

**CITY OF LEBANON
WARREN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

**CITY OF LEBANON
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the City Council:

We have audited the financial statements of the City of Lebanon, Warren County, Ohio (the City) as of and for the year ended December 31, 1999, and have issued our report thereon dated May 26, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 26, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 1999-20483-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 26, 2000.

City of Lebanon
Warren County
Report of Independent Accountants on Compliance and on
Internal Control Required By *Governmental Auditing Standards*
Page 2

This report is intended for the information and use of the finance committee, management, City Council, and other regulatory agencies, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 26, 2000

**CITY OF LEBANON
SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 1999-20483-001

Internal Control/Government Oversight

City Council should monitor financial activity closely. We believe the following conditions indicate a need for increased oversight of Council:

- Council does not receive monthly finance reports for review.
- Council approved a large transfer which funded the Early Retirement Incentive buyouts for possibly ineligible employees. Council did not question the payments regarding the Early Retirement Incentive buyouts until the following month and after the payments had been made.
- Expenditures were made without original invoices. The City paid for airfare for two Council members without the original invoice from the travel agency. The City also paid for three employees to attend training, but only received invoices from two of them. We were able to perform additional procedures to determine that these expenditures were for a proper public purpose.
- An employee of the City circumvented the controls in place to monitor contract spending. All contracts should be approved by City Council before a contract is entered into by the City. The City received invoices for engineering contract work that was never authorized by City Council.

To enhance accountability and to strengthen internal accounting controls, we recommend:

- Council review and approved monthly reports generated by the Finance Department, such as the monthly detail trial balance. This review should be documented in the minutes.
- Council should require documentation of any large and/or unusual transfers between funds.
- The City should pay bills from original invoices to ensure that expenditures were for a proper public purpose.
- We recommend that City Council adhere to their policy to prevent City employees from entering into a contract without prior approval of the City Council.

Council should carefully review information and make appropriate inquiries to help determine the continued integrity of financial information. This information also provides important data necessary to manage the City.

**Comprehensive
Annual
Financial Report**



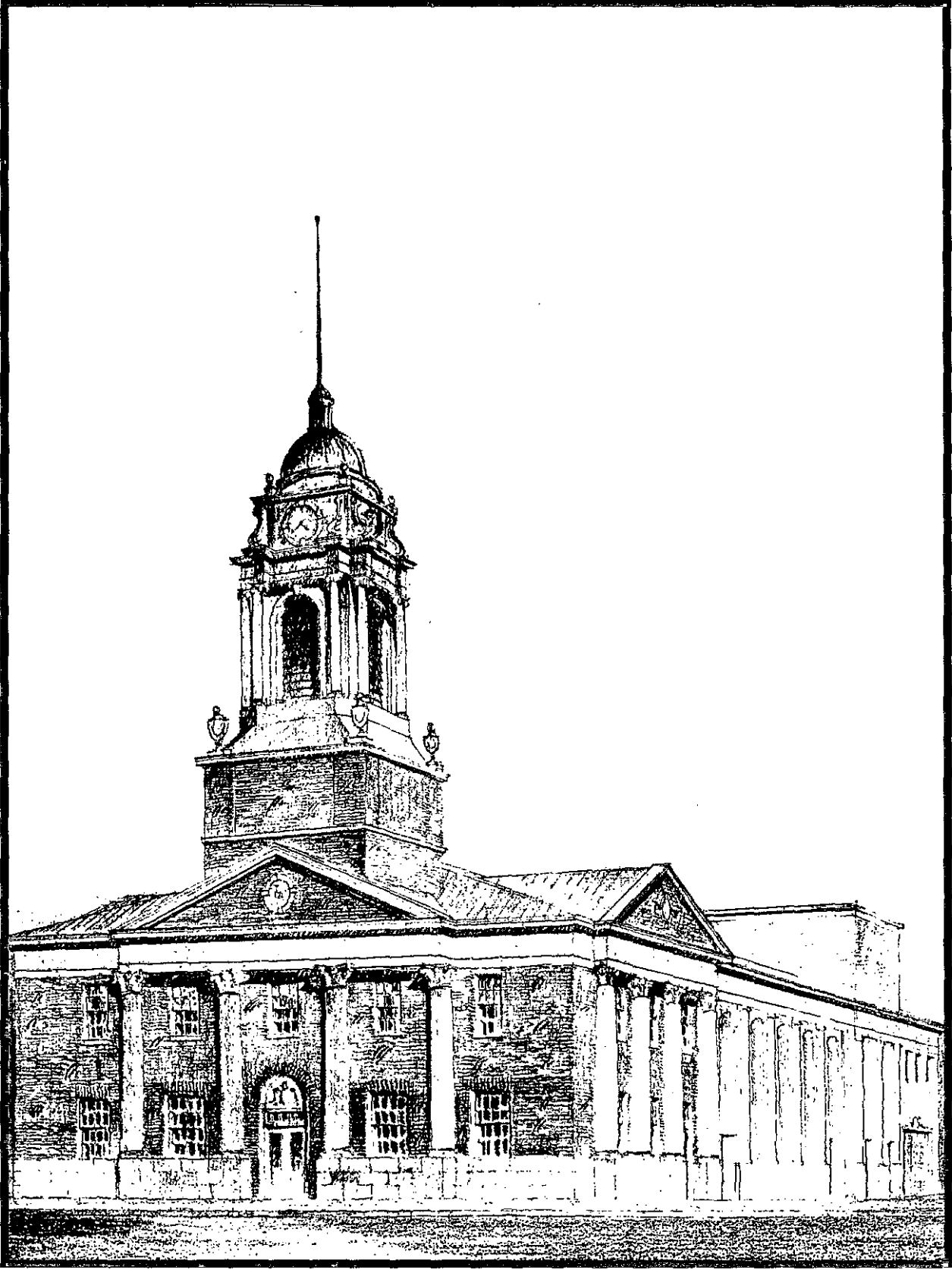
City of Lebanon, Ohio

For the Year Ended December 31st, 1999

**CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999**

Issued by:
Office of the Auditor

Sharee C. Dick
Acting City Auditor



INTRODUCTORY SECTION

CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999

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THE CITY OF LEBANON, OHIO

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May 26, 2000

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

We are pleased to present the thirteenth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report, for the fiscal year ended December 31, 1999, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Lebanon ("the City"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically the City Auditor's office.

This CAFR is divided into three sections as follows:

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

CITY OVERVIEW

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

CITY ORGANIZATION AND REPORTING ENTITY

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

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

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

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

ITEMS OF LOCAL INTEREST

Parks and Recreation

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

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

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

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

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

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

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

Culture and Education

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

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

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

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

Places of historic interest in the City include:

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

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

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

Transportation

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

ECONOMIC CONDITION AND OUTLOOK

Growth continued through 1999 at record levels with the unprecedented construction of 321 residential units and numerous commercial and industrial developments. Warren County continues to be the second fastest growing county in Ohio and Lebanon is ranked as the eighth fastest growing city (ranked by percent growth). With the relatively low interest rates, strong national economy, and high demand for real estate in the area it is expected that the growth will continue in 2000.

New commercial developments constructed in 1999 included an expansion of the Kroger shopping center to include a Blockbuster Video and other retail space, a new Speedway mini-mart, American Self Storage, Skyline Chili, Belvedere Medical Office Building, and expansion and renovation of Big Bear.

New industrial development included the completion of Bunnell Hill's office/warehouse facility containing about 55,000 square feet, Collins Ink containing about 12,000 square feet, E-Beam Services addition containing about 19,400 square feet and approval of Tomak Precision's new facility containing about 20,000 square feet.

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

The community continued the fifth phase of a six phase, 12-year sidewalk repair program. This program will provide for the total renovation of all public sidewalks in the community. The city also has an annual street resurfacing program and bridge inspection program.

MAJOR INITIATIVES

The wastewater treatment plant expansion project is nearing completion.

The telecommunications system continues to grow with over 2400 customers subscribing to cable television, and over 600 customers subscribing to high speed internet. The City is also looking at the feasibility of automated meter reading and is investigating the possibility of voice communications over its network.

Preliminary plans are underway for the establishment of the Columbia Business Park with Franklin Brazing as the first business to be located in the Park.

A new comprehensive master plan for Lebanon was initiated with consulting assistance from Pflum, Klausmeier and Gehrum, Inc.

Improvements were completed at the Lebanon Academy Building to improve the storm drainage and expand the parking lot through the Community Development Block Grant Program. Plans are also underway for the construction of public restrooms in Pleasant Square Park under the same grant program.

Reconstruction was completed on Silver Street including utilities, pavement, curb and sidewalk. The Main Street improvement project was started.

DEPARTMENTAL HIGHLIGHT

The Parks and Recreation Department consists of two Divisions: the Division of Parks/Cemeteries and the Division of Recreation. The Department has nine fulltime team members: The Director of Parks and Recreation, Recreation Superintendent, Parks Superintendent, and seven Parks Maintenance employees. In the summer months, the Department has up to three park maintenance workers, four day camp counselors and two field technicians.

The mission of the Lebanon Parks and Recreation Department is to improve the quality of life for all residents of the City of Lebanon by providing a wide variety of leisure activities, special events, facilities and services that encourage health, fitness, relaxation, enjoyment and learning as well as providing opportunities for community involvement.

FINANCIAL INFORMATION

Basis of Accounting

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

Internal Control Structure and Budgetary Controls

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

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

Governmental Funds - Revenues and Expenditures

The following schedule presents a summary of the General, Special Revenue, Capital Projects and Debt Service funds revenues for the year ended December 31, 1999, and the amount and percentage of increases and decreases in relation to the prior year.

Revenue Sources	1998	1999	Percent of Total	Difference from 1998	Percent of Change
Property Taxes and Other Local Taxes	\$1,385,976	\$1,482,166	11%	\$96,190	7%
Income Taxes	3,326,551	3,571,178	27	244,627	7
Payments in Lieu of Taxes	209,747	304,260	2	94,513	45
Intergovernmental	1,611,701	3,634,545	28	2,022,844	126
Charges for Services	1,731,594	1,820,288	14	88,694	5
Fines, Licenses and Permits	823,515	980,019	7	156,504	19
Special Assessments	166,284	190,612	1	24,328	15
Interest	753,912	849,336	7	95,424	13
Other	<u>290,770</u>	<u>316,974</u>	<u>3</u>	<u>26,204</u>	<u>9</u>
Total	<u>\$10,300,050</u>	<u>\$13,149,378</u>	<u>100%</u>	<u>\$2,849,328</u>	<u>28%</u>

Property and other local tax revenue increased due to growth in the area.

The industries in the industrial park lease tax abated land from the City and are required to make a payment in lieu of real property taxes. The increase is the result of collecting payments in lieu of property taxes from companies that had completed construction in 1998 for collection in 1999.

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

Expenditures for the General, Special Revenue, Capital Projects, and Debt Service funds' operations totaled \$12,078,604. Expenditures for major functions of the City, the percentage of the total and comparisons to last year are shown in the following table:

Function	1998	1999	Percent of Total	Difference from 1998	Percent of Change
Security of Persons and Property	\$2,448,728	\$3,224,419	27%	\$775,691	32%
Public Health Services	87,075	128,508	1	41,433	48
Leisure Time Activities	279,607	305,079	3	25,472	9
Community Environment	639,912	837,088	7	197,176	31
Transportation	453,111	534,387	4	81,276	18
General Government	1,992,653	2,414,817	20	422,164	21
Capital Outlay	2,379,090	3,900,571	32	1,521,481	64
Debt Service:					
Principal Retirement	285,599	315,276	3	29,677	10
Interest and Fiscal Charges	<u>456,378</u>	<u>418,459</u>	<u>3</u>	<u>(37,919)</u>	<u>(8)</u>
Total	<u>\$9,022,153</u>	<u>\$12,078,604</u>	<u>100%</u>	<u>\$3,056,451</u>	<u>34%</u>

Security of Persons and Property includes the costs of the police division and the fire division. The increase in costs is associated with the addition of 3 police officers and a Fire Captain.

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

The General Government function captures the cost of maintaining the legislative, judicial and administrative branches of the City government. This function includes expenditures of the Council, the Courts, the City Manager, the City Auditor, general administration, and the cost of operating various municipal buildings. The financial statements reflect an increase of twenty-one percent which accounts for pay raises and rising prices.

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

Enterprise Funds

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

	Total Assets	Total Equity	Net Income (Loss)	Return on Assets	Return on Equity
Electric	\$27,915,572	\$13,959,451	156,616	.6%	1.1%
Sanitation	727,588	727,588	39,358	5.4	5.4
Sewer	25,594,779	14,347,560	(4,152)	0.0	0.0
Water	24,559,629	14,129,047	1,035,372	4.2	7.3

Internal Service Funds

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

	Total Assets	Total Equity	Net Income <u>(Loss)</u>	Return on Assets	Return on Equity
Automotive					
Maintenance	\$ 145,784	\$ 121,324	\$582	.4%	.5%
Self-Insurance	593,782	384,999	(207,205)	(34.9)	(53.8)

Fiduciary Funds

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

Debt Administration

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

As of December 31, 1999, the government had a number of debt issues outstanding: \$3,250,290 in general obligation non-voted bonded debt, \$821,299 in general obligation voted debt, \$1,309,709 in special assessment bonded debt with governmental commitment and \$24,692,105 in mortgage revenue bonded debt.

The City has maintained its AA rating from Standard and Poor's Corporation and an A1 rating from Moody's Investors Service, Inc. on general obligation bond issues. The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position. The City's debt position as of December 31, 1999, was as follows:

Overall Legal Debt Margin	\$24,574,556
Unvoted Legal Debt Margin	13,091,470
Net General Bonded Debt	3,192,653
Ratio of Net	
General Bonded Debt to Assessed Value	1.32%
Net General Bonded Debt per Capita	306.31

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

Cash Management

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently depositing available cash in accounts insured by the Federal Deposit Insurance Corporation. The total interest earned was \$1,775,917 for the year ended December 31, 1999, and represents an annual interest yield of 6.2 percent of the total receipts for the year. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided.

Risk Management

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

The City is self insured for medical insurance and life benefits. A self-insurance internal service fund receives \$433 per employee each month from the other funds as a "premium." All claims are reviewed by a third party administrator and are paid by the City from money in the self-insurance internal service fund. The City purchases stop-loss insurance that reimburses the fund for claims exceeding \$25,000 per person, per occurrence.

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lebanon for its comprehensive annual financial report for the year ended December 31, 1998. This was the twelfth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgments

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



Sharee C. Dick
Acting City Auditor

Certificate of Achievement for Excellence in Financial Reporting

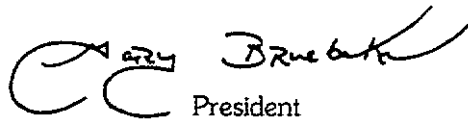
Presented to

City of Lebanon,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1998

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




Cary Brueckner
President


Jeffrey L. Esch
Executive Director

CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR

James R. Mills

VICE MAYOR

Amy Brewer

COUNCIL MEMBERS:

Joseph A. McKenzie

Mark L. Flick

James T. Reinhard

Ron Pandorf

Amy Brewer

James R. Mills

Ben Cole

APPOINTED OFFICIALS

CITY MANAGER

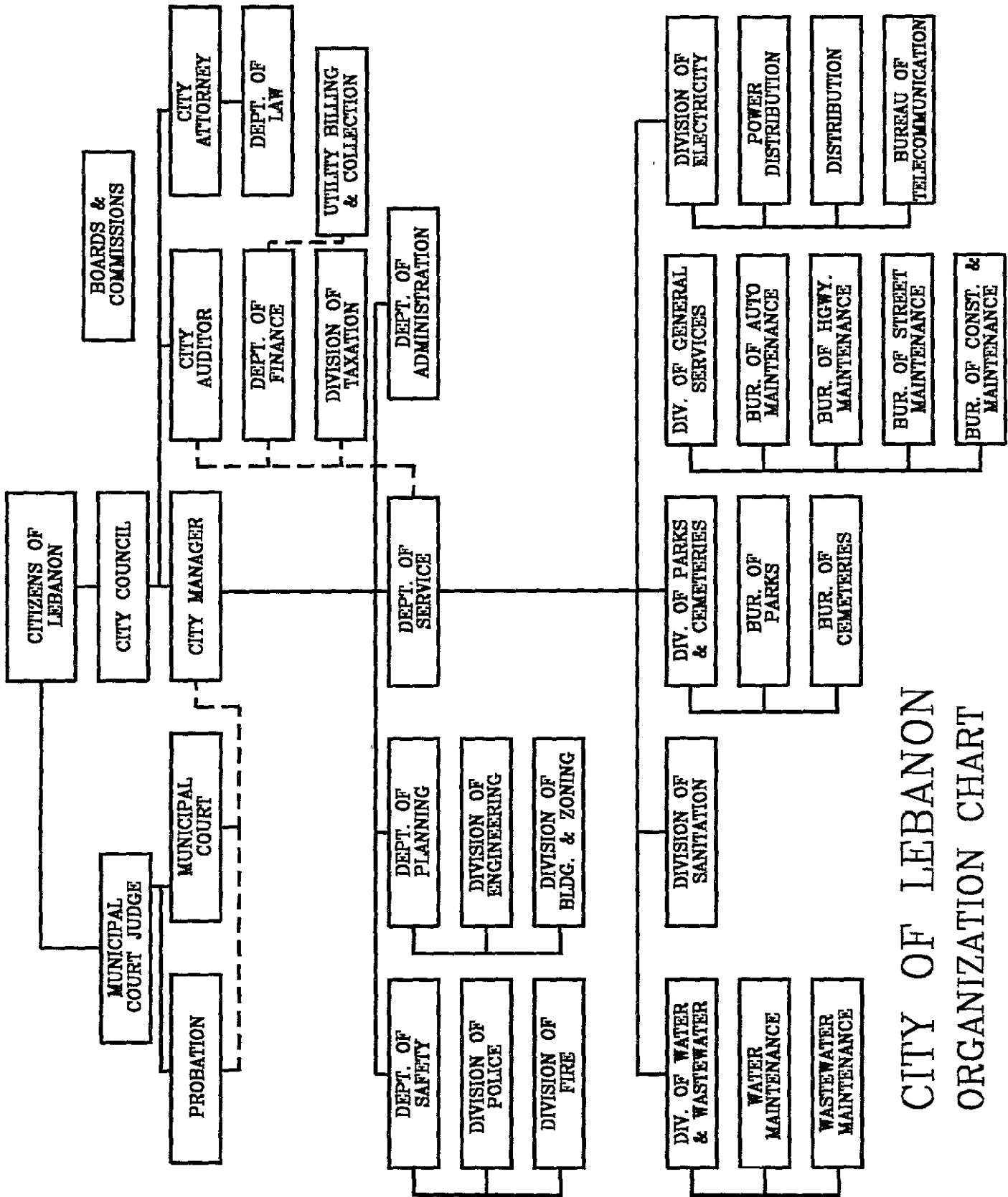
James H. Patrick

ACTING CITY AUDITOR

Sharee C. Dick

LAW DIRECTOR

Mark Yurick



CITY OF LEBANON
ORGANIZATION CHART

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FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of Lebanon, Warren County, (the City) as of and for the year ended December 31, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

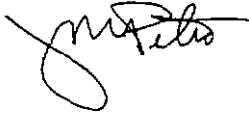
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lebanon, Warren County, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

May 26, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the City's financial position at December 31, 1999, and the results of operations and cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended.

CITY OF LEBANON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Capital Projects	Debt Service
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,412,898	\$2,878,180	\$3,116,363	\$3,002,783
Cash and Cash Equivalents with Fiscal Agents	0	152,109	0	8,558
Receivables:				
Taxes	987,570	1,044,175	159,074	197,656
Payments in Lieu of Taxes	0	3,036,228	0	0
Accounts	0	0	0	0
Special Assessments	0	0	120,442	1,672,585
Notes	0	66,711	0	0
Due from Other Funds	30,695	3,363	0	0
Due from Other Governments	133,376	30,532	0	0
Inventory of Supplies	77,346	74,912	0	0
Prepaid Items	53,797	27,771	68	0
Interfund Receivables	565,000	0	63,000	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Deferred Charges - Mortgage Revenue Bond Issuance Costs	0	0	0	0
Advances to Other Funds	1,855,611	0	0	0
Capital Lease Receivable	0	0	64,194	0
Fixed Assets:				
Land	0	0	0	0
Improvements Other than Buildings	0	0	0	0
Buildings	0	0	0	0
Equipment	0	0	0	0
Vehicles	0	0	0	0
Infrastructure	0	0	0	0
Construction In Progress	0	0	0	0
Less: Accumulated Depreciation	0	0	0	0
Other Debits:				
Amount Available in General Obligation Debt Retirement Fund	0	0	0	0
Amount Available in Special Assessment Bond Retirement Fund	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
Amount to be Provided for Retirement of Special Assessment Bonds Payable	0	0	0	0
Total Assets and Other Debits	\$6,116,293	\$7,313,981	\$3,523,141	\$4,881,582

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$22,039,965	\$652,927	\$744,739	\$0	\$0	\$34,847,855	
0	0	91,629	0	0	252,296	
0	0	0	0	0	2,388,475	
0	0	0	0	0	3,036,228	
1,768,864	0	0	0	0	1,768,864	
84,083	0	0	0	0	1,877,110	
0	0	0	0	0	66,711	
0	17,766	0	0	0	51,824	
211,798	0	0	0	0	375,706	
903,726	1,640	0	0	0	1,057,624	
51,868	506	0	0	0	134,010	
500,000	0	0	0	0	1,128,000	
1,178,843	0	0	0	0	1,178,843	
1,684,811	0	0	0	0	1,684,811	
394,852	0	0	0	0	394,852	
0	0	0	0	0	1,855,611	
0	0	0	0	0	64,194	
5,265,787	64,666	0	9,578,756	0	14,909,209	
1,467,964	0	0	626,724	0	2,094,688	
13,227,705	0	0	2,784,203	0	16,011,908	
5,780,776	19,166	0	2,072,698	0	7,872,640	
1,158,116	0	0	2,375,158	0	3,533,274	
31,512,546	0	0	0	0	31,512,546	
9,562,479	0	0	271,916	0	9,834,395	
(17,996,615)	(17,105)	0	0	0	(18,013,720)	
0	0	0	0	2,820,737	2,820,737	
0	0	0	0	266,117	266,117	
0	0	0	0	2,092,779	2,092,779	
0	0	0	0	1,043,592	1,043,592	
<u>\$78,797,568</u>	<u>\$739,566</u>	<u>\$836,368</u>	<u>\$17,709,455</u>	<u>\$6,223,225</u>	<u>\$126,141,179</u>	

(Continued)

CITY OF LEBANON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999
 (Continued)

