\$1,739,765	\$1,747,415
Fire and Life Squad Fund	350,000	0	0	0	0	350,000
Capital Improvement	750,000	0	0	0	0	750,000
Nonmajor Governmental	449,874	150,000	1,336,230	0	0	1,936,104
Water	150,000	0	0	0	0	150,000
Total	\$1,699,874	\$150,000	\$1,336,230	\$7,650	\$1,739,765	\$4,933,519

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 \$12,746 during 2023 for the operation of the District. The City does not have any financial interest in or

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a five-member Board of Directors. Each year, the participants pay an enrollment fee to Sedgwick. to cover the costs of administering the program.

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	Fire and Life	Capital	Nonmajor	Total
	Fund	Squad Fund	Improvement Fund	Governmental Funds	
<u>Nonspendable:</u>					
Inventory	\$23,142	\$0	\$0	\$266,336	\$289,478
Prepays	173,354	62,877	0	21,404	257,635
Unclaimed Monies	2,155	0	0	0	2,155
<i>Total Nonspendable</i>	<i>198,651</i>	<i>62,877</i>	<i>0</i>	<i>287,740</i>	<i>549,268</i>
<u>Restricted for:</u>					
Capital Outlay	0	0	0	668,774	668,774
Security of Persons and Property	0	2,530,346	0	891,177	3,421,523
Public Health Services	0	0	0	1,429,938	1,429,938
Transportation	0	0	0	2,316,874	2,316,874
<i>Total Restricted</i>	<i>0</i>	<i>2,530,346</i>	<i>0</i>	<i>5,306,763</i>	<i>7,837,109</i>
<u>Committed to:</u>					
Leisure Time Services	0	0	0	213,940	213,940
Debt Service	0	0	0	3,189,358	3,189,358
Capital Improvements	0	0	4,673,294	1,950,087	6,623,381
Public Safety	0	0	0	100,000	100,000
<i>Total Committed</i>	<i>\$0</i>	<i>\$0</i>	<i>\$4,673,294</i>	<i>\$5,453,385</i>	<i>\$10,126,679</i>

(Continued)

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Fund Balances	General Fund	Fire and Life Squad Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<u>Assigned to:</u>					
Purchases on Order for:					
General Government	\$208,503	\$0	\$0	\$0	\$208,503
Security of Persons and Property	70,787	0	0	0	70,787
Leisure Time Services	1,870,130	0	0	0	1,870,130
Community and Economic Development	262,031	0	0	0	262,031
Future Appropriations	1,837,925	0	0	0	1,837,925
<i>Total Assigned</i>	<i>4,249,376</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,249,376</i>
<u>Unassigned:</u>					
Total Fund Balances	9,096,107	0	0	0	9,096,107
	<u>\$13,544,134</u>	<u>\$2,593,223</u>	<u>\$4,673,294</u>	<u>\$11,047,888</u>	<u>\$31,858,539</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.

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	\$2,558,816
Fire and Life Squad	57,636
Capital Improvement	4,778,260
Nonmajor Governmental Funds	6,311,312
Total Governmental Funds	<u>13,706,024</u>
<u>Enterprise Funds:</u>	
Electric	24,531,672
Sanitation	20,124
Sewer	1,691,342
Water	2,699,132
Storm Water Utility	423,768
Total Enterprise Funds	<u>29,366,038</u>
<u>Internal Service Funds:</u>	
Automotive Maintenance	21,408
Self-Insurance	17,417
Total Internal Service Funds	<u>38,825</u>
Total	<u>\$43,110,887</u>

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2023:

Contractor	Purpose	Amount Remaining
2Thoms Enterprises LLC	Pickleball Fencing	\$13,300
SMP Design	Bicentennial State Design	21,043
Brumbaugh Construction Inc.	Parkside SUP	1,907,360
Bayer & Becker, Inc.	Park Avenue Reconstruction	42,558
LC United Painting Co. Inc.	Composite Water Tower Painting	168,000
Cannon Technologies, Inc.	AMI System	4,053,008
Doll Layman LTD	WWTP Aeration Improvements	292,082
Kokosing Industrial Inc.	Solar Farm	7,449,946
Siemens Energy Inc.	Breakers Supply	552,900
Milcon Concrete Inc.	Cherry Street Reconstruction	389,841
Arcadis Engineering Services Inc.	Reeders Run Realignment	5,000
Pennsylvania Transformer Technology Inc.	Glosser Road Improvements	1,318,376
Siemens Energy Inc.	Glosser Road Improvements	2,742,348
Tatman Acquisition Company	Glosser Road Improvements	606,156
Clary Signs LLC	Miller Eco Park Entrance Sign	10,100
Clary Signs LLC	Bike Park Sign	6,000
Tec Engineering, Inc.	Columbus Ave and Summit Street Signal Design	1,653
Anixter Inc.	Monroe Substation Transformers	44,334
Power Line Supply	Parkside Subdivision Switches	236,260
Barrett Paving Materials	2023 Urban Paving Program	27,921
Fishbeck	2025 Urban Paving Program	38,626
Focus Engineering and Design	Broadway Parks	8,460
John R Jurgensen Company	2023 Paving Program	987,870
Stauffer Site Services LLC	Reeders Run Sanitary Sewer Extension	105,073
Choice One Engineering	Bowman Multi-Use Trail	6,161
KZF Design Inc.	Public Safety Facility Study	6,837
Glaus, Pyle, Schomer, Burns & Dehaven Inc.	Glosser Road Improvements	348,876
Burgess & Niple, Inc.	Glosser Road Improvements	3,118
Dugan & Meyers LLC	Glosser Road Improvements	184,290
Fishbeck	Glosser Road Improvements	18,715
McGill, Smith, Punshon, Inc.	Parkside Bike Path and Parking Lot	573
The Kleingers Group Inc.	N Broadway Bik Path and Water Main	35,456
Choice One Engineering	Cherry Street Reconstruction	5,109
Choice One Engineering	Keever Street Reconstruction	16,010
Choice One Engineering	Cedar Land and Crescent Court Reconstruction	21,660
Total Contractual Commitments		<u><u>\$21,675,020</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 and one half percent. The JEDD Board also contracted with the City of Lebanon to administer this income tax.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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.

Federal and State Grants

For the period January 1, 2023, to December 31, 2023, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Note 24 – Transfer of Operations

On August 8, 2023, Council adopted a resolution to transfer operations of the Telecommunications Fund to General Fund. The City no longer owns or operates a telecommunication system and no longer has a need for the telecom fund. It was deemed necessary to transfer the remaining balance in the Telecommunications Fund to the General Fund, pursuant to Section 5705.15 of the Ohio Revised Code. There were no employees affected by the transfer of operations.

Note 25 – Subsequent Event

On January 23, 2024, the City approved the issuance of bond anticipation notes, not to exceed \$10,000,000, for the purpose of constructing a City owned solar energy array. The notes carry an interest rate of 4.125 percent.

Effective January 1, 2024, the City's income tax levy will increase from 1.0 percent to 1.5 percent.

REQUIRED SUPPLEMENTARY INFORMATION

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 TEN YEARS**

	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.04759600%	0.04670300%	0.04505100%	0.04481300%
City's Proportionate Share of the Net Pension Liability	\$14,059,879	\$4,063,351	\$6,671,073	\$8,857,593
City's Covered Payroll	\$7,377,286	\$6,777,993	\$6,345,321	\$6,304,971
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.58%	59.95%	105.13%	140.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.04346400%	0.04320000%	0.04361400%	0.04368000%	0.04331800%	0.04331800%
\$11,903,909	\$6,777,242	\$9,903,997	\$7,560,383	\$5,224,636	\$5,106,628
\$5,870,614	\$5,823,085	\$5,638,025	\$5,431,836	\$5,310,750	\$5,297,364
202.77%	116.39%	175.66%	139.19%	98.38%	96.40%
74.70%	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 ASSET****OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - COMBINED PLAN****LAST SIX YEARS (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
City's Proportion of the Net Pension Asset	0.05388900%	0.05306000%	0.05378800%
City's Proportionate Share of the Net Pension Asset	(\$127,011)	(\$209,058)	(\$155,267)
City's Covered Payroll	\$250,136	\$241,900	\$237,043
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	-50.78%	-86.42%	-65.50%
Plan Fiduciary Net Position as a Percentage of the Total Net Pension Asset	137.14%	169.88%	157.67%

(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.

2020	2019	2018
0.06626000%	0.07949800%	0.07814400%
(\$138,168)	(\$88,896)	(\$106,379)
\$294,964	\$340,007	\$320,038
-46.84%	-26.15%	-33.24%
145.28%	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 SEVEN YEARS (1)**

	2023	2022	2021	2020
City's Proportion of the Net OPEB Liability (Asset)	0.04644300%	0.04549400%	0.04401400%	0.04417800%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$292,833	(\$1,424,942)	(\$784,144)	\$6,102,129
City's Covered Payroll	\$7,729,222	\$7,094,343	\$6,656,589	\$6,674,185
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.79%	-20.09%	-11.78%	91.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%	47.80%

(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.

2019	2018	2017
0.04334000%	0.04281000%	0.04279000%
\$5,650,513	\$4,648,849	\$4,321,935
\$6,286,396	\$6,178,248	\$5,913,767
89.88%	75.25%	73.08%
46.33%	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 TEN YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.16867980%	0.16000990%	0.13967990%	0.15482180%
City's Proportionate Share of the Net Pension Liability	\$16,022,946	\$9,996,492	\$9,522,105	\$10,429,622
City's Covered Payroll	\$4,597,752	\$4,153,964	\$3,743,880	\$3,657,312
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	348.50%	240.65%	254.34%	285.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.14809800%	0.12655100%	0.11685800%	0.12170300%	0.13375310%	0.13375310%
\$12,088,710	\$7,767,006	\$7,401,668	\$7,829,239	\$6,928,969	\$6,514,196
\$3,479,288	\$2,917,109	\$2,665,193	\$2,821,335	\$2,790,353	\$2,376,423
347.45%	266.26%	277.72%	277.50%	248.32%	274.12%
63.07%	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 SEVEN YEARS (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net OPEB Liability	0.16867980%	0.16000990%	0.13967990%	0.15482180%
City's Proportionate Share of the Net OPEB Liability	\$1,200,951	\$1,753,846	\$1,479,933	\$1,529,289
City's Covered Payroll	\$4,597,752	\$4,153,964	\$3,743,880	\$3,657,312
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.12%	42.22%	39.53%	41.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.90%	45.40%	47.08%

(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.

2019	2018	2017
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0.14809800%	0.12655100%	0.11685800%
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\$1,348,658	\$7,170,202	\$5,546,986
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\$3,479,288	\$2,917,109	\$2,665,193
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38.76%	245.80%	208.13%
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46.57%	14.13%	15.96%
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CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS (1) (2)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,108,486	\$1,032,820	\$948,919	\$888,345
Contributions in Relation to the Contractually Required Contribution	<u>(1,108,486)</u>	<u>(1,032,820)</u>	<u>(948,919)</u>	<u>(888,345)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$7,917,757	\$7,377,286	\$6,777,993	\$6,345,321
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	\$31,577	\$35,019	\$33,866	\$33,186
Contributions in Relation to the Contractually Required Contribution	<u>(31,577)</u>	<u>(35,019)</u>	<u>(33,866)</u>	<u>(33,186)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$263,142	\$250,136	\$241,900	\$237,043
Pension Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability (Asset) - OPEB Plan				
Contractually Required Contribution	\$11,503	\$4,072	\$2,978	\$2,969
Contributions in Relation to the Contractually Required Contribution	<u>(11,503)</u>	<u>(4,072)</u>	<u>(2,978)</u>	<u>(2,969)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$8,371,725	\$7,729,222	\$7,094,343	\$6,656,589
OPEB Contributions as a Percentage of Covered Payroll	<u>0.14%</u>	<u>0.05%</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.

2019	2018	2017	2016	2015	2014
\$882,696	\$821,886	\$757,001	\$676,563	\$651,820	\$637,290
<u>(882,696)</u>	<u>(821,886)</u>	<u>(757,001)</u>	<u>(676,563)</u>	<u>(651,820)</u>	<u>(637,290)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$6,304,971	\$5,870,614	\$5,823,085	\$5,638,025	\$5,431,836	\$5,310,750
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.00%</u></u>	<u><u>12.00%</u></u>	<u><u>12.00%</u></u>	<u><u>12.00%</u></u>
\$41,295	\$47,601	\$41,605	\$28,958	\$28,428	\$27,458
<u>(41,295)</u>	<u>(47,601)</u>	<u>(41,605)</u>	<u>(28,958)</u>	<u>(28,428)</u>	<u>(27,458)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$294,964	\$340,007	\$320,038	\$241,317	\$236,900	\$228,817
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.00%</u></u>	<u><u>12.00%</u></u>	<u><u>12.00%</u></u>	<u><u>12.00%</u></u>
\$2,970	\$3,031	\$61,694	\$118,964		
<u>(2,970)</u>	<u>(3,031)</u>	<u>(61,694)</u>	<u>(118,964)</u>		
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>		
\$6,674,185	\$6,286,396	\$6,178,248	\$5,913,767		
<u><u>0.04%</u></u>	<u><u>0.05%</u></u>	<u><u>1.00%</u></u>	<u><u>2.01%</u></u>		

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability					
Contractually Required Contribution	\$1,114,730	\$961,158	\$853,274	\$770,858	\$750,303
Contributions in Relation to the Contractually Required Contribution	<u>(1,114,730)</u>	<u>(961,158)</u>	<u>(853,274)</u>	<u>(770,858)</u>	<u>(750,303)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
City Covered Payroll	\$5,305,904	\$4,597,752	\$4,153,964	\$3,743,880	\$3,657,312
Contributions as a Percentage of Covered Payroll:	<u>21.01%</u>	<u>20.90%</u>	<u>20.54%</u>	<u>20.59%</u>	<u>20.52%</u>
Net OPEB Liability					
Contractually Required Contribution	\$26,529	\$22,989	\$20,769	\$18,719	\$18,286
Contributions in Relation to the Contractually Required Contribution	<u>(26,529)</u>	<u>(22,989)</u>	<u>(20,769)</u>	<u>(18,719)</u>	<u>(18,286)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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><u>21.51%</u></u>	<u><u>21.40%</u></u>	<u><u>21.04%</u></u>	<u><u>21.09%</u></u>	<u><u>21.02%</u></u>

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
\$712,151	\$584,341	\$531,059	\$564,223	\$559,748
<u>(712,151)</u>	<u>(584,341)</u>	<u>(531,059)</u>	<u>(564,223)</u>	<u>(559,748)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$3,479,288	\$2,917,109	\$2,665,193	\$2,821,335	\$2,790,353
<u>20.47%</u>	<u>20.03%</u>	<u>19.93%</u>	<u>20.00%</u>	<u>20.06%</u>
\$17,396	\$14,585	\$13,326	\$14,107	\$13,952
<u>(17,396)</u>	<u>(14,585)</u>	<u>(13,326)</u>	<u>(14,107)</u>	<u>(13,952)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
<u><u>20.97%</u></u>	<u><u>20.53%</u></u>	<u><u>20.43%</u></u>	<u><u>20.50%</u></u>	<u><u>20.56%</u></u>

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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:

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
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

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, 2023

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to 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 through 2021	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 Entry Age	Individual Entry Age	Individual 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, 2023

	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

Beginning in 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 and forward.

