

**CITY OF LEBANON, OHIO**  
**Audit Reports Required by**  
**Government Auditing Standards**  
**December 31, 2001**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Honorable Mayor, City Council  
and City Manager  
City of Lebanon  
50 S. Broadway  
Lebanon, Ohio 45036

We have reviewed the Independent Auditor's Report of the City of Lebanon, Warren County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

August 16, 2002

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# CITY OF LEBANON, OHIO

Lebanon, Ohio

## Financial Statements

For the Year Ended December 31, 2001

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# Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

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

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

We have audited the financial statements of the City of Lebanon, Ohio (the City) as of and for the year ended December 31, 2001 and have issued our report thereon dated June 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

## 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 01-39729-1 and 01-39729-2. We also noted other matters involving compliance that we have reported to management of the City in a separate letter dated June 17, 2002.

## Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the City in a separate letter dated June 17, 2002.

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

*Clark, Schaefer, Hackett & Co.*

Middletown, Ohio  
June 17, 2002

**CITY OF LEBANON, OHIO**

**Schedule of Findings and Questioned Costs**

**December 31, 2001**

01-39729-1:

Ohio Revised Code Section 5705.41(B) stipulates that the District is not to expend money unless it has been appropriated.

Contrary to this section, the total of expenditures plus encumbrances was greater than appropriations for the General Fund, several Enterprise Funds, and an Internal Service Fund.

01-39729-2:

Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16 stipulates that no transfer can be made from one fund of a subdivision to any other fund except in certain instances.

Contrary to this section, the City transferred monies from its Electrical Fund to its Telecommunications Fund. The City also transferred monies from its General Obligation Bond Fund to its Industrial Park Development Fund.

**CITY OF LEBANON, OHIO**

**Schedule of Prior Findings and Questioned Costs**

December 31, 2001

**Findings:**

None

**Questioned Costs:**

None



# Comprehensive Annual Financial Report



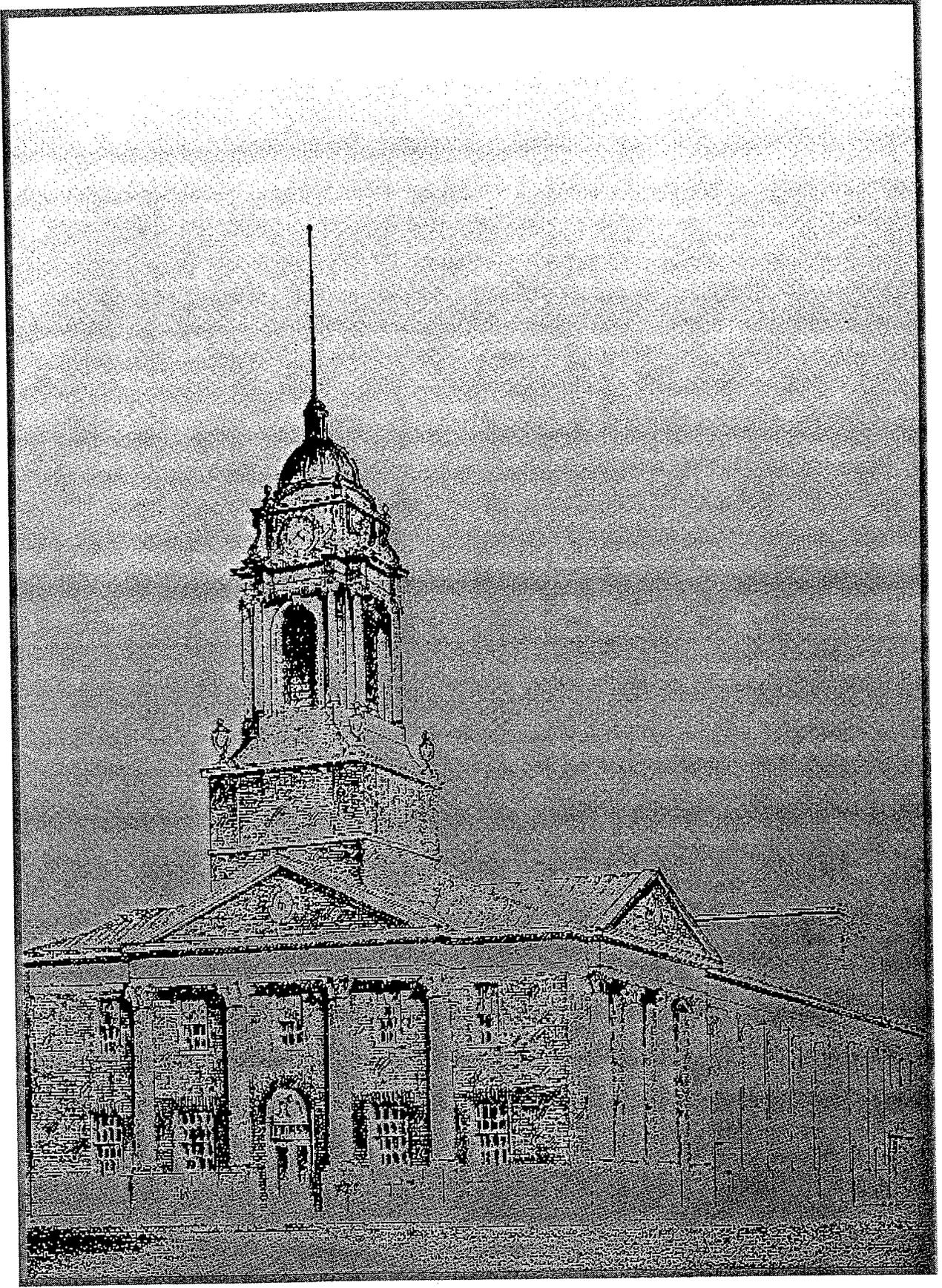
City of Lebanon, Ohio

For the Year Ended December 31st, 2001

**CITY OF LEBANON, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2001**

Issued by:  
Office of the Auditor

Sharee C. Dick  
City Auditor



# INTRODUCTORY SECTION

CITY OF LEBANON, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2001

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# THE CITY OF LEBANON, OHIO

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Telephone # (513) 932-3060 • Fax # (513) 932-2493 • www.ci.lebanon.oh.us.

June 17, 2002

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

We are pleased to present the fifteenth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report, for the fiscal year ended December 31, 2001, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Lebanon ("the City"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically the City Auditor's office.

This CAFR is divided into three sections as follows:

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

## CITY OVERVIEW

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

## CITY ORGANIZATION AND REPORTING ENTITY

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

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

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

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

## ITEMS OF LOCAL INTEREST

### Parks and Recreation

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

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

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

The Paramount Kings Island Amusement Center, a nationally known facility, is located on 1,600 acres near Lebanon. It has more than one hundred individual attractions, including rides, shows, restaurants, shops, and a water park. Several inns, with more than seven hundred rooms, and a 35-acre campground, with tennis and swimming facilities, are available to accommodate visitors.

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

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

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

### Culture and Education

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

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

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

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

Places of historic interest in the City include:

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

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

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

### Transportation

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

### ECONOMIC CONDITION AND OUTLOOK

Lebanon grew moderately in the year 2001 with the construction of 223 new housing units. This number was up from the year 2000. The platting of residential lots continued in 2001 in anticipation of further growth of housing. New residential plats approved in 2001 created 271 new single family lots. Residential, commercial and industrial growth is expected to remain strong in the year 2002. Warren County continues to be the second fastest growing county in Ohio and Lebanon is ranked as the eighth fastest growing city (ranked by percent growth). With the relatively low interest rates and high demand for real estate in the area it is expected that the growth will continue in 2002. The City added 2.645 miles of streets in 2001, 3.53 miles of water mains, 6.466 miles of sanitary sewers, and 2.174 miles of storm sewers.

New commercial developments approved in 2001 included a major addition to the Countryside YMCA on Deerfield Road partnering with the Middletown Regional Hospital, a K-Mart express gas station on Columbus Ave., a new Speedway on E. Main Street, a new People's Bank on Columbus Avenue, and a new retail building on W. Main Street (Main Street Market).

New industrial development included a new building for 4 Sands Industries on Grant Drive and a new building for

G/C Contracting on McKinley Blvd., both in the Columbia Business Park. SEI Brakes added a major addition in the Kingsview Industrial Park.

The commercial, industrial, and residential construction valuation added in excess of \$36,000,000 to the local property tax base per building permit records.

A new master plan for downtown, by Brandstetter-Carroll Consultants, was implemented reflecting the economic vitality and symbolic importance of the historic core of town.

An additional forty-two parking spaces were added to the east redevelopment block which has shown almost daily use. 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 the Warren County Historical Society Museum. The Apple Festival and the Christmas Festival continue to draw record crowds.

#### MAJOR INITIATIVES

A new comprehensive master plan for Lebanon is almost completed with consulting assistance from Pflum, Klausmeier and Gehrum, Inc. Several public hearings were held and base data regarding the rapid growth of the community was collected. It is expected that the plan will be completed and adopted in 2002.

The Community Development Block Grant Program provided funding for restroom rehabilitation and playground equipment for Colonial Park South to be completed in 2002. Alley paving and new streetlights in the Pleasant Square area are to be completed in 2002.

A new enterprise fund, Telecommunications, was created in 2001. This fund collects the fees for cable, high-speed internet, and various telephone services provided by the City.

#### DEPARTMENTAL HIGHLIGHT

The Division of Water and Wastewater is the direct responsibility of the Deputy Director of Water and Wastewater who reports to the Director of Service. This division consists of four Bureaus: Water Treatment, Water Distribution, Wastewater Collection and Wastewater Treatment. The Division employs 13 full time employees, two of which are administrative.

The Bureau of Water Treatment consists of one full time employee who is responsible for the treatment of potable water. The City of Lebanon uses an average of 2.1 MGD (Million Gallons per Day) of water. Responsibilities of the water operator include monitoring and maintaining chemical feed, filtration and water pumping. The operator is also responsible for collecting and the testing of over 1,500 regulatory samples per year. The Bureau of Water Distribution consists of four full time employees whose responsibilities include the repair and improvement of 82 miles of water main, fire hydrants, four water towers, four water booster stations and over 5,500 water meters.

The Bureau of Wastewater Collection consists of two full time employees who are responsible for the operation and maintenance of 67 miles of sanitary sewers and over 1,000 manholes. Responsibilities include the cleaning, inspection and maintenance of the sanitary sewers. The Bureau of Wastewater Treatment consists of five fulltime employees whose duties include the operation and maintenance of the 6.0 MGD Wastewater Treatment Plant. Over 2000 samples are collected each year for regulatory and process control analysis.

## FINANCIAL INFORMATION

### Basis of Accounting

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

### Internal Control Structure and Budgetary Controls

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

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

### Governmental Funds - Revenues and Expenditures

The following schedule presents a summary of the General, Special Revenue, Capital Projects and Debt Service funds revenues for the year ended December 31, 2001, and the amount and percentage of increases and decreases in relation to the prior year.

Revenue Sources	2000	2001	Percent of Total	Difference from 2000	Percent of Change
Property Taxes and Other Local Taxes	\$2,119,642	\$2,505,797	20%	\$386,155	18%
Income Taxes	3,786,105	4,045,915	32	259,810	7
Payments in Lieu of Taxes	383,995	479,483	5	95,488	25
Intergovernmental	1,892,082	2,279,515	18	387,433	20
Charges for Services	1,811,072	1,002,206	8	(808,866)	(45)
Fines, Licenses and Permits	1,063,989	1,175,845	9	111,856	11
Special Assessments	197,895	174,865	1	(23,030)	(12)
Interest	1,065,810	642,946	5	(422,864)	(40)
Other	138,732	289,332	2	150,600	108
Total	<u>\$12,459,322</u>	<u>\$12,595,904</u>	<u>100%</u>	<u>\$ 136,582</u>	

Property and other local tax revenue increased due to the re-assessing of property by the County and payment of a kilowatt hour tax received from the electric fund.

Payment in lieu of taxes increased due to the increased activity in the Industrial Park. 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.

Charges for services decreased from the non-collection of administrative recovery from the electric fund.

Interest revenue decreased due to low interest rates.

A new grant ODRC (railroad grant) was received in 2001 resulting in the increase over 2000.

Other revenue increased due to an increase in auditor's receipts and refunds and reimbursement in the capital project funds.

Expenditures for the General, Special Revenue, Capital Projects, and Debt Service funds' operations totaled \$15,125,963. Expenditures for major functions of the City, the percentage of the total and comparisons to last year are shown in the following table:

Function	2000	2001	Percent of Total	Difference from 2000	Percent of Change
Security of Persons and Property	\$3,791,041	\$3,790,927	25%	\$(114)	0%
Public Health Services	114,230	122,120	1	7,890	7
Leisure Time Activities	467,741	621,077	4	153,336	33
Community Environment	781,818	914,721	6	132,903	17
Transportation	596,798	728,214	5	131,416	22
General Government	2,532,576	4,351,860	29	1,819,284	72
Capital Outlay	3,116,609	3,394,993	22	278,384	9
Debt Service:					
Principal Retirement	330,287	750,301	5	420,014	127
Interest and Fiscal Charges	<u>426,699</u>	<u>451,750</u>	<u>3</u>	<u>25,051</u>	<u>6</u>
Total	<u>\$12,157,799</u>	<u>\$15,125,963</u>	<u>100%</u>	<u>\$2,968,164</u>	<u>24%</u>

Leisure Time activities expenditures increased due to increased park programs, personnel and improvements to the parks.

Capital Outlay expenditures represent costs incurred in acquiring fixed assets and undertaking major projects. During 2001, the City remodeled the downstairs of the city building along with other infrastructure improvements.

Transportation increased from the retirement of personnel, changes in staff and salt expense.

General Government increased from the addition of the I.T. (Information Technology) Department.

Principal Retirement increased from paying off the Kingsview/Fujitec note.

### Enterprise Funds

The City's Enterprise Funds consist of the electric, sanitation, sewer, telecommunications 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	\$30,835,714	\$13,864,746	\$1,622,728	5.3%	11.7%
Sanitation	886,076	832,948	146,472	16.5	17.6
Sewer	27,142,205	16,461,136	1,128,553	4.2	6.9
Telecommunications	6,815,590	(1,933,797)	(1,629,451)	(23.9)	(84.3)
Water	26,096,496	16,511,256	694,371	2.7	4.2

### 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 (Loss)	Return on Assets	Return on Equity
Automotive Maintenance	\$ 182,678	\$ 146,431	(\$215)	(.1)%	(.1)%
Self-Insurance	107,974	(151,923)	(133,309)	(123.5)	87.7

### 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, 2001, the City had a number of debt issues outstanding: \$2,760,374 in general obligation non-voted bonded debt, \$681,439 in general obligation voted debt, \$894,625 in special assessment bonded debt with governmental commitment and \$36,941,024 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, 2001, was as follows:

Overall Legal Debt Margin	\$28,695,115
Unvoted Legal Debt Margin	13,252,105
Net General Bonded Debt	481,837
Ratio of Net General Bonded Debt to Assessed Value	.16%
Net General Bonded Debt per Capita	28.41

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 \$1,601,657 for the year ended December 31, 2001, and represents an annual interest yield of 4.1 percent of the total receipts for the year. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided.

#### Risk Management

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

The City is self insured for medical and dental insurance and life benefits. A self-insurance internal service fund receives \$720 per employee each month from the other funds as a "premium." All claims are reviewed by a third party administrator and are paid by the City from money in the self-insurance internal service fund. The City purchases stop-loss insurance that reimburses the fund for claims exceeding \$25,000 per person, per occurrence.

#### OTHER INFORMATION

##### Independent Audit

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

##### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lebanon for its comprehensive annual financial report for the year ended December 31, 2000. This was the fourteenth 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  
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, 2000

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.



*Imelda Arave*  
President

*Jeffrey L. Essler*  
Executive Director

CITY OF LEBANON, OHIO  
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR

Amy Brewer

VICE MAYOR

James T. Reinhard

COUNCIL MEMBERS:

Amy Brewer  
James T. Reinhard  
Ron Pandorf  
Ben Cole  
James Hause  
Norm Dreyer II  
James Norris II

APPOINTED OFFICIALS

ACTING CITY MANAGER

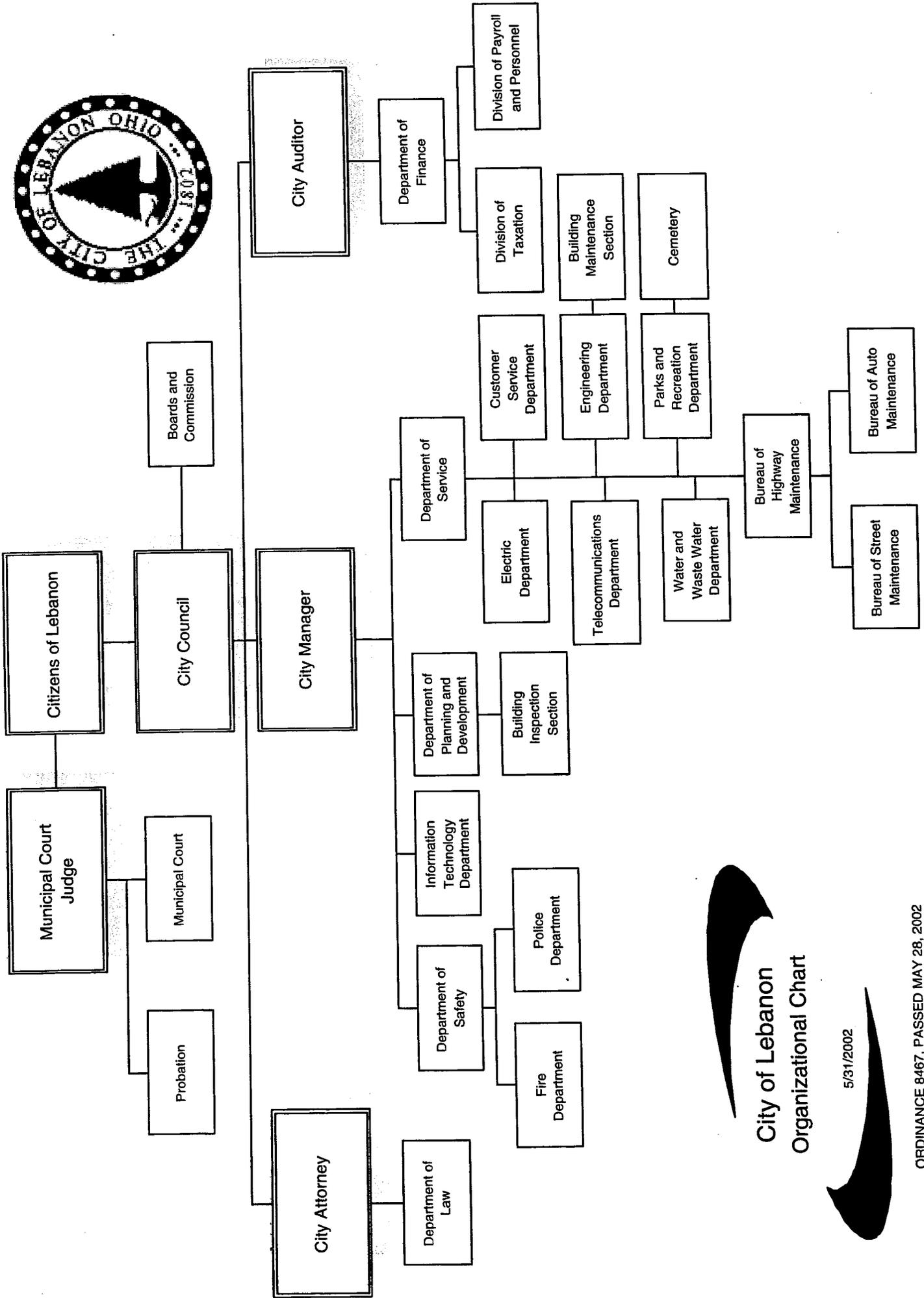
Pat Clements

CITY AUDITOR

Sharee C. Dick

CITY ATTORNEY

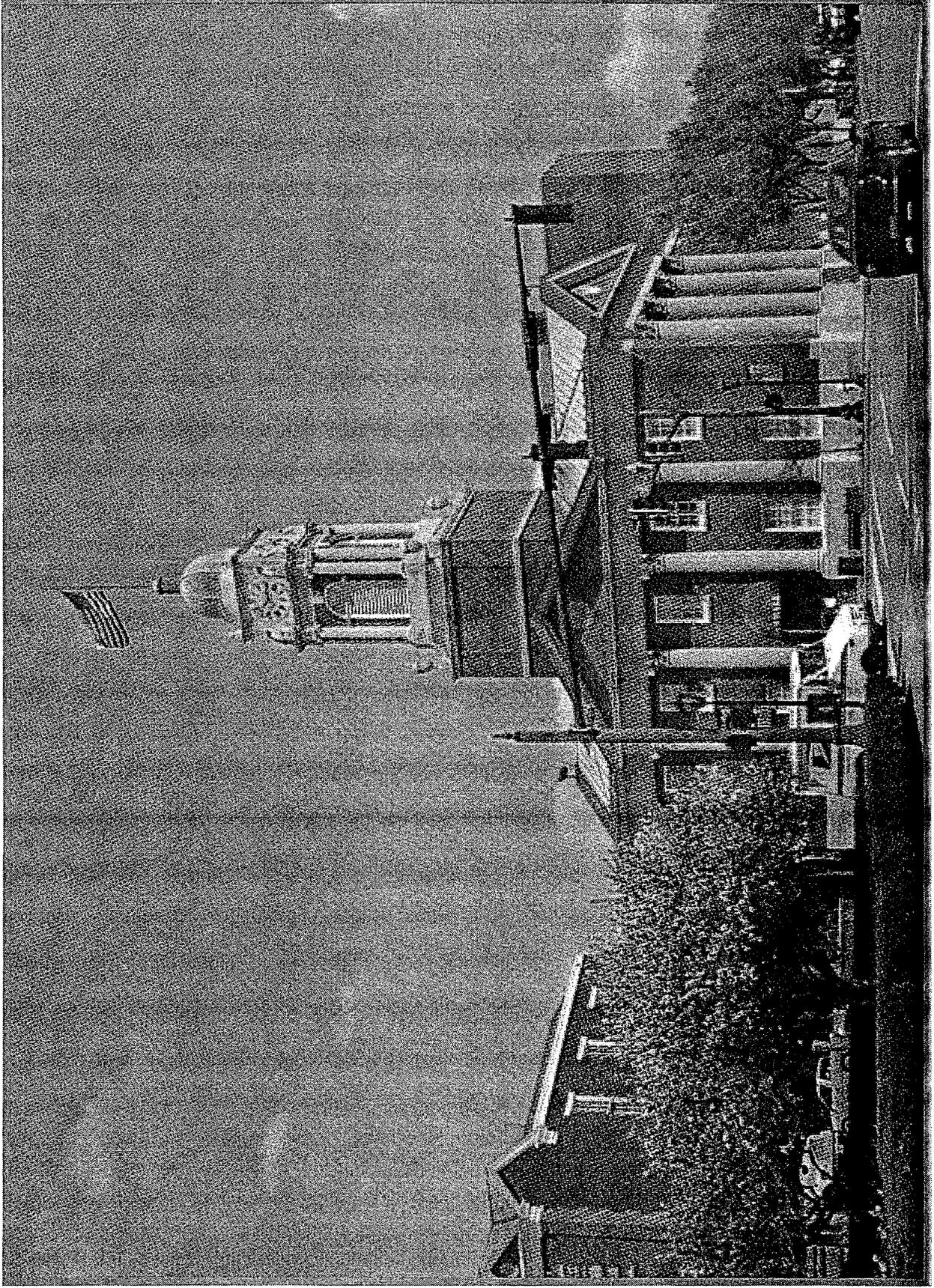
Mark S. Yurick



City of Lebanon  
Organizational Chart

5/31/2002

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# FINANCIAL SECTION

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

Independent Auditors' Report

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

We have audited the accompanying general purpose financial statements of the City of Lebanon, Ohio (the City) as of and for the year ended December 31, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

As described in Note 3 to the financial statements, the City implemented GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB 36, "Recipient Reporting for Certain Nonexchange Revenues" as of January 1, 2001.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lebanon, Ohio as of December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

*Clark, Schaefer, Hackett & Co.*

Middletown, Ohio  
June 17, 2002

## 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, 2001, 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, 2001