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Capital Projects	Debt Service
<u>Liabilities, Fund Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$76,432	\$26,324	\$36,666	\$465
Claims Payable	0	0	0	0
Contracts Payable	0	62,655	42,120	0
Contracts Payable Retainage	0	0	34,145	0
Accrued Salaries Payable	38,509	11,055	0	0
Accrued Interest Payable	0	10,036	52,548	0
Due to Other Funds	5,745	6,267	0	0
Due to Other Governments	13,144	63,963	0	0
Interfund Payable	0	273,000	355,000	0
Matured Interest Payable	0	0	0	3,558
Payable from Restricted Assets:				
Refundable Deposits	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Undistributed Money	0	0	0	0
Deferred Revenue	667,028	4,072,753	184,636	1,790,705
Notes Payable	0	600,000	2,550,000	0
Advances From Other Funds	0	0	1,855,611	0
Compensated Absences Payable	52,063	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
Mortgage Revenue Bonds Payable	0	0	0	0
Police Pension Liability	0	0	0	0
Total Liabilities	852,921	5,126,053	5,110,726	1,794,728
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Reserved for Revenue Bonds				
Replacement and Improvement	0	0	0	0
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	95,799	558,564	611,258	0
Reserved for Inventory	77,346	74,912	0	0
Reserved for Restricted Principal	0	0	0	0
Reserved for Notes Receivable	0	66,711	0	0
Reserved for Advances Receivable	1,855,611	0	0	0
Unreserved, Undesignated (Deficit)	3,234,616	1,487,741	(2,198,843)	3,086,854
Total Fund Equity (Deficit) and Other Credits	5,263,372	2,187,928	(1,587,585)	3,086,854
Total Liabilities, Fund Equity and Other Credits	\$6,116,293	\$7,313,981	\$3,523,141	\$4,881,582

See accompanying notes to the general purpose financial statements

<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUPS</u>		
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
\$892,116	\$8,568	\$0	\$0	\$0	\$1,040,571
0	208,783	0	0	0	208,783
508,216	0	0	0	0	612,991
25,825	0	0	0	0	59,970
16,541	832	0	0	0	66,937
88,485	0	0	0	0	151,069
5,754	0	34,058	0	0	51,824
66,249	2,911	28,482	0	165,373	340,122
500,000	0	0	0	0	1,128,000
0	0	0	0	0	3,558
245,378	0	0	0	0	245,378
820,275	0	0	0	0	820,275
129,687	0	0	0	0	129,687
0	0	29,089	0	0	29,089
0	0	0	0	0	6,715,122
8,250,000	0	0	0	0	11,400,000
0	0	0	0	0	1,855,611
213,566	12,149	0	0	653,483	931,261
0	0	0	0	4,071,589	4,071,589
0	0	0	0	1,309,709	1,309,709
23,871,830	0	0	0	0	23,871,830
0	0	0	0	23,071	23,071
<u>35,633,922</u>	<u>233,243</u>	<u>91,629</u>	<u>0</u>	<u>6,223,225</u>	<u>55,066,447</u>
0	0	0	17,709,455	0	17,709,455
16,654,052	64,666	0	0	0	16,718,718
932,500	0	0	0	0	932,500
25,577,094	441,657	0	0	0	26,018,751
0	0	0	0	0	1,265,621
0	0	0	0	0	152,258
0	0	49,658	0	0	49,658
0	0	0	0	0	66,711
0	0	0	0	0	1,855,611
0	0	695,081	0	0	6,305,449
<u>43,163,646</u>	<u>506,323</u>	<u>744,739</u>	<u>17,709,455</u>	<u>0</u>	<u>71,074,732</u>
<u>\$78,797,568</u>	<u>\$739,566</u>	<u>\$836,368</u>	<u>\$17,709,455</u>	<u>\$6,223,225</u>	<u>\$126,141,179</u>

CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
Revenues:			
Property Taxes	\$622,654	\$543,292	\$0
Income Taxes	1,523,368	0	1,780,487
Other Local Taxes	32,698	105,113	66,755
Payments in Lieu of Taxes	0	304,260	0
Intergovernmental	2,686,894	667,333	268,491
Charges for Services	1,701,739	118,549	0
Fines, Licenses and Permits	759,406	220,613	0
Special Assessments	0	0	8,831
Interest	591,843	11,206	48,939
Other	163,740	25,430	126,750
Total Revenues	<u>8,082,342</u>	<u>1,995,796</u>	<u>2,300,253</u>
Expenditures:			
Current:			
Security of Persons and Property	1,966,318	1,258,101	0
Public Health Services	15,635	94,367	18,506
Leisure Time Activities	305,079	0	0
Community Environment	553,989	270,788	12,311
Transportation	0	534,387	0
General Government	2,347,009	0	67,808
Capital Outlay	896,474	0	3,004,097
Debt Service:			
Principal Retirement	276	0	0
Interest and Fiscal Charges	989	10,036	98,431
Total Expenditures	<u>6,085,769</u>	<u>2,167,679</u>	<u>3,201,153</u>
Excess of Revenues Over (Under) Expenditures	<u>1,996,573</u>	<u>(171,883)</u>	<u>(900,900)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	220,000	0	0
Operating Transfers - In	3,749	319,449	1,825,338
Operating Transfers - Out	<u>(2,077,896)</u>	<u>(144,089)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,854,147)</u>	<u>175,360</u>	<u>1,825,338</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	142,426	3,477	924,438
Fund Balances (Deficit) at Beginning of Year	5,109,608	2,183,428	(2,512,023)
Increase in Reserve for Inventory	<u>11,338</u>	<u>1,023</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>\$5,263,372</u>	<u>\$2,187,928</u>	<u>(\$1,587,585)</u>

See accompanying notes to the general purpose financial statements

	FIDUCIARY FUND TYPE		Total (Memorandum Only)
Debt Service	Expendable Trust		
\$111,654	\$0		\$1,277,600
267,323	0		3,571,178
0	0		204,566
0	0		304,260
11,827	0		3,634,545
0	0		1,820,288
0	0		980,019
181,781	0		190,612
197,348	0		849,336
1,054	145,454		462,428
<u>770,987</u>	<u>145,454</u>		<u>13,294,832</u>
0	0		3,224,419
0	90,000		218,508
0	0		305,079
0	0		837,088
0	0		534,387
0	0		2,414,817
0	0		3,900,571
315,000	0		315,276
309,003	0		418,459
<u>624,003</u>	<u>90,000</u>		<u>12,168,604</u>
<u>146,984</u>	<u>55,454</u>		<u>1,126,228</u>
0	0		220,000
15,000	58,449		2,221,985
0	0		(2,221,985)
<u>15,000</u>	<u>58,449</u>		<u>220,000</u>
161,984	113,903		1,346,228
2,924,870	498,262		8,204,145
0	0		12,361
<u>\$3,086,854</u>	<u>\$612,165</u>		<u>\$9,562,734</u>

CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$622,654	\$622,654	\$0
Income Taxes	1,534,359	1,534,359	0
Other Local Taxes	33,911	33,911	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	2,663,495	2,714,694	51,199
Charges for Services	1,668,565	1,668,565	0
Fines, Licenses and Permits	758,248	758,248	0
Special Assessments	0	0	0
Interest	623,324	623,324	0
Other	163,740	163,740	0
Total Revenues	8,068,296	8,119,495	51,199
Expenditures:			
Current:			
Security of Persons and Property	2,080,457	2,050,086	30,371
Public Health Services	15,635	15,635	0
Leisure Time Activities	543,056	327,717	215,339
Community Environment	642,001	550,708	91,293
Transportation	0	0	0
General Government	2,725,277	2,368,864	356,413
Capital Outlay	956,334	956,334	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	6,962,760	6,269,344	693,416
Excess of Revenues Over (Under) Expenditures	1,105,536	1,850,151	744,615
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	220,000	220,000	0
Proceeds from Sale of Notes	0	0	0
Advance - In	108,097	104,348	(3,749)
Advance - Out	(559,193)	(559,193)	0
Operating Transfers - In	0	3,749	3,749
Operating Transfers - Out	(2,301,326)	(2,077,896)	223,430
Total Other Financing Sources (Uses)	(2,532,422)	(2,308,992)	223,430
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,426,886)	(458,841)	968,045
Fund Balances at Beginning of Year	2,632,536	2,632,536	0
Prior Year Encumbrances Appropriated	93,937	93,937	0
Fund Balances at End of Year	\$1,299,587	\$2,267,632	\$968,045

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$543,292	\$543,292	\$0	\$0	\$0	\$0
0	0	0	1,374,928	1,374,928	0
104,966	104,966	0	66,755	66,755	0
304,260	304,260	0	0	0	0
733,203	682,004	(51,199)	268,491	268,491	0
118,549	118,549	0	0	0	0
250,028	221,027	(29,001)	0	0	0
0	0	0	8,831	8,831	0
6,841	6,841	0	48,939	48,939	0
25,430	25,430	0	126,750	126,750	0
<u>2,086,569</u>	<u>2,006,369</u>	<u>(80,200)</u>	<u>1,894,694</u>	<u>1,894,694</u>	<u>0</u>
2,103,554	1,821,333	282,221	0	0	0
100,121	96,053	4,068	18,500	17,010	1,490
0	0	0	15,000	0	15,000
404,872	241,577	163,295	13,000	12,311	689
671,372	559,230	112,142	0	0	0
0	0	0	67,808	67,808	0
0	0	0	4,310,264	4,088,533	221,731
0	0	0	2,000,000	2,000,000	0
0	0	0	94,280	87,719	6,561
<u>3,279,919</u>	<u>2,718,193</u>	<u>561,726</u>	<u>6,518,852</u>	<u>6,273,381</u>	<u>245,471</u>
<u>(1,193,350)</u>	<u>(711,824)</u>	<u>481,526</u>	<u>(4,624,158)</u>	<u>(4,378,687)</u>	<u>245,471</u>
0	0	0	0	0	0
600,000	600,000	0	2,550,000	2,550,000	0
0	0	0	559,193	559,193	0
0	0	0	(104,348)	(104,348)	0
319,449	319,449	0	1,825,338	1,825,338	0
<u>(208,700)</u>	<u>(144,089)</u>	<u>64,611</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>710,749</u>	<u>775,360</u>	<u>64,611</u>	<u>4,830,183</u>	<u>4,830,183</u>	<u>0</u>
(482,601)	63,536	546,137	206,025	451,496	245,471
2,053,484	2,053,484	0	1,093,665	1,093,665	0
113,998	113,998	0	882,598	882,598	0
<u>\$1,684,881</u>	<u>\$2,231,018</u>	<u>\$546,137</u>	<u>\$2,182,288</u>	<u>\$2,427,759</u>	<u>\$245,471</u>

(Continued)

CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (Continued)

	DEBT SERVICE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$111,654	\$111,654	\$0
Income Taxes	687,464	687,464	0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	11,827	11,827	0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Special Assessments	181,781	181,781	0
Interest	197,348	197,348	0
Other	1,054	1,054	0
Total Revenues	<u>1,191,128</u>	<u>1,191,128</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property	0	0	0
Public Health Services	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	1,327,960	720,000	607,960
Interest and Fiscal Charges	351,600	323,982	27,618
Total Expenditures	<u>1,679,560</u>	<u>1,043,982</u>	<u>635,578</u>
Excess of Revenues Over (Under) Expenditures	<u>(488,432)</u>	<u>147,146</u>	<u>635,578</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	0	0	0
Proceeds from Sale of Notes	0	0	0
Advance - In	0	0	0
Advance - Out	0	0	0
Operating Transfers - In	15,000	15,000	0
Operating Transfers - Out	0	0	0
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(473,432)</u>	<u>162,146</u>	<u>635,578</u>
Fund Balances at Beginning of Year	2,840,637	2,840,637	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balances at End of Year	<u>\$2,367,205</u>	<u>\$3,002,783</u>	<u>\$635,578</u>

See accompanying notes to the general purpose financial statements

EXPENDABLE TRUST FUND

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
116,453	145,454	29,001
<u>116,453</u>	<u>145,454</u>	<u>29,001</u>
0	0	0
90,000	90,000	0
0	0	0
0	0	0
0	0	0
0	0	0
100	0	100
0	0	0
0	0	0
<u>90,100</u>	<u>90,000</u>	<u>100</u>
<u>26,353</u>	<u>55,454</u>	<u>29,101</u>
0	0	0
0	0	0
0	0	0
0	0	0
58,449	58,449	0
0	0	0
<u>58,449</u>	<u>58,449</u>	<u>0</u>
84,802	113,903	29,101
498,162	498,162	0
100	100	0
<u>\$583,064</u>	<u>\$612,165</u>	<u>\$29,101</u>

**CITY OF LEBANON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating Revenues:				
Charges for Services	\$13,245,223	\$899,353	\$21,261	\$14,165,837
Fines, Licenses and Permits	64,095	0	0	64,095
Other	152,309	71,487	0	223,796
Interest	0	0	1,710	1,710
Total Operating Revenues	<u>13,461,627</u>	<u>970,840</u>	<u>22,971</u>	<u>14,455,438</u>
Operating Expenses:				
Personal Services	2,382,940	94,512	0	2,477,452
Travel Transportation	12,887	0	0	12,887
Contractual Services	2,520,030	169,156	0	2,689,186
Supplies and Materials	294,947	106,057	0	401,004
Purchased Power	4,564,742	0	0	4,564,742
Other	3,706	0	0	3,706
Claims	0	838,938	0	838,938
Depreciation	1,823,001	627	0	1,823,628
Total Operating Expenses	<u>11,602,253</u>	<u>1,209,290</u>	<u>0</u>	<u>12,811,543</u>
Operating Income (Loss)	<u>1,859,374</u>	<u>(238,450)</u>	<u>22,971</u>	<u>1,643,895</u>
Non-Operating Revenues (Expenses):				
Interest	893,044	31,827	0	924,871
Loss on Disposal of Fixed Assets	(1,007)	0	0	(1,007)
Interest and Fiscal Charges	(1,524,217)	0	0	(1,524,217)
Total Non-Operating Revenues (Expenses)	<u>(632,180)</u>	<u>31,827</u>	<u>0</u>	<u>(600,353)</u>
Net Income (Loss)	<u>1,227,194</u>	<u>(206,623)</u>	<u>22,971</u>	<u>1,043,542</u>
Retained Earnings/Fund Balance				
Beginning of Year - Restated (Note 3)	<u>25,282,400</u>	<u>648,280</u>	<u>109,603</u>	<u>26,040,283</u>
Retained Earnings/Fund Balance				
End of Year	<u>\$26,509,594</u>	<u>\$441,657</u>	<u>\$132,574</u>	<u>\$27,083,825</u>

See accompanying notes to the general purpose financial statements

**CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	ENTERPRISE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$12,991,856	\$12,991,856	\$0
Fines, Licenses and Permits	64,095	64,095	0
Other	126,574	152,309	25,735
Interest	839,841	893,044	53,203
Special Assessments	8,775	8,775	0
Proceeds From Sale of Notes	10,850,000	10,850,000	0
Proceeds From Sale of Bonds	16,179,511	19,007,367	2,827,856
Utility Deposits Received	79,800	80,032	232
Total Revenues	41,140,452	44,047,478	2,907,026
Expenses:			
Personal Services	2,726,115	2,572,485	153,630
Travel Transportation	34,350	13,015	21,335
Contractual Services	4,145,120	3,766,027	379,093
Supplies and Materials	440,331	398,376	41,955
Purchased Power	5,000,000	4,573,294	426,706
Other	8,200	3,706	4,494
Utility Deposits Returned	101,766	83,381	18,385
Claims	0	0	0
Capital Outlay	16,952,564	16,283,731	668,833
Debt Service:			
Payment to Refunded Bond Escrow Agent	1,388,410	1,388,410	0
Principal Retirement	10,505,000	10,505,000	0
Interest and Fiscal Charges	1,732,549	1,732,549	0
Total Expenses	43,034,405	41,319,974	1,714,431
Excess of Revenues Over (Under) Expenses	(1,893,953)	2,727,504	4,621,457
Fund Equity at Beginning of Year	11,727,376	11,727,376	0
Prior Year Encumbrances Appropriated	6,022,647	6,022,647	0
Fund Equity at End of Year	\$15,856,070	\$20,477,527	\$4,621,457

(Continued)

CITY OF LEBANON, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	INTERNAL SERVICE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$894,292	\$894,292	\$0
Fines, Licenses and Permits	0	0	0
Other	71,487	71,487	0
Interest	31,827	31,827	0
Special Assessments	0	0	0
Proceeds From Sale of Notes	0	0	0
Proceeds From Sale of Bonds	0	0	0
Utility Deposits Received	0	0	0
Total Revenues	997,606	997,606	0
Expenses:			
Personal Services	98,111	92,833	5,278
Travel Transportation	1,500	0	1,500
Contractual Services	205,812	203,350	2,462
Supplies and Materials	121,366	100,873	20,493
Purchased Power	0	0	0
Other	0	0	0
Utility Deposits Returned	0	0	0
Claims	843,531	789,936	53,595
Capital Outlay	11,135	6,395	4,740
Debt Service:			
Payment to Refunded Bond Escrow Agent	0	0	0
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenses	1,281,455	1,193,387	88,068
Excess of Revenues Over (Under)			
Expenses	(283,849)	(195,781)	88,068
Fund Equity at Beginning of Year	796,512	796,512	0
Prior Year Encumbrances Appropriated	12,344	12,344	0
Fund Equity at End of Year	\$525,007	\$613,075	\$88,068

See accompanying notes to the general purpose financial statements

NONEXPENDABLE TRUST FUND

<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$21,261	\$21,261	\$0
0	0	0
0	0	0
1,710	1,710	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>22,971</u>	<u>22,971</u>	<u>0</u>
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
22,971	22,971	0
109,603	109,603	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>\$132,574</u>	<u>\$132,574</u>	<u>\$0</u>

CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$13,055,951	\$0
Cash Received from Quasi-External Operating Transactions with Other Funds	0	894,292
Cash Payments for Employee Services and Benefits	(2,570,694)	(92,762)
Cash Payments to Suppliers for Goods and Services	(6,301,910)	(270,837)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(1,624,933)	0
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(789,936)
Other Operating Revenues	152,309	71,487
Other Operating Expenses	(3,706)	0
Utility Deposits Received	80,032	0
Utility Deposits Returned	(83,381)	0
Net Cash Provided by (Used for) Operating Activities	<u>2,703,668</u>	<u>(187,756)</u>
Cash Flows from Capital and Related Financing Activities:		
Cash Received from Special Assessments	8,775	0
Acquisition of Capital Assets	(12,717,239)	0
Proceeds from Sale of Bonds	19,007,367	0
Proceeds from Sale of Notes	10,850,000	0
Payment to Escrow Agent for Refunded Bonds	(1,388,410)	0
Principal Paid on Notes	(10,100,000)	0
Interest Paid on Notes	(381,251)	0
Principal Paid on Mortgage Revenue Bonds	(405,000)	0
Interest Paid on Mortgage Revenue Bonds	(849,172)	0
Fiscal Charges on Bonds	(468,186)	0
Net Cash Provided by Capital and Related Financing Activities	<u>3,556,884</u>	<u>0</u>
Cash Flows from Investing Activities:		
Interest	<u>893,044</u>	<u>31,827</u>
Net Cash Provided by Investing Activities	<u>893,044</u>	<u>31,827</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,153,596	(155,929)
Cash and Cash Equivalents Beginning of Year	<u>17,750,023</u>	<u>808,856</u>
Cash and Cash Equivalents End of Year	<u>\$24,903,619</u>	<u>\$652,927</u>

FIDUCIARY FUND TYPE	Total (Memorandum Only)
Nonexpendable Trust	
\$21,261	\$13,077,212
0	894,292
0	(2,663,456)
0	(6,572,747)
0	(1,624,933)
0	(789,936)
0	223,796
0	(3,706)
0	80,032
0	(83,381)
<u>21,261</u>	<u>2,537,173</u>
0	8,775
0	(12,717,239)
0	19,007,367
0	10,850,000
0	(1,388,410)
0	(10,100,000)
0	(381,251)
0	(405,000)
0	(849,172)
0	(468,186)
<u>0</u>	<u>3,556,884</u>
<u>1,710</u>	<u>926,581</u>
<u>1,710</u>	<u>926,581</u>
22,971	7,020,638
109,603	18,668,482
<u>\$132,574</u>	<u>\$25,689,120</u>

(Continued)

CITY OF LEBANON, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (Continued)

	<u>PROPRIETARY FUND TYPES</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Reconciliation of Operating Income (Loss) to Net Cash <u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss)	\$1,859,374	(\$238,450)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	1,823,001	627
Interest Received by Nonexpendable Trust Funds	0	0
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(250,728)	0
Increase in Due From Other Funds	0	(5,061)
Increase in Due From Other Governments	(2,639)	0
(Increase) Decrease in Inventory of Supplies	(10,616)	237
Decrease in Prepaids Items	10,147	229
Increase in Accounts Payable	867,839	3,967
Decrease in Contracts Payable	(1,412,286)	(57)
Increase in Claims Payable	0	49,002
Decrease in Accrued Salaries Payable	(58,057)	(2,281)
Increase in Due to Other Funds	2,908	0
Decrease in Due to Other Governments	(4,338)	(756)
Decrease in Early Retirement Incentive	(162,537)	0
Decrease in Liabilities Payable from Restricted Assets	(3,349)	0
Increase in Compensated Absences Payable	44,949	4,787
Net Cash Provided by (Used for) Operating Activities	<u>\$2,703,668</u>	<u>(\$187,756)</u>

Noncash Capital Financing Activities:

During 1999, the Sewer and Water Enterprise Funds received sewer and water lines from developers with a fair market value of \$310,910 and \$223,800 respectively. During 1999, the Electric Enterprise Fund received from the General Fixed Asset Account Group fixed assets with a fair market value of \$7,995. During 1999, the Sewer Fund recognized contributed capital for a special assessment receivable in the amount of \$84,083.

Reconciliation of Nonexpendable Trust Fund to Balance Sheet:

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

 Cash and Cash Equivalents - Nonexpendable Trust Fund

See accompanying notes to general purpose financial statements

<u>FIDUCIARY FUND TYPE</u>	<u>Total (Memorandum Only)</u>
<u>Nonexpendable Trust</u>	
\$22,971	\$1,643,895
0	1,823,628
(1,710)	(1,710)
0	(250,728)
0	(5,061)
0	(2,639)
0	(10,379)
0	10,376
0	871,806
0	(1,412,343)
0	49,002
0	(60,338)
0	2,908
0	(5,094)
0	(162,537)
0	(3,349)
0	49,736
<u>\$21,261</u>	<u>\$2,537,173</u>

\$836,368
(703,794)
\$132,574

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

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

Reporting Entity

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

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

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

The City is a member of the Hazardous Material Response Team ("HAZ MAT"), a joint venture whose purpose is to provide hazardous material protection and assistance. HAZ MAT is managed by a board of four trustees, one each from the City of Franklin, the City of Lebanon, Clearcreek Township and Franklin Township. The City of Lebanon has no explicit and measurable equity interest in HAZ MAT. The City has an ongoing financial responsibility, because the continued existence of the joint venture depends on the City's contribution, which represents 25 percent of HAZ MAT revenues. See Note 21.