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

Prior to 2023, 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.

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

Prior to 2023, 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.

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Changes in Assumptions – OPERS OPEB

Wage Inflation:

2023 and 2022	2.75 percent
2021 and prior	3.25 percent

Projected Salary Increases (including wage inflation):

2023 and 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:

2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent

Single Discount Rate:

2023	5.22 percent
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:

2023	5.5 percent, initial
2022	3.5 percent, ultimate in 2036
2021	5.5 percent, initial
2020	3.5 percent, ultimate in 2034
2019	8.5 percent, initial
2018	3.5 percent, ultimate in 2035
	10.5 percent, initial
	3.5 percent, ultimate in 2030
	10.0 percent, initial
	3.25 percent, ultimate in 2029
	7.5 percent, initial
	3.25 percent, ultimate in 2028

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:

2023	4.27 percent
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 and 2023.

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.

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, motor vehicle license, and permissive motor vehicle license fees restricted to maintenance of streets and State highways within the City.

Opioid OneOhio Settlement Fund

To account for and report restricted revenues from the Ohio opioid settlement.

Monsanto Settlement Fund

To account for and report restricted revenues from the Monsanto settlement.

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 committed for payment of general obligation principal and interest. 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 payment 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.

Public Safety Facility Fund

To account for and report the cost of a new or updated police public safety facility from committed local resources.

CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$4,838,629	\$3,173,884	\$2,681,314	\$10,693,827
Accounts Receivable	175,405	0	0	175,405
Materials and Supplies Inventory	266,336	0	0	266,336
Prepaid Items	21,404	0	0	21,404
Income Taxes Receivable	0	228,500	0	228,500
Payment in Lieu of Taxes Receivable	0	0	140,000	140,000
Accrued Interest Receivable	6,178	11,794	0	17,972
Intergovernmental Receivable	677,426	0	0	677,426
Assets Held for Resale	0	0	400,000	400,000
 Total Assets	 <u>\$5,985,378</u>	 <u>\$3,414,178</u>	 <u>\$3,221,314</u>	 <u>\$12,620,870</u>
Liabilities:				
Accounts Payable	\$20,313	\$0	\$6,000	\$26,313
Accrued Wages Payable	22,605	0	0	22,605
Contracts Payable	0	0	42,540	42,540
Contracts Payable - Economic Development	0	0	206,850	206,850
Intergovernmental Payable	13,522	0	31,890	45,412
Retainage Payable	0	0	39,490	39,490
Unearned Revenue	50,000	0	0	50,000
Interfund Payable	5,411	0	0	5,411
Advances From Other Funds	0	0	35,683	35,683
 Total Liabilities	 <u>111,851</u>	 <u>0</u>	 <u>362,453</u>	 <u>474,304</u>
Deferred Inflows of Resources:				
Payment in Lieu of Taxes	0	0	140,000	140,000
Unavailable Revenue	<u>733,858</u>	<u>224,820</u>	<u>0</u>	<u>958,678</u>
 Total Deferred Inflows of Resources	 <u>733,858</u>	 <u>224,820</u>	 <u>140,000</u>	 <u>1,098,678</u>
Fund Balances:				
Nonspendable	287,740	0	0	287,740
Restricted	4,637,989	0	668,774	5,306,763
Committed	213,940	3,189,358	2,050,087	5,453,385
 Total Fund Balances	 <u>5,139,669</u>	 <u>3,189,358</u>	 <u>2,718,861</u>	 <u>11,047,888</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$5,985,378</u>	 <u>\$3,414,178</u>	 <u>\$3,221,314</u>	 <u>\$12,620,870</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$619,582	\$0	\$619,582
Permissive Motor Vehicle License Taxes	216,820	0	0	216,820
Payment in Lieu of Taxes	0	0	183,739	183,739
Charges for Services	187,503	0	21,315	208,818
Fines, Licenses, Permits and Settlements	539,772	0	0	539,772
Intergovernmental	1,320,834	0	0	1,320,834
Investment Earnings/Interest	57,749	185,662	0	243,411
Other	10,660	0	0	10,660
Total Revenues	2,333,338	805,244	205,054	3,343,636
Expenditures:				
Current:				
General Government	35,466	0	0	35,466
Security of Persons and Property:				
Police	117,773	0	0	117,773
Public Health Services	197,019	0	40,108	237,127
Leisure Time Services	43,290	0	0	43,290
Community and Economic Development	0	0	50,263	50,263
Transportation	1,211,441	0	0	1,211,441
Capital Outlay	35,404	0	1,128,585	1,163,989
Debt Service:				
Principal Retirement	0	255,000	0	255,000
Investment Earnings/Interest	0	51,945	0	51,945
Total Expenditures	1,640,393	306,945	1,218,956	3,166,294
Excess of Revenues Over (Under) Expenditures	692,945	498,299	(1,013,902)	177,342
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	90,000	90,000
Transfers In	90,000	0	1,846,104	1,936,104
Transfers Out	(280)	(7,370)	0	(7,650)
Total Other Financing Sources (Uses)	89,720	(7,370)	1,936,104	2,018,454
Net Change in Fund Balances	782,665	490,929	922,202	2,195,796
Fund Balances at Beginning of Year	4,357,004	2,698,429	1,796,659	8,852,092
Fund Balances at End of Year	\$5,139,669	\$3,189,358	\$2,718,861	\$11,047,888

CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Cemetery Fund	Court Fund	Park/Recreation Impact Fee Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,195,795	\$899,888	\$213,940
Accounts Receivable	0	0	0
Materials and Supplies Inventory	880	0	0
Prepaid Items	656	1,059	0
Accrued Interest Receivable	5,017	0	0
Intergovernmental Receivable	0	0	0
 Total Assets	 \$1,202,348	 \$900,947	 \$213,940
 Liabilities:			
Accounts Payable	\$553	\$1,711	\$0
Accrued Wages Payable	3,980	0	0
Intergovernmental Payable	1,840	2,764	0
Unearned Revenue	0	0	0
Interfund Payable	284	4,236	0
 Total Liabilities	 6,657	 8,711	 0
 Deferred Inflows of Resources:			
Unavailable Revenue	4,276	0	0
 Fund Balances:			
Nonspendable	1,536	1,059	0
Restricted	1,189,879	891,177	0
Committed	0	0	213,940
 Total Fund Balances	 1,191,415	 892,236	 213,940
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$1,202,348	 \$900,947	 \$213,940

Transportation Fund	Opioid OneOhio Settlement Fund	Monsanto Settlement Fund	American Rescue Plan Act Fund	Total Nonmajor Special Revenue Funds
\$2,240,224	\$221,368	\$17,414	\$50,000	\$4,838,629
0	175,405	0	0	175,405
265,456	0	0	0	266,336
19,689	0	0	0	21,404
1,161	0	0	0	6,178
677,426	0	0	0	677,426
\$3,203,956	\$396,773	\$17,414	\$50,000	\$5,985,378
\$18,049	\$0	\$0	\$0	\$20,313
18,625	0	0	0	22,605
8,918	0	0	0	13,522
0	0	0	50,000	50,000
891	0	0	0	5,411
 46,483	 0	 0	 50,000	 111,851
 555,454	 174,128	 0	 0	 733,858
285,145	0	0	0	287,740
2,316,874	222,645	17,414	0	4,637,989
0	0	0	0	213,940
 2,602,019	 222,645	 17,414	 0	 5,139,669
 \$3,203,956	 \$396,773	 \$17,414	 \$50,000	 \$5,985,378

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Cemetery Fund	Community Development Fund	Court Fund	Park/Recreation Impact Fee Fund
Revenues:				
Permissive Motor Vehicle License Taxes	\$0	\$0	\$0	\$0
Charges for Services	180,471	0	7,032	0
Fines, Licenses, Permits and Settlements	0	0	161,583	66,700
Intergovernmental	0	0	0	0
Investment Earnings/Interest	48,464	0	0	0
Other	445	0	8,021	0
Total Revenues	229,380	0	176,636	66,700
Expenditures:				
Current:				
General Government	0	0	35,466	0
Security of Persons and Property:				
Police	0	0	117,773	0
Public Health Services	197,019	0	0	0
Leisure Time Services	0	0	0	43,290
Transportation	0	0	0	0
Capital Outlay	0	0	9,582	0
Total Expenditures	197,019	0	162,821	43,290
Excess of Revenues Over Expenditures	32,361	0	13,815	23,410
Other Financing Sources (Uses):				
Transfers In	80,000	0	0	0
Transfers Out	0	(280)	0	0
Total Other Financing Sources (Uses)	80,000	(280)	0	0
Net Change in Fund Balances	112,361	(280)	13,815	23,410
Fund Balances at Beginning of Year	1,079,054	280	878,421	190,530
Fund Balances at End of Year	\$1,191,415	\$0	\$892,236	\$213,940

Transportation Fund	Opioid OneOhio Settlement Fund	Monsanto Settlement Fund	Total Nonmajor Special Revenue Funds
\$216,820	\$0	\$0	\$216,820
0	0	0	187,503
71,430	222,645	17,414	539,772
1,320,834	0	0	1,320,834
9,285	0	0	57,749
2,194	0	0	10,660
<u>1,620,563</u>	<u>222,645</u>	<u>17,414</u>	<u>2,333,338</u>
0	0	0	35,466
0	0	0	117,773
0	0	0	197,019
0	0	0	43,290
1,211,441	0	0	1,211,441
25,822	0	0	35,404
<u>1,237,263</u>	<u>0</u>	<u>0</u>	<u>1,640,393</u>
<u>383,300</u>	<u>222,645</u>	<u>17,414</u>	<u>692,945</u>
10,000	0	0	90,000
0	0	0	(280)
<u>10,000</u>	<u>0</u>	<u>0</u>	<u>89,720</u>
393,300	222,645	17,414	782,665
<u>2,208,719</u>	<u>0</u>	<u>0</u>	<u>4,357,004</u>
<u><u>\$2,602,019</u></u>	<u><u>\$222,645</u></u>	<u><u>\$17,414</u></u>	<u><u>\$5,139,669</u></u>

CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

	Tax Increment Financing Fund	Cemetery Improvement Fund	OPWC Capital Grant Fund	Parks Reserve and Replacement Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$469,898	\$79,299	\$1,332,117	\$100,000
Payment in Lieu of Taxes Receivable	140,000	0	0	0
Assets Held for Resale	400,000	0	0	0
Total Assets	\$1,009,898	\$79,299	\$1,332,117	\$100,000
Liabilities:				
Accounts Payable	\$0	\$6,000	\$0	\$0
Contracts Payable	0	0	42,540	0
Contracts Payable - Economic Development	206,850	0	0	0
Intergovernmental Payable	31,890	0	0	0
Retainage Payable	0	0	39,490	0
Advances From Other Funds	35,683	0	0	0
Total Liabilities	274,423	6,000	82,030	0
Deferred Inflows of Resources:				
Payment in Lieu of Taxes	140,000	0	0	0
Fund Balances:				
Restricted	595,475	73,299	0	0
Committed	0	0	1,250,087	100,000
Total Fund Balances	595,475	73,299	1,250,087	100,000
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,009,898	\$79,299	\$1,332,117	\$100,000

Fire-EMS Reserve and Replacement Fund	Bike Trail Reserve and Replacement Fund	Public Safety Facility Fund	Total Nonmajor Capital Projects Funds
\$450,000	\$150,000	\$100,000	\$2,681,314
0	0	0	140,000
0	0	0	400,000
<u>\$450,000</u>	<u>\$150,000</u>	<u>\$100,000</u>	<u>\$3,221,314</u>
 \$0	 \$0	 \$0	 \$6,000
0	0	0	42,540
0	0	0	206,850
0	0	0	31,890
0	0	0	39,490
0	0	0	35,683
<u>0</u>	<u>0</u>	<u>0</u>	<u>362,453</u>
 0	 0	 0	 140,000
 0	 0	 0	 668,774
<u>450,000</u>	<u>150,000</u>	<u>100,000</u>	<u>2,050,087</u>
 450,000	 150,000	 100,000	 2,718,861
<u>\$450,000</u>	<u>\$150,000</u>	<u>\$100,000</u>	<u>\$3,221,314</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, 2023

	Tax Increment Financing Fund	Cemetery Improvement Fund	OPWC Capital Grant Fund	Parks Reserve and Replacement Fund
Revenues:				
Payment in Lieu of Taxes	\$183,739	\$0	\$0	\$0
Charges for Services	<u>12,040</u>	<u>9,275</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>195,779</u>	<u>9,275</u>	<u>0</u>	<u>0</u>
Expenditures:				
Current:				
Public Health Services	0	40,108	0	0
Community and Economic Development	50,263	0	0	0
Capital Outlay	<u>0</u>	<u>6,000</u>	<u>1,122,585</u>	<u>0</u>
Total Expenditures	<u>50,263</u>	<u>46,108</u>	<u>1,122,585</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>145,516</u>	<u>(36,833)</u>	<u>(1,122,585)</u>	<u>0</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	90,000	0	0	0
Transfers In	<u>159,874</u>	<u>0</u>	<u>1,336,230</u>	<u>50,000</u>
Total Other Financing Sources	<u>249,874</u>	<u>0</u>	<u>1,336,230</u>	<u>50,000</u>
Net Change in Fund Balances	395,390	(36,833)	213,645	50,000
Fund Balances at Beginning of Year	<u>200,085</u>	<u>110,132</u>	<u>1,036,442</u>	<u>50,000</u>
Fund Balances at End of Year	<u>\$595,475</u>	<u>\$73,299</u>	<u>\$1,250,087</u>	<u>\$100,000</u>

Fire-EMS Reserve and Replacement Fund	Bike Trail Reserve and Replacement Fund	Public Safety Facility Fund	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$183,739
0	0	0	21,315
0	0	0	205,054
0	0	0	40,108
0	0	0	50,263
0	0	0	1,128,585
0	0	0	1,218,956
0	0	0	(1,013,902)
0	0	0	90,000
150,000	50,000	100,000	1,846,104
150,000	50,000	100,000	1,936,104
150,000	50,000	100,000	922,202
300,000	100,000	0	1,796,659
<u>\$450,000</u>	<u>\$150,000</u>	<u>\$100,000</u>	<u>\$2,718,861</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, 2023

