

**CITY OF LEBANON**  
**WARREN COUNTY**  
**SINGLE AUDIT**  
**JANUARY 1, 2014 – DECEMBER 31, 2014**







# Dave Yost • Auditor of State

City Council  
City of Lebanon  
50 South Broadway  
Lebanon, Ohio 45036

We have reviewed the *Independent Auditor's Report* of the City of Lebanon, Warren County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2014 through December 31, 2014. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **Finding for Recovery Repaid Under Audit:**

Section 30.2 of the Agreement Between the City of Lebanon, Ohio and Lebanon Police Employees Association (Agreement) states that an employee who voluntarily separates or retires from employment shall receive compensation for all vacation earned and unused in the current year and unused vacation carried over from the previous year.

As of July 3, 2014, Robert White, a police officer, retired from the City of Lebanon. At the time of retirement, Mr. White had a vacation leave balance of 120 hours. On July 18, 2014, Mr. White was paid out for his severance upon retirement. The severance payment was based on the full vacation leave balance of 120 hours (which included a full year's accrual of 96 hours for 2014 in accordance with Section 21.2 of the Agreement). Since Mr. White should not have accrued vacation leave for the months of August through December after his retirement date, the amount of the payment should have been reduced by 40 hours. As a result, Mr. White was overpaid \$1,330.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding For Recovery for public monies illegally expended is hereby issued against Robert White in the amount of \$1,330 and in favor of the City of Lebanon's General Fund.

On June 2, 2015, Robert White repaid the City of Lebanon's General Fund in the amount of \$1,330.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost  
Auditor of State

July 17, 2015

**CITY OF LEBANON  
WARREN COUNTY**

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CITY OF LEBANON  
WARREN COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Grantor/ <i>Pass Through Grantor/</i> Program Grant Title	Pass Through Entity Number	CFDA Number	Expenditures
<b>U.S. Department of Transportation; Federal Highway Administration</b>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	85320	20.205	\$ 1,422,396
Highway Planning and Construction	96340	20.205	<u>82,500</u>
Total U.S. Department of Transportation (FHA)			<u>1,504,896</u>
<b>Total Federal Awards Expenditures</b>			<u><u>\$ 1,504,896</u></u>

*The accompanying notes are an integral part of this Schedule.*

**CITY OF LEBANON  
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) is a summary of the activity of the City's Federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal funds is not included on the Schedule.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2015.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
June 19, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES REQUIRED BY  
OMB CIRCULAR A-133**

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

To City Council:

***Report on Compliance for the Major Federal Program***

We have audited the City of Lebanon's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Lebanon's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

***Management's Responsibility***

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

*Wilson, Shannon & Snow, Inc.*

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***Opinion on the Major Federal Program***

In our opinion, the City of Lebanon complied, in all material respects with the compliance requirements referred to above that could directly and materially affects its major federal program for the year ended December 31, 2014.

***Report on Internal Control over Compliance***

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

City of Lebanon  
Warren County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and On Internal Control Over  
Compliance and the Schedule of Federal Awards Expenditures  
Required By OMB Circular A-133  
Page 3

***Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133***

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lebanon, Warren County (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 19, 2015. We conducted our audit to opine on the City's' basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Wilson, Shannon E Snow, Inc.*

Newark, Ohio  
June 19, 2015

**CITY OF LEBANON  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
DECEMBER 31, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(I)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(I)(iv)</i>	Were there any other significant deficiencies reported for major federal programs?	No
<i>(d)(I)(v)</i>	Type of Major Program's Compliance Opinion	Unmodified
<i>(d)(I)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(I)(vii)</i>	Major Programs (list):	Highway Planning and Construction, CFDA #20.205
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(I)(ix)</i>	Low Risk Auditee?	No

**CITY OF LEBANON  
WARREN COUNTY**

**SCHEDULE OF FINDINGS  
*OMB CIRCULAR A-133 §.505*  
DECEMBER 31, 2014**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS**

None.

# **CITY OF LEBANON, OHIO**

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014

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# INTRODUCTORY SECTION



**CITY OF LEBANON, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Issued by:  
Office of the Auditor**

**Sharee C. Dick  
City Auditor**

City of Lebanon  
 Comprehensive Annual Financial Report  
 For the Year Ended December 31, 2014

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*"Dedicated to Excellence in Public Service"*

**City Building ♦ 50 South Broadway ♦ Lebanon ♦ Ohio ♦ 45036 ♦ Phone: 513-932-3060 ♦ Fax: 513-932-2493**

June 19, 2015

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

We are pleased to present the twenty-seventh Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report for the year ended December 31, 2014 contains the financial statements and other financial and statistical information and conforms to accounting principles generally accepted in the United States of America as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the City of Lebanon ("the City").

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

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

Wilson, Shannon & Snow, Inc. performed the audit for the year ended December 31, 2014, and included in this report is their unmodified opinion rendered on the City's basic financial statements. The Independent Auditor's Report is located at the front of the Financial Section of this report.

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

#### PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

The City of Lebanon is 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.

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.

[www.lebanonohio.gov](http://www.lebanonohio.gov)

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

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

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

Council is required to adopt an initial budget by no later than April 1, Council may adopt a temporary budget to cover the first three months of the year. Upon presentation by the City Manager of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget, as it may have been amended, as the City's annual budget effective April 1, for the remainder of the year.

### MAJOR INITIATIVES

The City remains committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2014. These projects totaled \$2.42 million, including, the reconstruction of West Street and East Street, totaling \$756,000 and \$1.2 million, respectively and the construction of a new section of West Warren Street, at a cost of \$460,000. The West Warren Street project allowed the City to demolish an existing bridge in poor condition, improving the safety of its residents. The City secured OPWC grants to cover \$968,000 of the West and East Street project costs.

The projects included not only the reconstruction and replacement of the pavement and concrete, but also the installation of a new drainage system and replacement of certain underground utilities. The City's annual pavement resurfacing and concrete replacement program totaled \$1,016,000 and included multiple streets throughout the City.

The City completed construction on the S.R. 123 / S.R. 63 Connector project in 2014. This new 3/4-mile, 3-lane roadway begins at the intersection of S.R. 63 and Glosser Road and runs north up to the intersection of S.R. 123 and Hart Road. The total project cost was \$6.1 million, for which the City secured a \$3.1 million Federal Highway Administration Planning and Construction grant to support the project. This new road will alleviate traffic congestion, and poor levels of service, at several key State Route intersections in the downtown area and open up new areas for development.

Over the past several years, the City has focused on replacing aging sanitary sewer mains throughout the City. This initiative is being undertaken to ensure our continued ability to deliver quality sewer service. In 2014, the City replaced and/or rehabilitated sanitary sewer mains on Cardinal Drive, Hallie Court, Suncrest Drive, Highland Avenue, Fairview Avenue, West Warren Street, and Canal Street. The total cost for sewer collection system improvements was \$339,000. Additionally, the City initiated a project

to upgrade the Supervisory Control and Data Acquisition (SCADA) communication system to improve communication and controls associated with the wastewater and water infrastructure.

The City continues implementation of the water main replacement program as the water distribution system is upgraded to remove aging pipe and improve fire flow in the Community. In 2014, water mains were replaced on West Warren Street, Miller Street, Canal Street, and Center Street.

## LOCAL ECONOMY

All of the major TV networks and several independent facilities, including several educational television channels totaling 13 stations, are available to the City from Dayton and Cincinnati as well as Miami University in Oxford. In addition, 13 AM and 17 FM radio stations are available in the area, as well as cable television. Major daily and Sunday newspapers from Cincinnati and Dayton are available in the City. In addition, the City is served by *The Pulse Journal*, a weekly newspaper that is produced by Dayton Daily News, Cox Publishing. The City also owns and operates “The Lebanon Channel”. The channel broadcasts programming that is relevant to the Lebanon community. Programming includes City Council and Planning Commission meetings, “The City Show”, and local events.

### Housing

The residential sector has increased, as reflected by the increase in permits issued during 2014. In 2014, housing starts increased approximately 130% as compared to 2013, which saw a drop of 10% from 2012. The construction valuation of residential development in 2014 was \$5.8 million.

Lebanon's positive economic condition reflects its strong and growing nonresidential tax base. The City continues to attract new business investment into the community, while maintaining our focus on business retention and expansion of our corporate residents. In light of the City's reliance on income tax revenues, nonresidential development is critical to funding the services and facilities required by residential growth, and is an integral part of the City's quality of life for all residents, both residential and nonresidential.

### Commercial and Industrial

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

In 2014, the City was successful in attracting new investment into the community. The City had quality growth in both the industrial and commercial sectors. The industrial sector rebounded significantly with new development and investment. The commercial sector has also seen expansion in terms of new construction, and more importantly adaptive reuse of existing facilities. The residential sector improved in relation to new housing starts, as reflected by the increase in permits issued during 2014.

The City's positive economic condition reflects its strong and growing nonresidential tax base. The City continues to attract new business investment into the community, while maintaining focus on business retention and expansion of existing corporate residents. The City is continuing its efforts to improve the mix of residential and nonresidential development, which is crucial to sustaining a diversified tax base.

The City continues to position itself to capitalize on new and emerging business opportunities as the market strengthens through long term investments in land and infrastructure. Lebanon maintains a strategic focus to leverage available economic development incentive programs to recruit new businesses and industry. The recent expansion of Columbia Business Park and the access improvements resulting from the reconstruction of Columbia Road have enhanced the Park's long-term marketability. The

addition of 17 acres of interstate frontage industrial property in Kingsview Industrial Park will also provide a significant opportunity for high quality development. The use of tax increment financing (TIF) has been a key incentive in recruiting new companies and investment into the City's industrial parks. A recently completed TIF project was the construction of Homan Road in 2013. The new roadway has made accessible prime commercial land for development and provided a future northern access point into Lebanon Commerce Park. This project has already begun to spur new development, with the completion of a FedEx Ground distribution center and a manufacturing facility for INX International Ink Co., completed in January 2015.

Recent projects undertaken in the City include the following:

**INX International Ink. Co.** In December 2013, INX International Ink Co. chose the City to locate its new state of the art solvent ink production facility, investing \$14 million and creating 40 jobs. Construction on the 62,000 sq. ft. facility began in early 2014 and was completed in January 2015.

**ADVICS Manufacturing Ohio, Inc.** ADVICS, the City's largest private employer with 671 employees broke ground on their \$100 million plant expansion in February 2014 and completed the first phase in July. The second and final phase was completed in December 2014, culminating in the creation of 100 jobs. At build-out, the expansion will provide an additional 64,000 sq. ft. of production capacity.

**Fecon, Inc.** The City assisted farm equipment manufacturer Fecon, Inc. by transferring the lease of certain facilities in order to allow the company to further expand its manufacturing operations. The expanded facility is 40,000 sq. ft. in size and supports 30 new jobs, and was completed with a \$995,000 investment by Fecon.

**Tomak Precision.** Tomak finalized plans in December 2014 to add a 15,200 sq. ft. expansion to its existing aerospace manufacturing facilities, which will represent an investment of \$750,000 and the creation of 4 new jobs.

## FINANCIAL TRENDS

The City continues to benefit from its location within the Cincinnati – Dayton growth corridor, and has experienced moderate tax base expansion. City government has renewed its focus on the delivery of core services, reduced or eliminated non-essential programs, and focused on the creation of increased General Fund reserves. Through the elimination of lower priority programs and the aggressive use of State and federal grants, the City has been able to sustain an effective capital improvement program to address the community's infrastructure improvement requirements.

## FINANCIAL PLANNING AND POLICIES

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

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

## OTHER INFORMATION

### Independent Audit

An audit team from Wilson, Shannon & Snow, Inc. has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

## AWARDS AND ACKNOWLEDGEMENTS

### 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, 2013. This was the twenty-sixth 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. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

### Acknowledgements

A special thanks is extended to our staff for their hard work and dedication in compiling cash reports, accrual information and capital assets information. We also would like to express appreciation to Mr. Dave Yost, Auditor of State of Ohio, and his Local Government Services staff for their assistance in preparing this report.



Sharee C. Dick  
City Auditor



Amy Brewer  
Mayor



Government Finance Officers Association

**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, 2013**

Executive Director/CEO

CITY OF LEBANON, OHIO  
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR

Amy Brewer

VICE MAYOR

Mark Messer

COUNCIL MEMBERS:

Wendy Monroe

J. Matthew Rodriguez

Jim Dearie

Mark Messer

James Norris II

APPOINTED OFFICIALS

CITY MANAGER

George P. Clements

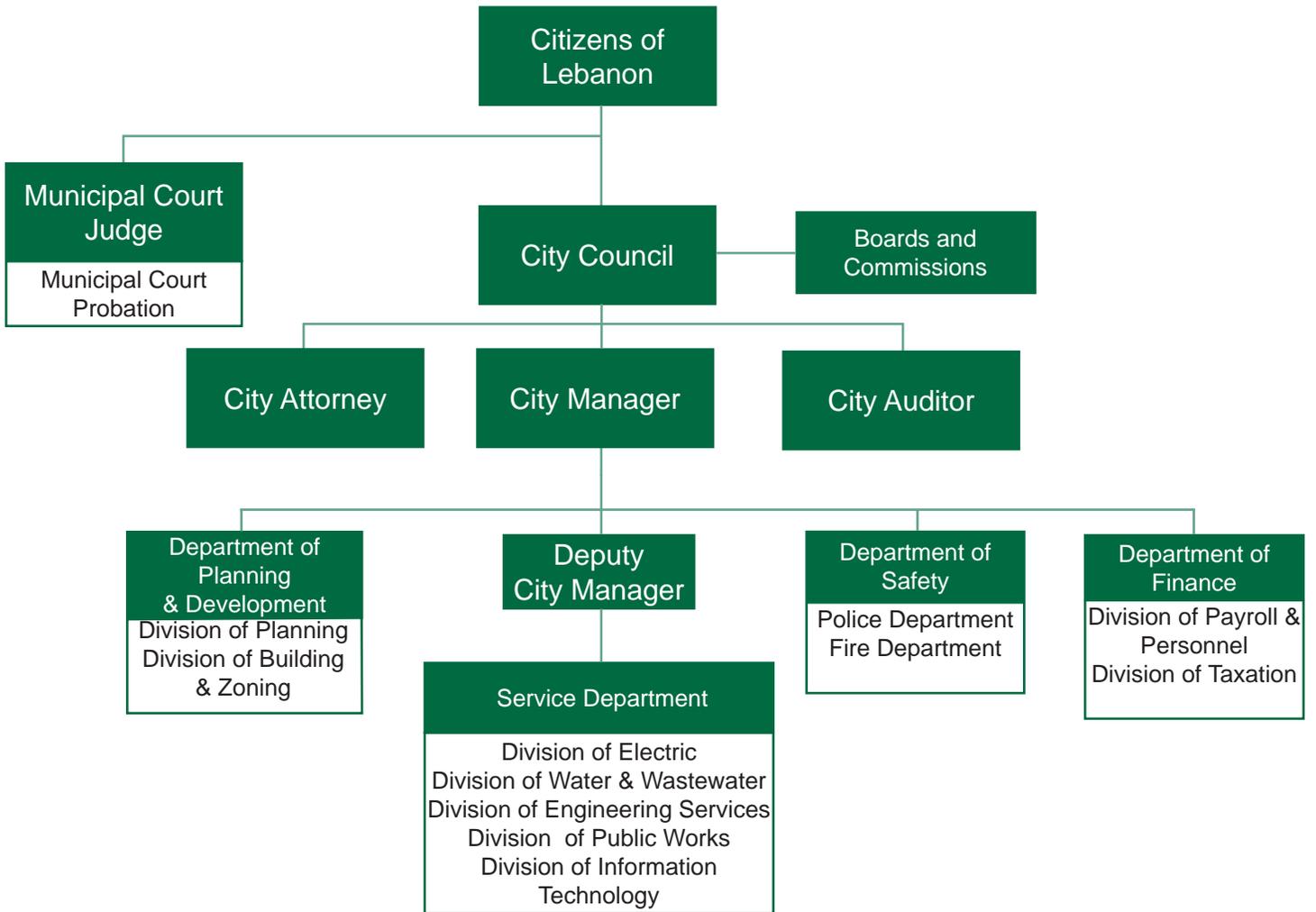
CITY AUDITOR

Sharee C. Dick

CITY ATTORNEY

Mark S. Yurick

# CITY OF LEBANON ORGANIZATIONAL CHART



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# FINANCIAL SECTION





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

## INDEPENDENT AUDITOR'S REPORT

To the City Council:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire and Life Squad Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
June 19, 2015

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CITY OF LEBANON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis (MD&A) of the City of Lebanon's (the "City") financial performance provides an overview of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole, and readers are encouraged to review the transmittal letter and the basic financial statements and notes to enhance their understanding of the City's overall financial performance.

**FINANCIAL HIGHLIGHTS**

The City's total net position increased \$7,037,491. Revenues of governmental activities exceeded expenses by \$1,027,696. Current year revenues remained consistent compared to the prior year but outpaced expenses as the City continued to monitor its spending. The City remains committed to ensuring that service levels are adjusted in response to declines in revenue so that sufficient cash reserves are maintained in compliance with the City's fiscal policy.

General revenues of governmental activities accounted for \$14,331,006 of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$6,821,321 of the revenues.

The City had \$17,704,123 in expenses related to governmental activities; \$6,821,321 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily income taxes) of \$14,331,006 were adequate enough to support these programs.

The City had \$39,036,706 in expenses related to business-type activities. \$42,239,675 of program specific charges for services and sales, together with \$2,806,826 in general revenues and transfers more than offset the expenses.

The City's Enterprise Funds reflected a total operating income of \$4,484,511 as follows: Electric Fund \$4,286,283, Sanitation Fund \$53,466, Sewer Fund (\$13,595), Water Fund (\$47,734), Storm Water Utility Fund \$177,763, and Telecommunications Fund \$28,328.

**USING THIS ANNUAL REPORT**

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

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

## **REPORTING THE CITY AS A WHOLE**

### ***Statement of Net Position and the Statement of Activities***

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

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

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

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

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### ***Fund Financial Statements***

Information about the City's major funds begins on page 12. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants while other funds may be established by Council at the suggestion of the City Manager or City Auditor. These funds help management control, manage, and report money received for a particular purpose or to show that the City is meeting its legal obligations. The City's major funds are General, Fire and Life Squad, Tax Increment Financing, Capital Improvement, Electric, Sanitation, Sewer, Telecommunications, Water and Storm Water Utility.

Governmental Funds – Most of the City’s services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for expenditures. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be expended in the near future on services provided to our residents. The relationship (or differences) between governmental activities that is reported in the statement of net position and the statement of activities is explained in the reconciliations in the governmental fund financial statements.

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

## THE CITY AS A WHOLE

As stated previously, the statement of net position looks at the City as a whole. Table 1 provides a summary of the City’s net position for 2014 compared to 2013.

Table 1  
Net Position

	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
<b>Assets:</b>							
Current and Other Assets	\$31,113,961	\$31,370,539	\$42,955,510	\$40,788,430	\$74,069,471	\$72,158,969	\$1,910,502
Capital Assets	52,476,444	49,375,204	91,585,416	90,151,728	144,061,860	139,526,932	4,534,928
<i>Total Assets</i>	<u>83,590,405</u>	<u>80,745,743</u>	<u>134,540,926</u>	<u>130,940,158</u>	<u>218,131,331</u>	<u>211,685,901</u>	<u>6,445,430</u>
<i>Deferred Outflows of Resources</i>							
Deferred Charge on Refunding	99,711	115,984	760,020	856,270	859,731	972,254	(112,523)
<b>Liabilities:</b>							
Current and Other Liabilities	3,874,154	2,809,064	1,156,129	1,047,865	5,030,283	3,856,929	1,173,354
Long-Term Liabilities	10,060,169	10,166,192	33,622,396	36,235,937	43,682,565	46,402,129	(2,719,564)
<i>Total Liabilities</i>	<u>13,934,323</u>	<u>12,975,256</u>	<u>34,778,525</u>	<u>37,283,802</u>	<u>48,712,848</u>	<u>50,259,058</u>	<u>(1,546,210)</u>
<i>Deferred Inflows of Resources</i>							
Property Tax	3,387,160	2,841,929	0	0	3,387,160	2,841,929	545,231
Payment in Lieu of Taxes	1,772,913	1,476,518	0	0	1,772,913	1,476,518	296,395
<i>Total Deferred Inflows of Resources</i>	<u>5,160,073</u>	<u>4,318,447</u>	<u>0</u>	<u>0</u>	<u>5,160,073</u>	<u>4,318,447</u>	<u>841,626</u>
<b>Net Position:</b>							
Net Investment in Capital Assets	41,585,043	39,004,204	59,251,800	55,500,876	100,836,843	94,505,080	6,331,763
Restricted	6,267,670	5,585,635	5,267,826	5,680,330	11,535,496	11,265,965	269,531
Unrestricted	16,743,007	18,978,185	36,002,795	33,331,420	52,745,802	52,309,605	436,197
<i>Total Net Position</i>	<u>\$64,595,720</u>	<u>\$63,568,024</u>	<u>\$100,522,421</u>	<u>\$94,512,626</u>	<u>\$165,118,141</u>	<u>\$158,080,650</u>	<u>\$7,037,491</u>

Total net position increased \$7,037,491. Net position of the City’s governmental activities increased \$1,027,696 mainly due to capital assets increasing for governmental funds as a result of asset additions related to land acquisition and infrastructure improvements. The City remains

committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2014. These projects totaled \$2.42 million, including, the reconstruction of West Street and East Street, totaling \$756,000 and \$1.2 million, respectively and the construction of a new section of West Warren Street, at a cost of \$460,000. The West Warren Street project allowed the City to demolish an existing bridge in poor condition, improving the safety of its residents. The City secured OPWC grants to cover \$968,000 of the West and East Street project costs.

Unrestricted net position decreased significantly from the prior year as the City received significantly less capital projects grant revenue than expected while capital projects spending increased compared to the prior year.

The net position of the City's business-type activities increased \$6,009,795. Long-term liabilities decreased due to debt payments. Unrestricted net position increased due to increases in rates and electric sales resulting in the collection of more charges for services revenues compared to the prior year. Net investment in capital assets increased as a result of the transfer of assets from governmental to enterprise for the SR123-63 connect road project offset by a reduction in long-term debt. Also, the City strives to control operational expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of the growing community in order to adjust for changes in City policy where necessary. City Council and administration are diligent in keeping the City fiscally strong, as indicated by the continued effort to achieve the goals set forth in the City's fiscal policy. The City's administration has developed a strategic planning process that utilizes a five-year capital improvement plan, which drives our operating budget and department superintendents are all involved in the entire process. The City's budget is developed from the bottom up with emphasis on good stewardship of our ratepayers' and taxpayers' money.

Table 2 shows the changes in net position for the years ended December 31, 2014 and 2013.

*Table 2  
Changes in Net Position*

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$3,838,235	\$3,471,439	\$42,239,675	\$39,410,470	\$46,077,910	\$42,881,909
Operating Grants, Contributions and Interest	1,380,215	1,814,589	0	0	1,380,215	1,814,589
Capital Grants, Contributions and Interest	1,602,871	3,214,888	0	0	1,602,871	3,214,888
Total Program Revenues	\$6,821,321	\$8,500,916	\$42,239,675	\$39,410,470	\$49,060,996	\$47,911,386

(continued)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2014	2013	2014	2013	2014	2013
Revenues:						
General Revenues:						
Property Taxes	\$2,894,165	\$2,895,037	\$0	\$0	\$2,894,165	\$2,895,037
Income Taxes	6,751,574	6,371,559	0	0	6,751,574	6,371,559
Other Local Taxes	1,380,635	1,337,972	0	0	1,380,635	1,337,972
Payments in Lieu of Taxes	1,772,913	1,476,519	0	0	1,772,913	1,476,519
Grants and Entitlements Not Restricted to Specific Programs	750,994	420,153	0	0	750,994	420,153
Investment Earnings	396,425	227,603	282,679	113,323	679,104	340,926
Gain on Sale of Capital Assets	0	0	0	0	0	0
Other	384,300	374,038	103,639	168,793	487,939	542,831
Total General Revenues	14,331,006	13,102,881	386,318	282,116	14,717,324	13,384,997
Total Revenues	21,152,327	21,603,797	42,625,993	39,692,586	63,778,320	61,296,383
Program Expenses:						
General Government	3,858,814	3,731,306	0	0	3,858,814	3,731,306
Security of Persons and Property:						
Police	4,361,049	4,067,094	0	0	4,361,049	4,067,094
Fire	2,611,925	3,136,542	0	0	2,611,925	3,136,542
Public Health Services	211,544	216,095	0	0	211,544	216,095
Leisure Time Services	848,639	1,328,928	0	0	848,639	1,328,928
Community and Economic Development	1,459,944	1,278,496	0	0	1,459,944	1,278,496
Transportation	4,112,839	3,934,203	0	0	4,112,839	3,934,203
Intergovernmental	0	900,216	0	0	0	900,216
Interest and Fiscal Charges	239,369	280,800	0	0	239,369	280,800
Electric	0	0	29,100,455	27,155,807	29,100,455	27,155,807
Sanitation	0	0	1,568,798	1,524,770	1,568,798	1,524,770
Sewer	0	0	3,722,315	2,541,355	3,722,315	2,541,355
Telecommunications	0	0	132,226	153,569	132,226	153,569
Water	0	0	3,848,723	3,839,171	3,848,723	3,839,171
Storm Water Utility	0	0	664,189	506,859	664,189	506,859
Total Expenses	17,704,123	18,873,680	39,036,706	35,721,531	56,740,829	54,595,211
Change in Net Position Before Transfers	3,448,204	2,730,117	3,589,287	3,971,055	7,037,491	6,701,172
Transfers	(2,420,508)	(500,000)	2,420,508	500,000	0	0
Change in Net Position	1,027,696	2,230,117	6,009,795	4,471,055	7,037,491	6,701,172
Net Position, January 1	63,568,024	61,337,907	94,512,626	90,041,571	158,080,650	151,379,478
Net Position, December 31	\$64,595,720	\$63,568,024	\$100,522,421	\$94,512,626	\$165,118,141	\$158,080,650

## ***Governmental Activities***

The City's income tax was established in 1970 at a rate of one percent. The rate has not been increased even though this rate is much lower than the State average for municipalities. The City provides tax relief in the form of a full tax credit for taxes paid to another municipality. The City's income tax is the largest source of revenue for the City's General Fund, Debt Service Fund, and Capital Improvement Fund. Employee withholding contributed 73.48 percent of the revenue received in 2014 with business earnings contributing 11.47 percent and individuals 15.05 percent. The City has mandatory filing for all residents that work regardless of their age. The revenues are allocated in the following manner: 56 percent General Fund, 33 percent Capital Improvement Fund, and 11 percent to the Debt Service Fund. This allocation begins after administration costs for the Division of Taxation have been obtained for the current operating year. Income Taxes in the Governmental Activities increased \$380,015. During 2014, the City was very successful in attracting new investment into the community. The City had modest growth and expansion in both the commercial and industrial sectors in terms of new construction and reuse of existing facilities.

Recent projects undertaken in the City include the following:

**INX International Ink. Co.** In December 2013, INX International Ink Co. chose the City to locate its new state of the art solvent ink production facility in the City, investing \$14 million and creating 40 jobs. Construction on the 62,000 sq. ft. facility began in early 2014 and was completed in January 2015.