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

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

Basis of Presentation - Fund Accounting

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

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

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

Governmental Fund Types

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

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

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

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

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

Proprietary Fund Types

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

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

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

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

Fiduciary Funds

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

Account Groups

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

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

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

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

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

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

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current property taxes, which are not intended to finance current period obligations, and delinquent property taxes measurable as of December 31, 1999, and whose availability is indeterminate, have been recorded as a receivable and deferred revenue. Levied special assessments are measurable, and have been recorded as a receivable. Since all assessments and payments in lieu of taxes are due outside the available period, the entire amount has been deferred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general and special assessment long-term obligations are recorded as fund liabilities when due or when amounts have been

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period employees earn them. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. A budgetary statement has not been presented for the Federal Asset Forfeiture and Urban Redevelopment Special Revenue Funds because the City did not anticipate any revenues or expenditures in 1999. No revenues or expenditures occurred for these funds in 1999. The legal level of budgetary control is at the object level (personal services, contractual services, supplies and materials etc.) within each department. Budgetary modifications may only be made by resolution of the City Council.

Tax Budget

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

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue to be collected is greater or less than the current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations

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

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

Encumbrances

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

Lapsing of Appropriations

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

Cash and Cash Equivalents

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

During 1999, investments were limited to STAR Ohio, City issued debt and mutual funds. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. Star Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 1999.

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

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent". In addition, cash maintained with the Municipal Court is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent".

Monies maintained by the Lebanon Housing Services Corporation to administer the Community Development Block Grant is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent".

Interest income is distributed to the funds according to Ohio statutory requirements and the City charter. Interest revenue credited to the General Fund during 1999 amounted to \$591,843, which includes \$532,815 assigned from other City funds.

Inventory of Supplies

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 1999, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Assets

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

Fixed Assets and Depreciation

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

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

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Capitalization of Interest

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 1999, no material interest costs were incurred on construction projects in proprietary funds.

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Capital

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

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

Reservations of Fund Equity

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

Intergovernmental Revenues

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

Bond Discounts/Issuance Costs

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

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions

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

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

All other interfund transactions are reported as operating transfers.

Self-Insurance Fund

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

Estimates

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

Total Columns on General Purpose Financial Statements

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

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 3 - PRIOR PERIOD ADJUSTMENT

In the prior year, the City understated Due From Other Governments and overstated fixed assets. In addition, the City corrected errors in Accrued Interest Receivable. The effect of these changes on net income for the year ended December 31, 1998 and the effect on retained earnings fund balance as of December 31, 1998 follows:

	<u>Enterprise</u>	<u>Non-Expendable Trust</u>
Net Income as previously reported	\$1,426	\$14,226
Due From Other Governments	191,515	0
Accrued Interest	<u>0</u>	<u>(1,824)</u>
Restated Amounts for the year ended December 31, 1998	<u>\$192,941</u>	<u>\$12,402</u>
Retained Earnings/ Fund Balance 12/31/98	\$25,859,197	\$111,427
Accrued Interest Receivable	0	(1,824)
Due From Other Governments	191,515	0
Fixed Assets	<u>(768,312)</u>	<u>0</u>
Restated Retained Earnings Fund Balance at 12/31/98	<u>\$25,282,400</u>	<u>\$109,603</u>

The City overstated fixed assets in the general fixed account group at December 31, 1998 by \$13,395. The balance in the account group decreased from \$15,250,569 to \$15,237,174.

NOTE 4 - BUDGET TO GAAP RECONCILIATION

Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - BUDGET TO GAAP RECONCILIATION (continued)

2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Receipt and payment of year-end interfund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).
6. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Expendable Trust Fund				
	General	Special Revenue	Capital Projects	Debt Service	Expendable Trust
GAAP Basis	\$142,426	\$3,477	\$924,438	\$161,984	\$113,903
Adjustments:					
Revenue Accruals	36,630	10,573	9,721	4,861	0
Expenditure Accruals	(37,786)	96,648	(383,624)	(14,979)	0
Encumbrances	(145,789)	(647,162)	(688,604)	0	0
Reallocation for Debt	0	0	(415,280)	415,280	0
Debt Principal Retirement	0	0	(2,000,000)	(405,000)	0
Proceeds from Sale of Notes	0	600,000	2,550,000	0	0
Advances	(454,845)	0	454,845	0	0
Unrecorded Cash	523	0	0	0	0
Budget Basis	<u>(\$458,841)</u>	<u>\$63,536</u>	<u>\$451,496</u>	<u>\$162,146</u>	<u>\$113,903</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 4 - BUDGET TO GAAP RECONCILIATION (continued)

Net Income(Loss)/Excess of Revenues Over (Under) Expenses Proprietary Fund Types and Nonexpendable Trust Fund			
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>
GAAP Basis	\$1,227,194	(\$206,623)	\$22,971
Adjustments:			
Revenue Accruals	(244,592)	(5,061)	0
Expense Accruals	(895,376)	55,128	0
Acquisition of Fixed Assets	(12,717,239)	0	0
Depreciation	1,823,001	627	0
Encumbrances	(4,426,092)	(39,852)	0
Debt Principal Payments	(10,505,000)	0	0
Utility Deposits Received	80,032	0	0
Utility Deposits Returned	(83,381)	0	0
Note Proceeds	10,850,000	0	0
Bond Proceeds	19,007,367	0	0
Payment to Bond Escrow	(1,388,410)	0	0
Budget Basis	<u>\$2,727,504</u>	<u>(\$195,781)</u>	<u>\$22,971</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

Deposits

At year-end, the carrying amount of the City's deposits was \$289,517 and the bank balance was \$1,637,316. Of the bank balance, \$308,558 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Investments

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

	<u>Category</u> <u>1</u>	<u>Fair</u> <u>Value</u>
STAR Ohio	\$0	\$35,849,477
Mutual Funds	0	1,684,811
City Bonds	<u>140,000</u>	<u>140,000</u>
Total	<u>\$140,000</u>	<u>\$37,674,288</u>

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

	<u>Cash and Cash</u> <u>Equivalents/</u> <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$37,963,805	\$0
Investments:		
STAR Ohio	(35,849,477)	35,849,477
Mutual Funds	(1,684,811)	1,684,811
City Bonds	<u>(140,000)</u>	<u>140,000</u>
GASB Statement 3	<u>\$289,517</u>	<u>\$37,674,288</u>

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 1999 for real and public utility property taxes represents collections of 1998 taxes. Property tax payments received during 1999 for tangible personal property (other than public utility property) is for 1999 taxes.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 6 - PROPERTY TAXES (continued)

1999 real property taxes are levied after October 1, 1999, on the assessed value as of January 1999, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 1999 real property taxes are collected in and intended to finance 2000.

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. 1999 public utility property taxes became a lien December 31, 1998, are levied after October 1, 1999, and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after October 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 1999, was \$6.32 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$143,105,080
Public Utility Real Property	55,025,060
Public Utility Tangible Personal Property	6,413,020
Tangible Personal Property	<u>38,071,619</u>
Total	<u>\$242,614,779</u>

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Lebanon. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 1999. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 1999 operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 7 - PAYMENTS IN LIEU OF TAXES

The City acquired property that is leased to fifteen corporations, Amtex, Lucas Sumitomo, Bunnell Hill, Ghent Manufacturing, Cinmar, JBM, E-Beam Services, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, Eastgate Graphics, Flint Ink, J & N Distribution, and R & I Enterprises. The corporations have built or are in the process of building factories on the land leased from the City. To encourage development, the companies have been granted an exemption from paying any property taxes on

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 7 - PAYMENTS IN LIEU OF TAXES (continued)

the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due. These payments are being used for costs associated with promoting and improving the industrial park. Payments will continue over the thirty-year life of the lease.

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

NOTE 8 - INCOME TAX

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

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

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 1999, the proceeds were allocated to the General Fund, the Capital Improvement Capital Projects Fund and the General Obligation Debt Retirement Debt Service Fund. Income tax revenue for 1999 was \$3,571,178.

NOTE 9 - RECEIVABLES

Receivables at December 31, 1999, consisted of property, income and other local taxes, intergovernmental receivables arising from grants, entitlements and shared revenues, special assessments, notes, payments in lieu of taxes, utility accounts and capital leases. All receivables are considered fully collectible except utility accounts.

Utility Accounts <u>Receivable</u>	Estimated <u>Uncollectible</u>	Net <u>Receivable</u>
<u>\$1,839,357</u>	<u>\$70,493</u>	<u>\$1,768,864</u>

A summary of due from other governments:

<u>General Fund</u>	
Inheritance Tax	\$33,627
Local Government Assistance	9,318
Bailiff	6,883
City of Franklin	<u>83,548</u>
Total General Fund	<u>133,376</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 9 – RECEIVABLES (continued)

<u>Special Revenue Funds</u>	
<u>Cemetery Fund</u>	
Pari-Mutuel Tax	\$15,000
<u>State Highway Fund</u>	
Gas Tax	\$626
Motor Vehicle Tax	<u>539</u>
Total State Highway Fund	1,165
<u>Street Maintenance And Repair Fund</u>	
Gas Tax	7,718
Motor Vehicle Tax	6,649
Total Street Maintenance and Repair Fund	<u>14,367</u>
Total Special Revenue Funds	<u>30,532</u>
<u>Enterprise Funds</u>	
<u>Electric Fund</u>	
Energy Credits	90
Lebanon City Schools Lighting Payment	191,515
Total Electric Fund	<u>191,605</u>
<u>Sewer Fund</u>	
Village of Morrow	8,018
Village of South Lebanon	<u>12,175</u>
Total Sewer Fund	<u>20,193</u>
Total Enterprise Funds	<u>211,798</u>
Total All Funds	<u>\$375,706</u>

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

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 10 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 1999, were as follows:

<u>Asset Category</u>	Restated Balance at January 1, 1999	<u>Additions</u>	<u>Deletions</u>	Balance at December 31, 1999
Land	\$8,443,882	\$1,354,874	\$220,000	\$9,578,756
Improvements Other than Buildings	561,318	66,250	844	626,724
Buildings	2,093,834	690,369	0	2,784,203
Equipment	1,866,934	358,373	152,609	2,072,698
Vehicles	2,261,661	136,309	22,812	2,375,158
Construction in Progress	<u>9,545</u>	<u>271,916</u>	<u>9,545</u>	<u>271,916</u>
Totals	<u>\$15,237,174</u>	<u>\$2,878,091</u>	<u>\$405,810</u>	<u>\$17,709,455</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

All City full-time employees participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 9.35 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 1999, 1998, and 1997 were \$357,085, \$317,715, and \$257,537, respectively. The full amount has been contributed for 1998 and 1997. 73 percent has been contributed for 1999 with the remainder being reported as "Due To Other Governments" in the General Long-Term Obligations Account Group.

Police and Firemen's Disability and Pension Fund

The City contributes to the Police and Firemen's Disability and Pension Fund of Ohio (the "Fund"), a cost-sharing multiple employer public employee retirement system administered by the Fund's Board of Trustees. The Fund provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. The Fund issues a publicly available financial report that

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

includes financial information and required supplementary information for the Fund. That report may be obtained by writing to the Police and Firemen's Disability and Pension Fund of Ohio, 140 East Town Street, Columbus, Ohio 43215-5164.

The fire chief, fire captain and all police personnel of the City are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 17 percent for the fire chief and fire captain and 12.5 percent for police personnel. Contributions are authorized by State statute. The City's contributions to the Fund for police and firefighters were \$142,286 and \$10,793 for the year ended December 31, 1999, \$132,280 and \$9,948 for 1998, and \$134,294 and \$9,386 for 1997. The full amount has been contributed for 1998 and 1997. 71 percent and 68 percent, respectively, have been contributed for 1999 with the remainder being reported as a liability in the General Long-Term Obligations Account Group.

In addition to the current contribution, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 1999, the unfunded liability of the City was \$23,071, payable in semiannual payments through the year 2035. This is an accounting liability of the City, which will not vary. The liability is reported in the General Long-Term Obligations Account Group.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 1999 employer contribution rate was 13.55 percent of covered payroll; 4.2 percent was the portion that was used to fund health care for 1999.

For 1999, benefits are funded on a pay-as-you-go basis. OPEB is financed through employer contributions and investment earnings. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely. During 1999, OPEB expenditures made by PERS were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. At December 31, 1999, the total number of benefit recipients eligible for OPEB through PERS was 118,062. The City's actual contributions for 1999, which were used to fund OPEB were \$160,402.

Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (the "Fund") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Police and Firemen's Disability and Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.0 percent of covered payroll is applied to the postemployment health care program. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 1998, was 11,424 for police and 9,186 for firefighters. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$79,680 for police and \$4,444 for fire. The Fund's total health care expenses for the year ended December 31, 1998, (the latest information available) were \$78,596,790.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. In the past, vacation leave was permitted to accumulate with no limit. Currently, vacation leave earned in one year must be used in the next year. If the employee has not used the vacation earned for one year, the vacation accrual stops. When an employee terminates employment, he is paid for his unused vacation leave. The total obligation for vacation accrual for the City as a whole amounted to \$262,456 at December 31, 1999.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement, an employee (or his estate) is paid 50% of accumulated sick leave up to 1040 hours and 10% for accumulated hours in excess of 1,040. The total obligation for sick leave accrual for the City as a whole as of December 31, 1999, was \$638,569.

Accumulated Unpaid Holiday Pay

Under contract, police personnel who work a holiday receive holiday time in addition to four hours pay. Accumulated unpaid holiday time is paid to employees upon separation or death. At December 31, 1999, the accrual for unpaid holiday time amounted to \$30,236.

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 14 - CAPITAL LEASE RECEIVABLE

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

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

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

Total Minimum Lease Payments to be Received	\$109,764
Less: Unearned Interest	<u>(45,570)</u>
Net Investment in Direct Financing Leases	<u>\$64,194</u>

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 1999, the City contracted with Hylant MacLean for vehicle, property and general liability insurance. Cincinnati Insurance Company covers boiler and machinery, while police liability and public officials are protected by Hylant MacLean.

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

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

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

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 15 - RISK MANAGEMENT (continued)

The City pays into the Self-Insurance Internal Service Fund \$433 per employee per month. The fund that pays the salary for the employee pays this premium which is based on historic cost information. The claims liability of \$208,783 reported in the fund at December 31, 1999, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Estimates were calculated by using actual claims reports for several months following the balance sheet date. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the past two years were:

	Balance at January 1,	Current Year Claims	Claim Payments	Balance at December 31,
1998	\$142,902	\$669,906	\$653,027	\$159,781
1999	159,781	838,938	789,936	208,783

NOTE 16 - LONG-TERM OBLIGATIONS

Changes in general long-term obligations during 1999 were as follows:

	Balance at January 1, 1999	Increases	Decreases	Balance at December 31, 1999
Special Assessment Bonds				
1979 - 6.25%		-		
Avalon Heights	\$5,000	\$0	\$5,000	\$0
1981 - 9.125%		-		
Mound Court	25,000	0	5,000	20,000
1989 - 7.15%				
Kingsview/Fujitec Road Improvement	263,517	0	15,501	248,016
1990 - 7.00%				
Kingsview/Henkle Drive Improvement	300,150	0	27,600	272,550
1991 - 6.45%				
Deerfield Road Improvement	611,720	0	29,840	581,880
1993 - 5.75%				
Henkle Dr. Extension	\$150,000	\$0	\$10,000	\$140,000

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

	Balance at January 1, 1999	Increases	Decreases	Balance at December 31, 1999
1994 - 5.00%				
Pleasant Street Improvement	<u>\$49,627</u>	<u>\$0</u>	<u>\$2,364</u>	<u>\$47,263</u>
TOTAL - Special Assessment Bonds Payable	<u>1,405,014</u>	<u>0</u>	<u>95,305</u>	<u>1,309,709</u>
 Voted General Obligation Bonds				
1997 - 4.0 to 13.5%				
Library Improvement	<u>891,916</u>	<u>14,383</u>	<u>85,000</u>	<u>821,299</u>
TOTAL - Voted General Obligation Bonds	<u>891,916</u>	<u>14,383</u>	<u>85,000</u>	<u>821,299</u>
 Unvoted General Obligation Bonds				
1989 - 7.15%				
Kingsview/Fujitec Road Improvement	246,483	0	14,499	231,984
1990 - 7.00%				
Kingsview/Henkle Road Improvement	134,850	0	12,400	122,450
1991 - 6.45%				
Deerfield Road Improvement	208,280	0	10,160	198,120
1994 - 5.50%				
Pleasant Street Improvement	160,372	0	7,636	152,736
1997 - 3.90 - 5.25%				
Miller Road	<u>2,635,000</u>	<u>0</u>	<u>90,000</u>	<u>2,545,000</u>
TOTAL - Unvoted General Obligation Bonds Payable	<u>3,384,985</u>	<u>0</u>	<u>134,695</u>	<u>3,250,290</u>
Due to Other Governments	148,863	165,373	148,863	165,373
Compensated Absences Payable	442,614	210,869	0	653,483
Police Pension	<u>23,347</u>	<u>0</u>	<u>276</u>	<u>23,071</u>
TOTAL - General Long-Term Obligations	<u>\$6,296,739</u>	<u>\$390,625</u>	<u>\$464,139</u>	<u>\$6,223,225</u>

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

The Kingsview/Fujitec and Kingsview/Henkle special assessment/general obligation bonds were issued to finance the construction and improvement of two roads near the industrial park area. The City owns some of the land that borders these roads and is therefore paying a portion of this debt with payments in lieu of tax revenue generated from Lucas Sumitomo, Amtex, Bunnell Hill, Ghent Manufacturing, Cinmar, JBM, E-Beam Services, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, Eastgate Graphics, Flint Ink, J & N Distribution and R & I Enterprises, the fifteen corporations that occupy land in the industrial park. This revenue is transferred to and this debt is being paid from the General Obligation Debt Retirement Debt Service Fund. The remainder is being assessed to the property owners.

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

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

All other unvoted general obligation bond issues will be paid through the General Obligation Debt Retirement Debt Service Fund from City income tax revenue.

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

The Special Assessment Bond Retirement Fund budgetary statement has included an expenditure of \$5000 for principal retirement that remained in the bond and coupon account at year end. An adjustment was made to eliminate this expenditure on a GAAP basis because it was not due or paid at December 31, 1999. The \$5,000 is reported as cash with fiscal agent on the balance sheet.

The Library Improvement general obligation bonds consist of \$705,000 in serial bonds and \$89,224 of capital appreciation bonds which were accreted \$14,383 in 1999. The carrying balance of the capital appreciation bonds at December 31, 1999, was \$116,299. The Library Improvement Bond will be paid through the Library Bond Retirement Debt Service Fund with property tax levy revenue.

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

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Changes during 1999 in the City's long-term enterprise fund obligations were as follows:

	Balance at January 1, <u>1999</u>	<u>Increases</u>	<u>Decreases</u>	Balance at December 31, <u>1999</u>
Mortgage Revenue Bonds				
1999 - 4.9 to 5.35% Sanitary Sewer	\$0	\$8,830,000	\$0	\$8,830,000
1999 - 3.75 to 5.3% Water System Improvement and Refunding	0	10,106,590	0	10,106,590
1997 - 4.0 to 4.8% Sanitary Sewer	1,470,114	0	117,738	1,352,376
1991 - 5.0 to 7.1% Water System Improvement and Refunding	1,420,000	0	1,420,000	0
1996 - 3.70% Electric System	<u>4,565,676</u>	<u>0</u>	<u>162,537</u>	<u>4,403,139</u>
TOTAL - Mortgage Revenue Bonds Payable	7,455,790	18,936,590	1,700,275	24,692,105
Compensated Absences Payable	168,617	44,949	0	213,566
Early Retirement Incentive	<u>162,537</u>	<u>0</u>	<u>162,537</u>	<u>0</u>
TOTAL - Enterprise Funds	<u>\$7,786,944</u>	<u>\$18,981,539</u>	<u>\$1,862,812</u>	<u>\$24,905,671</u>

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

During 1999, the City issued sanitary sewer mortgage revenue bonds in the amount of \$8,830,000. The proceeds will be used to pay for sewer system improvements. A portion of the proceeds were used to pay off a \$500,000 sewer note.

During 1999, the City issued \$10,180,000 in water system improvement mortgage revenue bonds at a discount of \$2,633. A portion of the proceeds was used to advance refund the 1991 water system improvement bonds in the amount of \$1,315,000. The average rate on the refunded bonds was 6.93% while the average rate on the refunded portion of the new debt was 4.05%. The net proceeds of \$1,388,410 (after payment of \$281,848 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 bonds. As a result, the 1991 bonds are considered

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

deceased and the liability for those bonds has been removed from the balance sheet. A portion of the proceeds were used to pay off a \$3,500,000 note.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$73,410. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2008 using the effective-interest method. The advance refunding decreased total debt service payments over the next 9 years by \$71,408 and incurred an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$36,270.

The 1997 sewer system mortgage revenue bond is reported at carrying value. Face value of the bond was \$1,525,000 and the unamortized deferred charge on the refunded bonds was \$172,624 at December 31, 1999.

The electric system mortgage revenue bond issue is reported at carrying value. Face value of the bond was \$4,445,000 and the unamortized discount was \$41,861 at December 31, 1999.