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$102,737	\$1,604,892	\$1,707,629
Accrued Interest Receivable	0	6,141	6,141
Prepaid Items	9,518	0	9,518
Materials and Supplies Inventory	76,570	0	76,570
 Total Current Assets	 188,825	 1,611,033	 1,799,858
Noncurrent Assets:			
Restricted Asset:			
Net Pension Asset	3,811	0	3,811
Depreciable Capital Assets, Net	102,167	0	102,167
 Total Noncurrent Assets	 105,978	 0	 105,978
 Total Assets	 294,803	 1,611,033	 1,905,836
Deferred Outflows of Resources:			
Pension	228,521	0	228,521
OPEB	26,854	0	26,854
 Total Deferred Outflows of Resources	 255,375	 0	 255,375
Liabilities:			
Current Liabilities:			
Accounts Payable	4,256	1,662	5,918
Accrued Wages Payable	13,551	0	13,551
Intergovernmental Payable	6,438	0	6,438
Interfund Payable	293	0	293
Claims Payable	0	585,659	585,659
Compensated Absences Payable	9,919	0	9,919
 Total Current Liabilities	 34,457	 587,321	 621,778
Long-term Liabilities:			
Compensated Absences Payable	45,279	0	45,279
Net Pension Liability	421,798	0	421,798
Net OPEB Liability	8,786	0	8,786
 Total Long-Term Liabilities	 475,863	 0	 475,863
 Total Liabilities	 510,320	 587,321	 1,097,641
Deferred Inflows of Resources:			
Pension	2,022	0	2,022
OPEB	2,898	0	2,898
 Total Deferred Inflow of Resources	 4,920	 0	 4,920
Net Position:			
Investment in Capital Assets	102,167	0	102,167
Restricted for Pension Plans	3,811	0	3,811
Unrestricted (Deficit)	(71,040)	1,023,712	952,672
 Total Net Position	 \$34,938	 \$1,023,712	 \$1,058,650

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Operating Revenues:			
Charges for Services	\$411,560	\$2,324,004	\$2,735,564
Other	732	448,013	448,745
Total Operating Revenues	412,292	2,772,017	3,184,309
Operating Expenses:			
Personal Services	355,172	0	355,172
Contractual Services	43,181	525,925	569,106
Supplies and Materials	22,989	0	22,989
Claims	0	2,335,399	2,335,399
Depreciation	16,886	0	16,886
Total Operating Expenses	438,228	2,861,324	3,299,552
Operating Loss	(25,936)	(89,307)	(115,243)
Non-Operating Revenues:			
Investment Earnings/Interest	0	113,891	113,891
Change in Net Position	(25,936)	24,584	(1,352)
Net Position at Beginning of Year	60,874	999,128	1,060,002
Net Position at End of Year	\$34,938	\$1,023,712	\$1,058,650

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	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	\$411,560	\$2,324,004	\$2,735,564
Cash Payments for Employee Services and Benefits	(310,601)	0	(310,601)
Cash Payments to Suppliers for Goods and Services	(63,715)	(526,805)	(590,520)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(2,166,494)	(2,166,494)
Other Operating Revenues	732	448,013	448,745
Net Cash Provided by Operating Activities	37,976	78,718	116,694
Cash Flows from Investing Activities:			
Interest	0	111,377	111,377
Net Increase in Cash and Cash Equivalents	37,976	190,095	228,071
Cash and Cash Equivalents at Beginning of Year	64,761	1,414,797	1,479,558
Cash and Cash Equivalents at End of Year	<u>\$102,737</u>	<u>\$1,604,892</u>	<u>\$1,707,629</u>
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:</u>			
Operating Loss	<u>(\$25,936)</u>	<u>(\$89,307)</u>	<u>(\$115,243)</u>
<u>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:</u>			
Depreciation	16,886	0	16,886
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	5,525	0	5,525
Prepays Items	(6,525)	0	(6,525)
Net Pension Asset	(6)	0	(6)
Deferred Outflows of Resources - Pension	112,636	0	112,636
Deferred Outflows of Resources - OPEB	18,143	0	18,143
Increase (Decrease) in Liabilities:			
Accounts Payable	3,536	(845)	2,691
Accrued Wages Payable	(2,000)	0	(2,000)
Intergovernmental Payable	(1,060)	(35)	(1,095)
Claims Payable	0	168,905	168,905
Compensated Absences Payable	7,973	0	7,973
Net Pension Liability	3,297	0	3,297
Net OPEB Liability	(380)	0	(380)
Deferred Inflows of Resources - Pension	(60,705)	0	(60,705)
Deferred Inflows of Resources - OPEB	(33,408)	0	(33,408)
Net Cash Provided by Operating Activities	<u>\$37,976</u>	<u>\$78,718</u>	<u>\$116,694</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, 2023

	Municipal Court Fund	Joint Economic Development District Fund	Total
Assets:			
Equity In Pooled Cash And Cash Equivalents	\$0	\$22,356	\$22,356
Cash and Cash Equivalents In Segregated Accounts	<u>30,403</u>	<u>0</u>	<u>30,403</u>
Total Assets	<u>\$30,403</u>	<u>\$22,356</u>	<u>\$52,759</u>
 Liabilities:			
Accounts Payable	\$1,927	\$0	\$1,927
Intergovernmental Payable	<u>28,476</u>	<u>22,356</u>	<u>50,832</u>
Total Liabilities	<u>\$30,403</u>	<u>\$22,356</u>	<u>\$52,759</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Municipal Court Fund	Joint Economic Development District Fund	Energy Special Improvement District Fund	Total
Additions:				
Fines and Forfeitures for Other Governments	\$1,482,782	\$0	\$0	\$1,482,782
Special Assessment Collections for Other Governments	0	0	554,886	554,886
Amounts Received as Fiscal Agent	0	51,433	0	51,433
Total Additions	1,482,782	51,433	554,886	2,089,101
Deductions:				
Distributions to the State of Ohio	1,278,645	0	0	1,278,645
Fines and Forfeitures Distributions to Other Governments	163,002	0	0	163,002
Special Assessment Distributions to Other Governments	0	0	554,886	554,886
Distributions to Individuals	41,135	0	0	41,135
Distributions as Fiscal Agent	0	51,433	0	51,433
Total Deductions	1,482,782	51,433	554,886	2,089,101
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, 2023

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$1,533,942	\$1,533,942	\$0
Income Taxes	7,523,428	7,523,428	0
Other Local Taxes	1,518,144	1,518,144	0
Charges for Services	3,265,429	3,265,429	0
Fines, Licenses, Permits and Settlements	1,102,372	1,102,372	0
Intergovernmental	889,162	889,162	0
Interest	930,127	930,127	0
Other	375,081	375,081	0
Total Revenues	17,137,685	17,137,685	0
Expenditures:			
Current:			
General Government			
Legislative			
Personal Services	52,147	51,487	660
Contractual Services	34,350	27,019	7,331
Supplies and Materials	2,600	80	2,520
Total Legislative	89,097	78,586	10,511
City Manager			
Personal Services	490,967	490,138	829
Contractual Services	270,879	270,719	160
Supplies and Materials	23,491	18,275	5,216
Total City Manager	785,337	779,132	6,205
Personnel			
Personal Services	200,842	200,280	562
Contractual Services	39,103	35,868	3,235
Supplies and Materials	9,064	7,887	1,177
Total Personnel	249,009	244,035	4,974
Department of Service			
Personal Services	476,842	471,726	5,116
Contractual Services	11,402	11,001	401
Supplies and Materials	5,900	2,522	3,378
Total Department of Service	494,144	485,249	8,895
Information Technology			
Personal Services	229,019	225,812	3,207
Contractual Services	474,992	414,484	60,508
Supplies and Materials	8,625	1,359	7,266
Total Information Technology	\$712,636	\$641,655	\$70,981

(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, 2023
(CONTINUED)

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Finance			
Personal Services	\$464,838	\$450,089	\$14,749
Contractual Services	105,231	101,197	4,034
Supplies and Materials	15,869	3,976	11,893
Total Finance	585,938	555,262	30,676
Income Tax			
Personal Services	333,059	332,112	947
Contractual Services	42,476	36,751	5,725
Supplies and Materials	7,495	6,266	1,229
Refunds	558,000	552,247	5,753
Total Income Tax	941,030	927,376	13,654
Law			
Personal Services	247,052	243,539	3,513
Contractual Services	121,528	120,699	829
Supplies and Materials	300	0	300
Total Law	368,880	364,238	4,642
Municipal Court			
Personal Services	781,818	765,636	16,182
Contractual Services	145,576	145,085	491
Supplies and Materials	16,098	15,093	1,005
Total Municipal Court	943,492	925,814	17,678
Parking System			
Contractual Services	18,340	11,458	6,882
Supplies and Materials	10,000	1,900	8,100
Capital Outlay	105,560	105,198	362
Total Parking System	133,900	118,556	15,344
Probation			
Personal Services	367,047	351,705	15,342
Contractual Services	21,392	12,553	8,839
Supplies and Materials	8,929	7,838	1,091
Total Probation	397,368	372,096	25,272
Building Maintenance			
Personal Services	249,191	241,242	7,949
Contractual Services	106,425	104,170	2,255
Supplies and Materials	33,386	25,473	7,913
Total Building Maintenance	\$389,002	\$370,885	\$18,117

(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, 2023
(CONTINUED)

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Other General Government			
Contractual Services	\$119,631	\$118,593	\$1,038
Supplies and Materials	10,700	8,825	1,875
Reimbursements	1,000	0	1,000
Total Other General Government	131,331	127,418	3,913
Total General Government	6,221,164	5,990,302	230,862
Security of Persons and Property			
Police			
Personal Services	5,478,861	5,160,620	318,241
Contractual Services	583,942	583,372	570
Supplies and Materials	212,201	186,000	26,201
Capital Outlay	114,880	105,513	9,367
Total Police	6,389,884	6,035,505	354,379
Police Donation Trust			
Supplies and Materials	9,800	0	9,800
Total Security of Persons and Property	6,399,684	6,035,505	364,179
Leisure Time Services			
Recreation Programs			
Personal Services	536,555	472,716	63,839
Contractual Services	475,618	468,590	7,028
Supplies and Materials	155,428	154,975	453
Capital Outlay	2,113,017	2,102,687	10,330
Refunds	250	0	250
Total Leisure Time Services	3,280,868	3,198,968	81,900
Community and Economic Development			
Planning and Development			
Personal Services	413,383	412,055	1,328
Contractual Services	412,511	370,069	42,442
Supplies and Materials	7,300	1,747	5,553
Capital Outlay	71,829	71,330	499
Refunds	2,500	755	1,745
Total Planning and Development	\$907,523	\$855,956	\$51,567

(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, 2023
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Engineer Services			
Personal Services	\$478,422	\$460,193	\$18,229
Contractual Services	912,546	744,126	168,420
Supplies and Materials	15,850	5,937	9,913
 Total Engineer Services	 1,406,818	 1,210,256	 196,562
 Total Community and Economic Development	 2,314,341	 2,066,212	 248,129
 Debt Service:			
Principal Retirement	38,065	38,065	0
Interest	16,114	16,114	0
 Total Debt Service	 54,179	 54,179	 0
 Total Expenditures	 18,270,236	 17,345,166	 925,070
 Excess of Revenues Under Expenditures	 (1,132,551)	 (207,481)	 925,070
 Other Financing Sources (Uses):			
Transfers In	309,915	309,915	0
Advances In	2,000,000	2,000,000	0
Transfers Out	(1,700,000)	(1,699,874)	126
Advances Out	(1,000,000)	0	1,000,000
 Total Other Financing Sources (Uses)	 (390,085)	 610,041	 1,000,126
 Net Change in Fund Balance	 (1,522,636)	 402,560	 1,925,196
 Fund Balance at Beginning of Year	 7,560,283	 7,560,283	 0
Prior Year Encumbrances Appropriated	1,077,604	1,077,604	0
 Fund Balance at End of Year	 \$7,115,251	 \$9,040,447	 \$1,925,196

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, 2023

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$4,601,804	\$4,601,804	\$0
Charges for Services	776,173	776,173	0
Intergovernmental	155,287	155,287	0
Other	170,809	170,809	0
Total Revenues	5,704,073	5,704,073	0
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	4,376,064	4,147,736	228,328
Contractual Services	832,800	831,120	1,680
Supplies and Materials	80,349	67,937	12,412
Total Security of Persons and Property	5,289,213	5,046,793	242,420
Capital Outlay	627,401	591,895	35,506
Debt Service:			
Principal Retirement	615,000	615,000	0
Interest	200,856	200,347	509
Total Debt Service	815,856	815,347	509
Total Expenditures	6,732,470	6,454,035	278,435
Excess of Revenues Under Expenditures	(1,028,397)	(749,962)	278,435
Other Financing Sources (Uses):			
Transfers In	350,000	350,000	0
Transfers Out	(150,000)	(150,000)	0
Bond Anticipation Notes Issued	200,000	200,000	0
Total Other Financing Sources (Uses)	400,000	400,000	0
Net Change in Fund Balance	(628,397)	(349,962)	278,435
Fund Balance at Beginning of Year	2,768,580	2,768,580	0
Prior Year Encumbrances Appropriated	500,244	500,244	0
Fund Balance at End of Year	\$2,640,427	\$2,918,862	\$278,435

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Income Taxes	\$5,224,327	\$5,224,327	\$0
Special Assessments	302,861	302,861	0
Intergovernmental	619,085	619,085	0
Interest	151,478	151,478	0
Contributions and Donations	87,600	87,600	0
Other	69,639	69,639	0
 Total Revenues	 6,454,990	 6,454,990	 0
Expenditures:			
Capital Outlay	12,796,826	12,066,004	730,822
 Excess of Revenues Under Expenditures	 (6,341,836)	 (5,611,014)	 730,822
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	13,330	13,330	0
Transfers In	750,000	750,000	0
Transfers Out	(1,750,000)	(1,336,230)	413,770
 Total Other Financing Sources (Uses)	 (986,670)	 (572,900)	 413,770
Net Change in Fund Balance	(7,328,506)	(6,183,914)	1,144,592
Fund Balance at Beginning of Year	2,468,431	2,468,431	0
Prior Year Encumbrances Appropriated	4,118,277	4,118,277	0
 Fund Balance (Deficit) at End of Year	 (\$741,798)	 \$402,794	 \$1,144,592