**ADVICS Manufacturing Ohio, Inc.** ADVICS, the City's largest private employer with 671 employees broke ground on their \$100 million plant expansion in February 2014 and completed the first phase in July. The second and final phase was completed in December 2014, culminating in the creation of 100 jobs. At build-out, the expansion will provide an additional 64,000 sq. ft. of production capacity.

**Fecon, Inc.** The City assisted farm equipment manufacturer Fecon, Inc. by transferring the lease of certain facilities in order to allow the company to further expand its manufacturing operations. The expanded facility is 40,000 sq. ft. in size and supports 30 new jobs, and was completed with a \$995,000 investment by Fecon.

Operating grants and contributions decreased \$434,374 mainly as a result of the City receiving numerous grants in 2013 that it did not receive in 2014. The 2013 grants were the result of the City receiving a grant from the Ohio Department of Development for Columbia Business Park roadway expansion and the Fire Fund receiving safety grant for ambulance equipment from the BWC. Capital grants and contributions decreased \$1,612,017 mainly as a result of receiving grants in 2013 that the City did not receive in 2014. Investment earnings increased significantly as a result of available funds to investment and investments maturing in 2014.

**Table 3**  
**Governmental Activities**

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
General Government	\$3,858,814	\$1,392,547	\$3,731,306	\$1,521,455
Security of Persons and Property:				
Police	4,361,049	3,618,805	4,067,094	3,440,703
Fire	2,611,925	1,871,514	3,136,542	2,525,811
Public Health Services	211,544	72,439	216,095	93,995
Leisure Time Services	848,639	572,158	1,328,928	728,347
Community and Economic Development	1,459,944	1,451,814	1,278,496	781,297
Transportation	4,112,839	1,664,156	3,934,203	100,140
Intergovernmental	0	0	900,216	900,216
Interest and Fiscal Charges	239,369	239,369	280,800	280,800
Total Expenses	<u>\$17,704,123</u>	<u>\$10,882,802</u>	<u>\$18,873,680</u>	<u>\$10,372,764</u>

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 32 percent of total revenues. The remaining revenues are primarily generated locally through property taxes, City income taxes, State distributions, grants and other miscellaneous income. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they have always been committed.

Overall, the City's expenses decreased \$1,169,557 from the prior year. Security of Persons and Property, Fire, expenses decreased \$524,617. The decrease was due to continued cost control related to overtime and additional part time firefighters being hired to fill the overtime gap.

### ***Business-Type Activities***

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

Electric operations generate fees associated with the sale and delivery of electricity within Lebanon. Various electric service charges, not associated with the sale and delivery of electricity, are also generated by these operations. The fees collected are then used to purchase power, maintain and operate the electric generation, transmission, and distribution systems of the City, fund capital improvement projects and pay off debt service. Legislation increases electric rates by one percent annually. Electric operating revenues increased \$2,245,281, as operating expenses increased \$1,986,282. The primary cause of the overall increase in the fund was an increase in charges for services for new electric installations and continued industrial growth.

Sanitation operations generate fees from citizens for the collection of residential garbage. The City outsources the actual collection by bidding the contract for services every three years. Revenues exceeded expenses causing an overall increase in net position for 2014 of \$58,985.

Sewer operations provide the City's wastewater collection and treatment system; this includes the Regional Wastewater Treatment Facility. Money that is collected from the fees that are billed, based upon number of gallons of water used, are used in the maintenance of the collection system, improvements to the Treatment Plant, and the payment of the debt incurred for the expansion of the facility. An important aspect of this fund's mission is to maintain the quality of

the environment. As such, it is the policy of City Council, carried out by this operation, that all Ohio Environmental Protection Agency standards be met or exceeded. Sewer operating revenues increased \$129,679, and operating expenses increased \$1,227,831. The City continues to monitor the costs associated with wastewater treatment. Changes in expenses are due to continued growth in the area and upgrades to the facility. Sewer service rates, combined with contributions of assets from other governments or other governmental funds help to maintain the enterprise. The City Wastewater Department has a track record of receiving the National Associations of Clear Water Agencies Silver Award, given to facilities that have less than five National Pollutant Discharge Elimination System violations in a calendar year.

The Telecommunications Fund accounts for charges collected and utilized for the operation of the community access cable channel. For 2014, the net position of this fund increased \$24,891.

Water operations generate the fees charged for the sale of water within Lebanon and in several subdivisions in Turtlecreek and Union Townships. Those fees are then used to maintain lines for delivery and to treat water for further consumption. The City of Lebanon draws its water supplies from four well fields; one at the water treatment plant on Main Street, the second is on the western edge of the community between State Route 63 and McClure Road, the third is located along I-71 Kingsview Industrial Park, and the fourth is just south of Mason-Morrow Road. The City Council adopted legislation in 2009 to build a connection and begin purchasing water from the Greater Cincinnati Water Works in 2013. The City maintains four water towers within its jurisdiction and will continue to service all its infrastructure needs for distribution. This fund's mission from City Council is to maintain a high level of service while meeting all applicable Ohio Environmental Protection Agency standards. Water operating revenues increased \$269,653, while operating expenses increased \$270,663.

Storm Water Utility operations manage the backlog of storm water infrastructure requirements, as well as to provide a funding mechanism to support unfunded Ohio Environmental Protection Agency mandates associated with storm water management. Each residential dwelling unit is billed at a flat fee of \$3.50 per month. For all other nonresidential properties, the rate is computed based on total impervious area of property divided by the average impervious area of an equivalent residential unit. In conjunction with the implementation of the Storm Water Utility, the City is programmed to take over responsibility for the repair and replacement of defective curbs and gutters along public streets. Storm Water Utility operating revenues increased \$55,641 from 2013, and operating expenses increased \$158,355.

## **THE CITY'S FUNDS**

Information about the City's governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,915,925 and expenditures of \$25,638,945. The General Fund balance increased \$552,861. This was due to the continued growth of the earning tax base and fees associated with changes for services.

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

quality of life that have become synonymous with Lebanon will continue to drive our success in 2014.

The Fire and Life Squad Fund balance decreased \$647,174 due to the decrease in Warren County's assessed valuation for Lebanon's corporate boundaries. The City has experienced lowered valuations since 2009 as a direct result of the recession. This decreased valuation affects not only general property taxes dollars but homestead and rollback monies as well. The Fire department operates on monies from its 5.5 mill levy, which has allowed the Fire Department to operate two facilities, including additional staff requirements. Lebanon Fire Division hosts two stations: one on Silver Street in Lebanon's central business district, while the other station is located near State Route 48 close to Interstate I-71 and the surrounding industrial parks.

The Tax Increment Financing Fund balance increased \$1,209,073 due to increases in our industrial base and large employers investing in major building additions.

The Capital Improvement Fund balance decreased \$4,794,494 due to the issuance of notes and bonds for the 123 Connector Project and the construction of the new Municipal Service facility.

### ***General Fund Budgeting Highlights***

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

Original General Fund budgeted revenues and other financing sources were \$9,961,728. Final General Fund budgeted revenues and other financing sources were \$11,111,534. The variance between original and final budgeted revenues was \$1,149,806. This was primarily due to a conservative estimate originally being made for property tax revenue and intergovernmental revenue. Actual revenues and other financing sources were \$486,870 less than final budgeted revenues and other financing sources due to the City over estimating property tax revenue. Original appropriations and other financing uses were \$10,552,841, and final appropriations and other financing uses were \$11,249,245. The variance between original and final appropriations was \$696,404, due mainly to an increase in general government and community and economic development expenditures related staff positions that were projected but never filed and the purchase of land adjacent to the City park. Actual expenditures were \$728,150 less than final appropriations. This is mainly attributed to careful cost containment and hiring lags for positions that were budgeted for but not filled during 2014 operating year.

### **CAPITAL ASSETS**

Table 4 presents the net book value of the City's capital assets for governmental and business-type activities for 2014 compared to 2013:

*Table 4*  
*Capital Assets*

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$15,323,811	\$15,133,406	\$4,354,568	\$4,354,568	\$19,678,379	\$19,487,974
Construction in Progress	3,799,059	4,720,912	2,552,671	3,118,650	6,351,730	7,839,562
Land Improvements	626,569	679,620	0	0	626,569	679,620
Buildings and Improvements	3,107,589	3,251,493	13,200,423	14,036,541	16,308,012	17,288,034
Equipment	516,479	569,012	1,174,522	1,311,438	1,691,001	1,880,450
Vehicles	1,434,011	1,188,911	1,228,812	687,398	2,662,823	1,876,309
Infrastructure	27,668,926	23,831,850	69,074,420	66,643,133	96,743,346	90,474,983
Totals	<u>\$52,476,444</u>	<u>\$49,375,204</u>	<u>\$91,585,416</u>	<u>\$90,151,728</u>	<u>\$144,061,860</u>	<u>\$139,526,932</u>

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

In 2015, the City remains committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2014. These projects totaled \$2.42 million, including, the reconstruction of West Street and East Street, totaling \$756,000 and \$1.2 million, respectively and the construction of a new section of West Warren Street, at a cost of \$460,000. The West Warren Street project allowed the City to demolish an existing bridge in poor condition, improving the safety of its residents. The projects included not only the reconstruction and replacement of the pavement and concrete, but also the installation of a new drainage system and replacement of certain underground utilities. The City's annual pavement resurfacing and concrete replacement program totaled \$1,016,000 and included multiple streets throughout the City.

The City completed construction on the S.R. 123 / S.R. 63 Connector project in 2014. This new 3/4-mile, 3-lane roadway begins at the intersection of S.R. 63 and Glosser Road and runs north up to the intersection of S.R. 123 and Hart Road. The total project cost was \$6.1 million, for which the City secured a \$3.1 million Federal Surface Transportation Program grant to support the project. This new road will alleviate traffic congestion, and poor levels of service, at several key State Route intersections in the downtown area and open up new areas for development.

A total of \$3.6 million has been programmed for infrastructure improvements that includes the reconstruction of High Street from Main Street to Pleasant Street and Maple Avenue from South Broadway to South East Street. Although scheduled for 2016 construction, the funding for Maple Avenue will be encumbered in 2015. In conjunction with these two roadway reconstruction projects, all concrete curb & gutter and sidewalks will be replaced with the water mains, sanitary sewer mains, and storm sewer systems either rehabilitated or replaced. Along with these roadway reconstruction projects is the annual concrete and street resurfacing programs that will resurface 1.64 centerline miles of roadway. The City aggressively pursued Federal and State funding for the two roadway reconstruction projects and received a \$250,000 grant from the Community Development Block Grant (CDGB) program for the High Street project and a \$404,800 grant from the Ohio Public Works Commission for the Maple Avenue project. The city also pursued a 100% reimbursable Federal Grant in the amount of \$69,000 for pedestrian crossing enhancements within the downtown central business district that will include the installation of a push button activated LED lighted crossing area on Main Street at South Mechanic Street. These 2015 projects have been designed, scheduled and executed to meet the needs of a growing community.

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

## DEBT

Table 5 summarizes bonds and notes outstanding at December 31, 2014 and 2013:

**Table 5**  
**Outstanding Long-Term Debt at Year-End**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$6,861,017	\$7,461,050	\$0	\$0	\$6,861,017	\$7,461,050
Police Pension	17,180	17,699	0	0	17,180	17,699
Mortgage Revenue Bonds	0	0	32,093,636	34,507,122	32,093,636	34,507,122
Bond Anticipation Notes	2,010,088	1,509,526	1,200,000	1,400,000	3,210,088	2,909,526
	<u>\$8,888,285</u>	<u>\$8,988,275</u>	<u>\$33,293,636</u>	<u>\$35,907,122</u>	<u>\$42,181,921</u>	<u>\$44,895,397</u>

All general obligation bond issues will be paid through the Debt Service Fund with income tax revenues. The police pension liability will be paid from the General Fund from general property tax revenue. The mortgage revenue bonds will be paid from their respective enterprise funds. The City's other long-term obligations include compensated absences.

As of December 31, 2014, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$41,789,012, and the unvoted debt margin was \$21,889,482. For more information regarding long-term obligations and short-term bond anticipation notes, refer to Notes 15 and 16 of the notes to the basic financial statements.

## CONTACTING THE CITY'S FINANCE DEPARTMENT

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

**CITY OF LEBANON, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

	Governmental Activities	Business-Type Activities	Totals
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$20,834,356	\$28,030,369	\$48,864,725
Accounts Receivable, Net	0	7,685,520	7,685,520
Intergovernmental Receivable	2,450,232	16,976	2,467,208
Accrued Interest Receivable	23,446	15,439	38,885
Prepaid Items	70,699	40,872	111,571
Internal Balances	(461,460)	461,460	0
Materials and Supplies Inventory	263,741	2,263,959	2,527,700
Income Taxes Receivable	2,555,014	0	2,555,014
Property Taxes Receivable	3,506,510	0	3,506,510
Other Local Taxes Receivable	4,301	0	4,301
Payment in Lieu of Taxes Receivable	1,772,913	0	1,772,913
Special Assessments Receivable	94,209	0	94,209
Cash and Cash Equivalents with Fiscal Agents	0	4,440,915	4,440,915
Nondepreciable Capital Assets	19,122,870	6,907,239	26,030,109
Depreciable Capital Assets, Net	33,353,574	84,678,177	118,031,751
<b>Total Assets</b>	<b>83,590,405</b>	<b>134,540,926</b>	<b>218,131,331</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	99,711	760,020	859,731
<b>Liabilities:</b>			
Accounts Payable	181,087	206,890	387,977
Accrued Wages Payable	427,821	135,907	563,728
Intergovernmental Payable	424,364	99,268	523,632
Contracts Payable	371,929	45,108	417,037
Accrued Interest Payable	45,596	112,923	158,519
Claims Payable	223,357	0	223,357
Notes Payable	2,200,000	0	2,200,000
Refundable Deposits	0	556,033	556,033
Long-Term Liabilities:			
Due Within One Year	853,305	2,740,708	3,594,013
Due in More Than One Year	9,206,864	30,881,688	40,088,552
<b>Total Liabilities</b>	<b>13,934,323</b>	<b>34,778,525</b>	<b>48,712,848</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	3,387,160	0	3,387,160
Payment in Lieu of Taxes	1,772,913	0	1,772,913
<b>Total Deferred Inflows of Resources</b>	<b>5,160,073</b>	<b>0</b>	<b>5,160,073</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	41,585,043	59,251,800	100,836,843
Restricted for:			
Debt Service	613,715	4,335,326	4,949,041
Capital Outlay	2,871,020	0	2,871,020
Security of Persons and Property	720,348	0	720,348
Public Health Services	655,143	0	655,143
Community and Economic Development	197,964	0	197,964
Transportation	1,209,480	0	1,209,480
Revenue Bonds Replacement and Improvement	0	932,500	932,500
Unrestricted	16,743,007	36,002,795	52,745,802
<b>Total Net Position</b>	<b>\$64,595,720</b>	<b>\$100,522,421</b>	<b>\$165,118,141</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities				
General Government	\$3,858,814	\$2,466,267	\$0	\$0
Security of Persons and Property:				
Police	4,361,049	742,244	0	0
Fire	2,611,925	424,694	315,717	0
Public Health Services	211,544	119,496	11,463	8,146
Leisure Time Services	848,639	36,481	20,000	220,000
Community and Economic Development	1,459,944	8,130	0	0
Transportation	4,112,839	40,923	1,033,035	1,374,725
Interest and Fiscal Charges	239,369	0	0	0
Total Governmental Activities	<u>17,704,123</u>	<u>3,838,235</u>	<u>1,380,215</u>	<u>1,602,871</u>
Business-Type Activities				
Electric	29,100,455	32,857,624	0	0
Sanitation	1,568,798	1,628,911	0	0
Sewer	3,722,315	3,377,730	0	0
Telecommunications	132,226	155,642	0	0
Water	3,848,723	3,371,176	0	0
Storm Water Utility	664,189	848,592	0	0
Total Business-Type Activities	<u>39,036,706</u>	<u>42,239,675</u>	<u>0</u>	<u>0</u>
Total Activities	<u>\$56,740,829</u>	<u>\$46,077,910</u>	<u>\$1,380,215</u>	<u>\$1,602,871</u>

General Revenues and Transfers:

Taxes

  Property Taxes

    General Purposes

    Fire and Life Squad

  Income Taxes

  Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$1,392,547)	\$0	(\$1,392,547)
(3,618,805)	0	(3,618,805)
(1,871,514)	0	(1,871,514)
(72,439)	0	(72,439)
(572,158)	0	(572,158)
(1,451,814)	0	(1,451,814)
(1,664,156)	0	(1,664,156)
(239,369)	0	(239,369)
<u>(10,882,802)</u>	<u>0</u>	<u>(10,882,802)</u>
0	3,757,169	3,757,169
0	60,113	60,113
0	(344,585)	(344,585)
0	23,416	23,416
0	(477,547)	(477,547)
0	184,403	184,403
<u>0</u>	<u>3,202,969</u>	<u>3,202,969</u>
<u>(10,882,802)</u>	<u>3,202,969</u>	<u>(7,679,833)</u>
988,577	0	988,577
1,905,588	0	1,905,588
6,751,574	0	6,751,574
1,380,635	0	1,380,635
1,772,913	0	1,772,913
750,994	0	750,994
396,425	282,679	679,104
384,300	103,639	487,939
(2,420,508)	2,420,508	0
<u>11,910,498</u>	<u>2,806,826</u>	<u>14,717,324</u>
1,027,696	6,009,795	7,037,491
<u>63,568,024</u>	<u>94,512,626</u>	<u>158,080,650</u>
<u>\$64,595,720</u>	<u>\$100,522,421</u>	<u>\$165,118,141</u>

**CITY OF LEBANON, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,852,529	\$116,870	\$2,961,267
Materials and Supplies Inventory	34,028	43,266	0
Prepaid Items	43,027	13,853	0
Income Taxes Receivable	1,604,140	0	0
Property Taxes Receivable	986,207	2,520,303	0
Other Local Taxes Receivable	4,301	0	0
Payment in Lieu of Taxes Receivable	0	0	1,772,913
Accrued Interest Receivable	15,121	0	0
Intergovernmental Receivable	200,893	130,745	0
Special Assessments Receivable	0	0	0
Interfund Receivable	125,000	0	0
Advances to Other Funds	488,047	0	0
<b>Total Assets</b>	<b>\$9,353,293</b>	<b>\$2,825,037</b>	<b>\$4,734,180</b>
Liabilities:			
Accounts Payable	\$95,681	\$49,999	\$0
Accrued Wages Payable	305,469	100,332	0
Contracts Payable	0	0	0
Intergovernmental Payable	246,923	74,139	86,532
Interfund Payable	0	125,000	0
Due to Other Funds	7,832	5,772	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
Advances From Other Funds	0	0	488,047
<b>Total Liabilities</b>	<b>655,905</b>	<b>355,242</b>	<b>574,579</b>
Deferred Inflows of Resources:			
Property Taxes	948,145	2,439,015	0
Payment in Lieu of Taxes	0	0	1,772,913
Unavailable Revenue	1,263,205	212,033	0
<b>Total Deferred Inflows of Resources</b>	<b>2,211,350</b>	<b>2,651,048</b>	<b>1,772,913</b>
Fund Balances:			
Nonspendable	565,102	57,119	0
Restricted	0	0	2,386,688
Committed	0	0	0
Assigned	140,952	0	0
Unassigned (Deficit)	5,779,984	(238,372)	0
<b>Total Fund Balances (Deficit)</b>	<b>6,486,038</b>	<b>(181,253)</b>	<b>2,386,688</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$9,353,293</b>	<b>\$2,825,037</b>	<b>\$4,734,180</b>

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$3,425,323	\$6,553,304	\$18,909,293
0	128,947	206,241
0	11,435	68,315
713,156	237,718	2,555,014
0	0	3,506,510
0	0	4,301
0	0	1,772,913
3,461	3,394	21,976
1,602,385	516,209	2,450,232
0	94,209	94,209
0	0	125,000
0	0	488,047
<u>\$5,744,325</u>	<u>\$7,545,216</u>	<u>\$30,202,051</u>
\$13,535	\$21,872	\$181,087
0	15,339	421,140
371,929	0	371,929
0	11,358	418,952
0	0	125,000
0	3,515	17,119
18,789	0	18,789
2,200,000	0	2,200,000
0	0	488,047
<u>2,604,253</u>	<u>52,084</u>	<u>4,242,063</u>
0	0	3,387,160
0	0	1,772,913
<u>1,909,851</u>	<u>734,946</u>	<u>4,120,035</u>
<u>1,909,851</u>	<u>734,946</u>	<u>9,280,108</u>
0	140,382	762,603
0	3,145,104	5,531,792
1,230,221	3,472,700	4,702,921
0	0	140,952
0	0	5,541,612
<u>1,230,221</u>	<u>6,758,186</u>	<u>16,679,880</u>
<u>\$5,744,325</u>	<u>\$7,545,216</u>	<u>\$30,202,051</u>

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**CITY OF LEBANON, OHIO  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2014**

Total Governmental Fund Balances		\$16,679,880
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	15,323,811	
Construction in Progress	3,799,059	
Other Capital Assets	13,778,243	
Infrastructure	60,651,954	
Accumulated Depreciation	(41,076,623)	
Total Capital Assets		52,476,444
Internal service funds are used by management to charge the costs of insurance and automotive maintenance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Net Position	2,045,403	
Capital Assets	(295,388)	
Compensated Absences	22,074	
		1,772,089
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.		
		(465,463)
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Income Taxes	1,861,841	
Property Taxes	119,350	
Interest Revenue	20,434	
Intergovernmental	2,024,201	
Special Assessments	94,209	
		4,120,035
In the statement of activities, interest is accrued on outstanding bonds and bond anticipation notes, whereas in governmental funds, an interest expenditure is reported when due.		
		(26,807)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
		99,711
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Premium on Bonds	(243,574)	
Premium on Notes	(10,088)	
Bonds	(6,617,443)	
Notes	(2,000,000)	
Police Pension	(17,180)	
Compensated Absences	(1,171,884)	
Total Liabilities		(10,060,169)
Net Position of Governmental Activities		<u>\$64,595,720</u>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Revenues:			
Property Taxes	\$1,006,529	\$1,933,674	\$0
Income Taxes	3,962,058	0	0
Other Local Taxes	1,380,635	0	0
Payments in Lieu of Taxes	0	0	1,772,913
Special Assessments	0	0	0
Charges for Services	2,345,491	424,694	8,130
Fines, Licenses and Permits	709,716	0	0
Intergovernmental	658,360	305,235	0
Interest	289,245	0	0
Contributions and Donations	20,000	0	0
Other	293,858	46,519	0
<b>Total Revenues</b>	<b>10,665,892</b>	<b>2,710,122</b>	<b>1,781,043</b>
Expenditures:			
Current:			
General Government	3,992,797	0	0
Security of Persons and Property:			
Police	4,403,038	0	0
Fire	0	2,960,394	0
Public Health Services	0	0	0
Leisure Time Services	750,673	0	0
Community and Economic Development	878,737	0	111,510
Transportation	0	0	0
Intergovernmental	0	0	407,960
Capital Outlay	0	396,902	0
Debt Service:			
Principal Retirement	519	0	0
Interest and Fiscal Charges	747	0	10,000
<b>Total Expenditures</b>	<b>10,026,511</b>	<b>3,357,296</b>	<b>529,470</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>639,381</b>	<b>(647,174)</b>	<b>1,251,573</b>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	3,480	0	0
Transfers In	0	0	0
Transfers Out	(90,000)	0	(42,500)
Bond Anticipation Notes Issued	0	0	0
Premium on Debt Issued	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(86,520)</b>	<b>0</b>	<b>(42,500)</b>
<b>Net Change in Fund Balances</b>	<b>552,861</b>	<b>(647,174)</b>	<b>1,209,073</b>
<b>Fund Balances at Beginning of Year</b>	<b>5,933,177</b>	<b>465,921</b>	<b>1,177,615</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$6,486,038</b>	<b>(\$181,253)</b>	<b>\$2,386,688</b>

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$2,940,203
2,102,642	700,881	6,765,581
0	0	1,380,635
0	0	1,772,913
28,677	8,994	37,671
0	124,673	2,902,988
0	196,854	906,570
392,660	1,050,924	2,407,179
51,364	57,276	397,885
0	0	20,000
20,263	23,660	384,300
<u>2,595,606</u>	<u>2,163,262</u>	<u>19,915,925</u>
0	29,844	4,022,641
0	88,361	4,491,399
0	0	2,960,394
0	180,868	180,868
0	0	750,673
0	0	990,247
0	947,545	947,545
0	0	407,960
6,385,704	1,740,204	8,522,810
1,500,000	580,000	2,080,519
59,816	213,326	283,889
<u>7,945,520</u>	<u>3,780,148</u>	<u>25,638,945</u>
<u>(5,349,914)</u>	<u>(1,616,886)</u>	<u>(5,723,020)</u>
15,068	993	19,541
0	1,632,500	1,632,500
(1,500,000)	0	(1,632,500)
2,000,000	0	2,000,000
40,352	0	40,352
<u>555,420</u>	<u>1,633,493</u>	<u>2,059,893</u>
(4,794,494)	16,607	(3,663,127)
<u>6,024,715</u>	<u>6,741,579</u>	<u>20,343,007</u>
<u>\$1,230,221</u>	<u>\$6,758,186</u>	<u>\$16,679,880</u>

**CITY OF LEBANON, OHIO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Net Change in Fund Balances - Total Governmental Funds (\$3,663,127)

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

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

Capital Asset Additions	4,458,929	
Assets transferred from governmental activities during the year to enterprise funds	2,420,508	
Current Year Depreciation	<u>(3,706,042)</u>	
Excess of Capital Outlay over Depreciation Expense		3,173,395

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

Proceeds from Sale of Capital Assets	(19,541)	
Loss on Disposal of Capital Assets	<u>(52,614)</u>	
Total		(72,155)

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

Property Taxes	(46,038)	
Income Taxes	(14,007)	
Special Assessments	(8,994)	
Intergovernmental	1,297,844	
Interest Revenue	<u>(27,457)</u>	
Total		1,201,348

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

Bond Principal Retirement	580,000	
Note Principal Retirement	1,500,000	
Police Pension Principal Retirement	<u>519</u>	
Total Long-Term Obligation Repayment		2,080,519

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

Accretion on Bonds	(840)	
Amortization of Bond Premium	60,663	
Amortization of Loss on Refunding	(16,273)	
Accrued Interest	<u>970</u>	
Total		44,520

Debt Proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.

Note Proceeds	(2,000,000)	
Premium on Notes	<u>(40,352)</u>	
Total		(2,040,352)

(continued)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

(continued)

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

Compensated Absences	6,033
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Internal service funds used by management to charge the costs of insurance and automotive maintenance to individuals funds are not reported in the entity-wide statement of activities. The net income of the internal service funds is reported with governmental activities, net of the adjustment to reflect the consolidation of internal service fund activities related to business type activities.