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Capital Projects	Debt Service
<b>Assets and Other Debits:</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,596,256	\$3,011,759	\$4,429,545	\$3,049,514
Cash and Cash Equivalents with Fiscal Agents	0	164,640	0	3,309
<b>Receivables:</b>				
Taxes	1,570,593	1,293,604	131,479	194,807
Payments in Lieu of Taxes	0	2,172,750	0	0
Accounts	0	0	0	0
Special Assessments	0	0	103,091	1,318,956
Notes	0	24,241	0	0
Due from Other Funds	39,231	4,005	0	0
Due from Other Governments	152,048	247,503	0	0
Inventory of Supplies	113,215	101,989	0	0
Prepaid Items	45,808	31,892	0	0
Interfund Receivables	565,000	0	63,000	0
<b>Restricted Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Deferred Charges - Mortgage				
Revenue Bond Issuance Costs	0	0	0	0
Advances to Other Funds	2,066,316	0	0	0
Capital Lease Receivable	0	0	60,059	0
<b>Fixed Assets:</b>				
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
<b>Other Debits:</b>				
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
<b>Total Assets and Other Debits</b>	<b>\$6,148,467</b>	<b>\$7,052,383</b>	<b>\$4,787,174</b>	<b>\$4,566,586</b>

<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>
\$24,875,904	\$190,459	\$786,863	\$0	\$0	\$37,940,300
0	0	110,453	0	0	278,402
0	0	0	0	0	3,190,483
0	0	0	0	0	2,172,750
2,716,817	0	0	0	0	2,716,817
71,687	0	0	0	0	1,493,734
0	0	0	0	0	24,241
0	11,980	0	0	0	55,216
27,527	0	0	0	0	427,078
1,146,811	1,615	0	0	0	1,363,630
47,129	503	0	0	0	125,332
1,152,961	0	0	0	0	1,780,961
1,196,511	0	0	0	0	1,196,511
3,293,835	0	0	0	0	3,293,835
768,778	0	0	0	0	768,778
1,896,703	0	0	0	0	3,963,019
0	0	0	0	0	60,059
5,265,787	64,666	0	10,222,881	0	15,553,334
1,815,656	0	0	725,302	0	2,540,958
13,180,073	0	0	3,743,764	0	16,923,837
5,900,827	22,910	0	2,351,846	0	8,275,583
1,665,963	17,793	0	2,870,119	0	4,553,875
39,964,091	0	0	605,403	0	40,569,494
9,264,994	0	0	0	0	9,264,994
(22,475,973)	(19,274)	0	0	0	(22,495,247)
0	0	0	0	2,676,232	2,676,232
0	0	0	0	437,781	437,781
0	0	0	0	1,692,882	1,692,882
0	0	0	0	456,844	456,844
<u>\$91,776,081</u>	<u>\$290,652</u>	<u>\$897,316</u>	<u>\$20,519,315</u>	<u>\$5,263,739</u>	<u>\$141,301,713</u>

(Continued)

CITY OF LEBANON, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 DECEMBER 31, 2001  
 (Continued)

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Capital Projects	Debt Service
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$113,039	\$6,172	\$211,554	\$465
Claims Payable	0	0	0	0
Contracts Payable	0	0	214,451	0
Contracts Payable Retainage	0	0	18,773	0
Accrued Salaries Payable	60,036	15,571	0	0
Accrued Interest Payable	0	5,150	98,226	0
Due to Other Funds	6,005	3,274	0	0
Due to Other Governments	9,276	18,153	0	0
Interfund Payable	0	273,000	355,000	0
Matured Interest Payable	0	0	0	3,309
<u>Payable from Restricted Assets:</u>				
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	1,343,029	3,681,195	163,150	1,448,024
Notes Payable	0	360,000	5,370,000	0
Advances From Other Funds	0	0	2,066,316	0
Compensated Absences Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
Mortgage Revenue Bonds Payable (Net of Unamortized Premium/Discount)	0	0	0	0
Police Pension Liability	0	0	0	0
<b>Total Liabilities</b>	<b>1,531,385</b>	<b>4,362,515</b>	<b>8,497,470</b>	<b>1,451,798</b>
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
<u>Retained Earnings:</u>				
Reserved for Revenue Bonds				
Replacement and Improvement	0	0	0	0
Unreserved (Deficit)	0	0	0	0
<u>Fund Balances:</u>				
Reserved for Encumbrances	156,888	153,158	2,309,267	775
Reserved for Inventory	113,215	101,989	0	0
Reserved for Restricted Principal	0	0	0	0
Reserved for Notes Receivable	0	24,241	0	0
Reserved for Advances Receivable	2,066,316	0	0	0
Unreserved, (Deficit)	2,280,663	2,410,480	(6,019,563)	3,114,013
<b>Total Fund Equity (Deficit) and Other Credits</b>	<b>4,617,082</b>	<b>2,689,868</b>	<b>(3,710,296)</b>	<b>3,114,788</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$6,148,467</b>	<b>\$7,052,383</b>	<b>\$4,787,174</b>	<b>\$4,566,586</b>

See accompanying notes to the general purpose financial statements

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$944,994	\$7,116	\$4,830	\$0	\$0	\$1,288,170
0	259,897	0	0	0	259,897
85,803	0	0	0	0	300,254
100,662	0	0	0	0	119,435
26,987	1,160	0	0	0	103,754
45,615	0	0	0	0	148,991
2,701	0	43,236	0	0	55,216
73,418	3,094	30,809	0	199,669	334,419
1,152,961	0	0	0	0	1,780,961
0	0	0	0	0	3,309
264,011	0	0	0	0	264,011
1,306,238	0	0	0	0	1,306,238
129,682	0	0	0	0	129,682
0	0	36,408	0	0	36,408
0	0	0	0	0	6,635,398
4,250,000	0	0	0	0	9,980,000
1,896,703	0	0	0	0	3,963,019
125,231	24,877	0	0	705,149	855,257
0	0	0	0	3,441,813	3,441,813
0	0	0	0	894,625	894,625
35,634,786	0	0	0	0	35,634,786
0	0	0	0	22,483	22,483
<u>46,039,792</u>	<u>296,144</u>	<u>115,283</u>	<u>0</u>	<u>5,263,739</u>	<u>67,558,126</u>
0	0	0	20,519,315	0	20,519,315
19,501,186	64,666	0	0	0	19,565,852
932,500	0	0	0	0	932,500
25,302,603	(70,158)	0	0	0	25,232,445
0	0	100,833	0	0	2,720,921
0	0	0	0	0	215,204
0	0	49,658	0	0	49,658
0	0	0	0	0	24,241
0	0	0	0	0	2,066,316
0	0	631,542	0	0	2,417,135
<u>45,736,289</u>	<u>(5,492)</u>	<u>782,033</u>	<u>20,519,315</u>	<u>0</u>	<u>73,743,587</u>
<u>\$91,776,081</u>	<u>\$290,652</u>	<u>\$897,316</u>	<u>\$20,519,315</u>	<u>\$5,263,739</u>	<u>\$141,301,713</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, 2001

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
Revenues:			
Property Taxes	\$776,509	\$1,090,467	\$0
Income Taxes	1,750,391	0	1,530,348
Other Local Taxes	413,269	115,019	0
Payments in Lieu of Taxes	0	479,483	0
Intergovernmental	1,015,795	927,968	323,617
Charges for Services	848,168	154,038	0
Fines, Licenses and Permits	926,473	249,372	0
Special Assessments	0	0	8,512
Interest	444,752	11,190	24,826
Other	156,171	46,742	83,017
<b>Total Revenues</b>	<b>6,331,528</b>	<b>3,074,279</b>	<b>1,970,320</b>
Expenditures:			
Current:			
Security of Persons and Property	2,502,557	1,288,370	0
Public Health Services	8,354	113,766	0
Leisure Time Activities	621,077	0	0
Community Environment	781,920	97,494	35,307
Transportation	0	728,214	0
General Government	3,661,030	0	690,830
Capital Outlay	172,196	0	3,222,797
Debt Service:			
Principal Retirement	301	0	0
Interest and Fiscal Charges	965	20,393	167,471
<b>Total Expenditures</b>	<b>7,748,400</b>	<b>2,248,237</b>	<b>4,116,405</b>
Excess of Revenues Over (Under) Expenditures	(1,416,872)	826,042	(2,146,085)
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	0	1,676	0
Operating Transfers - In	47,495	39,200	1,583,189
Operating Transfers - Out	(43,183)	(456,551)	(540,000)
<b>Total Other Financing Sources (Uses)</b>	<b>4,312</b>	<b>(415,675)</b>	<b>1,043,189</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,412,560)	410,367	(1,102,896)
Fund Balances (Deficit) at Beginning of Year - (Restated Note 3)	6,005,749	2,287,692	(2,607,400)
Increase (Decrease) in Reserve for Inventory	23,893	(8,191)	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$4,617,082</b>	<b>\$2,689,868</b>	<b>(\$3,710,296)</b>

See accompanying notes to the general purpose financial statements

	FIDUCIARY FUND TYPE		Total (Memorandum Only)
	Debt Service	Expendable Trust	
\$110,533	\$0	\$1,977,509	
765,176	0	4,045,915	
0	0	528,288	
0	0	479,483	
12,135	0	2,279,515	
0	0	1,002,206	
0	0	1,175,845	
166,353	0	174,865	
162,178	0	642,946	
3,402	150,914	440,246	
<u>1,219,777</u>	<u>150,914</u>	<u>12,746,818</u>	
0	22,380	3,813,307	
0	0	122,120	
0	0	621,077	
0	0	914,721	
0	0	728,214	
0	0	4,351,860	
0	385,249	3,780,242	
750,000	0	750,301	
262,921	0	451,750	
<u>1,012,921</u>	<u>407,629</u>	<u>15,533,592</u>	
<u>206,856</u>	<u>(256,715)</u>	<u>(2,786,774)</u>	
0	0	1,676	
363,898	0	2,033,782	
(1,032,231)	0	(2,071,965)	
<u>(668,333)</u>	<u>0</u>	<u>(36,507)</u>	
(461,477)	(256,715)	(2,823,281)	
3,576,265	875,905	10,138,211	
0	0	15,702	
<u>\$3,114,788</u>	<u>\$619,190</u>	<u>\$7,330,632</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, 2001**

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$776,509	\$776,509	\$0
Income Taxes	1,723,690	1,723,690	0
Other Local Taxes	413,558	413,558	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	1,031,661	1,031,661	0
Charges for Services	814,609	935,765	121,156
Fines, Licenses and Permits	918,308	918,308	0
Special Assessments	0	0	0
Interest	473,120	473,120	0
Other	156,171	156,171	0
<b>Total Revenues</b>	<b>6,307,626</b>	<b>6,428,782</b>	<b>121,156</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Security of Persons and Property	2,631,647	2,557,494	74,153
Public Health Services	9,125	8,354	771
Leisure Time Activities	691,452	645,039	46,413
Community Environment	994,410	809,552	184,858
Transportation	0	0	0
General Government	4,025,696	3,790,175	235,521
Capital Outlay	206,747	179,328	27,419
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>8,559,077</b>	<b>7,989,942</b>	<b>569,135</b>
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	<b>(2,251,451)</b>	<b>(1,561,160)</b>	<b>690,291</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	0	0	0
Proceeds from Sale of Notes	0	0	0
Advance - In	148,184	100,689	(47,495)
Advance - Out	0	0	0
Operating Transfers - In	0	47,495	47,495
Operating Transfers - Out	(43,183)	(43,183)	0
<b>Total Other Financing Sources (Uses)</b>	<b>105,001</b>	<b>105,001</b>	<b>0</b>
<b>Excess of Revenues and Other Financing</b>			
<b>Sources Over (Under) Expenditures and</b>			
<b>Other Financing Uses</b>	<b>(2,146,450)</b>	<b>(1,456,159)</b>	<b>690,291</b>
<b>Fund Balances at Beginning of Year</b>	<b>2,690,517</b>	<b>2,690,517</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>145,428</b>	<b>145,428</b>	<b>0</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$689,495</b>	<b>\$1,379,786</b>	<b>\$690,291</b>

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,090,467	\$1,090,467	\$0	\$0	\$0	\$0
0	0	0	1,519,693	1,519,693	0
114,981	114,981	0	0	0	0
479,483	479,483	0	0	0	0
949,419	950,708	1,289	205,115	310,557	105,442
154,038	154,038	0	0	0	0
245,794	251,864	6,070	0	0	0
0	0	0	8,512	8,512	0
1,905	6,337	4,432	36,195	37,886	1,691
28,981	45,032	16,051	83,017	83,017	0
<u>3,065,068</u>	<u>3,092,910</u>	<u>27,842</u>	<u>1,852,532</u>	<u>1,959,665</u>	<u>107,133</u>
1,488,710	1,394,126	94,584	0	0	0
146,894	117,189	29,705	9,660	9,635	25
0	0	0	0	0	0
170,000	126,757	43,243	69,660	47,034	22,626
870,493	792,761	77,732	0	0	0
0	0	0	67,808	67,808	0
0	0	0	7,196,253	6,412,481	783,772
480,000	480,000	0	2,300,000	2,300,000	0
28,800	25,428	3,372	143,725	132,327	11,398
<u>3,184,897</u>	<u>2,936,261</u>	<u>248,636</u>	<u>9,787,106</u>	<u>8,969,285</u>	<u>817,821</u>
(119,829)	156,649	276,478	(7,934,574)	(7,009,620)	924,954
1,676	1,676	0	0	0	0
360,000	360,000	0	5,370,000	5,370,000	0
0	0	0	797,500	0	(797,500)
0	0	0	(100,689)	(100,689)	0
39,200	39,200	0	785,689	1,583,189	797,500
(456,551)	(456,551)	0	(540,000)	(540,000)	0
<u>(55,675)</u>	<u>(55,675)</u>	<u>0</u>	<u>6,312,500</u>	<u>6,312,500</u>	<u>0</u>
(175,504)	100,974	276,478	(1,622,074)	(697,120)	924,954
2,644,482	2,644,482	0	1,431,922	1,431,922	0
107,778	107,778	0	1,025,179	1,025,179	0
<u>\$2,576,756</u>	<u>\$2,853,234</u>	<u>\$276,478</u>	<u>\$835,027</u>	<u>\$1,759,981</u>	<u>\$924,954</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, 2001  
 (Continued)

	DEBT SERVICE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$110,533	\$110,533	\$0
Income Taxes	759,850	759,850	0
Other Local Taxes	0	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	12,135	12,135	0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Special Assessments	166,353	166,353	0
Interest	130,460	165,580	35,120
Other	0	0	0
<b>Total Revenues</b>	<b>1,179,331</b>	<b>1,214,451</b>	<b>35,120</b>
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	750,000	750,000	0
Interest and Fiscal Charges	270,864	264,006	6,858
<b>Total Expenditures</b>	<b>1,020,864</b>	<b>1,014,006</b>	<b>6,858</b>
Excess of Revenues Over (Under) Expenditures	158,467	200,445	41,978
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	363,898	363,898	0
Operating Transfers - Out	(1,032,231)	(1,032,231)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(668,333)</b>	<b>(668,333)</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(509,866)	(467,888)	41,978
Fund Balances at Beginning of Year	3,516,007	3,516,007	0
Prior Year Encumbrances Appropriated	155	155	0
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$3,006,296</b>	<b>\$3,048,274</b>	<b>\$41,978</b>

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
145,063	150,914	5,851
145,063	150,914	5,851
22,500	22,380	120
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
630,000	486,082	143,918
0	0	0
0	0	0
652,500	508,462	144,038
(507,437)	(357,548)	149,889
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
(507,437)	(357,548)	149,889
875,905	875,905	0
0	0	0
\$368,468	\$518,357	\$149,889

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, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating Revenues:				
Charges for Services	\$18,606,487	\$1,647,579	\$12,390	\$20,266,456
Fines, Licenses and Permits	69,909	0	0	69,909
Other	175,190	221,152	0	396,342
Interest	0	0	1,584	1,584
Total Operating Revenues	<u>18,851,586</u>	<u>1,868,731</u>	<u>13,974</u>	<u>20,734,291</u>
Operating Expenses:				
Personal Services	2,238,308	113,342	0	2,351,650
Travel Transportation	23,148	845	0	23,993
Contractual Services	3,310,497	355,411	0	3,665,908
Supplies and Materials	2,130,819	151,547	0	2,282,366
Purchased Power	6,751,462	0	0	6,751,462
Other	13,215	0	0	13,215
Claims	0	1,397,758	0	1,397,758
Depreciation	2,348,877	4,954	0	2,353,831
Total Operating Expenses	<u>16,816,326</u>	<u>2,023,857</u>	<u>0</u>	<u>18,840,183</u>
Operating Income (Loss)	<u>2,035,260</u>	<u>(155,126)</u>	<u>13,974</u>	<u>1,894,108</u>
Non-Operating Revenues (Expenses):				
Interest	953,318	3,809	0	957,127
Donated Assets	902,049	17,793	0	919,842
Loss on Disposal of Fixed Assets	(2,052)	0	0	(2,052)
Interest and Fiscal Charges	(1,964,085)	0	0	(1,964,085)
Total Non-Operating Revenues (Expenses)	<u>(110,770)</u>	<u>21,602</u>	<u>0</u>	<u>(89,168)</u>
Net Income (Loss) Before Transfers	1,924,490	(133,524)	13,974	1,804,940
Operating Transfer - In	122,099	0	0	122,099
Operating Transfer - Out	(83,916)	0	0	(83,916)
Net Income (Loss)	1,962,673	(133,524)	13,974	1,843,123
Retained Earnings/Fund Balance				
Beginning of Year	<u>24,272,430</u>	<u>63,366</u>	<u>148,869</u>	<u>24,484,665</u>
Retained Earnings(Deficit)/ Fund Balance End of Year	<u>\$26,235,103</u>	<u>(\$70,158)</u>	<u>\$162,843</u>	<u>\$26,327,788</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, 2001

	ENTERPRISE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$17,250,761	\$18,385,049	\$1,134,288
Fines, Licenses and Permits	69,909	69,909	0
Other	49,182	175,190	126,008
Interest	863,118	953,318	90,200
Special Assessments	7,853	7,853	0
Proceeds From Sale of Notes	9,250,000	9,250,000	0
Proceeds From Sale of Bonds	5,000,000	13,690,000	8,690,000
Utility Deposits Received	110,650	110,805	155
Premium on Debt Issue	90,005	220,758	130,753
<b>Total Revenues</b>	<b>32,691,478</b>	<b>42,862,882</b>	<b>10,171,404</b>
Expenses:			
Personal Services	2,473,579	2,209,791	263,788
Travel Transportation	37,550	23,680	13,870
Contractual Services	4,483,716	4,211,665	272,051
Supplies and Materials	466,437	354,928	111,509
Purchased Power	8,210,000	8,120,766	89,234
Other	7,850	7,135	715
Utility Deposits Returned	105,000	95,277	9,723
Claims	0	0	0
Capital Outlay	19,804,882	10,934,126	8,870,756
Debt Service:			
Principal Retirement	14,818,750	14,125,000	693,750
Interest and Fiscal Charges	2,154,679	1,884,312	270,367
Bond Issuance Cost	0	426,160	(426,160)
<b>Total Expenses</b>	<b>52,562,443</b>	<b>42,392,840</b>	<b>10,169,603</b>
Excess of Revenues Over (Under) Expenses Before Transfers	(19,870,965)	470,042	20,341,007
Operating Transfers - In	12,259,736	1,022,099	(11,237,637)
Operating Transfers - Out	(4,530,119)	(983,916)	3,546,203
Excess of Revenues Over (Under) Expenses and Transfers	(12,141,348)	508,225	12,649,573
Fund Equity at Beginning of Year	19,649,207	19,649,207	0
Prior Year Encumbrances Appropriated	2,840,942	2,840,942	0
<b>Fund Equity at End of Year</b>	<b>\$10,348,801</b>	<b>\$22,998,374</b>	<b>\$12,649,573</b>

(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, 2001  
 (Continued)

	INTERNAL SERVICE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$1,658,673	\$1,658,673	\$0
Fines, Licenses and Permits	0	0	0
Other	221,152	221,152	0
Interest	1,134	3,809	2,675
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
Premium on Debt Issue	0	0	0
<b>Total Revenues</b>	<b>1,880,959</b>	<b>1,883,634</b>	<b>2,675</b>
<b>Expenses:</b>			
Personal Services	106,417	101,524	4,893
Travel Transportation	1,000	845	155
Contractual Services	332,416	357,593	(25,177)
Supplies and Materials	199,755	176,855	22,900
Purchased Power	0	0	0
Other	0	0	0
Utility Deposits Returned	0	0	0
Claims	1,666,106	1,506,374	159,732
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Bond Issuance Cost	0	0	0
<b>Total Expenses</b>	<b>2,305,694</b>	<b>2,143,191</b>	<b>162,503</b>
<b>Excess of Revenues Over (Under) Expenses Before Transfers</b>	<b>(424,735)</b>	<b>(259,557)</b>	<b>165,178</b>
Operating Transfers - In	0	0	0
Operating Transfers - Out	0	0	0
<b>Excess of Revenues Over (Under) Expenses and Transfers</b>	<b>(424,735)</b>	<b>(259,557)</b>	<b>165,178</b>
Fund Equity at Beginning of Year	219,520	219,520	0
Prior Year Encumbrances Appropriated	116,913	116,913	0
<b>Fund Equity at End of Year</b>	<b>(\$88,302)</b>	<b>\$76,876</b>	<b>\$165,178</b>

See accompanying notes to the general purpose financial statements

NONEXPENDABLE TRUST FUND

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$11,906	\$12,390	\$484
0	0	0
0	0	0
1,584	1,584	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
13,490	13,974	484
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
0	0	0
13,490	13,974	484
0	0	0
0	0	0
13,490	13,974	484
148,869	148,869	0
0	0	0
\$162,359	\$162,843	\$484

CITY OF LEBANON, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$18,454,958	\$0
Cash Received from Quasi-External Operating Transactions with Other Funds	0	1,658,673
Cash Payments for Employee Services and Benefits	(2,201,606)	(101,524)
Cash Payments to Suppliers for Goods and Services	(13,268,879)	(519,398)
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(1,408,686)
Other Operating Revenues	175,190	221,152
Other Operating Expenses	(6,389)	0
Utility Deposits Received	110,805	0
Utility Deposits Returned	(89,757)	0
Net Cash Provided by (Used for) Operating Activities	<u>3,174,322</u>	<u>(149,783)</u>
Cash Flows from Noncapital Financing Activities:		
Long-Term Advance From Another Fund	1,022,099	0
Short-Term Advance to Another Fund	(983,916)	0
Net Cash Provided by Noncapital financing Activities	<u>38,183</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:		
Cash Received from Special Assessments	7,853	0
Acquisition of Capital Assets	(4,028,778)	0
Proceeds from Sale of Notes	9,250,000	0
Principal Paid on Notes	(13,250,000)	0
Interest Paid on Notes	(399,027)	0
Proceeds from Sale of Bonds	13,690,000	0
Premium on Sale of Bonds	220,758	0
Principal Paid on Mortgage Revenue Bonds	(875,000)	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(1,479,368)	0
Bond issuance costs on Mortgage Revenue Bonds	(426,160)	0
Net Cash Provided by Capital and Related Financing Activities	<u>2,710,278</u>	<u>0</u>
Cash Flows from Investing Activities:		
Interest	<u>953,318</u>	<u>3,809</u>
Net Cash Provided by Investing Activities	<u>953,318</u>	<u>3,809</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,876,101	(145,974)
Cash and Cash Equivalents Beginning of Year	<u>22,490,149</u>	<u>336,433</u>
Cash and Cash Equivalents End of Year	<u>\$29,366,250</u>	<u>\$190,459</u>

FIDUCIARY FUND TYPE	Total (Memorandum Only)
Nonexpendable Trust	
\$12,390	\$18,467,348
0	1,658,673
0	(2,303,130)
0	(13,788,277)
0	(1,408,686)
0	396,342
0	(6,389)
0	110,805
0	(89,757)
<u>12,390</u>	<u>3,036,929</u>
0	1,022,099
0	(983,916)
<u>0</u>	<u>38,183</u>
0	7,853
0	(4,028,778)
0	9,250,000
0	(13,250,000)
0	(399,027)
0	13,690,000
0	220,758
0	(875,000)
0	(1,479,368)
0	(426,160)
<u>0</u>	<u>2,710,278</u>
<u>1,584</u>	<u>958,711</u>
<u>1,584</u>	<u>958,711</u>
13,974	6,744,101
<u>148,869</u>	<u>22,975,451</u>
<u>\$162,843</u>	<u>\$29,719,552</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, 2001  
 (Continued)

	PROPRIETARY FUND TYPES	
	Enterprise	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$2,035,260	(\$155,126)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	2,348,877	4,954
Interest Received by Nonexpendable Trust Funds	0	0
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(213,777)	0
Decrease in Due from Other Funds	0	11,094
Increase in Due from Other Governments	(7,661)	0
Decrease in Inventory of Supplies	46,731	23
Decrease in Prepaids Items	10,962	121
Decrease in Accounts Payable	(589,148)	(11,739)
Decrease in Contracts Payable	(56,943)	0
Decrease in Contracts Payable Retainage	(456,795)	0
Decrease in Claims Payable	0	(10,928)
Increase in Accrued Salaries Payable	9,515	317
Decrease in Due to Other Funds	(2,531)	0
Increase in Due to Other Governments	18,246	501
Increase in Liabilities Payable from Restricted Assets	22,574	0
Increase in Compensated Absences Payable	9,012	11,000
Net Cash Provided by (Used for) Operating Activities	<u>\$3,174,322</u>	<u>(\$149,783)</u>

Noncash Capital Financing Activities:

During 2001, the Electric Enterprise Fund received from the General Fixed Asset Account Group fixed assets with a fair market value of \$810.  
 During 2001, the Sewer and Water Enterprise Funds received sewer and water lines from developers with a fair market value of \$535,110 and \$366,939 respectively.