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, 2023

	Budgeted Amounts		Variance
	Final Budget	Actual	with Final Budget
Revenues:			
Charges for Services	\$29,868,696	\$29,868,696	\$0
Other	245,969	245,969	0
Interest	597,434	597,434	0
Utility Deposits Received	126,675	126,675	0
Proceeds from Sale of Capital Assets	8,955	8,955	0
Other Non-Operating Revenues	8,693	8,693	0
 Total Revenues	 30,856,422	 30,856,422	 0
Expenses:			
Personal Services	2,776,047	2,654,930	121,117
Contractual Services	2,608,453	1,963,503	644,950
Purchased Power	23,743,621	23,375,835	367,786
Supplies and Materials	555,524	229,862	325,662
Utility Deposits Returned	130,000	119,450	10,550
Capital Outlay	27,339,190	24,817,758	2,521,432
Other	5,000	337	4,663
 Total Expenses	 57,157,835	 53,161,675	 3,996,160
Net Change in Fund Equity	(26,301,413)	(22,305,253)	3,996,160
Fund Equity at Beginning of Year	40,155,712	40,155,712	0
Prior Year Encumbrances Appropriated	1,361,686	1,361,686	0
 Fund Equity at End of Year	 \$15,215,985	 \$19,212,145	 \$3,996,160

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$2,090,551	\$2,090,551	\$0
Other	453	453	0
Interest	18,928	18,928	0
Total Revenues	2,109,932	2,109,932	0
Expenses:			
Personal Services	207,977	202,016	5,961
Contractual Services	1,846,898	1,846,825	73
Other	1,500	0	1,500
Total Expenses	2,056,375	2,048,841	7,534
Net Change in Fund Equity	53,557	61,091	7,534
Fund Equity at Beginning of Year	791,312	791,312	0
Prior Year Encumbrances Appropriated	6,546	6,546	0
Fund Equity at End of Year	\$851,415	\$858,949	\$7,534

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$4,535,903	\$4,535,903	\$0
Capital Grants and Contributions	2,124,904	2,124,904	0
Interest	88,965	88,965	0
Other	188,661	188,661	0
Loan Issued	8,351,993	8,351,993	0
 Total Revenues	 <u>15,290,426</u>	 <u>15,290,426</u>	 0
Expenses:			
Personal Services	937,740	924,862	12,878
Contractual Services	2,086,980	1,951,354	135,626
Supplies and Materials	180,802	128,653	52,149
Capital Outlay	12,342,762	12,290,897	51,865
Principal Retirement	695,000	695,000	0
Interest	35,386	32,886	2,500
 Total Expenses	 <u>16,278,670</u>	 <u>16,023,652</u>	 255,018
 Excess of Revenues Under Expenses Before Transfers and Advances	 <u>(988,244)</u>	 <u>(733,226)</u>	 255,018
Other Financing Uses:			
Transfers Out	(2,500)	0	2,500
Advances Out	(2,000,000)	(2,000,000)	0
 Total Other Financing Uses	 <u>(2,002,500)</u>	 <u>(2,000,000)</u>	 2,500
 Net Change in Fund Equity	 <u>(2,990,744)</u>	 <u>(2,733,226)</u>	 257,518
 Fund Equity (Deficit) at Beginning of Year	 <u>(5,291,590)</u>	 <u>(5,291,590)</u>	 0
Prior Year Encumbrances Appropriated	<u>11,590,382</u>	<u>11,590,382</u>	0
 Fund Equity at End of Year	 <u>\$3,308,048</u>	 <u>\$3,565,566</u>	 \$257,518

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$7,179	\$7,179	\$0
Other Non-Operating	230	230	0
Total Revenues	7,409	7,409	0
Expenses:			
Personal Services	49,070	42,696	6,374
Excess of Revenues Under Expenses Before Transfers	(41,661)	(35,287)	6,374
Transfers Out	(302,265)	(302,265)	0
Net Change in Fund Equity	(343,926)	(337,552)	6,374
Fund Equity at Beginning of Year	336,934	336,934	0
Prior Year Encumbrances Appropriated	618	618	0
Fund Equity (Deficit) at End of Year	<u>(\$6,374)</u>	<u>\$0</u>	<u>\$6,374</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, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$5,401,262	\$5,401,262	\$0
Other	4,712	4,712	0
Interest	139,934	139,934	0
Utility Deposits Received	6,725	6,725	0
Total Revenues	5,552,633	5,552,633	0
Expenses:			
Personal Services	393,867	392,337	1,530
Contractual Services	1,017,541	1,016,536	1,005
Supplies and Materials	2,695,916	2,297,843	398,073
Utility Deposits Returned	15,000	6,600	8,400
Capital Outlay	3,051,810	2,982,098	69,712
Other	2,000	1,010	990
Debt Service:			
Principal Retirement	400,000	400,000	0
Interest	237,900	237,900	0
Total Expenses	7,814,034	7,334,324	479,710
Excess of Revenues Under Expenses			
Before Transfers	(2,261,401)	(1,781,691)	479,710
Other Financing Sources:			
Transfers In	150,000	150,000	0
Net Change in Fund Equity	(2,111,401)	(1,631,691)	479,710
Fund Equity at Beginning of Year	6,187,810	6,187,810	0
Prior Year Encumbrances Appropriated	732,137	732,137	0
Fund Equity at End of Year	\$4,808,546	\$5,288,256	\$479,710

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$1,045,736	\$1,045,736	\$0
Other	270	270	0
Interest	30,776	30,776	0
Total Revenues	1,076,782	1,076,782	0
Expenses:			
Personal Services	118,467	116,510	1,957
Contractual Services	295,894	243,941	51,953
Capital Outlay	1,128,236	1,127,593	643
Other	1,000	0	1,000
Total Expenses	1,543,597	1,488,044	55,553
Net Change in Fund Equity	(466,815)	(411,262)	55,553
Fund Equity at Beginning of Year	912,037	912,037	0
Prior Year Encumbrances Appropriated	386,486	386,486	0
Fund Equity at End of Year	\$831,708	\$887,261	\$55,553

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$180,471	\$180,471	\$0
Interest	27,179	27,179	0
Other	445	445	0
Total Revenues	<u>208,095</u>	<u>208,095</u>	<u>0</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	149,592	141,066	8,526
Contractual Services	49,489	48,041	1,448
Supplies and Materials	19,730	17,494	2,236
Other	2,500	1,550	950
Total Expenditures	<u>221,311</u>	<u>208,151</u>	<u>13,160</u>
Excess of Revenues Under Expenditures	(13,216)	(56)	13,160
Other Financing Sources:			
Transfers In	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Net Change in Fund Balance	66,784	79,944	13,160
Fund Balance at Beginning of Year	1,097,721	1,097,721	0
Prior Year Encumbrances Appropriated	4,349	4,349	0
Fund Balance at End of Year	<u>\$1,168,854</u>	<u>\$1,182,014</u>	<u>\$13,160</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
Other Financing Uses:			
Transfers Out	(280)	(280)	0
Net Change in Fund Balance	(280)	(280)	0
Fund Balance at Beginning of Year	280	280	0
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Revenues:			
Charges for Services	\$7,032	\$7,032	\$0
Fines, Licenses, Permits and Settlements	160,068	160,068	0
Other	8,069	8,069	0
Total Revenues	<u>175,169</u>	<u>175,169</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Municipal Court Special Project			
Contractual Services	43,600	42,784	816
Federal Asset Forfeiture			
Capital Outlay	<u>14,000</u>	<u>0</u>	<u>14,000</u>
Total General Government	<u>57,600</u>	<u>42,784</u>	<u>14,816</u>
Security of Persons and Property			
Indigent Drivers Alcohol			
Contractual Services	96,701	50,674	46,027
Supplies and Materials	43,760	10,140	33,620
Total Indigent Drivers Alcohol	<u>140,461</u>	<u>60,814</u>	<u>79,647</u>
Computerized Legal Research			
Contractual Services	5,000	0	5,000
Supplies and Materials	5,000	0	5,000
Capital Outlay	5,000	842	4,158
Total Computerized Legal Research	<u>15,000</u>	<u>842</u>	<u>14,158</u>
Computer Improvement			
Contractual Services	20,000	7,500	12,500
Supplies and Materials	5,000	0	5,000
Capital Outlay	145,000	131,223	13,777
Total Computer Improvement	<u>170,000</u>	<u>138,723</u>	<u>31,277</u>
Total Security of Persons and Property	<u>325,461</u>	<u>200,379</u>	<u>125,082</u>
Capital Outlay	<u>41,188</u>	<u>21,817</u>	<u>19,371</u>
Total Expenditures	<u>424,249</u>	<u>264,980</u>	<u>159,269</u>
Net Change in Fund Balance	(249,080)	(89,811)	159,269
Fund Balance at Beginning of Year	847,066	847,066	0
Prior Year Encumbrances Appropriated	<u>27,969</u>	<u>27,969</u>	<u>0</u>
Fund Balance at End of Year	<u>\$625,955</u>	<u>\$785,224</u>	<u>\$159,269</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, 2023

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Fines, Licenses, Permits and Settlements	\$66,700	\$66,700	\$0
Expenditures:			
Current:			
Leisure Time Services			
Capital Outlay	175,000	175,000	0
Net Change in Fund Balance	(108,300)	(108,300)	0
Fund Balance at Beginning of Year	140,529	140,529	0
Prior Year Encumbrances Appropriated	50,000	50,000	0
Fund Balance at End of Year	<u><u>\$82,229</u></u>	<u><u>\$82,229</u></u>	<u><u>\$0</u></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, 2023

	Budgeted Amounts		Variance
	Final Budget	Actual	with Final Budget
Revenues:			
Permissive Motor Vehicle License Taxes	\$200,495	\$200,495	\$0
Fines, Licenses, Permits and Settlements	71,430	71,430	0
Intergovernmental	1,328,187	1,328,187	0
Interest	6,985	6,985	0
Other	2,194	2,194	0
Total Revenues	1,609,291	1,609,291	0
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	539,735	522,667	17,068
Contractual Services	484,471	481,736	2,735
Supplies and Materials	228,600	227,954	646
Total Street Maintenance and Repair	1,252,806	1,232,357	20,449
Division Highway Maintenance			
Contractual Services	7,500	7,411	89
Supplies and Materials	60,500	57,725	2,775
Total Division Highway Maintenance	68,000	65,136	2,864
Transportation Impact Fee			
Contractual Services	146,104	96,104	50,000
Total Transportation	1,466,910	1,393,597	73,313
Capital Outlay	198,486	50,319	148,167
Total Expenditures	1,665,396	1,443,916	221,480
Excess of Revenues Over (Under) Expenditures	(56,105)	165,375	221,480
Other Financing Sources:			
Transfers In	10,000	10,000	0
Net Change in Fund Balance	(46,105)	175,375	221,480
Fund Balance at Beginning of Year	1,685,255	1,685,255	0
Prior Year Encumbrances Appropriated	118,200	118,200	0
Fund Balance at End of Year	\$1,757,350	\$1,978,830	\$221,480

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID ONEOHIO SETTLEMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final Budget	Actual	with Final Budget
Revenues:			
Fines, Licenses, Permits and Settlements	\$221,368	\$221,368	\$0
Expenditures:	0	0	0
Net Change in Fund Balance	221,368	221,368	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$221,368</u>	<u>\$221,368</u>	<u>\$0</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MONSANTO SETTLEMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts	Variance	
	Final Budget	Actual	with Final Budget
Revenues:			
Fines, Licenses, Permits and Settlements	\$17,414	\$17,414	0
Expenditures:	0	0	0
Net Change in Fund Balance	17,414	17,414	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$17,414	\$17,414	\$0

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>with</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Contractual Services	108,640	108,640	0
Capital Outlay	858,876	826,860	32,016
Total Expenditures	967,516	935,500	32,016
Net Change in Fund Balance	(967,516)	(935,500)	32,016
Fund Balance at Beginning of Year	447,691	447,691	0
Prior Year Encumbrances Appropriated	537,809	537,809	0
Fund Balance at End of Year	<u>\$17,984</u>	<u>\$50,000</u>	<u>\$32,016</u>

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, 2023

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Income Taxes	\$637,113	\$637,113	\$0
Interest	69,563	69,563	0
Total Revenues	<u>706,676</u>	<u>706,676</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	255,000	255,000	0
Interest	66,945	51,945	15,000
Total Expenditures	<u>321,945</u>	<u>306,945</u>	<u>15,000</u>
Excess of Revenues Over Expenditures	<u>384,731</u>	<u>399,731</u>	<u>15,000</u>
Other Financing Uses:			
Transfers Out	<u>(7,370)</u>	<u>(7,370)</u>	<u>0</u>
Net Change in Fund Balance	377,361	392,361	15,000
Fund Balance at Beginning of Year	<u>2,713,457</u>	<u>2,713,457</u>	<u>0</u>
Fund Balance at End of Year	<u>\$3,090,818</u>	<u>\$3,105,818</u>	<u>\$15,000</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, 2023

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Payment in Lieu of Taxes	\$183,739	\$183,739	\$0
Charges for Services	12,040	12,040	0
Total Revenues	195,779	195,779	0
Expenditures:			
Current:			
Community and Economic Development			
Community Planning			
Contractual Services	195,224	177,210	18,014
Supplies and Materials	10,000	1,649	8,351
Total Community and Economic Development	205,224	178,859	26,365
Intergovernmental			
Reimbursements	85,000	0	85,000
Total Expenditures	290,224	178,859	111,365
Excess of Revenues Over (Under) Expenditures	(94,445)	16,920	111,365
Other Financing Sources:			
Proceeds from Sale of Capital Assets	90,000	90,000	0
Transfers In	159,874	159,874	0
Total Other Financing Sources	249,874	249,874	0
Net Change in Fund Balance	155,429	266,794	111,365
Fund Balance at Beginning of Year	203,106	203,106	0
Fund Balance at End of Year	\$358,535	\$469,900	\$111,365

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$9,275	\$9,275	\$0
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Capital Outlay	60,064	55,152	4,912
Net Change in Fund Balance	(50,789)	(45,877)	4,912
Fund Balance at Beginning of Year	79,065	79,065	0
Prior Year Encumbrances Appropriated	31,064	31,064	0
Fund Balance at End of Year	<u>\$59,340</u>	<u>\$64,252</u>	<u>\$4,912</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OPWC CAPITAL GRANT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>2,524,192</u>	<u>2,102,501</u>	<u>421,691</u>
Excess of Revenues Under Expenditures	(2,524,192)	(2,102,501)	421,691
Other Financing Sources:			
Transfers In	<u>1,366,230</u>	<u>1,336,230</u>	<u>(30,000)</u>
Net Change in Fund Balance	(1,157,962)	(766,271)	391,691
Fund Balance at Beginning of Year	170,700	170,700	0
Prior Year Encumbrances Appropriated	<u>969,331</u>	<u>969,331</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$17,931)</u></u>	<u><u>\$373,760</u></u>	<u><u>\$391,691</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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
Other Financing Sources:			
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Net Change in Fund Balance	50,000	50,000	0
Fund Balance at Beginning of Year	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$100,000</u></u>	<u><u>\$100,000</u></u>	<u><u>\$0</u></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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
Other Financing Sources:			
Transfers In	150,000	150,000	0
Net Change in Fund Balance	150,000	150,000	0
Fund Balance at Beginning of Year	300,000	300,000	0
Fund Balance at End of Year	<u><u>\$450,000</u></u>	<u><u>\$450,000</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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
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	100,000	100,000	0
Fund Balance at End of Year	<u>\$150,000</u>	<u>\$150,000</u>	<u>\$0</u>