Change in Net Position	490,337	
Depreciation of Capital Assets	2,384	
Capital Asset Additions	(200,000)	
Increase in Compensated Absences	4,794	
Total	297,515	297,515
Change in Net Position of Governmental Activities		\$1,027,696

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,240,525	\$1,416,063	\$1,006,529	(\$409,534)
Income Taxes	3,860,000	3,878,908	3,878,908	0
Other Local Taxes	1,330,000	1,380,822	1,380,822	0
Charges for Services	2,244,350	2,345,398	2,345,398	0
Fines, Licenses and Permits	508,200	703,909	703,909	0
Intergovernmental	349,500	657,475	657,475	0
Interest	150,250	150,250	87,877	(62,373)
Contributions and Donations	22,500	30,000	20,000	(10,000)
Other	124,995	292,301	293,858	1,557
<b>Total Revenues</b>	<b>9,830,320</b>	<b>10,855,126</b>	<b>10,374,776</b>	<b>(480,350)</b>
Expenditures:				
Current:				
General Government	4,043,476	4,358,027	4,016,084	341,943
Security of Persons and Property:				
Police	4,751,593	4,744,206	4,470,713	273,493
Leisure Time Services	719,768	775,769	759,561	16,208
Community and Economic Development	948,004	1,031,243	934,737	96,506
<b>Total Expenditures</b>	<b>10,462,841</b>	<b>10,909,245</b>	<b>10,181,095</b>	<b>728,150</b>
Excess of Revenues Over (Under) Expenditures	(632,521)	(54,119)	193,681	247,800
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	3,480	(6,520)
Advances In	121,408	246,408	246,408	0
Transfers Out	(90,000)	(90,000)	(90,000)	0
Advances Out	0	(250,000)	(250,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>41,408</b>	<b>(83,592)</b>	<b>(90,112)</b>	<b>(6,520)</b>
Net Change in Fund Balance	(591,113)	(137,711)	103,569	241,280
Fund Balance at Beginning of Year	4,584,338	4,584,338	4,584,338	0
Prior Year Encumbrances Appropriated	207,961	207,961	207,961	0
<b>Fund Balance at End of Year</b>	<b>\$4,201,186</b>	<b>\$4,654,588</b>	<b>\$4,895,868</b>	<b>\$241,280</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FIRE AND LIFE SQUAD SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,630,000	\$3,078,670	\$1,933,674	(\$1,144,996)
Charges for Services	450,000	450,000	424,694	(25,306)
Intergovernmental	0	44,250	305,235	260,985
Other	5,000	46,519	46,519	0
Total Revenues	<u>3,085,000</u>	<u>3,619,439</u>	<u>2,710,122</u>	<u>(909,317)</u>
Expenditures:				
Current:				
Security of Persons and Property	3,133,825	3,171,514	2,944,627	226,887
Capital Outlay	330,000	429,591	398,572	31,019
Total Expenditures	<u>3,463,825</u>	<u>3,601,105</u>	<u>3,343,199</u>	<u>257,906</u>
Excess of Revenues Over (Under) Expenditures	<u>(378,825)</u>	<u>18,334</u>	<u>(633,077)</u>	<u>(651,411)</u>
Other Financing Sources (Uses):				
Advances In	0	250,000	250,000	0
Advances Out	0	(250,000)	(125,000)	125,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>125,000</u>	<u>125,000</u>
Net Change in Fund Balance	(378,825)	18,334	(508,077)	(526,411)
Fund Balance at Beginning of Year	540,883	540,883	540,883	0
Prior Year Encumbrances Appropriated	69,428	69,428	69,428	0
Fund Balance at End of Year	<u>\$231,486</u>	<u>\$628,645</u>	<u>\$102,234</u>	<u>(\$526,411)</u>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$19,056,061	\$486,614	\$2,869,187
Materials and Supplies Inventory	1,932,888	0	83,423
Accrued Interest Receivable	10,625	350	1,684
Accounts Receivable, Net	4,500,627	184,398	383,747
Due from Other Funds	0	0	0
Intergovernmental Receivable	0	0	16,976
Prepaid Items	18,647	163	13,641
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	1,535,986	0	601,973
<b>Total Current Assets</b>	<b>27,054,834</b>	<b>671,525</b>	<b>3,970,631</b>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents Cash and Cash Equivalents with Fiscal Agents	1,000,783	0	240,000
Nondepreciable Capital Assets	1,148,085	0	304,108
Depreciable Capital Assets, Net	2,674,454	104,000	788,439
	12,670,354	17,817	24,895,507
<b>Total Noncurrent Assets</b>	<b>17,493,676</b>	<b>121,817</b>	<b>26,228,054</b>
<b>Total Assets</b>	<b>\$44,548,510</b>	<b>\$793,342</b>	<b>\$30,198,685</b>

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$280,214	\$3,505,212	\$344,548	\$26,541,836	\$1,925,063
115,624	132,024	0	2,263,959	57,500
0	2,267	513	15,439	1,470
2,125,000	439,071	52,677	7,685,520	0
0	0	0	0	21,122
0	0	0	16,976	0
1,231	7,190	0	40,872	2,384
0	427,630	0	2,565,589	0
2,522,069	4,513,394	397,738	39,130,191	2,007,539
0	247,750	0	1,488,533	0
0	423,133	0	1,875,326	0
0	2,807,533	532,813	6,907,239	264,666
33,145	27,419,907	19,641,447	84,678,177	30,722
33,145	30,898,323	20,174,260	94,949,275	295,388
\$2,555,214	\$35,411,717	\$20,571,998	\$134,079,466	\$2,302,927

(continued)

**CITY OF LEBANON, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**  
**(CONTINUED)**

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Deferred Outflows of Resources:			
Deferred Charge on Refunding	\$477,945	\$0	\$185,535
Liabilities:			
Current Liabilities:			
Accounts Payable	34,873	108,718	20,500
Accrued Wages Payable	82,595	4,390	28,850
Contracts Payable	45,108	0	0
Intergovernmental Payable	55,875	3,734	20,530
Accrued Interest Payable	40,986	0	33,932
Due to Other Funds	2,743	107	392
Claims Payable	0	0	0
Compensated Absences Payable	49,694	2,405	14,106
General Obligation Bonds Payable	0	0	0
Mortgage Revenue Bonds Payable	1,495,000	0	575,000
Total Current Liabilities	<u>1,806,874</u>	<u>119,354</u>	<u>693,310</u>
Long-term Liabilities:			
Refundable Deposits	508,283	0	0
Compensated Absences Payable	141,079	0	51,591
Notes Payable	0	0	1,000,000
Mortgage Revenue Bonds Payable	10,377,626	0	7,052,467
Total Long-term Liabilities	<u>11,026,988</u>	<u>0</u>	<u>8,104,058</u>
Total Liabilities	<u>12,833,862</u>	<u>119,354</u>	<u>8,797,368</u>
Net Position:			
Net Investment in Capital Assets	3,950,127	121,817	17,242,014
Restricted for:			
Debt Service	2,643,085	0	879,108
Revenue Bonds			
Replacement and Improvement	492,500	0	240,000
Unrestricted	<u>25,106,881</u>	<u>552,171</u>	<u>3,225,730</u>
Total Net Position	<u>\$32,192,593</u>	<u>\$673,988</u>	<u>\$21,586,852</u>

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

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$0	\$96,540	\$0	\$760,020	\$0
125	39,456	3,218	206,890	0
4,544	12,799	2,729	135,907	6,681
0	0	0	45,108	0
3,222	13,992	1,915	99,268	5,412
375	37,630	0	112,923	0
38	479	244	4,003	0
0	0	0	0	223,357
5,299	7,701	1,503	80,708	6,953
200,000	0	0	200,000	0
0	390,000	0	2,460,000	0
213,603	502,057	9,609	3,344,807	242,403
0	47,750	0	556,033	0
22,243	33,115	24	248,052	15,121
0	0	0	1,000,000	0
0	12,203,543	0	29,633,636	0
22,243	12,284,408	24	31,437,721	15,121
235,846	12,786,465	9,633	34,782,528	257,524
33,145	17,730,437	20,174,260	59,251,800	295,388
0	813,133	0	4,335,326	0
0	200,000	0	932,500	0
2,286,223	3,978,222	388,105	35,537,332	1,750,015
\$2,319,368	\$22,721,792	\$20,562,365	100,056,958	\$2,045,403
			465,463	
			\$100,522,421	

**CITY OF LEBANON, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$32,857,624	\$1,628,911	\$3,377,730
Other	14,755	1,729	10,148
Total Operating Revenues	<u>32,872,379</u>	<u>1,630,640</u>	<u>3,387,878</u>
Operating Expenses:			
Personal Services	1,823,680	116,637	688,406
Contractual Services	1,841,497	1,442,727	1,528,465
Purchased Power	23,648,302	0	0
Supplies and Materials	63,378	0	106,196
Claims	0	0	0
Depreciation	1,204,150	17,810	1,077,898
Other	5,089	0	508
Total Operating Expenses	<u>28,586,096</u>	<u>1,577,174</u>	<u>3,401,473</u>
Operating Income (Loss)	<u>4,286,283</u>	<u>53,466</u>	<u>(13,595)</u>
Non-Operating Revenues (Expenses):			
Interest	217,123	5,519	27,195
Other Non-Operating Revenues	61,589	0	0
Interest and Fiscal Charges	(603,630)	0	(359,813)
Total Non-Operating Revenues (Expenses)	<u>(324,918)</u>	<u>5,519</u>	<u>(332,618)</u>
Income (Loss) Before Contributions	3,961,365	58,985	(346,213)
Capital Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	3,961,365	58,985	(346,213)
Net Position at Beginning of Year	<u>28,231,228</u>	<u>615,003</u>	<u>21,933,065</u>
Net Position at End of Year	<u>\$32,192,593</u>	<u>\$673,988</u>	<u>\$21,586,852</u>

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

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Total	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$155,642	\$3,371,176	\$848,592	\$42,239,675	\$2,554,736
0	9,273	957	36,862	89,000
<u>155,642</u>	<u>3,380,449</u>	<u>849,549</u>	<u>42,276,537</u>	<u>2,643,736</u>
105,810	304,873	68,686	3,108,092	188,017
16,664	741,575	198,169	5,769,097	301,249
0	0	0	23,648,302	0
385	1,337,168	3,377	1,510,504	5,535
0	0	0	0	1,511,794
4,455	1,044,291	401,554	3,750,158	2,384
0	276	0	5,873	0
<u>127,314</u>	<u>3,428,183</u>	<u>671,786</u>	<u>37,792,026</u>	<u>2,008,979</u>
<u>28,328</u>	<u>(47,734)</u>	<u>177,763</u>	<u>4,484,511</u>	<u>634,757</u>
0	21,232	11,610	282,679	35,054
5,188	0	0	66,777	0
<u>(8,625)</u>	<u>(452,086)</u>	<u>0</u>	<u>(1,424,154)</u>	<u>0</u>
<u>(3,437)</u>	<u>(430,854)</u>	<u>11,610</u>	<u>(1,074,698)</u>	<u>35,054</u>
24,891	(478,588)	189,373	3,409,813	669,811
0	0	2,420,508	2,420,508	0
24,891	(478,588)	2,609,881	5,830,321	669,811
<u>2,294,477</u>	<u>23,200,380</u>	<u>17,952,484</u>		<u>1,375,592</u>
<u>\$2,319,368</u>	<u>\$22,721,792</u>	<u>\$20,562,365</u>		<u>\$2,045,403</u>
			<u>179,474</u>	
			<u>\$6,009,795</u>	

**CITY OF LEBANON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$32,423,172	\$1,618,175	\$3,377,549
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(1,804,638)	(116,328)	(695,263)
Cash Payments to Suppliers for Goods and Services	(25,303,275)	(1,440,440)	(1,457,513)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	14,755	1,729	10,148
Other Operating Expenses	(5,089)	0	(508)
Other Non-Operating Revenues	61,589	0	0
Utility Deposits Received	157,724	0	0
Utility Deposits Returned	(145,911)	0	0
Net Cash Provided by Operating Activities	<u>5,398,327</u>	<u>63,136</u>	<u>1,234,413</u>
Cash Flows from Capital and Related Financing Activities:			
Cash Received from Special Assessments	0	0	5,497
Collection of Accounts Receivable Related to the Sale of Discontinued Segments of Telecommunications Operation	0	0	0
Acquisition of Capital Assets	(407,591)	(50,000)	(716,162)
Proceeds from Sale of Notes	0	0	1,000,000
Principal Paid on Notes	0	0	(1,000,000)
Interest Paid on Notes	0	0	0
Principal Paid on Mortgage Revenue Bonds	(190,000)	0	(560,000)
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(150,713)	0	(346,081)
Principal Paid on Refunding Mortgage Bonds	(1,250,000)	0	0
Interest and Fiscal Charges Paid on Refunding Mortgage Bonds	(398,725)	0	0
Net Cash Used for Capital and Related Financing Activities	<u>(2,397,029)</u>	<u>(50,000)</u>	<u>(1,616,746)</u>
Cash Flows from Investing Activities:			
Interest	<u>227,081</u>	<u>5,961</u>	<u>24,649</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,228,379	19,097	(357,684)
Cash and Cash Equivalents at Beginning of Year	<u>19,512,536</u>	<u>467,517</u>	<u>4,372,952</u>
Cash and Cash Equivalents at End of Year	<u><u>\$22,740,915</u></u>	<u><u>\$486,614</u></u>	<u><u>\$4,015,268</u></u>

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water		Activities-
Fund	Fund	Utility	Total	Internal
		Fund		Service Funds
\$155,642	\$3,334,946	\$844,809	\$41,754,293	\$0
0	0	0	0	2,564,868
(104,294)	(301,627)	(66,697)	(3,088,847)	(183,421)
(17,324)	(2,080,331)	(200,546)	(30,499,429)	(307,553)
0	0	0	0	(1,463,371)
5,188	9,273	957	42,050	89,000
0	(276)	0	(5,873)	0
0	0	0	61,589	0
0	12,375	0	170,099	0
0	(11,800)	0	(157,711)	0
<u>39,212</u>	<u>962,560</u>	<u>578,523</u>	<u>8,276,171</u>	<u>699,523</u>
0	0	0	5,497	0
125,000	0	0	125,000	0
(28,871)	(920,126)	(640,588)	(2,763,338)	(200,000)
0	0	0	1,000,000	0
(200,000)	0	0	(1,200,000)	0
(9,000)	0	0	(9,000)	0
0	0	0	(750,000)	0
0	0	0	(496,794)	0
0	(385,000)	0	(1,635,000)	0
0	(459,263)	0	(857,988)	0
<u>(112,871)</u>	<u>(1,764,389)</u>	<u>(640,588)</u>	<u>(6,581,623)</u>	<u>(200,000)</u>
<u>0</u>	<u>24,838</u>	<u>12,042</u>	<u>294,571</u>	<u>36,095</u>
(73,659)	(776,991)	(50,023)	1,989,119	535,618
<u>353,873</u>	<u>5,380,716</u>	<u>394,571</u>	<u>30,482,165</u>	<u>1,389,445</u>
<u>\$280,214</u>	<u>\$4,603,725</u>	<u>\$344,548</u>	<u>\$32,471,284</u>	<u>\$1,925,063</u>

(continued)

**CITY OF LEBANON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(CONTINUED)**

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided <u>by Operating Activities:</u>			
Operating Income (Loss)	\$4,286,283	\$53,466	(\$13,595)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,204,150	17,810	1,077,898
Other Non-Operating Revenues	61,589	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Materials and Supplies Inventory	204,825	0	162,549
(Increase) in Accounts Receivable	(434,452)	(10,736)	(18,012)
Decrease in Interfund Receivable	0	0	0
Decrease in Intergovernmental Receivable	0	0	17,831
(Increase) Decrease in Prepaids Items	3,254	(34)	1,864
Increase (Decrease) in Accounts Payable	(2,965)	2,509	13,304
Increase (Decrease) in Accrued Wages Payable	11,458	299	528
Increase in Contracts Payable	45,108	0	0
Increase in Intergovernmental Payable	2,314	786	462
Increase (Decrease) in Interfund Payable	(320)	(188)	(569)
Increase in Claims Payable	0	0	0
Increase in Liabilities Payable from Restricted Assets	11,813	0	0
Increase (Decrease) in Compensated Absences Payable	5,270	(776)	(7,847)
Net Cash Provided by Operating Activities	<u>\$5,398,327</u>	<u>\$63,136</u>	<u>\$1,234,413</u>
<u>Noncash Capital Financing Activities:</u>			
Assets Transferred From Governmental Funds	\$0	\$0	\$0

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
\$28,328	(\$47,734)	\$177,763	\$4,484,511	\$634,757
4,455	1,044,291	401,554	3,750,158	2,384
5,188	0	0	66,777	0
0	(25,408)	0	341,966	(1,400)
0	(36,230)	(3,783)	(503,213)	0
0	0	0	0	11,332
0	0	0	17,831	0
(345)	508	0	5,247	(530)
86	25,170	756	38,860	(39)
392	1,693	425	14,795	(440)
0	0	0	45,108	0
207	699	37	4,505	242
(16)	(1,858)	244	(2,707)	0
0	0	0	0	48,423
0	575	0	12,388	0
917	854	1,527	(55)	4,794
<u>\$39,212</u>	<u>\$962,560</u>	<u>\$578,523</u>	<u>\$8,276,171</u>	<u>\$699,523</u>
\$0	\$0	\$2,420,508	\$2,420,508	\$0

**CITY OF LEBANON, OHIO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**DECEMBER 31, 2014**

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$320
Cash and Cash Equivalents in Segregated Accounts	<u>54,597</u>
Total Assets	<u><u>\$54,917</u></u>
Liabilities:	
Intergovernmental Payable	\$30,280
Undistributed Monies	<u>24,637</u>
Total Liabilities	<u><u>\$54,917</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**Note 1 - Reporting Entity**

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

Reporting Entity

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

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

The City participates in one jointly governed organization and one insurance purchasing pool. These organizations are presented in Note 18.

Jointly Governed Organizations:

Warren County Combined Health District

Insurance Purchasing Pool:

Ohio Municipal League Group Retrospective Rating Program

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

**Basis of Presentation**

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

**Government-Wide Financial Statements**

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

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

General Fund – The General Fund is the operating fund of the City and is used to account for and report all financial resources not accounted and reported for in another fund. The General Fund balance is available to the City for any purpose, provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

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

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

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

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Proprietary Fund Types

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

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

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

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

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

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

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

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

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds report on self-insurance programs for employee medical benefits and automotive maintenance services for City vehicles.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has two agency funds: one is used to account for municipal court collections that are distributed to various other governments and the other is used to distribute income tax revenues to Turtlecreek Township.

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

“available” means that the resources are collectible within the current year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, “available” means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, payments in lieu of taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the exchange on which the tax is imposed takes place, and revenue from property taxes/payment in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (see Notes 6, 7, and 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

Expenses/Expenditures

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

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

Budgetary Process

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

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

The appropriation ordinance is subject to amendment by Council throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire year,

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year including all supplemental appropriations.

Cash and Cash Equivalents

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

The City utilizes a financial institution to service bonded debt as principal and interest payments come due. The balances in these accounts are presented on the statement of fund net position as "cash and cash equivalents with fiscal agents."

During 2014, the City's investments were limited to STAROhio, U.S. Treasury Securities, and negotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's office that allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for at December 31, 2014.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest income is distributed to the funds according to Ohio statutory requirements and the City charter.

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

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption.

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

On fund financial statements, inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the enterprise funds represent equity in pooled cash and cash equivalents and cash and cash equivalents with fiscal agents set aside to satisfy bond indenture requirements for current debt payments and for the replacement and improvement of capital assets originally acquired with bond proceeds. In addition, electric and water customer deposits are presented as restricted assets: equity in pooled cash and cash equivalents.

Capital Assets and Depreciation

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

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

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

CITY OF LEBANON, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

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

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

Capitalization of Interest

It is the City's policy 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 investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated, unused sick leave for employees after 10 years of current service.

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and the police pension liability are recognized as an expenditure and liability on the governmental fund financial statements when due.

Bond Premiums and Discounts

On the government-wide financial statements (and in the enterprise funds), bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, since the results are not significantly different from the effective interest method. Bond premiums/discounts are presented as additions/reductions to the face amount of the bonds payable.

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

Deferred Charge on Refunding

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. The liability for the bonds payable in the Telecommunications Fund is included in the calculation of unrestricted net position because the proceeds were not used to construct a capital asset reported by the City. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The City's electric, sewer, and water enterprise funds have restricted net position relative to those resources necessary to comply with various covenants of bond financing agreements and customer deposits.

Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, prepaid items, and inventory.

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

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

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Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

#### Operating Revenues and Expenses

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

#### Internal Activity

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

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

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "Interfund Receivable/Payable." Long-term interfund loan receivables, reported as "Advances to Other Funds" or "Advances from Other Funds," are classified as nonspendable fund balance, which indicates that they are not spendable form even though it is a component of net current assets. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Estimates

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

**Note 3 – Accountability**

The Main Fire and Life Squad Special Revenue Fund had a deficit fund balance at December 31, 2014 of \$181,253. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Note 4 – Budgetary Basis of Accounting**

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

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The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.
6. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

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

Net Change in Fund Balance		
	General Fund	Fire and Life Squad Fund
GAAP Basis	\$552,861	(\$647,174)
Revenue Accruals	(83,403)	0
Expenditure Accruals	28,670	28,733
Encumbrances	(183,254)	(14,636)
Advances	(3,592)	125,000
Unrecorded Cash - 2013	37,810	0
Unrecorded Cash - 2014	(159,557)	0
Net Increase in Fair Value of Investments - 2013	527,884	0
Net Increase in Fair Value of Investments - 2014	(613,850)	0
Budget Basis	\$103,569	(\$508,077)

**Note 5 - Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);

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7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

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

The City 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; and
3. Obligations of the City.

Investments: As of December 31, 2014, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		S&P Rating	Percent of Total Investments
		Less than 1	1 - 3		
Federal Farm Credit Banks Consolidation Bonds	\$1,267,187	\$1,267,187	\$0	AA+	8.92%
Federal Home Loan Mortgage Corporation Bonds	868,819	868,819	0	AA+	6.12%
Federal National Mortgage Association Bonds	3,447,704	3,447,704	0	AA+	24.27%
Federal Home Loan Banks Bonds	1,196,614	1,196,614	0	AAA	8.43%
STAROhio	100,446	100,446	0	AAA	N/A
Negotiable Certificates of Deposits	7,422,583	1,726,199	5,696,384	N/A	52.26%
Totals	\$14,303,353	\$8,606,969	\$5,696,384		

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

Credit Risk – Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. As shown above, STAROhio carries a rating of AAAM by Standard and Poor’s. The City has no investment policy that addresses credit risk.

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

**Note 6 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013 are levied after October 1, 2014 and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014 was \$9.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2014 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$394,124,800
Public Utility Real Property	3,865,790
Total	\$397,990,590

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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which were measurable as of December 31, 2014 and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Note 7 - Payments in Lieu of Taxes**

The City acquired property that is leased to a number of companies. The companies have built or are in the process of building factories on the land leased from the City. To encourage development, the companies have been granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the City in an amount equal to the real property taxes on any improvements subsequent to the year the exemption was granted. These payments are being used for costs associated with improving the industrial park. Payments will continue over the life of the lease. At the conclusion of the lease term, the companies may purchase the leased property for \$1.

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

**Note 8 - Income Tax**

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2014, the proceeds were allocated to the General Fund, the Capital Improvement Capital Projects Fund, and the Debt Service nonmajor governmental fund.

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**Note 9 - Receivables**

Receivables at December 31, 2014 consisted of income, property and other local taxes, payment in lieu of taxes, accrued interest, intergovernmental, advances to other funds, special assessments, interfund, utility accounts, and amounts due from the sale of the telecommunications system. The \$2,125,000 accounts receivable in the telecommunications fund relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$2,000,000 is expected to be collected in more than one year. Special assessments expected to be collected in more than one year for the City amount to \$37,203. The City has \$25,046 in delinquent special assessments at December 31, 2014. Property taxes, income taxes, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All receivables are considered fully collectible except utility accounts and interfund receivable. The full amount of the advances to other funds is not expected to be repaid within one year. The following table provides a summary of business-type activities accounts receivable:

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$5,615,101	\$54,581	\$5,560,520
Telecommunications	2,125,000	0	2,125,000
Total	\$7,740,101	\$54,581	\$7,685,520

A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	
123 Connector	\$1,602,385
Local Government Assistance	118,139
Warren County Reimbursement for Baliff Services	5,971
Homestead and Rollback	197,801
Permissive Motor Vehicle License Tax	115,796
Motor Vehicle Tax	183,498
Gasoline Tax	216,915
Wireless 911	9,727
Total Governmental Activities	2,450,232
 <u>Business-Type Activities:</u>	
Village of South Lebanon Sewage Processing Fees	16,976
Total Intergovernmental Receivables	\$2,467,208

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**Note 10 - Capital Assets**

Capital assets activity for the year ended December 31, 2014 was as follows:

	Balance at 12/31/13	Additions	Deductions	Balance at 12/31/14
<b><u>Governmental Activities</u></b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$15,133,406	\$241,505	(\$51,100)	\$15,323,811
Construction in Progress	4,720,912	6,296,382	(7,218,235)	3,799,059
Total Capital Assets, Not Being Depreciated	<u>19,854,318</u>	<u>6,537,887</u>	<u>(7,269,335)</u>	<u>19,122,870</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	\$1,245,985	\$0	\$0	\$1,245,985
Buildings and Improvements	6,379,585	42,698	0	6,422,283
Equipment	1,830,389	76,702	(136,962)	1,770,129
Vehicles	3,938,447	504,800	(103,401)	4,339,846
Infrastructure	53,716,369	6,935,585	0	60,651,954
Total Capital Assets, Being Depreciated	<u>67,110,775</u>	<u>7,559,785</u>	<u>(240,363)</u>	<u>74,430,197</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(566,365)	(53,051)	0	(619,416)
Buildings and Improvements	(3,128,092)	(186,602)	0	(3,314,694)
Equipment	(1,261,377)	(116,781)	124,508	(1,253,650)
Vehicles	(2,749,536)	(251,099)	94,800	(2,905,835)
Infrastructure	(29,884,519)	(3,098,509)	0	(32,983,028)
Total Accumulated Depreciation	<u>(37,589,889)</u>	<u>(3,706,042) *</u>	<u>219,308</u>	<u>(41,076,623)</u>
Total Capital Assets, Being Depreciated, Net	<u>29,520,886</u>	<u>3,853,743</u>	<u>(21,055)</u>	<u>33,353,574</u>
Governmental Activities Capital Assets, Net	<u>\$49,375,204</u>	<u>\$10,391,630</u>	<u>(\$7,290,390)</u>	<u>\$52,476,444</u>

Deductions to capital assets being depreciated include \$2,420,508 transferred from governmental activities to business-type activities.