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>	
\$13,974	\$1,894,108
0	2,353,831
(1,584)	(1,584)
0	(213,777)
0	11,094
0	(7,661)
0	46,754
0	11,083
0	(600,887)
0	(56,943)
0	(456,795)
0	(10,928)
0	9,832
0	(2,531)
0	18,747
0	22,574
0	20,012
<u>\$12,390</u>	<u>\$3,036,929</u>

\$897,316  
(734,473)

\$162,843

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

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

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments, which comprise the legal entity of the City. They provide various services including police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, community development, public health and welfare, water, sewer, electric, telecommunications 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 associated with two organizations, one of which is defined as a joint venture and one as a jointly governed organization. These organizations are presented in Note 20 of the General Purpose Financial Statements. These organizations are:

Joint Venture:

Hazardous Materials Response Team

Jointly Governed Organization:

Warren County General Health District

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.

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

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

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

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

Governmental Fund Types

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

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

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

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

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

Proprietary Fund Types

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

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

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, 2001

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 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.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary funds and nonexpendable trust fund.

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the exchange on which the tax is imposed takes place and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Notes 6 and 8.) Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental or expendable trust funds.

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

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 and the State Issue II Capital Projects Fund because the City did not anticipate any revenues or expenditures in 2001. No revenues or expenditures occurred for these funds in 2001. The legal level of budgetary control is at the object level (personal services, contractual services, supplies and materials etc.) within each department and fund. For the proprietary funds, the City has elected to present the budgetary statements with more detail within the object level. Budgetary modifications may only be made by resolution of the City Council.

Tax Budget

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

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2001.

Appropriations

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

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

Encumbrances

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

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2001, investments were limited to STAR Ohio, City issued debt and open-end mutual funds. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

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, 2001.

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

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

Interest income is distributed to the funds according to Ohio statutory requirements and the City charter. Interest revenue credited to the General Fund during 2001 amounted to \$444,752, which includes \$420,510 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, 2001, 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, 2001

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 thousand 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 Lines and Equipment	10 years

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.

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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-one days after year-end are generally considered not to have been paid with current available financial resources. Bonds and police pension are recognized as a liability of the General Long-Term Obligations Account Group until due. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Capitalization of Interest

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds over the same period. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2001, no material interest costs were incurred on construction projects in proprietary funds.

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. Beginning in 2001, GASB Statement No. 33 requires that these types of contributions be recognized as revenue.

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.

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

Bond Discounts, Premiums/Issuance Costs

Bond discounts, premiums 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.

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. Transfers between the electric and telecommunications funds on a budgetary basis are reclassified as advances for GAAP purposes due to the City's intent to repay the electric fund as revenues become available.

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.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE/RETAINED EARNINGS

For fiscal year 2001, the City has implemented *GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions,"* and *GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues,"* which changes how the City recognizes certain types of revenues. *GASB Statement No. 33* also requires that, beginning in 2001, capital contributions to proprietary funds be recognized as revenue. The implementation of these GASB pronouncements had no effect on fund balances or retained earnings as previously reported.

Notes receivable were overstated in the Special Revenue Funds at December 31, 2000. Restatement of notes receivable had the following effect on fund balance:

	Special Revenue Funds
Fund Balance, as previously reported, December 31, 2000	\$2,324,722
Notes Receivable	(37,030)
Fund Balance, restated, December 31, 2000	\$2,287,692

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 is based upon accounting for certain transactions on a basis of cash receipts, disbursements, appropriations and encumbrances.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - BUDGET TO GAAP RECONCILIATION (continued)

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
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	(\$1,412,560)	\$410,367	(\$1,102,896)	(\$461,477)	(\$256,715)
Revenue Accruals	97,254	18,631	(10,655)	(5,326)	0
Expenditure Accruals	(25,072)	(49,499)	116,684	155	4,830
Encumbrances	(216,470)	(158,525)	(2,669,564)	(1,240)	(105,663)
Debt Principal Retirement	0	(480,000)	(2,300,000)	0	0
Proceeds from Sale of Notes	0	360,000	5,370,000	0	0
Advances	100,689	0	(100,689)	0	0
Budget Basis	<u>(\$1,456,159)</u>	<u>\$100,974</u>	<u>(\$697,120)</u>	<u>(\$467,888)</u>	<u>(\$357,548)</u>

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - BUDGET TO GAAP RECONCILIATION (continued)

	Net Income (Loss)/Excess of Revenues Over (Under) Expenses and Advances Proprietary Fund Types and Nonexpendable Trust Fund		
	Enterprise	Internal Service	Nonexpendable Trust
GAAP Basis	\$1,962,673	(\$133,524)	\$13,974
Revenue Accruals	(894,876)	(6,699)	0
Deposits	21,608	0	0
Expense Accruals	(1,350,455)	(10,705)	0
Encumbrances	(6,367,876)	(113,583)	0
Debt Principal Payment	(14,125,000)	0	0
Debt Proceeds	22,940,000	0	0
Capital Outlay	(4,028,778)	0	0
Depreciation	2,348,877	4,954	0
Loss on Disposal of Fixed Assets	2,052	0	0
Budget Basis	\$508,225	(\$259,557)	\$13,974

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

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).

The City may also invest any monies not required to be used for a period of six months or more in the following:

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

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.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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 \$2,066,752 and the bank balance was \$2,414,016. Of the bank balance, \$200,000 was covered by federal deposit insurance. The remaining amounts were uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the City's name and all statutory requirements for the investment of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

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

	Category 1	Fair Value
STAR Ohio	\$0	\$38,358,945
Mutual Funds	0	2,163,351
City Bonds	120,000	120,000
Total	<u>\$120,000</u>	<u>\$40,642,296</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:

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$42,709,048	\$0
Investments:		
STAR Ohio	(38,358,945)	38,358,945
Mutual Funds	(2,163,351)	2,163,351
City Bonds	(120,000)	120,000
GASB Statement 3	\$2,066,752	\$40,642,296

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 2001 for real and public utility property taxes represents collections of 2001 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) is for 2001 taxes.

2001 real property taxes are levied after October 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

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. 2001 public utility property taxes became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000 on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2001, was \$7.72 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$187,009,730
Public Utility Real Property	67,328,970
Public Utility Tangible Personal Property	6,378,020
Tangible Personal Property	48,143,491
Total	\$308,860,211

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 6 - PROPERTY TAXES (continued)

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Lebanon. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next 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 2001 operations. The receivable is offset by deferred revenue.

NOTE 7 - PAYMENTS IN LIEU OF TAXES

The City acquired property that is leased to twenty-eight companies, Amtex Inc., Lucas Sumitomo Brakes Inc., Bunnell Hill, Ghent Manufacturing, Cinmar, JBM, E-Beam Services, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, Eastgate Graphics, Flint Ink, J & N Distribution, R & I Enterprises, Quantum Metals, Dorn Enterprises, Franklin Brazing, Tomak Precision, Trim Parts, Collins Ink, Contemporary Image Labeling, 4 Sands Industries, G.C. Contracting, J.I.T. Packaging, Keland Steel Erectors, Superior Walls of Cincinnati, and Unitherm. The corporations have built or are in the process of building factories on the land leased from the City. To encourage development, the companies have been granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes that otherwise would have been due. These payments are being used for costs associated with promoting and improving the industrial park. Payments will continue over the thirty-year life of the lease.

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

NOTE 8 - INCOME TAX

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

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

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 8 - INCOME TAX (continued)

Income tax proceeds are to be used to pay the cost of administering the tax, general fund operations, capital improvements, debt service and other governmental functions when needed, as determined by Council. In 2001, the proceeds were allocated to the General Fund, the Capital Improvements Capital Projects Fund and the General Obligation Debt Retirement Debt Service Fund. Income tax revenue for 2001 was \$4,045,915.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2001, consisted of property, income and other local taxes, payments in lieu of taxes, utility accounts, special assessments, notes, intergovernmental receivables arising from grants, entitlements and shared revenues, interfund, and capital leases. All receivables are considered fully collectible except utility accounts.

Accounts Receivable	Estimated Uncollectible	Net Receivable
\$2,917,423	\$200,606	\$2,716,817

A summary of due from other governments:

<u>General Fund</u>	
Local Government Assistance	\$38,310
Inheritance Tax	24,472
City of Franklin	84,630
Bailiff	4,636
Total General Fund	152,048
<u>Special Revenue Funds</u>	
<u>Cemetery Fund</u>	
Pari-Mutual Tax	15,000
<u>State Highway Fund</u>	
Motor Vehicle Tax	13,504
<u>Street Maintenance and Repair Fund</u>	
Permissive Tax	49,403
Motor Vehicle Tax	72,663
Gas Tax	96,933
Total Street Maintenance and Repair Fund	218,999
Total Special Revenue Funds	247,503
<u>Enterprise Fund</u>	
<u>Sewer Fund</u>	
Village of Morrow	13,650
Village of South Lebanon	13,877
Total Enterprise Funds	27,527
Total All Funds	\$427,078

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 9 - RECEIVABLES (continued)

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 represents amounts that individuals owe the City on these loans.

NOTE 10 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2001, were as follows:

<u>Asset Category</u>	<u>Balance at January 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2001</u>
Land	\$9,988,533	\$234,348	\$0	\$10,222,881
Improvements Other than Buildings	718,226	7,076	0	725,302
Buildings	3,063,716	680,048	0	3,743,764
Equipment	2,260,405	184,909	93,468	2,351,846
Vehicles	2,841,649	164,657	136,187	2,870,119
Construction in Progress	365,350	367,482	127,429	605,403
<b>Totals</b>	<u>\$19,237,879</u>	<u>\$1,638,520</u>	<u>\$357,084</u>	<u>\$20,519,315</u>

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Public Employees Retirement System

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report 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. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. For 2000, PERS instituted a temporary employer rate rollback for state and local governments. 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, 2001, 2000, and 1999 were \$522,267, \$229,170, and \$357,085, respectively. The full amount has been contributed for 2000 and 1999. The amount contributed for 2001 was 76.5 percent with the remainder being reported as a fund liability and within the general long-term obligations account group.

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent for police and 16.5 percent for firefighters. For 2000, the City contributions were 12.25 percent for police and 16.75 percent for firefighters. The City's contributions to the OP&F for police and firefighters were \$164,480 and \$18,944 for the year ended December 31, 2001, \$142,286 and \$10,793 for the year ended December 31, 2000, and \$132,280 and \$9,948 for the year ended December 31, 1999. The full amount has been contributed for 2000 and 1999. 73.7 percent for police and 73.2 percent for firefighters has been contributed for 2001 with the remainder being reported as a liability within the general long-term obligations account group.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. As of December 31, 2001, the unfunded liability of the City was \$22,483, payable in semiannual installments through the year 2030. This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group.

NOTE 12 - POSTEMPLOYMENT BENEFITS

Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit 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. The Ohio Revised Code provides statutory authority for employer contributions. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll, 4.3 percent was the portion that was used to fund healthcare.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

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

The number of active contributing participants was 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$242,784. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

OHIO POLICE AND FIRE PENSION FUND

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 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 (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire 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 rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000 the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$102,800 for police and \$8,611 for fire. The OP&F's total health care expense for the year ended December 31, 2000, (the latest information available) was \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

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 \$323,557 at December 31, 2001.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 13 - OTHER EMPLOYEE BENEFITS

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, 2001, was \$498,344.

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, 2001, the accrual for unpaid holiday time amounted to \$33,356.

NOTE 14 - CAPITAL LEASE RECEIVABLE

City-owned land within the following Industrial Parks were leased to twenty-eight companies: Kingsview Industrial Park: Amtex Inc., J.I.T. Packaging, Lucas Sumitomo Brakes Inc., R & I Enterprises, Unitherm, Lebanon Commerce Center: Bunnell Hill, Cinmar L.P., Collins Ink, Dover/OPW, E-Beam Services, Flint Ink, Ghent Manufacturing, JBM Envelope, J & N Distribution, Knauf USA, Portman Equipment, Service Wholesale, Tomak Precision, Lebanon Commerce Center North: Trim Parts, Columbia Business Park: Contemporary Image Labeling, Doran Enterprises, 4 Sands Industries, Franklin Brazing, G.C. Contracting, Keland Steel Erectors, Quantum Metals, Superior Walls of Cincinnati, Norgal Industrial Park: Eastgate Graphics. 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	\$97,568
Less: Unearned Interest	<u>(37,509)</u>
Net Investment in Direct Financing Leases	<u>\$60,059</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 2001, 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.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 15 - RISK MANAGEMENT (continued)

Boiler and machinery deductible levels vary with equipment. EDT equipment has a \$1,000 deductible for computer equipment. Vehicles hold a \$250 to \$500 deductible, general liability has a \$0 deductible, and property has a \$1,000 deductible. The City carries a \$2,500 deductible for both police professional and public officials liability insurance. The City has an internal accident review board which analyzes all vehicle accidents. The City also contracts with Hylant MacLean, who reviews each accident claim. Settled claims have not exceeded this commercial coverage in any of the past four years and there have been no significant reductions in coverage from last year. However, the City did renew the coverage with Hylant MacLean in 1999 and received a three year rate guarantee.

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

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

The City pays into the Self-Insurance Internal Service Fund \$720 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 \$259,897 reported in the fund at December 31, 2001, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. 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,
2000	\$208,783	\$1,188,866	\$1,126,824	\$270,825
2001	270,825	1,397,758	1,408,686	259,897

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - LONG-TERM OBLIGATIONS

Changes in general long-term obligations during 2001 were as follows:

	Balance at January 1, 2001	Increases	Decreases	Balance at December 31, 2001
<u>Special Assessment Bonds:</u>				
1981 - 9.125% Mound Court	\$10,000	\$0	\$10,000	\$0
1989 - 7.150% Kingsview/Fujitec Road Improvement	229,932	0	229,932	0
1990 - 7.00% Kingsview/Henkle Drive Improvement	244,950	0	27,600	217,350
1991 - 6.45% Deerfield Road Improvement	548,310	0	33,570	514,740
1993 - 5.75% Henkle Drive Extension	130,000	0	10,000	120,000
1994 - 5.00% Pleasant Street Improvement	44,899	0	2,364	42,535
<b>TOTAL - Special Assessment Bonds Payable</b>	<u>1,208,091</u>	<u>0</u>	<u>313,466</u>	<u>894,625</u>
<u>Voted General Obligation Bonds:</u>				
1997 - 4.0 to 13.5% Library Improvement	752,711	18,728	90,000	681,439
<b>TOTAL - Voted General Obligation Bonds Payable</b>	<u>\$752,711</u>	<u>\$18,728</u>	<u>\$90,000</u>	<u>\$681,439</u>

(continued)

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

	Balance at January 1, 2001	Increases	Decreases	Balance at December 31, 2001
<u>Unvoted General Obligation Bonds:</u>				
1989 - 7.150% Kingsview/Fujitec Road Improvement	\$215,068	\$0	\$215,068	\$0
1990 - 7.00% Kingsview/Henkle Drive Improvement	110,050	0	12,400	97,650
1991 - 6.450% Deerfield Road Improvement	186,690	0	11,430	175,260
1994 - 5.50% Pleasant Street Improvement	145,100	0	7,636	137,464
1997 - 3.90 to 5.25% Miller Road	2,450,000	0	100,000	2,350,000
TOTAL - Unvoted General Obligation Bonds Payable	<u>3,106,908</u>	<u>0</u>	<u>346,534</u>	<u>2,760,374</u>
Due to Other Governments - (Pension Obligation)	140,447	199,669	140,447	199,669
Compensated Absences Payable	708,121	0	2,972	705,149
Police Pension	22,784	0	301	22,483
TOTAL - General Long-Term Obligations	<u>\$5,939,062</u>	<u>\$218,397</u>	<u>\$893,720</u>	<u>\$5,263,739</u>

The Kingsview/Henkle special assessment/general obligation bond was issued to finance the construction and improvement of 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 Bunnell Hill, Ghent Manufacturing, Cinmar, JBM, E-Beam Services, Knauf USA, OPW, Portman Equipment Co., Service Wholesale, Flint Ink, J & N Distribution, Tomak Precision, and Trim Parts. The debt is being paid from the General Obligation Debt Retirement Debt Service Fund with income tax revenue. The remainder is being assessed to the property owners.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

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

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

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

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

The Library Improvement general obligation bonds consist of \$620,000 in serial bonds and \$89,224 of capital appreciation bonds which were accreted \$18,728 in 2001. The carrying balance of the capital appreciation bonds at December 31, 2001, was \$151,440. 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 represent contractually required pension contributions, will be paid from the funds from which the employees' salaries are paid. The police pension liability is paid from the general fund from general property tax revenue.

Changes during 2001 in the City's long-term enterprise fund obligations were as follows:

	Balance at January 1, 2001	Increases	Decreases	Balance at December 31, 2001
<u>Mortgage Revenue Bonds</u>				
1999 - 4.9 to 5.35% Sanitary Sewer	\$8,630,000	\$0	\$205,000	\$8,425,000
1999 - 3.75 to 5.3% Water System Improvement and Refunding	9,855,000	0	340,000	9,515,000
Discount on Debt Issue	(65,253)	0	(8,157)	(57,096)

(continued)

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Mortgage Revenue Bonds (continued)

1997 - 4.0 to 4.8%				
Sanitary Sewer	\$1,385,000	\$0	\$150,000	\$1,235,000
Discount on Debt Issue	(153,444)	0	(19,180)	(134,264)
1996 - 3.7%				
Electric System	4,270,000	0	180,000	4,090,000
Discount on Debt Issue	(39,398)	0	(2,463)	(36,935)
2001 - 4.0 to 5.75%				
Electric System	0	8,125,000	0	8,125,000
Premium on Debt Issue	0	130,753	3,814	126,939
2001 - 4.0 to 5.75%				
Telecommunications System	0	5,565,000		5,565,000
Premium on Debt Issue	0	90,005	2,625	87,380
TOTAL - Mortgage Revenue Bonds Payable	23,881,905	13,910,758	851,639	36,941,024
Compensated Absences Payable	116,219	9,012	0	125,231
TOTAL - Enterprise Funds	<u>\$23,998,124</u>	<u>\$13,919,770</u>	<u>\$851,639</u>	<u>\$37,066,255</u>

On May 24, 2001, the City issued \$13,690,000 in mortgage revenue bonds for making improvements to the electric and telecommunications systems. The interest rate on the bonds is 5.16%, and final maturity is December 2021.

The Mortgage Revenue Bonds are being repaid from charges for services in the respective enterprise funds, with the exception of the Telecommunications Fund. Telecommunication debt is being repaid from advances from the Electric Fund. Compensated absences will be paid from the funds from which the employees' salaries are paid.

In prior years, the City defeased Water System Improvement Mortgage Revenue Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and the liability of the defeased bonds are not included in the City's financial statements. As of December 31, 2001, \$9,515,000 of the bonds were unmatured and unpaid.

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

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, 2001, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$28,695,115 and the unvoted debt margin was \$13,252,105. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2001, were:

	Special Assessment Bonds	General Obligation Bonds	Police Pension Liability	Mortgage Revenue Bonds	Total
2002	\$131,682	\$392,883	\$1,264	\$3,173,660	\$3,699,489
2003	130,599	393,636	1,264	3,164,608	3,690,107
2004	125,545	397,397	1,264	3,170,691	3,694,897
2005	124,222	391,593	1,264	3,174,988	3,692,067
2006	122,657	390,315	1,264	3,180,693	3,694,929
2007-11	566,179	1,729,516	6,320	14,678,505	16,980,520
2012-16	14,633	1,137,029	6,320	13,902,870	15,060,852
2017-40	0	221,025	23,416	15,671,678	15,916,119
<b>TOTAL</b>	<b>\$1,215,517</b>	<b>\$5,053,394</b>	<b>\$42,376</b>	<b>\$60,117,693</b>	<b>\$66,428,980</b>

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 17 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2001, follows:

<u>Fund Type/Fund/Issue</u>	<u>Balance at January 1, 2001</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2001</u>
<b>Special Revenue</b>				
Fire and Life Squad Fund				
Fire Improvement, 3.28%	\$480,000	\$360,000	\$480,000	\$360,000
<b>Total Special Revenue Funds</b>	<b>480,000</b>	<b>360,000</b>	<b>480,000</b>	<b>360,000</b>
<b>Capital Projects</b>				
Industrial Development Fund				
Columbia Business Park				
Bluebird Farms, 3.15%	2,000,000	1,200,000	2,000,000	1,200,000
Capital Improvements Fund				
Road Improvement, 3.21%	0	3,870,000	0	3,870,000
Main Street Improvement, 2.35%	300,000	300,000	300,000	300,000
<b>Total Capital Projects Funds</b>	<b>2,300,000</b>	<b>5,370,000</b>	<b>2,300,000</b>	<b>5,370,000</b>
<b>Enterprise</b>				
Electric Fund				
Electric Systems Improvement, 4.71%	3,250,000	3,250,000	3,250,000	3,250,000
Telecommunications Fund				
Telecommunications, 4.71%	5,000,000	5,000,000	10,000,000	0
Telephone System, 3.82%	0	1,000,000	0	1,000,000
<b>Total Enterprise Funds</b>	<b>8,250,000</b>	<b>9,250,000</b>	<b>13,250,000</b>	<b>4,250,000</b>
<b>Grand Total</b>	<b>\$11,030,000</b>	<b>\$14,980,000</b>	<b>\$16,030,000</b>	<b>\$9,980,000</b>

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.

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 18 - INTERFUND ASSETS/LIABILITIES

Individual fund interfund asset and liability balances at December 31, 2001, were as follows:

Due From/To Other Funds

	Due From	Due To
<u>General Fund</u>	\$39,231	\$6,005
 <u>Special Revenue Funds</u>		
Cemetery	0	375
Computer Improvement	2,658	0
Computerized Legal Research	897	0
DARE	275	0
Fire and Life Squad	0	1,000
Indigent Drivers' Alcohol Treatment	175	0
State Highway	0	760
Street Maintenance and Repair	0	1,139
Total Special Revenue Funds	4,005	3,274
 <u>Enterprise Funds</u>		
Electric	0	1,071
Sewer	0	833
Telecommunications	0	402
Water	0	395
Total Enterprise Funds	0	2,701
 <u>Internal Service Fund</u>		
Auto Maintenance	11,980	0
 <u>Agency Fund</u>		
Municipal Court	0	43,236
Total All Funds	\$55,216	\$55,216

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 18 - INTERFUND ASSETS/LIABILITIES (continued)

Interfund Receivable/Payable

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	<u>\$565,000</u>	<u>\$0</u>
<u>Special Revenue Funds</u>		
Community Development	0	63,000
COPS FAST	0	50,000
Urban Redevelopment	0	160,000
Total Special Revenue Funds	<u>0</u>	<u>273,000</u>
<u>Capital Projects Funds</u>		
Capital Improvements	63,000	0
Industrial Development	0	355,000
Total Capital Projects Funds	<u>63,000</u>	<u>355,000</u>
<u>Enterprise Funds</u>		
Electric	0	152,961
Sewer	0	1,000,000
Telecommunications	152,961	0
Water	1,000,000	0
Total Enterprise Funds	<u>1,152,961</u>	<u>1,152,961</u>
Total All Funds	<u>\$1,780,961</u>	<u>\$1,780,961</u>

Advances From/To Other Funds

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	<u>\$2,066,316</u>	<u>\$0</u>
<u>Capital Projects Funds</u>		
Industrial Development	0	2,066,316
<u>Enterprise Funds</u>		
Electric	1,896,703	0
Telecommunications	0	1,896,703
Total Enterprise Funds	<u>1,896,703</u>	<u>1,896,703</u>
Total All Funds	<u>\$3,963,019</u>	<u>\$3,963,019</u>

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 19 - SEGMENT INFORMATION

The City's enterprise funds account for the provision of electric, sanitation, sewer, telecommunication and water services. Effective January 1, 2001, the City has elected to split telecommunications activity out of the electric fund. Assets and liabilities were split according to the activity they were being used for. Key financial information as of and for the year ended December 31, 2001, for each enterprise fund is as follows:

	Electric	Sanitation	Sewer	Tele- Communications	Water	Total
Operating Revenues	\$12,635,057	\$816,453	\$1,840,462	\$1,441,832	\$2,117,782	\$18,851,586
Depreciation Expense	746,033	3,333	365,216	930,067	304,228	2,348,877
Operating Income (Loss)	2,016,151	146,472	868,752	(1,462,051)	465,936	2,035,260
Net Non-Operating Revenues (Expenses)	(411,423)	0	301,759	(271,499)	270,393	(110,770)
Operating Transfers In (Out)	18,000	0	(41,958)	104,099	(41,958)	38,183
Net Income (Loss)	1,622,728	146,472	1,128,553	(1,629,451)	694,371	1,962,673
Net Working Capital	10,481,954	728,517	5,342,188	(232,742)	8,932,481	25,252,398
Fixed Assets Additions	1,217,101	0	1,381,900	779,702	650,075	4,028,778
Fixed Assets Deletions	8,833	0	6,577	0	4,264	19,674
Total Assets	30,835,714	886,076	27,142,205	6,815,590	26,096,496	91,776,081
Bonds and Other Long-Term Liabilities Payable from Revenues	11,920,436	0	9,201,424	7,378,893	9,155,967	37,656,720
Total Fund Equity (Deficit)	13,864,746	832,948	16,461,136	(1,933,797)	16,511,256	45,736,289
Encumbrances at December 31, 2001	4,294,305	83,006	836,731	239,921	913,913	6,367,876

NOTE 20 - JOINT VENTURE/JOINTLY GOVERNED ORGANIZATION

Hazardous Materials Response Team

The City participated in a joint venture with the City of Franklin and Clearcreek Township pertaining to a Hazardous Materials Response Team (HAZMAT). The joint venture was formed for the purpose of providing protection and assistance for hazardous waste spills. In March 2000, the HAZMAT joint venture was disbanded and management of its operations was assumed by the Warren County Board of Commissioners. The balance of the Hazardous Materials fund was paid to the County during 2001.