CITY OF LEBANON, OHIO**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****PUBLIC SAFETY FACILITY CAPITAL PROJECTS FUND****BUDGET BASIS****FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
Other Financing Sources:			
Transfers In	100,000	100,000	0
Net Change in Fund Balance	100,000	100,000	0
Fund Balance at Beginning of Year	0	0	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, 2023**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$411,560	\$411,560	\$0
Other	732	732	0
Total Revenues	412,292	412,292	0
Expenses:			
Personal Services	330,415	310,601	19,814
Contractual Services	49,126	48,633	493
Supplies and Materials	22,703	18,176	4,527
Capital Outlay	19,345	18,314	1,031
Total Expenses	421,589	395,724	25,865
Net Change in Fund Equity	(9,297)	16,568	25,865
Fund Equity at Beginning of Year	52,426	52,426	0
Prior Year Encumbrances Appropriated	12,229	12,229	0
Fund Equity at End of Year	\$55,358	\$81,223	\$25,865

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, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Final Budget</u>	<u>Actual</u>	
Revenues:			
Charges for Services	\$2,324,004	\$2,324,004	\$0
Other	448,013	448,013	0
Interest	32,952	32,952	0
Total Revenues	2,804,969	2,804,969	0
Expenses:			
Contractual Services	631,335	544,222	87,113
Claims	2,167,885	2,166,494	1,391
Total Expenses	2,799,220	2,710,716	88,504
Net Change in Fund Equity	5,749	94,253	88,504
Fund Equity at Beginning of Year	1,435,759	1,435,759	0
Prior Year Encumbrances Appropriated	7,150	7,150	0
Fund Equity at End of Year	\$1,448,658	\$1,537,162	\$88,504

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-S32
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)

	2014 (1)	2015	2016	2017 (2)
Governmental Activities				
Net Investment in Capital Assets	\$41,585,043	\$44,393,758	\$44,914,941	\$45,187,387
Restricted	6,267,670	7,975,274	9,034,221	10,733,107
Unrestricted (Deficit)	<u>7,838,796</u>	<u>5,832,012</u>	<u>3,619,152</u>	<u>(3,960,757)</u>
<i>Total Governmental Activities Net Position</i>	<u>55,691,509</u>	<u>58,201,044</u>	<u>57,568,314</u>	<u>51,959,737</u>
Business Type - Activities				
Net Investment in Capital Assets	59,251,800	60,080,356	74,004,313	78,562,446
Restricted	5,267,826	4,724,747	2,933,782	1,817,123
Unrestricted	<u>34,483,221</u>	<u>38,736,281</u>	<u>32,769,402</u>	<u>36,361,995</u>
<i>Total Business-Type Activities Net Position</i>	<u>99,002,847</u>	<u>103,541,384</u>	<u>109,707,497</u>	<u>116,741,564</u>
Primary Government				
Net Investment in Capital Assets	100,836,843	104,474,114	118,919,254	123,749,833
Restricted	11,535,496	12,700,021	11,968,003	12,550,230
Unrestricted	<u>42,322,017</u>	<u>44,568,293</u>	<u>36,388,554</u>	<u>32,401,238</u>
<i>Total Primary Government Net Position</i>	<u>\$154,694,356</u>	<u>\$161,742,428</u>	<u>\$167,275,811</u>	<u>\$168,701,301</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.

(4) 2022's net position was restated for a correction of an error.

2018 (3)	2019	2020	2021	2022 (4)	2023
\$46,669,201	\$49,340,377	\$48,004,730	\$48,421,254	\$54,088,518	\$55,091,081
6,973,104	6,980,172	7,596,937	8,763,163	9,222,210	8,957,465
(2,461,164)	4,233,397	4,826,294	10,885,087	9,614,175	11,978,550
<u>51,181,141</u>	<u>60,553,946</u>	<u>60,427,961</u>	<u>68,069,504</u>	<u>72,924,903</u>	<u>76,027,096</u>
81,347,572	80,711,145	82,678,943	87,819,711	91,079,770	93,936,773
1,028,468	1,029,212	1,028,241	57,594	555,556	46,995
41,541,838	48,841,951	52,974,853	58,692,949	64,227,402	66,325,219
<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>	<u>160,308,987</u>
128,016,773	130,051,522	130,683,673	136,240,965	145,168,288	149,027,854
8,001,572	8,009,384	8,625,178	8,820,757	9,777,766	9,004,460
39,080,674	53,075,348	57,801,147	69,578,036	73,841,577	78,303,769
<u>\$175,099,019</u>	<u>\$191,136,254</u>	<u>\$197,109,998</u>	<u>\$214,639,758</u>	<u>\$228,787,631</u>	<u>\$236,336,083</u>

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

	2014	2015 (1)	2016	2017 (2)
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$2,466,267	\$981,480	\$1,131,466	\$1,065,750
Security of Persons and Property:				
Police	742,244	1,787,766	1,129,698	1,235,170
Fire	424,694	432,627	445,067	492,836
Public Health Services	119,496	153,546	116,213	104,520
Leisure Time Services	36,481	356,308	697,533	699,761
Community and Economic Development	8,130	8,129	216,250	235,082
Transportation	40,923	24,122	92,944	121,192
Subtotal - Charges for Services	3,838,235	3,743,978	3,829,171	3,954,311
Operating Grants, Contributions and Interest:				
General Government	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	1,000
Fire	315,717	0	0	56,458
Public Health Services	11,463	20,750	29,113	0
Leisure Time Services	20,000	0	10,000	1,500
Community and Economic Development	0	0	0	774,812
Transportation	1,033,035	1,017,682	1,067,460	1,001,629
Subtotal - Operating Grants, Contributions and Interest	1,380,215	1,038,432	1,106,573	1,835,399
Capital Grants, Contributions and Interest:				
General Government	0	0	0	0
Public Health Services	8,146	3,669	8,898	4,659
Leisure Time Services	220,000	538,267	67,385	35,250
Transportation	1,374,725	1,346,575	1,255,942	1,740,358
Subtotal - Capital Grants, Contributions and Interest	1,602,871	1,888,511	1,332,225	1,780,267
<i>Total Governmental Activities Program Revenues</i>	<i>6,821,321</i>	<i>6,670,921</i>	<i>6,267,969</i>	<i>7,569,977</i>
Business-Type Activities:				
Charges for Services:				
Electric	32,857,624	30,582,103	30,372,073	31,792,788
Sanitation	1,628,911	1,683,702	1,677,936	1,722,062
Sewer	3,377,730	3,461,898	3,553,255	3,730,088
Telecommunications	155,642	145,296	58,976	54,424
Water	3,371,176	3,643,684	4,121,890	4,525,928
Storm Water Utility	848,592	976,963	722,944	892,518
Operating Grants, Contributions and Interest	0	0	0	0
Capital Grants, Contributions and Interest				
Electric	0	0	0	0
Sewer	0	0	230,050	1,310,860
Water	0	0	410,465	1,117,535
Storm Water Utility	0	0	41,630	44,572
<i>Total Business-Type Activities Program Revenues</i>	<i>42,239,675</i>	<i>40,493,646</i>	<i>41,189,219</i>	<i>45,190,775</i>
<i>Total Primary Government Program Revenues</i>	<i>\$49,060,996</i>	<i>\$47,164,567</i>	<i>\$47,457,188</i>	<i>\$52,760,752</i>

2018	2019	2020	2021	2022 (3)	2023
\$989,195	\$1,137,062	\$1,494,913	\$2,115,640	\$1,946,962	\$2,045,141
1,143,786	1,255,220	1,245,706	1,932,340	1,639,567	1,563,061
567,552	567,442	578,741	697,066	699,505	776,173
148,890	142,032	137,378	213,252	200,664	603,933
657,187	616,365	676,258	596,418	564,055	569,646
237,784	257,505	316,095	555,395	983,367	468,067
278,574	359,617	333,937	429,328	274,081	331,765
4,022,968	4,335,243	4,783,028	6,539,439	6,308,201	6,357,786
0	0	457,030	0	335,100	0
1,674	437,122	530,480	838	115,750	0
416,393	0	635,186	62,718	25,894	262,634
0	0	504	0	0	0
3,030	500	39,663	3,000	76,510	0
0	0	144,219	0	0	0
1,192,576	1,395,223	1,291,702	1,641,598	1,759,234	1,377,969
1,613,673	1,832,845	3,098,784	1,708,154	2,312,488	1,640,603
0	0	0	0	126,767	0
12,370	19,883	9,670	3,633	0	50,600
51,547	529,171	424,723	196,000	235,424	0
1,409,867	1,943,452	1,340,724	1,995,821	920,090	1,265,100
1,473,784	2,492,506	1,775,117	2,195,454	1,282,281	1,315,700
7,110,425	8,660,594	9,656,929	10,443,047	9,902,970	9,314,089

34,392,469	33,427,305	31,128,666	32,718,002	32,690,140	29,782,464
1,767,643	1,788,850	1,908,450	1,966,340	2,039,890	2,099,690
3,862,365	3,833,562	4,122,001	4,238,787	4,378,769	4,542,696
40,121	32,796	25,405	23,150	21,630	7,179
4,698,976	4,799,754	5,284,141	5,371,501	5,367,542	5,503,699
880,798	900,552	994,465	998,979	1,000,975	1,044,134
118,141	0	0	12,000	1,741,763	0
0	0	95,890	0	15,000	0
477,950	0	0	954,855	2,871,459	515,746
0	0	0	1,332,657	178,600	0
261,165	118,609	0	750,589	7,635	0
46,499,628	44,901,428	43,559,018	48,366,860	50,313,403	43,495,608
\$53,610,053	\$53,562,022	\$53,215,947	\$58,809,907	\$60,216,373	\$52,809,697

(Continued)

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

	2014	2015 (1)	2016	2017 (2)
Expenses				
Governmental Activities:				
General Government	\$3,858,814	\$3,924,199	\$5,157,129	\$4,840,572
Intergovernmental	0	418,817	428,151	0
Security of Persons and Property:				
Police	4,361,049	4,243,356	5,115,826	5,122,645
Fire	2,611,925	3,165,407	3,276,015	3,396,681
Public Health Services	211,544	196,806	197,737	220,040
Leisure Time Services	848,639	1,340,847	828,117	984,126
Community and Economic Development	1,459,944	1,021,078	1,240,968	1,314,860
Transportation	4,112,839	4,584,011	4,339,489	5,099,318
Interest	239,369	213,544	293,757	242,283
<i>Total Governmental Activities Expenses</i>	<i>17,704,123</i>	<i>19,108,065</i>	<i>20,877,189</i>	<i>21,220,525</i>
Business-Type Activities:				
Electric	29,100,455	26,348,054	27,684,350	28,290,002
Sanitation	1,568,798	1,625,356	1,617,010	1,660,252
Sewer	3,722,315	3,504,416	3,235,514	3,287,280
Telecommunications	132,226	161,943	162,201	266,372
Water	3,848,723	3,971,143	3,672,987	4,108,375
Storm Water Utility	664,189	634,635	754,859	707,040
<i>Total Business-Type Activities Expenses</i>	<i>39,036,706</i>	<i>36,245,547</i>	<i>37,126,921</i>	<i>38,319,321</i>
<i>Total Primary Government Program Expenses</i>	<i>56,740,829</i>	<i>55,353,612</i>	<i>58,004,110</i>	<i>59,539,846</i>
Net (Expense)/Revenue				
Governmental Activities	(10,882,802)	(12,437,144)	(14,609,220)	(13,650,548)
Business-Type Activities	3,202,969	4,248,099	4,062,298	6,871,454
<i>Total Primary Government Net Expense</i>	<i>(7,679,833)</i>	<i>(8,189,045)</i>	<i>(10,546,922)</i>	<i>(6,779,094)</i>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	988,577	1,002,485	1,039,309	1,052,956
Fire and Life Squad	1,905,588	2,639,539	2,772,706	2,752,718
Income Taxes	6,751,574	7,425,983	7,613,002	9,548,135
Other Local Taxes	1,380,635	1,439,547	1,526,713	1,503,991
Payment in Lieu of Taxes	1,772,913	1,757,214	1,774,947	1,730,854
Grants and Entitlements not Restricted to				
Specific Programs	750,994	406,357	366,251	352,609
Investment Earnings/Interest	396,425	64,872	460,102	274,506
Other	384,300	294,305	248,975	443,889
Gain on Sale of Capital Assets	0	508	0	0
Transfers	(2,420,508)	(84,131)	(1,825,515)	(1,273,527)
<i>Total Governmental Activities</i>	<i>\$11,910,498</i>	<i>\$14,946,679</i>	<i>\$13,976,490</i>	<i>\$16,386,131</i>

2018	2019	2020	2021	2022 (3)	2023
\$4,718,932	\$5,389,856	\$5,807,787	\$3,031,297	\$4,296,138	\$5,907,541
4,461,868	891,445	402,687	65,190	0	0
5,668,034	1,860,634	5,995,882	5,258,962	5,861,158	7,396,301
4,216,795	1,727,750	5,288,833	5,837,368	3,487,658	6,400,328
178,851	241,369	192,502	128,561	189,152	254,584
611,815	1,791,839	1,042,114	2,008,963	1,224,765	1,467,553
1,410,511	1,413,635	1,748,686	1,284,869	3,862,017	2,042,218
4,556,884	4,985,093	7,998,060	4,801,439	4,433,325	8,961,003
207,370	206,733	372,476	328,331	250,372	235,733
<u>26,031,060</u>	<u>18,508,354</u>	<u>28,849,027</u>	<u>22,744,980</u>	<u>23,604,585</u>	<u>32,665,261</u>
29,853,214	28,561,167	28,219,233	28,127,696	28,973,352	27,776,225
1,707,946	1,755,902	1,771,721	1,883,954	1,996,958	2,102,494
3,887,245	3,556,030	3,611,975	3,415,280	3,987,423	4,055,695
92,969	48,610	49,528	70,932	139,814	57,021
3,894,737	4,737,953	4,385,121	4,576,621	4,535,755	4,868,617
886,106	826,067	909,310	837,726	934,661	947,581
<u>40,322,217</u>	<u>39,485,729</u>	<u>38,946,888</u>	<u>38,912,209</u>	<u>40,567,963</u>	<u>39,807,633</u>
<u>66,353,277</u>	<u>57,994,083</u>	<u>67,795,915</u>	<u>61,657,189</u>	<u>64,172,548</u>	<u>72,472,894</u>
(18,920,635)	(9,847,760)	(19,192,098)	(12,301,933)	(13,701,615)	(23,351,172)
6,177,411	5,415,699	4,612,130	9,454,651	9,745,440	3,687,975
(12,743,224)	(4,432,061)	(14,579,968)	(2,847,282)	(3,956,175)	(19,663,197)