\* Depreciation expense was charged to governmental functions as follows:

General Government	\$22,123
Security of Persons and Property:	
Police	68,614
Fire	213,444
Public Health Services	43,040
Leisure Time Services	132,413
Community and Economic Development	13,149
Transportation	3,213,259
Total Depreciation Expense	<u>\$3,706,042</u>

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	Balance at 12/31/13	Additions	Deductions	Balance at 12/31/14
<b><u>Business-Type Activities</u></b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$4,354,568	\$0	\$0	\$4,354,568
Construction in Progress	3,118,650	1,384,235	(1,950,214)	2,552,671
Total Capital Assets, Not Being Depreciated	<u>7,473,218</u>	<u>1,384,235</u>	<u>(1,950,214)</u>	<u>6,907,239</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	27,515,297	0	0	27,515,297
Equipment	6,834,165	24,988	0	6,859,153
Vehicles	2,427,053	424,905	0	2,851,958
Infrastructure	96,251,971	5,299,932	(269,947)	101,281,956
Total Capital Assets, Being Depreciated	<u>133,028,486</u>	<u>5,749,825</u>	<u>(269,947)</u>	<u>138,508,364</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(13,478,756)	(836,118)	0	(14,314,874)
Equipment	(5,522,727)	(161,904)	0	(5,684,631)
Vehicles	(1,739,655)	(153,438)	269,947	(1,623,146)
Infrastructure	(29,608,838)	(2,598,698)	0	(32,207,536)
Total Accumulated Depreciation	<u>(50,349,976)</u>	<u>(3,750,158)</u>	<u>269,947</u>	<u>(53,830,187)</u>
Total Capital Assets, Being Depreciated, Net	<u>82,678,510</u>	<u>1,999,667</u>	<u>0</u>	<u>84,678,177</u>
Business-Type Activities Capital Assets, Net	<u>\$90,151,728</u>	<u>\$3,383,902</u>	<u>(\$1,950,214)</u>	<u>\$91,585,416</u>

Additions to capital assets being depreciated include \$2,420,508 transferred to business-type activities from governmental activities.

**Note 11 - Risk Management**

**Property and Liability**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracts with Hylant Group for vehicle, property, general liability, multi-media, boiler and machinery, police liability, and public officials' liability insurance.

Machinery deductible levels vary with equipment. Enterprise Deployment Team has a \$500 deductible for computer equipment. Vehicles hold a \$500 deductible, general liability has a \$0 deductible, and property has a \$5,000 deductible. The City carries a \$5,000 deductible for both police professional and public officials liability insurance. The City also contracts with Hylant Group, who reviews each accident claim.

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Coverage provided by the insurance follows:

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

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been a significant reduction in coverage from last year.

Workers' Compensation

For year 2014, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience, and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

Employee Benefits

The City has elected to provide employee medical, dental, and life insurance benefits through a self-insured program. The City maintains a Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$200 single and \$600 cap per family deductible for City employees. The City also provides a dental plan with a \$50 deductible for single coverage and a \$100 deductible for family coverage and \$1,500 cap in maximum benefits per year, a vision plan with a \$500 cap per family, per year, and \$50,000 in life insurance. A third party administrator reviews all claims, which the City then pays. The City purchases stop-loss coverage for medical claims in excess of \$60,000 per employee, per occurrence. HealthSmart was the third party administrator for the year.

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The City pays into the Self-Insurance Internal Service Fund \$1,300 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 \$223,357 reported in the fund at December 31, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The claims liability was based on an estimate provided by an actuary. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. 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,
2013	\$447,963	\$1,296,482	\$1,569,511	\$174,934
2014	174,934	1,511,794	1,463,371	223,357

**Note 12 - Defined Benefit Pension Plans**

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for State and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent not to exceed 2 percent. For the year ended December 31, 2014, members in State and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12 percent and 13 percent, respectively. While members in the State and local classifications may participate in all three plans, public safety and law enforcement classifications exist only within the traditional plan. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment healthcare benefits. The portion of the City's contribution allocated to healthcare for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to healthcare remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$530,086, \$719,725, and \$506,556, respectively. For 2014, 52.13 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$9,188 made by the City and \$6,563 made by plan members.

#### Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

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The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree healthcare benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$408,948 and \$157,152 for the year ended December 31, 2014, \$288,262 and \$114,465 for the year ended December 31, 2013, and \$240,590 and \$107,013 for the year ended December 31, 2012. For 2014, 90.75 percent for police and 81.38 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

**Note 13 - Post-Employment Benefits**

Ohio Public Employees Retirement System

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

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment healthcare plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment healthcare.

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Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of the employer contribution allocated to healthcare for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to healthcare remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The City's contribution allocated to fund postemployment healthcare benefits for the years ended December 31, 2014, 2013, and 2012 was \$212,034, \$287,890, and \$202,622, respectively. For 2014, 52.13 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the healthcare plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the healthcare fund after the end of the transition period.

#### Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides healthcare benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

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

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for healthcare in two separate accounts. One for healthcare benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For 2014, the employer contribution allocated to the healthcare plan was .5 percent of covered payroll. The amount of employer contribution allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$61,342 and \$19,059 for the year ended December 31, 2014, \$49,342 and \$15,424 for the year ended December 31, 2013, and \$127,371 and \$41,875 for the year ended December 31, 2012. For 2014, 90.75 percent has been contributed for police and 81.38 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

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**Note 14 - Employee Benefits**

Compensated Absences

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

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

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

**Note 15 - Short-Term Obligations**

A summary of the short-term note transactions for the year ended December 31, 2014 follows:

	Balance at December 31, 2013	Increases	Decreases	Balance at December 31, 2014
<u>Governmental Activities</u>				
Capital Projects				
Road Improvement, 1.00 %	\$1,600,000	\$0	\$1,600,000	\$0
Various Purpose, 1.00%	0	2,200,000	0	2,200,000
Total Governmental	<u>\$1,600,000</u>	<u>\$2,200,000</u>	<u>\$1,600,000</u>	<u>\$2,200,000</u>

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

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**Note 16 - Long-Term Obligations**

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2014 follows:

Types/ Issues	Balance at December 31, 2013	Increases	Decreases	Balance at December 31, 2014	Amount Due in One Year
<u>Unvoted General Obligation Bonds:</u>					
2008 - 3.5 to 4.75% \$3,750,000					
Road Improvement Refunding	\$2,350,000	\$0	\$265,000	\$2,085,000	\$270,000
Premium on Debt Issue	64,700	0	4,622	60,078	0
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial Bonds	2,010,000	0	205,000	1,805,000	215,000
Term Bonds	245,000	0	0	245,000	0
Capital Appreciation Bonds	1,603	0	0	1,603	0
Accretion on Capital Appreciation Bonds	0	840	0	840	0
Premium on Debt Issue	116,155	0	11,812	104,343	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial Bonds	1,070,000	0	110,000	960,000	110,000
Term Bonds	1,520,000	0	0	1,520,000	0
Premium on Debt Issue	83,592	0	4,439	79,153	0
Total - Unvoted General Obligation Bonds	<u>7,461,050</u>	<u>840</u>	<u>600,873</u>	<u>6,861,017</u>	<u>595,000</u>
<u>Other Long-Term Obligations</u>					
2013 - 1.00 %					
123 Connector Improvement Bond					
Anticipation Notes \$1,500,000	1,500,000	0	1,500,000	0	0
Premium	9,526	0	9,526	0	0
2014 - 1.00 %					
123 Connector Improvement Bond					
Anticipation Notes \$1,500,000	0	2,000,000	0	2,000,000	0
Premium	0	40,352	30,264	10,088	0
Compensated Absences Payable	1,177,917	497,967	504,000	1,171,884	257,764
Police Pension	17,699	0	519	17,180	541
Total - Other Long-Term Obligations	<u>2,705,142</u>	<u>2,538,319</u>	<u>2,044,309</u>	<u>3,199,152</u>	<u>258,305</u>
Total - Governmental Activities	<u>\$10,166,192</u>	<u>\$2,539,159</u>	<u>\$2,645,182</u>	<u>\$10,060,169</u>	<u>\$853,305</u>

The \$3,750,000 Road Improvement refunding general obligation bonds were used to advance refund the 1997 Miller Road general obligation bonds in the amount of \$1,675,000. A portion of the proceeds was used to pay off a \$2,000,000 note.

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In April 2013, the City issued a Road Improvement Refunding Bond, in the amount of \$2,311,603 to refund bonds previously issued in fiscal year 2003. Of these bonds \$2,065,000 were serial bonds and \$245,000 are term bonds. \$1,603 were issued as capital appreciation bonds. The bonds were issued with interest rates varying from two to three percent. The bonds were issued for ten year period with a final maturity during 2023. The bonds will be retired through the Debt Service Fund.

The capital appreciation bonds, issued at \$1,603, are not subject to prior redemption. The capital appreciation bonds will mature in 2022, with a maturity amount of \$10,000, including interest. For 2014, the capital appreciation bonds were accreted \$840.

In April 2013, the City issued general obligation bonds, in the amount of \$2,655,000 for making improvements to roadways. The bonds were issued with interest rates varying from 2.0 to 3 percent. The bonds were issued for a twenty year period with final maturity during 2032. The bonds will be retired through the Debt Service Fund.

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. This is an accounting liability of the City which will not vary. The liability is reported on the government-wide financial statements.

Compensated absences will be paid from the General, Transportation, Cemetery, and Fire and Life Squad Funds. The police pension liability is a fixed long-term obligation, paid from the General Fund from general property tax revenue.

During 2014 the City issued \$2,000,000 bond anticipation notes for the purposes of the State Route 123/63 Connector Project Notes. These notes will be refinanced in April 2015 as disclosed in Note 23.

Changes in the long-term obligations reported in business-type activities of the City during 2014 were as follows:

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	Balance at December 31, 2013	Increases	Decreases	Balance at December 31, 2014	Amounts Due in One Year
<u>Mortgage Revenue Bonds</u>					
2006 - 4.00 to 5.00% \$10,690,000					
Sewer System Improvement					
Refunding	\$8,155,000	\$0	\$560,000	\$7,595,000	\$575,000
Premium on Debt Issue	35,713	0	3,246	32,467	0
2006 - 3.75 to 4.50% \$18,170,000					
Electric System Improvement Refunding	9,715,000	0	1,250,000	8,465,000	1,295,000
Premium on Debt Issue	77,439	0	9,680	67,759	0
2008 - 4.0 to 4.50% \$4,465,000					
Electric System Improvement	3,535,000	0	190,000	3,345,000	200,000
Discount on Debt Issue	(5,528)	0	(395)	(5,133)	0
2012 - 2.0 to 4.0% \$13,650,000					
Water System Improvement Refunding	12,815,000	0	385,000	12,430,000	390,000
Premium on Debt Issue	179,498	0	15,955	163,543	0
Total - Mortgage Revenue Bonds Payable	<u>\$34,507,122</u>	<u>\$0</u>	<u>\$2,413,486</u>	<u>\$32,093,636</u>	<u>\$2,460,000</u>
2012 - 2.25% \$550,000 Telecom System Improvement Bonds	400,000	0	200,000	200,000	200,000
2013 - 1.00% \$1,000,000 Sewer System Improvement Bond Anticipation Notes	1,000,000	0	1,000,000	0	0
2014 - 1.00% \$1,000,000 Sewer System Improvement Bond Anticipation Notes	0	1,000,000	0	1,000,000	0
Compensated Absences Payable	<u>328,815</u>	<u>164,480</u>	<u>164,535</u>	<u>328,760</u>	<u>80,708</u>
Total - Enterprise Funds	<u><u>\$36,235,937</u></u>	<u><u>\$1,164,480</u></u>	<u><u>\$3,778,021</u></u>	<u><u>\$33,622,396</u></u>	<u><u>\$2,740,708</u></u>

In August of 2006, the City issued \$10,690,000 in sewer system improvement mortgage revenue refunding bonds. A portion of the proceeds was used to advance refund the 1999 sanitary sewer bonds in the amount of \$6,450,000.

The City has pledged future sewer revenues, net of operating expenses, to repay the sewer system improvement mortgage revenue bonds in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2026. Annual principal and interest payments on the debt issues are expected to require 79 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$9,577,257. Principal and interest paid for the current year were \$906,081. Total net revenues were \$1,081,350, and total revenues were \$3,415,073.

On September 21, 2006, the City issued \$18,170,000 in electric system improvement mortgage revenue refunding bonds. A portion of the proceeds were used to advance refund the 2001 electric and telecommunications systems bonds in the amounts of \$7,040,000 and \$4,825,000, respectively.

On May 29, 2008, the City issued \$4,465,000 in electric system mortgage revenue bonds. The bonds were issued to pay off a \$4,000,000 note and making other improvements to the electric system.

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The City has pledged future electric revenues, net of operating expenses, to repay the electric system mortgage revenue bonds in the Electric Fund. The debt is payable solely from net revenues and is payable through 2027. Annual principal and interest payments on the debt issues are expected to require 95 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$14,279,385. Principal and interest paid for the current year were \$1,989,438. Total net revenues were \$5,692,801, and total revenues were \$33,151,091.

During 1999, the City issued \$10,180,000 in water system improvement mortgage revenue bonds. A portion of the proceeds was used to advance refund the 1991 water system improvement bonds in the amount of \$1,315,000. These bonds were refunded with the Issuance of 2012 Improvement and Refunding Bonds.

During 2012, the City issued \$13,650,000 in water system improvement mortgage and revenue refunding bonds. A portion of the proceeds was used to advance refund the 1999 water system improvement bonds and bond anticipation notes bonds in the amount of \$5,630,000 and \$8,020,000, respectively.

The City has pledged future water revenues, net of operating expenses, to repay the water system improvement and refunding bonds in the Water Fund. The debt is payable solely from net revenues and is payable through 2037. Annual principal and interest payments on the debt issues are expected to require 79 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$19,003,635. Principal and interest paid for the current year were \$844,263. Total net revenues were \$1,008,516, and total revenues were \$3,401,681.

The mortgage revenue bonds are being repaid from charges for services in the respective enterprise funds.

During 2012, the City issued \$550,000 in telecom system improvement bonds for the purpose of paying off the 2011 telecom system improvement bond anticipation notes. The bonds were issued for a three-year period at a stated rate of 2.25 percent and with final maturity in 2016.

On April 24, 2014, the City issued a \$1,000,000 bond anticipation note for the purpose of making improvements to the sewer system.

Compensated absences will be paid from the Electric, Sanitation, Sewer, Telecommunications, Water, Storm Water Utility, and Automotive Maintenance Funds.

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.

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As of December 31, 2014, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$41,789,012, and the unvoted debt margin was \$21,889,482.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2014 were:

Year	Governmental Activities					
	General Obligation Bonds		Police Pension		Capital Appreciation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$595,000	\$196,426	\$541	\$724	\$0	\$0
2016	615,000	179,126	564	702	0	0
2017	630,000	161,126	588	677	0	0
2018	455,000	140,278	614	652	0	0
2019	460,000	128,288	640	625	0	0
2020-2024	2,195,000	447,963	3,637	2,690	1,603	8,397
2025-2029	1,165,000	173,788	4,493	1,839	0	0
2030-2034	500,000	30,150	5,536	788	0	0
2035-2037	0	0	567	12	0	0
Totals	<u>\$6,615,000</u>	<u>\$1,457,145</u>	<u>\$17,180</u>	<u>\$8,709</u>	<u>\$1,603</u>	<u>\$8,397</u>

Year	Business-Type Activities			
	Mortgage Revenue Bonds		General Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$2,460,000	\$1,267,082	\$200,000	\$4,500
2016	2,560,000	1,170,732	0	0
2017	2,345,000	1,060,156	0	0
2018	2,420,000	974,656	0	0
2019	2,510,000	885,206	0	0
2020-2024	10,040,000	3,030,275	0	0
2025-2029	4,060,000	1,592,573	0	0
2030-2034	3,190,000	862,200	0	0
2035-2037	2,250,000	182,400	0	0
Totals	<u>\$31,835,000</u>	<u>\$11,025,280</u>	<u>\$200,000</u>	<u>\$4,500</u>

**Note 17 - Interfund Activity**

**Interfund Receivable/Payable**

As of December 31, 2014, the Automotive Maintenance Internal Service Fund had interfund receivables for services provided to those funds. These monies are expected to be repaid within one year.

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		Receivable Governmental Activities - <u>Internal Service</u>
	General	\$7,832
	Fire and Life Squad	5,772
	All Nonmajor Governmental	3,515
Payable	Electric	2,743
	Sanitation	107
	Sewer	392
	Telecommunications	38
	Water	479
	Storm Water Utility	244
	<u>Total</u>	<u>\$21,122</u>

The City has interfund balances at December 31, 2014, between the General Fund and the Main Fire and Life Squad Fund in the amount of \$125,000.

Advances From/To Other Funds

The General Fund advanced monies to the Tax Increment Financing Capital Projects Fund for the purchase of property for use as an industrial park. The property is being developed and used by several corporations, who are leasing the property from the City. The advance is being repaid over time, with lease payments received by the participating companies. As of year-end, the outstanding balance of the advance is \$488,047. Of the total amount due to the General Fund at year-end, \$366,639 is not expected to be repaid in 2015.

Transfers From/To Other Funds

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

Transfers to the Nonmajor Governmental Funds from the General Fund were operating expenditures and debt service payments. Transfers to the Nonmajor Governmental Funds from the Capital Improvement Fund were for State Issue II construction projects. The transfer to the Debt Service Fund from the Tax Increment Financing Fund was for debt service payments.

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		Transfers From			Total
		General Fund	Tax Increment Financing Fund	Capital Improvement Fund	
Transfers To	All Nonmajor Governmental	\$90,000	\$42,500	\$1,500,000	\$1,632,500

**Note 18 - Jointly Governed Organization and Insurance Purchasing Pool**

Jointly Governed Organization

*Warren County Combined Health District*

The Warren County Combined Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$14,715 during 2014 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and the County Treasurer serve as fiscal officers. You may obtain financial information from Brenda Joseph at the Warren County Combined Health District, 416 S. East Street, Lebanon, Ohio 45036.

Insurance Purchasing Pool

*Ohio Municipal League Group Retrospective Rating Program*

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

**Note 19 - Fund Balances**

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Fund Balances	General	Fire and Life Squad	Tax Increment Financing	Capital Improvement	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Interfund Loans	\$488,047	\$0	\$0	\$0	\$0	\$488,047
Inventory	34,028	43,266	0	0	128,947	206,241
Prepays	43,027	13,853	0	0	11,435	68,315
<i>Total Nonspendable</i>	<u>565,102</u>	<u>57,119</u>	<u>0</u>	<u>0</u>	<u>140,382</u>	<u>762,603</u>
<u>Restricted for:</u>						
Road Improvements	0	0	0	0	655,633	655,633
Law Enforcement	0	0	0	0	718,650	718,650
Public Health Services	0	0	0	0	670,497	670,497
Community and Economic Development	0	0	0	0	197,964	197,964
Capital Improvements	0	0	2,386,688	0	84,179	2,470,867
Debt Service Payments	0	0	0	0	418,028	418,028
Issue II Improvements	0	0	0	0	400,153	400,153
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>2,386,688</u>	<u>0</u>	<u>3,145,104</u>	<u>5,531,792</u>
<u>Committed to:</u>						
Leisure Time Services	0	0	0	0	35,552	35,552
Debt Service Payments	0	0	0	0	3,437,148	3,437,148
Capital Improvements	0	0	0	1,230,221	0	1,230,221
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,230,221</u>	<u>3,472,700</u>	<u>4,702,921</u>
<u>Assigned to:</u>						
Purchases on Order	140,952	0	0	0	0	140,952
<u>Unassigned (Deficit)</u>	<u>5,779,984</u>	<u>(238,372)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,541,612</u>
<b>Total Fund Balances (Deficit)</b>	<b><u>\$6,486,038</u></b>	<b><u>(\$181,253)</u></b>	<b><u>\$2,386,688</u></b>	<b><u>\$1,230,221</u></b>	<b><u>\$6,758,186</u></b>	<b><u>\$16,679,880</u></b>

**Note 20 - Significant Commitments**

**Encumbrances**

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

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

CITY OF LEBANON, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

<u>Governmental Funds</u>	
General	\$183,254
Fire and Life Squad	14,636
Capital Improvement	1,704,784
Nonmajor Governmental Funds	470,206
Total Governmental Funds	2,372,880
 <u>Enterprise Funds</u>	
Electric	618,885
Sanitation	59
Sewer	119,081
Water	309,641
Storm Water Utility	9,857
Total Enterprise Funds	1,057,523
 <u>Internal Service Funds</u>	
Automotive Maintenance	2,035
Self Insurance	563,441
Total Internal Service Fund	565,476
 Total	 \$3,995,879

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2014:

Contractor	Purpose	Amount Remaining
Fred Nemann Co	West Street Reconstruction	\$96,921
Welsh Excavation	South East Street Reconstruction - Phase II	185,481
Let It Gro LLC	Mowing-Right of Ways & City Facilities	66,000
Choice One Engineering	High Street Reconstruction	17,448
Northwest Consultants	2013 Roadway Design Services	2,352
Barge Waggoner Sumner	2013 Roadway Design Services	5,924
Northwest Consultants	West Street Reconstruction	3,979
GC Contracting	Construction-Municipal Service Facility	3,156,960
Power Serv	Power Plant Substation	8,000
Ernst Concrete	Power Plant Substation	290
Northwest Consultants	Oakwood Ave Reconstruction	1,165
Mueller Systems	Software Modification	4,000
Heritage Land Services	Right of Way Acquisition Services	150
GPD	Engineering-Power Plant	14,293
Wells Engineering	Engineering-Mills Road	2,342
Terracon Consultants	City Garage Groundwater	600

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

**Note 21 – Joint Economic Development District**

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

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

**Note 22 - Contingent Liabilities**

Litigation

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

**Note 23 - Subsequent Event**

On April 20, 2015, the City issued \$3,000,000 in 2015 Bond Anticipation Notes for the purpose of refinancing the \$1,000,000 Sewer Improvement Project Notes and the \$2,000,000 of the State Route 123/63 Connector Project Notes.

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

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

**SPECIAL REVENUE FUNDS**

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

**NONMAJOR SPECIAL REVENUE FUNDS**

Cemetery Fund

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

Community Development Fund

To account for and report grants received from federal, state and local sources which are restricted for economic development within the City.

Court Fund

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

Park/Recreation Impact Fee Fund

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

Transportation Fund

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

**NONMAJOR DEBT SERVICE FUND**

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

(continued)

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS  
(Continued)

**CAPITAL PROJECTS FUNDS**

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

**NONMAJOR CAPITAL PROJECTS FUNDS**

Cemetery Improvement Fund

To account for and report fees restricted for cemetery improvements.

OPWC Capital Grant Fund

To account for and report OPWC reimbursable grants restricted to infrastructure improvement projects throughout the City. (Previously this fund was called State Issue II.)

**CITY OF LEBANON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,226,911	\$3,822,061	\$504,332	\$6,553,304
Materials and Supplies Inventory	128,947	0	0	128,947
Prepaid Items	11,435	0	0	11,435
Income Taxes Receivable	0	237,718	0	237,718
Accrued Interest Receivable	559	2,835	0	3,394
Intergovernmental Receivable	516,209	0	0	516,209
Special Assessments Receivable	0	94,209	0	94,209
<b>Total Assets</b>	<b><u>\$2,884,061</u></b>	<b><u>\$4,156,823</u></b>	<b><u>\$504,332</u></b>	<b><u>\$7,545,216</u></b>
<b>Liabilities:</b>				
Accounts Payable	\$1,872	\$0	\$20,000	\$21,872
Accrued Wages Payable	15,339	0	0	15,339
Intergovernmental Payable	11,358	0	0	11,358
Due to Other Funds	3,515	0	0	3,515
<b>Total Liabilities</b>	<b><u>32,084</u></b>	<b><u>0</u></b>	<b><u>20,000</u></b>	<b><u>52,084</u></b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	433,299	301,647	0	734,946
<b>Fund Balances:</b>				
Nonspendable	140,382	0	0	140,382
Restricted	2,242,744	418,028	484,332	3,145,104
Committed	35,552	3,437,148	0	3,472,700
<b>Total Fund Balances</b>	<b><u>2,418,678</u></b>	<b><u>3,855,176</u></b>	<b><u>484,332</u></b>	<b><u>6,758,186</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$2,884,061</u></b>	<b><u>\$4,156,823</u></b>	<b><u>\$504,332</u></b>	<b><u>\$7,545,216</u></b>

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Income Taxes	\$0	\$700,881	\$0	\$700,881
Special Assessments	0	8,994	0	8,994
Charges for Services	115,873	0	8,800	124,673
Fines, Licenses and Permits	196,854	0	0	196,854
Intergovernmental	1,050,924	0	0	1,050,924
Interest	9,709	47,567	0	57,276
Other	22,362	1,298	0	23,660
<b>Total Revenues</b>	<b>1,395,722</b>	<b>758,740</b>	<b>8,800</b>	<b>2,163,262</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	29,844	0	0	29,844
Security of Persons and Property:				
Police	88,361	0	0	88,361
Public Health Services	174,948	0	5,920	180,868
Leisure Time Services	0	0	0	0
Transportation	947,545	0	0	947,545
Capital Outlay	461,245	0	1,278,959	1,740,204
<b>Debt Service:</b>				
Principal Retirement	0	580,000	0	580,000
Interest and Fiscal Charges	0	213,326	0	213,326
<b>Total Expenditures</b>	<b>1,701,943</b>	<b>793,326</b>	<b>1,284,879</b>	<b>3,780,148</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(306,221)</b>	<b>(34,586)</b>	<b>(1,276,079)</b>	<b>(1,616,886)</b>
<b>Other Financing Sources:</b>				
Proceeds from Sale of Capital Assets	993	0	0	993
Transfers In	90,000	42,500	1,500,000	1,632,500
<b>Total Other Financing Sources</b>	<b>90,993</b>	<b>42,500</b>	<b>1,500,000</b>	<b>1,633,493</b>
<b>Net Change in Fund Balances</b>	<b>(215,228)</b>	<b>7,914</b>	<b>223,921</b>	<b>16,607</b>
<b>Fund Balances at Beginning of Year</b>	<b>2,633,906</b>	<b>3,847,262</b>	<b>260,411</b>	<b>6,741,579</b>
<b>Fund Balances at End of Year</b>	<b>\$2,418,678</b>	<b>\$3,855,176</b>	<b>\$484,332</b>	<b>\$6,758,186</b>

**CITY OF LEBANON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2014**

	Cemetery Fund	Community Development Fund	Court Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$679,720	\$197,964	\$719,244
Materials and Supplies Inventory	1,345	0	1,644
Prepaid Items	2,662	0	54
Accrued Interest Receivable	513	0	0
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$684,240</u></u>	 <u><u>\$197,964</u></u>	 <u><u>\$720,942</u></u>
Liabilities:			
Accounts Payable	\$0	\$0	\$594
Accrued Wages Payable	5,367	0	0
Intergovernmental Payable	3,856	0	0
Due to Other Funds	<u>36</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>9,259</u>	 <u>0</u>	 <u>594</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>477</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	4,007	0	1,698
Restricted	670,497	197,964	718,650
Committed	<u>0</u>	<u>0</u>	<u>0</u>
 Total Fund Balances	 <u>674,504</u>	 <u>197,964</u>	 <u>720,348</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>\$684,240</u></u>	 <u><u>\$197,964</u></u>	 <u><u>\$720,942</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$35,552	\$594,431	\$2,226,911
0	125,958	128,947
0	8,719	11,435
0	46	559
0	516,209	516,209
<u>\$35,552</u>	<u>\$1,245,363</u>	<u>\$2,884,061</u>
\$0	\$1,278	\$1,872
0	9,972	15,339
0	7,502	11,358
0	3,479	3,515
<u>0</u>	<u>22,231</u>	<u>32,084</u>
<u>0</u>	<u>432,822</u>	<u>433,299</u>
0	134,677	140,382
0	655,633	2,242,744
35,552	0	35,552
<u>35,552</u>	<u>790,310</u>	<u>2,418,678</u>
<u>\$35,552</u>	<u>\$1,245,363</u>	<u>\$2,884,061</u>