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

As of December 31, 1999, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$24,574,556 and the unvoted debt margin was \$13,091,470. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 1999, were:

	Special Assessment Bonds	General Obligation Bonds	Police Pension Liability	Mortgage Revenue Bonds	Total
2000	\$188,665	\$431,343	\$1,264	\$2,059,623	\$2,680,895
2001	181,650	430,624	1,264	2,061,944	2,675,482
2002	167,497	426,383	1,264	2,061,119	2,656,263
2003	164,936	425,754	1,264	2,057,866	2,649,820
2004	160,988	430,549	1,264	2,058,148	2,650,949
2005-09	786,530	2,149,968	6,320	9,909,395	12,852,213
2010-14	221,301	1,234,742	6,320	8,345,994	9,808,357
2015-38	<u>0</u>	<u>653,262</u>	<u>24,680</u>	<u>13,437,372</u>	<u>14,115,314</u>
TOTAL	<u>\$1,871,567</u>	<u>\$6,182,625</u>	<u>\$43,640</u>	<u>\$41,991,461</u>	<u>\$50,089,293</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 17 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 1999, follows:

Fund Type/Fund/Issue	Balance at January 1, <u>1999</u>	Increases	Decreases	Balance at December 31, <u>1999</u>
Special Revenue				
Fire and Life Squad Fund				
Fire Improvement, 3.91%	\$ <u>0</u>	\$ <u>600,000</u>	\$ <u>0</u>	\$ <u>600,000</u>
Total Special Revenue	<u>0</u>	<u>600,000</u>	<u>0</u>	<u>600,000</u>
Capital Projects				
Industrial Development Fund				
Columbia Business Pk Bluebird Farms, 3.30%	2,000,000	2,000,000	2,000,000	2,000,000
State Issue II Fund				
Silver St. Improvement 4.07%	400,000	0	400,000	0
Capital Improvements Fund				
Henkle Drive Extension 3.82%	0	250,000	0	250,000
Main Street Improvement 4.26%	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Total Capital Projects	<u>2,400,000</u>	<u>2,550,000</u>	<u>2,400,000</u>	<u>2,550,000</u>
Enterprise				
Electric Fund				
Telecommunications 3.91%	3,500,000	0	3,500,000	0
Telecommunications 3.82%	0	6,100,000	0	6,100,000
Electric Systems Improvement 3.23%	0	2,600,000	2,600,000	0
Electric Systems Improvement 4.21%	0	2,150,000	0	2,150,000
Water Fund				
Water Improvements, 4.07%	3,500,000	0	3,500,000	0
Sewer Fund				
Sewer Improvement, 4.07%	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>
Total Enterprise Funds	<u>7,500,000</u>	<u>10,850,000</u>	<u>10,100,000</u>	<u>8,250,000</u>
Grand Total	<u>\$9,900,000</u>	<u>\$14,000,000</u>	<u>\$12,500,000</u>	<u>\$11,400,000</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 17 - SHORT-TERM OBLIGATIONS (continued)

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

NOTE 18 - INTERFUND ASSETS/LIABILITIES

Individual fund interfund asset and liability balances at December 31, 1999, were as follows:

Due from/to Other Funds

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	<u>\$30,695</u>	<u>\$5,745</u>
Special Revenue Funds:		
Cemetery	0	527
Computer Improvement	2,350	0
Computerized Legal Research	838	0
DARE	50	0
Fire and Life Squad	0	1,986
Indigent Drivers' Alcohol Treatment	125	0
Street Maintenance and Repair	<u>0</u>	<u>3,754</u>
Total Special Revenue Funds	<u>3,363</u>	<u>6,267</u>
Enterprise Funds:		
Electric	0	3,768
Sewer	0	1,513
Water	<u>0</u>	<u>473</u>
Total Enterprise Funds	<u>0</u>	<u>5,754</u>
Internal Service Funds:		
Auto Maintenance	<u>17,766</u>	<u>0</u>
Agency Fund:		
Municipal Court	<u>0</u>	<u>34,058</u>
Total All Funds	<u>\$51,824</u>	<u>\$51,824</u>

Interfund Receivable/Payable

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	<u>\$565,000</u>	<u>\$0</u>
Special Revenue Funds:		
Community Development	0	63,000
COPS FAST	0	50,000
Urban Redevelopment	<u>0</u>	<u>160,000</u>
Total Special Revenue Funds	<u>\$0</u>	<u>\$273,000</u>

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 18 - INTERFUND ASSETS/LIABILITIES (continued)

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Interfund Receivable/Payable		
Capital Projects:		
Capital Improvements	\$63,000	\$0
Industrial Development	<u>0</u>	<u>355,000</u>
Total Capital Projects	63,000	355,000
Enterprise:		
Water	500,000	0
Sewer	<u>0</u>	<u>500,000</u>
Total Enterprise	<u>500,000</u>	<u>500,000</u>
Grand Total	<u>\$1,128,000</u>	<u>\$1,128,000</u>
Advances From/To Other Funds		
General	<u>\$1,855,611</u>	\$0
Capital Projects:		
Industrial Development	<u>0</u>	<u>1,855,611</u>
Grand Total	<u>\$1,855,611</u>	<u>\$1,855,611</u>

NOTE 19 - SEGMENT INFORMATION

The City's enterprise funds account for the provision of electric, sanitation, sewer and water services. Key financial information as of and for the year ended December 31, 1999, for each enterprise fund is as follows:

	Electric Fund	Sanitation Fund	Sewer Fund	Water Fund	Total
Operating Revenues	\$8,695,819	\$744,601	\$1,817,875	\$2,203,332	\$13,461,627
Depreciation Expense	1,210,114	3,762	330,808	278,317	1,823,001
Operating Income	481,072	39,358	262,797	1,076,147	1,859,374
Interest	189,023	0	323,440	380,581	893,044
Loss on Disposal of Fixed Assets	0	0	(55)	(952)	(1,007)
Interest and Fiscal Charges	(513,479)	0	(590,334)	(420,404)	(1,524,217)
Net Income (Loss)	156,616	39,358	(4,152)	1,035,372	1,227,194
Current Capital					
Contributions	7,995	0	403,768	223,800	635,563
Fixed Assets:					
Additions	8,241,759	0	3,689,070	1,236,257	13,167,086
Deletions	0	0	549	52,864	53,413
Net Working Capital	(2,795,308)	616,491	8,257,308	9,128,627	15,207,118
Total Assets	\$27,915,572	\$727,588	\$25,594,779	\$24,559,629	\$78,797,568

CITY OF LEBANON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 19 - SEGMENT INFORMATION (continued)

	Electric Fund	Sanitation Fund	Sewer Fund	Water Fund	Total
Bonds and Other Long-Term Liabilities Payable from Revenues	\$4,303,019	\$0	\$9,925,573	\$9,856,804	\$24,085,396
Total Equity	13,959,451	727,588	14,347,560	14,129,047	43,163,646
Encumbrances at December 31, 1999	\$1,417,381	\$18,009	\$2,323,777	\$666,925	\$4,426,092

NOTE 20 - CONTRIBUTED CAPITAL

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

Source	Electric Fund	Sanitation Fund	Sewer Fund	Water Fund	Total
Developer	\$0	\$0	\$310,910	\$223,800	\$534,710
Contribution from Other Fund	7,995	0	0	0	7,995
Special Assessment	0	0	92,858	0	92,858
Contributed Capital January 1	<u>60,000</u>	<u>347,887</u>	<u>10,612,624</u>	<u>4,997,978</u>	<u>16,018,489</u>
Contributed Capital December 31	<u>\$67,995</u>	<u>\$347,887</u>	<u>\$11,016,392</u>	<u>\$5,221,778</u>	<u>\$16,654,052</u>

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

NOTE 21 - JOINT VENTURE/JOINTLY GOVERNED ORGANIZATION

Hazardous Materials Response Team

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

The HAZ MAT Advisory Board oversees the operation of HAZ MAT and consists of the four fire chiefs from the participating local governments. The City's ability to affect operations is limited to its representation on the board.

This Board established hazardous materials incident response guidelines to provide for response procedures in the event of an incident. In the event of a hazardous material incident within any local government that is a member of this organization, the other members will respond to render assistance. The funding for the

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 21 - JOINT VENTURE/JOINTLY GOVERNED ORGANIZATION (continued)

operation of the response team is through contributions from each entity. In addition, the persons or company responsible for any hazardous materials emergency is required by state law to reimburse the team any costs associated with clean up. There is no explicit and measurable equity interest in HAZ MAT. The City has an ongoing financial responsibility, because the continued existence of the joint venture depends on the City's contribution, which represents 25 percent of HAZ MAT revenues. There were no contributions in 1999. You may obtain financial information from Sandy Howell at the City of Franklin, 35 E. 4th St., Franklin, Ohio 45005.

The following is a summary of the financial information of the year ended December 31, 1999, prepared on the basis of cash receipts and disbursements:

Operating Revenues	\$-0-
Operating Expenditures	<u>975</u>
Excess of Operating Revenues	
Over Expenditures	(975)
Fund Balance Beginning of Year	<u>22,326</u>
Fund Balance End of Year	<u>\$21,351</u>

The Hazardous Materials Response Team jointly owns fixed assets valued at \$27,159.

Warren County General Health District

The Warren County General Health District, a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The City contributed \$15,635 during 1999 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. You may obtain financial information from Kathy Steptenson at the Warren County General Health District, 416 S. East Street, Lebanon, Ohio 45036.

NOTE 22 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The City of Lebanon has entered into the following contracts as of December 31, 1999:

<u>Company</u>	<u>Purpose</u>	<u>Amount Remaining</u>
Architectural Reclamation	Public Vault	\$29,500
Cable Constructors Inc.	Fiber Optic/Cable	264,564
G/C Contracting	McClure Road Concession Stand	126,488
HD Water	Well Cleaning	34,674
National Engineering	Wastewater Treatment Plant	3,773,585
Weidle Corporation	Garfield Park Booster Station	80,325
Loveland Excavating	Henkle Drive Extension	24,135
Hummel Industries	City Bldg. Exterior Repair	192,000
Donald May Excavation	Kingsview	\$171,000

CITY OF LEBANON, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 1999

NOTE 22 - SIGNIFICANT CONTRACTUAL OBLIGATIONS (continued)

Company	Purpose	Amount Remaining
Bregway Corporation	Power Plant Roof	\$31,760
Preload Corporation	1.0 MG Clearwell	25,825
Sigcorp	Headend Equipment	351,920
Stanley Consultants	Municipal Communication Network	73,842
Woolpert	Wastewater Treatment Plant	90,033
CESO	Outer Beltway Study	\$24,955

NOTE 23 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability - Fund Equity Deficits

The COPS FAST and Urban Redevelopment Special Revenue Funds have deficit fund balances of \$31,333 and \$130,250 respectively. The Industrial Development Capital Projects Fund had a deficit fund balance of \$4,147,338. The deficit fund balance is a result of the application of generally accepted accounting principles to the financial reporting of this fund. Advances (long term and current) from other funds and proceeds of notes used to finance these projects are not recognized as other financing sources, but rather as a fund liability. The deficits will be eliminated when the advances and notes are repaid.

B. Compliance

The City had appropriations in excess of estimated receipts plus available balances for the COPS Fast Fund of \$57,171.

NOTE 24 - CONTINGENT LIABILITIES

Litigation

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

Federal and State Grants

For the period January 1, 1999, to December 31, 1999, the City received state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

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

GENERAL FUND

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

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$622,654	\$622,654	\$0
Income Taxes	1,534,359	1,534,359	0
Other Local Taxes	33,911	33,911	0
Intergovernmental	2,663,495	2,714,694	51,199
Charges for Services	1,668,565	1,668,565	0
Fines, Licenses and Permits	758,248	758,248	0
Interest	623,324	623,324	0
Other	163,740	163,740	0
Total Revenues	8,068,296	8,119,495	51,199
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	1,787,504	1,780,920	6,584
Travel Transportation	18,885	18,593	292
Contractual Services	220,145	199,667	20,478
Supplies and Materials	42,823	39,869	2,954
Capital	11,100	11,037	63
Total Security of Persons and Property	2,080,457	2,050,086	30,371
Public Health Services			
Contractual Services	15,635	15,635	0
Total Public Health Services	15,635	15,635	0
Leisure Time Activities			
Recreation Programs			
Personal Services	158,307	58,410	99,897
Travel Transportation	1,500	823	677
Contractual Services	102,590	29,382	73,208
Supplies and Materials	18,166	13,925	4,241
Parks			
Personal Services	187,053	165,332	21,721
Travel Transportation	1,500	862	638
Contractual Services	49,809	37,853	11,956
Supplies and Materials	24,131	21,130	3,001
Total Leisure Time Activities	\$543,056	\$327,717	\$215,339

(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, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Planning and Development			
Personal Services	\$205,670	\$202,486	\$3,184
Travel Transportation	1,500	273	1,227
Contractual Services	6,149	3,488	2,661
Supplies and Materials	1,328	785	543
Building and Zoning			
Personal Services	142,595	108,913	33,682
Travel Transportation	950	395	555
Contractual Services	37,236	36,455	781
Supplies and Materials	2,022	1,385	637
Engineer Services			
Personal Services	221,682	180,090	41,592
Travel Transportation	2,450	1,607	843
Contractual Services	16,322	12,707	3,615
Supplies and Materials	4,097	2,124	1,973
Total Community Environment	642,001	550,708	91,293
General Government			
Legislative			
Personal Services	10,864	10,192	672
Travel Transportation	1,050	965	85
Contractual Services	49,150	47,384	1,766
Supplies and Materials	9,158	6,814	2,344
City Manager			
Personal Services	453,273	451,753	1,520
Travel Transportation	12,012	9,832	2,180
Contractual Services	33,048	30,929	2,119
Supplies and Materials	3,810	3,202	608
Finance			
Personal Services	514,976	497,987	16,989
Travel Transportation	3,000	752	2,248
Contractual Services	97,573	72,228	25,345
Supplies and Materials	1,109	452	657
Income Tax			
Personal Services	101,993	98,047	3,946
Travel Transportation	800	0	800
Contractual Services	7,976	5,398	2,578
Supplies and Materials	15,763	15,639	124
Refunds	45,000	44,713	287
Law			
Personal Services	318,701	169,541	149,160
Travel Transportation	2,500	122	2,378
Contractual Services	102,505	45,938	56,567
Supplies and Materials	\$2,500	\$968	\$1,532

(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, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Municipal Court			
Personal Services	\$269,532	\$240,287	\$29,245
Travel Transportation	200	0	200
Contractual Services	117,503	108,114	9,389
Supplies and Materials	11,796	6,789	5,007
Probation			
Personal Services	133,250	130,076	3,174
Travel Transportation	3,400	3,090	310
Contractual Services	2,912	2,025	887
Supplies and Materials	1,500	808	692
Building Maintenance			
Personal Services	213,890	190,130	23,760
Travel Transportation	74	55	19
Contractual Services	113,702	109,762	3,940
Supplies and Materials	16,232	14,864	1,368
Other General Government			
Personal Services	100	51	49
Travel Transportation	350	40	310
Contractual Services	53,975	49,917	4,058
Supplies and Materials	100	0	100
Total General Government	2,725,277	2,368,864	356,413
Capital Outlay	956,334	956,334	0
Total Expenditures	6,962,760	6,269,344	693,416
Excess of Revenues Over Expenditures	1,105,536	1,850,151	744,615
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	220,000	220,000	0
Advance - In	108,097	104,348	(3,749)
Advance - Out	(559,193)	(559,193)	0
Operating Transfers - In	0	3,749	3,749
Operating Transfers - Out	(2,301,326)	(2,077,896)	223,430
Total Other Financing Uses	(2,532,422)	(2,308,992)	223,430
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(1,426,886)	(458,841)	968,045
Fund Balance at Beginning of Year	2,632,536	2,632,536	0
Prior Year Encumbrances Appropriated	93,937	93,937	0
Fund Balance at End of Year	\$1,299,587	\$2,267,632	\$968,045

SPECIAL REVENUE FUNDS

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

Bi-Centennial Celebration

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

Cemetery

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

Community Development

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

Computer Improvement

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

Computerized Legal Research

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

COPS FAST

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

DARE

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

Drug Law Enforcement

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

Enforcement and Education

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

Federal Asset Forfeiture

To account for monies received from federal forfeitures to be used for law enforcement. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 1999. The budgetary fund balance was \$1,357 at December 31, 1999.

Fire and Life Squad

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

(continued)

SPECIAL REVENUE FUNDS (continued)

Indigent Drivers' Alcohol Treatment

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

Law Enforcement

To account for proceeds from the sale of confiscated contraband.

Parking

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

Park Recreation Impact Fee

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

State Highway

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

Street Maintenance and Repair

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

Tax Increment Financing

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

Urban Redevelopment

To account for monies received, primarily debt, for the housing redevelopment projects in the North Mechanic Street area. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 1999. The budgetary fund balance was \$29,749 at December 31, 1999.

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 1999**

	<u>Bi-Centennial Celebration</u>	<u>Cemetery</u>	<u>Community Development</u>	<u>Computer Improvement</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$23,079	\$98,559	\$56,755	\$125,188
Cash and Cash Equivalents with Fiscal Agents	0	-	152,109	0
Receivables:				
Taxes	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Notes	0	0	66,711	0
Due from Other Funds	0	0	0	2,350
Due from Other Governments	0	15,000	0	0
Inventory of Supplies	0	4,729	0	0
Prepaid Items	0	666	0	1,322
Total Assets	<u>\$23,079</u>	<u>\$118,954</u>	<u>\$275,575</u>	<u>\$128,860</u>
Liabilities:				
Accounts Payable	\$0	\$292	\$0	\$13,395
Contracts Payable	0	0	0	0
Accrued Salaries Payable	0	737	0	0
Accrued Interest Payable	0	0	0	0
Due to Other Funds	0	527	0	0
Due to Other Governments	0	760	0	0
Interfund Payable	0	0	63,000	0
Deferred Revenue	0	0	0	0
Notes Payable	0	0	0	0
Total Liabilities	<u>0</u>	<u>2,316</u>	<u>63,000</u>	<u>13,395</u>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	0	129	0	24,883
Reserved for Inventory	0	4,729	0	0
Reserved for Notes Receivable	0	0	66,711	0
Unreserved, Undesignated (Deficit)	23,079	111,780	145,864	90,582
Total Fund Equity (Deficit)	<u>23,079</u>	<u>116,638</u>	<u>212,575</u>	<u>115,465</u>
Total Liabilities and Fund Equity	<u>\$23,079</u>	<u>\$118,954</u>	<u>\$275,575</u>	<u>\$128,860</u>

Computerized Legal Research	COPS FAST	DARE	Drug Law Enforcement	Enforcement and Education	Federal Asset Forfeiture	Fire and Life Squad
\$65,418	\$21,364	\$6,394	\$13,177	\$21,904	\$1,357	\$877,558
0	0	0	0	0	0	0
0	0	0	0	0	0	1,036,525
0	0	0	0	0	0	0
0	0	0	0	0	0	0
838	0	50	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	27,864
0	0	0	0	0	0	17,733
<u>\$66,256</u>	<u>\$21,364</u>	<u>\$6,444</u>	<u>\$13,177</u>	<u>\$21,904</u>	<u>\$1,357</u>	<u>\$1,959,680</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$11,344
0	0	0	0	0	0	62,655
0	2,384	0	0	0	0	4,709
0	0	0	0	0	0	10,036
0	0	0	0	0	0	1,986
0	313	0	0	0	0	3,993
0	50,000	0	0	0	0	0
0	0	0	0	0	0	1,036,525
0	0	0	0	0	0	600,000
0	52,697	0	0	0	0	1,731,248
260	45	0	0	0	0	521,573
0	0	0	0	0	0	27,864
0	0	0	0	0	0	0
65,996	(31,378)	6,444	13,177	21,904	1,357	(321,005)
66,256	(31,333)	6,444	13,177	21,904	1,357	228,432
<u>\$66,256</u>	<u>\$21,364</u>	<u>\$6,444</u>	<u>\$13,177</u>	<u>\$21,904</u>	<u>\$1,357</u>	<u>\$1,959,680</u>

(Continued)

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1999**

(Continued)

	Indigent Drivers' Alcohol Treatment	Law Enforcement	Parking	Park Recreation Impact Fee
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$38,541	\$11,777	\$59,247	\$316,088
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Receivables:				
Taxes	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Notes	0	0	0	0
Due from Other Funds	125	0	0	0
Due from Other Governments	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$38,666	\$11,777	\$59,247	\$316,088
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Accrued Salaries Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Due to Other Governments	0	0	0	0
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Notes Payable	0	0	0	0
Total Liabilities	0	0	0	0
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	0	0	2,000	0
Reserved for Inventory	0	0	0	0
Reserved for Notes Receivable	0	0	0	0
Unreserved, Undesignated (Deficit)	38,666	11,777	57,247	316,088
Total Fund Equity (Deficit)	38,666	11,777	59,247	316,088
Total Liabilities and Fund Equity	\$38,666	\$11,777	\$59,247	\$316,088

<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Tax Increment Financing</u>	<u>Urban Redevelopment</u>	<u>Total</u>
\$69,083	\$801,196	\$241,745	\$29,750	\$2,878,180
0	0	0	0	152,109
0	7,650	0	0	1,044,175
0	0	3,036,228	0	3,036,228
0	0	0	0	66,711
0	0	0	0	3,363
1,165	14,367	0	0	30,532
0	42,319	0	0	74,912
0	8,050	0	0	27,771
<u>\$70,248</u>	<u>\$873,582</u>	<u>\$3,277,973</u>	<u>\$29,750</u>	<u>\$7,313,981</u>
\$548	\$745	\$0	\$0	\$26,324
0	0	0	0	62,655
0	3,225	0	0	11,055
0	0	0	0	10,036
0	3,754	0	0	6,267
0	826	58,071	0	63,963
0	0	0	160,000	273,000
0	0	3,036,228	0	4,072,753
0	0	0	0	600,000
<u>548</u>	<u>8,550</u>	<u>3,094,299</u>	<u>160,000</u>	<u>5,126,053</u>
2	9,672	0	0	558,564
0	42,319	0	0	74,912
0	0	0	0	66,711
69,698	813,041	183,674	(130,250)	1,487,741
<u>69,700</u>	<u>865,032</u>	<u>183,674</u>	<u>(130,250)</u>	<u>2,187,928</u>
<u>\$70,248</u>	<u>\$873,582</u>	<u>\$3,277,973</u>	<u>\$29,750</u>	<u>\$7,313,981</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Bi-Centennial Celebration	Cemetery	Community Development	Computer Improvement
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental	1,600	30,000	67,000	0
Charges for Services	0	56,904	0	0
Fines, Licenses and Permits	0	0	0	51,471
Interest	0	6,841	4,365	0
Other	0	5,407	0	0
Total Revenues	1,600	99,152	71,365	51,471
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	34,869
Public Health Services	0	94,367	0	0
Community Environment	2,800	0	73,227	0
Transportation	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	2,800	94,367	73,227	34,869
Excess of Revenues Over (Under) Expenditures	(1,200)	4,785	(1,862)	16,602
Other Financing Sources (Uses):				
Operating Transfers - In	6,000	30,000	0	0
Operating Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	6,000	30,000	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	4,800	34,785	(1,862)	16,602
Fund Balances (Deficit) at Beginning of Year	18,279	81,038	214,437	98,863
Increase (Decrease) in Reserve for Inventory	0	815	0	0
Fund Balances (Deficit) at End of Year	\$23,079	\$116,638	\$212,575	\$115,465

Computerized Legal Research	COPS FAST	DARE	Drug Law Enforcement	Enforcement and Education	Federal Asset Forfeiture	Fire and Life Squad
\$0	\$0	\$0	\$0	\$0	\$0	\$543,292
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	69,218	0	0	0	0	50,682
0	0	0	0	422	0	46,213
9,603	0	0	2,833	1,854	0	0
0	0	0	0	0	0	0
0	9	1,110	0	0	0	876
<u>9,603</u>	<u>69,227</u>	<u>1,110</u>	<u>2,833</u>	<u>2,276</u>	<u>0</u>	<u>641,063</u>
3,010	131,906	0	0	1,571	0	1,084,941
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	10,036
<u>3,010</u>	<u>131,906</u>	<u>0</u>	<u>0</u>	<u>1,571</u>	<u>0</u>	<u>1,094,977</u>
<u>6,593</u>	<u>(62,679)</u>	<u>1,110</u>	<u>2,833</u>	<u>705</u>	<u>0</u>	<u>(453,914)</u>
0	75,000	0	0	0	0	150,000
0	0	0	0	0	0	0
0	75,000	0	0	0	0	150,000
6,593	12,321	1,110	2,833	705	0	(303,914)
59,663	(43,654)	5,334	10,344	21,199	1,357	532,963
0	0	0	0	0	0	(617)
<u>\$66,256</u>	<u>(\$31,333)</u>	<u>\$6,444</u>	<u>\$13,177</u>	<u>\$21,904</u>	<u>\$1,357</u>	<u>\$228,432</u>