1,059,991	1,222,270	1,298,119	1,296,654	1,520,096	1,492,068
2,768,300	2,886,011	4,623,288	4,511,621	4,535,534	4,460,929
9,847,997	10,580,698	10,113,404	11,708,708	13,159,341	14,014,523
1,557,388	1,531,496	1,502,883	1,545,048	1,544,356	1,736,539
1,684,982	1,617,904	270,425	232,468	185,331	183,739
366,847	498,567	461,333	684,939	2,044,018	908,283
530,248	751,257	961,344	(113,821)	(1,294,493)	2,030,802
768,637	275,323	670,490	153,636	158,402	378,549
0	0	0	281,600	0	0
(497,767)	(142,961)	(835,173)	(357,377)	(509,130)	1,247,933
<u>\$18,086,623</u>	<u>\$19,220,565</u>	<u>\$19,066,113</u>	<u>\$19,943,476</u>	<u>\$21,343,455</u>	<u>\$26,453,365</u>

(Continued)

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

	2014	2015 (1)	2016	2017 (2)
General Revenues and Other Changes in Net Position (Continued)				
Business-Type Activities:				
Investment Earnings/Interest	\$282,679	\$139,240	\$198,153	\$218,950
Other	103,639	67,067	66,747	107,353
Gain on Sale of Capital Assets	0	0	13,400	11,265
Transfers	2,420,508	84,131	1,825,515	1,273,527
<i>Total Business-Type Activities</i>	<u>2,806,826</u>	<u>290,438</u>	<u>2,103,815</u>	<u>1,611,095</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>				
	<u>14,717,324</u>	<u>15,237,117</u>	<u>16,080,305</u>	<u>17,997,226</u>
Prior Year Restatement of Governmental Activities Net Position	(8,904,211)	0	0	(8,344,160)
Prior Year Restatement of Business-Type Activities Net Position	(1,519,574)	0	0	(1,448,482)
Changes in Net Position				
Governmental Activities	(7,876,515)	2,509,535	(632,730)	(5,608,577)
Business-Type Activities	<u>4,490,221</u>	<u>4,538,537</u>	<u>6,166,113</u>	<u>7,034,067</u>
<i>Total Primary Government Changes in Net Position</i>	<u><u>(\$3,386,294)</u></u>	<u><u>\$7,048,072</u></u>	<u><u>\$5,533,383</u></u>	<u><u>\$1,425,490</u></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.

(3) 2022's net position was restated for a correction of an error.

2018	2019	2020	2021	2022 (3)	2023
\$414,121	\$852,746	\$393,571	\$9,007	(\$1,052,387)	\$1,732,326
87,015	253,024	258,855	57,182	90,291	264,936
0	0	0	10,000	0	8,955
497,767	142,961	835,173	357,377	509,130	(1,247,933)
<hr/> 998,903	<hr/> 1,248,731	<hr/> 1,487,599	<hr/> 433,566	<hr/> (452,966)	<hr/> 758,284
<hr/> 19,085,526	<hr/> 20,469,296	<hr/> 20,553,712	<hr/> 20,377,042	<hr/> 20,890,489	<hr/> 27,211,649
0	0	0	0	(2,786,441)	0
0	0	0	0	0	0
<hr/> (834,012)	<hr/> 9,372,805	<hr/> (125,985)	<hr/> 7,641,543	<hr/> 4,855,399	<hr/> 3,102,193
<hr/> 7,176,314	<hr/> 6,664,430	<hr/> 6,099,729	<hr/> 9,888,217	<hr/> 9,292,474	<hr/> 4,446,259
<hr/> \$6,342,302	<hr/> \$16,037,235	<hr/> \$5,973,744	<hr/> \$17,529,760	<hr/> \$14,147,873	<hr/> \$7,548,452

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$565,102	\$411,009	\$204,518	\$111,593
Assigned	140,952	628,373	4,227,592	315,523
Unassigned	<u>5,779,984</u>	<u>5,399,631</u>	<u>866,041</u>	<u>5,723,205</u>
Total General Fund	<u>6,486,038</u>	<u>6,439,013</u>	<u>5,298,151</u>	<u>6,150,321</u>
All Other Governmental Funds				
Nonspendable	197,501	187,072	154,692	139,403
Restricted	5,531,792	7,144,478	8,245,204	10,187,756
Committed	4,702,921	5,903,271	5,709,472	5,684,713
Unassigned (Deficit)	<u>(238,372)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>10,193,842</u>	<u>13,234,821</u>	<u>14,109,368</u>	<u>16,011,872</u>
Total Governmental Funds	<u><u>\$16,679,880</u></u>	<u><u>\$19,673,834</u></u>	<u><u>\$19,407,519</u></u>	<u><u>\$22,162,193</u></u>

2018	2019	2020	2021	2022	2023
\$104,384	\$113,084	\$133,447	\$105,955	\$144,640	\$198,651
290,171	319,871	4,521,506	2,123,434	5,232,844	4,249,376
<u>6,805,662</u>	<u>8,198,455</u>	<u>6,978,469</u>	<u>10,549,650</u>	<u>5,166,927</u>	<u>9,096,107</u>
<u>7,200,217</u>	<u>8,631,410</u>	<u>11,633,422</u>	<u>12,779,039</u>	<u>10,544,411</u>	<u>13,544,134</u>
154,686	197,053	237,201	269,749	383,961	350,617
6,272,909	5,134,492	11,542,370	7,018,622	6,396,733	7,837,109
5,869,249	8,117,619	7,880,312	9,923,237	10,610,965	10,126,679
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,296,844</u>	<u>13,449,164</u>	<u>19,659,883</u>	<u>17,211,608</u>	<u>17,391,659</u>	<u>18,314,405</u>
<u><u>\$19,497,061</u></u>	<u><u>\$22,080,574</u></u>	<u><u>\$31,293,305</u></u>	<u><u>\$29,990,647</u></u>	<u><u>\$27,936,070</u></u>	<u><u>\$31,858,539</u></u>

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

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

Note: Starting in 2023, the Permissive Motor Vehicle License Taxes were broken out from Intergovernmental revenue.

2018	2019	2020	2021	2022	2023
\$3,837,316	\$4,088,573	\$5,718,881	\$5,802,092	\$6,052,536	\$6,135,746
9,873,295	10,480,206	10,455,825	11,597,238	12,761,161	13,295,803
1,557,388	1,531,496	1,502,883	1,545,048	1,544,356	1,519,719
0	0	0	0	0	216,820
1,684,982	1,617,904	270,425	232,468	185,331	183,739
95,436	221,520	89,828	246,213	221,012	266,973
2,985,962	3,256,905	3,458,233	5,035,275	4,807,307	4,198,613
778,927	725,167	1,184,142	1,153,071	1,295,567	1,645,580
0	0	0	0	36,159	38,023
2,445,772	5,048,356	4,227,676	4,517,982	5,330,290	3,087,190
466,086	748,333	1,005,873	(132,302)	(1,263,231)	2,138,601
46,536	500	1,000	3,000	453,060	87,600
768,637	275,323	670,490	153,636	158,402	378,549
24,540,337	27,994,283	28,585,256	30,153,721	31,581,950	33,192,956

4,291,645	4,451,582	5,151,347	4,866,989	5,358,670	5,660,608
4,984,432	4,741,246	4,824,061	5,311,831	5,615,312	6,091,422
3,527,903	3,494,190	4,457,930	5,052,163	2,818,605	4,947,329
144,214	168,621	140,509	153,514	203,887	237,127
811,296	1,860,472	820,602	1,958,924	3,100,976	1,379,900
1,222,729	1,094,395	1,423,275	1,612,772	4,006,680	1,891,603
976,040	943,223	4,077,416	1,154,183	1,450,778	5,416,464
4,461,868	891,445	402,687	65,190	0	0
6,507,367	6,068,983	4,687,435	9,887,614	8,014,417	4,565,850
995,614	1,505,640	1,030,668	1,465,502	3,147,728	508,822
215,664	222,345	380,448	363,663	350,512	264,457
0	0	0	0	8,397	0
0	0	0	0	0	0
28,138,772	25,442,142	27,396,378	31,892,345	34,075,962	30,963,582
(3,598,435)	2,552,141	1,188,878	(1,738,624)	(2,494,012)	2,229,374

75,887	31,372	183,011	479,233	0	103,330
302,000	0	0	0	0	0
1,145,000	2,530,000	2,380,000	1,579,123	2,727,000	4,783,519
(1,145,000)	(2,530,000)	(2,380,000)	(1,622,390)	(2,727,000)	(3,193,754)
0	0	0	0	439,435	0
0	0	7,350,000	0	0	0
500,000	0	0	0	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	0	0
877,887	31,372	8,023,853	435,966	439,435	1,693,095
(\$2,720,548)	\$2,583,513	\$9,212,731	(\$1,302,658)	(\$2,054,577)	\$3,922,469

5.7% 9.1% 6.2% 8.3% 14.5% 3.0%

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
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
2023	1.00	13,384,868	8,958,846	66.93	1,811,789	13.54	2,614,233	19.53

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 2022 AND 2013 (1)

Tax Year 2022 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,737	21.71 %	\$307,917,153	57.41 %
75,001-100,000	693	8.66	61,415,075	11.45
50,001-75,000	1,053	13.16	66,861,101	12.47
25,000-50,000	1,431	17.88	56,384,098	10.51
Under 25,000	3,088	38.59	43,768,395	8.16
Total	8,002	100.00	\$536,345,822	100.00

Tax Year 2013 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,138	19.30 %	\$179,677,971	49.64 %
75,001-100,000	674	11.43	58,762,886	16.23
50,001-75,000	913	15.49	56,427,061	15.59
25,000-50,000	1,277	21.66	47,044,056	13.00
Under 25,000	1,894	32.12	20,068,679	5.54
Total	5,896	100.00	\$361,980,653	100.00

Source: City Income Tax Department

(1) Tax year 2023 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

Type of Customer:	2014	2015	2016	2017
Residential	\$10,015,251	\$9,602,351	\$9,302,438	\$9,160,783
Industrial	1,930,896	1,801,187	1,745,760	1,733,759
Commercial (1)	<u>20,582,711</u>	<u>19,712,760</u>	<u>20,303,536</u>	<u>20,928,621</u>
Total (2)	<u><u>\$32,528,858</u></u>	<u><u>\$31,116,298</u></u>	<u><u>\$31,351,734</u></u>	<u><u>\$31,823,163</u></u>

(1) Majority of government buildings included in this category.

(2) Amount based on electric billed instead of actual cash collected.

2018	2019	2020	2021	2022	2023
\$10,264,321	\$9,720,651	\$9,507,181	\$10,074,204	\$10,410,856	\$9,527,676
1,817,776	1,755,379	1,513,927	1,590,106	1,560,172	1,497,390
<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>19,169,645</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>	<u>\$30,194,711</u>

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CITY OF LEBANON, OHIO
 PRINCIPAL ELECTRIC CUSTOMERS
 2023 AND 2014

Customer	2023	
	Electric Charges for Services	Percentage of Total Charges for Services
Cyrus One LLC	\$3,070,367	10.17 %
Advics Manufacturing	2,382,177	7.89
Mane Inc.	1,760,314	5.83
Green Bay Packaging	606,457	2.01
JBM Packaging	502,352	1.66
HTNA	403,806	1.34
Quantum Metals	327,438	1.08
Countryside YMCA	287,985	0.95
Flint Ink	279,471	0.93
Wal-Mart	244,267	0.81
Total	\$9,864,634	32.67 %
Total Electric Charges for Services (1)	\$30,194,711	
2014		
Customer	2014	
	Electric Charges for Services	Percentage of Total Charges for Services
CBTS	\$3,821,096	11.75 %
Advics Manufacturing	2,506,866	7.71
Mane Inc.	1,073,688	3.30
HTNA	989,603	3.04
Warren County	934,493	2.87
Green Bay Packaging	526,263	1.62
Countryside YMCA	418,941	1.29
JBM Envelope	376,821	1.16
Wal-Mart	362,630	1.11
City of Lebanon	344,109	1.06
Total	\$11,354,510	34.91 %
Total Electric Charges for Services (1)	\$32,528,858	

(1) Amount based on electric billed instead of actual cash collected.

CITY OF LEBANON, OHIO
ELECTRIC RATES PER YEAR
LAST TEN YEARS

	2014	2015	2016	2017
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)	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
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)	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
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

2018	2019	2020	2021	2022	2023
\$5.15	\$5.15	\$7.00	\$7.00	\$7.00	\$7.00
\$0.0670	\$0.0670	\$0.06316	\$0.06316	\$0.06316	\$0.06316
\$0.0412	\$0.0412	\$0.03884	\$0.03884	\$0.03884	\$0.03884
\$0.0361	\$0.0361	\$0.03403	\$0.03403	\$0.03403	\$0.03403
\$0.0206	\$0.0206	\$0.01942	\$0.01942	\$0.01942	\$0.01942
(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700	(\$0.00010)
\$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	\$17.00	\$17.00	\$17.00	\$17.00
\$20.60	\$20.60	\$22.00	\$22.00	\$22.00	\$22.00
\$0.0824	\$0.0824	\$0.06779	\$0.06779	\$0.06779	\$0.06779
\$0.0721	\$0.0721	\$0.05932	\$0.05932	\$0.05932	\$0.05932
\$0.0412	\$0.0412	\$0.03390	\$0.03390	\$0.03390	\$0.03390
\$0.0618	\$0.0618	\$0.05179	\$0.05179	\$0.05179	\$0.05179
\$0.0309	\$0.0309	\$0.02589	\$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	\$0.03390	\$0.03390	\$0.03390	\$0.03390
\$0.0361	\$0.0361	\$0.02970	\$0.02970	\$0.02970	\$0.02970
\$0.0206	\$0.0206	\$0.01695	\$0.01695	\$0.01695	\$0.01695
\$0.0258	\$0.0258	\$0.02162	\$0.02162	\$0.02162	\$0.02162
\$0.0206	\$0.0206	\$0.01726	\$0.01726	\$0.01726	\$0.01726
\$0.0155	\$0.0155	\$0.01299	\$0.01299	\$0.01299	\$0.01299
(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700	(\$0.00010)
\$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)

	2014	2015	2016	2017
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)	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
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)	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00411	\$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.