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Cemetery Fund	Community Development Fund	Court Fund
Revenues:			
Charges for Services	\$110,696	\$0	\$5,177
Fines, Licenses and Permits	0	0	171,582
Intergovernmental	11,463	0	0
Interest	8,752	0	0
Other	1,948	0	449
Total Revenues	<u>132,859</u>	<u>0</u>	<u>177,208</u>
Expenditures:			
Current:			
General Government	0	0	29,844
Security of Persons and Property:			
Police	0	0	88,361
Public Health Services	174,948	0	0
Transportation	0	0	0
Capital Outlay	0	0	36,245
Total Expenditures	<u>174,948</u>	<u>0</u>	<u>154,450</u>
Excess of Revenues Over (Under) Expenditures	<u>(42,089)</u>	<u>0</u>	<u>22,758</u>
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	80,000	0	0
Total Other Financing Sources	<u>80,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	37,911	0	22,758
Fund Balances at Beginning of Year	<u>636,593</u>	<u>197,964</u>	<u>697,590</u>
Fund Balances at End of Year	<u><u>\$674,504</u></u>	<u><u>\$197,964</u></u>	<u><u>\$720,348</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$115,873
13,026	12,246	196,854
0	1,039,461	1,050,924
0	957	9,709
0	19,965	22,362
<u>13,026</u>	<u>1,072,629</u>	<u>1,395,722</u>
0	0	29,844
0	0	88,361
0	0	174,948
0	947,545	947,545
0	425,000	461,245
<u>0</u>	<u>1,372,545</u>	<u>1,701,943</u>
<u>13,026</u>	<u>(299,916)</u>	<u>(306,221)</u>
0	993	993
0	10,000	90,000
<u>0</u>	<u>10,993</u>	<u>90,993</u>
13,026	(288,923)	(215,228)
<u>22,526</u>	<u>1,079,233</u>	<u>2,633,906</u>
<u>\$35,552</u>	<u>\$790,310</u>	<u>\$2,418,678</u>

**CITY OF LEBANON, OHIO  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2014**

	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$84,179	\$420,153	\$504,332
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Liabilities:			
Accounts Payable	\$0	\$20,000	\$20,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balances:			
Restricted	84,179	400,153	484,332
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	\$84,179	\$420,153	\$504,332
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Revenues:			
Charges for Services	\$8,800	\$0	\$8,800
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenditures:			
Current:			
Public Health Services	5,920	0	5,920
Capital Outlay	0	1,278,959	1,278,959
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	5,920	1,278,959	1,284,879
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Excess of Revenues Over (Under) Expenditures	2,880	(1,278,959)	(1,276,079)
Other Financing Sources:			
Transfers In	0	1,500,000	1,500,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Change in Fund Balances	2,880	221,041	223,921
Fund Balances at Beginning of Year	81,299	179,112	260,411
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balances at End of Year	<u>\$84,179</u>	<u>\$400,153</u>	<u>\$484,332</u>

CITY OF LEBANON, OHIO

**INTERNAL SERVICE FUNDS**

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

Automotive Maintenance Fund

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

Self-Insurance Fund

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

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2014**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$73,836	\$1,851,227	\$1,925,063
Materials and Supplies Inventory	57,500	0	57,500
Accrued Interest Receivable	0	1,470	1,470
Due from Other Funds	21,122	0	21,122
Prepaid Items	2,384	0	2,384
<b>Total Current Assets</b>	<b>154,842</b>	<b>1,852,697</b>	<b>2,007,539</b>
Noncurrent Assets:			
Nondepreciable Capital Assets	264,666	0	264,666
Depreciable Capital Assets, Net	30,722	0	30,722
<b>Total Noncurrent Assets</b>	<b>295,388</b>	<b>0</b>	<b>295,388</b>
<b>Total Assets</b>	<b>450,230</b>	<b>1,852,697</b>	<b>2,302,927</b>
Liabilities:			
Current Liabilities:			
Accrued Wages Payable	6,681	0	6,681
Intergovernmental Payable	5,412	0	5,412
Claims Payable	0	223,357	223,357
Compensated Absences Payable	6,953	0	6,953
<b>Total Current Liabilities</b>	<b>19,046</b>	<b>223,357</b>	<b>242,403</b>
Long-term Liabilities:			
Compensated Absences Payable	15,121	0	15,121
<b>Total Liabilities</b>	<b>34,167</b>	<b>223,357</b>	<b>257,524</b>
Net Position:			
Net Investment in Capital Assets	295,388	0	295,388
Unrestricted	120,675	1,629,340	1,750,015
<b>Total Net Position</b>	<b>\$416,063</b>	<b>\$1,629,340</b>	<b>\$2,045,403</b>

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Revenues:			
Charges for Services	\$342,930	\$2,211,806	\$2,554,736
Other	2,485	86,515	89,000
	<u>          </u>	<u>          </u>	<u>          </u>
Total Operating Revenues	345,415	2,298,321	2,643,736
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Expenses:			
Personal Services	188,017	0	188,017
Contractual Services	10,446	290,803	301,249
Supplies and Materials	5,535	0	5,535
Claims	0	1,511,794	1,511,794
Depreciation	2,384	0	2,384
	<u>          </u>	<u>          </u>	<u>          </u>
Total Operating Expenses	206,382	1,802,597	2,008,979
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Income	139,033	495,724	634,757
	<u>          </u>	<u>          </u>	<u>          </u>
Non-Operating Revenues:			
Interest	0	35,054	35,054
	<u>          </u>	<u>          </u>	<u>          </u>
Change in Net Position	139,033	530,778	669,811
	<u>          </u>	<u>          </u>	<u>          </u>
Net Position at Beginning of Year	277,030	1,098,562	1,375,592
	<u>          </u>	<u>          </u>	<u>          </u>
Net Position at End of Year	\$416,063	\$1,629,340	\$2,045,403
	<u>          </u>	<u>          </u>	<u>          </u>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Interfund Services Provided	\$353,062	\$2,211,806	\$2,564,868
Cash Payments for Employee Services and Benefits	(183,421)	0	(183,421)
Cash Payments to Suppliers for Goods and Services	(16,750)	(290,803)	(307,553)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(1,463,371)	(1,463,371)
Other Operating Revenues	2,485	86,515	89,000
Net Cash Provided by Operating Activities	<u>155,376</u>	<u>544,147</u>	<u>699,523</u>
Cash Flows Used in Capital and Related Financing Activities:			
Acquisition of Capital Assets	(200,000)	0	(200,000)
Cash Flows from Investing Activities:			
Interest	0	36,095	36,095
Net Increase (Decrease) in Cash and Cash Equivalents	(44,624)	580,242	535,618
Cash and Cash Equivalents at Beginning of Year	<u>118,460</u>	<u>1,270,985</u>	<u>1,389,445</u>
Cash and Cash Equivalents at End of Year	<u><u>\$73,836</u></u>	<u><u>\$1,851,227</u></u>	<u><u>\$1,925,063</u></u>
Reconciliation of Operating Income to			
<u>Net Cash Provided by Operating Activities:</u>			
Operating Income	\$139,033	\$495,724	\$634,757
Adjustments to Reconcile Operating Income to			
<u>Net Cash Provided by Operating Activities:</u>			
Depreciation	2,384	0	2,384
Changes in Assets and Liabilities:			
Increase in Materials and Supplies Inventory	(1,400)	0	(1,400)
Decrease in Interfund Receivable	11,332	0	11,332
Increase in Prepaids Items	(530)	0	(530)
Decrease in Accounts Payable	(39)	0	(39)
Decrease in Accrued Wages Payable	(440)	0	(440)
Increase in Intergovernmental Payable	242	0	242
Increase in Claims Payable	0	48,423	48,423
Increase in Compensated Absences Payable	4,794	0	4,794
Net Cash Provided by Operating Activities	<u><u>\$155,376</u></u>	<u><u>\$544,147</u></u>	<u><u>\$699,523</u></u>

CITY OF LEBANON, OHIO

**AGENCY FUND**

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

Municipal Court Fund

To account for and report monies that are disbursed to other governments through the Clerk of Courts Office.

Joint Economic Development District Fund

To account for income tax monies received from various business owners within the Joint Economic Development District collected by the City to be disbursed to Turtlecreek Township and the City of Lebanon.

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance 1/1/14	Additions	Reductions	Balance 12/31/14
<b>MUNICIPAL COURT</b>				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$39,608	\$55,576	\$40,587	\$54,597
Liabilities:				
Intergovernmental Payable	\$25,017	\$30,280	\$25,017	\$30,280
Undistributed Monies	14,591	25,296	15,570	24,317
Total Liabilities	\$39,608	\$55,576	\$40,587	\$54,597
<b>JOINT ECONOMIC DEVELOPMENT DISTRICT</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$3,991	\$3,671	\$320
Liabilities:				
Undistributed Monies	\$0	\$3,991	\$3,671	\$320
<b>TOTAL - ALL AGENCY FUNDS</b>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$3,991	\$3,671	\$320
Cash and Cash Equivalents in Segregated Accounts	39,608	55,576	40,587	54,597
Total Assets	\$39,608	\$59,567	\$44,258	\$54,917
Liabilities:				
Intergovernmental Payable	\$25,017	\$30,280	\$25,017	\$30,280
Undistributed Monies	14,591	29,287	19,241	24,637
Total Liabilities	\$39,608	\$59,567	\$44,258	\$54,917

**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		with Final Budget
Revenues:				
Property Taxes	\$1,240,525	\$1,416,063	\$1,006,529	(\$409,534)
Income Taxes	3,860,000	3,878,908	3,878,908	0
Other Local Taxes	1,330,000	1,380,822	1,380,822	0
Charges for Services	2,244,350	2,345,398	2,345,398	0
Fines, Licenses and Permits	508,200	703,909	703,909	0
Intergovernmental	349,500	657,475	657,475	0
Interest	150,250	150,250	87,877	(62,373)
Contributions and Donations	22,500	30,000	20,000	(10,000)
Other	124,995	292,301	293,858	1,557
<b>Total Revenues</b>	<b>9,830,320</b>	<b>10,855,126</b>	<b>10,374,776</b>	<b>(480,350)</b>
Expenditures:				
Current:				
General Government				
Legislative				
Personal Services	53,650	53,650	53,160	490
Contractual Services	30,700	39,200	38,784	416
Supplies and Materials	600	600	358	242
Capital Outlay	0	252,000	247,413	4,587
<b>Total Legislative</b>	<b>84,950</b>	<b>345,450</b>	<b>339,715</b>	<b>5,735</b>
City Manager				
Personal Services	499,704	503,808	500,826	2,982
Contractual Services	80,366	69,931	54,391	15,540
Supplies and Materials	11,000	8,800	4,640	4,160
<b>Total City Manager</b>	<b>591,070</b>	<b>582,539</b>	<b>559,857</b>	<b>22,682</b>
Personnel				
Personal Services	159,023	160,522	159,832	690
Contractual Services	37,000	47,215	46,381	834
Supplies and Materials	3,000	3,700	3,607	93
<b>Total Personnel</b>	<b>199,023</b>	<b>211,437</b>	<b>209,820</b>	<b>1,617</b>
Department of Service				
Personal Services	253,778	253,778	251,437	2,341
Contractual Services	50,300	56,355	56,047	308
Supplies and Materials	6,000	7,900	7,714	186
<b>Total Department of Service</b>	<b>310,078</b>	<b>318,033</b>	<b>315,198</b>	<b>2,835</b>
Information Technology				
Personal Services	188,138	188,138	185,783	2,355
Contractual Services	214,788	215,303	201,187	14,116
Supplies and Materials	4,500	4,500	2,292	2,208
<b>Total Information Technology</b>	<b>407,426</b>	<b>407,941</b>	<b>389,262</b>	<b>18,679</b>
Finance				
Personal Services	469,148	442,148	430,071	12,077
Contractual Services	91,665	91,987	83,691	8,296
Supplies and Materials	3,000	3,700	3,416	284
<b>Total Finance</b>	<b>\$563,813</b>	<b>\$537,835</b>	<b>\$517,178</b>	<b>\$20,657</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, 2014**  
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Income Tax				
Personal Services	\$187,176	\$209,676	\$208,453	\$1,223
Contractual Services	10,550	10,550	9,220	1,330
Supplies and Materials	15,500	15,500	2,188	13,312
Refunds	130,000	139,200	107,703	31,497
Other	50,000	70,000	91,805	(21,805)
<b>Total Income Tax</b>	<b>393,226</b>	<b>444,926</b>	<b>419,369</b>	<b>25,557</b>
Law				
Personal Services	34,732	34,732	30,853	3,879
Contractual Services	97,500	90,020	83,998	6,022
Supplies and Materials	500	500	67	433
<b>Total Law</b>	<b>132,732</b>	<b>125,252</b>	<b>114,918</b>	<b>10,334</b>
Municipal Court				
Personal Services	631,746	630,246	509,347	120,899
Contractual Services	134,100	127,988	111,187	16,801
Supplies and Materials	13,500	13,500	6,191	7,309
<b>Total Municipal Court</b>	<b>779,346</b>	<b>771,734</b>	<b>626,725</b>	<b>145,009</b>
Parking System				
Contractual Services	8,000	8,000	4,700	3,300
Supplies and Materials	750	750	0	750
<b>Total Parking System</b>	<b>8,750</b>	<b>8,750</b>	<b>4,700</b>	<b>4,050</b>
Probation				
Personal Services	234,389	234,389	190,545	43,844
Contractual Services	7,500	7,565	3,978	3,587
Supplies and Materials	5,500	5,584	4,034	1,550
<b>Total Probation</b>	<b>247,389</b>	<b>247,538</b>	<b>198,557</b>	<b>48,981</b>
Building Maintenance				
Personal Services	168,159	170,159	169,535	624
Contractual Services	74,214	75,095	61,825	13,270
Supplies and Materials	25,800	25,800	15,955	9,845
Fringe Benefits	0	23,000	20,314	2,686
<b>Total Building Maintenance</b>	<b>268,173</b>	<b>294,054</b>	<b>267,629</b>	<b>26,425</b>
Other General Government				
Contractual Services	54,500	55,684	49,215	6,469
Reimbursements	0	2,500	2,500	0
Other	3,000	4,354	1,441	2,913
<b>Total Other General Government</b>	<b>57,500</b>	<b>62,538</b>	<b>53,156</b>	<b>9,382</b>
<b>Total General Government</b>	<b>4,043,476</b>	<b>4,358,027</b>	<b>4,016,084</b>	<b>341,943</b>
Security of Persons and Property				
Police				
Personal Services	4,084,894	4,088,294	3,951,952	136,342
Contractual Services	395,707	388,136	322,206	65,930
Supplies and Materials	101,219	121,003	97,564	23,439
Capital Outlay	159,773	136,773	98,991	37,782
<b>Total Police</b>	<b>\$4,741,593</b>	<b>\$4,734,206</b>	<b>\$4,470,713</b>	<b>\$263,493</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, 2014**  
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Police Donation Trust				
Supplies and Materials	\$10,000	\$10,000	\$0	\$10,000
Total Security of Persons and Property	4,751,593	4,744,206	4,470,713	273,493
Leisure Time Services				
Recreation Programs				
Personal Services	248,678	246,678	239,808	6,870
Contractual Services	197,140	242,574	239,465	3,109
Supplies and Materials	68,750	75,211	69,498	5,713
Capital Outlay	205,000	211,106	210,790	316
Refunds	200	200	0	200
Total Leisure Time Services	719,768	775,769	759,561	16,208
Community and Economic Development				
Planning and Development				
Personal Services	239,045	239,045	233,957	5,088
Contractual Services	35,138	34,138	19,907	14,231
Supplies and Materials	5,000	5,000	3,362	1,638
Total Planning and Development	279,183	278,183	257,226	20,957
Building and Zoning				
Personal Services	116,791	118,291	117,496	795
Contractual Services	72,400	94,955	49,525	45,430
Supplies and Materials	2,500	1,400	505	895
Total Building and Zoning	191,691	214,646	167,526	47,120
Engineer Services				
Personal Services	365,445	365,445	362,740	2,705
Contractual Services	44,564	116,798	109,482	7,316
Supplies and Materials	13,500	14,250	10,854	3,396
Refunds	53,621	41,921	26,909	15,012
Total Engineer Services	477,130	538,414	509,985	28,429
Total Community and Economic Development	948,004	1,031,243	934,737	96,506
Total Expenditures	10,462,841	10,909,245	10,181,095	728,150
Excess of Revenues Over (Under) Expenditures	(632,521)	(54,119)	193,681	247,800
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	3,480	(6,520)
Advances In	121,408	246,408	246,408	0
Transfers Out	(90,000)	(90,000)	(90,000)	0
Advances Out	0	(250,000)	(250,000)	0
Total Other Financing Sources (Uses)	41,408	(83,592)	(90,112)	(6,520)
Net Change in Fund Balance	(591,113)	(137,711)	103,569	241,280
Fund Balance at Beginning of Year	4,584,338	4,584,338	4,584,338	0
Prior Year Encumbrances Appropriated	207,961	207,961	207,961	0
Fund Balance at End of Year	\$4,201,186	\$4,654,588	\$4,895,868	\$241,280

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FIRE AND LIFE SQUAD SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,630,000	\$3,078,670	\$1,933,674	(\$1,144,996)
Charges for Services	450,000	450,000	424,694	(25,306)
Intergovernmental	0	44,250	305,235	260,985
Other	5,000	46,519	46,519	0
<b>Total Revenues</b>	<b>3,085,000</b>	<b>3,619,439</b>	<b>2,710,122</b>	<b>(909,317)</b>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Fighting, Prevention and Inspection				
Personal Services	2,394,400	2,395,918	2,216,667	179,251
Contractual Services	669,925	695,479	651,642	43,837
Supplies and Materials	69,500	80,117	76,318	3,799
<b>Total Security of Persons and Property</b>	<b>3,133,825</b>	<b>3,171,514</b>	<b>2,944,627</b>	<b>226,887</b>
Capital Outlay	330,000	429,591	398,572	31,019
<b>Total Expenditures</b>	<b>3,463,825</b>	<b>3,601,105</b>	<b>3,343,199</b>	<b>257,906</b>
Excess of Revenues Over (Under) Expenditures	(378,825)	18,334	(633,077)	(651,411)
Other Financing Sources (Uses):				
Advances In	0	250,000	250,000	0
Advances Out	0	(250,000)	(125,000)	125,000
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>125,000</b>	<b>125,000</b>
<b>Net Change in Fund Balance</b>	<b>(378,825)</b>	<b>18,334</b>	<b>(508,077)</b>	<b>(526,411)</b>
Fund Balance at Beginning of Year	540,883	540,883	540,883	0
Prior Year Encumbrances Appropriated	69,428	69,428	69,428	0
<b>Fund Balance at End of Year</b>	<b>\$231,486</b>	<b>\$628,645</b>	<b>\$102,234</b>	<b>(\$526,411)</b>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**TAX INCREMENT FINANCING CAPITAL PROJECTS FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Payments in Lieu of Taxes	\$1,600,000	\$1,060,438	\$1,772,913	\$712,475
Charges for Services	8,150	0	8,130	8,130
Total Revenues	<u>1,608,150</u>	<u>1,060,438</u>	<u>1,781,043</u>	<u>720,605</u>
Expenditures:				
Current:				
Community and Economic Development				
Community Planning				
Contractual Services	35,000	35,000	2,060	32,940
Supplies and Materials	197,495	197,495	155,268	42,227
Capital Outlay	0	1,836	1,836	0
Total Community and Economic Development	<u>232,495</u>	<u>234,331</u>	<u>159,164</u>	<u>75,167</u>
Intergovernmental				
Reimbursements	<u>550,000</u>	<u>550,000</u>	<u>407,960</u>	<u>142,040</u>
Debt Service:				
Principal Retirements	96,000	96,000	0	96,000
Interest and Fiscal Charges	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>	<u>5,000</u>
Total Debt Service	<u>111,000</u>	<u>111,000</u>	<u>10,000</u>	<u>101,000</u>
Total Expenditures	<u>893,495</u>	<u>895,331</u>	<u>577,124</u>	<u>318,207</u>
Excess of Revenues Over Expenditures	<u>714,655</u>	<u>165,107</u>	<u>1,203,919</u>	<u>1,038,812</u>
Other Financing Uses:				
Transfers Out	(42,500)	(45,535)	(42,500)	3,035
Advances Out	<u>(121,408)</u>	<u>(121,408)</u>	<u>(121,408)</u>	<u>0</u>
Total Other Financing Uses	<u>(163,908)</u>	<u>(166,943)</u>	<u>(163,908)</u>	<u>3,035</u>
Net Change in Fund Balance	550,747	(1,836)	1,040,011	1,041,847
Fund Balance at Beginning of Year	1,919,420	1,919,420	1,919,420	0
Prior Year Encumbrances Appropriated	<u>1,836</u>	<u>1,836</u>	<u>1,836</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,472,003</u>	<u>\$1,919,420</u>	<u>\$2,961,267</u>	<u>\$1,041,847</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Income Taxes	\$2,031,000	\$2,775,267	\$2,084,736	(\$690,531)
Special Assessments	55,000	65,144	65,144	0
Intergovernmental	2,850,000	2,759,000	82,500	(2,676,500)
Interest	20,000	20,000	30,249	10,249
Other	16,900	20,263	20,263	0
<b>Total Revenues</b>	<b>4,972,900</b>	<b>5,639,674</b>	<b>2,282,892</b>	<b>(3,356,782)</b>
Expenditures:				
Current:				
Transportation				
Capital Outlay	4,872,000	7,952,744	7,712,788	239,956
Debt Service:				
Principal Retirement	3,100,000	3,100,000	3,100,000	0
Interest and Fiscal Charges	31,000	31,000	51,694	(20,694)
<b>Total Expenditures</b>	<b>8,003,000</b>	<b>11,083,744</b>	<b>10,864,482</b>	<b>219,262</b>
Excess of Revenues Under Expenditures	(3,030,100)	(5,444,070)	(8,581,590)	(3,137,520)
Other Financing Sources (Uses):				
Notes Issued	5,800,000	4,219,658	4,200,000	(19,658)
Premium on Debt Issued	0	0	40,352	40,352
Proceeds from Sale of Capital Assets	0	15,068	15,068	0
Transfers Out	(1,500,000)	(1,445,000)	(1,500,000)	(55,000)
<b>Total Other Financing Sources (Uses)</b>	<b>4,300,000</b>	<b>2,789,726</b>	<b>2,755,420</b>	<b>(34,306)</b>
Net Change in Fund Balance	1,269,900	(2,654,344)	(5,826,170)	(3,171,826)
Fund Balance at Beginning of Year	4,492,850	4,492,850	4,492,850	0
Prior Year Encumbrances Appropriated	2,884,663	2,884,663	2,884,663	0
<b>Fund Balance at End of Year</b>	<b>\$8,647,413</b>	<b>\$4,723,169</b>	<b>\$1,551,343</b>	<b>(\$3,171,826)</b>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL  
ELECTRIC ENTERPRISE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$29,729,183	\$29,554,830	\$32,423,172	\$2,868,342
Other	4,500	4,500	6,655	2,155
Interest	50,000	56,845	56,845	0
Utility Deposits Received	200,000	181,000	157,724	(23,276)
Other Non-Operating Revenues	60,000	69,689	69,689	0
<b>Total Revenues</b>	<b>30,043,683</b>	<b>29,866,864</b>	<b>32,714,085</b>	<b>2,847,221</b>
Expenses:				
Personal Services	1,954,752	1,954,752	1,805,542	149,210
Contractual Services	1,944,955	2,031,663	1,374,582	657,081
Purchased Power	21,974,893	23,854,893	23,648,302	206,591
Supplies and Materials	171,500	179,125	78,573	100,552
Other	7,000	7,000	5,089	1,911
Utility Deposits Returned	183,200	183,200	145,911	37,289
Capital Outlay	2,005,500	2,294,746	1,227,390	1,067,356
Debt Service:				
Principal Retirement	1,132,831	1,132,831	1,127,500	5,331
Interest and Fiscal Charges	445,432	445,432	442,725	2,707
<b>Total Expenses</b>	<b>29,820,063</b>	<b>32,083,642</b>	<b>29,855,614</b>	<b>2,228,028</b>
Excess of Revenues Over (Under) Expenses Before Transfers	223,620	(2,216,778)	2,858,471	5,075,249
Transfers Out	0	79,640	0	(79,640)
<b>Net Change in Fund Equity</b>	<b>223,620</b>	<b>(2,137,138)</b>	<b>2,858,471</b>	<b>4,995,609</b>
Fund Equity at Beginning of Year	15,712,230	15,712,230	15,712,230	0
Prior Year Encumbrances Appropriated	347,882	347,882	347,882	0
<b>Fund Equity at End of Year</b>	<b>\$16,283,732</b>	<b>\$13,922,974</b>	<b>\$18,918,583</b>	<b>\$4,995,609</b>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL**  
**SANITATION ENTERPRISE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$1,637,000	\$1,652,512	\$1,618,175	(\$34,337)
Other	0	0	1,729	1,729
Interest	2,500	2,500	2,279	(221)
<b>Total Revenues</b>	<b>1,639,500</b>	<b>1,655,012</b>	<b>1,622,183</b>	<b>(32,829)</b>
Expenses:				
Personal Services	129,674	129,674	116,328	13,346
Contractual Services	1,474,338	1,474,386	1,440,499	33,887
Capital Outlay	50,000	50,000	50,000	0
Other	1,000	1,000	0	1,000
<b>Total Expenses</b>	<b>1,655,012</b>	<b>1,655,060</b>	<b>1,606,827</b>	<b>48,233</b>
Net Change in Fund Equity	(15,512)	(48)	15,356	15,404
Fund Equity at Beginning of Year	454,038	454,038	454,038	0
Prior Year Encumbrances Appropriated	48	48	48	0
<b>Fund Equity at End of Year</b>	<b>\$438,574</b>	<b>\$454,038</b>	<b>\$469,442</b>	<b>\$15,404</b>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
SEWER ENTERPRISE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$3,385,000	\$4,001,300	\$3,377,549	(\$623,751)
Interest	12,000	12,000	9,907	(2,093)
Other	1,000	10,126	10,126	0
Special Assessments	0	0	5,497	5,497
Bond Anticipation Notes Issued	1,000,000	1,000,000	1,000,000	0
<b>Total Revenues</b>	<b>4,398,000</b>	<b>5,023,426</b>	<b>4,403,079</b>	<b>(620,347)</b>
Expenses:				
Personal Services	755,083	755,083	695,263	59,820
Contractual Services	1,721,593	1,782,273	1,297,907	484,366
Supplies and Materials	158,250	167,085	115,783	51,302
Capital Outlay	1,136,500	1,219,096	879,066	340,030
Other	2,500	2,500	508	1,992
Debt Service:				
Principal Retirement	1,560,000	1,560,000	1,560,000	0
Interest and Fiscal Charges	358,000	358,000	346,081	11,919
<b>Total Expenses</b>	<b>5,691,926</b>	<b>5,844,037</b>	<b>4,894,608</b>	<b>949,429</b>
Excess of Revenues Under Expenses Before Transfers	(1,293,926)	(820,611)	(491,529)	329,082
Transfers In	0	668,500	0	(668,500)
<b>Net Change in Fund Equity</b>	<b>(1,293,926)</b>	<b>(152,111)</b>	<b>(491,529)</b>	<b>(339,418)</b>
Fund Equity at Beginning of Year	3,003,994	3,003,994	3,003,994	0
Prior Year Encumbrances Appropriated	395,324	395,324	395,324	0
<b>Fund Equity at End of Year</b>	<b>\$2,105,392</b>	<b>\$3,247,207</b>	<b>\$2,907,789</b>	<b>(\$339,418)</b>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL  
TELECOMMUNICATIONS ENTERPRISE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$65,000	\$155,642	\$155,642	\$0
Other	126,100	215,610	130,188	(85,422)
Total Revenues	191,100	371,252	285,830	(85,422)
Expenses:				
Personal Services	102,464	104,464	104,294	170
Contractual Services	30,788	32,788	32,098	690
Supplies and Materials	1,000	1,000	385	615
Capital Outlay	14,000	14,000	13,712	288
Debt Service:				
Principal Retirement	200,000	200,000	200,000	0
Interest and Fiscal Charges	19,000	19,000	9,000	10,000
Total Expenses	367,252	371,252	359,489	11,763
Net Change in Fund Equity	(176,152)	0	(73,659)	(73,659)
Fund Equity at Beginning of Year	353,878	353,878	353,878	0
Fund Equity at End of Year	\$177,726	\$353,878	\$280,219	(\$73,659)