The following is a summary of the financial information of the year ended December 31, 2001, prepared on the basis of cash receipts and disbursements:

Operating Revenues	\$0
Operating Expenditures	13
Excess of Operating Revenues Over (Under) Expenditures	(13)
Fund Balance Beginning of Year	13
Fund Balance at End of Year	\$0

CITY OF LEBANON, OHIO  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 20 - JOINT VENTURE/JOINTLY GOVERNED ORGANIZATION (continued)

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 \$1,750 during 2001 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 21 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The City of Lebanon has entered into the following contracts as of December 31, 2001:

Company	Purpose	Amount Remaining
Trend	South Street Reconstruction	\$698,877
MU Net	Utility Monitoring System	370,000
Excel	Broadway Water Main	269,505
PreLoad	1.0MG Clearwell	196,928
Weidle Corp.	Columbia Business Park Sec. 1	129,168
GPD	Monroe Road Substation	107,402
AY Mills	Cemetery House Renovation	104,700
Wagner Smith	Warren/East Traffic Signal	97,625
LP Cavett	Street Resurfacing/Concrete Repair	63,787
Apex Construction	Columbarium Lebanon Cemetery	59,000
Trend Construction	Silver Street Sanitary Sewer	58,809
CCI	Purchase/Install Fiber Optic Cable	57,458
Armrel Byrnes	Columbia Business Park	52,885
AC&E	Misc. Brick Sidewalk Recon.	47,393
Vaughn Industries	Monroe Substation	44,468
Industrial Video	Audio Visual Equipment	41,928
HD Water Service	Well Cleaning	33,537
Jennings	Miller Park Shelters	33,396
Cooper Energy	Repair of Turbo	32,000
Virginia Transformer	Monroe Substation	29,472
Jim Steagal Electric	City Building Electric	26,270
Wilson-Feist	City Building Renovation	26,076
The JB Scmitt Co.	Colonial Park S. Restroom Renovation	20,443
Utiliserve High Voltage	Monroe Substation	17,450
Brock & Sons	Cemetery Road Reconstruction	15,524
National Engineering	Wastewater Plant Expansion	11,539
Tri State Railroad Consultants	Columbia Business Park	10,172
Clark Substation	Monroe Substation	4,648
Finkbeiner, Pettis & Stout	Water Supply Study	4,344
Collins Refrigeration	Sam's House HVAC	2,828

CITY OF LEBANON, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 22 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability - Fund Equity Deficits

The COPS FAST and Urban Redevelopment Special Revenue Funds have deficit fund balances of \$47,074 and \$129,966, respectively. The Capital Improvements and Industrial Development Capital Projects Fund have deficit fund balances of \$522,796 and \$3,626,195, respectively. The deficit fund balances are a result of the application of generally accepted accounting principles to the financial reporting of these funds. Advances (long term and current) from other funds and proceeds of notes used to finance these projects are not recognized as other financing sources, but rather as a fund liability. The deficits will be eliminated when the advances and notes are repaid. The Telecommunications Enterprise Fund and the Self-Insurance Internal Service Fund have deficit retained earnings of \$3,235,299 and \$151,923, respectively. The City is currently monitoring the Telecommunications and Self-Insurance Funds to find a way to alleviate these deficits.

B. Compliance

The City had appropriations in excess of estimated receipts plus available balances for the State Highway Special Revenue Fund, Industrial Development Capital Projects Fund, Telecommunications Enterprise Fund, and the Self-Insurance Internal Service Fund in the amounts of \$2,585, \$61,776, \$835,163, and \$126,651 respectively.

The General Fund had expenditures in excess of appropriations in general government, legislative, contractual services \$8,810. The Electric and Telecommunications Enterprise Funds had expenditures in excess of appropriations in Bond Issuance Cost of \$252,370 and \$173,790, respectively. The Water Enterprise Fund had expenditures in excess of appropriations in Interest and Fiscal Charges of \$172. The Self-Insurance Internal Service Fund had expenditures in excess of appropriations in Contractual Services of \$27,285.

NOTE 23 - 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, 2001, to December 31, 2001, 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 City 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, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$776,509	\$776,509	\$0
Income Taxes	1,723,690	1,723,690	0
Other Local Taxes	413,558	413,558	0
Intergovernmental	1,031,661	1,031,661	0
Charges for Services	814,609	935,765	121,156
Fines, Licenses and Permits	918,308	918,308	0
Interest	473,120	473,120	0
Other	156,171	156,171	0
<b>Total Revenues</b>	<b>6,307,626</b>	<b>6,428,782</b>	<b>121,156</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Security of Persons and Property</b>			
<b>Police</b>			
Personal Services	2,233,827	2,190,988	42,839
Travel Transportation	31,353	27,784	3,569
Contractual Services	257,549	257,146	403
Supplies and Materials	108,918	81,576	27,342
<b>Total Security of Persons and Property</b>	<b>2,631,647</b>	<b>2,557,494</b>	<b>74,153</b>
<b>Public Health Services</b>			
Contractual Services	9,125	8,354	771
<b>Total Public Health Services</b>	<b>9,125</b>	<b>8,354</b>	<b>771</b>
<b>Leisure Time Activities</b>			
<b>Recreation Programs</b>			
Contractual Services	1,964	1,964	0
Supplies and Materials	1,088	1,088	0
<b>Parks</b>			
Personal Services	467,787	433,455	34,332
Travel Transportation	10,000	8,616	1,384
Contractual Services	101,918	99,949	1,969
Supplies and Materials	108,695	99,967	8,728
<b>Total Leisure Time Activities</b>	<b>\$691,452</b>	<b>\$645,039</b>	<b>\$46,413</b>

(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, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Planning and Development			
Personal Services	\$297,315	\$238,017	\$59,298
Travel Transportation	3,000	1,345	1,655
Contractual Services	7,570	6,199	1,371
Supplies and Materials	3,500	1,883	1,617
Building and Zoning			
Personal Services	217,859	140,469	77,390
Travel Transportation	1,600	1,557	43
Contractual Services	105,503	101,127	4,376
Supplies and Materials	2,350	714	1,636
Engineer Services			
Personal Services	264,149	238,462	25,687
Travel Transportation	3,500	3,233	267
Contractual Services	81,535	71,435	10,100
Supplies and Materials	6,529	5,111	1,418
Total Community Environment	994,410	809,552	184,858
General Government			
Legislative			
Personal Services	11,240	11,232	8
Travel Transportation	1,500	610	890
Contractual Services	462,682	471,492	(8,810)
Supplies and Materials	31,106	24,657	6,449
City Manager			
Personal Services	336,899	295,951	40,948
Travel Transportation	17,303	12,738	4,565
Contractual Services	264,198	262,404	1,794
Supplies and Materials	18,298	17,657	641
Human Resources			
Personal Services	107,234	104,647	2,587
Travel Transportation	2,500	2,499	1
Contractual Services	71,500	61,208	10,292
Supplies and Materials	2,000	1,980	20
Department of Service			
Personal Services	367,420	338,639	28,781
Travel Transportation	4,650	4,629	21
Contractual Services	7,450	6,383	1,067
Supplies and Materials	6,000	5,268	732
Bureau-Computer Services			
Personal Services	192,182	111,837	80,345
Travel Transportation	9,870	9,625	245
Contractual Services	139,900	129,678	10,222
Supplies and Materials	11,475	11,465	10
Finance			
Personal Services	356,832	356,820	12
Travel Transportation	6,150	5,960	190
Contractual Services	71,678	71,615	63
Supplies and Materials	\$1,214	\$1,131	\$83

(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, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Income Tax			
Personal Services	\$147,606	\$135,659	\$11,947
Travel Transportation	1,500	675	825
Contractual Services	9,300	7,849	1,451
Supplies and Materials	8,975	7,968	1,007
Refunds	52,225	52,221	4
Law			
Personal Services	186,561	180,010	6,551
Travel Transportation	2,600	429	2,171
Contractual Services	302,519	298,012	4,507
Supplies and Materials	2,142	2,016	126
Municipal Court			
Personal Services	356,049	354,727	1,322
Travel Transportation	1,200	224	976
Contractual Services	114,739	113,005	1,734
Supplies and Materials	15,315	9,991	5,324
Probation			
Personal Services	152,000	143,401	8,599
Travel Transportation	3,500	1,395	2,105
Contractual Services	3,900	2,982	918
Supplies and Materials	2,171	2,118	53
Building Maintenance			
Personal Services	122,914	120,024	2,890
Travel Transportation	750	0	750
Contractual Services	25,456	25,178	278
Supplies and Materials	12,993	12,166	827
Total General Government	<u>4,025,696</u>	<u>3,790,175</u>	<u>235,521</u>
Capital Outlay	<u>206,747</u>	<u>179,328</u>	<u>27,419</u>
Total Expenditures	<u>8,559,077</u>	<u>7,989,942</u>	<u>569,135</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,251,451)</u>	<u>(1,561,160)</u>	<u>690,291</u>
Other Financing Sources (Uses):			
Advance - In	148,184	100,689	(47,495)
Operating Transfers - In	0	47,495	47,495
Operating Transfers - Out	(43,183)	(43,183)	0
Total Other Financing Sources (Uses):	<u>105,001</u>	<u>105,001</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,146,450)</u>	<u>(1,456,159)</u>	<u>690,291</u>
Fund Balance at Beginning of Year	2,690,517	2,690,517	0
Prior Year Encumbrances Appropriated	<u>145,428</u>	<u>145,428</u>	<u>0</u>
Fund Balance at End of Year	<u>\$689,495</u>	<u>\$1,379,786</u>	<u>\$690,291</u>

## SPECIAL REVENUE FUNDS

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

### Bi-Centennial Celebration

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

### Cemetery

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

### Community Development

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

### Computer Improvement

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

### Computerized Legal Research

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

### COPS FAST

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

### DARE

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

### Drug Law Enforcement

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

### Enforcement and Education

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

### Federal Asset Forfeiture

To account for monies received from federal forfeitures to be used for law enforcement. Budgetary information has not been presented for this fund because the City did not anticipate any activity and no revenues or expenditures in 2001. The budgetary fund balance was \$1,357 at December 31, 2001.

### 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 and none occurred in 2001. The budgetary fund balance was \$30,004 at December 31, 2001.

**CITY OF LEBANON, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2001**

	<u>Bi-Centennial Celebration</u>	<u>Cemetery</u>	<u>Community Development</u>	<u>Computer Improvement</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$17,674	\$139,235	\$30,421	\$133,720
Cash and Cash Equivalents with Fiscal Agents	0	0	164,640	0
<b>Receivables:</b>				
Taxes	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Notes	0	0	24,241	0
Due from Other Funds	0	0	0	2,658
Due from Other Governments	0	15,000	0	0
Inventory of Supplies	0	6,787	0	0
Prepaid Items	0	581	0	0
<b>Total Assets</b>	<u>\$17,674</u>	<u>\$161,603</u>	<u>\$219,302</u>	<u>\$136,378</u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$186	\$44	\$0
Accrued Salaries Payable	0	1,068	0	0
Accrued Interest Payable	0	0	0	0
Due to Other Funds	0	375	0	0
Due to Other Governments	0	127	0	0
Interfund Payable	0	0	63,000	0
Deferred Revenue	0	15,000	0	0
Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>16,756</u>	<u>63,044</u>	<u>0</u>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	3,301	20,449	6,903
Reserved for Inventory	0	6,787	0	0
Reserved for Notes Receivable	0	0	24,241	0
Unreserved, Undesignated (Deficit)	17,674	134,759	111,568	129,475
<b>Total Fund Equity (Deficit)</b>	<u>17,674</u>	<u>144,847</u>	<u>156,258</u>	<u>136,378</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$17,674</u>	<u>\$161,603</u>	<u>\$219,302</u>	<u>\$136,378</u>

Computerized Legal Research	COPS FAST	DARE	Drug Law Enforcement	Enforcement and Education	Federal Asset Forfeiture	Fire and Life Squad
\$71,003	\$5,235	\$8,510	\$8,033	\$30,383	\$1,357	\$656,571
0	0	0	0	0	0	0
0	0	0	0	0	0	1,285,797
0	0	0	0	0	0	0
0	0	0	0	0	0	0
897	0	275	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	43,889
0	0	0	0	0	0	25,487
<u>\$71,900</u>	<u>\$5,235</u>	<u>\$8,785</u>	<u>\$8,033</u>	<u>\$30,383</u>	<u>\$1,357</u>	<u>\$2,011,744</u>
\$260	\$0	\$0	\$0	\$0	\$0	\$4,357
0	1,990	0	0	0	0	6,257
0	0	0	0	0	0	5,150
0	0	0	0	0	0	1,000
0	319	0	0	0	0	901
0	50,000	0	0	0	0	0
0	0	0	0	0	0	1,285,797
0	0	0	0	0	0	360,000
<u>260</u>	<u>52,309</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,663,462</u>
0	0	0	0	0	0	78,381
0	0	0	0	0	0	43,889
0	0	0	0	0	0	0
<u>71,640</u>	<u>(47,074)</u>	<u>8,785</u>	<u>8,033</u>	<u>30,383</u>	<u>1,357</u>	<u>226,012</u>
<u>71,640</u>	<u>(47,074)</u>	<u>8,785</u>	<u>8,033</u>	<u>30,383</u>	<u>1,357</u>	<u>348,282</u>
<u>\$71,900</u>	<u>\$5,235</u>	<u>\$8,785</u>	<u>\$8,033</u>	<u>\$30,383</u>	<u>\$1,357</u>	<u>\$2,011,744</u>

(Continued)

**CITY OF LEBANON, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2001**  
(Continued)

	Indigent Drivers' Alcohol Treatment	Law Enforcement	Parking	Park Recreation Impact Fee
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$53,843	\$8,836	\$65,239	\$588,297
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
<b>Receivables:</b>				
Taxes	0	0	0	0
Payment in Lieu of Taxes	0	0	0	0
Notes	0	0	0	0
Due from Other Funds	175	0	0	0
Due from Other Governments	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$54,018</b>	<b>\$8,836</b>	<b>\$65,239</b>	<b>\$588,297</b>
<b>Liabilities:</b>				
Accounts 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
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	15,060	0
Reserved for Inventory	0	0	0	0
Reserved for Notes Receivable	0	0	0	0
Unreserved, Undesignated (Deficit)	54,018	8,836	50,179	588,297
<b>Total Fund Equity (Deficit)</b>	<b>54,018</b>	<b>8,836</b>	<b>65,239</b>	<b>588,297</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$54,018</b>	<b>\$8,836</b>	<b>\$65,239</b>	<b>\$588,297</b>

<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Tax Increment Financing</u>	<u>Urban Redevelopment</u>	<u>Total</u>
\$12,370	\$777,236	\$373,792	\$30,004	\$3,011,759
0	0	0	0	164,640
0	7,807	0	0	1,293,604
0	0	2,172,750	0	2,172,750
0	0	0	0	24,241
0	0	0	0	4,005
13,504	218,999	0	0	247,503
0	51,313	0	0	101,989
0	5,824	0	0	31,892
<u>\$25,874</u>	<u>\$1,061,179</u>	<u>\$2,546,542</u>	<u>\$30,004</u>	<u>\$7,052,383</u>
\$0	\$1,325	\$0	\$0	\$6,172
0	6,256	0	0	15,571
0	0	0	0	5,150
760	1,139	0	0	3,274
0	875	15,931	0	18,153
0	0	0	160,000	273,000
11,640	196,008	2,172,750	0	3,681,195
0	0	0	0	360,000
<u>12,400</u>	<u>205,603</u>	<u>2,188,681</u>	<u>160,000</u>	<u>4,362,515</u>
572	28,492	0	0	153,158
0	51,313	0	0	101,989
0	0	0	0	24,241
12,902	775,771	357,861	(129,996)	2,410,480
<u>13,474</u>	<u>855,576</u>	<u>357,861</u>	<u>(129,996)</u>	<u>2,689,868</u>
<u>\$25,874</u>	<u>\$1,061,179</u>	<u>\$2,546,542</u>	<u>\$30,004</u>	<u>\$7,052,383</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, 2001**

	Bi-Centennial Celebration	Cemetery	Community Development	Computer Improvement
<b>Revenues:</b>				
Property Taxes	\$0	\$0	\$0	\$0
Other Local Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Intergovernmental	0	15,000	65,000	0
Charges for Services	0	48,323	0	0
Fines, Licenses and Permits	0	0	0	34,639
Interest	0	6,337	3,362	0
Other	8,398	497	0	0
<b>Total Revenues</b>	<b>8,398</b>	<b>70,157</b>	<b>68,362</b>	<b>34,639</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	0	0	0	4,194
Public Health Services	0	113,766	0	0
Community Environment	26,207	0	35,294	0
Transportation	0	0	0	0
<b>Debt Service:</b>				
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>26,207</b>	<b>113,766</b>	<b>35,294</b>	<b>4,194</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(17,809)</b>	<b>(43,609)</b>	<b>33,068</b>	<b>30,445</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	0	0	0	0
Operating Transfers - In	8,000	30,000	0	0
Operating Transfers - Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>8,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(9,809)</b>	<b>(13,609)</b>	<b>33,068</b>	<b>30,445</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>27,483</b>	<b>154,116</b>	<b>123,190</b>	<b>105,933</b>
<b>Increase (Decrease) in Reserve for Inventory</b>	<b>0</b>	<b>4,340</b>	<b>0</b>	<b>0</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$17,674</b>	<b>\$144,847</b>	<b>\$156,258</b>	<b>\$136,378</b>

Computerized Legal Research	COPS FAST	DARE	Drug Law Enforcement	Enforcement and Education	Federal Asset Forfeiture	Fire and Life Squad
\$0	\$0	\$0	\$0	\$0	\$0	\$1,090,467
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	210,089	0	0	0	0	129,759
0	0	0	0	6,998	0	76,348
11,371	0	0	0	4,039	0	0
0	1,491	0	0	0	0	0
0	0	4,064	2,926	0	0	2,039
<u>11,371</u>	<u>211,580</u>	<u>4,064</u>	<u>2,926</u>	<u>11,037</u>	<u>0</u>	<u>1,298,613</u>
5,280	208,929	1,980	42	0	0	1,049,150
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	20,393
<u>5,280</u>	<u>208,929</u>	<u>1,980</u>	<u>42</u>	<u>0</u>	<u>0</u>	<u>1,069,543</u>
<u>6,091</u>	<u>2,651</u>	<u>2,084</u>	<u>2,884</u>	<u>11,037</u>	<u>0</u>	<u>229,070</u>
0	0	0	0	0	0	1,676
0	0	1,200	0	0	0	0
0	0	0	0	(1,200)	0	(15,000)
<u>0</u>	<u>0</u>	<u>1,200</u>	<u>0</u>	<u>(1,200)</u>	<u>0</u>	<u>(13,324)</u>
6,091	2,651	3,284	2,884	9,837	0	215,746
65,549	(49,725)	5,501	5,149	20,546	1,357	120,793
0	0	0	0	0	0	11,743
<u>\$71,640</u>	<u>(\$47,074)</u>	<u>\$8,785</u>	<u>\$8,033</u>	<u>\$30,383</u>	<u>\$1,357</u>	<u>\$348,282</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, 2001**  
(Continued)

	Indigent Drivers' Alcohol Treatment	Law Enforcement	Parking	Park Recreation Impact Fee
<b>Revenues:</b>				
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	2,618	0	49,811	146,894
Interest	0	0	0	0
Other	4,700	4,358	0	0
<b>Total Revenues</b>	<b>7,318</b>	<b>4,358</b>	<b>49,811</b>	<b>146,894</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	2,579	16,216	0	0
Public Health Services	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	46,307	0
<b>Debt Service:</b>				
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>2,579</b>	<b>16,216</b>	<b>46,307</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,739</b>	<b>(11,858)</b>	<b>3,504</b>	<b>146,894</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	0	0	0	0
Operating Transfers - In	0	0	0	0
Operating Transfers - Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>4,739</b>	<b>(11,858)</b>	<b>3,504</b>	<b>146,894</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>49,279</b>	<b>20,694</b>	<b>61,735</b>	<b>441,403</b>
<b>Increase (Decrease) in Reserve for Inventory</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$54,018</b>	<b>\$8,836</b>	<b>\$65,239</b>	<b>\$588,297</b>

<u>State Highway</u>	<u>Street Maintenance and Repair</u>	<u>Tax Increment Financing</u>	<u>Urban Redevelopment</u>	<u>Total</u>
\$0	\$0	\$0	\$0	\$1,090,467
0	115,019	0	0	115,019
0	0	479,483	0	479,483
34,696	420,148	53,276	0	927,968
0	22,369	0	0	154,038
0	0	0	0	249,372
0	0	0	0	11,190
0	19,760	0	0	46,742
<u>34,696</u>	<u>577,296</u>	<u>532,759</u>	<u>0</u>	<u>3,074,279</u>
0	0	0	0	1,288,370
0	0	0	0	113,766
0	0	35,993	0	97,494
57,214	624,693	0	0	728,214
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,393</u>
<u>57,214</u>	<u>624,693</u>	<u>35,993</u>	<u>0</u>	<u>2,248,237</u>
<u>(22,518)</u>	<u>(47,397)</u>	<u>496,766</u>	<u>0</u>	<u>826,042</u>
0	0	0	0	1,676
0	0	0	0	39,200
0	0	(440,351)	0	(456,551)
<u>0</u>	<u>0</u>	<u>(440,351)</u>	<u>0</u>	<u>(415,675)</u>
(22,518)	(47,397)	56,415	0	410,367
35,992	927,247	301,446	(129,996)	2,287,692
<u>0</u>	<u>(24,274)</u>	<u>0</u>	<u>0</u>	<u>(8,191)</u>
<u>\$13,474</u>	<u>\$855,576</u>	<u>\$357,861</u>	<u>(\$129,996)</u>	<u>\$2,689,868</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$8,398	\$8,398	\$0
Total Revenues	8,398	8,398	0
Expenditures:			
Current:			
Community Environment			
Contractual Services	30,000	26,207	3,793
Total Community Environment	30,000	26,207	3,793
Total Expenditures	30,000	26,207	3,793
Excess of Revenues Over (Under) Expenditures	(21,602)	(17,809)	3,793
Other Financing Sources:			
Operating Transfers - In	8,000	8,000	0
Total Other Financing Sources	8,000	8,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(13,602)	(9,809)	3,793
Fund Balance at Beginning of Year	27,483	27,483	0
Fund Balance at End of Year	<u>\$13,881</u>	<u>\$17,674</u>	<u>\$3,793</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CEMETERY FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$30,000	\$30,000	\$0
Charges for Services	48,323	48,323	0
Interest	1,905	6,337	4,432
Other	497	497	0
<b>Total Revenues</b>	<b>80,725</b>	<b>85,157</b>	<b>4,432</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Public Health Services</b>			
<b>Cemetery</b>			
Personal Services	109,596	82,781	26,815
Travel Transportation	1,000	820	180
Contractual Services	28,801	28,801	0
Supplies and Materials	7,497	4,787	2,710
<b>Total Public Health Services</b>	<b>146,894</b>	<b>117,189</b>	<b>29,705</b>
<b>Total Expenditures</b>	<b>146,894</b>	<b>117,189</b>	<b>29,705</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(66,169)</b>	<b>(32,032)</b>	<b>34,137</b>
<b>Other Financing Sources:</b>			
Operating Transfers - In	30,000	30,000	0
<b>Total Other Financing Sources</b>	<b>30,000</b>	<b>30,000</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>(36,169)</b>	<b>(2,032)</b>	<b>34,137</b>
Fund Balance at Beginning of Year	135,992	135,992	0
Prior Year Encumbrances Appropriated	1,793	1,793	0
<b>Fund Balance at End of Year</b>	<b>\$101,616</b>	<b>\$135,753</b>	<b>\$34,137</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$65,000	\$65,000	\$0
Total Revenues	65,000	65,000	0
Expenditures:			
Current:			
Community Environment			
Community Development			
Capital Outlay	65,000	55,748	9,252
Total Community Environment	65,000	55,748	9,252
Total Expenditures	65,000	55,748	9,252
Excess of Revenues Over Expenditures	0	9,252	9,252
Fund Balance at Beginning of Year	395	395	0
Prior Year Encumbrances Appropriated	281	281	0
Fund Balance at End of Year	\$676	\$9,928	\$9,252