2018	2019	2020	2021	2022	2023
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.0361	\$0.0361	\$0.03065	\$0.03065	\$0.03065	\$0.03065
\$0.0288	\$0.0288	\$0.02445	\$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	\$0.01316	\$0.01316	\$0.01316	\$0.01316
\$0.01030	\$0.01030	\$0.00874	\$0.00874	\$0.00874	\$0.00874
(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700	(\$0.00010)
\$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	\$0.04213	\$0.04213	\$0.04213	\$0.04213
\$0.0103	\$0.0103	\$0.00935	\$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	\$0.02343	\$0.02343	\$0.02343	\$0.02343
\$0.01550	\$0.01550	\$0.01407	\$0.01407	\$0.01407	\$0.01407
(\$0.00290)	(\$0.00510)	(\$0.00140)	\$0.00380	\$0.00700	(\$0.00010)
\$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	OWDA Loans	Notes Payable
2014	\$6,861,017	\$0	\$2,010,088	\$0	\$0	\$32,093,636	\$0	\$1,200,000
2015	6,245,984	0	2,007,350	0	0	29,605,150	0	1,000,000
2016	7,563,209	0	2,111,623	0	0	21,148,265	0	1,000,000
2017	8,884,278	0	0	0	4,895,000	14,061,730	0	0
2018	7,865,656	0	0	302,000	4,265,000	10,904,723	0	0
2019	6,837,204	0	0	302,000	3,620,000	10,463,768	0	0
2020	13,616,618	0	0	302,000	2,965,000	10,007,813	0	0
2021	12,333,986	0	0	77,194	2,300,000	8,720,998	0	0
2022	9,186,565	402,834	0	0	1,620,000	8,257,186	0	0
2023	8,688,750	364,769	0	0	925,000	7,788,374	8,351,993	0

Note: Population and Personal Income data are presented on page S34.

Total Debt	Percentage of Personal Income	Per Capita
\$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
26,118,886	3.97	1,253

CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2023

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Lebanon			
General Obligation Bonds	\$9,053,519	100.00%	\$9,053,519
Financed Purchase	<u>364,769</u>	100.00	<u>364,769</u>
<i>Total Direct Debt</i>	<u>9,418,288</u>		<u>9,418,288</u>
Overlapping			
Lebanon City School District			
General Obligation Bonds	32,720,000	50.24	16,438,528
Leases	1,608,000	50.24	807,859
Kings Local School District			
General Obligation Bonds	36,542,330	1.15	420,237
Warren County Career Center			
Energy Conservation Notes	1,560,778	10.49	163,726
Warren County			
Special Assessment Bonds	1,101,459	6.56	72,256
Loans Payable	308,080	6.56	20,210
TIF Revenue Bonds	<u>2,230,000</u>	7.07	<u>157,661</u>
<i>Total Overlapping Debt</i>	<u>76,070,647</u>		<u>18,080,477</u>
Total	<u>\$85,488,935</u>		<u>\$27,498,765</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	
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
2023	20,841	1,806,717,714	9,613,750	0.53	461.29

(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

	2014	2015	2016	2017
Total Assessed Property Value	<u>\$397,990,590</u>	<u>\$416,793,410</u>	<u>\$416,121,680</u>	<u>\$419,978,990</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	41,789,012	43,763,308	43,692,776	44,097,794
Debt Outstanding:				
General Obligation Bonds	6,816,603	6,021,603	7,241,603	13,531,603
Mortgage Revenue Bonds	31,835,000	29,375,000	20,995,000	13,950,000
Bond Anticipation Notes	5,200,000	3,000,000	4,600,000	0
ODOT Loans	0	0	0	0
OWDA Loans	0	0	0	0
Financed Purchase	0	0	0	0
Total Gross Indebtedness	43,851,603	38,396,603	32,836,603	27,481,603
Less:				
General Obligation Bonds	(6,816,603)	(6,021,603)	(7,241,603)	(13,531,603)
Mortgage Revenue Bonds	(31,835,000)	(29,375,000)	(20,995,000)	(13,950,000)
Bond Anticipation Notes	(5,200,000)	(3,000,000)	(4,600,000)	0
ODOT Loans	0	0	0	0
OWDA Loans	0	0	0	0
Financed Purchase	0	0	0	0
Total Net Debt Applicable to Debt Limit	0	0	0	0
Legal Debt Margin Within 10 ½ % Limitations	<u>\$41,789,012</u>	<u>\$43,763,308</u>	<u>\$43,692,776</u>	<u>\$44,097,794</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>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>	<u>\$23,098,844</u>
Total Gross Indebtedness	43,851,603	38,396,603	32,836,603	27,481,603
Less:				
General Obligation Bonds	(6,816,603)	(6,021,603)	(7,241,603)	(13,531,603)
Mortgage Revenue Bonds	(31,835,000)	(29,375,000)	(20,995,000)	(13,950,000)
Bond Anticipation Notes	(5,200,000)	(3,000,000)	(4,600,000)	0
Net Debt Within 5 ½ % Limitations	0	0	0	0
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>	<u>\$23,098,844</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

2018	2019	2020	2021	2022	2023
<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>\$632,351,200</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>	<u>66,396,876</u>
11,905,000	10,255,000	15,920,000	14,015,000	10,295,000	9,130,000
10,805,000	10,380,000	9,940,000	7,620,000	7,225,000	6,825,000
500,000	400,000	800,000	600,000	400,000	200,000
302,000	302,000	302,000	77,194	0	0
0	0	0	0	0	8,351,993
0	0	0	0	402,834	364,769
23,512,000	21,337,000	26,962,000	22,312,194	18,322,834	24,871,762
(11,905,000)	(10,255,000)	(15,920,000)	(14,015,000)	(10,295,000)	(9,130,000)
(10,805,000)	(10,380,000)	(9,940,000)	(7,620,000)	(7,225,000)	(6,825,000)
(500,000)	(400,000)	(800,000)	(600,000)	(400,000)	(200,000)
(302,000)	(302,000)	(302,000)	(77,194)	0	0
0	0	0	0	0	(8,351,993)
0	0	0	0	(402,834)	(364,769)
0	0	0	0	0	0
<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>	<u>\$66,396,876</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<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>	<u>\$34,779,316</u>
23,512,000	21,337,000	26,962,000	22,312,194	18,322,834	24,871,762
(11,905,000)	(10,255,000)	(15,920,000)	(14,015,000)	(10,295,000)	(9,130,000)
(10,805,000)	(10,380,000)	(9,940,000)	(7,620,000)	(7,225,000)	(6,825,000)
(500,000)	(400,000)	(800,000)	(600,000)	(400,000)	(200,000)
302,000	302,000	302,000	77,194	402,834	8,716,762
<u>\$25,872,180</u>	<u>\$27,014,494</u>	<u>\$27,534,821</u>	<u>\$32,151,895</u>	<u>\$32,823,418</u>	<u>\$26,062,554</u>
98.85%	98.89%	98.92%	99.76%	98.79%	74.94%

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)	
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
2023	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)	
2014	\$3,404,925	\$2,323,575	\$1,081,350	\$560,000	\$346,081	\$906,081	119.34%
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
2023	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	
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
2023	5,540,492	3,407,651	2,132,841	400,000	237,900	637,900	3.34

(1) Direct operating expenses do not include depreciation expense.

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CITY OF LEBANON, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
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
2023	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 and Workforce Website:
["http://www.education.ohio.gov/Topics/Data"](http://www.education.ohio.gov/Topics/Data)

(4) Source: Ohio Department of Job and Family Services

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Warren County Unemployment Rate (4)
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
28.9	5,302	2.6

/Topics/Data"

CITY OF LEBANON, OHIO
 PRINCIPAL EMPLOYERS
 2023 AND 2014

2023

Employer	Employees
Warren County	1,457
Advics Manufacturing	1,289
Lebanon City School District	938
Mane Inc.	876
Countyside YMCA	789
Fedex Ground Package System	705
Sheakley HR	493
Wal-Mart	431
Kroger	407
Fecon	284
Total	7,669

2014

Employer	Employees
Warren County	1,212
Lebanon City School District	889
Countyside YMCA	807
CM Temporary	756
Advics Manufacturing	689
Kroger	547
Hayashi Telempu (Amtex, Inc.)	498
FedEx	455
Wal-Mart	378
Mane Inc.	377
Total	6,608

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	6.50	6.50	6.50
Tax	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.50	3.50	3.50
Law	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Building Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
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	5.00	5.00	6.00
Court	7.00	7.00	7.00	7.00	8.00	8.00	8.00	7.00	8.00	7.00
Probation	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
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	6.00	7.00	7.00	7.00
Police - Officers	21.00	21.00	21.00	21.00	21.00	21.00	22.00	21.00	22.00	22.00
Police - Dispatchers	8.00	8.00	8.00	8.00	8.00	9.00	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	3.00	9.00	9.00	9.00	12.00	12.00	19.00
Public Health										
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.75
Leisure Time Services										
Parks & Recreation (3)	3.00	3.00	3.00	2.00	2.00	2.00	3.00	3.50	3.50	3.75
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	2.00	3.00	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	2.25
Transportation										
Street M&R (3)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	4.50	6.75
Basic Utility Services										
Electric - Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.75	2.75	3.00
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)	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00	14.00	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	0.00
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	0.25	0.25	0.00
Water - Administration	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25
Water - Maintenance	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.00
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	1.25	1.25	1.25
Wastewater - Maintenance	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.50	3.00	2.00
Wastewater - Collection and Treatment	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00
Totals:	135.00	135.00	132.00	137.00	145.00	146.00	150.00	153.00	158.00	167.00

Source: City of Lebanon Annual Budget

(1) Elected Officials meet twice a month.

(2) Fire Department uses approximately 50-60 part-time EMT's, 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	2014	2015	2016	2017
General Government				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	99	132	117	126
Number of Planning Commission Docket Items	34	63	37	52
Zoning Board of Appeals Docket Items	11	9	10	12
<i>Finance Department (I)</i>				
Number of Checks Issued	4,425	4,173	4,101	4,207
Number of Purchase Orders Issued	873	992	997	1,114
Amount of Checks Written (includes interfund transfers)	\$78,072,236	\$71,328,633	\$86,679,935	\$88,570,629
Interest Earnings for Fiscal Year (cash basis)	\$251,836	\$390,473	\$496,631	\$501,666
Number of Supplemental Appropriations Issued	21	23	14	12
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	Aa2
Health Insurance Costs vs. General Fund Expenditures	11.90%	10.19%	8.57%	9.18%
General Fund Receipts (cash basis in thousands)	\$10,604	\$10,857	\$10,904	\$12,537
General Fund Expenditures (cash basis in thousands)	\$10,323	\$10,663	\$12,924	\$10,980
General Fund (unexpended) Cash Balances (in thousands)	\$5,003	\$5,196	\$3,177	\$4,734
<i>Income Tax Department</i>				
Number of Individual Returns	10,573	10,091	7,746	10,941
Number of Business Returns	1,713	1,346	1,693	2,475
Number of Business Withholding Accounts	2,632	1,310	1,955	2,281
Annual Number of Corporate Withholding Forms Processed	8,448	8,010	10,750	12,103
Annual Number of Balance Due Statements Forms Processed	760	586	600	915
Annual Number of Estimated Payment Forms Processed	2,017	1,801	1,846	2,980
Annual Number of Reconciliations of Withholdings Processed	1,278	1,726	1,951	1,778
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$11,874,633	\$2,173,804	\$8,346,500	\$7,311,859
<i>Municipal Court</i>				
Number of Civil Cases	605	638	592	649
Number of Criminal Cases	1,573	1,562	1,685	1,626
<i>Civil Service</i>				
Number of Police Entry Tests Administered	30	57	73	0
Number of Police Promotional Tests Administered	5	1	0	1
Number of Hires of Police Officers from Certified Lists	2	2	2	0
Number of Promotions from Police Certified Lists	2	2	0	2

2018	2019	2020	2021	2022	2023
108	106	125	118	141	122
62	55	51	44	56	45
11	11	10	7	6	8
4,494	4,781	5,679	7,938	6,261	6,321
1,674	1,372	1,333	1,334	1,360	1,369
\$78,726,004	\$79,743,248	\$79,177,548	\$82,694,250	\$94,448,648	\$108,755,328
\$421,578	\$536,396	\$521,034	\$417,376	\$1,794,171	\$2,093,692
4	6	6	6	8	5
Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
8.73%	6.51%	6.98%	7.22%	6.58%	7.99%
\$13,064	\$13,028	\$14,679	\$14,057	\$17,586	\$19,403
\$11,935	\$12,221	\$12,104	\$13,882	\$18,888	\$16,063
\$5,863	\$6,670	\$9,246	\$9,421	\$8,118	\$11,458
9,060	9,402	8,487	9,143	9,771	9,163
1,644	1,549	1,410	1,277	1,338	1,362
2,495	2,768	3,072	3,209	3,635	3,537
13,789	13,735	26,982	29,558	29,875	21,340
1,040	1,810	920	1,421	1,675	1,723
3,943	6,371	6,817	6,369	6,969	6,764
2,094	2,357	2,770	2,926	3,521	2,738
\$4,042,190	\$10,008,121	\$11,888,230	\$7,803,318	\$7,122,702	\$9,055,558
658	755	493	603	591	753
1,583	1,636	1,122	1,128	1,129	1,034
77	78	59	27	53	9
0	0	1	0	0	1
1	1	3	3	3	5
0	0	2	0	0	1

(Continued)

CITY OF LEBANON, OHIO

OPERATING INDICATORS BY PROGRAM/FUNCTION

LAST TEN YEARS

(CONTINUED)

Function/Program	2014	2015	2016	2017
<i>Building Department Indicators</i>				
Commercial Construction Permits Issued	93	81	119	104
Estimated Value of Commercial Construction	\$44,964,185	\$125,985,538	\$54,500,000	\$39,764,540
Residential Construction Building Permits Issued	176	149	200	196
Estimated Value of Residential Construction	\$5,870,806	\$3,308,718	\$7,400,000	\$7,482,998
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	21,932	22,617	23,864	24,648
Number of Traffic Citations Issued	1,406	1,192	1,626	1,441
Number of Parking Citations Issued	48	352	121	537
Number of Criminal Arrests	1,308	1,118	1,199	1,158
Number of Accident Reports Completed	645	413	455	433
Part 1 Offenses (major offenses)	494	355	397	350
Animal Complaints	358	362	332	299
DUI Arrests	137	78	105	56
Traffic Crashes	452	413	455	433
Crash Injuries	73	91	93	76
Crash Deaths	0	0	0	0
Gasoline Costs of Fleet	\$83,046	\$53,001	\$47,552	\$54,016
<i>Fire</i>				
EMS Calls	2,099	1,948	2,434	2,452
Ambulance Billing Collections (net)	\$424,694	\$432,627	\$475,864	\$492,836
Fire Calls	591	786	777	734
Fires with Loss	15	9	19	20
Fires with Losses Exceeding \$10K	6	4	12	5
Fire Losses	\$331,491	\$235,434	\$1,539,500	\$827,501
Fire Safety Inspections	300	375	375	490
Number of Times Mutual Aid Given to Fire and EMS	37	39	77	47
Number of Times Mutual Aid Received for Fire and EMS	25	39	86	73
Public Health				
Cemetery Receipts (includes interfund transfers)	\$178,975	\$189,634	\$164,639	\$156,424