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL**  
**WATER ENTERPRISE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$3,335,000	\$4,280,492	\$3,334,946	(\$945,546)
Other	5,000	5,000	9,273	4,273
Interest	15,000	15,000	13,635	(1,365)
Utility Deposits Received	14,000	14,000	12,375	(1,625)
Total Revenues	<u>3,369,000</u>	<u>4,314,492</u>	<u>3,370,229</u>	<u>(944,263)</u>
Expenses:				
Personal Services	336,098	336,098	301,627	34,471
Contractual Services	877,644	906,958	758,717	148,241
Supplies and Materials	1,691,750	1,944,442	1,622,726	321,716
Other	5,000	5,000	276	4,724
Utility Deposits Returned	11,800	11,800	11,800	0
Capital Outlay	562,000	1,052,891	928,655	124,236
Debt Service:				
Principal Retirement	385,000	385,000	385,000	0
Interest and Fiscal Charges	461,000	461,000	459,263	1,737
Total Expenses	<u>4,330,292</u>	<u>5,103,189</u>	<u>4,468,064</u>	<u>635,125</u>
Excess of Revenues Under Expenses Before Transfers	(961,292)	(788,697)	(1,097,835)	(309,138)
Transfers Out	<u>0</u>	<u>(1,169,700)</u>	<u>0</u>	<u>1,169,700</u>
Net Change in Fund Equity	(961,292)	(1,958,397)	(1,097,835)	860,562
Fund Equity at Beginning of Year	3,920,735	3,920,735	3,920,735	0
Prior Year Encumbrances Appropriated	<u>509,592</u>	<u>509,592</u>	<u>509,592</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$3,469,035</u></u>	<u><u>\$2,471,930</u></u>	<u><u>\$3,332,492</u></u>	<u><u>\$860,562</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL**  
**STORM WATER UTILITY ENTERPRISE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$845,366	\$965,378	\$844,809	(\$120,569)
Interest	5,000	5,000	2,975	(2,025)
Other	0	0	957	957
Total Revenues	<u>850,366</u>	<u>970,378</u>	<u>848,741</u>	<u>(121,637)</u>
Expenses:				
Personal Services	70,739	75,739	66,697	9,042
Contractual Services	160,939	162,009	142,733	19,276
Supplies and Materials	3,500	3,500	3,377	123
Capital Outlay	730,000	758,733	704,881	53,852
Other	200	200	0	200
Total Expenses	<u>965,378</u>	<u>1,000,181</u>	<u>917,688</u>	<u>82,493</u>
Net Change in Fund Equity	(115,012)	(29,803)	(68,947)	(39,144)
Fund Equity at Beginning of Year	348,740	348,740	348,740	0
Prior Year Encumbrances Appropriated	<u>29,806</u>	<u>29,806</u>	<u>29,806</u>	<u>0</u>
Fund Equity at End of Year	<u>\$263,534</u>	<u>\$348,743</u>	<u>\$309,599</u>	<u>(\$39,144)</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CEMETERY SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$104,700	\$99,739	\$110,696	\$10,957
Intergovernmental	0	11,463	11,463	0
Interest	4,250	750	3,028	2,278
Other	0	0	1,948	1,948
Total Revenues	<u>108,950</u>	<u>111,952</u>	<u>127,135</u>	<u>15,183</u>
Expenditures:				
Current:				
Public Health Services				
Cemetery				
Personal Services	136,461	141,461	140,207	1,254
Contractual Services	41,341	41,366	32,503	8,863
Supplies and Materials	2,950	3,350	2,989	361
Capital Outlay	5,000	5,000	0	5,000
Other	1,200	1,200	300	900
Total Expenditures	<u>186,952</u>	<u>192,377</u>	<u>175,999</u>	<u>16,378</u>
Excess of Revenues Under Expenditures	(78,002)	(80,425)	(48,864)	31,561
Other Financing Sources:				
Transfers In	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>0</u>
Net Change in Fund Balance	1,998	(425)	31,136	31,561
Fund Balance at Beginning of Year	622,247	622,247	622,247	0
Prior Year Encumbrances Appropriated	<u>671</u>	<u>671</u>	<u>671</u>	<u>0</u>
Fund Balance at End of Year	<u>\$624,916</u>	<u>\$622,493</u>	<u>\$654,054</u>	<u>\$31,561</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$45,000	\$0	\$0	\$0
Expenditures:				
Current:				
Community Environment				
Community Development				
Capital Outlay	0	0	0	0
Net Change in Fund Balance	45,000	0	0	0
Fund Balance at Beginning of Year	195,864	195,864	195,864	0
Prior Year Encumbrances Appropriated	2,100	2,100	2,100	0
Fund Balance at End of Year	<u>\$242,964</u>	<u>\$197,964</u>	<u>\$197,964</u>	<u>\$0</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT SPECIAL REVENUE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues:</b>				
Charges for Services	\$5,000	\$45,000	\$5,177	(\$39,823)
Fines, Licenses and Permits	140,500	328,000	170,040	(157,960)
Other	500	10,000	75	(9,925)
<b>Total Revenues</b>	<b>146,000</b>	<b>383,000</b>	<b>175,292</b>	<b>(207,708)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Municipal Court Special Project				
Contractual Services	22,000	22,000	1,312	20,688
Capital Outlay	25,000	25,000	0	25,000
<b>Total Municipal Court Special Project</b>	<b>47,000</b>	<b>47,000</b>	<b>1,312</b>	<b>45,688</b>
Federal Asset Forfeiture				
Contractual Services	77,000	77,000	33,026	43,974
<b>Total General Government</b>	<b>124,000</b>	<b>124,000</b>	<b>34,338</b>	<b>89,662</b>
<b>Security of Persons and Property</b>				
Indigent Drivers Alcohol				
Contractual Services	95,000	119,086	56,223	62,863
Supplies and Materials	19,000	60,428	45,142	15,286
<b>Total Indigent Drivers Alcohol</b>	<b>114,000</b>	<b>179,514</b>	<b>101,365</b>	<b>78,149</b>
Computerized Legal Research				
Contractual Services	5,000	5,000	0	5,000
Supplies and Materials	5,000	5,000	0	5,000
Capital Outlay	5,000	5,000	0	5,000
<b>Total Computerized Legal Research</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>
Computer Improvement				
Contractual Services	25,000	29,995	11,118	18,877
Supplies and Materials	4,000	4,000	0	4,000
Capital Outlay	6,000	6,000	4,022	1,978
<b>Total Computer Improvement</b>	<b>35,000</b>	<b>39,995</b>	<b>15,140</b>	<b>24,855</b>
<b>Total Security of Persons and Property</b>	<b>164,000</b>	<b>234,509</b>	<b>116,505</b>	<b>118,004</b>
Capital Outlay	40,000	76,245	36,245	40,000
<b>Total Expenditures</b>	<b>328,000</b>	<b>434,754</b>	<b>187,088</b>	<b>247,666</b>
<b>Net Change in Fund Balance</b>	<b>(182,000)</b>	<b>(51,754)</b>	<b>(11,796)</b>	<b>39,958</b>
Fund Balance at Beginning of Year	638,175	638,175	638,175	0
Prior Year Encumbrances Appropriated	51,754	51,754	51,754	0
<b>Fund Balance at End of Year</b>	<b>\$507,929</b>	<b>\$638,175</b>	<b>\$678,133</b>	<b>\$39,958</b>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**PARK/RECREATION IMPACT FEE SPECIAL REVENUE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Fines, Licenses and Permits	\$5,000	\$0	\$13,026	\$13,026
Expenditures:				
Current:				
Leisure Time Services				
Refunds	0	0	0	0
Net Change in Fund Balance	5,000	0	13,026	13,026
Fund Balance at Beginning of Year	22,526	22,526	22,526	0
Fund Balance at End of Year	<u>\$27,526</u>	<u>\$22,526</u>	<u>\$35,552</u>	<u>\$13,026</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSPORTATION SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Fines, Licenses and Permits	\$25,000	\$0	\$12,246	\$12,246
Intergovernmental	1,052,500	1,542,164	1,047,613	(494,551)
Interest	350	0	266	266
Other	0	19,965	19,965	0
Total Revenues	1,077,850	1,562,129	1,080,090	(482,039)
Expenditures:				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	312,338	312,338	291,468	20,870
Contractual Services	383,291	384,177	383,725	452
Supplies and Materials	215,500	490,522	472,158	18,364
Capital Outlay	425,000	425,000	425,000	0
Total Street Maintenance and Repair	1,336,129	1,612,037	1,572,351	39,686
Division Highway Maintenance				
Contractual Services	36,000	36,182	32,436	3,746
Supplies and Materials	27,000	30,000	28,954	1,046
Total Division Highway Maintenance	63,000	66,182	61,390	4,792
Total Expenditures	1,399,129	1,678,219	1,633,741	44,478
Excess of Revenues Under Expenditures	(321,279)	(116,090)	(553,651)	(437,561)
Other Financing Sources:				
Proceeds from Sale of Capital Assets	8,000	8,000	993	(7,007)
Transfers In	10,000	10,000	10,000	0
Total Other Financing Sources	18,000	18,000	10,993	(7,007)
Net Change in Fund Balance	(303,279)	(98,090)	(542,658)	(444,568)
Fund Balance at Beginning of Year	857,314	857,314	857,314	0
Prior Year Encumbrances Appropriated	98,215	98,215	98,215	0
Fund Balance at End of Year	\$652,250	\$857,439	\$412,871	(\$444,568)

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Income Taxes	\$677,000	\$735,830	\$694,912	(\$40,918)
Special Assessments	10,000	0	12,849	12,849
Interest	25,000	25,000	18,174	(6,826)
Other	0	0	1,298	1,298
Total Revenues	712,000	760,830	727,233	(33,597)
Expenditures:				
Debt Service:				
Principal Retirement	580,000	580,000	580,000	0
Interest and Fiscal Charges	223,330	223,330	213,326	10,004
Total Expenditures	803,330	803,330	793,326	10,004
Excess of Revenues Under Expenditures	(91,330)	(42,500)	(66,093)	(23,593)
Other Financing Sources:				
Transfers In	42,500	42,500	42,500	0
Net Change in Fund Balance	(48,830)	0	(23,593)	(23,593)
Fund Balance at Beginning of Year	3,707,066	3,707,066	3,707,066	0
Fund Balance at End of Year	\$3,658,236	\$3,707,066	\$3,683,473	(\$23,593)

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CEMETERY IMPROVEMENT CAPITAL PROJECTS FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$7,500	\$6,000	\$8,800	\$2,800
Expenditures:				
Current:				
Public Health Services				
Cemetery				
Capital Outlay	6,000	9,416	7,916	1,500
Net Change in Fund Balance	1,500	(3,416)	884	4,300
Fund Balance at Beginning of Year	77,883	77,883	77,883	0
Prior Year Encumbrances Appropriated	3,416	3,416	3,416	0
Fund Balance at End of Year	<u>\$82,799</u>	<u>\$77,883</u>	<u>\$82,183</u>	<u>\$4,300</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**OPWC CAPITAL GRANT PROJECTS FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay	1,550,000	1,636,198	1,515,635	120,563
Excess of Revenues Under Expenditures	(1,550,000)	(1,636,198)	(1,515,635)	120,563
Other Financing Sources:				
Transfers In	1,500,000	1,550,000	1,500,000	(50,000)
Net Change in Fund Balance	(50,000)	(86,198)	(15,635)	70,563
Fund Balance at Beginning of Year	92,915	92,915	92,915	0
Prior Year Encumbrances Appropriated	86,197	86,197	86,197	0
Fund Balance at End of Year	<u>\$129,112</u>	<u>\$92,914</u>	<u>\$163,477</u>	<u>\$70,563</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL**  
**AUTOMOTIVE MAINTENANCE INTERNAL SERVICE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$353,062	\$422,483	\$353,062	(\$69,421)
Other	0	0	2,485	2,485
Total Revenues	<u>353,062</u>	<u>422,483</u>	<u>355,547</u>	<u>(66,936)</u>
Expenses:				
Personal Services	185,983	190,983	183,421	7,562
Contractual Services	17,800	17,839	9,811	8,028
Supplies and Materials	13,700	13,700	8,974	4,726
Capital Outlay	200,000	200,000	200,000	0
Total Expenses	<u>417,483</u>	<u>422,522</u>	<u>402,206</u>	<u>20,316</u>
Net Change in Fund Equity	(64,421)	(39)	(46,659)	(46,620)
Fund Equity at Beginning of Year	116,909	116,909	116,909	0
Prior Year Encumbrances Appropriated	<u>1,553</u>	<u>1,553</u>	<u>1,553</u>	<u>0</u>
Fund Equity at End of Year	<u>\$54,041</u>	<u>\$118,423</u>	<u>\$71,803</u>	<u>(\$46,620)</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
SELF-INSURANCE INTERNAL SERVICE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$2,210,800	\$2,423,985	\$2,211,806	(\$212,179)
Other	20,000	86,515	86,515	0
Interest	14,500	14,500	6,829	(7,671)
Total Revenues	<u>2,245,300</u>	<u>2,525,000</u>	<u>2,305,150</u>	<u>(219,850)</u>
Expenses:				
Contractual Services	357,000	366,086	332,750	33,336
Claims	2,168,000	2,192,508	1,984,865	207,643
Total Expenses	<u>2,525,000</u>	<u>2,558,594</u>	<u>2,317,615</u>	<u>240,979</u>
Net Change in Fund Equity	(279,700)	(33,594)	(12,465)	21,129
Fund Equity at Beginning of Year	1,194,321	1,194,321	1,194,321	0
Prior Year Encumbrances Appropriated	<u>34,070</u>	<u>34,070</u>	<u>34,070</u>	<u>0</u>
Fund Equity at End of Year	<u>\$948,691</u>	<u>\$1,194,797</u>	<u>\$1,215,926</u>	<u>\$21,129</u>

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# STATISTICAL SECTION



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*STATISTICAL TABLES*

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	S2-S13
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	S14-S23
These schedules contain information to help the reader assess the City’s most significant local revenue sources, income taxes and charges for services for electricity.	
Debt Capacity	S24-S33
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	S34-S36
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	S37-S44
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities				
Net Investment in Capital Assets	\$34,147,382	\$33,764,338	\$34,628,876	\$35,598,684
Restricted	11,137,800	13,388,372	14,310,899	16,371,911
Unrestricted	<u>2,759,921</u>	<u>4,074,569</u>	<u>4,770,470</u>	<u>6,042,040</u>
<i>Total Governmental Activities Net Position</i>	<u>48,045,103</u>	<u>51,227,279</u>	<u>53,710,245</u>	<u>58,012,635</u>
Business Type - Activities				
Net Investment in Capital Assets	42,195,263	44,463,041	40,865,125	44,388,792
Restricted	3,962,065	3,698,199	8,083,620	7,782,930
Unrestricted	<u>20,867,518</u>	<u>22,594,015</u>	<u>28,616,768</u>	<u>28,282,539</u>
<i>Total Business-Type Activities Net Position</i>	<u>67,024,846</u>	<u>70,755,255</u>	<u>77,565,513</u>	<u>80,454,261</u>
Primary Government				
Net Investment in Capital Assets	76,342,645	78,227,379	75,494,001	79,987,476
Restricted	15,099,865	17,086,571	22,394,519	24,154,841
Unrestricted	<u>23,627,439</u>	<u>26,668,584</u>	<u>33,387,238</u>	<u>34,324,579</u>
<i>Total Primary Government Net Position</i>	<u>\$115,069,949</u>	<u>\$121,982,534</u>	<u>\$131,275,758</u>	<u>\$138,466,896</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$39,072,022	\$39,380,807	\$39,051,129	\$40,044,806	\$39,004,204	\$41,585,043
12,685,486	10,226,109	10,873,564	8,952,231	5,585,635	6,267,670
<u>7,601,885</u>	<u>10,223,471</u>	<u>10,376,818</u>	<u>12,340,870</u>	<u>18,978,185</u>	<u>16,743,007</u>
<u>59,359,393</u>	<u>59,830,387</u>	<u>60,301,511</u>	<u>61,337,907</u>	<u>63,568,024</u>	<u>64,595,720</u>
49,797,775	48,615,352	50,068,883	54,208,669	55,500,876	59,251,800
6,844,532	6,713,271	6,302,061	6,212,490	5,680,330	5,267,826
<u>29,352,329</u>	<u>31,650,518</u>	<u>31,227,567</u>	<u>29,620,412</u>	<u>33,331,420</u>	<u>36,002,795</u>
<u>85,994,636</u>	<u>86,979,141</u>	<u>87,598,511</u>	<u>90,041,571</u>	<u>94,512,626</u>	<u>100,522,421</u>
88,869,797	87,996,159	89,120,012	94,253,475	94,505,080	100,836,843
19,530,018	16,939,380	17,175,625	15,164,721	11,265,965	11,535,496
<u>36,954,214</u>	<u>41,873,989</u>	<u>41,604,385</u>	<u>41,961,282</u>	<u>52,309,605</u>	<u>52,745,802</u>
<u>\$145,354,029</u>	<u>\$146,809,528</u>	<u>\$147,900,022</u>	<u>\$151,379,478</u>	<u>\$158,080,650</u>	<u>\$165,118,141</u>

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

	2005	2006	2007	2008 (1)
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$2,286,061	\$2,371,502	\$2,094,209	\$2,083,300
Security of Persons and Property:				
Police	480,320	537,467	532,708	573,826
Fire	180,894	129,802	197,057	245,713
Public Health Services	96,059	105,554	117,795	102,754
Leisure Time Services	39,450	65,125	79,680	59,555
Community and Economic Development	28,575	0	0	0
Transportation	0	50	24,421	27,925
Subtotal - Charges for Services	<u>3,111,359</u>	<u>3,209,500</u>	<u>3,045,870</u>	<u>3,093,073</u>
Operating Grants, Contributions and Interest:				
General Government	7,065	2,611	2,813	3,938
Security of Persons and Property:				
Police	0	107,769	0	0
Fire	244,621	0	210,790	97,633
Public Health Services	76,424	30,000	54,056	42,562
Leisure Time Services	0	0	16,105	0
Community and Economic Development	128,279	895	869	878
Transportation	825,052	896,955	1,066,568	957,203
Subtotal - Operating Grants, Contributions and Interest	<u>1,281,441</u>	<u>1,038,230</u>	<u>1,351,201</u>	<u>1,102,214</u>
Capital Grants, Contributions and Interest:				
General Government	0	0	0	143,557
Security of Persons and Property:				
Fire	0	0	0	185,544
Public Health Services	0	0	0	0
Leisure Time Services	0	0	0	144,680
Community and Economic Development	2,151,306	0	0	0
Transportation	3,267,180	1,038,941	667,331	1,157,245
Subtotal - Capital Grants, Contributions and Interest	<u>5,418,486</u>	<u>1,038,941</u>	<u>667,331</u>	<u>1,631,026</u>
<i>Total Governmental Activities Program Revenues</i>	<u>9,811,286</u>	<u>5,286,671</u>	<u>5,064,402</u>	<u>5,826,313</u>
Business-Type Activities:				
Charges for Services:				
Electric	16,216,563	17,737,799	28,405,280	28,332,284
Sanitation	908,611	1,107,928	1,189,868	1,250,052
Sewer	3,184,630	3,208,346	3,520,108	3,247,959
Telecommunications	5,520,109	5,940,724	169,831	98,749
Water	2,858,864	2,600,842	2,753,207	2,794,469
Storm Water Utility	748,930	779,837	837,314	770,567
Capital Grants, Contributions and Interest				
Sewer	2,147,795	264,491	0	130,531
Water	948,226	216,081	0	50,008
Storm Water Utility	1,580,447	144,060	0	83,066
<i>Total Business-Type Activities Program Revenues</i>	<u>34,114,175</u>	<u>32,000,108</u>	<u>36,875,608</u>	<u>36,757,685</u>
<i>Total Primary Government Program Revenues</i>	<u>\$43,925,461</u>	<u>\$37,286,779</u>	<u>\$41,940,010</u>	<u>\$42,583,998</u>

2009	2010	2011	2012	2013	2014
\$1,855,435	\$1,857,748	\$1,883,236	\$2,319,719	\$2,209,851	\$2,466,267
578,197	597,025	556,218	641,330	626,391	742,244
245,743	402,002	467,450	420,701	370,420	424,694
104,390	102,577	106,911	126,381	104,226	119,496
96,924	73,419	53,410	24,508	21,916	36,481
0	0	0	8,129	8,130	8,130
36,914	37,823	24,198	15,496	130,505	40,923
2,917,603	3,070,594	3,091,423	3,556,264	3,471,439	3,838,235
651	319	0	0	0	0
5,857	5,005	191,533	0	0	0
244,478	360,224	351,001	247,639	240,311	315,717
50,741	33,645	30,000	29,792	15,000	11,463
0	0	1,848	12,134	19,195	20,000
3,501	5,965	24,800	67,873	489,069	0
1,606,253	943,012	1,057,251	985,902	1,051,014	1,033,035
1,911,481	1,348,170	1,656,433	1,343,340	1,814,589	1,380,215
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	9,855	2,874	8,146
0	61,444	0	0	559,470	220,000
0	0	0	0	0	0
945,434	821,157	752,724	1,432,669	2,652,544	1,374,725
945,434	882,601	752,724	1,442,524	3,214,888	1,602,871
5,774,518	5,301,365	5,500,580	6,342,128	8,500,916	6,821,321
28,867,568	28,078,497	25,694,050	28,988,955	30,606,725	32,857,624
1,349,490	1,456,893	1,549,157	1,556,865	1,512,454	1,628,911
3,241,806	3,407,107	3,139,479	3,321,870	3,248,192	3,377,730
126,404	150,371	125,060	148,887	156,348	155,642
2,687,619	2,956,864	2,803,705	3,175,134	3,093,645	3,371,176
818,352	815,451	834,440	836,426	793,106	848,592
0	0	0	249,255	0	0
0	0	0	167,155	0	0
33,720	69,410	0	0	0	0
37,124,959	36,934,593	34,145,891	38,444,547	39,410,470	42,239,675
\$42,899,477	\$42,235,958	\$39,646,471	\$44,786,675	\$47,911,386	\$49,060,996

(continued)

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

	2005	2006	2007	2008 (1)
<b>Expenses</b>				
Governmental Activities:				
General Government	\$3,431,266	\$3,606,717	\$4,678,341	\$4,125,692
Security of Persons and Property:				
Police	3,265,548	3,258,125	3,662,803	3,861,017
Fire	1,767,049	1,985,638	2,687,928	2,631,887
Public Health Services	213,152	201,838	204,228	195,983
Leisure Time Services	265,241	440,546	526,995	498,379
Community and Economic Development	1,192,677	1,157,580	843,839	802,169
Transportation	2,117,570	2,077,765	3,866,183	3,090,437
Intergovernmental	0	0	0	244,657
Interest and Fiscal Charges	376,665	373,156	386,205	354,128
<i>Total Governmental Activities Expenses</i>	<u>12,629,168</u>	<u>13,101,365</u>	<u>16,856,522</u>	<u>15,804,349</u>
Business-Type Activities:				
Electric	15,918,475	16,433,153	25,617,652	26,754,920
Sanitation	943,265	1,213,352	1,285,576	1,327,449
Sewer	3,144,530	3,389,076	3,214,858	3,386,470
Telecommunications	6,040,320	5,799,642	180,577	222,847
Water	2,106,086	2,969,131	2,553,235	2,526,916
Storm Water Utility	406,202	416,054	422,249	490,366
<i>Total Business-Type Activities Expenses</i>	<u>28,558,878</u>	<u>30,220,408</u>	<u>33,274,147</u>	<u>34,708,968</u>
<i>Total Primary Government Program Expenses</i>	<u>41,188,046</u>	<u>43,321,773</u>	<u>50,130,669</u>	<u>50,513,317</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(2,817,882)	(7,814,694)	(11,792,120)	(9,978,036)
Business-Type Activities	5,555,297	1,779,700	3,601,461	2,048,717
<i>Total Primary Government Net Expense</i>	<u>2,737,415</u>	<u>(6,034,994)</u>	<u>(8,190,659)</u>	<u>(7,929,319)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	3,418,309	1,085,029	1,281,491	1,353,504
Fire and Life Squad	0	2,107,551	2,222,553	2,327,576
Debt Service	0	121,488	37,774	43,186
Income Taxes	5,319,437	6,509,453	5,888,391	6,260,249
Other Taxes	855,499	858,253	1,229,554	1,468,021
Payments in Lieu of Taxes	872,934	1,181,361	1,235,888	1,269,275
Grants and Entitlements not Restricted to				
Specific Programs	849,811	603,496	1,082,225	684,035
Unrestricted Contributions	29,500	3,119	10,345	7,494
Investment Earnings	486,315	822,519	1,353,237	781,418
Gain on Sale of Capital Assets	0	27,760	8,172	17,828
Other	154,434	356,384	403,496	185,479
Transfers	(819,916)	(13,752)	(478,040)	(117,639)
<i>Total Governmental Activities</i>	<u>\$11,166,323</u>	<u>\$13,662,661</u>	<u>\$14,275,086</u>	<u>\$14,280,426</u>