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$34,280	\$34,280	\$0
Total Revenues	<u>34,280</u>	<u>34,280</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Computer Improvement			
Contractual Services	8,898	8,787	111
Supplies and Materials	6,000	0	6,000
Capital Outlay	37,200	2,310	34,890
Total Security of Persons and Property	<u>52,098</u>	<u>11,097</u>	<u>41,001</u>
Total Expenditures	<u>52,098</u>	<u>11,097</u>	<u>41,001</u>
Excess of Revenues Over (Under) Expenditures	(17,818)	23,183	41,001
Fund Balance at Beginning of Year	102,037	102,037	0
Prior Year Encumbrances Appropriated	<u>1,597</u>	<u>1,597</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$85,816</u></u>	<u><u>\$126,817</u></u>	<u><u>\$41,001</u></u>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$11,239	\$11,239	\$0
Total Revenues	11,239	11,239	0
Expenditures:			
Current:			
Security of Persons and Property			
Computerized Legal Research			
Contractual Services	4,000	3,682	318
Supplies and Materials	5,000	1,744	3,256
Capital Outlay	4,000	0	4,000
Total Security of Persons and Property	13,000	5,426	7,574
Total Expenditures	13,000	5,426	7,574
Excess of Revenues Over (Under) Expenditures	(1,761)	5,813	7,574
Fund Balance at Beginning of Year	65,190	65,190	0
Fund Balance at End of Year	\$63,429	\$71,003	\$7,574

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$210,089	\$210,089	\$0
Other	1,448	1,491	43
Total Revenues	<u>211,537</u>	<u>211,580</u>	<u>43</u>
Expenditures:			
Current:			
Security of Persons and Property			
Cops Fast			
Personal Services	<u>214,675</u>	<u>210,566</u>	<u>4,109</u>
Total Security Persons and Property	<u>214,675</u>	<u>210,566</u>	<u>4,109</u>
Total Expenditures	<u>214,675</u>	<u>210,566</u>	<u>4,109</u>
Excess of Revenues Over (Under) Expenditures	(3,138)	1,014	4,152
Fund Balance at Beginning of Year	<u>4,221</u>	<u>4,221</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,083</u></u>	<u><u>\$5,235</u></u>	<u><u>\$4,152</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$3,786	\$3,789	\$3
Total Revenues	<u>3,786</u>	<u>3,789</u>	<u>3</u>
Expenditures:			
Current:			
Security of Persons and Property			
DARE Program			
Supplies and Materials	2,200	1,980	220
Total Security of Persons and Property	<u>2,200</u>	<u>1,980</u>	<u>220</u>
Total Expenditures	<u>2,200</u>	<u>1,980</u>	<u>220</u>
Excess of Revenues Over Expenditures	1,586	1,809	223
Other Financing Sources:			
Operating Transfers - In	1,200	1,200	0
Total Other Financing Sources	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Excess of Revenues Over Expenditures and Other Financing Sources	2,786	3,009	223
Fund Balance at Beginning of Year	<u>5,501</u>	<u>5,501</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$8,287</u></u>	<u><u>\$8,510</u></u>	<u><u>\$223</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DRUG LAW ENFORCEMENT FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$2,926	\$2,926	\$0
Total Revenues	2,926	2,926	0
Expenditures:	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	2,926	2,926	0
Fund Balance at Beginning of Year	5,107	5,107	0
Fund Balance at End of Year	<u>\$8,033</u>	<u>\$8,033</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$6,998	\$6,998	\$0
Fines, Licenses and Permits	4,089	4,089	0
<b>Total Revenues</b>	<b>11,087</b>	<b>11,087</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Security of Persons and Property			
Enforcement and Education			
Other	1,500	0	1,500
<b>Total Security of Persons and Property</b>	<b>1,500</b>	<b>0</b>	<b>1,500</b>
<b>Total Expenditures</b>	<b>1,500</b>	<b>0</b>	<b>1,500</b>
<b>Excess of Revenues Over Expenditures</b>	<b>9,587</b>	<b>11,087</b>	<b>1,500</b>
<b>Other Financing Uses:</b>			
Operating Transfers - Out	(1,200)	(1,200)	0
<b>Total Other Financing Uses</b>	<b>(1,200)</b>	<b>(1,200)</b>	<b>0</b>
<b>Excess of Revenues Over Expenditures and Other Financing Uses</b>	<b>8,387</b>	<b>9,887</b>	<b>1,500</b>
<b>Fund Balance at Beginning of Year</b>	<b>20,496</b>	<b>20,496</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$28,883</b>	<b>\$30,383</b>	<b>\$1,500</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$1,090,467	\$1,090,467	\$0
Intergovernmental	129,759	129,759	0
Charges for Services	76,348	76,348	0
Other	2,039	2,039	0
<b>Total Revenues</b>	<b>1,298,613</b>	<b>1,298,613</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Security of Persons and Property</b>			
<b>Fire Fighting, Prevention and Inspection</b>			
Personal Services	526,160	494,505	31,655
Travel Transportation	27,566	27,283	283
Contractual Services	242,246	239,287	2,959
Supplies and Materials	48,265	47,288	977
Capital Outlay	339,784	337,899	1,885
<b>Total Security of Persons and Property</b>	<b>1,184,021</b>	<b>1,146,262</b>	<b>1,146,262</b>
<b>Debt Service:</b>			
Principal Retirement	480,000	480,000	0
Interest and Fiscal Charges	28,800	25,428	3,372
<b>Total Debt Service</b>	<b>508,800</b>	<b>505,428</b>	<b>3,372</b>
<b>Total Expenditures</b>	<b>1,692,821</b>	<b>1,651,690</b>	<b>41,131</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(394,208)</b>	<b>(353,077)</b>	<b>(41,131)</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	1,676	1,676	0
Proceeds from Sale of Notes	360,000	360,000	0
Operating Transfers - Out	(15,000)	(15,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>346,676</b>	<b>346,676</b>	<b>0</b>
<b>Excess of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses</b>	<b>(47,532)</b>	<b>(6,401)</b>	<b>(41,131)</b>
Fund Balance at Beginning of Year	538,423	538,423	0
Prior Year Encumbrances Appropriated	42,005	42,005	0
<b>Fund Balance at End of Year</b>	<b>\$532,896</b>	<b>\$574,027</b>	<b>(\$41,131)</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Fines, Licenses and Permits	\$2,625	\$2,625	\$0
Other	4,700	4,700	0
<b>Total Revenues</b>	<b>7,325</b>	<b>7,325</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Security of Persons and Property			
Indigent Drivers' Alcohol Treatment			
Other	5,000	2,579	2,421
<b>Total Security of Persons and Property</b>	<b>5,000</b>	<b>2,579</b>	<b>2,421</b>
<b>Total Expenditures</b>	<b>5,000</b>	<b>2,579</b>	<b>2,421</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,325</b>	<b>4,746</b>	<b>2,421</b>
<b>Fund Balance at Beginning of Year</b>	<b>49,097</b>	<b>49,097</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$51,422</b>	<b>\$53,843</b>	<b>\$2,421</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Other	\$4,252	\$4,358	\$106
Total Revenues	4,252	4,358	106
Expenditures:			
Current:			
Security of Persons and Property			
Law Enforcement			
Capital Outlay	16,216	16,216	0
Total Expenditures	16,216	16,216	0
Excess of Revenues Over (Under) Expenditures	(11,964)	(11,858)	106
Fund Balance at Beginning of Year	16,663	16,663	0
Prior Year Encumbrance Appropriated	4,031	4,031	0
Fund Balance at End of Year	<u>\$8,730</u>	<u>\$8,836</u>	<u>\$106</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PARKING FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$49,591	\$49,811	\$220
Total Revenues	49,591	49,811	220
Expenditures:			
Current:			
Transportation			
Parking Facilities			
Contractual Services	5,575	4,333	1,242
Supplies and Materials	0	0	0
Reimbursements	24,150	24,150	0
Capital Outlay	42,808	33,226	9,582
Total Transportation	72,533	61,709	10,824
Total Expenditures	72,533	61,709	10,824
Excess of Revenues Over (Under) Expenditures	(22,942)	(11,898)	11,044
Fund Balance at Beginning of Year	43,401	43,401	0
Prior Year Encumbrances Appropriated	18,676	18,676	0
Fund Balance at End of Year	\$39,135	\$50,179	\$11,044

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$141,044	\$146,894	\$5,850
Total Revenues	141,044	146,894	5,850
Expenditures:	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	141,044	146,894	5,850
Fund Balance at Beginning of Year	441,403	441,403	0
Fund Balance at End of Year	\$582,447	\$588,297	\$5,850

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$33,405	\$34,694	\$1,289
Total Revenues	33,405	34,694	1,289
Expenditures:			
Current:			
Transportation			
State Highway			
Contractual Services	47,221	36,138	11,083
Supplies and Materials	31,119	29,108	2,011
Total Transportation	78,340	65,246	13,094
Total Expenditures	78,340	65,246	13,094
Excess of Revenues Over (Under) Expenditures	(44,935)	(30,552)	14,383
Fund Balance at Beginning of Year	33,484	33,484	0
Prior Year Encumbrances Appropriated	8,866	8,866	0
Fund Balance (Deficit) at End of Year	(\$2,585)	\$11,798	\$14,383

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Other Local Taxes	\$114,981	\$114,981	\$0
Intergovernmental	427,890	427,890	0
Charges for Services	22,369	22,369	0
Other	3,861	19,760	15,899
<b>Total Revenues</b>	<b>569,101</b>	<b>585,000</b>	<b>15,899</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Transportation</b>			
<b>Street Maintenance and Repair</b>			
Personal Services	571,206	539,498	31,708
Travel Transportation	800	785	15
Contractual Services	99,124	85,360	13,764
Supplies and Materials	48,490	40,163	8,327
<b>Total Transportation</b>	<b>719,620</b>	<b>665,806</b>	<b>53,814</b>
<b>Total Expenditures</b>	<b>719,620</b>	<b>665,806</b>	<b>53,814</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(150,519)</b>	<b>(80,806)</b>	<b>69,713</b>
Fund Balance at Beginning of Year	798,042	798,042	0
Prior Year Encumbrances Appropriated	30,529	30,529	0
<b>Fund Balance at End of Year</b>	<b>\$678,052</b>	<b>\$747,765</b>	<b>\$69,713</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Payments in Lieu of Taxes	\$479,483	\$479,483	\$0
Intergovernmental	53,276	53,276	0
<b>Total Revenues</b>	<b>532,759</b>	<b>532,759</b>	<b>0</b>
Expenditures:			
Current:			
Community Environment			
Community Planning			
Supplies and Materials	75,000	44,802	30,198
<b>Total Community Environment</b>	<b>75,000</b>	<b>44,802</b>	<b>30,198</b>
<b>Total Expenditures</b>	<b>75,000</b>	<b>44,802</b>	<b>30,198</b>
<b>Excess of Revenues Over Expenditures</b>	<b>457,759</b>	<b>487,957</b>	<b>30,198</b>
Other Financing Uses:			
Operating Transfers - Out	(440,351)	(440,351)	0
<b>Total Other Financing Uses</b>	<b>(440,351)</b>	<b>(440,351)</b>	<b>0</b>
<b>Excess of Revenues Over Expenditures and Other Financing Uses</b>	<b>17,408</b>	<b>47,606</b>	<b>30,198</b>
<b>Fund Balance at Beginning of Year</b>	<b>326,186</b>	<b>326,186</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$343,594</b>	<b>\$373,792</b>	<b>\$30,198</b>

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, 2001

	Revised Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$1,090,467	\$1,090,467	\$0
Other Local Taxes	114,981	114,981	0
Payments in Lieu of Taxes	479,483	479,483	0
Intergovernmental	949,419	950,708	1,289
Charges for Services	154,038	154,038	0
Fines, Licenses and Permits	245,794	251,864	6,070
Interest	1,905	6,337	4,432
Other	28,981	45,032	16,051
<b>Total Revenues</b>	<b>3,065,068</b>	<b>3,092,910</b>	<b>27,842</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Security of Persons and Property</b>			
<b>DARE Program</b>			
Supplies and Materials	2,200	1,980	220
<b>Indigent Driver's Alcohol Treatment</b>			
Other	5,000	2,579	2,421
<b>Enforcement and Education</b>			
Other	1,500	0	1,500
<b>Fire Fighting, Prevention and Inspection</b>			
Personal Services	526,160	494,505	31,655
Travel Transportation	27,566	27,283	283
Contractual Services	242,246	239,287	2,959
Supplies and Materials	48,265	47,288	977
Capital Outlay	339,784	337,899	1,885
<b>Computer Improvement</b>			
Contractual Services	8,898	8,787	111
Supplies and Materials	6,000	0	6,000
Capital Outlay	37,200	2,310	34,890
<b>Computerized Legal Research</b>			
Contractual Services	4,000	3,682	318
Supplies and Materials	5,000	1,744	3,256
Capital Outlay	4,000	0	4,000
<b>COPS FAST</b>			
Personal Services	214,675	210,566	4,109
<b>Law Enforcement</b>			
Capital Outlay	16,216	16,216	0
<b>Total Security of Persons and Property</b>	<b>1,488,710</b>	<b>1,394,126</b>	<b>94,584</b>
<b>Public Health Services</b>			
<b>Cemetery</b>			
Personal Services	109,596	82,781	26,815
Travel Transportation	1,000	820	180
Contractual Services	28,801	28,801	0
Supplies and Materials	7,497	4,787	2,710
<b>Total Public Health Services</b>	<b>\$146,894</b>	<b>\$117,189</b>	<b>\$29,705</b>

(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, 2001  
 (Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Community Environment			
Bi-Centennial Celebration			
Contractual Services	\$30,000	\$26,207	\$3,793
Community Development			
Capital Outlay	65,000	55,748	9,252
Tax Increment Financing			
Supplies and Materials	75,000	44,802	30,198
Total Community Environment	170,000	126,757	43,243
Transportation			
Street Maintenance and Repair			
Personal Services	571,206	539,498	31,708
Travel Transportation	800	785	15
Contractual Services	99,124	85,360	13,764
Supplies and Materials	48,490	40,163	8,327
State Highway Maintenance			
Contractual Services	47,221	36,138	11,083
Supplies and Materials	31,119	29,108	2,011
Parking Facilities			
Contractual Services	5,575	4,333	1,242
Reimbursements	24,150	24,150	0
Capital Outlay	42,808	33,226	9,582
Total Transportation	870,493	792,761	77,732
Debt Service:			
Principal Retirement	480,000	480,000	0
Interest and Fiscal Charges	28,800	25,428	3,372
Total Debt Service	508,800	505,428	3,372
Total Expenditures	3,184,897	2,936,261	248,636
Excess of Revenues Over (Under) Expenditures	(119,829)	156,649	276,478
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	1,676	1,676	0
Proceeds from Sale Notes	360,000	360,000	0
Operating Transfers - In	39,200	39,200	0
Operating Transfers - Out	(456,551)	(456,551)	0
Total Other Financing Sources (Uses)	(55,675)	(55,675)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(175,504)	100,974	276,478
Fund Balances at Beginning of Year	2,644,482	2,644,482	0
Prior Year Encumbrances Appropriated	107,778	107,778	0
Fund Balances at End of Year	\$2,576,756	\$2,853,234	\$276,478

## CAPITAL PROJECTS FUNDS

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

### Capital Improvements

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

### Cemetery Improvement

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

### Community Center

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

### Industrial Development

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

### State Issue II

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds. Budgetary information has not been presented for this fund because the City did not anticipate and no revenues or expenditures occurred in 2001. The budgetary fund balance was \$81,167.

**CITY OF LEBANON, OHIO  
COMBINING BALANCE SHEET  
ALL CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2001**

	<u>Capital Improvements</u>	<u>Cemetery Improvement</u>	<u>Community Center</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,950,574	\$346,004	\$16,524
<b>Receivables:</b>			
Taxes	131,479	0	0
Special Assessments	103,091	0	0
Interfund Receivables	63,000	0	0
Capital Lease Receivable	0	0	0
<b>Total Assets</b>	<u><u>\$4,248,144</u></u>	<u><u>\$346,004</u></u>	<u><u>\$16,524</u></u>
<b>Liabilities:</b>			
Accounts Payable	\$194,604	\$0	\$0
Contracts Payable	214,451	0	0
Contracts Payable Retainage	13,773	5,000	0
Accrued Interest Payable	75,021	0	0
Interfund Payable	0	0	0
Deferred Revenue	103,091	0	0
Notes Payable	4,170,000	0	0
Advances From Other Funds	0	0	0
<b>Total Liabilities</b>	<u><u>4,770,940</u></u>	<u><u>5,000</u></u>	<u><u>0</u></u>
<b>Fund Equity:</b>			
<b>Fund Balances:</b>			
Reserved for Encumbrances	2,094,796	202,744	0
Unreserved, (Deficit)	(2,617,592)	138,260	16,524
<b>Total Fund Equity (Deficit)</b>	<u><u>(522,796)</u></u>	<u><u>341,004</u></u>	<u><u>16,524</u></u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$4,248,144</u></u>	<u><u>\$346,004</u></u>	<u><u>\$16,524</u></u>

<u>Industrial Development</u>	<u>State Issue II</u>	<u>Total</u>
\$35,276	\$81,167	\$4,429,545
0	0	131,479
0	0	103,091
0	0	63,000
60,059	0	60,059
<u>\$95,335</u>	<u>\$81,167</u>	<u>\$4,787,174</u>
\$16,950	\$0	\$211,554
0	0	214,451
0	0	18,773
23,205	0	98,226
355,000	0	355,000
60,059	0	163,150
1,200,000	0	5,370,000
2,066,316	0	2,066,316
<u>3,721,530</u>	<u>0</u>	<u>8,497,470</u>
11,727	0	2,309,267
<u>(3,637,922)</u>	<u>81,167</u>	<u>(6,019,563)</u>
<u>(3,626,195)</u>	<u>81,167</u>	<u>(3,710,296)</u>
<u>\$95,335</u>	<u>\$81,167</u>	<u>\$4,787,174</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, 2001

	Capital Improvements	Cemetery Improvement	Community Center
<b>Revenues:</b>			
Income Taxes	\$1,530,348	\$0	\$0
Intergovernmental	310,557	0	0
Special Assessments	8,512	0	0
Interest	0	20,412	4,414
Other	76,919	0	0
<b>Total Revenues</b>	<b>1,926,336</b>	<b>20,412</b>	<b>4,414</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Community Environment	0	0	0
General Government	67,808	623,022	0
Capital Outlay	3,205,789	0	0
<b>Debt Service:</b>			
Interest and Fiscal Charges	97,326	0	0
<b>Total Expenditures</b>	<b>3,370,923</b>	<b>623,022</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,444,587)</b>	<b>(602,610)</b>	<b>4,414</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	0	540,000	0
Operating Transfers - Out	0	0	(540,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>540,000</b>	<b>(540,000)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(1,444,587)</b>	<b>(62,610)</b>	<b>(535,586)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>921,791</b>	<b>403,614</b>	<b>552,110</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>(\$522,796)</b>	<b>\$341,004</b>	<b>\$16,524</b>

<u>Industrial Development</u>	<u>State Issue II</u>	<u>Total</u>
\$0	\$0	\$1,530,348
13,060	0	323,617
0	0	8,512
0	0	24,826
6,098	0	83,017
<u>19,158</u>	<u>0</u>	<u>1,970,320</u>
35,307	0	35,307
0	0	690,830
17,008	0	3,222,797
<u>70,145</u>	<u>0</u>	<u>167,471</u>
<u>122,460</u>	<u>0</u>	<u>4,116,405</u>
<u>(103,302)</u>	<u>0</u>	<u>(2,146,085)</u>
1,043,189	0	1,583,189
0	0	(540,000)
<u>1,043,189</u>	<u>0</u>	<u>1,043,189</u>
939,887	0	(1,102,896)
<u>(4,566,082)</u>	<u>81,167</u>	<u>(2,607,400)</u>
<u>(\$3,626,195)</u>	<u>\$81,167</u>	<u>(\$3,710,296)</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Income Taxes	\$1,519,693	\$1,519,693	\$0
Intergovernmental	205,115	310,557	105,442
Special Assessments	8,512	8,512	0
Other	76,919	76,919	0
<b>Total Revenues</b>	<b>1,810,239</b>	<b>1,915,681</b>	<b>105,442</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government			
Contractual Services	67,808	67,808	0
<b>Total General Government</b>	<b>67,808</b>	<b>67,808</b>	<b>0</b>
Capital Outlay	6,194,510	5,491,909	702,601
<b>Debt Service:</b>			
Principal Retirement	300,000	300,000	0
Interest and Fiscal Charges	32,000	24,887	7,113
<b>Total Debt Service</b>	<b>332,000</b>	<b>324,887</b>	<b>7,113</b>
<b>Total Expenditures</b>	<b>6,594,318</b>	<b>5,884,604</b>	<b>709,714</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,784,079)</b>	<b>(3,968,923)</b>	<b>815,156</b>
<b>Other Financing Sources:</b>			
Proceeds from Sale of Notes	4,170,000	4,170,000	0
<b>Total Other Financing Sources</b>	<b>4,170,000</b>	<b>4,170,000</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>(614,079)</b>	<b>201,077</b>	<b>815,156</b>
Fund Balance at Beginning of Year	649,054	649,054	0
Prior Year Encumbrances Appropriated	662,300	662,300	0
<b>Fund Balance at End of Year</b>	<b>\$697,275</b>	<b>\$1,512,431</b>	<b>\$815,156</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$18,972	\$20,412	\$1,440
Total Revenues	18,972	20,412	1,440
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Contractual Services	9,660	9,635	25
Total Public Health Services	9,660	9,635	25
Capital Outlay	933,743	903,564	30,179
Total Expenditures	943,403	913,199	30,204
Excess of Revenues Over (Under) Expenditures	(924,431)	(892,787)	31,644
Other Financing Sources:			
Operating Transfers - In	540,000	540,000	0
Total Other Financing Sources	540,000	540,000	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(384,431)	(352,787)	31,644
Fund Balance at Beginning of Year	133,168	133,168	0
Prior Year Encumbrances Appropriated	362,879	362,879	0
Fund Balance at End of Year	\$111,616	\$143,260	\$31,644

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$4,295	\$4,414	\$119
Total Revenues	4,295	4,414	119
Expenditures:	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	4,295	4,414	119
Other Financing Uses:			
Operating Transfers - Out	(540,000)	(540,000)	0
Total Other Financing Uses	(540,000)	(540,000)	0
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(535,705)	(535,586)	119
Fund Balance at Beginning of Year	552,110	552,110	0
Fund Balance at End of Year	\$16,405	\$16,524	\$0

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Favorable)
Revenues:			
Interest	\$12,928	\$13,060	\$132
Other	6,098	6,098	0
<b>Total Revenues</b>	<b>19,026</b>	<b>19,158</b>	<b>132</b>
Expenditures:			
Current:			
Community Environment			
Contractual Services	60,000	47,034	12,966
<b>Total Community Environment</b>	<b>60,000</b>	<b>47,034</b>	<b>12,966</b>
Capital Outlay	68,000	17,008	50,992
Debt Service:			
Principal Retirement	2,000,000	2,000,000	0
Interest and Fiscal Charges	111,725	107,440	4,285
<b>Total Debt Service</b>	<b>2,111,725</b>	<b>2,107,440</b>	<b>4,285</b>
<b>Total Expenditures</b>	<b>2,239,725</b>	<b>2,171,482</b>	<b>68,243</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,220,699)</b>	<b>(2,152,324)</b>	<b>68,375</b>
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	1,200,000	1,200,000	0
Advance - In	797,500	0	(797,500)
Advance - Out	(100,689)	(100,689)	0
Operating Transfers - In	245,689	1,043,189	797,500
<b>Total Other Financing Sources (Uses)</b>	<b>2,142,500</b>	<b>2,142,500</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(78,199)</b>	<b>(9,824)</b>	<b>68,375</b>
<b>Fund Balance at Beginning of Year</b>	<b>16,423</b>	<b>16,423</b>	<b>0</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>(\$61,776)</b>	<b>\$6,599</b>	<b>\$68,375</b>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
ALL CAPITAL PROJECTS FUNDS  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Income Taxes	\$1,519,693	\$1,519,693	\$0
Intergovernmental	205,115	310,557	105,442
Special Assessments	8,512	8,512	0
Interest	36,195	37,886	1,691
Other	83,017	83,017	0
<b>Total Revenues</b>	<b>1,852,532</b>	<b>1,959,665</b>	<b>107,133</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Health Services			
Cemetery			
Contractual Services	9,660	9,635	25
<b>Total Public Health Services</b>	<b>9,660</b>	<b>9,635</b>	<b>25</b>
Community Environment			
Contractual Services	69,660	47,034	22,626
<b>Total Community Environment</b>	<b>69,660</b>	<b>47,034</b>	<b>22,626</b>
General Government			
Contractual Services	67,808	67,808	0
<b>Total General Government</b>	<b>67,808</b>	<b>67,808</b>	<b>0</b>
Capital Outlay	7,196,253	6,412,481	783,772
<b>Debt Service:</b>			
Principal Retirement	2,300,000	2,300,000	0
Interest and Fiscal Charges	143,725	132,327	11,398
<b>Total Debt Service</b>	<b>2,443,725</b>	<b>2,432,327</b>	<b>11,398</b>
<b>Total Expenditures</b>	<b>9,787,106</b>	<b>8,969,285</b>	<b>817,821</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(\$7,934,574)</b>	<b>(\$7,009,620)</b>	<b>\$924,954</b>