(Continued)

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	Indigent Drivers' Alcohol <u>Treatment</u>	Law <u>Enforcement</u>	<u>Parking</u>	Park Recreation <u>Impact Fee</u>
Revenues:				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Charges for Services	0	0	0	0
Fines, Licenses and Permits	2,500	0	29,839	122,513
Interest	0	0	0	0
Other	2,050	440	0	0
Total Revenues	4,550	440	29,839	122,513
Expenditures:				
Current:				
Security of Persons and Property	1,804	0	0	0
Public Health Services	0	0	0	0
Community Environment	0	0	0	90,000
Transportation	0	0	34,143	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	1,804	0	34,143	90,000
Excess of Revenues Over (Under) Expenditures	2,746	440	(4,304)	32,513
Other Financing Sources (Uses):				
Operating Transfers - In	0	0	0	58,449
Operating Transfers - Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	58,449
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,746	440	(4,304)	90,962
Fund Balances (Deficit) at Beginning of Year	35,920	11,337	63,551	225,126
Increase (Decrease) in Reserve for Inventory	0	0	0	0
Fund Balances (Deficit) at End of Year	\$38,666	\$11,777	\$59,247	\$316,088

State Highway	Street Maintenance and Repair	Tax Increment Financing	Urban Redevelopment	Total
\$0	\$0	\$0	\$0	\$543,292
0	105,113	0	0	105,113
0	0	304,260	0	304,260
31,128	383,899	33,806	0	667,333
0	15,010	0	0	118,549
0	0	0	0	220,613
0	0	0	0	11,206
0	15,538	0	0	25,430
<u>31,128</u>	<u>519,560</u>	<u>338,066</u>	<u>0</u>	<u>1,995,796</u>
0	0	0	0	1,258,101
0	0	0	0	94,367
0	0	104,761	0	270,788
20,643	479,601	0	0	534,387
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,036</u>
<u>20,643</u>	<u>479,601</u>	<u>104,761</u>	<u>0</u>	<u>2,167,679</u>
<u>10,485</u>	<u>39,959</u>	<u>233,305</u>	<u>0</u>	<u>(171,883)</u>
0	0	0	0	319,449
0	0	(144,089)	0	(144,089)
<u>0</u>	<u>0</u>	<u>(144,089)</u>	<u>0</u>	<u>175,360</u>
10,485	39,959	89,216	0	3,477
59,215	824,248	94,458	(130,250)	2,183,428
<u>0</u>	<u>825</u>	<u>0</u>	<u>0</u>	<u>1,023</u>
<u>\$69,700</u>	<u>\$865,032</u>	<u>\$183,674</u>	<u>(\$130,250)</u>	<u>\$2,187,928</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BI-CENTENNIAL CELEBRATION FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$1,600	\$1,600	\$0
Total Revenues	1,600	1,600	0
Expenditures:			
Current:			
Community Environment			
Contractual Services	2,800	2,800	0
Total Expenditures	2,800	2,800	0
Excess of Revenues Under Expenditures	(1,200)	(1,200)	0
Other Financing Sources:			
Operating Transfers - In	6,000	6,000	0
Total Other Financing Sources	6,000	6,000	0
Excess of Revenues and Other Financing Sources Over Expenditures	4,800	4,800	0
Fund Balance at Beginning of Year	18,279	18,279	0
Fund Balance at End of Year	\$23,079	\$23,079	\$0

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$30,000	\$30,000	\$0
Charges for Services	56,904	56,904	0
Interest	6,841	6,841	0
Other	5,407	5,407	0
Total Revenues	99,152	99,152	0
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	77,962	77,506	456
Contractual Services	20,247	16,696	3,551
Supplies and Materials	1,912	1,851	61
Total Public Health Services	100,121	96,053	4,068
Total Expenditures	100,121	96,053	4,068
Excess of Revenues Over (Under) Expenditure	(969)	3,099	4,068
Other Financing Sources:			
Operating Transfers - In	30,000	30,000	0
Total Other Financing Sources	30,000	30,000	0
Excess of Revenues and Other Financing Sources Over Expenditures	29,031	33,099	4,068
Fund Balance at Beginning of Year	64,006	64,006	0
Prior Year Encumbrances Appropriated	1,194	1,194	0
Fund Balance at End of Year	\$94,231	\$98,299	\$4,068

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	<u>\$82,567</u>	<u>\$82,567</u>	<u>\$0</u>
Total Revenues	<u>82,567</u>	<u>82,567</u>	<u>0</u>
Expenditures:			
Current:			
Community Environment			
Community Development			
Capital Outlay	<u>73,772</u>	<u>73,500</u>	<u>272</u>
Total Community Environment	<u>73,772</u>	<u>73,500</u>	<u>272</u>
Total Expenditures	<u>73,772</u>	<u>73,500</u>	<u>272</u>
Excess of Revenues Over Expenditures	8,795	9,067	272
Fund Balance at Beginning of Year	47,415	47,415	0
Prior Year Encumbrances Appropriated	<u>273</u>	<u>273</u>	<u>0</u>
Fund Balance at End of Year	<u>\$56,483</u>	<u>\$56,755</u>	<u>\$272</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMPUTER IMPROVEMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$51,828	\$51,828	\$0
Total Revenues	51,828	51,828	0
Expenditures:			
Current:			
Security of Persons and Property			
Computer Improvement			
Contractual Services	14,489	13,570	919
Supplies and Materials	5,000	4,887	113
Capital Outlay	62,893	42,617	20,276
Total Security of Persons and Property	82,382	61,074	21,308
Total Expenditures	82,382	61,074	21,308
Excess of Revenues Under Expenditures	(30,554)	(9,246)	21,308
Fund Balance at Beginning of Year	86,608	86,608	0
Prior Year Encumbrances Appropriated	9,549	9,549	0
Fund Balance at End of Year	\$65,603	\$86,911	\$21,308

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMPUTERIZED LEGAL RESEARCH FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$9,660	\$9,660	\$0
Total Revenues	9,660	9,660	0
Expenditures:			
Current:			
Security of Persons and Property			
Computerized Legal Research			
Contractual Services	8,781	3,900	4,881
Supplies and Materials	2,800	150	2,650
Total Security of Persons and Property	11,581	4,050	7,531
Total Expenditures	11,581	4,050	7,531
Excess of Revenues Over (Under) Expenditures	(1,921)	5,610	7,531
Fund Balance at Beginning of Year	56,067	56,067	0
Prior Year Encumbrances Appropriated	3,481	3,481	0
Fund Balance at End of Year	<u>\$57,627</u>	<u>\$65,158</u>	<u>\$7,531</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COPS FAST FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$69,218	\$69,218	\$0
Other	9	9	0
Total Revenues	<u>69,227</u>	<u>69,227</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
COPS FAST			
Personal Services	211,667	133,177	78,490
Total Security Persons and Property	<u>211,667</u>	<u>133,177</u>	<u>78,490</u>
Total Expenditures	<u>211,667</u>	<u>133,177</u>	<u>78,490</u>
Excess of Revenues Under Expenditures	<u>(142,440)</u>	<u>(63,950)</u>	<u>78,490</u>
Other Financing Sources:			
Operating Transfers - In	75,000	75,000	0
Total Other Financing Sources	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(67,440)</u>	<u>11,050</u>	<u>78,490</u>
Fund Balance at Beginning of Year	<u>10,269</u>	<u>10,269</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$57,171)</u></u>	<u><u>\$21,319</u></u>	<u><u>\$78,490</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DARE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$1,110	\$1,110	\$0
Total Revenues	1,110	1,110	0
Expenditures:			
Current:			
Security of Persons and Property			
DARE Program			
Supplies and Materials	1,180	0	1,180
Total Security of Persons and Property	1,180	0	1,180
Total Expenditures	1,180	0	1,180
Excess of Revenues Over (Under) Expenditures	(70)	1,110	1,180
Fund Balance at Beginning of Year	5,284	5,284	0
Fund Balance at End of Year	\$5,214	\$6,394	\$1,180

**CITY OF LEBANON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 DRUG LAW ENFORCEMENT FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$2,833	\$2,833	\$0
Total Revenues	2,833	2,833	0
Expenditures:			
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	2,833	2,833	0
Fund Balance at Beginning of Year	10,344	10,344	0
Fund Balance at End of Year	<u>\$13,177</u>	<u>\$13,177</u>	<u>\$0</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENFORCEMENT AND EDUCATION FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$422	\$422	\$0
Fines, Licenses and Permits	1,854	1,854	0
Total Revenues	<u>2,276</u>	<u>2,276</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property Enforcement and Education			
Other	4,686	1,571	3,115
Total Security of Persons and Property	<u>4,686</u>	<u>1,571</u>	<u>3,115</u>
Total Expenditures	<u>4,686</u>	<u>1,571</u>	<u>3,115</u>
Excess of Revenues Over (Under) Expenditures	(2,410)	705	3,115
Fund Balance at Beginning of Year	<u>21,199</u>	<u>21,199</u>	<u>0</u>
Fund Balance at End of Year	<u>\$18,789</u>	<u>\$21,904</u>	<u>\$3,115</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE AND LIFE SQUAD FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$543,292	\$543,292	\$0
Intergovernmental	50,922	50,922	0
Charges for Services	46,213	46,213	0
Other	876	876	0
Total Revenues	<u>641,303</u>	<u>641,303</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	281,043	245,419	35,624
Travel Transportation	20,612	19,604	1,008
Contractual Services	145,214	138,364	6,850
Supplies and Materials	23,920	20,871	3,049
Capital Outlay	1,314,119	1,195,399	118,720
Total Security of Persons and Property	<u>1,784,908</u>	<u>1,619,657</u>	<u>165,251</u>
Total Expenditures	<u>1,784,908</u>	<u>1,619,657</u>	<u>165,251</u>
Excess of Revenues Under Expenditures	<u>(1,143,605)</u>	<u>(978,354)</u>	<u>165,251</u>
Other Financing Sources:			
Proceeds from Sale of Notes	600,000	600,000	0
Operating Transfers - In	150,000	150,000	0
Total Other Financing Sources	<u>750,000</u>	<u>750,000</u>	<u>0</u>
Excess of Revenue and Other Financing Sources Under Expenditures	<u>(393,605)</u>	<u>(228,354)</u>	<u>165,251</u>
Fund Balance at Beginning of Year	424,229	424,229	0
Prior Year Encumbrances Appropriated	86,247	86,247	0
Fund Balance at End of Year	<u>\$116,871</u>	<u>\$282,122</u>	<u>\$165,251</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INDIGENT DRIVERS' ALCOHOL TREATMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$2,500	\$2,500	\$0
Other	2,050	2,050	0
Total Revenues	<u>4,550</u>	<u>4,550</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Indigent Drivers' Alcohol Treatment			
Other	7,150	1,804	5,346
Total Security of Persons and Property	<u>7,150</u>	<u>1,804</u>	<u>5,346</u>
Total Expenditures	<u>7,150</u>	<u>1,804</u>	<u>5,346</u>
Excess of Revenues Over (Under) Expenditures	(2,600)	2,746	5,346
Fund Balance at Beginning of Year	<u>35,795</u>	<u>35,795</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$33,195</u></u>	<u><u>\$38,541</u></u>	<u><u>\$5,346</u></u>

**CITY OF LEBANON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LAW ENFORCEMENT FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$440	\$440	\$0
Total Revenues	440	440	0
Expenditures:			
	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	440	440	0
Fund Balance at Beginning of Year	11,337	11,337	0
Fund Balance at End of Year	\$11,777	\$11,777	\$0

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKING FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$29,839	\$29,839	\$0
Total Revenues	29,839	29,839	0
Expenditures:			
Current:			
Transportation			
Parking Facilities			
Contractual Services	5,725	3,982	1,743
Supplies and Materials	175	90	85
Reimbursements	24,150	24,150	0
Capital Outlay	57,300	7,921	49,379
Total Transportation	87,350	36,143	51,207
Total Expenditures	87,350	36,143	51,207
Excess of Revenues Under Expenditures	(57,511)	(6,304)	51,207
Fund Balance at Beginning of Year	61,551	61,551	0
Prior Year Encumbrances Appropriated	2,000	2,000	0
Fund Balance at End of Year	\$6,040	\$57,247	\$51,207

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK RECREATION IMPACT FEE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Fines, Licenses and Permits	<u>\$151,514</u>	<u>\$122,513</u>	<u>(\$29,001)</u>
Total Revenues	<u>151,514</u>	<u>122,513</u>	<u>(29,001)</u>
Expenditures:			
Current:			
Community Environment			
Capital Outlay	<u>228,000</u>	<u>90,000</u>	<u>138,000</u>
Total Community Environment	<u>228,000</u>	<u>90,000</u>	<u>138,000</u>
Total Expenditures	<u>228,000</u>	<u>90,000</u>	<u>138,000</u>
Excess of Revenues Over (Under) Expenditures	<u>(76,486)</u>	<u>32,513</u>	<u>108,999</u>
Other Financing Sources:			
Operating Transfers - In	<u>58,449</u>	<u>58,449</u>	<u>0</u>
Total Other Financing Sources	<u>58,449</u>	<u>58,449</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(18,037)</u>	<u>90,962</u>	<u>108,999</u>
Fund Balance at Beginning of Year	<u>225,126</u>	<u>225,126</u>	<u>0</u>
Fund Balance at End of Year	<u>\$207,089</u>	<u>\$316,088</u>	<u>\$108,999</u>

**CITY OF LEBANON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 STATE HIGHWAY FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$34,882	\$31,042	(\$3,840)
Total Revenues	<u>34,882</u>	<u>31,042</u>	<u>(3,840)</u>
Expenditures:			
Current:			
Transportation			
State Highway			
Contractual Services	12,000	9,253	2,747
Supplies and Materials	16,457	11,392	5,065
Total Transportation	<u>28,457</u>	<u>20,645</u>	<u>7,812</u>
Total Expenditures	<u>28,457</u>	<u>20,645</u>	<u>7,812</u>
Excess of Revenues Over Expenditures	6,425	10,397	3,972
Fund Balance at Beginning of Year	54,679	54,679	0
Prior Year Encumbrances Appropriated	3,457	3,457	0
Fund Balance at End of Year	<u>\$64,561</u>	<u>\$68,533</u>	<u>\$3,972</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET MAINTENANCE AND REPAIR FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other Local Taxes	\$104,966	\$104,966	\$0
Intergovernmental	430,208	382,849	(47,359)
Charges for Services	15,010	15,010	0
Other	15,538	15,538	0
Total Revenues	565,722	518,363	(47,359)
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	402,218	358,481	43,737
Travel Transportation	500	0	500
Contractual Services	91,913	90,715	1,198
Supplies and Materials	60,934	53,246	7,688
Total Transportation	555,565	502,442	53,123
Total Expenditures	555,565	502,442	53,123
Excess of Revenues Over Expenditures	10,157	15,921	5,764
Fund Balance at Beginning of Year	767,145	767,145	0
Prior Year Encumbrances Appropriated	7,797	7,797	0
Fund Balance at End of Year	\$785,099	\$790,863	\$5,764

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Payments in Lieu of Taxes	\$304,260	\$304,260	\$0
Intergovernmental	33,806	33,806	0
Total Revenues	338,066	338,066	0
Expenditures:			
Current:			
Community Environment			
Community Planning			
Supplies and Materials	100,300	75,277	25,023
Total Community Environment	100,300	75,277	25,023
Total Expenditures	100,300	75,277	25,023
Excess of Revenues Over Expenditures	237,766	262,789	25,023
Other Financing Uses:			
Operating Transfers - Out	(208,700)	(144,089)	64,611
Total Other Financing Uses	(208,700)	(144,089)	64,611
Excess of Revenues Over Expenditures and Other Financing Uses	29,066	118,700	89,634
Fund Balance at Beginning of Year	123,045	123,045	0
Fund Balance at End of Year	\$152,111	\$241,745	\$89,634

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, AND EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Favorable (Unfavorable)
Revenues:			
Property Taxes	\$543,292	\$543,292	\$0
Other Local Taxes	104,966	104,966	0
Payments in Lieu of Taxes	304,260	304,260	0
Intergovernmental	733,203	682,004	(51,199)
Charges for Services	118,549	118,549	0
Fines, Licenses and Permits	250,028	221,027	(29,001)
Interest	6,841	6,841	0
Other	25,430	25,430	0
Total Revenues	2,086,569	2,006,369	(80,200)
Expenditures:			
Current:			
Security of Persons and Property			
DARE Program			
Supplies and Materials	1,180	0	1,180
Indigent Driver's Alcohol Treatment			
Other	7,150	1,804	5,346
Enforcement and Education			
Other	4,686	1,571	3,115
Fire Fighting, Prevention and Inspection			
Personal Services	281,043	245,419	35,624
Travel Transportation	20,612	19,604	1,008
Contractual Services	145,214	138,364	6,850
Supplies and Materials	23,920	20,871	3,049
Capital Outlay	1,314,119	1,195,399	118,720
Computer Improvement			
Contractual Services	14,489	13,570	919
Supplies and Materials	5,000	4,887	113
Capital Outlay	62,893	42,617	20,276
Computerized Legal Research			
Contractual Services	8,781	3,900	4,881
Supplies and Materials	2,800	150	2,650
COPS FAST			
Personal Services	211,667	133,177	78,490
Total Security of Persons and Property	2,103,554	1,821,333	282,221
Public Health Services			
Cemetery			
Personal Services	77,962	77,506	456
Contractual Services	20,247	16,696	3,551
Supplies and Materials	1,912	1,851	61
Total Public Health Services	\$100,121	\$96,053	\$4,068

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, AND EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Bi-Centennial Celebration Fund			
Contractual Services	\$2,800	\$2,800	\$0
Community Development			
Capital Outlay	73,772	73,500	272
Park Recreation Impact Fee Fund			
Capital Outlay	228,000	90,000	138,000
Tax Increment Financing			
Supplies and Materials	100,300	75,277	25,023
Total Community Environment	404,872	241,577	163,295
Transportation			
Street Maintenance and Repair			
Personal Services	402,218	358,481	43,737
Travel Transportation	500	0	500
Contractual Services	91,913	90,715	1,198
Supplies and Materials	60,934	53,246	7,688
State Highway Maintenance			
Contractual Services	12,000	9,253	2,747
Supplies and Materials	16,457	11,392	5,065
Parking Facilities			
Contractual Services	5,725	3,982	1,743
Supplies and Materials	175	90	85
Reimbursements	24,150	24,150	0
Capital Outlay	57,300	7,921	49,379
Total Transportation	671,372	559,230	112,142
Total Expenditures	3,279,919	2,718,193	561,726
Excess of Revenues Over Expenditures	(1,193,350)	(711,824)	481,526
Other Financing Sources (Uses):			
Proceeds from Sale Notes	600,000	600,000	0
Operating Transfers - In	319,449	319,449	0
Operating Transfers - Out	(208,700)	(144,089)	64,611
Total Other Financing Sources (Uses)	710,749	775,360	64,611
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(482,601)	63,536	546,137
Fund Balances at Beginning of Year	2,053,484	2,053,484	0
Prior Year Encumbrances Appropriated	113,998	113,998	0
Fund Balances at End of Year	\$1,684,881	\$2,231,018	\$546,137

CAPITAL PROJECTS FUNDS

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

Capital Improvements

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

Cemetery Improvement

To account for monies transferred from the General Fund to be used for cemetery improvements.

Community Center

To account for monies transferred from the General Fund for the construction or renovation of a building for a Community Center.

Industrial Development

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

State Issue II

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds.

CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 DECEMBER 31, 1999

	Capital Improvements	Cemetery Improvement	Community Center
Assets:			
Equity in Pooled Cash and			
Cash Equivalents	\$1,386,097	\$1,026,573	\$511,414
Receivables:			
Taxes	159,074	0	0
Special Assessments	120,442	0	0
Prepaid Items	68	-	0
Interfund Receivables	63,000	0	0
Capital Lease Receivable	0	0	0
Total Assets	\$1,728,681	\$1,026,573	\$511,414
Liabilities:			
Accounts Payable	\$24,170	\$12,496	\$0
Contracts Payable	42,120	0	0
Contracts Payable Retainage	34,145	0	0
Accrued Interest Payable	4,709	0	0
Interfund Payable	0	0	0
Deferred Revenue	120,442	0	0
Notes Payable	550,000	0	0
Advances From Other Funds	0	0	0
Total Liabilities	775,586	12,496	0
Fund Equity:			
Fund Balances:			
Reserved for Encumbrances	542,239	61,819	0
Unreserved, Undesignated (Deficit)	410,856	952,258	511,414
Total Fund Equity (Deficit)	953,095	1,014,077	511,414
Total Liabilities and Fund Equity	\$1,728,681	\$1,026,573	\$511,414

<u>Industrial Development</u>	<u>State Issue II</u>	<u>Total</u>
\$111,112	\$81,167	\$3,116,363
0	0	159,074
0	0	120,442
0	0	68
0	0	63,000
64,194	0	64,194
<u>\$175,306</u>	<u>\$81,167</u>	<u>\$3,523,141</u>
\$0	\$0	\$36,666
0	0	42,120
0	0	34,145
47,839	0	52,548
355,000	0	355,000
64,194	0	184,636
2,000,000	0	2,550,000
1,855,611	0	1,855,611
<u>4,322,644</u>	<u>0</u>	<u>5,110,726</u>
7,200	0	611,258
(4,154,538)	81,167	(2,198,843)
<u>(4,147,338)</u>	<u>81,167</u>	<u>(1,587,585)</u>
<u>\$175,306</u>	<u>\$81,167</u>	<u>\$3,523,141</u>

CITY OF LEBANON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Capital Improvements</u>	<u>Cemetery Improvement</u>	<u>Community Center</u>
Revenues:			
Income Taxes	\$1,365,207	\$0	\$0
Other Local Taxes	66,755	0	0
Intergovernmental	5,000	0	0
Special Assessments	8,831	0	0
Interest	0	22,639	11,414
Other	56,586	0	0
Total Revenues	<u>1,502,379</u>	<u>22,639</u>	<u>11,414</u>
Expenditures:			
Current:			
Public Health Services	0	18,506	0
Community Environment	0	0	0
General Government	67,808	0	0
Capital Outlay	2,105,847	190,056	0
Debt Service:			
Interest and Fiscal Charges	4,709	0	0
Total Expenditures	<u>2,178,364</u>	<u>208,562</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(675,985)</u>	<u>(185,923)</u>	<u>11,414</u>
Other Financing Sources:			
Operating Transfers - In	0	1,200,000	500,000
Total Other Financing Sources	<u>0</u>	<u>1,200,000</u>	<u>500,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(675,985)</u>	<u>1,014,077</u>	<u>511,414</u>
Fund Balances (Deficit) at Beginning of Year	<u>1,629,080</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>\$953,095</u>	<u>\$1,014,077</u>	<u>\$511,414</u>

<u>Industrial Development</u>	<u>State Issue II</u>	<u>Total</u>
\$0	\$415,280	\$1,780,487
0	0	66,755
0	263,491	268,491
0	0	8,831
14,886	0	48,939
6,129	64,035	126,750
<u>21,015</u>	<u>742,806</u>	<u>2,300,253</u>
0	0	18,506
12,311	0	12,311
0	0	67,808
558,867	149,327	3,004,097
<u>87,939</u>	<u>5,783</u>	<u>98,431</u>
<u>659,117</u>	<u>155,110</u>	<u>3,201,153</u>
<u>(638,102)</u>	<u>587,696</u>	<u>(900,900)</u>
<u>125,338</u>	<u>0</u>	<u>1,825,338</u>
<u>125,338</u>	<u>0</u>	<u>1,825,338</u>
(512,764)	587,696	924,438
<u>(3,634,574)</u>	<u>(506,529)</u>	<u>(2,512,023)</u>
<u>(\$4,147,338)</u>	<u>\$81,167</u>	<u>(\$1,587,585)</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$1,374,928	\$1,374,928	\$0
Other Local Taxes	66,755	66,755	0
Intergovernmental	5,000	5,000	0
Special Assessments	8,831	8,831	0
Proceeds from Sale of Notes	550,000	550,000	0
Other	56,586	56,586	0
Total Revenues	<u>2,062,100</u>	<u>2,062,100</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Contractual Services	67,808	67,808	0
Capital Outlay	2,860,299	2,650,131	210,168
Total Expenditures	<u>2,928,107</u>	<u>2,717,939</u>	<u>210,168</u>
Excess of Revenues Under Expenditures	(866,007)	(655,839)	210,168
Fund Balance at Beginning of Year	1,189,520	1,189,520	0
Prior Year Encumbrances Appropriated	245,326	245,326	0
Fund Balance at End of Year	<u>\$568,839</u>	<u>\$779,007</u>	<u>\$210,168</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY IMPROVEMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$22,639	\$22,639	\$0
Total Revenues	<u>22,639</u>	<u>22,639</u>	<u>0</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Contractual Services	16,500	16,000	500
Supplies and Materials	2,000	1,010	990
Total Public Health Services	18,500	17,010	1,490
Capital Outlay	253,500	253,371	129
Total Expenditures	<u>272,000</u>	<u>270,381</u>	<u>1,619</u>
Excess of Revenues Under Expenditures	<u>(249,361)</u>	<u>(247,742)</u>	<u>1,619</u>
Other Financing Sources:			
Operating Transfers - In	1,200,000	1,200,000	0
Total Other Financing Sources	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	950,639	952,258	1,619
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$950,639</u>	<u>\$952,258</u>	<u>\$1,619</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY CENTER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$11,414	\$11,414	\$0
Total Revenues	11,414	11,414	0
Expenditures:			
Current:			
Leisure Time Activities Community Center Contractual Services	15,000	0	15,000
Total Leisure Time Activities	15,000	0	15,000
Total Expenditures	15,000	0	15,000
Excess of Revenues Over (Under) Expenditures	(3,586)	11,414	15,000
Other Financing Sources:			
Operating Transfers - In	500,000	500,000	0
Total Other Financing Sources	500,000	500,000	0
Excess of Revenues and Other Financing Sources Over Expenditures	496,414	511,414	15,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$496,414	\$511,414	\$15,000

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Favorable)
Revenues:			
Interest	\$14,886	\$14,886	\$0
Other	6,129	6,129	0
Total Revenues	<u>21,015</u>	<u>21,015</u>	<u>0</u>
Expenditures:			
Current:			
Community Environment			
Contractual Services	12,000	11,753	247
Supplies and Materials	1,000	558	442
Capital Outlay	596,374	593,905	2,469
Debt Service:			
Principal Retirement	2,000,000	2,000,000	0
Interest and Fiscal Charges	94,000	87,719	6,281
Total Expenditures	<u>2,703,374</u>	<u>2,693,935</u>	<u>9,439</u>
Excess of Revenues Under Expenditures	<u>(2,682,359)</u>	<u>(2,672,920)</u>	<u>9,439</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	2,000,000	2,000,000	0
Advance - In	559,193	559,193	0
Advance - Out	(104,348)	(104,348)	0
Operating Transfers - In	125,338	125,338	0
Total Other Financing Sources (Uses)	<u>2,580,183</u>	<u>2,580,183</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(102,176)</u>	<u>(92,737)</u>	<u>9,439</u>
Fund Balance at Beginning of Year	159,469	159,469	0
Prior Year Encumbrances Appropriated	37,181	37,181	0
Fund Balance at End of Year	<u>\$94,474</u>	<u>\$103,913</u>	<u>\$9,439</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STATE ISSUE II FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$263,491	\$263,491	\$0
Other	64,035	64,035	0
Total Revenues	327,526	327,526	0
Expenditures:			
Capital Outlay	600,091	591,126	8,965
Debt Service:			
Interest and Fiscal Charges	280	0	280
Total Expenditures	600,371	591,126	9,245
Excess of Revenues Under Expenditures	(272,845)	(263,600)	9,245
Fund Equity (Deficit) at Beginning of Year	(255,324)	(255,324)	0
Prior Year Encumbrances Appropriated	600,091	600,091	0
Fund Equity at End of Year	\$71,922	\$81,167	\$9,245

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, AND EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$1,374,928	\$1,374,928	\$0
Other Local Taxes	66,755	66,755	0
Intergovernmental	268,491	268,491	0
Special Assessments	8,831	8,831	0
Interest	48,939	48,939	0
Other	126,750	126,750	0
Total Revenues	1,894,694	1,894,694	0
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Contractual Services	16,500	16,000	500
Supplies and Materials	2,000	1,010	990
Total Public Health Services	18,500	17,010	1,490
Leisure Time Activities			
Community Center			
Contractual Services	15,000	0	15,000
Total Leisure Time Activities	15,000	0	15,000
Community Environment			
Contractual Services	12,000	11,753	247
Supplies and Materials	1,000	558	442
Total Community Environment	13,000	12,311	689
General Government			
Contractual Services	67,808	67,808	0
Total General Government	67,808	67,808	0
Capital Outlay	4,310,264	4,088,533	221,731
Debt Service:			
Principal Retirement	2,000,000	2,000,000	0
Interest and Fiscal Charges	94,280	87,719	6,561
Total Debt Service	2,094,280	2,087,719	6,561
Total Expenditures	6,518,852	6,273,381	245,471
Excess of Revenues Under Expenditures	(\$4,624,158)	(\$4,378,687)	\$245,471

(continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, AND EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	\$2,550,000	\$2,550,000	\$0
Advance - In	559,193	559,193	0
Advance - Out	(104,348)	(104,348)	0
Operating Transfers - In	1,825,338	1,825,338	0
Total Other Financing Sources (Uses)	4,830,183	4,830,183	0
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	206,025	451,496	245,471
Fund Balances at Beginning of Year	1,093,665	1,093,665	0
Prior Year Encumbrances Appropriated	882,598	882,598	0
Fund Balances at End of Year	\$2,182,288	\$2,427,759	\$245,471

DEBT SERVICE FUNDS

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

General Obligation Debt Retirement

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

Library Bond Retirement

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

Special Assessment Bond Retirement

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

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
DECEMBER 31, 1999**

	General Obligation Debt Retirement	Library Bond Retirement	Special Assessment Bond Retirement	Total
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,567,555	\$173,646	\$261,582	\$3,002,783
Cash and Cash Equivalents with Fiscal Agents	105	0	8,453	8,558
Receivables:				
Taxes	79,536	118,120	0	197,656
Special Assessments	0	0	1,672,585	1,672,585
Total Assets	<u>\$2,647,196</u>	<u>\$291,766</u>	<u>\$1,942,620</u>	<u>\$4,881,582</u>
Liabilities:				
Accounts Payable	\$0	\$0	\$465	\$465
Matured Interest Payable	105	0	3,453	3,558
Deferred Revenue	0	118,120	1,672,585	1,790,705
Total Liabilities	<u>105</u>	<u>118,120</u>	<u>1,676,503</u>	<u>1,794,728</u>
Fund Equity:				
Fund Balances:				
Unreserved, Undesignated	2,647,091	173,646	266,117	3,086,854
Total Fund Equity	<u>2,647,091</u>	<u>173,646</u>	<u>266,117</u>	<u>3,086,854</u>
Total Liabilities and Fund Equity	<u>\$2,647,196</u>	<u>\$291,766</u>	<u>\$1,942,620</u>	<u>\$4,881,582</u>

**CITY OF LEBANON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL DEBT SERVICES FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Obligation Debt Retirement	Library Bond Retirement	Special Assessment Bond Retirement	Total
Revenues:				
Property Taxes	\$0	\$111,654	\$0	\$111,654
Income Taxes	267,323	0	0	267,323
Intergovernmental	0	11,827	0	11,827
Special Assessments	0	0	181,781	181,781
Interest	197,348	0	0	197,348
Other	0	0	1,054	1,054
Total Revenues	464,671	123,481	182,835	770,987
Expenditures:				
Debt Service:				
Principal Retirement	134,695	85,000	95,305	315,000
Interest and Fiscal Charges	179,997	35,218	93,788	309,003
Total Expenditures	314,692	120,218	189,093	624,003
Excess of Revenues Over (Under) Expenditures	149,979	3,263	(6,258)	146,984
Other Financing Sources:				
Operating Transfers - In	0	0	15,000	15,000
Total Other Financing Sources	0	0	15,000	15,000
Excess of Revenues and Other Financing Sources Over Expenditures	149,979	3,263	8,742	161,984
Fund Balances at Beginning of Year	2,497,112	170,383	257,375	2,924,870
Fund Balances at End of Year	<u>\$2,647,091</u>	<u>\$173,646</u>	<u>\$266,117</u>	<u>\$3,086,854</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL OBLIGATION DEBT RETIREMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$687,464	\$687,464	\$0
Interest	197,348	197,348	0
Total Revenues	884,812	884,812	0
Expenditures:			
Debt Service:			
Principal Retirement	1,142,655	534,695	607,960
Interest and Fiscal Charges	207,807	195,277	12,530
Total Expenditures	1,350,462	729,972	620,490
Excess of Revenues Over (Under) Expenditures	(465,650)	154,840	620,490
Fund Balance at Beginning of Year	2,412,715	2,412,715	0
Fund Balance at End of Year	<u>\$1,947,065</u>	<u>\$2,567,555</u>	<u>\$620,490</u>

**CITY OF LEBANON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 LIBRARY BOND RETIREMENT FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$111,654	\$111,654	\$0
Intergovernmental	11,827	11,827	0
Total Revenues	<u>123,481</u>	<u>123,481</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	85,000	85,000	0
Interest and Fiscal Charges	46,128	35,218	10,910
Total Expenditures	<u>131,128</u>	<u>120,218</u>	<u>10,910</u>
Excess of Revenues Over (Under) Expenditures	(7,647)	3,263	10,910
Fund Balance at Beginning of Year	<u>170,383</u>	<u>170,383</u>	<u>0</u>
Fund Balance at End of Year	<u>\$162,736</u>	<u>\$173,646</u>	<u>\$10,910</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL ASSESSMENT BOND RETIREMENT FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special Assessments	\$181,781	\$181,781	\$0
Other	1,054	1,054	0
Total Revenues	<u>182,835</u>	<u>182,835</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	100,305	100,305	0
Interest and Fiscal Charges	97,665	93,487	4,178
Total Debt Service	<u>197,970</u>	<u>193,792</u>	<u>4,178</u>
Total Expenditures	<u>197,970</u>	<u>193,792</u>	<u>4,178</u>
Excess of Revenues Under Expenditures	<u>(15,135)</u>	<u>(10,957)</u>	<u>4,178</u>
Other Financing Sources:			
Operating Transfers - In	15,000	15,000	0
Total Other Financing Sources	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(135)	4,043	4,178
Fund Balance at Beginning of Year	<u>257,539</u>	<u>257,539</u>	<u>0</u>
Fund Balance at End of Year	<u>\$257,404</u>	<u>\$261,582</u>	<u>\$4,178</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$111,654	\$111,654	\$0
Income Taxes	687,464	687,464	0
Intergovernmental	11,827	11,827	0
Special Assessments	181,781	181,781	0
Interest	197,348	197,348	0
Other	1,054	1,054	0
Total Revenues	<u>1,191,128</u>	<u>1,191,128</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	1,327,960	720,000	607,960
Interest and Fiscal Charges	<u>351,600</u>	<u>323,982</u>	<u>27,618</u>
Total Debt Service	<u>1,679,560</u>	<u>1,043,982</u>	<u>635,578</u>
Total Expenditures	<u>1,679,560</u>	<u>1,043,982</u>	<u>635,578</u>
Excess of Revenues Over (Under) Expenditures	<u>(488,432)</u>	<u>147,146</u>	<u>635,578</u>
Other Financing Sources:			
Operating Transfers - In	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Total Other Financing Sources	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(473,432)</u>	<u>162,146</u>	<u>635,578</u>
Fund Balance at Beginning of Year	<u>2,840,637</u>	<u>2,840,637</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,367,205</u>	<u>\$3,002,783</u>	<u>\$635,578</u>

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ENTERPRISE FUNDS

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

Electric

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

Sanitation

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

Sewer

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

Water

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

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1999**

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Assets:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$4,191,977	\$446,312	\$8,916,202	\$8,485,474	\$22,039,965
Accounts Receivable	1,285,487	82,220	177,314	223,843	1,768,864
Special Assessments	0	0	84,083	0	84,083
Due from Other Governments	191,605	0	20,193	0	211,798
Inventory of Supplies	731,215	87,959	22,876	61,676	903,726
Prepaid Items	32,138	0	8,085	11,645	51,868
Interfund Receivables	0	0	0	500,000	500,000
Total Current Assets	6,432,422	616,491	9,228,753	9,282,638	25,560,304
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalent Cash and Cash Equivalents with Fiscal Agents	738,843	0	240,000	200,000	1,178,843
	430,696	0	639,716	614,399	1,684,811
Total Restricted Assets:	1,169,539	0	879,716	814,399	2,863,654
Deferred Charges - Mortgage Revenue Bond Issuance Costs					
	87,057	0	59,618	248,177	394,852
Fixed Assets:					
Land	889,301	54,000	676,677	3,645,809	5,265,787
Improvements					
Other than Buildings	451,485	0	19,746	996,733	1,467,964
Buildings	1,733,578	100,000	8,895,174	2,498,953	13,227,705
Equipment	5,107,372	11,250	220,402	441,752	5,780,776
Vehicles	795,388	56,600	159,201	146,927	1,158,116
Infrastructure	17,802,395	0	5,961,779	7,748,372	31,512,546
Construction In Progress	4,662,782	0	3,315,281	1,584,416	9,562,479
Less: Accumulated Depreciation	(11,215,747)	(110,753)	(3,821,568)	(2,848,547)	(17,996,615)
Total Fixed Assets	20,226,554	111,097	15,426,692	14,214,415	49,978,758
Total Assets	\$27,915,572	\$727,588	\$25,594,779	\$24,559,629	\$78,797,568

(Continued)

CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1999
(Continued)

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Liabilities:					
Current Liabilities:					
Accounts Payable	\$830,766	\$0	\$43,216	\$18,134	\$892,116
Contracts Payable	4,453	0	413,966	89,797	508,216
Contracts Payable Retainage	0	0	0	25,825	25,825
Accrued Salaries Payable	11,014	0	2,931	2,596	16,541
Accrued Interest Payable	88,485	0	0	0	88,485
Due to Other Funds	3,768	0	1,513	473	5,754
Due to Other Governments	39,244	0	9,819	17,186	66,249
Interfund Payable	0	0	500,000	0	500,000
Notes Payable	8,250,000	0	0	0	8,250,000
Total Current Liabilities	9,227,730	0	971,445	154,011	10,353,186
Liabilities Payable from Restricted Assets:					
Refundable Deposits	245,378	0	0	0	245,378
Mortgage Revenue Bonds Payable	172,537	0	322,738	325,000	820,275
Accrued Interest Payable	7,457	0	27,463	94,767	129,687
Total Liabilities Payable from Restricted Assets	425,372	0	350,201	419,767	1,195,340
Long-Term Liabilities:					
Compensated Absences Payable	72,417	0	65,935	75,214	213,566
Mortgage Revenue Bonds Payable	4,230,602	0	9,859,638	9,781,590	23,871,830
Total Long-Term Liabilities	4,303,019	0	9,925,573	9,856,804	24,085,396
Total Liabilities	13,956,121	0	11,247,219	10,430,582	35,633,922
Fund Equity:					
Contributed Capital	67,995	347,887	11,016,392	5,221,778	16,654,052
Retained Earnings:					
Reserved for Revenue Bonds					
Replacement and Improvement	492,500	0	240,000	200,000	932,500
Unreserved	13,398,956	379,701	3,091,168	8,707,269	25,577,094
Total Fund Equity	13,959,451	727,588	14,347,560	14,129,047	43,163,646
Total Liabilities and Fund Equity	\$27,915,572	\$727,588	\$25,594,779	\$24,559,629	\$78,797,568

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
Operating Revenues:			
Charges for Services	\$8,506,170	\$733,934	\$1,815,401
Fines, Licenses and Permits	64,095	0	0
Other	125,554	10,667	2,474
Total Operating Revenues	<u>8,695,819</u>	<u>744,601</u>	<u>1,817,875</u>
Operating Expenses:			
Personal Services	1,713,172	0	349,682
Travel Transportation	8,946	0	3,380
Contractual Services	529,459	672,827	824,297
Supplies and Materials	185,171	28,474	46,677
Purchased Power	4,564,742	0	0
Other	3,143	180	234
Depreciation	1,210,114	3,762	330,808
Total Operating Expenses	<u>8,214,747</u>	<u>705,243</u>	<u>1,555,078</u>
Operating Income	<u>481,072</u>	<u>39,358</u>	<u>262,797</u>
Non-Operating Revenues (Expenses):			
Interest	189,023	0	323,440
Loss on Disposal of Fixed Assets	0	0	(55)
Interest and Fiscal Charges	(513,479)	0	(590,334)
Total Non-Operating Revenues (Expenses)	<u>(324,456)</u>	<u>0</u>	<u>(266,949)</u>
Net Income (Loss)	156,616	39,358	(4,152)
Retained Earnings at Beginning of Year	<u>13,734,840</u>	<u>340,343</u>	<u>3,335,320</u>
Retained Earnings at End of Year	<u>\$13,891,456</u>	<u>\$379,701</u>	<u>\$3,331,168</u>

<u>Water</u>	<u>Total</u>
\$2,189,718	\$13,245,223
0	64,095
<u>13,614</u>	<u>152,309</u>
<u>2,203,332</u>	<u>13,461,627</u>
320,086	2,382,940
561	12,887
493,447	2,520,030
34,625	294,947
0	4,564,742
149	3,706
<u>278,317</u>	<u>1,823,001</u>
<u>1,127,185</u>	<u>11,602,253</u>
<u>1,076,147</u>	<u>1,859,374</u>
380,581	893,044
(952)	(1,007)
<u>(420,404)</u>	<u>(1,524,217)</u>
<u>(40,775)</u>	<u>(632,180)</u>
1,035,372	1,227,194
<u>7,871,897</u>	<u>25,282,400</u>
<u>\$8,907,269</u>	<u>\$26,509,594</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
ELECTRIC FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$8,378,570	\$8,378,570	\$0
Fines, Licenses and Permits	64,095	64,095	0
Other	102,171	125,554	23,383
Interest	189,023	189,023	0
Utility Deposits Received	79,800	80,032	232
Proceeds from Sale of Notes	10,850,000	10,850,000	0
Total Revenues	19,663,659	19,687,274	23,615
Expenses:			
Personal Services			
Administration	638,433	636,928	1,505
Customer Account Expense	99,399	98,032	1,367
Distribution	799,614	767,427	32,187
Telecommunications	292,936	291,319	1,617
Power Production-Maintenance	112,269	108,101	4,168
Total Personal Services	1,942,651	1,901,807	40,844
Travel Transportation			
Administration	7,000	51	6,949
Customer Account Expense	2,000	0	2,000
Distribution	5,000	970	4,030
Telecommunications	8,000	7,925	75
Power Production-Maintenance	1,000	0	1,000
Total Travel Transportation	23,000	8,946	14,054
Contractual Services			
Administration	955,141	937,962	17,179
Customer Account Expense	81,561	77,269	4,292
Distribution	323,445	255,839	67,606
Telecommunications	411,707	388,711	22,996
Power Production-Maintenance	144,490	106,566	37,924
Total Contractual Services	\$1,916,344	\$1,766,347	\$149,997

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
ELECTRIC FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$7,713	\$5,948	\$1,765
Customer Account Expense	7,263	4,786	2,477
Distribution	43,965	37,886	6,079
Telecommunications	60,579	57,736	2,843
Power Production-Maintenance	163,565	163,565	0
Total Supplies and Materials	<u>283,085</u>	<u>269,921</u>	<u>13,164</u>
Purchased Power			
Power Production-Operation	5,000,000	4,573,294	426,706
Other	6,000	3,143	2,857
Utility Deposits Returned	101,766	83,381	18,385
Capital Outlay	9,855,668	9,343,971	511,697
Debt Service:			
Principal Retirement	6,265,000	6,265,000	0
Interest and Fiscal Charges	459,235	459,235	0
Total Expenses	<u>25,852,749</u>	<u>24,675,045</u>	<u>1,177,704</u>
Excess of Revenues Under Expenses	(6,189,090)	(4,987,771)	(1,201,319)
Fund Equity at Beginning of Year	3,667,518	3,667,518	0
Prior Year Encumbrances Appropriated	5,264,388	5,264,388	0
Fund Equity at End of Year	<u>\$2,742,816</u>	<u>\$3,944,135</u>	<u>(\$1,201,319)</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
SANITATION FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$712,722	\$712,722	\$0
Other	10,667	10,667	0
Total Revenues	<u>723,389</u>	<u>723,389</u>	<u>0</u>
Expenses:			
Contractual Services	690,567	689,111	1,456
Supplies and Materials	50,000	49,673	327
Capital Outlay	12,009	2,009	10,000
Other	200	180	20
Total Expenses	<u>752,776</u>	<u>740,973</u>	<u>11,803</u>
Excess of Revenues Under Expenses	(29,387)	(17,584)	11,803
Fund Equity at Beginning of Year	418,204	418,204	0
Prior Year Encumbrances Appropriated	27,683	27,683	0
Fund Equity at End of Year	<u>\$416,500</u>	<u>\$428,303</u>	<u>\$11,803</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,781,089	\$1,781,089	\$0
Other	122	2,474	2,352
Interest	295,734	323,440	27,706
Special Assessments	8,775	8,775	0
Proceeds from Sale of Bonds	8,057,182	8,830,000	772,818
Total Revenues	10,142,902	10,945,778	802,876
Expenses:			
Personal Services			
Administration	113,436	108,229	5,207
Maintenance	103,222	59,966	43,256
Plant	247,249	188,306	58,943
Total Personal Services	463,907	356,501	107,406
Travel Transportation			
Administration	1,750	0	1,750
Maintenance	500	0	500
Treatment - Upper Turtlecreek	4,200	3,380	820
Total Travel Transportation	6,450	3,380	3,070
Contractual Services			
Administration	304,896	287,510	17,386
Maintenance	34,600	20,381	14,219
Regional Sewer	25,000	24,360	640
Treatment - Upper Turtlecreek	296,300	225,369	70,931
Treatment - Lower Turtlecreek	1,400	0	1,400
Total Contractual Services	\$662,196	\$557,620	\$104,576