2009	2010	2011	2012	2013	2014
\$3,812,972	\$4,068,631	\$3,881,199	\$3,591,911	\$3,731,306	\$3,858,814
4,218,030	4,470,394	4,547,632	4,414,356	4,067,094	4,361,049
2,735,622	2,832,199	2,866,797	3,308,046	3,136,542	2,611,925
181,562	197,806	220,299	221,850	216,095	211,544
588,970	382,313	674,644	778,510	1,328,928	848,639
868,309	873,466	930,934	1,080,804	1,278,496	1,459,944
3,591,609	3,790,494	3,561,887	4,207,949	3,934,203	4,112,839
257,623	277,310	310,704	345,607	900,216	0
326,399	281,437	253,316	338,645	280,800	239,369
16,581,096	17,174,050	17,247,412	18,287,678	18,873,680	17,704,123
26,164,717	28,153,003	25,488,085	28,898,408	27,155,807	29,100,455
1,363,001	1,522,129	1,512,397	1,508,493	1,524,770	1,568,798
3,166,397	3,385,521	3,444,593	3,739,025	2,541,355	3,722,315
210,102	171,385	164,107	178,763	153,569	132,226
2,534,870	2,767,146	3,086,876	3,691,306	3,839,171	3,848,723
512,516	572,544	612,275	502,542	506,859	664,189
33,951,603	36,571,728	34,308,333	38,518,537	35,721,531	39,036,706
50,532,699	53,745,778	51,555,745	56,806,215	54,595,211	56,740,829
(10,806,578)	(11,872,685)	(11,746,832)	(11,945,550)	(10,372,764)	(10,882,802)
3,173,356	362,865	(162,442)	(73,990)	3,688,939	3,202,969
(7,633,222)	(11,509,820)	(11,909,274)	(12,019,540)	(6,683,825)	(7,679,833)
1,375,734	1,206,503	1,147,868	1,054,552	989,809	988,577
2,224,683	2,373,747	2,228,171	2,028,866	1,905,228	1,905,588
27,499	0	0	0	0	0
5,409,147	5,451,284	5,762,855	6,232,249	6,371,559	6,751,574
1,318,586	1,371,444	1,245,078	1,366,321	1,337,972	1,380,635
1,269,899	1,259,657	1,395,381	1,758,769	1,476,519	1,772,913
818,872	661,125	814,808	342,899	420,153	750,994
7,375	2,000	0	0	0	0
1,063,750	179,250	(217,091)	317,837	227,603	396,425
14,168	9,150	7,414	0	0	0
160,078	139,756	225,740	155,073	374,038	384,300
(1,536,455)	(310,237)	(392,268)	(274,620)	(500,000)	(2,420,508)
\$12,153,336	\$12,343,679	\$12,217,956	\$12,981,946	\$12,602,881	\$11,910,498

(continued)

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

	2005	2006	2007	2008 (1)
<b>General Revenues and Other Changes in Net Position (continued)</b>				
<i>Business-Type Activities</i>				
Investment Earnings	\$530,302	\$942,160	\$693,586	\$447,260
Gain on Sale of Capital Assets	0	17,300	0	0
Loss from Discontinued Segments of Telecommunications				
Operations	0	0	(328,948)	0
Gain on Disposal of Segments of Telecommunications				
Operations	0	0	2,742,921	0
Other	305,225	457,877	88,918	275,132
Transfers	819,916	13,752	12,320	117,639
<i>Total Business-Type Activities</i>	<u>1,655,443</u>	<u>1,431,089</u>	<u>3,208,797</u>	<u>840,031</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>12,821,766</u>	<u>15,093,750</u>	<u>17,483,883</u>	<u>15,120,457</u>
Prior Year Restatement of Governmental Activities Net Position	0	(2,146,171)	0	0
<b>Change in Net Position</b>				
Governmental Activities	8,348,441	3,701,796	2,482,966	4,302,390
Business-Type Activities	<u>7,210,740</u>	<u>3,210,789</u>	<u>6,810,258</u>	<u>2,888,748</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$15,559,181</u>	<u>\$6,912,585</u>	<u>\$9,293,224</u>	<u>\$7,191,138</u>

(1) In 2008, the City changed the accounting treatment applied to payment in lieu of taxes transactions. The City now views these transactions as exchange transactions, whereas in prior years, they were viewed as non-exchange transactions.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$700,087	\$232,745	(\$288,217)	\$219,886	\$113,323	\$282,679
2,310	10,200	12,415	3,800	0	0
0	0	0	0	0	0
0	0	0	0	0	0
128,167	68,458	665,346	2,018,744	168,793	103,639
<u>1,536,455</u>	<u>310,237</u>	<u>392,268</u>	<u>274,620</u>	<u>500,000</u>	<u>2,420,508</u>
<u>2,367,019</u>	<u>621,640</u>	<u>781,812</u>	<u>2,517,050</u>	<u>782,116</u>	<u>2,806,826</u>
<u>14,520,355</u>	<u>12,965,319</u>	<u>12,999,768</u>	<u>15,498,996</u>	<u>13,384,997</u>	<u>14,717,324</u>
0	0	0	0	0	0
1,346,758	470,994	471,124	1,036,396	2,230,117	1,027,696
<u>5,540,375</u>	<u>984,505</u>	<u>619,370</u>	<u>2,443,060</u>	<u>4,471,055</u>	<u>6,009,795</u>
<u>\$6,887,133</u>	<u>\$1,455,499</u>	<u>\$1,090,494</u>	<u>\$3,479,456</u>	<u>\$6,701,172</u>	<u>\$7,037,491</u>

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

	2005	2006	2007	2008
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,696,873	1,788,814	1,586,780	1,498,020
Unreserved	<u>2,392,657</u>	<u>3,418,537</u>	<u>3,306,942</u>	<u>3,429,456</u>
Total General Fund	<u>4,089,530</u>	<u>5,207,351</u>	<u>4,893,722</u>	<u>4,927,476</u>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	656,568	1,330,635	2,168,634	2,717,467
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,168,101	2,902,779	2,896,180	2,825,839
Debt Service Fund	4,617,027	5,484,816	4,995,975	5,078,023
Capital Projects Funds (Deficit)	<u>(582,137)</u>	<u>502,409</u>	<u>1,407,152</u>	<u>1,968,876</u>
Total All Other Governmental Funds	<u>7,859,559</u>	<u>10,220,639</u>	<u>11,467,941</u>	<u>12,590,205</u>
Prior Year Restatement of Fund Balances	<u>0</u>	<u>(798,704)</u>	<u>0</u>	<u>0</u>
<b>Total Governmental Funds</b>	<u><u>\$11,949,089</u></u>	<u><u>\$14,629,286</u></u>	<u><u>\$16,361,663</u></u>	<u><u>\$17,517,681</u></u>

Note: During 2009, the City implemented GASB Statement No. 54.

2009	2010	2011	2012	2013	2014
\$1,184,302	\$1,064,339	\$921,909	\$813,297	\$682,168	\$565,102
15,190	0	0	0	0	0
0	0	183,215	260,111	194,031	140,952
3,800,626	4,071,783	4,267,452	5,137,124	5,056,978	5,779,984
0	0	0	0	0	0
0	0	0	0	0	0
5,000,118	5,136,122	5,372,576	6,210,532	5,933,177	6,486,038
262,740	198,933	189,965	190,824	124,814	197,501
7,969,375	8,864,107	9,490,132	7,704,927	4,764,186	5,531,792
3,121,909	3,129,214	3,196,405	5,055,548	9,520,830	4,702,921
0	0	0	0	0	(238,372)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
11,354,024	12,192,254	12,876,502	12,951,299	14,409,830	10,193,842
0	0	0	0	0	0
\$16,354,142	\$17,328,376	\$18,249,078	\$19,161,831	\$20,343,007	\$16,679,880

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

	2005	2006	2007	2008
<b>Revenues</b>				
Property Taxes	\$3,314,607	\$3,344,659	\$3,536,738	\$3,758,401
Income Taxes	5,244,581	6,437,444	5,988,089	5,719,316
Other Local Taxes	855,499	857,100	1,230,707	1,466,536
Payments in Lieu of Taxes	910,839	1,181,361	1,235,888	1,269,275
Special Assessments	151,277	152,172	89,412	94,678
Charges for Services	2,111,196	2,113,406	2,154,757	2,122,822
Fines, Licenses and Permits	1,108,910	1,090,009	891,574	969,440
Intergovernmental	3,017,163	2,650,427	3,042,013	2,897,793
Interest	483,990	796,824	1,316,866	732,751
Contributions and Donations	29,500	3,119	10,345	7,494
Other	164,843	366,095	406,585	188,765
<i>Total Revenues</i>	<u>17,392,405</u>	<u>18,992,616</u>	<u>19,902,974</u>	<u>19,227,271</u>
<b>Expenditures</b>				
Current:				
General Government	3,424,490	3,823,519	4,936,788	4,594,923
Security of Persons and Property:				
Police	3,188,715	3,432,462	3,760,488	3,975,505
Fire	2,316,185	2,022,690	2,552,853	2,513,055
Public Health Services	167,028	175,691	188,855	175,878
Leisure Time Services	201,642	967,844	485,810	434,985
Community and Economic Development	1,854,563	1,102,447	719,007	863,405
Transportation	739,947	769,950	1,622,542	875,710
Intergovernmental	160,373	212,289	229,308	244,657
Capital Outlay	4,774,592	2,184,601	4,540,579	3,194,419
Debt Service:				
Principal Retirement	510,030	530,771	464,861	2,819,636
Interest and Fiscal Charges	342,982	327,457	286,716	370,358
Interest Paid on Capital Appreciation Bonds	0	0	91,687	95,767
Bond Issuance Costs	0	0	0	103,476
<i>Total Expenditures</i>	<u>17,680,547</u>	<u>15,549,721</u>	<u>19,879,494</u>	<u>20,261,774</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(288,142)</u>	<u>3,442,895</u>	<u>23,480</u>	<u>(1,034,503)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	174,400	49,758	20,436	39,550
Transfers In	887,746	1,445,692	2,551,127	1,575,558
Transfers Out	(831,969)	(1,459,444)	(3,144,659)	(1,589,309)
Inception of Capital Lease	0	0	0	60,361
General Obligation Bonds Issued	0	0	0	3,750,000
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	0	2,280,000	0
Premium on Debt Issued	0	0	1,993	92,821
Payment to Refunded Bond Escrow Agent	0	0	0	(1,738,460)
<i>Total Other Financing Sources (Uses)</i>	<u>230,177</u>	<u>36,006</u>	<u>1,708,897</u>	<u>2,190,521</u>
<i>Net Change in Fund Balances</i>	<u>(\$57,965)</u>	<u>\$3,478,901</u>	<u>\$1,732,377</u>	<u>\$1,156,018</u>
Debt Service as a Percentage of Noncapital Expenditures	6.6%	6.4%	5.5%	20.4%

2009	2010	2011	2012	2013	2014
\$3,594,477	\$3,563,064	\$3,377,780	\$3,070,560	\$2,936,952	\$2,940,203
5,510,661	5,565,246	5,463,788	6,155,444	6,334,779	6,765,581
1,319,827	1,371,120	1,245,646	1,366,321	1,337,972	1,380,635
1,269,899	1,259,657	1,428,970	1,758,769	1,476,519	1,772,913
103,030	87,439	112,287	89,051	124,099	37,671
2,113,504	2,303,809	2,309,288	2,819,113	2,601,728	2,902,988
795,107	775,800	788,547	737,151	754,072	906,570
3,563,319	2,884,405	2,932,834	2,647,883	5,404,430	2,407,179
911,684	200,297	(86,371)	329,748	167,756	397,885
4,375	63,444	1,848	12,134	19,195	20,000
163,574	143,475	225,740	155,073	374,038	384,300
19,349,457	18,217,756	17,800,357	19,141,247	21,531,540	19,915,925
3,858,069	3,837,352	3,512,438	3,353,208	3,845,070	4,022,641
4,165,490	4,208,892	4,138,153	4,155,702	4,145,205	4,491,399
2,540,690	2,579,293	2,538,806	3,055,494	2,867,920	2,960,394
159,879	164,718	175,537	171,222	166,325	180,868
424,044	390,839	493,220	648,820	1,184,816	750,673
851,361	826,380	861,847	1,010,993	1,225,319	990,247
1,000,611	1,102,322	868,916	1,146,286	1,226,412	947,545
257,623	277,310	296,891	345,607	900,216	407,960
6,231,284	2,993,629	3,205,214	3,718,437	7,728,631	8,522,810
576,144	590,158	540,884	466,645	605,496	2,080,519
309,873	272,577	244,320	220,992	291,117	283,889
103,322	0	0	0	0	0
0	0	0	0	0	0
20,478,390	17,243,470	16,876,226	18,293,406	24,186,527	25,638,945
(1,128,933)	974,286	924,131	847,841	(2,654,987)	(5,723,020)
14,168	13,700	37,825	64,912	32,077	19,541
2,575,617	1,212,115	433,620	502,500	702,500	1,632,500
(2,624,391)	(1,225,867)	(474,874)	(502,500)	(1,202,500)	(1,632,500)
0	0	0	0	0	0
0	0	0	0	2,655,000	0
0	0	0	0	2,311,603	0
0	0	0	0	1,500,000	2,000,000
0	0	0	0	239,158	40,352
0	0	0	0	(2,401,675)	0
(34,606)	(52)	(3,429)	64,912	3,836,163	2,059,893
(\$1,163,539)	\$974,234	\$920,702	\$912,753	\$1,181,176	(\$3,663,127)
6.9%	6.1%	5.5%	4.6%	5.4%	12.6%

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2005	1.00%	\$5,319,437	\$3,907,126	73.45%	\$534,603	10.05%	\$877,707	16.50%
2006	1.00	6,509,453	4,658,816	71.57	770,068	11.83	1,080,569	16.60
2007	1.00	5,888,391	4,362,709	74.09	542,910	9.22	982,772	16.69
2008	1.00	6,260,249	4,757,789	76.00	438,217	7.00	1,064,242	17.00
2009	1.00	5,409,147	4,105,542	75.90	402,441	7.44	901,164	16.66
2010	1.00	5,451,284	4,021,412	73.77	493,341	9.05	936,531	17.18
2011	1.00	5,762,855	4,320,412	74.97	418,960	7.27	1,023,483	17.76
2012	1.00	6,232,249	4,594,414	73.72	572,120	9.18	1,065,715	17.10
2013	1.00	6,323,285	4,609,675	72.90	670,268	10.60	1,043,342	16.50
2014	1.00	6,658,556	4,892,707	73.48	763,736	11.47	1,002,113	15.05

Source: City Income Tax Department, provided on a cash basis

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

CITY OF LEBANON, OHIO  
 INCOME TAX FILERS BY INCOME LEVEL  
 TAX YEARS 2013 AND 2004 (1)

Tax Year 2013 (2)

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

Tax Year 2004

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	663	12.92 %	\$97,103,584	35.15 %
75,001-100,000	663	12.92	58,335,902	21.12
50,001-75,000	875	17.05	54,216,917	19.62
25,000-50,000	1,269	24.74	47,119,836	17.06
Under 25,000	1,661	32.37	19,496,505	7.05
Total	5,131	100.00	\$276,272,744	100.00

Source: City Income Tax Department

- (1) Tax year 2014 information is not available.
- (2) Includes individuals who live within the corporation limits

CITY OF LEBANON, OHIO  
 ELECTRIC SOLD BY TYPE OF CUSTOMER  
 LAST TEN YEARS

<b>Type of Customer:</b>	<u>2005</u>	<u>2006</u>	<u>2007 (2)</u>	<u>2008</u>
Residential	\$7,508,220	\$8,611,965	\$9,608,478	\$9,716,139
Industrial	1,371,063	1,526,030	1,694,059	1,730,682
Commercial (1)	<u>6,749,294</u>	<u>7,727,224</u>	<u>16,249,343</u>	<u>17,957,635</u>
Total (3)	<u><u>\$15,628,576</u></u>	<u><u>\$17,865,219</u></u>	<u><u>\$27,551,880</u></u>	<u><u>\$29,404,456</u></u>

- (1) Majority of government buildings included in this category
- (2) During 2007, the City purchased industrial and commercial customers from Duke Energy.
- (3) Amount based on electric billed instead of actual cash collected

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$9,699,704	\$9,631,822	\$9,512,740	\$9,669,899	\$10,001,557	\$10,015,251
1,764,978	1,657,291	1,690,421	1,802,374	1,890,244	1,930,896
<u>17,065,759</u>	<u>16,797,199</u>	<u>14,495,444</u>	<u>17,583,205</u>	<u>18,967,595</u>	<u>20,582,711</u>
<u><u>\$28,530,441</u></u>	<u><u>\$28,086,312</u></u>	<u><u>\$25,698,605</u></u>	<u><u>\$29,055,478</u></u>	<u><u>\$30,859,396</u></u>	<u><u>\$32,528,858</u></u>

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CITY OF LEBANON, OHIO  
 PRINCIPAL ELECTRIC CUSTOMERS  
 2014 AND 2005

2014		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CBTS	\$3,821,096	11.75 %
Advics Mfg.	2,506,866	7.71
Mane Inc.	1,073,688	3.30
HTNA	989,603	3.04
Warren County	934,493	2.87
Green Bay Packaging	526,263	1.62
Countryside YMCA	418,941	1.29
JBM Envelope	376,821	1.16
Walmart	362,630	1.11
City of Lebanon	344,109	1.06
Total	<u>\$11,354,510</u>	<u>34.92 %</u>
Total Electric Charges for Services	<u>\$32,528,858</u>	
2005		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Warren County Commissioners	\$721,440	4.62 %
Lebanon City School District	669,334	4.28
Countryside YMCA	388,915	2.49
Inna Tech	290,792	1.86
Franklin Brazing & Metal	279,555	1.79
Kroger	246,316	1.58
Home Depot	157,776	1.01
Warren County Fair Board	149,820	0.96
Embarq	118,114	0.76
Quantum Metals	110,349	0.71
Total	<u>\$3,132,411</u>	<u>20.04 %</u>
Total Electric Charges for Services	<u>\$15,628,576</u>	

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

	2005	2006	2007 (1)	2008
<b>Residential</b>				
Customer Service Charge	\$4.44	\$4.48	\$4.52	\$4.57
Energy Charge KWH:				
All KWH	-	-	-	-
First 1,500 KWH	\$0.04183	\$0.04225	\$0.06260	\$0.06322
Above 1,500 KWH	\$0.02540	\$0.02565	\$0.04580	\$0.04625
Distribution Charge per KWH:				
First 800 KWH	-	-	-	-
Next 800 KWH	-	-	-	-
Over 1,600 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	\$0.04340	\$0.05200	\$0.03890	\$0.04510
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
<b>General Service Rate</b>				
Customer Service Charge:				
Single Phase (1 Ph) Meter	\$7.63	\$7.71	\$7.78	\$7.86
Three Phase (3 Ph) Meter	\$12.73	\$12.86	\$12.98	\$13.11
Single and Three Phase Meter	\$20.37	\$20.57	\$20.78	\$20.99
Energy Charge KWH:				
First 2,000 KWH	\$0.04876	\$0.04925	\$0.06940	\$0.07009
Next 6,000 KWH	\$0.03448	\$0.03482	\$0.05500	\$0.05555
Over 8,000 KWH	\$0.02336	\$0.02359	\$0.04370	\$0.04413
Over 100,000 KWH	\$0.01020	\$0.01030	\$0.03040	\$0.03070
1 Phase-First 165 KWH/KW	-	-	-	-
1 Phase-Next 85 KWH/KW	-	-	-	-
1 Phase-Over 250 KWH/KW	-	-	-	-
3 Phase-First 300 KWH/KW	-	-	-	-
3 Phase-Over 300 KWH/KW	-	-	-	-
Demand Charge per KW:				
First 10 KW	Free	Free	Free	Free
Next 15 KW	\$6.11990	\$6.11990	\$6.24290	\$6.30532
Over 25 KW	\$5.41316	\$5.41316	\$5.52196	\$5.57717
1 Phase-First 10 KW	-	-	-	-
1 Phase-Next 15 KW	-	-	-	-
1 Phase-Over 25 KW	-	-	-	-
3 Phase-First 1,000 KW	-	-	-	-
3 Phase-Over 1,000 KW	-	-	-	-
Distribution Charge KWH:				
1 Phase-First 1,000 KWH	-	-	-	-
1 Phase-Next 800 KWH	-	-	-	-
1 Phase-Over 1,800 KWH	-	-	-	-
3 Phase-First 5,000 KWH	-	-	-	-
3 Phase-Next 10,000 KWH	-	-	-	-
3 Phase-Over 15,000 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	\$0.04340	\$0.05200	\$0.03890	\$0.04510
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363

2009 (2)	2010	2011	2012	2013	2014
\$4.61	\$5.15	\$5.15	\$5.15	\$5.15	\$5.15
-	\$0.0670	\$0.0670	\$0.0670	\$0.0670	\$0.0670
\$0.06385	-	-	-	-	-
\$0.04671	-	-	-	-	-
-	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
-	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
-	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$7.93	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$13.24	\$20.60	\$20.60	\$20.60	\$20.60	\$20.60
\$21.20	-	-	-	-	-
\$0.07079	-	-	-	-	-
\$0.05611	-	-	-	-	-
\$0.04457	-	-	-	-	-
\$0.03101	-	-	-	-	-
-	\$0.0824	\$0.0824	\$0.0824	\$0.0824	\$0.0824
-	\$0.0721	\$0.0721	\$0.0721	\$0.0721	\$0.0721
-	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
-	\$0.0618	\$0.0618	\$0.0618	\$0.0618	\$0.0618
-	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Free	-	-	-	-	-
\$6.36837	-	-	-	-	-
\$5.63294	-	-	-	-	-
-	Free	Free	Free	Free	Free
-	\$7.21	\$7.21	\$7.21	\$7.21	\$7.21
-	\$9.27	\$9.27	\$9.27	\$9.27	\$9.27
-	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
-	\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
-	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
-	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
-	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
-	\$0.0258	\$0.0258	\$0.0258	\$0.0258	\$0.0258
-	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
-	\$0.0155	\$0.0155	\$0.0155	\$0.0155	\$0.0155
\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

(continued)

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

	2005	2006	2007 (1)	2008
<b>Large Power-Secondary Metered</b>				
Customer Service Charge	-	-	\$100.00	\$101.00
Energy Charge KWH:				
All KWH	-	-	\$0.02200	\$0.02215
First 300 KWH/KVA	-	-	-	-
Over 300 KWH/KVA	-	-	-	-
Demand Charge:				
All per KVA	-	-	\$7.00	\$7.06
First 1,000 KVA	-	-	-	-
Over 1,000 KVA	-	-	-	-
Distribution Charge KWH:				
First 200,000 KWH	-	-	-	-
Over 200,000 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	-	-	\$0.03890	\$0.04510
KWH Tax:				
First 2,000 KWH	-	-	\$0.00465	\$0.00465
Next 13,000 KWH	-	-	\$0.00419	\$0.00419
Above 15,000 KWH	-	-	\$0.00363	\$0.00363
<b>Large Power-Primary Metered</b>				
Customer Service Charge	-	-	\$100.00	\$101.00
Energy Charge KWH:				
All KWH	-	-	\$0.01349	\$0.01363
First 300 KWH/KVA	-	-	-	-
Over 300 KWH/KVA	-	-	-	-
Demand Charge per KVA:				
All per KVA	-	-	\$4.29130	\$4.33430
First 1,000 KVA	-	-	-	-
Over 1,000 KVA	-	-	-	-
Distribution Charge KWH:				
First 500,000 KWH	-	-	-	-
Over 500,000 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	-	-	\$0.03890	\$0.04510
KWH Tax:				
First 2,000 KWH	-	-	\$0.00465	\$0.00465
Next 13,000 KWH	-	-	\$0.00419	\$0.00419
Above 15,000 KWH	-	-	\$0.00363	\$0.00363

Note: Management presents rate studies and recommends rate changes to City Council.  
Utility rate can be changed by Legislative Authority.

(1) During 2007, the City purchased industrial and commercial customers from Duke Energy.

(2) In 2009, the City changed the electric rates to include a multiple tier rate system.

- Not Applicable

2009 (2)	2010	2011	2012	2013	2014
\$102.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.02237	-	-	-	-	-
-	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
-	\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288
\$7.13	-	-	-	-	-
-	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
-	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
-	\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
-	\$0.01030	\$0.01030	\$0.01030	\$0.01030	\$0.01030
\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$102.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.01376	-	-	-	-	-
-	\$0.0464	\$0.0464	\$0.0464	\$0.0464	\$0.0464
-	\$0.0103	\$0.0103	\$0.0103	\$0.0103	\$0.0103
\$4.37760	-	-	-	-	-
-	\$8.24	\$8.24	\$8.24	\$8.24	\$8.24
-	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
-	\$0.02580	\$0.02580	\$0.02580	\$0.02580	\$0.02580
-	\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00412	\$0.00411
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

CITY OF LEBANON, OHIO  
RATIO OF OUTSTANDING DEBT TO  
TOTAL PERSONAL INCOME AND DEBT PER CAPITA  
LAST TEN YEARS

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable
2005	\$6,257,240	\$584,449	\$31,562	\$1,120,000
2006	5,864,320	499,445	16,162	840,000
2007	5,456,426	409,529	0	2,560,000
2008	7,048,239	315,883	60,361	1,280,000
2009	6,499,576	218,507	46,315	0
2010	6,058,568	87,401	31,595	0
2011	5,650,893	12,985	16,168	0
2012	5,200,655	9,439	0	0
2013	7,461,050	0	0	1,509,526
2014	6,861,017	0	0	2,010,088

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

Business-Type Activities

Mortgage Revenue Bonds	Capital Leases	Notes Payable	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
\$31,321,070	\$253,111	\$8,000,000	\$0	\$47,567,432	13.42%	\$2,804
35,530,846	617,607	1,750,000	0	45,118,380	12.73	2,660
33,632,086	0	5,750,000	0	47,808,041	13.49	2,819
36,030,824	0	1,250,000	0	45,985,307	12.97	2,711
34,175,122	0	4,900,000	0	45,839,520	8.94	2,288
32,234,420	0	6,300,000	3,360,000	48,071,984	9.38	2,400
31,142,688	0	8,150,000	2,752,260	47,724,994	9.31	2,382
36,840,609	0	550,000	339,290	42,939,993	8.38	2,143
34,507,122	0	1,400,000	0	44,877,698	8.76	2,240
32,093,636	0	1,200,000	0	42,164,741	8.23	2,105

CITY OF LEBANON, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2014

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
<b>Direct - City of Lebanon</b>			
General Obligation Bonds	\$6,861,017	100.00%	\$6,861,017
Notes Payable	<u>2,010,088</u>	100.00	<u>2,010,088</u>
<i>Total Direct Debt</i>	<u>8,871,105</u>		<u>8,871,105</u>
<b>Overlapping</b>			
Lebanon City School District			
General Obligation Bonds	61,892,514	50.24	31,094,799
Capital Leases	2,763,000	50.24	1,388,131
Kings Local School District			
General Obligation Bonds	55,076,526	1.15	633,380
Warren County Vocational School District			
Certificates of Participation	5,859,606	10.49	614,673
Energy Conservation Notes	810,000	10.49	84,969
Capital Leases	115,975	10.49	12,166
Warren County			
General Obligation Bonds	12,723,008	7.07	899,517
Special Assessment Bonds	<u>9,431,095</u>	7.07	<u>666,778</u>
<i>Total Overlapping Debt</i>	<u>148,671,724</u>		<u>35,394,413</u>
<b>Total</b>	<u><u>\$157,542,829</u></u>		<u><u>\$44,265,518</u></u>

Source: Ohio Municipal Advisory Council

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

CITY OF LEBANON, OHIO  
RATIO OF GENERAL OBLIGATION BONDED DEBT TO ESTIMATED ACTUAL  
VALUE AND BONDED DEBT PER CAPITA  
LAST TEN YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>General Obligation Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2005	16,962	\$1,219,371,199	\$6,257,240	0.51%	\$368.90
2006	16,962	1,330,955,444	5,864,320	0.44	345.73
2007	16,962	1,525,874,800	5,456,426	0.36	321.69
2008	16,962	1,276,594,439	7,048,239	0.55	415.53
2009	16,962	1,192,296,133	6,499,576	0.55	383.18
2010	20,033	1,191,372,162	6,058,568	0.51	302.43
2011	20,033	1,185,040,310	5,610,870	0.47	280.08
2012	20,033	1,126,990,932	5,200,655	0.46	259.60
2013	20,033	1,126,979,400	7,461,050	0.66	372.44
2014	20,033	1,137,115,970	6,861,017	0.60	342.49

Sources:

(1) 2002-2009 from 2000 Federal Census/2010-2012 from 2010 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of special assessment debt.