(Continued)

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	\$5,370,000	\$5,370,000	\$0
Advance - In	797,500	0	(797,500)
Advance - Out	(100,689)	(100,689)	0
Operating Transfers - In	785,689	1,583,189	797,500
Operating Transfers - Out	(540,000)	(540,000)	0
Total Other Financing Sources (Uses)	<u>6,312,500</u>	<u>6,312,500</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,622,074)	(697,120)	924,954
Fund Balances at Beginning of Year	1,431,922	1,431,922	0
Prior Year Encumbrances Appropriated	<u>1,025,179</u>	<u>1,025,179</u>	<u>0</u>
Fund Balances at End of Year	<u>\$835,027</u>	<u>\$1,759,981</u>	<u>\$924,954</u>

## DEBT SERVICE FUNDS

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

### General Obligation Debt Retirement

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

### Library Bond Retirement

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

### Special Assessment Bond Retirement

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

**CITY OF LEBANON, OHIO  
 COMBINING BALANCE SHEET  
 ALL DEBT SERVICE FUNDS  
 DECEMBER 31, 2001**

	General Obligation Debt Retirement	Library Bond Retirement	Special Assessment Bond Retirement	Total
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,412,131	\$199,602	\$437,781	\$3,049,514
Cash and Cash Equivalents with Fiscal Agents	105	0	3,204	3,309
<b>Receivables:</b>				
Taxes	65,739	129,068	0	194,807
Special Assessments	0	0	1,318,956	1,318,956
<b>Total Assets</b>	<b><u>\$2,477,975</u></b>	<b><u>\$328,670</u></b>	<b><u>\$1,759,941</u></b>	<b><u>\$4,566,586</u></b>
<b>Liabilities:</b>				
Accounts Payable	\$465	\$0	\$0	\$465
Matured Interest Payable	105	0	3,204	3,309
Deferred Revenue	0	129,068	1,318,956	1,448,024
<b>Total Liabilities</b>	<b><u>570</u></b>	<b><u>129,068</u></b>	<b><u>1,322,160</u></b>	<b><u>1,451,798</u></b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for Encumbrances	775	0	0	775
Unreserved	2,476,630	199,602	437,781	3,114,013
<b>Total Fund Equity</b>	<b><u>2,477,405</u></b>	<b><u>199,602</u></b>	<b><u>437,781</u></b>	<b><u>3,114,788</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$2,477,975</u></b>	<b><u>\$328,670</u></b>	<b><u>\$1,759,941</u></b>	<b><u>\$4,566,586</u></b>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**ALL DEBT SERVICES FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Obligation Debt Retirement	Library Bond Retirement	Special Assessment Bond Retirement	Total
<b>Revenues:</b>				
Property Taxes	\$0	\$110,533	\$0	\$110,533
Income Taxes	765,176	0	0	765,176
Intergovernmental	0	12,135	0	12,135
Special Assessments	0	0	166,353	166,353
Interest	162,178	0	0	162,178
Other	0	3,402	0	3,402
<b>Total Revenues</b>	<b>927,354</b>	<b>126,070</b>	<b>166,353</b>	<b>1,219,777</b>
<b>Expenditures:</b>				
<b>Debt Service:</b>				
Principal Retirement	346,534	90,000	313,466	750,000
Interest and Fiscal Charges	159,825	28,120	74,976	262,921
<b>Total Expenditures</b>	<b>506,359</b>	<b>118,120</b>	<b>388,442</b>	<b>1,012,921</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>420,995</b>	<b>7,950</b>	<b>(222,089)</b>	<b>206,856</b>
<b>Other Financing Sources (Uses):</b>				
Operating Transfers - In	52,396	0	311,502	363,898
Operating Transfers - Out	(1,032,231)	0	0	(1,032,231)
<b>Total Other Financing Sources (Uses)</b>	<b>(979,835)</b>	<b>0</b>	<b>311,502</b>	<b>(668,333)</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(558,840)</b>	<b>7,950</b>	<b>89,413</b>	<b>(461,477)</b>
<b>Fund Balances at Beginning of Year</b>	<b>3,036,245</b>	<b>191,652</b>	<b>348,368</b>	<b>3,576,265</b>
<b>Fund Balances at End of Year</b>	<b>\$2,477,405</b>	<b>\$199,602</b>	<b>\$437,781</b>	<b>\$3,114,788</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Income Taxes	\$759,850	\$759,850	\$0
Interest	127,058	162,178	35,120
<b>Total Revenues</b>	<b>886,908</b>	<b>922,028</b>	<b>35,120</b>
<b>Expenditures:</b>			
<b>Debt Service:</b>			
Principal Retirement	346,534	346,534	0
Interest and Fiscal Charges	167,429	160,600	6,829
<b>Total Debt Service</b>	<b>513,963</b>	<b>507,134</b>	<b>6,829</b>
<b>Total Expenditures</b>	<b>513,963</b>	<b>507,134</b>	<b>6,829</b>
<b>Excess of Revenues Over Expenditures</b>	<b>372,945</b>	<b>414,894</b>	<b>41,949</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	52,396	52,396	0
Operating Transfers - Out	(1,032,231)	(1,032,231)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(979,835)</b>	<b>(979,835)</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources</b>			
Over (Under) Expenditures and Other Financing Uses	(606,890)	(564,941)	41,949
<b>Fund Balance at Beginning of Year</b>	<b>2,975,677</b>	<b>2,975,677</b>	<b>0</b>
Prior Year Encumbrances Appropriated	155	155	0
<b>Fund Balance at End of Year</b>	<b>\$2,368,942</b>	<b>\$2,410,891</b>	<b>\$41,949</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property Taxes	\$110,533	\$110,533	\$0
Intergovernmental	12,135	12,135	0
Other	3,402	3,402	0
Total Revenues	<u>126,070</u>	<u>126,070</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	90,000	90,000	0
Interest and Fiscal Charges	28,120	28,120	0
Total Debt Service	<u>118,120</u>	<u>118,120</u>	<u>0</u>
Total Expenditures	<u>118,120</u>	<u>118,120</u>	<u>0</u>
Excess of Revenues Over Expenditures	7,950	7,950	0
Fund Balance at Beginning of Year	<u>191,652</u>	<u>191,652</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$199,602</u></u>	<u><u>\$199,602</u></u>	<u><u>\$0</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SPECIAL ASSESSMENT BOND RETIREMENT FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Special Assessments	\$166,353	\$166,353	\$0
Total Revenues	<u>166,353</u>	<u>166,353</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	313,466	313,466	0
Interest and Fiscal Charges	<u>75,315</u>	<u>75,286</u>	<u>29</u>
Total Debt Service	<u>388,781</u>	<u>388,752</u>	<u>29</u>
Total Expenditures	<u>388,781</u>	<u>388,752</u>	<u>29</u>
Excess of Revenues Over (Under) Expenditures	<u>(222,428)</u>	<u>(222,399)</u>	<u>29</u>
Other Financing Sources:			
Operating Transfers - In	<u>311,502</u>	<u>311,502</u>	<u>0</u>
Total Other Financing Sources	<u>311,502</u>	<u>311,502</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	89,074	89,103	29
Fund Balance at Beginning of Year	<u>348,678</u>	<u>348,678</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$437,752</u></u>	<u><u>\$437,781</u></u>	<u><u>\$29</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**ALL DEBT SERVICE FUNDS**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$110,533	\$110,533	\$0
Income Taxes	759,850	759,850	0
Intergovernmental	12,135	12,135	0
Special Assessments	166,353	166,353	0
Interest	130,460	165,580	35,120
<b>Total Revenues</b>	<b>1,179,331</b>	<b>1,214,451</b>	<b>35,120</b>
<b>Expenditures:</b>			
<b>Debt Service:</b>			
Principal Retirement	750,000	750,000	0
Interest and Fiscal Charges	270,864	264,006	6,858
<b>Total Debt Service</b>	<b>1,020,864</b>	<b>1,014,006</b>	<b>6,858</b>
<b>Total Expenditures</b>	<b>1,020,864</b>	<b>1,014,006</b>	<b>6,858</b>
<b>Excess of Revenues Over Expenditures</b>	<b>158,467</b>	<b>200,445</b>	<b>41,978</b>
<b>Other Financing Sources (Uses):</b>			
Operating Transfers - In	363,898	363,898	0
Operating Transfers - Out	(1,032,231)	(1,032,231)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(668,333)</b>	<b>(668,333)</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(509,866)</b>	<b>(467,888)</b>	<b>41,978</b>
<b>Fund Balance at Beginning of Year</b>	<b>3,516,007</b>	<b>3,516,007</b>	<b>0</b>
<b>Prior Year Encumbrance Appropriated</b>	<b>155</b>	<b>155</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$3,006,296</b>	<b>\$3,048,274</b>	<b>\$41,978</b>

## 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 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.

### Telecommunications

To account for the provision of cable, high-speed internet and various telephone services that the City provides.

### 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, 2001**

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$9,762,819	\$643,355	\$6,080,431
Accounts Receivable	2,165,864	96,284	225,491
Special Assessments	0	0	71,687
Due from Other Governments	0	0	27,527
Inventory of Supplies	925,984	42,006	22,070
Prepaid Items	16,356	0	8,971
Interfund Receivables	0	0	0
Advances to Other Funds	1,896,703	0	0
<b>Total Current Assets</b>	<u>14,767,726</u>	<u>781,645</u>	<u>6,436,177</u>
<b>Restricted Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	756,511	0	240,000
Cash and Cash Equivalents with Fiscal Agents	1,006,059	0	875,574
<b>Total Restricted Assets:</b>	<u>1,762,570</u>	<u>0</u>	<u>1,115,574</u>
<b>Deferred Charges - Mortgage Revenue</b>			
Bond Issuance Costs	321,824	0	46,370
<b>Fixed Assets:</b>			
Land	889,301	54,000	676,677
Improvements			
Other than Buildings	444,565	0	32,296
Buildings	1,562,697	100,000	8,822,570
Equipment	4,836,771	0	231,163
Vehicles	906,040	56,600	328,701
Infrastructure	16,921,198	0	7,655,468
Construction In Progress	1,105,013	0	6,248,711
Less: Accumulated Depreciation	(12,681,991)	(106,169)	(4,451,502)
<b>Total Fixed Assets</b>	<u>13,983,594</u>	<u>104,431</u>	<u>19,544,084</u>
<b>Total Assets</b>	<u>\$30,835,714</u>	<u>\$886,076</u>	<u>\$27,142,205</u>

<u>Telecommunications</u>	<u>Water</u>	<u>Total</u>
\$766,194	\$7,623,105	\$24,875,904
0	229,178	2,716,817
0	0	71,687
0	0	27,527
29,475	127,276	1,146,811
9,622	12,180	47,129
152,961	1,000,000	1,152,961
0	0	1,896,703
<u>958,252</u>	<u>8,991,739</u>	<u>31,935,539</u>
0	200,000	1,196,511
<u>552,777</u>	<u>859,425</u>	<u>3,293,835</u>
<u>552,777</u>	<u>1,059,425</u>	<u>4,490,346</u>
<u>168,721</u>	<u>231,863</u>	<u>768,778</u>
0	3,645,809	5,265,787
327,067	1,011,728	1,815,656
208,185	2,486,621	13,180,073
428,799	404,094	5,900,827
227,695	146,927	1,665,963
5,778,264	9,609,161	39,964,091
0	1,911,270	9,264,994
<u>(1,834,170)</u>	<u>(3,402,141)</u>	<u>(22,475,973)</u>
<u>5,135,840</u>	<u>15,813,469</u>	<u>54,581,418</u>
<u>\$6,815,590</u>	<u>\$26,096,496</u>	<u>\$91,776,081</u>

(Continued)

**CITY OF LEBANON, OHIO**  
**COMBINING BALANCE SHEET**  
**ALL ENTERPRISE FUNDS**  
**DECEMBER 31, 2001**  
(Continued)

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$720,615	\$53,128	\$23,797
Contracts Payable	40,009	0	22,477
Contracts Payable Retainage	57,321	0	31,452
Accrued Salaries Payable	13,059	0	4,034
Accrued Interest Payable	12,729	0	0
Due to Other Funds	1,071	0	833
Due to Other Governments	38,007	0	11,396
Interfund Payable	152,961	0	1,000,000
Notes Payable	3,250,000	0	0
<b>Total Current Liabilities</b>	<u>4,285,772</u>	<u>53,128</u>	<u>1,093,989</u>
<b>Liabilities Payable from Restricted Assets:</b>			
Refundable Deposits	264,011	0	0
Mortgage Revenue Bonds Payable	449,075	0	345,820
Accrued Interest Payable	51,674	0	39,836
<b>Total Liabilities Payable from Restricted Assets</b>	<u>764,760</u>	<u>0</u>	<u>385,656</u>
<b>Long-Term Liabilities:</b>			
Compensated Absences Payable	64,507	0	21,508
Mortgage Revenue Bonds Payable (Net of Unamortized Premium/Discount)	11,855,929	0	9,179,916
Advances from Other Funds	0	0	0
<b>Total Long-Term Liabilities</b>	<u>11,920,436</u>	<u>0</u>	<u>9,201,424</u>
<b>Total Liabilities</b>	<u>16,970,968</u>	<u>53,128</u>	<u>10,681,069</u>
<b>Fund Equity:</b>			
Contributed Capital	110,995	347,887	11,934,674
<b>Retained Earnings:</b>			
Reserved for Revenue Bonds			
Replacement and Improvement	492,500	0	240,000
Unreserved (Deficit)	13,261,251	485,061	4,286,462
<b>Total Fund Equity (Deficit)</b>	<u>13,864,746</u>	<u>832,948</u>	<u>16,461,136</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$30,835,714</u>	<u>\$886,076</u>	<u>\$27,142,205</u>

<u>Telecommunications</u>	<u>Water</u>	<u>Total</u>
\$137,217	\$10,237	\$944,994
0	23,317	85,803
0	11,889	100,662
5,695	4,199	26,987
32,886	0	45,615
402	395	2,701
14,794	9,221	73,418
0	0	1,152,961
1,000,000	0	4,250,000
<u>1,190,994</u>	<u>59,258</u>	<u>6,683,141</u>
0	0	264,011
179,500	331,843	1,306,238
0	38,172	129,682
<u>179,500</u>	<u>370,015</u>	<u>1,699,931</u>
9,310	29,906	125,231
5,472,880	9,126,061	35,634,786
1,896,703	0	1,896,703
<u>7,378,893</u>	<u>9,155,967</u>	<u>37,656,720</u>
<u>8,749,387</u>	<u>9,585,240</u>	<u>46,039,792</u>
1,301,502	5,806,128	19,501,186
0	200,000	932,500
(3,235,299)	10,505,128	25,302,603
<u>(1,933,797)</u>	<u>16,511,256</u>	<u>45,736,289</u>
<u>\$6,815,590</u>	<u>\$26,096,496</u>	<u>\$91,776,081</u>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN RETAINED EARNINGS**  
**ALL ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
<b>Operating Revenues:</b>			
Charges for Services	\$12,439,140	\$805,359	\$1,836,843
Fines, Licenses and Permits	69,909	0	0
Other	126,008	11,094	3,619
<b>Total Operating Revenues</b>	<u>12,635,057</u>	<u>816,453</u>	<u>1,840,462</u>
<b>Operating Expenses:</b>			
Personal Services	1,085,250	0	365,584
Travel Transportation	6,714	0	5,008
Contractual Services	783,396	629,209	235,046
Supplies and Materials	1,240,547	37,253	296
Purchased Power	6,751,462	0	0
Other	5,504	186	560
Depreciation	746,033	3,333	365,216
<b>Total Operating Expenses</b>	<u>10,618,906</u>	<u>669,981</u>	<u>971,710</u>
<b>Operating Income (Loss)</b>	<u>2,016,151</u>	<u>146,472</u>	<u>868,752</u>
<b>Non-Operating Revenues (Expenses):</b>			
Interest	244,841	0	285,810
Donated Assets	0	0	535,110
Loss on Disposal of Fixed Assets	(810)	0	(1,242)
Interest and Fiscal Charges	(655,454)	0	(517,919)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(411,423)</u>	<u>0</u>	<u>301,759</u>
<b>Net Income (Loss) Before Transfers</b>	1,604,728	146,472	1,170,511
Operating Transfers - In	18,000	0	0
Operating Transfers - Out	0	0	(41,958)
<b>Net Income (Loss)</b>	1,622,728	146,472	1,128,553
<b>Retained Earnings (Deficit) at Beginning of Year</b>	<u>12,131,023</u>	<u>338,589</u>	<u>3,397,909</u>
<b>Retained Earnings (Deficit) at End of Year</b>	<u>\$13,753,751</u>	<u>\$485,061</u>	<u>\$4,526,462</u>

<u>Telecommunications</u>	<u>Water</u>	<u>Total</u>
\$1,420,423	\$2,104,722	\$18,606,487
0	0	69,909
21,409	13,060	175,190
<u>1,441,832</u>	<u>2,117,782</u>	<u>18,851,586</u>
472,787	314,687	2,238,308
7,370	4,056	23,148
955,120	707,726	3,310,497
532,459	320,264	2,130,819
0	0	6,751,462
6,080	885	13,215
930,067	304,228	2,348,877
<u>2,903,883</u>	<u>1,651,846</u>	<u>16,816,326</u>
<u>(1,462,051)</u>	<u>465,936</u>	<u>2,035,260</u>
32,505	390,162	953,318
0	366,939	902,049
0	0	(2,052)
<u>(304,004)</u>	<u>(486,708)</u>	<u>(1,964,085)</u>
<u>(271,499)</u>	<u>270,393</u>	<u>(110,770)</u>
(1,733,550)	736,329	1,924,490
104,099	0	122,099
0	(41,958)	(83,916)
<u>(1,629,451)</u>	<u>694,371</u>	<u>1,962,673</u>
<u>(1,605,848)</u>	<u>10,010,757</u>	<u>24,272,430</u>
<u>(\$3,235,299)</u>	<u>\$10,705,128</u>	<u>\$26,235,103</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, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$12,300,333	\$12,300,333	\$0
Fines, Licenses and Permits	69,909	69,909	0
Other	0	126,008	126,008
Premium on Debt Issue	0	130,753	130,753
Interest	160,880	244,841	83,961
Utility Deposits Received	110,650	110,805	155
Proceeds from Sale of Bonds	0	8,125,000	8,125,000
<b>Total Revenues</b>	<b>12,641,772</b>	<b>21,107,649</b>	<b>8,465,877</b>
<b>Expenses:</b>			
<b>Personal Services</b>			
Administration	243,415	119,499	123,916
Customer Account Expense	59,583	58,200	1,383
Distribution	786,501	776,076	10,425
Power Production-Maintenance	128,894	116,934	11,960
<b>Total Personal Services</b>	<b>1,218,393</b>	<b>1,070,709</b>	<b>147,684</b>
<b>Travel Transportation</b>			
Administration	5,000	4,487	513
Customer Account Expense	4,000	1,261	2,739
Distribution	5,000	966	4,034
Power Production-Maintenance	2,000	0	2,000
<b>Total Travel Transportation</b>	<b>16,000</b>	<b>6,714</b>	<b>9,286</b>
<b>Contractual Services</b>			
Administration	84,035	58,710	25,325
Customer Account Expense	96,694	93,696	2,998
Distribution	254,773	206,144	48,629
Telecommunications	20,548	18,348	2,200
Power Production-Maintenance	535,972	535,952	20
<b>Total Contractual Services</b>	<b>\$992,022</b>	<b>\$912,850</b>	<b>\$79,172</b>

(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, 2001**  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$22,469	\$5,413	\$17,056
Customer Account Expense	7,512	4,533	2,979
Distribution	71,379	51,224	20,155
Telecommunications	2,791	2,791	0
Power Production-Maintenance	101,342	62,588	38,754
Total Supplies and Materials	<u>205,493</u>	<u>126,549</u>	<u>78,944</u>
Purchased Power			
Power Production-Operation	8,210,000	8,120,766	89,234
Other	5,550	5,504	46
Utility Deposits Returned	98,000	89,197	8,803
Capital Outlay	9,369,691	5,855,792	3,513,899
Debt Service:			
Principal Retirement	180,000	180,000	0
Interest and Fiscal Charges	768,835	668,094	100,741
Bond Issuance Cost	0	252,370	(252,370)
Total Expenses	<u>21,063,984</u>	<u>17,288,545</u>	<u>3,775,439</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(8,422,212)	3,819,104	12,241,316
Operating Transfers - In	8,654,465	18,000	(8,636,465)
Operating Transfers - Out	<u>(2,623,887)</u>	<u>(900,000)</u>	<u>1,723,887</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(2,391,634)	2,937,104	5,328,738
Fund Equity at Beginning of Year	3,013,205	3,013,205	0
Prior Year Encumbrances Appropriated	<u>1,280,775</u>	<u>1,280,775</u>	<u>0</u>
Fund Equity at End of Year	<u>\$1,902,346</u>	<u>\$7,231,084</u>	<u>\$5,328,738</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$789,105	\$795,711	\$6,606
Other	11,094	11,094	0
<b>Total Revenues</b>	<b>800,199</b>	<b>806,805</b>	<b>6,606</b>
<b>Expenses:</b>			
Contractual Services	743,417	685,824	57,593
Supplies and Materials	60,000	59,954	46
Capital Outlay	6,508	4,518	1,990
Other	300	186	114
<b>Total Expenses</b>	<b>810,225</b>	<b>750,482</b>	<b>59,743</b>
Excess of Revenues Over (Under) Expenses	(10,026)	56,323	66,349
Excess of Revenue Over (Under) Expenses and Operating Transfers	(10,026)	56,323	66,349
Fund Equity at Beginning of Year	498,328	498,328	0
Prior Year Encumbrances Appropriated	5,698	5,698	0
<b>Fund Equity at End of Year</b>	<b>\$494,000</b>	<b>\$560,349</b>	<b>\$66,349</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$1,668,465	\$1,794,435	\$125,970
Other	3,619	3,619	0
Interest	285,810	285,810	0
Special Assessments	7,853	7,853	0
<b>Total Revenues</b>	<b>1,965,747</b>	<b>2,091,717</b>	<b>125,970</b>
<b>Expenses:</b>			
<b>Personal Services</b>			
Administration	78,344	75,584	2,760
Maintenance	126,616	122,950	3,666
Plant	202,120	167,795	34,325
<b>Total Personal Services</b>	<b>407,080</b>	<b>366,329</b>	<b>40,751</b>
<b>Travel Transportation</b>			
Administration	0	0	0
Treatment - Upper Turtlecreek	8,000	5,128	2,872
<b>Total Travel Transportation</b>	<b>8,000</b>	<b>5,128</b>	<b>2,872</b>
<b>Contractual Services</b>			
Administration	394,546	394,519	27
Maintenance	29,834	18,653	11,181
Regional Sewer	0	0	0
Treatment - Upper Turtlecreek	483,835	453,798	30,037
<b>Total Contractual Services</b>	<b>\$908,215</b>	<b>\$866,970</b>	<b>\$41,245</b>

(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, 2001**  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$5,650	\$4,825	\$825
Maintenance	6,350	3,121	3,229
Treatment - Upper Turtlecreek	90,133	73,027	17,106
Total Supplies and Materials	<u>102,133</u>	<u>80,973</u>	<u>21,160</u>
Other	1,000	560	440
Capital Outlay	3,638,012	2,102,631	1,535,381
Debt Service:			
Principal Retirement	997,750	355,000	642,750
Interest and Fiscal Charges	492,750	492,750	0
Total Expenses	<u>6,554,940</u>	<u>4,270,341</u>	<u>2,284,599</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(4,589,193)	(2,178,624)	2,410,569
Operating Transfers - In	947,750	0	(947,750)
Operating Transfers - Out	<u>(141,958)</u>	<u>(41,958)</u>	<u>100,000</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(3,783,401)	(2,220,582)	1,562,819
Fund Equity at Beginning of Year	7,297,872	7,297,872	0
Prior Year Encumbrances Appropriated	<u>1,281,984</u>	<u>1,281,984</u>	<u>0</u>
Fund Equity at End of Year	<u>\$4,796,455</u>	<u>\$6,359,274</u>	<u>\$1,562,819</u>

CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL  
TELECOMMUNICATIONS FUND -  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$1,288,471	\$1,420,423	\$131,952
Other	21,409	21,409	0
Interest	32,505	32,505	0
Premium on Debt Issue	90,005	90,005	0
Proceeds from Sale of Bonds	5,000,000	5,565,000	565,000
Proceeds from Sale of Notes	9,250,000	9,250,000	0
<b>Total Revenues</b>	<b>15,682,390</b>	<b>16,379,342</b>	<b>696,952</b>
<b>Expenses:</b>			
Personal Services	526,813	467,434	59,379
Travel Transportation	7,500	7,370	130
Contractual Services	1,021,548	1,007,738	13,810
Supplies and Materials	40,125	39,477	648
Refunds	7,000	6,080	920
Capital Outlay	2,196,870	1,101,504	1,095,366
Debt Service:			
Principal Retirement	13,301,000	13,250,000	51,000
Interest and Fiscal Charges	420,796	250,998	169,798
Bond Issuance Cost	0	173,790	(173,790)
<b>Total Expenses</b>	<b>17,521,652</b>	<b>16,304,391</b>	<b>1,217,261</b>
Excess of Revenues Over (Under) Expenses Before Operating Transfers	(1,839,262)	74,951	1,914,213
Operating Transfers - In	1,004,099	1,004,099	0
Excess of Revenues Over (Under) Expenses and Operating Transfers	(835,163)	1,079,050	1,914,213
Fund Equity at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>(\$835,163)</b>	<b>\$1,079,050</b>	<b>\$1,914,213</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$1,204,387	\$2,074,147	\$869,760
Other	13,060	13,060	0
Interest	383,923	390,162	6,239
<b>Total Revenues</b>	<b>1,601,370</b>	<b>2,477,369</b>	<b>875,999</b>
<b>Expenses:</b>			
<b>Personal Services</b>			
Administration	78,344	75,795	2,549
Water System Maintenance	189,226	179,172	10,054
Supply and Treatment	53,723	50,352	3,371
<b>Total Personal Services</b>	<b>321,293</b>	<b>305,319</b>	<b>15,974</b>
<b>Travel Transportation</b>			
Supply and Treatment	6,050	4,468	1,582
<b>Total Travel Transportation</b>	<b>6,050</b>	<b>4,468</b>	<b>1,582</b>
<b>Contractual Services</b>			
Administration	460,114	459,623	491
Water System Maintenance	106,016	51,861	54,155
Supply and Treatment	252,384	226,799	25,585
<b>Total Contractual Services</b>	<b>\$818,514</b>	<b>\$738,283</b>	<b>\$80,231</b>

(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, 2001**  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Supplies and Materials			
Administration	\$13,166	\$13,060	\$106
Water System Maintenance	16,208	15,349	859
Supply and Treatment	29,312	19,566	9,746
Total Supplies and Materials	<u>58,686</u>	<u>47,975</u>	<u>10,711</u>
Other	1,000	885	115
Capital Outlay	4,593,801	1,869,681	2,724,120
Debt Service:			
Principal Retirement	340,000	340,000	0
Interest and Fiscal Charges	472,298	472,470	(172)
Total Expenses	<u>6,611,642</u>	<u>3,779,081</u>	<u>2,832,561</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(5,010,272)	(1,301,712)	3,708,560
Operating Transfers - In	1,653,422	0	(1,653,422)
Operating Transfers - Out	(1,764,274)	(41,958)	1,722,316
Excess of Revenues Over (Under) Expenses and Operating Transfers	(5,121,124)	(1,343,670)	3,777,454
Fund Equity at Beginning of Year	8,839,802	8,839,802	0
Prior Year Encumbrances Appropriated	272,485	272,485	0
Fund Equity at End of Year	<u>\$3,991,163</u>	<u>\$7,768,617</u>	<u>\$3,777,454</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Charges for Services	\$17,250,761	\$18,385,049	\$1,134,288
Fines, Licenses and Permits	69,909	69,909	0
Other	49,182	175,190	126,008
Interest	863,118	953,318	90,200
Special Assessments	7,853	7,853	0
Proceeds From Sale of Notes	9,250,000	9,250,000	0
Proceeds From Sale of Bonds	5,000,000	13,690,000	8,690,000
Utility Deposits Received	110,650	110,805	155
Premium on Debt Issue	90,005	220,758	130,753
<b>Total Revenues</b>	<b>32,691,478</b>	<b>42,862,882</b>	<b>10,171,404</b>
<b>Expenses:</b>			
<b>Personal Services</b>			
Electric Administration	243,415	119,499	123,916
Electric Customer Account Expense	59,583	58,200	1,383
Electric Distribution	786,501	776,076	10,425
Electric Power Production - Maintenance	128,894	116,934	11,960
Sewer Administration	78,344	75,584	2,760
Sewer Maintenance	126,616	122,950	3,666
Sewer Plant	202,120	167,795	34,325
Telecommunications	526,813	467,434	59,379
Water Administration	78,344	75,795	2,549
Water System Maintenance	189,226	179,172	10,054
Water Supply and Treatment	53,723	50,352	3,371
<b>Total Personal Services</b>	<b>2,473,579</b>	<b>2,209,791</b>	<b>263,788</b>
<b>Travel Transportation</b>			
Electric Administration	5,000	4,487	513
Electric Customer Account Expense	4,000	1,261	2,739
Electric Distribution	5,000	966	4,034
Electric Power Production - Maintenance	2,000	0	2,000
Treatment - Upper Turtlecreek	8,000	5,128	2,872
Telecommunications	7,500	7,370	130
Water Supply and Treatment	6,050	4,468	1,582
<b>Total Travel Transportation</b>	<b>\$37,550</b>	<b>\$23,680</b>	<b>\$13,870</b>

(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, 2001**  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Contractual Services</b>			
Electric Administration	\$84,035	\$58,710	\$25,325
Electric Customer Account Expense	96,694	93,696	\$2,998
Electric Distribution	254,773	206,144	\$48,629
Telecommunications	20,548	18,348	\$2,200
Electric Power Production - Maintenance	535,972	535,952	\$20
Sanitation Operations	743,417	685,824	57,593
Sewer Administration	394,546	394,519	27
Sewer Maintenance	29,834	18,653	11,181
Sewer Treatment - Upper Turtlecreek	483,835	453,798	30,037
Telecommunications	1,021,548	1,007,738	13,810
Water Administration	460,114	459,623	491
Water System Maintenance	106,016	51,861	54,155
Water Supply and Treatment	252,384	226,799	25,585
<b>Total Contractual Services</b>	<b>4,483,716</b>	<b>4,211,665</b>	<b>272,051</b>
<b>Supplies and Materials</b>			
Electric Administration	22,469	5,413	17,056
Electric Customer Account Expense	7,512	4,533	2,979
Electric Distribution	71,379	51,224	20,155
Telecommunications	2,791	2,791	0
Electric Power Production - Maintenance	101,342	62,588	38,754
Sanitation Operations	60,000	59,954	46
Sewer Administration	5,650	4,825	825
Sewer Maintenance	6,350	3,121	3,229
Sewer Treatment - Upper Turtlecreek	90,133	73,027	17,106
Telecommunications	40,125	39,477	648
Water Administration	13,166	13,060	106
Water System Maintenance	16,208	15,349	859
Water Supply and Treatment	29,312	19,566	9,746
<b>Total Supplies and Materials</b>	<b>\$466,437</b>	<b>\$354,928</b>	<b>\$111,509</b>

(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, 2001**  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Purchased Power			
Power Production - Operation	\$8,210,000	\$8,120,766	\$89,234
Total Purchased Power	8,210,000	8,120,766	89,234
Other	7,850	7,135	715
Utility Deposits Returned	105,000	95,277	9,723
Capital Outlay	19,804,882	10,934,126	8,870,756
Debt Service:			
Principal Retirement	14,818,750	14,125,000	693,750
Interest and Fiscal Charges	2,154,679	1,884,312	270,367
Bond Issuance Cost	0	426,160	(426,160)
Total Expenses	52,562,443	42,392,840	10,169,603
Excess of Revenues Over (Under) Expenses Before Transfers	(19,870,965)	470,042	20,341,007
Operating Transfers - In	12,259,736	1,022,099	(11,237,637)
Operating Transfers - Out	(4,530,119)	(983,916)	3,546,203
Excess of Revenues Over (Under) Expenses and Operating Transfers	(12,141,348)	508,225	12,649,573
Fund Equity at Beginning of Year	19,649,207	19,649,207	0
Prior Year Encumbrances Appropriated	2,840,942	2,840,942	0
Fund Equity at End of Year	\$10,348,801	\$22,998,374	\$12,649,573

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CITY OF LEBANON, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Electric	Sanitation	Sewer
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$12,370,242	\$795,711	\$1,794,435
Cash Payments for Employee Services and Benefits	(1,062,524)	0	(366,329)
Cash Payments to Suppliers for Goods and Services	(9,519,450)	(667,476)	(837,071)
Other Operating Revenues	126,008	11,094	3,619
Other Operating Expenses	(5,504)	0	0
Utility Deposits Received	110,805	0	0
Utility Deposits Returned	(89,197)	0	(560)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>1,930,380</u>	<u>139,329</u>	<u>594,094</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Long-Term Advance from Another Fund	18,000	0	0
Short-Term Advance to Another Fund	(900,000)	0	(41,958)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<u>(882,000)</u>	<u>0</u>	<u>(41,958)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Cash Received from Special Assessments	0	0	7,853
Acquisition of Capital Assets	(1,217,101)	0	(1,381,900)
Proceeds from Sale of Notes	3,250,000	0	0
Principal Paid on Notes	(3,250,000)	0	0
Interest Paid on Notes	(152,961)	0	0
Proceeds from Sale of Bonds	8,125,000	0	0
Premium on Sale of Bonds	130,753	0	0
Principal Paid on Mortgage Revenue Bonds	(180,000)	0	(355,000)
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(515,133)	0	(492,750)
Bond issuance costs on Mortgage Revenue Bonds	(252,370)	0	0
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>5,938,188</u>	<u>0</u>	<u>(2,221,797)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest	244,841	0	285,810
<b>Net Cash Provided by Investing Activities</b>	<u>244,841</u>	<u>0</u>	<u>285,810</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	7,231,409	139,329	(1,383,851)
Cash and Cash Equivalents Beginning of Year	4,293,980	504,026	8,579,856
<b>Cash and Cash Equivalents End of Year</b>	<u>\$11,525,389</u>	<u>\$643,355</u>	<u>\$7,196,005</u>

<u>Telecommunications</u>	<u>Water</u>	<u>Total</u>
\$1,420,423	\$2,074,147	\$18,454,958
(467,434)	(305,319)	(2,201,606)
(1,147,478)	(1,097,404)	(13,268,879)
21,409	13,060	175,190
0	(885)	(6,389)
0	0	110,805
0	0	(89,757)
<u>(173,080)</u>	<u>683,599</u>	<u>3,174,322</u>
1,004,099	0	1,022,099
0	(41,958)	(983,916)
<u>1,004,099</u>	<u>(41,958)</u>	<u>38,183</u>
0	0	7,853
(779,702)	(650,075)	(4,028,778)
6,000,000	0	9,250,000
(10,000,000)	0	(13,250,000)
(246,066)	0	(399,027)
5,565,000	0	13,690,000
90,005	0	220,758
0	(340,000)	(875,000)
0	(471,485)	(1,479,368)
(173,790)	0	(426,160)
<u>455,447</u>	<u>(1,461,560)</u>	<u>2,710,278</u>
<u>32,505</u>	<u>390,162</u>	<u>953,318</u>
<u>32,505</u>	<u>390,162</u>	<u>953,318</u>
1,318,971	(429,757)	6,876,101
0	9,112,287	22,490,149
<u>\$1,318,971</u>	<u>\$8,682,530</u>	<u>\$29,366,250</u>

(Continued)

CITY OF LEBANON, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2001  
 (Continued)

	<u>Electric</u>	<u>Sanitation</u>	<u>Sewer</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$2,016,151	\$146,472	\$868,752
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities			
Depreciation	746,033	3,333	365,216
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(138,807)	(9,648)	(34,747)
Increase in Due from Other Governments	0	0	(7,661)
(Increase) Decrease in Inventory of Supplies	(148,964)	2,765	1,297
(Increase) Decrease in Prepaids Items	8,710	41	(1,238)
Increase (Decrease) in Accounts Payable	(694,091)	(3,634)	7,372
Increase (Decrease) in Contracts Payable	40,009	0	(120,269)
Increase (Decrease) in Contracts Payable Retainage	57,321	0	(483,343)
Increase in Accrued Salaries Payable	4,863	0	1,101
Decrease in Due to Other Funds	(1,282)	0	(611)
Increase in Due to Other Governments	12,205	0	1,868
Increase in Liabilities Payable from Restricted Assets	22,574	0	0
Increase (Decrease) in Compensated Absences Payable	5,658	0	(3,643)
Net Cash Provided by (Used For) Operating Activities	<u>\$1,930,380</u>	<u>\$139,329</u>	<u>\$594,094</u>

Noncash Capital Financing Activities:

During 2001, the Electric Enterprise Fund received from the General Fixed Asset Account Group fixed assets with a fair market value of \$810.

During 2001, the Sewer and Water Enterprise Funds received sewer and water lines from developers with a fair market value of \$535,110 and \$366,939 respectively.

<u>Telecommunications</u>	<u>Water</u>	<u>Total</u>
(\$1,462,051)	\$465,936	\$2,035,260
930,067	304,228	2,348,877
0	(30,575)	(213,777)
0	0	(7,661)
252,241	(60,608)	46,731
1,206	2,243	10,962
100,298	907	(589,148)
0	23,317	(56,943)
0	(30,773)	(456,795)
1,925	1,626	9,515
(194)	(444)	(2,531)
2,768	1,405	18,246
0	0	22,574
660	6,337	9,012
<u>(\$173,080)</u>	<u>\$683,599</u>	<u>\$3,174,322</u>

## INTERNAL SERVICE FUNDS

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

### Automotive Maintenance

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

### Self-Insurance

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

**CITY OF LEBANON, OHIO  
 COMBINING BALANCE SHEET  
 ALL INTERNAL SERVICE FUNDS  
 DECEMBER 31, 2001**

	Automotive Maintenance	Self- Insurance	Total
<b>Assets:</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$82,485	\$107,974	\$190,459
Due from Other Funds	11,980	0	11,980
Inventory of Supplies	1,615	0	1,615
Prepaid Items	503	0	503
<b>Total Current Assets</b>	<b>96,583</b>	<b>107,974</b>	<b>204,557</b>
<b>Fixed Assets:</b>			
Land	64,666	0	64,666
Equipment	22,910	0	22,910
Vehicles	17,793	0	17,793
Less: Accumulated Depreciation	(19,274)	0	(19,274)
<b>Total Fixed Assets</b>	<b>86,095</b>	<b>0</b>	<b>86,095</b>
<b>Total Assets</b>	<b>\$182,678</b>	<b>\$107,974</b>	<b>\$290,652</b>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$7,116	\$0	\$7,116
Claims Payable	0	259,897	259,897
Accrued Salaries Payable	1,160	0	1,160
Due to Other Governments	3,094	0	3,094
<b>Total Current Liabilities</b>	<b>11,370</b>	<b>259,897</b>	<b>271,267</b>
<b>Long-Term Liabilities:</b>			
Compensated Absences Payable	24,877	0	24,877
<b>Total Long-Term Liabilities</b>	<b>24,877</b>	<b>0</b>	<b>24,877</b>
<b>Total Liabilities</b>	<b>36,247</b>	<b>259,897</b>	<b>296,144</b>
<b>Fund Equity:</b>			
Contributed Capital	64,666	0	64,666
Retained Earnings: Unreserved (Deficit)	81,765	(151,923)	(70,158)
<b>Total Fund Equity (Deficit)</b>	<b>146,431</b>	<b>(151,923)</b>	<b>(5,492)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$182,678</b>	<b>\$107,974</b>	<b>\$290,652</b>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN RETAINED EARNINGS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Automotive Maintenance</u>	<u>Self- Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$254,549	\$1,393,030	\$1,647,579
Other	1,072	220,080	221,152
	<u>255,621</u>	<u>1,613,110</u>	<u>1,868,731</u>
Total Operating Revenues			
Operating Expenses:			
Personal Services	113,342	0	113,342
Travel Transportation	845	0	845
Contractual Services	2,941	352,470	355,411
Supplies and Materials	151,547	0	151,547
Claims	0	1,397,758	1,397,758
Depreciation	4,954	0	4,954
	<u>273,629</u>	<u>1,750,228</u>	<u>2,023,857</u>
Total Operating Expenses			
Operating Loss	<u>(18,008)</u>	<u>(137,118)</u>	<u>(155,126)</u>
Non-Operating Revenues:			
Interest	0	3,809	3,809
Other Non-Operating Revenues	17,793	0	17,793
	<u>17,793</u>	<u>3,809</u>	<u>21,602</u>
Total Non-Operating Revenues			
Net Loss	(215)	(133,309)	(133,524)
Retained Earnings (Deficit) at Beginning of Year	<u>81,980</u>	<u>(18,614)</u>	<u>63,366</u>
Retained Earnings (Deficit) at End of Year	<u>\$81,765</u>	<u>(\$151,923)</u>	<u>(\$70,158)</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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$265,643	\$265,643	\$0
Other	1,072	1,072	0
Total Revenues	<u>266,715</u>	<u>266,715</u>	<u>0</u>
Expenses:			
Personal Services	106,417	101,524	4,893
Travel Transportation	1,000	845	155
Contractual Services	5,416	3,308	2,108
Supplies and Materials	199,755	176,855	22,900
Total Expenses	<u>312,588</u>	<u>282,532</u>	<u>30,056</u>
Excess of Revenues Over (Under) Expenses	(45,873)	(15,817)	30,056
Fund Equity at Beginning of Year	67,429	67,429	0
Prior Year Encumbrances Appropriated	<u>16,793</u>	<u>16,793</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$38,349</u></u>	<u><u>\$68,405</u></u>	<u><u>\$30,056</u></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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,393,030	\$1,393,030	\$0
Other	220,080	220,080	0
Interest	1,134	3,809	2,675
<b>Total Revenues</b>	<b>1,614,244</b>	<b>1,616,919</b>	<b>2,675</b>
Expenses:			
Contractual Services	327,000	354,285	(27,285)
Claims	1,666,106	1,506,374	159,732
<b>Total Expenses</b>	<b>1,993,106</b>	<b>1,860,659</b>	<b>132,447</b>
Excess of Revenues Over (Under) Expenses	(378,862)	(243,740)	135,122
Fund Equity at Beginning of Year	152,091	152,091	0
Prior Year Encumbrances Appropriated	100,120	100,120	0
<b>Fund Equity (Deficit) at End of Year</b>	<b>(\$126,651)</b>	<b>\$8,471</b>	<b>\$135,122</b>

**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, 2001**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,658,673	\$1,658,673	\$0
Other	221,152	221,152	0
Interest	1,134	3,809	2,675
<b>Total Revenues</b>	<b>1,880,959</b>	<b>1,883,634</b>	<b>2,675</b>
Expenses:			
Personal Services	106,417	101,524	4,893
Travel Transportation	1,000	845	155
Contractual Services			
Automotive Maintenance	5,416	3,308	2,108
Self-Insurance	327,000	354,285	(27,285)
Supplies and Materials	199,755	176,855	22,900
Claims	1,666,106	1,506,374	159,732
<b>Total Expenses</b>	<b>2,305,694</b>	<b>2,143,191</b>	<b>162,503</b>
Excess of Revenues Over (Under) Expenses	(424,735)	(259,557)	165,178
Fund Equity at Beginning of Year	219,520	219,520	0
Prior Year Encumbrances Appropriated	116,913	116,913	0
<b>Fund Equity (Deficit) at End of Year</b>	<b>(\$88,302)</b>	<b>\$76,876</b>	<b>\$165,178</b>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	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	\$265,643	\$1,393,030	\$1,658,673
Cash Payments for Employee Services and Benefits	(101,524)	0	(101,524)
Cash Payments to Suppliers for Goods and Services	(166,928)	(352,470)	(519,398)
Cash Payments for Employee Medical, Dental and Life Insurance Claims	0	(1,408,686)	(1,408,686)
Other Operating Revenues	1,072	220,080	221,152
Net Cash Used For Operating Activities	<u>(1,737)</u>	<u>(148,046)</u>	<u>(149,783)</u>
Cash Flows from Investing Activities:			
Interest	0	3,809	3,809
Net Cash Provided by Investing Activities	<u>0</u>	<u>3,809</u>	<u>3,809</u>
Net Decrease in Cash and Cash Equivalents	(1,737)	(144,237)	(145,974)
Cash and Cash Equivalents Beginning of Year	<u>84,222</u>	<u>252,211</u>	<u>336,433</u>
Cash and Cash Equivalents End of Year	<u>\$82,485</u>	<u>\$107,974</u>	<u>\$190,459</u>
Reconciliation of Operating Loss to			
<u>Net Cash Used For Operating Activities:</u>			
Operating Loss	(\$18,008)	(\$137,118)	(\$155,126)
Adjustments to Reconcile Operating Loss to			
Net Cash Used For Operating Activities			
Depreciation	4,954	0	4,954
Changes in Assets and Liabilities:			
Decrease in Due from Other Funds	11,094	0	11,094
Decrease in Inventory of Supplies	23	0	23
Decrease in Prepaids Items	121	0	121
Decrease in Accounts Payable	(11,739)	0	(11,739)
Decrease in Claims Payable	0	(10,928)	(10,928)
Increase in Accrued Salaries Payable	317	0	317
Increase in Due to Other Governments	501	0	501
Increase in Compensated Absences Payable	11,000	0	11,000
Net Cash Used For Operating Activities	<u>(\$1,737)</u>	<u>(\$148,046)</u>	<u>(\$149,783)</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, 2001**

	<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>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$624,020	\$162,843	\$0	\$786,863
Cash and Cash Equivalents with Fiscal Agents	<u>0</u>	<u>0</u>	<u>110,453</u>	<u>110,453</u>
<b>Total Assets</b>	<u><u>\$624,020</u></u>	<u><u>\$162,843</u></u>	<u><u>\$110,453</u></u>	<u><u>\$897,316</u></u>
<b>Liabilities:</b>				
Accounts Payable	\$4,830	\$0	\$0	\$4,830
Due to Other Funds	0	0	43,236	43,236
Due to Other Governments	0	0	30,809	30,809
Undistributed Money	<u>0</u>	<u>0</u>	<u>36,408</u>	<u>36,408</u>
<b>Total Liabilities</b>	<u>4,830</u>	<u>0</u>	<u>110,453</u>	<u>115,283</u>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Reserved for Encumbrances	100,833	0	0	100,833
Reserved for Restricted Principal	0	49,658	0	49,658
Unreserved, Undesignated	<u>518,357</u>	<u>113,185</u>	<u>0</u>	<u>631,542</u>
<b>Total Fund Equity</b>	<u>619,190</u>	<u>162,843</u>	<u>0</u>	<u>782,033</u>
<b>Total Liabilities and Fund Equity</b>	<u><u>\$624,020</u></u>	<u><u>\$162,843</u></u>	<u><u>\$110,453</u></u>	<u><u>\$897,316</u></u>

**CITY OF LEBANON, OHIO  
 COMBINING STATEMENT OF CHANGES  
 IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Balance 1/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/01</u>
<b>MUNICIPAL COURT</b>				
<b>Assets:</b>				
Cash and Cash Equivalents with Fiscal Agents	\$82,723	\$1,094,396	\$1,066,666	\$110,453
<b>Total Assets</b>	<u>\$82,723</u>	<u>\$1,094,396</u>	<u>\$1,066,666</u>	<u>\$110,453</u>
<b>Liabilities:</b>				
Due to Other Funds	\$34,363	\$554,186	\$545,313	\$43,236
Due to Other Governments	27,312	451,889	448,392	30,809
Undistributed Money	21,048	88,321	72,961	36,408
<b>Total Liabilities</b>	<u>\$82,723</u>	<u>\$1,094,396</u>	<u>\$1,066,666</u>	<u>\$110,453</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, 2001**

General Fixed Assets:

Land	\$10,222,881
Improvements Other than Buildings	725,302
Buildings	3,743,764
Equipment	2,351,846
Vehicles	2,870,119
Construction in Progress	605,403
	<hr/>
Total General Fixed Assets	<u>\$20,519,315</u>