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$6,500	\$2,922	\$3,578
Maintenance	8,100	3,856	4,244
Treatment - Upper Turtlecreek	39,600	38,524	1,076
Treatment - Lower Turtlecreek	700	108	592
Total Supplies and Materials	<u>54,900</u>	<u>45,410</u>	<u>9,490</u>
Other	1,000	234	766
Capital Outlay	5,686,329	5,601,116	85,213
Debt Service:			
Principal Retirement	635,000	635,000	0
Interest and Fiscal Charges	<u>586,071</u>	<u>586,071</u>	<u>0</u>
Total Expenses	<u>8,095,853</u>	<u>7,785,332</u>	<u>310,521</u>
Excess of Revenues Over Expenses	2,047,049	3,160,446	1,113,397
Fund Equity at Beginning of Year	4,202,500	4,202,500	0
Prior Year Encumbrances Appropriated	<u>109,195</u>	<u>109,195</u>	<u>0</u>
Fund Equity at End of Year	<u>\$6,358,744</u>	<u>\$7,472,141</u>	<u>\$1,113,397</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
WATER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$2,119,475	\$2,119,475	\$0
Other	13,614	13,614	0
Interest	355,084	380,581	25,497
Proceeds from Sale of Bonds	8,122,329	10,177,367	2,055,038
Total Revenues	10,610,502	12,691,037	2,080,535
Expenses:			
Personal Services			
Administration	113,388	108,730	4,658
Water System Maintenance	144,104	143,974	130
Supply and Treatment	62,065	61,473	592
Total Personal Services	319,557	314,177	5,380
Travel Transportation			
Administration	2,500	128	2,372
Water System Maintenance	1,200	525	675
Supply and Treatment	1,200	36	1,164
Total Travel Transportation	4,900	689	4,211
Contractual Services			
Administration	489,296	489,296	0
Water System Maintenance	186,569	160,229	26,340
Supply and Treatment	200,148	103,424	96,724
Total Contractual Services	\$876,013	\$752,949	\$123,064

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
WATER FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$8,580	\$7,726	\$854
Water System Maintenance	23,741	11,170	12,571
Supply and Treatment	20,025	14,476	5,549
Total Supplies and Materials	<u>52,346</u>	<u>33,372</u>	<u>18,974</u>
Other	1,000	149	851
Capital Outlay	1,398,558	1,336,635	61,923
Payment to Bond Escrow	1,388,410	1,388,410	0
Debt Service:			
Principal Retirement	3,605,000	3,605,000	0
Interest and Fiscal Charges	687,243	687,243	0
Total Expenses	<u>8,333,027</u>	<u>8,118,624</u>	<u>214,403</u>
Excess of Revenues Over Expenses	2,277,475	4,572,413	2,294,938
Fund Equity at Beginning of Year	3,439,154	3,439,154	0
Prior Year Encumbrances Appropriated	621,381	621,381	0
Fund Equity at End of Year	<u>\$6,338,010</u>	<u>\$8,632,948</u>	<u>\$2,294,938</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL ENTERPRISE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$12,991,856	\$12,991,856	\$0
Fines, Licenses and Permits	64,095	64,095	0
Other	126,574	152,309	25,735
Interest	839,841	893,044	53,203
Special Assessments	8,775	8,775	0
Proceeds From Sale of Notes	10,850,000	10,850,000	0
Proceeds From Sale of Bonds	16,179,511	19,007,367	2,827,856
Utility Deposits Received	79,800	80,032	232
Total Revenues	41,140,452	44,047,478	2,907,026
Expenses:			
Personal Services			
Electric Administration	638,433	636,928	1,505
Electric Customer Account Expense	99,399	98,032	1,367
Electric Distribution	799,614	767,427	32,187
Telecommunications	292,936	291,319	1,617
Electric Power Production - Maintenance	112,269	108,101	4,168
Sewer Administration	113,436	108,229	5,207
Sewer Maintenance	103,222	59,966	43,256
Sewer Plant	247,249	188,306	58,943
Water Administration	113,388	108,730	4,658
Water System Maintenance	144,104	143,974	130
Water Supply and Treatment	62,065	61,473	592
Total Personal Services	2,726,115	2,572,485	153,630
Travel Transportation			
Electric Administration	7,000	51	6,949
Electric Customer Account Expense	2,000	0	2,000
Electric Distribution	5,000	970	4,030
Telecommunications	8,000	7,925	75
Electric Power Production - Maintenance	1,000	0	1,000
Sewer Administration	1,750	0	1,750
Sewer Maintenance	500	0	500
Treatment - Upper Turtlecreek	4,200	3,380	820
Water Administration	2,500	128	2,372
Water System Maintenance	1,200	525	675
Water Supply and Treatment	1,200	36	1,164
Total Travel Transportation	\$34,350	\$13,015	\$21,335

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL ENTERPRISE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Contractual Services			
Electric Administration	\$955,141	\$937,962	\$17,179
Electric Customer Account Expense	81,561	77,269	4,292
Electric Distribution	323,445	255,839	67,606
Telecommunications	411,707	388,711	22,996
Electric Power Production - Maintenance	144,490	106,566	37,924
Sanitation Operations	690,567	689,111	1,456
Sewer Administration	304,896	287,510	17,386
Sewer Maintenance	34,600	20,381	14,219
Regional Sewer	25,000	24,360	640
Sewer Treatment - Upper Turtlecreek	296,300	225,369	70,931
Sewer Treatment - Lower Turtlecreek	1,400	0	1,400
Water Administration	489,296	489,296	0
Water System Maintenance	186,569	160,229	26,340
Water Supply and Treatment	200,148	103,424	96,724
Total Contractual Services	4,145,120	3,766,027	379,093
Supplies and Materials			
Electric Administration	7,713	5,948	1,765
Electric Customer Account Expense	7,263	4,786	2,477
Electric Distribution	43,965	37,886	6,079
Telecommunications	60,579	57,736	2,843
Electric Power Production - Maintenance	163,565	163,565	0
Sanitation Operations	50,000	49,673	327
Sewer Administration	6,500	2,922	3,578
Sewer Maintenance	8,100	3,856	4,244
Sewer Treatment - Upper Turtlecreek	39,600	38,524	1,076
Sewer Treatment - Lower Turtlecreek	700	108	592
Water Administration	8,580	7,726	854
Water System Maintenance	23,741	11,170	12,571
Water Supply and Treatment	20,025	14,476	5,549
Total Supplies and Materials	\$440,331	\$398,376	\$41,955

(Continued)

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL ENTERPRISE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Purchased Power			
Power Production - Operation	\$5,000,000	\$4,573,294	\$426,706
Total Purchased Power	5,000,000	4,573,294	426,706
Other	8,200	3,706	4,494
Utility Deposits Returned	101,766	83,381	18,385
Capital Outlay	16,952,564	16,283,731	668,833
Payment to Bond Escrow	1,388,410	1,388,410	0
Debt Service:			
Principal Retirement	10,505,000	10,505,000	0
Interest and Fiscal Charges	1,732,549	1,732,549	0
Total Expenses	43,034,405	41,319,974	1,714,431
Excess of Revenues Over (Under) Expenses	(1,893,953)	2,727,504	4,621,457
Fund Equity at Beginning of Year	11,727,376	11,727,376	0
Prior Year Encumbrances Appropriated	6,022,647	6,022,647	0
Fund Equity at End of Year	<u>\$15,856,070</u>	<u>\$20,477,527</u>	<u>\$4,621,457</u>

CITY OF LEBANON, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$8,442,665	\$712,722	\$1,781,089
Cash Payments for Employee Services and Benefits	(1,900,438)	0	(356,154)
Cash Payments to Suppliers for Goods and Services	(5,276,238)	(722,784)	(124,967)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(1,039,589)	0	(318,927)
Other Operating Revenues	125,554	10,667	2,474
Other Operating Expenses	(3,143)	(180)	(234)
Utility Deposits Received	80,032	0	0
Utility Deposits Returned	(83,381)	0	0
Net Cash Provided by Operating Activities	<u>345,462</u>	<u>425</u>	<u>983,281</u>
Cash Flows from Capital and Related Financing Activities:			
Cash Received from Special Assessments	0	0	8,775
Acquisition of Capital Assets	(8,233,764)	0	(3,471,018)
Proceeds from Sale of Bonds	0	0	8,830,000
Proceeds from Sale of Notes	10,850,000	0	0
Payment to Escrow Agent for Refunded Bonds	0	0	0
Principal Paid on Notes	(6,100,000)	0	(500,000)
Interest Paid on Notes	(218,451)	0	(20,350)
Principal Paid on Mortgage Revenue Bonds	(165,000)	0	(135,000)
Interest Paid on Mortgage Revenue Bonds	(237,660)	0	(329,561)
Fiscal Charges on Bonds	0	0	(205,344)
Net Cash Provided By (Used for) Capital and Related Financing Activities	<u>(4,104,875)</u>	<u>0</u>	<u>4,177,502</u>
Cash Flows from Investing Activities:			
Interest	189,023	0	323,440
Net Cash Provided by Investing Activities	<u>189,023</u>	<u>0</u>	<u>323,440</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(3,570,390)</u>	<u>425</u>	<u>5,484,223</u>
Cash and Cash Equivalents Beginning of Year	<u>8,931,906</u>	<u>445,887</u>	<u>4,311,695</u>
Cash and Cash Equivalents End of Year	<u>\$5,361,516</u>	<u>\$446,312</u>	<u>\$9,795,918</u>

<u>Water</u>	<u>Total</u>
\$2,119,475	\$13,055,951
(314,102)	(2,570,694)
(177,921)	(6,301,910)
(266,417)	(1,624,933)
13,614	152,309
(149)	(3,706)
0	80,032
0	(83,381)
1,374,500	2,703,668
0	8,775
(1,012,457)	(12,717,239)
10,177,367	19,007,367
0	10,850,000
(1,388,410)	(1,388,410)
(3,500,000)	(10,100,000)
(142,450)	(381,251)
(105,000)	(405,000)
(281,951)	(849,172)
(262,842)	(468,186)
3,484,257	3,556,884
380,581	893,044
380,581	893,044
5,239,338	7,153,596
4,060,535	17,750,023
\$9,299,873	\$24,903,619

(Continued)

CITY OF LEBANON, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (Continued)

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$481,072	\$39,358	\$262,797
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	1,210,114	3,762	330,808
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(127,655)	(21,212)	(31,618)
(Increase) Decrease in Due From Other Governments	55	0	(2,694)
(Increase) Decrease in Inventory of Supplies	(4,990)	(21,199)	2,735
Decrease in Prepaids Items	3,011	0	3,900
Increase in Accounts Payable	821,114	0	38,583
Increase (Decrease) in Contracts Payable	(1,848,264)	(284)	383,917
Increase (Decrease) in Accrued Salaries Payable	(42,496)	0	(8,585)
Increase in Due to Other Funds	1,834	0	887
Increase (Decrease) in Due to Other Governments	(5,775)	0	(5,624)
Decrease in Early Retirement Incentive	(162,537)	0	0
Decrease in Liabilities Payable from Restricted Assets	(3,349)	0	0
Increase in Compensated Absences Payable	23,328	0	8,175
Net Cash Provided by Operating Activities	<u>\$345,462</u>	<u>\$425</u>	<u>\$983,281</u>

Noncash Capital Financing Activities:

During 1999, the Sewer and Water Enterprise Funds received sewer and water lines from developers with a fair market value of \$310,910 and \$223,800 respectively. During 1999, the Electric Enterprise Fund received from the General Fixed Asset Account Group fixed assets with a fair market value of \$7,995. During 1999, the Sewer Fund recognized contributed capital for a special assessment receivable in the amount of \$84,083.

<u>Water</u>	<u>Total</u>
\$1,076,147	\$1,859,374
278,317	1,823,001
(70,243)	(250,728)
0	(2,639)
12,838	(10,616)
3,236	10,147
8,142	867,839
52,345	(1,412,286)
(6,976)	(58,057)
187	2,908
7,061	(4,338)
0	(162,537)
0	(3,349)
13,446	44,949
<u>\$1,374,500</u>	<u>\$2,703,668</u>

INTERNAL SERVICE FUNDS

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

Automotive Maintenance

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

Self-Insurance

To account for the payment of all City employees' health insurance claims.

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 DECEMBER 31, 1999**

	Automotive Maintenance	Self- Insurance	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$59,145	\$593,782	\$652,927
Due from Other Funds	17,766	0	17,766
Inventory of Supplies	1,640	0	1,640
Prepaid Items	506	0	506
Total Current Assets	79,057	593,782	672,839
Fixed Assets:			
Land	64,666	0	64,666
Equipment	19,166	0	19,166
Less: Accumulated Depreciation	(17,105)	0	(17,105)
Total Fixed Assets	66,727	0	66,727
Total Assets	\$145,784	\$593,782	\$739,566
Liabilities:			
Current Liabilities:			
Accounts Payable	\$8,568	\$0	\$8,568
Claims Payable	0	208,783	208,783
Accrued Salaries Payable	832	0	832
Due to Other Governments	2,911	0	2,911
Total Current Liabilities	12,311	208,783	221,094
Long-Term Liabilities:			
Compensated Absences Payable	12,149	0	12,149
Total Long-Term Liabilities	12,149	0	12,149
Total Liabilities	24,460	208,783	233,243
Fund Equity:			
Contributed Capital	64,666	0	64,666
Retained Earnings: Unreserved	56,658	384,999	441,657
Total Fund Equity	121,324	384,999	506,323
Total Liabilities and Fund Equity	\$145,784	\$593,782	\$739,566

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Automotive Maintenance</u>	<u>Self- Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$205,300	\$694,053	\$899,353
Other	12	71,475	71,487
	<u>205,312</u>	<u>765,528</u>	<u>970,840</u>
Total Operating Revenues			
Operating Expenses:			
Personal Services	94,512	0	94,512
Contractual Services	3,534	165,622	169,156
Supplies and Materials	106,057	0	106,057
Claims	0	838,938	838,938
Depreciation	627	0	627
	<u>204,730</u>	<u>1,004,560</u>	<u>1,209,290</u>
Total Operating Expenses			
Operating Income (Loss)	<u>582</u>	<u>(239,032)</u>	<u>(238,450)</u>
Non-Operating Revenues:			
Interest	0	31,827	31,827
	<u>0</u>	<u>31,827</u>	<u>31,827</u>
Total Non-Operating Revenues			
Net Income (Loss)	582	(207,205)	(206,623)
Retained Earnings at Beginning of Year	<u>56,076</u>	<u>592,204</u>	<u>648,280</u>
Retained Earnings at End of Year	<u>\$56,658</u>	<u>\$384,999</u>	<u>\$441,657</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
AUTOMOTIVE MAINTENANCE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$200,239	\$200,239	\$0
Other	12	12	0
Total Revenues	<u>200,251</u>	<u>200,251</u>	<u>0</u>
Expenses:			
Personal Services	98,111	92,833	5,278
Travel Transportation	1,500	0	1,500
Contractual Services	5,870	3,408	2,462
Supplies and Materials	121,366	100,873	20,493
Capital Outlay	11,135	6,395	4,740
Total Expenses	<u>237,982</u>	<u>203,509</u>	<u>34,473</u>
Excess of Revenues Under Expenses	(37,731)	(3,258)	34,473
Fund Equity at Beginning of Year	47,000	47,000	0
Prior Year Encumbrances Appropriated	<u>9,871</u>	<u>9,871</u>	<u>0</u>
Fund Equity at End of Year	<u>\$19,140</u>	<u>\$53,613</u>	<u>\$34,473</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SELF-INSURANCE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$694,053	\$694,053	\$0
Other	71,475	71,475	0
Interest	31,827	31,827	0
Total Revenues	<u>797,355</u>	<u>797,355</u>	<u>0</u>
Expenses:			
Contractual Services	199,942	199,942	0
Claims	843,531	789,936	53,595
Total Expenses	<u>1,043,473</u>	<u>989,878</u>	<u>53,595</u>
Excess of Revenues Under Expenses	(246,118)	(192,523)	53,595
Fund Equity at Beginning of Year	749,512	749,512	0
Prior Year Encumbrances Appropriated	2,473	2,473	0
Fund Equity at End of Year	<u>\$505,867</u>	<u>\$559,462</u>	<u>\$53,595</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
ALL INTERNAL SERVICE FUNDS
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$894,292	\$894,292	\$0
Other	71,487	71,487	0
Interest	31,827	31,827	0
Total Revenues	<u>997,606</u>	<u>997,606</u>	<u>0</u>
Expenses:			
Personal Services	98,111	92,833	5,278
Travel Transportation	1,500	0	1,500
Contractual Services			
Automotive Maintenance	5,870	3,408	2,462
Self-Insurance	199,942	199,942	0
Total Contractual Services	205,812	203,350	2,462
Supplies and Materials	121,366	100,873	20,493
Claims	843,531	789,936	53,595
Capital Outlay	11,135	6,395	4,740
Total Expenses	<u>1,281,455</u>	<u>1,193,387</u>	<u>88,068</u>
Excess of Revenues Under Expenses	(283,849)	(195,781)	88,068
Fund Equity at Beginning of Year	796,512	796,512	0
Prior Year Encumbrances Appropriated	12,344	12,344	0
Fund Equity at End of Year	<u>\$525,007</u>	<u>\$613,075</u>	<u>\$88,068</u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Automotive Maintenance	Self- Insurance	Total
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Quasi-External Operating Transactions with Other Funds	\$200,239	\$694,053	\$894,292
Cash Payments for Employee Services and Benefits	(92,762)	0	(92,762)
Cash Payments to Suppliers for Goods and Services	(105,215)	(165,622)	(270,837)
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(789,936)	(789,936)
Cash Received from Other Operating Revenues	12	71,475	71,487
Net Cash Provided by (Used For) Operating Activities	<u>2,274</u>	<u>(190,030)</u>	<u>(187,756)</u>
Cash Flows from Investing Activities:			
Interest	0	31,827	31,827
Net Cash Provided by Investing Activities	<u>0</u>	<u>31,827</u>	<u>31,827</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,274	(158,203)	(155,929)
Cash and Cash Equivalents Beginning of Year	<u>56,871</u>	<u>751,985</u>	<u>808,856</u>
Cash and Cash Equivalents End of Year	<u>\$59,145</u>	<u>\$593,782</u>	<u>\$652,927</u>
Reconciliation of Operating Income (Loss) to			
<u>Net Cash Provided by (Used For) Operating Activities:</u>			
Operating Income (Loss)	\$582	(\$239,032)	(\$238,450)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used For) Operating Activities			
Depreciation	627	0	627
Changes in Assets and Liabilities:			
Increase in Due From Other Funds	(5,061)	0	(5,061)
Decrease in Inventory of Supplies	237	0	237
Decrease in Prepaids Items	229	0	229
Increase in Accounts Payable	3,967	0	3,967
Decrease in Contracts Payable	(57)	0	(57)
Increase in Claims Payable	0	49,002	49,002
Decrease in Accrued Salaries Payable	(2,281)	0	(2,281)
Decrease in Due to Other Governments	(756)	0	(756)
Increase in Compensated Absences Payable	4,787	0	4,787
Net Cash Provided by (Used For) Operating Activities	<u>\$2,274</u>	<u>(\$190,030)</u>	<u>(\$187,756)</u>

FIDUCIARY FUNDS

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

EXPENDABLE TRUST FUND

Donation

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

NONEXPENDABLE TRUST FUND

Cemetery Perpetual Care

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

AGENCY FUND

Municipal Court

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

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 DECEMBER 31, 1999**

	<u>Expendable Trust</u>	<u>Non- Expendable Trust</u>	<u>Agency Fund</u>	
	<u>Donation</u>	<u>Cemetery Perpetual Care</u>	<u>Municipal Court</u>	<u>Total</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$612,165	\$132,574	\$0	\$744,739
Cash and Cash Equivalents with Fiscal Agents	<u>0</u>	<u>0</u>	<u>91,629</u>	<u>91,629</u>
Total Assets	<u>\$612,165</u>	<u>\$132,574</u>	<u>\$91,629</u>	<u>\$836,368</u>
Liabilities:				
Due to Other Funds	\$0	\$0	\$34,058	\$34,058
Due to Other Governments	0	0	28,482	28,482
Undistributed Money	<u>0</u>	<u>0</u>	<u>29,089</u>	<u>29,089</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>91,629</u>	<u>91,629</u>
Fund Equity:				
Fund Balances:				
Reserved for Restricted Principal	0	49,658	0	49,658
Unreserved, Undesignated	<u>612,165</u>	<u>82,916</u>	<u>0</u>	<u>695,081</u>
Total Fund Equity	<u>612,165</u>	<u>132,574</u>	<u>0</u>	<u>744,739</u>
Total Liabilities and Fund Equity	<u>\$612,165</u>	<u>\$132,574</u>	<u>\$91,629</u>	<u>\$836,368</u>

**CITY OF LEBANON, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Balance 1/1/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/99</u>
MUNICIPAL COURT				
Assets:				
Cash and Cash Equivalents with Fiscal Agents	<u>\$105,152</u>	<u>\$666,683</u>	<u>\$680,206</u>	<u>\$91,629</u>
Total Assets	<u>\$105,152</u>	<u>\$666,683</u>	<u>\$680,206</u>	<u>\$91,629</u>
Liabilities:				
Due to Other Funds	\$33,314	\$361,548	\$360,804	\$34,058
Due to Other Governments	29,928	223,542	224,988	28,482
Undistributed Money	<u>41,910</u>	<u>81,593</u>	<u>94,414</u>	<u>29,089</u>
Total Liabilities	<u>\$105,152</u>	<u>\$666,683</u>	<u>\$680,206</u>	<u>\$91,629</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF LEBANON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 1999

General Fixed Assets:

Land	\$9,578,756
Improvements Other Than Buildings	626,724
Buildings	2,784,203
Equipment	2,072,698
Vehicles	2,375,158
Construction in Progress	271,916
	<hr/>
Total General Fixed Assets	<u>\$17,709,455</u>

Investment in General Fixed Assets From:

General Fund Revenues	\$2,283,622
Special Revenue Fund Revenues	3,923,803
Capital Projects Fund Revenues	7,542,001
Enterprise Fund	27,409
Expendable Trust Fund	985
Donations	4,875
Acquired before 12/31/86	3,926,760
	<hr/>
Total Investment in General Fixed Assets	<u>\$17,709,455</u>

CITY OF LEBANON, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>FUNCTION AND ACTIVITY</u>	<u>General Fixed Assets 1-1-99</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets 12-31-99</u>
Security of Persons and Property				
Police Law Enforcement	\$960,057	\$127,124	\$13,262	\$1,073,919
Fire	<u>2,018,253</u>	<u>756,563</u>	<u>61,040</u>	<u>2,713,776</u>
Total Security of Persons and Property	<u>2,978,310</u>	<u>883,687</u>	<u>74,302</u>	<u>3,787,695</u>
Leisure Time Activities				
Recreation	217,245	74,874	0	292,119
Parks	<u>1,440,728</u>	<u>247,889</u>	<u>0</u>	<u>1,688,617</u>
Total Leisure Time Activities	<u>1,657,973</u>	<u>322,763</u>	<u>0</u>	<u>1,980,736</u>
Community Environment				
Community Planning and Zoning	557,703	20,434	0	578,137
Community Development	64,499	0	0	64,499
Urban Redevelopment	702,810	0	0	702,810
Industrial Development	<u>5,309,012</u>	<u>739,147</u>	<u>0</u>	<u>6,048,159</u>
Total Community Environment	<u>6,634,024</u>	<u>759,581</u>	<u>0</u>	<u>7,393,605</u>
General Government				
Administration	1,447,130	166,771	223,000	1,390,901
Legislative	1,005	0	0	1,005
Judicial	130,930	21,208	0	152,138
Finance	<u>114,264</u>	<u>11,435</u>	<u>93,963</u>	<u>31,736</u>
Total General Government	<u>1,693,329</u>	<u>199,414</u>	<u>316,963</u>	<u>1,575,780</u>
Transportation				
Street	1,456,247	219,207	5,000	1,670,454
Parking	<u>526,393</u>	<u>0</u>	<u>0</u>	<u>526,393</u>
Total Transportation	<u>1,982,640</u>	<u>219,207</u>	<u>5,000</u>	<u>2,196,847</u>
Public Health				
Cemetery	281,353	35,623	0	316,976
Cemetery Improvement	<u>0</u>	<u>185,900</u>	<u>0</u>	<u>185,900</u>
Total Public Health	<u>281,353</u>	<u>221,523</u>	<u>0</u>	<u>502,876</u>
Construction in Progress	<u>9,545</u>	<u>271,916</u>	<u>9,545</u>	<u>271,916</u>
Total General Fixed Assets	<u>\$15,237,174</u>	<u>\$2,878,091</u>	<u>\$405,810</u>	<u>\$17,709,455</u>

CITY OF LEBANON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 1999

FUNCTION AND ACTIVITY	Land	Improvements Other than Buildings	Buildings
Security of Persons and Property:			
Police Law Enforcement	\$11,478	\$18,700	\$280,980
Fire	122,944	11,904	929,425
Total Security of Persons and Property	134,422	30,604	1,210,405
Leisure Time Activities:			
Recreation	0	112,939	159,125
Parks	779,743	280,170	220,124
Total Leisure Time Activities	779,743	393,109	379,249
Community Environment:			
Community Planning and Zoning	375,000	7,028	0
Community Development	0	0	64,499
Urban Redevelopment	649,330	53,480	0
Industrial Development	6,048,159	0	0
Total Community Environment	7,072,489	60,508	64,499
General Government:			
Administration	150,000	19,571	983,638
Legislative	0	0	0
Judicial	0	0	0
Finance	0	6,084	0
Total General Government	150,000	25,655	983,638
Transportation:			
Street	592,738	21,379	124,394
Parking	526,393	0	0
Total Transportation	1,119,131	21,379	124,394
Public Health:			
Cemetery	137,071	95,469	22,018
Cemetery Improvement	185,900	0	0
Total Public Health	322,971	95,469	22,018
Construction in Progress	0	0	0
Total General Fixed Assets	\$9,578,756	\$626,724	\$2,784,203

<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$398,291	\$364,470	\$1,073,919
504,746	1,144,757	2,713,776
<u>903,037</u>	<u>1,509,227</u>	<u>3,787,695</u>
9,426	10,629	292,119
330,777	77,803	1,688,617
<u>340,203</u>	<u>88,432</u>	<u>1,980,736</u>
88,667	107,442	578,137
0	0	64,499
0	0	702,810
0	0	6,048,159
<u>88,667</u>	<u>107,442</u>	<u>7,393,605</u>
201,937	35,755	1,390,901
1,005	0	1,005
152,138	0	152,138
4,498	21,154	31,736
<u>359,578</u>	<u>56,909</u>	<u>1,575,780</u>
342,647	589,296	1,670,454
0	0	526,393
<u>342,647</u>	<u>589,296</u>	<u>2,196,847</u>
38,566	23,852	316,976
0	0	185,900
<u>38,566</u>	<u>23,852</u>	<u>502,876</u>
0	0	271,916
<u>\$2,072,698</u>	<u>\$2,375,158</u>	<u>\$17,709,455</u>

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STATISTICAL SECTION

STATISTICAL SECTION

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

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

<u>Year</u>	<u>Security Of Persons and Property</u>	<u>Public Health Services</u>	<u>Leisure Time Activities</u>	<u>Community Environment</u>	<u>General Government</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1990	\$1,102,666	\$18,489	\$109,084	\$219,510	\$1,106,456	\$77,141	\$1,489	\$2,634,835
1991	1,200,993	10,238	160,348	220,628	1,156,933	51,492	1,313	2,801,945
1992	1,346,286	8,447	179,726	235,811	1,250,749	160,000	1,183	3,182,202
1993	1,436,423	8,527	192,663	244,177	1,291,379	217,949	980	3,392,098
1994	1,528,382	12,533	261,703	261,465	1,356,555	7,483	1,732	3,429,853
1995	1,634,120	13,072	220,279	287,736	1,497,249	75,000	2,078	3,729,534
1996	1,764,566	14,196	227,566	367,154	1,650,029	0	3,341	4,026,852
1997	1,774,054	15,023	250,297	410,198	1,783,627	1,444,437	3,354	5,680,990
1998	1,773,810	15,457	279,607	530,552	1,924,845	220,000	1,600	4,745,871
1999	1,966,318	15,635	305,079	553,989	2,347,009	896,474	1,265	6,085,769

Source: Auditor's Office, City of Lebanon

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

Year	Taxes (1)	Inter-Governmental	Charges for Services	Fines, Licenses and Permits	Interest	Other	Total
1990	\$974,626	\$354,210	\$948,555	\$267,379	\$666,595	\$9,359	\$3,220,724
1991	984,424	384,003	993,492	318,672	327,540	57,237	3,065,368
1992	1,096,873	383,305	1,020,170	350,715	158,312	32,240	3,041,615
1993	1,148,937	512,644	1,115,616	366,603	285,171	104,600	3,533,571
1994	1,339,393	430,046	1,153,363	418,296	473,194	81,041	3,895,333
1995	1,481,067	450,664	1,254,152	536,348	740,529	83,369	4,546,129
1996	1,592,286	802,504	1,391,847	545,310	700,202	117,543	5,149,692
1997	1,824,987	649,136	1,645,823	639,621	306,340	96,893	5,162,800
1998	2,036,108	833,989	1,620,326	690,722	530,313	229,889	5,941,347
1999	2,178,720	2,686,894	1,701,739	759,406	591,843	163,740	8,082,342

(1) Includes property, income and other local taxes

Source: Auditor's Office, City of Lebanon

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent Of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage Of Accumulated Delinquent Taxes To Total Tax Levy
1990	\$774,997	\$735,372	\$21,943	\$757,315	97%	\$18,184	2%
1991	795,979	767,155	23,862	791,017	99	31,485	3
1992	867,056	810,468	25,853	836,321	96	39,661	4
1993	922,922	857,536	33,846	891,382	96	55,752	6
1994	937,998	876,675	25,180	901,855	96	36,846	3
1995	1,017,680	988,868	29,990	1,018,858	100	45,929	5
1996	1,089,315	1,059,258	36,634	1,095,892	101	43,428	3
1997	1,159,680	1,125,618	31,339	1,156,957	100	43,046	4
1998	1,282,020	1,243,653	49,891	1,293,544	100.9	49,403	4
1999	1,383,551	1,333,675	61,504	1,395,179	100.8	32,864	2

Source: County Auditor; Warren County, Ohio

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

Year	Assessed		Assessed		Total	Estimated True Value (1)	Percentage Of Assessed Value To Estimated True Value
	Real	Public Utility	Public Utility Tangible Personal	Assessed Tangible Personal			
1990	\$56,584,950	\$29,484,550	\$4,845,260	\$14,671,425	\$105,586,185	\$303,156,064	35%
1991	58,209,000	31,673,950	5,166,930	15,757,475	110,807,355	321,040,958	35
1992	68,466,210	36,709,990	5,614,550	19,018,419	129,809,169	380,031,364	35
1993	71,372,180	36,982,110	6,004,660	18,568,531	132,927,481	387,824,590	34
1994	75,480,990	37,114,340	6,335,910	18,890,296	137,821,536	404,462,025	34
1995	91,821,240	40,488,290	6,443,330	22,988,515	161,741,375	477,303,254	34
1996	98,719,800	40,954,260	6,273,910	24,803,624	170,751,594	498,344,769	34
1997	107,688,450	45,256,790	6,421,460	28,826,299	188,192,999	559,588,710	34
1998	132,550,330	48,844,300	6,393,050	32,506,594	220,294,274	655,561,576	34
1999	143,105,080	55,025,060	6,413,020	38,071,619	242,614,779	725,660,100	33

Source: County Auditor; Warren County, Ohio

(1) This is calculated by dividing the Assessed value by the assessment percentage.
 The percentages for 1999 were 35 percent for real property and public utility real,
 88 percent public utility tangible and 25 percent for tangible personal.

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

Collection Year	Fire and Life Squad Fund		Library Bond Retirement Fund		Total City (1)	Lebanon City Schools (2)		Warren County (2)	Mental Health (2)	Warren Co JVS (2)
	General Fund	Life Squad Fund	Library Bond Retirement Fund	Lebanon City Schools (2)						
1990	\$2.80	\$3.00	\$1.25	\$40.90	\$7.05	\$7.10	\$1.00	\$0.00		
1991	2.80	3.00	1.15	40.90	6.95	7.10	1.00	0		
1992	2.80	3.00	1.00	45.12	6.80	7.10	1.00	0		
1993	2.80	3.00	0.90	44.62	6.70	7.10	1.00	0		
1994	2.80	3.00	0.90	44.62	6.70	7.10	1.00	0		
1995	2.82	3.00	0.80	51.13	6.62	7.07	1.00	4.50		
1996	2.82	3.00	0.80	51.13	6.62	7.07	1.00	4.50		
1997	2.82	3.00	0.50	51.13	6.32	5.00	1.50	4.50		
1998	2.82	3.00	0.50	50.03	6.32	4.75	1.00	4.50		
1999	2.82	3.00	0.50	50.03	6.32	4.75	1.00	4.50		

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

(2) County Auditor, Warren County, Ohio

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

<u>Collection Year</u>	<u>Amount Billed (1)</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
1990	\$92,522	\$89,559	97%
1991	131,513	125,572	95
1992	239,414	226,089	94
1993	229,985	219,824	96
1994	203,785	194,987	96
1995	227,638	218,731	96
1996	241,876	209,249	87
1997	247,320	216,130	87
1998	204,068	166,284	81
1999	237,258	202,679	85

Source (1) County Auditor; Warren County, Ohio

(2) City's Tax Settlement Sheets

Note: Additions and remitters were not included in calculations

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

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

Year	Population	Assessed Value (In Thousands)	Gross Bonded Debt (1)	Debt Service Monies Available (2)	Debt Payable From City Income Tax	Debt Payable From Payments In Lieu Of Taxes	Debt Payable From Enterprise Revenues (3)	Net General Bonded Debt	Ratio Of Net General Bonded Debt To Assessed Value	Net General Bonded Debt Per Capita
1990	10,423	\$105,586	\$5,553,349	\$356,597	\$275,000	\$565,415	\$3,442,934	\$913,403	0.87%	\$87.63
1991	10,423	110,807	6,615,893	114,815	235,000	805,622	4,335,271	1,125,185	1.02	107.95
1992	10,423	129,809	6,306,106	135,363	435,270	528,228	4,137,608	1,069,637	.82	102.62
1993	10,423	132,927	6,030,082	144,706	388,920	506,162	3,965,000	1,025,294	.77	98.37
1994	10,423	137,822	5,893,323	145,178	511,945	484,096	3,767,282	984,822	.71	94.49
1995	10,423	161,741	5,609,739	148,351	460,507	459,613	3,599,619	941,649	.58	90.34
1996	10,423	170,752	10,171,905	164,784	394,068	435,131	8,297,706	880,216	.52	84.45
1997	10,423	188,193	12,279,881	180,019	381,360	408,232	7,826,065	3,484,205	1.85	334.28
1998	10,423	220,294	11,732,691	170,383	368,652	381,333	7,455,790	3,356,533	1.52	322.03
1999	10,423	242,615	29,051,589	173,646	350,856	354,434	24,980,000	3,192,653	1.32	306.31

(1) Excludes special assessment general obligation debt.

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

(3) Excludes discount on revenue bonds

Source: 1980 and 1990 Census and Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN
 DECEMBER 31, 1999**

Assessed Value		<u>\$242,614,779</u>
Overall Debt Limit (10 1/2% of the Assessed Value)		\$25,474,552
Total Voted and Unvoted Debt Outstanding at December 31, 1999	\$41,761,298	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	1,309,709	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax to be Applied to Debt Service	350,856	
Unvoted Mortgage Revenue Bonds to be Paid from Enterprise Fund Revenues	24,980,000	
Unvoted General Obligation Notes to be Paid from Enterprise Fund Revenues	8,250,000	
Unvoted General Obligation Notes Issued in Anticipation of Income Tax	<u>3,150,000</u>	
Total	3,720,733	
Less: Amount Available to Pay Non-Exempt Debt	<u>2,820,737</u>	
Net Subject to 10 1/2 percent Limitation		<u>899,996</u>
Legal debt Margin within 10 1/2 percent Limitation		<u>\$24,574,556</u>

Source: Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
 COMPUTATION OF UNVOTED LEGAL DEBT MARGIN
 DECEMBER 31, 1999**

Assessed Value		<u>\$242,614,779</u>
Overall Debt Limit (5 1/2% of the Assessed Value)		\$13,343,813
Total Unvoted Debt Outstanding at December 31, 1999	\$40,939,999	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	1,309,709	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax to be Applied to Debt Service	350,856	
Unvoted Mortgage Revenue Bonds to be Paid from Enterprise Fund Revenues	24,980,000	
Unvoted General Obligation Notes to be Paid from Enterprise Fund Revenues	8,250,000	
Unvoted General Obligations Notes Issued in Anticipation of Income Tax	<u>3,150,000</u>	
Total	2,899,434	
Less: Amount Available to Pay Non-Exempt Debt	<u>2,647,091</u>	
Net Subject to 5 1/2 percent Limitation		<u>252,343</u>
Legal debt Margin within 5 1/2 percent Limitation		<u>\$13,091,470</u>

Source: Auditor's Office, City of Lebanon

**CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT
 DECEMBER 31, 1999**

<u>Jurisdiction</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage Applicable To City Of Lebanon</u>	<u>Amount Applicable To City Of Lebanon</u>
City of Lebanon	\$3,192,653	100.00%	\$3,192,653
Warren County	18,390,446	7.58	<u>1,393,995</u>
Total			<u><u>\$4,586,648</u></u>

Source: Ohio Municipal Advisory Service

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

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

<u>Year</u>	<u>Debt Principal And Interest (1)</u>	<u>General Fund Expenditures</u>	<u>Ratio Of Debt Principal And Interest To General Fund Expenditures</u>
1990	\$126,850	\$2,634,835	4.8%
1991	124,615	2,801,945	4.4
1992	127,239	3,182,202	4.0
1993	125,192	3,392,098	3.7
1994	127,815	3,429,853	3.7
1995	125,201	3,729,534	3.4
1996	126,733	4,026,852	3.2
1997	165,161	5,680,990	2.9
1998	123,702	4,745,871	2.6
1999	120,218	6,085,769	2.0

Source: Auditor's Office, City of Lebanon

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

CITY OF LEBANON, OHIO
REVENUE BOND COVERAGE
LAST TEN YEARS

Year	Operating Revenues	Operating Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
ELECTRIC							
1990	\$5,546,548	\$4,523,451	\$1,023,097	\$25,000	\$7,420	\$32,420	31.6%
1991	5,687,780	4,863,602	824,178	25,000	5,362	30,362	27.1
1992	5,808,844	5,187,016	621,828	25,000	2,625	27,625	22.5
1993	6,225,321	5,697,213	528,108	25,000	1,312	26,312	20.1
1994	6,553,126	4,798,695	1,754,431	0	0	0	0.0
1995	6,798,142	6,673,997	124,145	0	0	0	0.0
1996	7,014,943	5,860,330	1,154,613	0	0	0	0.0
1997	7,217,373	6,013,800	1,203,573	155,000	249,795	404,795	3.0
1998	7,733,375	8,682,967	(949,592)	160,000	244,060	404,060	(2.4)
1999	8,695,819	7,004,633	1,691,186	165,000	237,660	402,660	4.2
SEWER							
1990	915,699	552,085	363,614	65,000	177,614	242,614	1.5
1991	1,006,898	588,012	418,886	70,000	164,833	234,833	1.8
1992	1,075,751	632,162	443,589	75,000	160,563	235,563	1.9
1993	1,176,878	662,423	514,455	80,000	155,913	235,913	2.2
1994	1,313,550	746,084	567,466	82,663	162,950	245,613	2.3
1995	1,467,877	823,588	644,289	90,000	148,057	238,057	2.7
1996	1,548,851	1,177,153	371,698	95,000	139,538	234,538	1.6
1997	1,719,824	1,116,893	602,931	125,000	80,868	205,868	2.9
1998	1,582,869	994,573	588,296	130,000	80,550	210,550	2.8
1999	1,817,875	1,224,270	593,605	135,000	329,561	464,561	1.3
WATER							
1990	1,019,261	639,695	379,566	55,000	189,364	244,364	1.6
1991	1,148,379	612,076	536,303	30,000	115,604	145,604	3.7
1992	1,217,582	720,568	497,014	70,000	128,495	198,495	2.5
1993	1,423,710	684,485	739,225	75,000	126,945	201,945	3.7
1994	1,493,615	745,773	747,842	80,000	120,800	200,800	3.7
1995	1,784,680	707,200	1,077,480	80,000	116,480	196,480	5.5
1996	1,877,081	1,260,381	616,700	85,000	111,836	196,836	3.1
1997	2,058,358	1,347,491	710,867	90,000	108,737	198,737	3.6
1998	1,903,230	725,699	1,177,531	100,000	101,082	201,083	5.9
1999	2,203,332	848,868	1,354,464	105,000	281,951	386,951	3.5

Source: Auditor's Office, City of Lebanon

(1) Does not include depreciation

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

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Warren County (3)</u>
1990	9,640	3,290	4.8%
1991	10,423	3,408	5.9
1992	10,423	3,538	6.5
1993	10,423	3,632	5.7
1994	10,423	3,842	4.9
1995	10,423	3,842	4.2
1996	10,423	4,214	3.9
1997	10,423	4,354	3.2
1998	10,423	4,405	2.9
1999	10,423	4,462	3.0

Sources: (1) 1980 Census and 1990 Census

(2) Lebanon City School District Board of Education

(3) Ohio Bureau of Employment Services

**CITY OF LEBANON, OHIO
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 1999**

	<u>Taxpayer</u>	<u>Real Property Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
1.	Lucas Sumitomo Brakes Inc.	\$12,147,720	3.17%
2.	Fujitec America	7,173,570	1.54
3.	Cincinnati Gas & Electric	3,533,410	1.28
4.	Johnson & Hardin	2,995,370	1.25
5.	United Telephone	2,839,100	1.12
6.	Amtex Inc.	2,384,430	1.07
7.	Southern Ohio Gun Dist.	1,992,860	0.92
8.	Sumitomo (Lebanon)	1,854,270	0.86
9.	Lebanon Park Towne Homes	1,657,280	0.76
10.	Charlie Watson Ford	1,439,980	0.62

Source: County Auditor, Warren County, Ohio

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

Year	Property Values (2)	Residential Construction (1)		Commercial Construction (1)		City Bank Deposits (3)	County Bank Deposits (3)
		Number Of Permits	Value	Number Of Permits	Value		
1990	\$161,671,286	100	\$3,156,492	58	\$11,417,957	\$210,652,000	\$309,303,000
1991	166,311,429	136	6,022,968	45	3,054,711	236,605,000	342,162,000
1992	195,617,743	192	8,198,299	42	4,575,812	305,529,000	367,097,000
1993	203,920,514	228	10,892,924	32	2,374,595	333,849,000	411,164,000
1994	215,659,971	192	8,573,264	49	22,151,935	346,078,000	422,581,000
1995	262,346,400	284	17,677,894	82	11,362,500	370,414,000	460,950,000
1996	282,056,571	351	20,637,230	78	6,356,055	379,213,000	465,584,000
1997	307,681,286	291	19,110,569	80	13,093,658	427,736,000	523,595,000
1998	378,715,229	267	15,298,503	82	16,028,448	437,918,000	521,795,000
1999	408,871,657	321	20,556,607	89	22,130,622	445,370,000	533,873,000

Sources: (1) City of Lebanon Building Department

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

(3) Federal Reserve Bank of Cleveland

**CITY OF LEBANON, OHIO
 MISCELLANEOUS STATISTICS
 DECEMBER 31, 1999**

Year of Incorporation	1960
Form of Government	Charter - Council/Manager
Area	11.9185 Square Miles
Miles of Streets	76.292
Number of Street Lights	1648
Police Protection:	
Number of Stations	1
Number of Police Officers	27
Hospitals	1 Emergency Treatment Center
Education (K-12) (Public only)	
Attendance Centers	6
Number of Classrooms	209
Number of Teachers	295
Number of Students	4462
Municipal Water Department	
Miles of Water Main	72.865
Sewers:	
Sanitary Sewers	62.638
Storm Sewer	28.375
Building Permits Issued	410
Recreation and Culture:	
Number of Parks	5
Number of Libraries	1
Employees	170

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
Facsimile 614-466-4490

CITY OF LEBANON

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 18, 2000**