2018	2019	2020	2021	2022	2023
93	72	109	101	113	88
\$17,048,291	\$91,157,101	\$79,457,327	\$42,036,128	\$32,964,837	\$54,633,597
218	230	242	254	195	146
\$6,551,520	\$6,356,505	\$14,651,186	\$18,708,396	\$17,687,265	\$8,084,765
24,242	24,018	21,913	24,861	21,499	23,012
881	851	693	868	723	913
127	192	42	615	122	25
1,048	969	703	701	614	593
415	446	370	470	400	516
426	386	317	337	349	413
299	335	274	262	312	368
52	48	37	60	56	89
415	446	370	470	400	409
90	81	101	82	68	64
0	1	2	0	0	0
\$57,043	\$58,727	\$45,870	\$67,551	\$90,152	\$83,693
2,553	2,488	2,391	2,716	2,459	2,563,333
\$535,269	\$531,959	\$531,959	\$653,085	\$655,630	\$716,451
914	926	890	927	1,013	949
18	21	13	15	23	14
7	8	7	8	10	7
\$254,500	\$1,490,000	\$196,000	\$711,931	\$716,840	\$338,600
1,171	1,090	115	734	317	465
87	89	64	72	59	115
54	78	113	258	119	117
\$173,658	\$174,002	\$178,286	\$177,530	\$182,541	\$180,647

(Continued)

CITY OF LEBANON, OHIO

OPERATING INDICATORS BY PROGRAM/FUNCTION

LAST TEN YEARS

(CONTINUED)

Function/Program	2014	2015	2016	2017
Leisure Time Services				
<i>Recreation Receipts</i>				
Farmer's Market	\$1,540	\$1,150	\$1,200	\$2,350
Recreation Programs	20,995	21,945	17,236	19,457
Field Usage Fees	41,945	50,778	48,640	43,510
 Total Recreation Department Receipts	 \$64,480	 \$73,873	 \$67,076	 \$65,317
Transportation				
Crackseal Coating Program (Miles)	8.50	6.50	3.00	28.00
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,150	2,400	1,800	2,200
Street Sweeper (hours)	750	1,100	980	1,440
Cold Patch (hours)	48	40	94	120
After Hours Sewer and Water Calls	117	74	59	25
Sewer Cleaning (feet)	68,813	85,434	34,435	28,931
Sewer Jet, Vac-All, Video (feet)	17,241	15,485	28,634	16,500
Landscaping Stump-Chipper Service (hours)	80	100	80	140
Leaf Collection (hours)	2,250	1,500	1,800	1,440
Downtown Square Repair After Events (hours)	550	500	500	768
Equipment Repair/Body Shop (hours)	5,334	5,224	6,677	7,052
Sign Department (hours)	1,150	1,600	600	840
Tons of Snow Melting Salt Purchased (Nov-Mar)	3,000	700	998	2,615
Cost of Salt Purchased	\$208,172	\$214,245	\$112,649	\$65,176
Water Department				
Water Rates per 1st 2,500 Gallons of Water Used	\$14.24	\$16.34	\$17.32	\$18.01
Avg. Number of Water Accounts Billed Monthly	7,377	7,412	7,421	7,466
Total Water Collections Annually	\$3,209,751	\$3,518,933	\$4,015,783	\$4,226,355
Wastewater Department				
Wastewater Rates per 1st 2,500 Gallons Used	\$17.20	\$18.06	\$18.06	\$18.06
Total Flow of Wastewater Treatment Plant (MG)	1,022.000	1,036.900	1,061.652	1,042.478
Average Daily Flow (millions of gallons per day)	2.810	2.840	2.901	2.856
Tons of Dry Sludge Removed	473.43	454.37	444.71	473.43

Source: City of Lebanon records

(1) Receipts and expenditures include interfund transfers.

2018	2019	2020	2021	2022	2023
\$1,960	\$1,965	\$1,350	\$1,665	\$1,400	\$0
16,727	12,225	779	5,375	5,395	6,795
57,100	50,720	16,975	45,607	95,160	61,334
\$75,787	\$64,910	\$19,104	\$52,647	\$101,955	\$68,129
2.10	4.07	2.00	5.00	10.24	5.00
1,340	1,645	1,099	1,308	1,703	1,308
473	199	120	1,412	568	1,412
350	341	73	112	32	112
52	57	59	58	45	58
70,023	19,312	11,446	16,218	14,324	16,218
26,748	70,785	20,602	26,046	9,222	26,046
53	60	0	0	0	0
695	255	313	221	237	221
890	1,350	368	1,152	1,634	1,152
7,680	7,809	6,912	4,485	6,101	6,255
215.50	78.50	182.00	132.50	92.00	132.50
1,294	1,000	1,150	1,764	2,104	1,764
\$135,852	\$131,627	\$85,344	\$153,300	\$236,291	\$153,300
\$18.73	\$19.29	\$19.29	\$19.87	\$19.87	\$20.27
7,520	7,545	7,586	7,640	7,730	7,817
\$4,468,877	\$4,626,255	\$4,744,977	\$4,859,925	\$4,920,567	\$5,129,697
\$18.60	\$18.60	\$18.60	\$19.16	\$20.21	\$20.62
1,125.952	1,123.590	1,048.030	1,070.169	1,240.525	1,070.169
3.103	3.078	2.863	2.932	3.398	2.932
499.56	551.00	535.35	575.66	664.17	575.66

CITY OF LEBANON, OHIO
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN YEARS

Function/Program	2014	2015	2016	2017
General Government				
Square Footage Occupied	12,226	12,226	12,226	12,226
Administrative Vehicles	7	10	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	16	19	19	20
Fire				
Stations	2	2	2	2
Square Footage of Buildings	17,331	17,331	17,331	17,331
Vehicles	19	17	16	17
Recreation				
Number of Parks	16	16	16	16
Number of Tennis Courts	6	6	6	6
Number of Baseball Diamonds	12	12	12	13
Number of Soccer Fields	37	37	37	37
Number of Community Access Buildings (1)	4	3	3	3
Number of Disc Golf Course	1	1	1	1
Other Public Works				
Streets (miles)	102.893	102.893	102.893	102.969
Service Vehicles	21	23	25	22
Auto Maintenance Internal Service	2	1	1	1
Square Footage of Building(NEW-2015)		37,060	37,060	37,060
Electric				
Vehicles	17	18	18	17
Sanitation				
Vehicles	1	1	1	1
Telecommunications				
Vehicles	2	2	2	2
Wastewater				
Sanitary Sewers (miles)	114.406	114.419	114.778	116.260
Storm Sewers (miles)	90.00	90.94	91.68	91.76
Vehicles	6	6	5	5
Water Department				
Water Lines (miles)	114.145	114.145	114.781	116.287
Vehicles	10	10	11	12

(1) Community Buildings are available for non-profit organizations' meetings, food pantry and free store.

2018	2019	2020	2021	2022	2023
12,226	12,226	12,226	12,226	12,226	12,226
10	10	9	7	9	7
3	4	5	4	6	5
1	1	1	1	1	2
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
22	23	23	22	27	25
2	2	2	2	2	2
17,331	17,331	17,331	30,602	30,602	30,602
16	13	14	14	14	13
17	17	17	17	17	18
6	5	5	5	5	5
13	10	10	10	10	10
37	37	37	37	37	37
3	4	4	4	4	4
1	1	1	1	1	1
103,246	103,246	104,114	105,066	105,178	105,178
23	23	22	25	23	23
2	2	2	4	3	4
37,060	37,060	37,060	37,060	37,060	37,060
18	19	18	21	22	22
1	1	1	1	1	1
2	1	1	1	0	0
116,501	116,501	117,109	117,863	118,260	118,832
92.09	92.28	93.07	93.64	93.67	93.65
6	6	6	10	6	6
116,481	116,481	117,519	119,016	119,358	119,937
11	11	10	10	12	10

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**CITY OF LEBANON
WARREN COUNTY, OHIO**

**REVISED SINGLE AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2023**

**CITY OF LEBANON
WARREN COUNTY, OHIO**

FOR THE YEAR ENDED DECEMBER 31, 2023

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 - 8
Schedule of Findings 2 CFR § 200.515	9 - 10
Summary Schedule of Prior Audit Findings 2 CFR § 200.511(b)	11
Corrective Action Plan 2 CFR § 200.511(c)	12

**CITY OF LEBANON
WARREN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation:</i> Highway Planning and Construction	20.205	PID 110419	<u>2,378,835</u>
Total U.S. Department of Transportation			<u>2,378,835</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through N/A:</i> COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	935,501
<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	1,333,330
<i>Passed Through the State of Ohio Emergency Management Agency:</i> ARPA First Responders Wellness, Recruitment, Retention & Resiliency - Fire Total Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	<u>95,383</u> <u>2,364,214</u>
Total U.S. Department of Treasury			<u>2,364,214</u>
Total Federal Financial Assistance			<u>\$ 4,743,049</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, 2023**

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 year ended December 31, 2023 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.

NOTE 3 – MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE 4 – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2023, it was determined that City did not identify certain expenditures of federal awards. Subsequent to the original issuance of the audit report on July 23, 2024, with the assistance of the pass-through entity, it was determined that the City omitted the following expenditures of federal awards from the originally provided Schedule:

- \$2,378,835 of expenditures related to the Highway Planning and Construction, from the U.S. Department of Transportation and passed through the Ohio Department of Transportation, were omitted from the originally provided Schedule.

Management has revised and reissued the Schedule.

**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 Council and Management:

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, 2023, 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 July 23, 2024, wherein we noted as described in Note 3 to the financial statements, the City of Lebanon restated Governmental Activities beginning net position due to a correction of construction in progress balances.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City 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*

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.

A handwritten signature in black ink that reads "Julian & Grube, Inc." The signature is fluid and cursive, with a small ampersand between "Julian" and "Grube".

Julian & Grube, Inc.

July 23, 2024

**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 Members of Council and Management:

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 U.S. Office of Management and Budget (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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 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.

City of Lebanon
Warren County
Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City of Lebanon's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings. The City of Lebanon's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

City of Lebanon

Warren County

Independent Auditor's Report on Compliance for Each Major Program

and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards

Required by the Uniform Guidance

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2023-001, to be a material weakness.

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.

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

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 this 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, 2023, and the related notes to the financial statements, which collectively comprise the City of Lebanon's basic financial statements. We issued our report thereon dated July 23, 2024, which contained unmodified opinions on those financial statements. 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.

Report Revision and Reissuance

Subsequent to the original issuance of the 2023 audit report, it was determined that a federal program was omitted from the originally provided schedule of expenditures of federal awards (SEFA). The omitted program should have been evaluated and tested as a major federal program. Accordingly, management revised the 2023 SEFA to include the expenditures of the originally omitted program on the SEFA. Julian & Grube, Inc., performed the appropriate procedures over the originally omitted program. Other changes to the various reports that have been made are as follows:

City of Lebanon

Warren County

Independent Auditor's Report on Compliance for Each Major Program

and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards

Required by the Uniform Guidance

- Modification of the title page from Single Audit to Revised Single Audit.
- Modifications to the Schedule of Expenditures of Federal Awards, the Notes to the Schedule of Expenditures of Federal Awards 2 CFR 200.510(b)(6), 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.

Julian & Grube, Inc.

Julian & Grube, Inc.

July 23, 2024, except as described above, in Note 3 and 4 to the schedule of expenditures of federal awards, and finding 2023-001 of the schedule of findings, which are as of August 22, 2025.

**CITY OF LEBANON
WARREN COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
(d)(1)(iii)	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	Yes
(d)(1)(iv)	<i>Were there any significant deficiencies in internal control reported for major federal programs??</i>	None reported
(d)(1)(v)	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	Yes
(d)(1)(vii)	<i>Major Programs (listed):</i>	Highway Planning and Construction (ALN 20.205); COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (ALN 21.027)
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

**CITY OF LEBANON
WARREN COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS		
Finding Number	2023-001	
ALN Title and Number	Highway Planning and Construction (ALN 20.205) – PID# 110419	
Federal Award Identification Number/Year	2023	
Federal Agency	U.S. Department of Transportation	
Compliance Requirement	Other	
Pass-Through Entity	Ohio Department of Transportation	
Repeat Finding from Prior Audit	No	Prior Finding Number
		N/A

Material Weakness/Noncompliance – Other

2 CFR §200.510(b) states, in part, that the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. At a minimum, the schedule must:

- a. List individual federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency.
- b. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- c. Provide total Federal awards expended for each individual Federal program and the Assistance Listing Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- d. Include the total amount provided to subrecipients from each Federal program.
- e. For loan or loan guarantee programs described in §200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- f. Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414.

Subsequent to the original issuance of the 2023 audit report dated July 23, 2024, with the assistance of the pass-through entity, it was determined that the City omitted a federally funded program under the Highway Planning and Construction (ALN 20.205) – PID# 110419. The related expenditures of \$2,378,835, were materially misstated by the exclusion from the City's originally provided SEFA.

The City failed to properly identify/communicate the federal designation of the project. Inaccurate completion of the SEFA could lead to inaccurate reporting of federal expenditures by the City and could jeopardize future federal funding.

We recommend the City work with its departments to ensure all grant activity is properly included and a materially accurate Schedule is presented for audit. Furthermore, the City can reach out to various Ohio agencies to assist in determining Federal activity.

Officials Response: See Corrective Action Plan.



Department of Finance

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**CITY OF LEBANON
WARREN COUNTY, OHIO**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(b)

DECEMBER 31, 2023

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2022-001	2022	<p>Significant Deficiency – Utility Billing 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. 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.</p>	Corrective Action Taken and Finding is Fully Corrected	N/A

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**CITY OF LEBANON
WARREN COUNTY, OHIO**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2023**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The City will review the process for identifying federal awards to minimize the likelihood of errors in preparing the schedule of expenditures of federal awards to minimize the likelihood of errors in preparing the schedule of expenditures of federal awards. This will include inquiries of the Engineer's Office.	December 31, 2025	Dan Burke, City Auditor

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 10/16/2025

65 East State 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