CITY OF LEBANON, OHIO  
LEGAL DEBT MARGIN  
LAST TEN YEARS

	2005	2006	2007	2008
Total Assessed Property Value	<u>\$409,173,949</u>	<u>\$454,976,445</u>	<u>\$451,956,350</u>	<u>\$443,736,980</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>42,963,265</u>	<u>47,772,527</u>	<u>47,455,417</u>	<u>46,592,383</u>
Debt Outstanding:				
General Obligation Bonds	6,104,774	5,674,778	5,316,381	6,945,794
Mortgage Revenue Bonds	31,260,000	36,740,000	34,740,000	37,045,000
Special Assessment Bonds	584,449	449,445	409,529	315,883
Bond Anticipation Notes	<u>9,120,000</u>	<u>2,590,000</u>	<u>8,310,000</u>	<u>2,530,000</u>
Total Gross Indebtedness	47,069,223	45,454,223	48,775,910	46,836,677
Less:				
General Obligation Bonds	(5,900,550)	(5,585,554)	(5,260,470)	(6,919,116)
Mortgage Revenue Bonds	(31,260,000)	(36,740,000)	(34,740,000)	(37,045,000)
Special Assessment Bonds	(584,449)	(449,445)	(409,529)	(315,883)
Bond Anticipation Notes	(8,000,000)	(1,750,000)	(5,750,000)	(1,250,000)
General Obligation Bond Retirement Fund Balance	<u>(247,839)</u>	<u>(261,135)</u>	<u>(182,304)</u>	<u>(103,180)</u>
Total Net Debt Applicable to Debt Limit	<u>1,076,385</u>	<u>668,089</u>	<u>2,433,607</u>	<u>1,203,498</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$41,886,880</u>	<u>\$47,104,438</u>	<u>\$45,021,810</u>	<u>\$45,388,885</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.49%	98.60%	94.87%	97.42%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$22,504,567</u>	<u>\$25,023,704</u>	<u>\$24,857,599</u>	<u>\$24,405,534</u>
Total Gross Indebtedness	47,069,223	45,454,223	48,775,910	46,836,677
Less:				
General Obligation Bonds	(5,900,550)	(5,585,554)	(5,260,470)	(6,919,116)
Mortgage Revenue Bonds	(31,260,000)	(36,740,000)	(34,740,000)	(37,045,000)
Special Assessment Bonds	(584,449)	(449,445)	(409,529)	(315,883)
Bond Anticipation Notes	<u>(8,000,000)</u>	<u>(1,750,000)</u>	<u>(5,750,000)</u>	<u>(1,250,000)</u>
Net Debt Within 5 ½ % Limitations	<u>1,076,385</u>	<u>668,089</u>	<u>2,615,911</u>	<u>1,306,678</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$21,428,182</u>	<u>\$24,355,615</u>	<u>\$22,241,688</u>	<u>\$23,098,856</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	95.22%	97.33%	89.48%	94.65%

Source: City Financial Records

2009	2010	2011	2012	2013	2014
<u>\$416,119,870</u>	<u>\$417,778,478</u>	<u>\$414,764,110</u>	<u>\$396,556,600</u>	<u>\$396,645,380</u>	<u>\$397,990,590</u>
<u>43,692,586</u>	<u>43,866,740</u>	<u>43,550,232</u>	<u>41,638,443</u>	<u>41,647,765</u>	<u>41,789,012</u>
6,481,492	6,037,598	5,587,014	5,140,560	7,196,603	6,816,603
35,115,000	33,100,000	31,010,000	36,525,000	34,220,000	31,835,000
218,507	87,401	12,985	9,439	0	0
<u>4,900,000</u>	<u>6,300,000</u>	<u>8,150,000</u>	<u>550,000</u>	<u>4,500,000</u>	<u>5,200,000</u>
46,714,999	45,524,999	44,759,999	42,224,999	45,916,603	43,851,603
(6,481,492)	(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)	(6,816,603)
(35,115,000)	(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)	(31,835,000)
(218,507)	(87,401)	(12,985)	(9,439)	0	0
<u>(4,900,000)</u>	<u>(6,300,000)</u>	<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>	<u>(5,200,000)</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$43,692,586</u>	<u>\$43,866,740</u>	<u>\$43,550,232</u>	<u>\$41,638,443</u>	<u>\$41,647,765</u>	<u>\$41,789,012</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$22,886,593</u>	<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>
46,714,999	45,524,999	44,759,999	42,224,999	45,916,603	43,851,603
(6,481,492)	(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)	(6,816,603)
(35,115,000)	(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)	(31,835,000)
(218,507)	(87,401)	(12,985)	(9,439)	0	0
<u>(4,900,000)</u>	<u>(6,300,000)</u>	<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>	<u>(5,200,000)</u>
0	0	0	0	0	0
<u>\$22,886,593</u>	<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CITY OF LEBANON, OHIO  
 PLEDGED REVENUE COVERAGE  
 ELECTRIC SYSTEM MORTGAGE REVENUE BONDS  
 LAST TEN YEARS

Year	Electric/ Telecommunications Service Charges and Interest (1)	Direct Operating Expenses (2)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2005	\$21,957,982	\$18,933,542	\$3,024,440	\$700,000	\$816,284	\$1,516,284	1.99%
2006	24,143,085	19,441,416	4,701,669	730,000	301,463	1,031,463	4.56
2007	28,884,945	23,994,524	4,890,421	950,000	695,938	1,645,938	2.97
2008	28,585,522	24,931,692	3,653,830	1,070,000	752,988	1,822,988	2.00
2009	29,285,522	24,079,628	5,205,894	1,180,000	880,604	2,060,604	2.53
2010	28,291,909	25,998,247	2,293,662	1,235,000	722,651	1,957,651	1.17
2011	25,478,741	23,255,870	2,222,871	1,285,000	701,325	1,986,325	1.12
2012	29,119,640	26,483,052	2,636,588	1,340,000	655,186	1,995,186	1.32
2013	30,705,867	25,338,073	5,367,794	1,390,000	602,025	1,992,025	2.69
2014	33,074,747	27,381,946	5,692,801	1,440,000	549,438	1,989,438	2.86

(1) In 2006, the City refunded the electric system mortgage revenue bonds. The new bonds only require that electric system revenues and interest be pledged to repay the debt.

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

CITY OF LEBANON, OHIO  
 PLEDGED REVENUE COVERAGE  
 SEWER SYSTEM MORTGAGE REVENUE BONDS  
 LAST TEN YEARS

Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2005	\$3,191,967	\$1,583,313	\$1,608,654	\$415,000	\$428,903	\$843,903	1.91%
2006	3,223,609	1,737,309	1,486,300	435,000	522,556	957,556	1.55
2007	3,689,432	1,719,657	1,969,775	620,000	503,030	1,123,030	1.75
2008	3,347,674	1,923,716	1,423,958	645,000	475,766	1,120,766	1.27
2009	3,382,159	1,729,070	1,653,089	465,000	446,991	911,991	1.81
2010	3,389,268	1,907,162	1,482,106	480,000	425,971	905,971	1.64
2011	3,105,295	1,965,877	1,139,418	490,000	407,482	897,482	1.27
2012	3,368,455	2,117,451	1,251,004	510,000	387,881	897,881	1.39
2013	3,234,784	1,140,723	2,094,061	535,000	367,481	902,481	2.32
2014	3,404,925	2,323,575	1,081,350	560,000	346,081	906,081	1.19

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

CITY OF LEBANON, OHIO  
 PLEDGED REVENUE COVERAGE  
 WATER SYSTEM MORTGAGE REVENUE BONDS  
 LAST TEN YEARS

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2005	\$2,870,825	\$1,024,742	\$1,846,083	\$400,000	\$414,800	\$814,800	2.27%
2006	2,603,513	1,873,634	729,879	415,000	398,400	813,400	0.90
2007	2,905,422	1,436,995	1,468,427	430,000	380,970	810,970	1.81
2008	2,864,853	1,434,585	1,430,268	445,000	362,480	807,480	1.77
2009	2,801,673	1,361,027	1,440,646	285,000	342,900	627,900	2.29
2010	2,997,829	1,431,532	1,566,297	300,000	330,218	630,218	2.49
2011	2,759,278	1,827,517	931,761	315,000	316,568	631,568	1.48
2012	3,217,644	1,944,281	1,273,363	455,000	226,870	681,870	1.87
2013	3,105,305	2,137,596	967,709	380,000	466,863	846,863	1.14
2014	3,392,408	2,383,892	1,008,516	385,000	459,263	844,263	1.19

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

CITY OF LEBANON, OHIO  
 PLEDGED REVENUE COVERAGE  
 SPECIAL ASSESSMENT BONDS  
 LAST NINE YEARS

Year (1)	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2005	\$151,277	\$81,274	\$42,948	\$124,222	1.22%
2006	152,172	85,004	37,653	122,657	1.24
2007	147,773	89,916	3,218	93,134	1.59
2008	142,454	93,646	26,272	119,918	1.19
2009	140,737	97,376	20,185	117,561	1.20
2010	109,358	131,106	13,857	144,963	0.75
2011	107,264	74,416	6,096	80,512	1.33
2012	19,378	3,546	780	4,326	4.48
2013	12,086	9,439	288	9,727	1.24

Source: Provided by the City Auditor, cash basis collections for debt service fund

(1) The special assessment debt was paid off in 2013.

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2005	16,962	\$354,454,914	\$20,897	\$46,856	31.9
2006	16,962	354,454,914	20,897	46,856	31.9
2007	16,962	354,454,914	20,897	46,856	31.9
2008	16,962	354,454,914	20,897	46,856	31.9
2009	16,962	354,454,914	20,897	46,856	31.9
2010	20,033	512,544,305	25,585	61,085	33.9
2011	20,033	512,544,305	25,585	61,085	33.9
2012	20,033	512,544,305	25,585	61,085	33.9
2013	20,033	512,544,305	25,585	61,085	33.9
2014	20,033	512,544,305	25,585	61,085	33.9

(1) Source: 2002-2009 from 2000 Federal Census/2010-2012 from 2010 Federal Census

(2) Computation of per capita personal income multiplied by population

(3) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Warren County Unemployment Rate (4)
25.0 %	4,997	4.4
25.0	5,238	4.2
25.0	5,383	4.7
25.0	5,202	8.5
25.0	5,301	9.3
26.0	5,379	8.4
26.0	5,450	7.0
26.0	5,442	5.6
26.0	5,442	5.6
26.0	5,715	4.8

CITY OF LEBANON, OHIO  
 PRINCIPAL EMPLOYERS  
 2013 AND 2005

2013

Employer	Employees
Warren County	1,182
Lebanon City School District	884
Countryside YMCA	791
Advics Manufacturing	671
Kroger	479
CM Temporary	478
Wal-Mart	404
FedeEx	362
Mane Inc.	328
Amtex, Inc.	295
Total	5,874

2005

Employer	Employees
Warren County	1,040
Countryside YMCA	829
Lebanon City School District	804
Johnson & Hardin Co.	738
Advics Manufacturing	712
Wal-Mart	620
CBS Personnel Services LLC	451
Kroger	442
Hayashi Telempu North America	340
Cintemp Personnel Services	329
Total	6,305

Information on total employment within the City is not available.

The 2014 principal employer information was unavailable.

Source: Number of employees obtained from the W-2's  
 from the City Tax Department.

CITY OF LEBANON, OHIO  
 FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN YEARS

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
Council (1)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Tax	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	4.00	4.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00	5.00
Building Maintenance	3.00	2.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Engineer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Department	4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Court	8.00	8.00	7.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Probation	3.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
<b>Security of Persons and Property</b>										
Police										
Police - Chiefs/Administrative	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Police - Sergeants	5.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police - Officers	18.00	20.00	23.00	22.00	22.00	22.00	22.00	22.00	21.00	21.00
Police - Dispatchers	8.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Fire (2)(3)										
Fire - Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Captains	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Lieutenants	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Public Health</b>										
Cemetery	2.50	2.50	3.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
<b>Leisure Time Services</b>										
Parks & Recreation (3)	0.50	0.50	2.00	2.00	2.00	1.00	3.00	3.00	3.00	3.00
<b>Community Development</b>										
Building and Zoning	2.00	3.00	0.00	0.00	1.00	1.00	1.00	1.00	0.00	0.00
Planning and Development	3.00	3.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
<b>Internal Service</b>										
Automotive Maintenance	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00
<b>Transportation</b>										
Street M&R (3)	8.00	8.00	8.00	8.00	8.00	5.00	4.00	4.00	4.00	4.00
<b>Basic Utility Services</b>										
Electric - Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electric - Meter Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Electric - Operation & Maintenance (3)	11.00	11.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	12.00
Electric - Power Production	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sanitation	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Storm Water Utility	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Telecommunications	11.00	12.00	12.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water - Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water - Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Water - Supply and Treatment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Wastewater - Administration	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater - Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Wastewater - Collection and Treatment	5.00	6.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Totals:</b>	<u>148.00</u>	<u>150.00</u>	<u>158.00</u>	<u>145.00</u>	<u>145.00</u>	<u>142.00</u>	<u>141.00</u>	<u>139.00</u>	<u>136.00</u>	<u>135.00</u>

Source: City of Lebanon Annual Budget

- (1) Elected Officials meet twice a month.
- (2) Fire Department uses approximately 50-60 part-time EMT's, Officers and Firefighters.
- (3) Seasonal employees are used during the summer months.

CITY OF LEBANON, OHIO  
 OPERATING INDICATORS BY FUNCTION/PROGRAM  
 LAST TEN YEARS

Function/Program	2005	2006	2007	2008
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	178	191	190	163
Number of Planning Commission Docket Items	80	44	46	24
Zoning Board of Appeals Docket Items	3	8	9	6
<i>Finance Department (1)</i>				
Number of Checks Issued	5,274	5,393	4,788	4,952
Number of Purchase Orders Issued	2,921	3,136	2,507	1,106
Amount of Checks Written (includes interfund transfers)	\$65,681,841	\$64,977,705	\$78,123,022	\$79,454,629
Interest Earnings for Fiscal Year (cash basis)	\$655,602	\$1,098,245	\$1,631,436	\$729,505
Number of Supplemental Appropriations Issued	51	49	65	46
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Health Insurance Costs vs. General Fund Expenditures	11.86%	14.61%	12.86%	14.46%
General Fund Receipts (cash basis in thousands)	\$8,242	\$8,789	\$10,325	\$9,354
General Fund Expenditures (cash basis in thousands)	\$7,538	\$7,986	\$10,260	\$9,185
General Fund (unexpended) Cash Balances (in thousands)	\$2,004	\$2,807	\$2,873	\$3,042
<i>Income Tax Department</i>				
Number of Individual Returns	7,424	8,202	8,679	9,202
Number of Business Returns	1,401	1,014	1,408	1,506
Number of Business Withholding Accounts	1,245	1,244	1,305	1,496
Annual Number of Corporate Withholding Forms Processed	6,364	6,823	6,900	7,936
Annual Number of Balance Due Statements Forms Processed	1,300	1,520	2,160	500
Annual Number of Estimated Payment Forms Processed	1,650	1,706	1,850	2,000
Annual Number of Reconciliations of Withholdings Processed	1,331	1,329	1,517	1,346
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$9,043,425	\$5,221,623	\$5,301,116	\$5,010,259
<i>Municipal Court</i>				
Number of Civil Cases	1,233	1,212	1,275	1,321
Number of Criminal Cases	1,500	1,471	1,540	1,597
<i>Civil Service</i>				
Number of Police Entry Tests Administered	1	0	151	153
Number of Police Promotional Tests Administered	0	0	0	8
Number of Hires of Police Officers from Certified Lists	2	0	0	3
Number of Promotions from Police Certified Lists	0	0	0	1

2009	2010	2011	2012	2013	2014
113	131	107	115	114	99
30	23	22	28	32	34
5	6	2	3	3	11
4,477	4,540	4,433	4,753	5,509	4,425
1,016	1,000	1,039	1,084	1,045	873
\$67,670,694	\$70,323,107	\$73,041,394	\$78,807,285	\$72,899,728	\$78,072,236
\$460,240	\$366,830	\$241,760	\$455,725	\$231,840	\$251,836
34	20	26	42	20	21
Aaa	A1	A1	Aa2	Aa2	Aa2
12.32%	8.99%	9.29%	10.50%	11.13%	11.90%
\$8,883	\$9,251	\$9,257	\$9,951	\$10,055	\$10,604
\$9,019	\$8,918	\$8,918	\$8,945	\$10,186	\$10,323
\$2,906	\$3,239	\$3,758	\$4,853	\$4,721	\$5,003
9,827	9,790	9,630	9,982	9,807	10,573
1,507	1,518	1,593	1,470	1,522	1,713
1,496	1,472	2,356	2,344	2,385	2,632
8,514	8,418	8,415	8,298	8,411	8,448
600	791	720	800	745	760
2,000	2,500	2,016	2,118	2,158	2,017
1,322	1,356	1,530	1,166	1,343	1,278
\$7,545,020	\$3,235,575	\$7,181,756	\$5,885,336	\$8,577,939	\$11,874,633
1,087	1,063	826	754	593	605
1,393	1,372	1,417	1,515	1,475	1,573
429	0	0	1	1	30
0	0	2	0	0	5
3	1	0	2	2	2
0	0	2	1	0	2

(continued)

CITY OF LEBANON, OHIO  
 OPERATING INDICATORS BY PROGRAM/FUNCTION  
 LAST TEN YEARS  
 (CONTINUED)

Function/Program	2005	2006	2007	2008
<b><i>Building Department Indicators</i></b>				
Commercial Construction Permits Issued	99	99	93	176
Estimated Value of Commercial Construction	\$31,850,725	\$12,249,758	\$15,704,396	\$24,382,169
Residential Construction Building Permits Issued	293	92	140	127
Estimated Value of Residential Construction	\$24,861,557	\$17,034,844	\$9,761,281	\$8,273,210
<b>Security of Persons and Property</b>				
<b><i>Police</i></b>				
Total Calls for Services	23,389	25,475	23,823	25,459
Number of Traffic Citations Issued	1,663	1,841	1,576	1,767
Number of Parking Citations Issued	0	0	235	125
Number of Criminal Arrests	1,237	1,561	1,649	1,794
Number of Accident Reports Completed	787	835	595	400
Part 1 Offenses (major offenses)	715	644	449	480
Animal Complaints	334	410	360	322
DUI Arrests	121	149	152	165
Traffic Crashes	421	440	595	400
Crash Injuries	128	143	137	125
Crash Deaths	0	0	0	0
Prisoners	276	389	118	12
Prisoner Meal Costs	\$3,793	\$7,486	\$1,300	\$63
Gasoline Costs of Fleet	\$48,477	\$57,754	\$55,796	\$76,614
<b><i>Fire</i></b>				
EMS Calls	2,000	2,037	2,131	2,152
Ambulance Billing Collections (net)	\$180,894	\$129,802	\$189,844	\$245,713
Fire Calls	1,062	1,139	1,535	1,884
Fires with Loss	42	50	42	55
Fires with Losses Exceeding \$10K	5	3	9	12
Fire Losses	\$395,500	\$229,275	\$643,967	\$914,225
Fire Safety Inspections	305	540	610	650
Number of Times Mutual Aid Given to Fire and EMS	31	26	54	58
Number of Times Mutual Aid Received for Fire and EMS	8	6	42	67
<b>Public Health</b>				
Cemetery Receipts (includes interfund transfers)	\$124,664	\$163,759	\$168,527	\$156,522

2009	2010	2011	2012	2013	2014
127	90	60	67	65	93
\$6,017,287	\$7,898,118	\$18,480,315	\$37,700,000	\$33,482,059	\$44,964,185
137	112	30	88	170	176
\$10,780,028	\$6,536,428	\$6,124,089	\$3,200,000	\$2,533,487	\$5,870,806
23,389	22,024	21,229	22,410	21,449	21,932
1,373	1,203	989	1,472	1,656	1,406
217	68	63	130	572	48
1,335	1,263	1,072	1,232	1,138	1,308
392	398	433	419	550	645
519	474	385	585	500	494
343	336	345	378	317	358
112	109	76	70	104	137
392	398	432	419	550	452
97	86	81	80	100	73
1	1	0	0	1	0
3	2	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$49,409	\$63,837	\$83,778	\$81,418	\$78,641	\$83,046
2,235	2,226	2,174	2,262	2,169	2,149
\$245,743	\$402,002	\$467,450	\$420,701	\$370,420	\$424,694
1,521	1,468	1,409	1,428	1,528	1,252
25	33	47	31	19	15
12	5	11	7	7	6
\$1,357,420	\$846,664	\$1,380,239	\$401,631	\$249,056	\$331,491
n/a	141	n/a	35	38	300
53	52	31	44	24	32
70	45	95	69	56	42
\$160,398	\$156,010	\$187,242	\$167,721	\$158,214	\$178,975

(continued)

CITY OF LEBANON, OHIO  
 OPERATING INDICATORS BY PROGRAM/FUNCTION  
 LAST TEN YEARS  
 (CONTINUED)

Function/Program	2005	2006	2007	2008
<b>Leisure Time Services</b>				
<i>Recreation Receipts</i>				
Football	\$1,095	\$0	\$0	\$0
Softball Leagues	4,500	0	0	0
Adult Basketball	3,975	0	0	0
Farmer's Market	0	1,250	1,000	850
Recreation Programs	3,545	15,030	26,864	27,680
Field Usage Fees	18,458	15,930	20,790	26,223
Summer Camp	0	0	0	0
Concession Stand	0	0	0	0
Total Recreation Department Receipts	<u>\$31,573</u>	<u>\$32,210</u>	<u>\$48,654</u>	<u>\$54,753</u>
<b>Transportation</b>				
Crackseal Coating Program (Miles)	3.00	2.50	4.00	3.50
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,500	1,950	2,080	2,175
Street Sweeper (hours)	1,440	1,440	1,400	1,906
Cold Patch (hours)	180	210	65	96
After Hours Sewer and Water Calls	180	224	150	111
Sewer Cleaning (feet)	40,460	51,030	32,313	27,557
Sewer Jet, Vac-All, Video (feet)	15,907	45,681	26,050	23,299
Landscaping Stump-Chipper Service (hours)	160	200	168	128
Leaf Collection (hours)	2,800	3,000	3,696	3,696
Downtown Square Repair After Events (hours)	25	25	352	410
Equipment Repair/Body Shop (hours)	4,160	4,160	4,475	4,160
Sign Department (hours)	416	500	200	350
Tons of Snow Melting Salt Purchased (Nov-Mar)	3,427	542	2,200	500
Cost of Salt Purchased	\$115,441	\$22,927	\$95,700	\$93,992
<b>Water Department</b>				
Water Rates per 1st 2,500 Gallons of Water Used	\$8.92	\$9.19	\$9.74	\$10.03
Avg. Number of Water Accounts Billed Monthly	6,800	7,000	7,125	7,179
Total Water Collections Annually	\$2,943,704	\$3,327,223	\$2,753,207	\$2,315,455
<b>Wastewater Department</b>				
Wastewater Rates per 1st 2,500 Gallons Used	\$11.29	\$14.28	\$14.99	\$14.99
Total Flow of Wastewater Treatment Plant (MG)	1,031.000	1,028.000	1,061.000	1,051.670
Average Daily Flow (millions of gallons per day)	2.800	2.800	2.900	2.900
Tons of Dry Sludge Removed	498.00	461.00	460.25	473.18

(1) Receipts and expenditures include interfund transfers

2009	2010	2011	2012	2013	2014
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
800	900	1,150	1,740	1,600	1,540
66,093	23,230	21,995	20,600	19,940	20,995
26,605	38,645	34,145	43,280	29,332	41,945
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$93,498</u>	<u>\$62,775</u>	<u>\$57,290</u>	<u>\$65,620</u>	<u>\$50,872</u>	<u>\$64,480</u>

4.10	5.50	11.20	7.00	8.00	8.50
1,975	2,080	1,865	1,700	2,000	2,150
1,706	1,280	1,280	750	1,300	750
102	105	8	20	30	48
105	106	92	100	64	117
29,744	16,955	28,950	36,112	51,451	68,813
13,281	21,566	54,555	19,541	23,998	17,241
84	80	96	50	20	80
3,562	1,920	1,920	2,000	1,900	2,250
435	365	420	400	500	550
4,160	4,360	4,360	4,458	4,507	5,334
290	816	816	850	1,000	1,150
1,070	2,307	1,875	840	2,400	3,000
\$134,810	\$196,394	\$62,589	\$33,028	\$112,832	\$208,172

\$10.63	\$11.27	\$11.95	\$12.67	\$14.24	\$14.24
7,235	7,296	7,305	7,350	7,360	7,377
\$2,430,625	\$2,706,968	\$2,733,116	\$3,040,209	\$2,987,747	\$3,209,751

\$15.74	\$16.21	\$16.21	\$16.70	\$17.20	\$17.20
935.570	961.950	1,215.369	928.000	1,045.000	1,022.000
2.600	2.600	3.330	2.500	2.860	2.810
481.16	444.78	414.03	472.00	348.31	473.43

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
Square Footage Occupied	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226
Administrative Vehicles	9	9	8	7	8	8	6	7	7	7
Inspection Vehicles	7	7	6	4	3	3	3	3	3	3
Information Technology	1	1	2	2	2	2	2	1	1	1
<b>Cemetery</b>										
Square Footage of Building	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126
Vehicles	2	2	2	2	1	1	1	1	1	1
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610
Vehicles	21	21	17	17	18	17	16	16	18	16
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331
Vehicles	21	21	20	21	21	21	19	20	20	19
<b>Recreation</b>										
Number of Parks	15	15	15	15	16	16	16	16	16	16
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	11	11	11	11	12	12	12	12	12	12
Number of Soccer Fields	24	27	27	27	30	37	37	37	37	37
Number of Community Access Buildings (1)	4	4	4	4	4	4	4	4	4	4
Number of Disc Golf Course	0	0	0	0	0	0	1	1	1	1
<b>Other Public Works</b>										
Streets (miles)	94.132	94.724	94.813	94.813	94.813	94.813	94.813	94.813	95.040	102.893
Service Vehicles	17	17	19	18	23	22	24	24	24	21
Auto Maintenance Internal Service	2	2	2	2	2	2	2	2	2	2
<b>Electric</b>										
Vehicles	21	20	21	22	23	24	22	19	20	17
<b>Sanitation</b>										
Vehicles	0	0	1	1	1	1	1	1	1	1
<b>Telecommunications</b>										
Vehicles	7	7	1	1	2	2	2	2	2	2
<b>Wastewater</b>										
Sanitary Sewers (miles)	80.877	81.744	81.744	113.457	113.591	113.591	113.610	113.799	114.327	114.406
Storm Sewers (miles)	46.224	47.598	48.288	83.439	84.512	86.10	86.53	88.05	88.52	90.00
Vehicles	9	9	8	7	7	7	7	7	7	6
<b>Water Department</b>										
Water Lines (miles)	84.100	84.870	85.628	109.305	110.425	110.432	110.432	113.609	113.636	114.145
Vehicles	8	9	10	10	10	11	10	10	10	10

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



# Dave Yost • Auditor of State

**CITY OF LEBANON**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 30, 2015**