Investment in General Fixed Assets From:

General Fund Revenues	\$3,378,378
Special Revenue Fund Revenues	4,020,815
Capital Projects Fund Revenues	9,011,727
Enterprise Fund	28,759
Expendable Trust Fund	148,001
Donations	4,875
Acquired before 12/31/86	3,926,760
	<hr/>
Total Investment in General Fixed Assets	<u>\$20,519,315</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

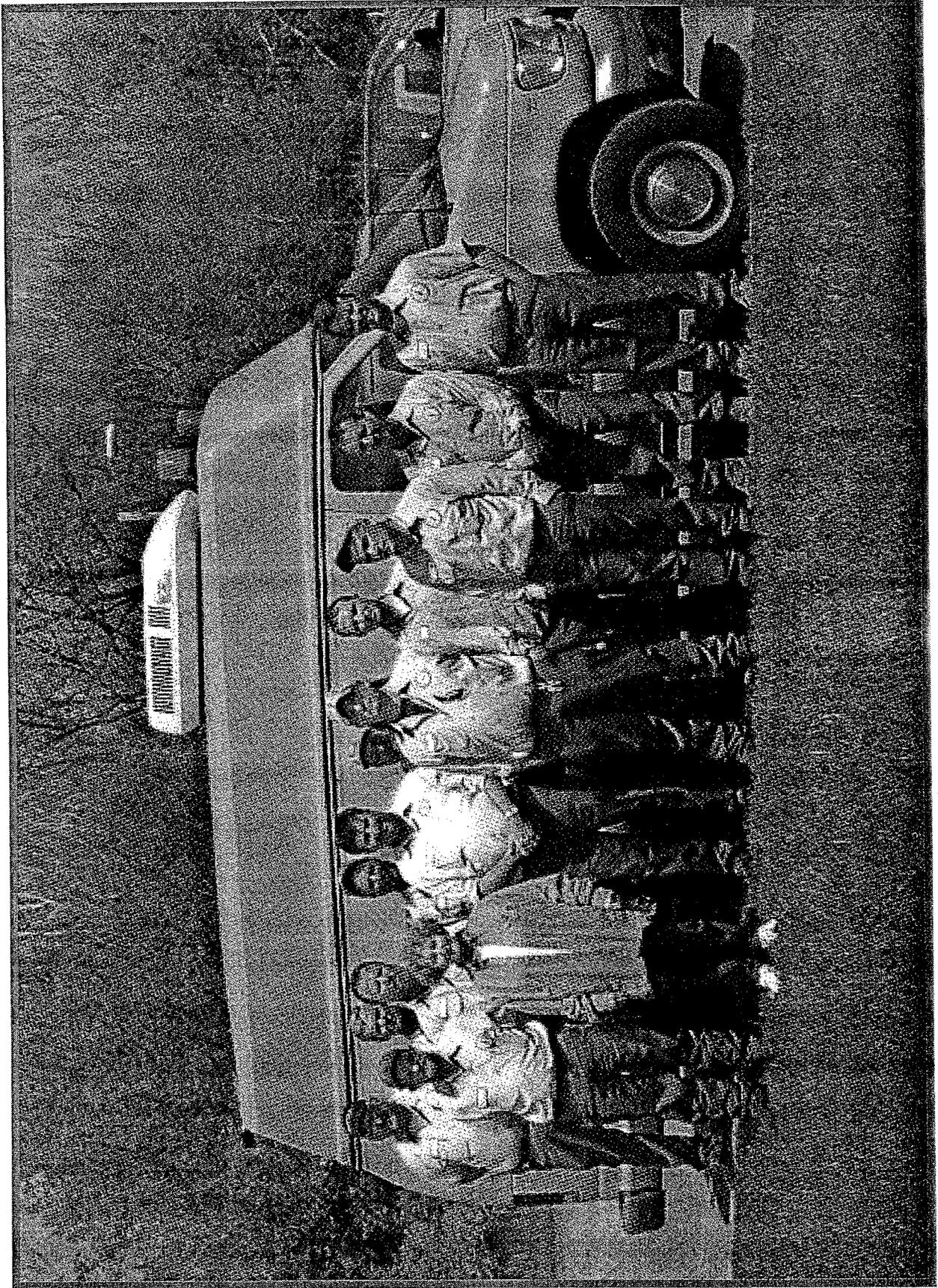
FUNCTION AND ACTIVITY	General Fixed Assets 1-1-01	Additions	Deductions	General Fixed Assets 12-31-01
<b>Security of Persons and Property:</b>				
Police Law Enforcement	\$1,048,405	\$99,090	\$65,576	\$1,081,919
Fire	<u>3,327,270</u>	<u>107,494</u>	<u>93,836</u>	<u>3,340,928</u>
Total Security of Persons and Property	<u>4,375,675</u>	<u>206,584</u>	<u>159,412</u>	<u>4,422,847</u>
<b>Leisure Time Activities:</b>				
Recreation	300,531	0	10,629	289,902
Parks	<u>2,147,020</u>	<u>215,275</u>	<u>6,042</u>	<u>2,356,253</u>
Total Leisure Time Activities	<u>2,447,551</u>	<u>215,275</u>	<u>16,671</u>	<u>2,646,155</u>
<b>Community Environment:</b>				
Community Planning and Zoning	564,609	0	5,032	559,577
Community Development	64,499	0	0	64,499
Urban Redevelopment	702,810	0	0	702,810
Industrial Development	<u>6,452,232</u>	<u>0</u>	<u>0</u>	<u>6,452,232</u>
Total Community Environment	<u>7,784,150</u>	<u>0</u>	<u>5,032</u>	<u>7,779,118</u>
<b>General Government:</b>				
Administration	1,384,036	466,477	26,579	1,823,934
Legislative	1,005	0	0	1,005
Judicial	180,105	4,778	2,511	182,372
Finance	<u>110,580</u>	<u>0</u>	<u>0</u>	<u>110,580</u>
Total General Government	<u>1,675,726</u>	<u>471,255</u>	<u>29,090</u>	<u>2,117,891</u>
<b>Transportation:</b>				
Street	1,563,873	57,730	19,450	1,602,153
Parking	<u>466,937</u>	<u>0</u>	<u>0</u>	<u>466,937</u>
Total Transportation	<u>2,030,810</u>	<u>57,730</u>	<u>19,450</u>	<u>2,069,090</u>
<b>Public Health:</b>				
Cemetery	339,317	0	0	339,317
Cemetery Improvement	<u>219,300</u>	<u>320,194</u>	<u>0</u>	<u>539,494</u>
Total Public Health	<u>558,617</u>	<u>320,194</u>	<u>0</u>	<u>878,811</u>
Construction in Progress	<u>365,350</u>	<u>367,482</u>	<u>127,429</u>	<u>605,403</u>
Total General Fixed Assets	<u><u>\$19,237,879</u></u>	<u><u>\$1,638,520</u></u>	<u><u>\$357,084</u></u>	<u><u>\$20,519,315</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2001**

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Improvements Other than Buildings</u>	<u>Buildings</u>
<b>Security of Persons and Property:</b>			
Police Law Enforcement	\$11,478	\$18,700	\$282,001
Fire	122,944	11,904	929,425
<b>Total Security of Persons and Property</b>	<b>134,422</b>	<b>30,604</b>	<b>1,211,426</b>
<b>Leisure Time Activities:</b>			
Recreation	0	112,939	161,925
Parks	839,199	372,777	590,837
<b>Total Leisure Time Activities</b>	<b>839,199</b>	<b>485,716</b>	<b>752,762</b>
<b>Community Environment:</b>			
Community Planning and Zoning	375,000	7,028	0
Community Development	0	0	64,499
Urban Redevelopment	649,330	53,480	0
Industrial Development	6,452,232	0	0
<b>Total Community Environment</b>	<b>7,476,562</b>	<b>60,508</b>	<b>64,499</b>
<b>General Government:</b>			
Administration	384,348	18,466	1,181,243
Legislative	0	0	0
Judicial	0	0	0
Finance	0	6,084	0
<b>Total General Government</b>	<b>384,348</b>	<b>24,550</b>	<b>1,181,243</b>
<b>Transportation:</b>			
Street	598,442	21,379	168,278
Parking	466,937	0	0
<b>Total Transportation</b>	<b>1,065,379</b>	<b>21,379</b>	<b>168,278</b>
<b>Public Health:</b>			
Cemetery	137,071	95,469	19,038
Cemetery Improvement	185,900	7,076	346,518
<b>Total Public Health</b>	<b>322,971</b>	<b>102,545</b>	<b>365,556</b>
Construction in Progress	0	0	0
<b>Total General Fixed Assets</b>	<b>\$10,222,881</b>	<b>\$725,302</b>	<b>\$3,743,764</b>

<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$363,134	\$406,606	\$1,081,919
675,603	1,601,052	3,340,928
<u>1,038,737</u>	<u>2,007,658</u>	<u>4,422,847</u>
15,038	0	289,902
475,381	78,059	2,356,253
<u>490,419</u>	<u>78,059</u>	<u>2,646,155</u>
70,107	107,442	559,577
0	0	64,499
0	0	702,810
0	0	6,452,232
<u>70,107</u>	<u>107,442</u>	<u>7,779,118</u>
174,915	64,962	1,823,934
1,005	0	1,005
182,372	0	182,372
83,342	21,154	110,580
<u>441,634</u>	<u>86,116</u>	<u>2,117,891</u>
247,062	566,992	1,602,153
0	0	466,937
<u>247,062</u>	<u>566,992</u>	<u>2,069,090</u>
63,887	23,852	339,317
0	0	539,494
<u>63,887</u>	<u>23,852</u>	<u>878,811</u>
0	0	605,403
<u>\$2,351,846</u>	<u>\$2,870,119</u>	<u>\$20,519,315</u>

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# STATISTICAL SECTION

# STATISTICAL SECTION

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

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

Year	Security of Persons and Property	Public Health Services	Leisure Time Activities	Community Environment	General Government	Capital Outlay	Debt Service	Total
1992	\$1,346,286	\$8,447	\$179,726	\$235,811	\$1,250,749	\$160,000	\$1,183	\$3,182,202
1993	1,436,423	8,527	192,663	244,177	1,291,379	217,949	980	3,392,098
1994	1,528,382	12,533	261,703	261,465	1,356,555	7,483	1,732	3,429,853
1995	1,634,120	13,072	220,279	287,736	1,497,249	75,000	2,078	3,729,534
1996	1,764,566	14,196	227,566	367,154	1,650,029	0	3,341	4,026,852
1997	1,774,054	15,023	250,297	410,198	1,783,627	1,444,437	3,354	5,680,990
1998	1,773,810	15,457	279,607	530,552	1,924,845	220,000	1,600	4,745,871
1999	1,966,318	15,635	305,079	553,989	2,347,009	896,474	1,265	6,085,769
2000	2,185,853	3,000	467,741	597,677	2,464,768	236,601	1,265	5,956,905
2001	2,502,557	8,354	621,077	781,920	3,661,030	172,196	1,266	7,748,400

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
1992	\$1,096,873	\$383,305	\$1,020,170	\$350,715	\$158,312	\$32,240	\$3,041,615
1993	1,148,937	512,644	1,115,616	366,603	285,171	104,600	3,533,571
1994	1,339,393	430,046	1,153,363	418,296	473,194	81,041	3,895,333
1995	1,481,067	450,664	1,254,152	536,348	740,529	83,369	4,546,129
1996	1,592,286	802,504	1,391,847	545,310	700,202	117,543	5,149,692
1997	1,824,987	649,136	1,645,823	639,621	306,340	96,893	5,162,800
1998	2,036,108	833,989	1,620,326	690,722	530,313	229,889	5,941,347
1999	2,178,720	2,686,894	1,701,739	759,406	591,843	163,740	8,082,342
2000	2,351,219	1,175,908	1,737,321	841,541	708,963	32,159	6,847,111
2001	2,940,169	1,015,795	848,168	926,473	444,752	156,171	6,331,528

(1) Includes property, income and other local taxes

**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
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
2000	2,075,061	2,020,900	84,292	2,105,192	101.4	30,949	2
2001	2,122,809	2,059,485	50,434	2,109,919	99.4	48,072	2

Source: County Auditor, Warren County, Ohio

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

Year	Assessed Real		Assessed Public Utility		Assessed Tangible Personal	Total	Estimated True Value (1)	Percentage Of Assessed Value To Estimated True Value
	Assessed Real	Public Utility	Public Utility	Tangible Personal				
1992	\$68,466,210	\$36,709,990	\$5,614,550	\$19,018,419	\$129,809,169	\$380,031,364	35%	
1993	71,372,180	36,982,110	6,004,660	18,568,531	132,927,481	387,824,590	34	
1994	75,480,990	37,114,340	6,335,910	18,890,296	137,821,536	404,462,025	34	
1995	91,821,240	40,488,290	6,443,330	22,988,515	161,741,375	477,303,254	34	
1996	98,719,800	40,954,260	6,273,910	24,803,624	170,751,594	498,344,769	34	
1997	107,688,450	45,256,790	6,421,460	28,826,299	188,192,999	559,588,710	34	
1998	132,550,330	48,844,300	6,393,050	32,506,594	220,294,274	655,561,576	34	
1999	143,105,080	55,025,060	6,413,020	38,071,619	242,614,779	725,660,100	33	
2000	151,321,540	59,396,390	5,765,920	41,357,405	257,841,255	774,033,030	33	
2001	187,009,730	67,328,970	6,378,020	48,143,491	308,860,211	926,503,714	33	

Source: County Auditor; Warren County, Ohio

(1) This is calculated by dividing the Assessed value by the assessment percentage. The percentages for 2001 were 35 percent for real property and public utility real, 88 percent public utility tangible and 25 percent for tangible personal.

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

Collection Year	General Fund	Fire and Life Squad Fund	Library Bond Retirement Fund	Total City (1)	Lebanon City		Warren County (2)	Mental Health (2)	Warren Co JVS (2)
					Schools (2)				
1992	\$2.80	\$3.00	\$1.00	\$6.80	\$45.12	\$7.10	\$1.00	\$0.00	
1993	2.80	3.00	0.90	6.70	44.62	7.10	1.00	0.00	
1994	2.80	3.00	0.90	6.70	44.62	7.10	1.00	0.00	
1995	2.82	3.00	0.80	6.62	51.13	7.07	1.00	4.50	
1996	2.82	3.00	0.80	6.62	51.13	7.07	1.00	4.50	
1997	2.82	3.00	0.50	6.32	51.13	5.00	1.50	4.50	
1998	2.82	3.00	0.50	6.32	50.03	4.75	1.00	4.50	
1999	2.82	3.00	0.50	6.32	50.03	4.75	1.00	4.50	
2000	2.82	4.50	0.50	7.82	50.63	4.50	1.00	4.50	
2001	2.82	4.50	0.40	7.72	50.63	4.50	1.00	4.50	

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

(2) County Auditor, Warren County, Ohio

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

<u>Collection Year</u>	<u>Amount Billed (1)</u>	<u>Amount Collected (2)</u>	<u>Percent Collected</u>
1992	\$239,414	\$226,089	94%
1993	229,985	219,824	96
1994	203,785	194,987	96
1995	227,638	218,731	96
1996	241,876	209,249	87
1997	247,320	216,130	87
1998	204,068	166,284	81
1999	237,258	202,679	85
2000	231,377	197,895	86
2001	208,737	174,865	84

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
1992	10,423	\$129,809	\$6,306,106	\$135,363	\$435,270	\$528,228	\$4,137,608	\$1,069,637	0.82	102.62
1993	10,423	132,927	6,030,082	144,706	388,920	506,162	3,965,000	1,025,294	0.77	98.37
1994	10,423	137,822	5,893,323	145,178	511,945	484,096	3,767,282	984,822	0.71	94.49
1995	10,423	161,741	5,609,739	148,351	460,507	459,613	3,599,619	941,649	0.58	90.34
1996	10,423	170,752	10,171,905	164,784	394,068	435,131	8,297,706	880,216	0.52	84.45
1997	10,423	188,193	12,279,881	180,019	381,360	408,232	7,826,065	3,484,205	1.85	334.28
1998	10,423	220,294	11,732,691	170,383	368,652	381,333	7,455,790	3,356,533	1.52	322.03
1999	10,423	242,615	29,051,589	173,646	350,856	354,434	24,980,000	3,192,653	1.32	306.31
2000	16,962	257,841	27,999,619	191,652	2,781,790	325,118	24,140,000	561,059	0.21	33.07
2001	16,962	308,860	40,396,813	199,602	2,662,724	97,650	36,955,000	481,837	0.16	28.41

(1) Excludes special assessment general obligation debt.

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

(3) Excludes discount on revenue bonds

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

**CITY OF LEBANON, OHIO  
 COMPUTATION OF OVERALL LEGAL DEBT MARGIN  
 DECEMBER 31, 2001**

Assessed Value		<u><u>\$308,860,211</u></u>
Overall Debt Limit (10 1/2% of the Assessed Value)		\$32,430,322
Total Voted and Unvoted Debt Outstanding at December 31, 2001	\$51,271,438	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	894,625	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax and Payments in Lieu of Taxes to be Applied to Debt Service	2,760,374	
Unvoted Mortgage Revenue Bonds to be Paid from Enterprise Fund Revenues	36,955,000	
Unvoted General Obligation Notes to be Paid from Enterprise Fund Revenues	<u>4,250,000</u>	
Total	6,411,439	
Less: Amount Available to Pay Non-Exempt Debt	<u>2,676,232</u>	
Net Subject to 10 1/2 percent Limitation		<u>3,735,207</u>
Legal debt Margin within 10 1/2 percent Limitation		<u><u>\$28,695,115</u></u>

**CITY OF LEBANON, OHIO  
 COMPUTATION OF UNVOTED LEGAL DEBT MARGIN  
 DECEMBER 31, 2001**

Assessed Value		<u>\$308,860,211</u>
Overall Debt Limit (5 1/2% of the Assessed Value)		\$16,987,312
Total Unvoted Debt Outstanding at December 31, 2001	\$51,271,438	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	894,625	
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Lawfully Available Municipal Income Tax and Payments in Lieu of Taxes to be Applied to Debt Service	2,760,374	
Unvoted Mortgage Revenue Bonds to be Paid from Enterprise Fund Revenues	36,955,000	
Unvoted General Obligation Notes to be Paid from Enterprise Fund Revenues	<u>4,250,000</u>	
Total	6,411,439	
Less: Amount Available to Pay Non-Exempt Debt	<u>2,676,232</u>	
Net Subject to 5 1/2 percent Limitation		<u>3,735,207</u>
Legal debt Margin within 5 1/2 percent Limitation		<u>\$13,252,105</u>

**CITY OF LEBANON, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL BONDED DEBT  
 DECEMBER 31, 2001**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City Of Lebanon</u>	<u>Amount Applicable To City Of Lebanon</u>
City of Lebanon	\$481,837	100.00%	\$481,837
Warren County	34,405,828	10.68	<u>3,674,542</u>
Total			<u><u>\$4,156,379</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>
1992	\$127,239	\$3,182,202	4.0%
1993	125,192	3,392,098	3.7
1994	127,815	3,429,853	3.7
1995	125,201	3,729,534	3.4
1996	126,733	4,026,852	3.2
1997	165,161	5,680,990	2.9
1998	123,702	4,745,871	2.6
1999	120,218	6,085,769	2.0
2000	116,690	5,956,905	2.0
2001	118,120	7,748,400	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	
<b>ELECTRIC/TELECOMMUNICATIONS</b>							
1992	\$5,808,844	\$5,187,016	\$621,828	\$25,000	\$2,625	\$27,625	22.5
1993	6,225,321	5,697,213	528,108	25,000	1,312	26,312	20.1
1994	6,553,126	4,798,695	1,754,431	0	0	0	0.0
1995	6,798,142	6,673,997	124,145	0	0	0	0.0
1996	7,014,943	5,860,330	1,154,613	0	0	0	0.0
1997	7,217,373	6,013,800	1,203,573	155,000	249,795	404,795	3.0
1998	7,733,375	8,682,967	(949,592)	160,000	244,060	404,060	(2.4)
1999	8,695,819	7,004,633	1,691,186	165,000	237,660	402,660	4.2
2000	11,015,754	10,839,189	176,565	175,000	228,185	403,185	0.4
2001	14,076,889	11,846,689	2,230,200	180,000	515,133	695,133	3.2
<b>SEWER</b>							
1992	1,075,751	632,162	443,589	75,000	160,563	235,563	1.9
1993	1,176,878	662,423	514,455	80,000	155,913	235,913	2.2
1994	1,313,550	746,084	567,466	82,663	162,950	245,613	2.3
1995	1,467,877	823,588	644,289	90,000	148,057	238,057	2.7
1996	1,548,851	1,177,153	371,698	95,000	139,538	234,538	1.6
1997	1,719,824	1,116,893	602,931	125,000	80,868	205,868	2.9
1998	1,582,869	994,573	588,296	130,000	80,550	210,550	2.8
1999	1,817,875	1,224,270	593,605	135,000	329,561	464,561	1.3
2000	1,935,006	1,464,746	470,260	340,000	507,541	847,541	0.5
2001	1,840,462	606,494	1,233,968	355,000	492,750	847,750	1.5
<b>WATER</b>							
1992	1,217,582	720,568	497,014	70,000	128,495	198,495	2.5
1993	1,423,710	684,485	739,225	75,000	126,945	201,945	3.7
1994	1,493,615	745,773	747,842	80,000	120,800	200,800	3.7
1995	1,784,680	707,200	1,077,480	80,000	116,480	196,480	5.5
1996	1,877,081	1,260,381	616,700	85,000	111,836	196,836	3.1
1997	2,058,358	1,347,491	710,867	90,000	108,737	198,737	3.6
1998	1,903,230	725,699	1,177,531	100,000	101,082	201,083	5.9
1999	2,203,332	848,868	1,354,464	105,000	281,951	386,951	3.5
2000	2,264,674	1,139,469	1,125,205	325,000	500,109	825,109	1.4
2001	2,117,782	1,347,618	770,164	340,000	471,485	811,485	0.9

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>
1992	10,423	3,538	6.5%
1993	10,423	3,632	5.7
1994	10,423	3,842	4.9
1995	10,423	3,842	4.2
1996	10,423	4,214	3.9
1997	10,423	4,354	3.2
1998	10,423	4,405	2.9
1999	10,423	4,462	3.0
2000	16,962	4,496	3.0
2001	16,962	4,525	3.3

Sources: (1) 1990 Census and 2000 Census

(2) Lebanon City School District Board of Education

(3) Ohio Bureau of Employment Services

**CITY OF LEBANON, OHIO  
 PRINCIPAL TAXPAYERS  
 DECEMBER 31, 2001**

	<u>Taxpayer</u>	<u>Real Property Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
1.	SEI Brakes, Inc.	\$15,592,060	5.05 %
2.	Johnson & Hardin	6,239,310	2.02
3.	Fujitec America	5,927,310	1.92
4.	Amtex, Inc.	2,562,270	0.83
5.	United Telephone	2,368,220	0.77
6.	City of Lebanon (Sumitomo)	2,045,960	0.66
7.	City of Lebanon (Amtex)	1,998,250	0.65
8.	Eastern Retail Holdings	1,980,220	0.64
9.	Lebanon Park Towne Homes	1,873,010	0.61
10.	Charlie Watson Ford-Mercury	1,690,650	0.55

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		
1992	195,617,743	192	8,198,299	42	4,575,812	305,529,000	367,097,000
1993	203,920,514	228	10,892,924	32	2,374,595	333,849,000	411,164,000
1994	215,659,971	192	8,573,264	49	22,151,935	346,078,000	422,581,000
1995	262,346,400	284	17,677,894	82	11,362,500	370,414,000	460,950,000
1996	282,056,571	351	20,637,230	78	6,356,055	379,213,000	465,584,000
1997	307,681,286	291	19,110,569	80	13,093,658	427,736,000	523,595,000
1998	378,715,229	267	15,298,503	82	16,028,448	437,918,000	521,795,000
1999	408,871,657	321	20,556,607	89	22,130,622	445,370,000	533,873,000
2000	432,347,257	268	18,796,587	87	17,792,980	453,127,000	548,623,000
2001	534,313,514	329	24,378,196	106	11,813,007	482,767,000	618,781,000

- 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, 2001**

Year of Incorporation	1960
Form of Government	Charter - Council/Manager
Area	12.1712 Square Miles
Miles of Streets	82.19
Number of Street Lights	1,725
Police Protection:	
Number of Stations	1
Number of Police Officers	26
Hospitals	1 Emergency Treatment Center
Education (K-12) (Public only)	
Attendance Centers	6
Number of Classrooms	222
Number of Teachers	281
Number of Students	4,525
Municipal Water Department	
Miles of Water Main	80.278
Sewers:	
Sanitary Sewers	75.612
Storm Sewer	33.826
Building Permits Issued	435
Recreation and Culture:	
Number of Parks	15
Number of Libraries	1
Employees	177

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**CITY OF LEBANON**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 29, 2002**