

CITY OF LEBANON
WARREN COUNTY
REGULAR AUDIT
JANUARY 1, 2017 – DECEMBER 31, 2017





Dave Yost • Auditor of State

Members of 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, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 13, 2018

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**CITY OF LEBANON
WARREN COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	1

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**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 the City Council and Management:

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, 2017, 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 20, 2018.

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.

City of Lebanon
Warren County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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 report is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 20, 2018

CITY OF LEBANON, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2017

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INTRODUCTORY SECTION



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**CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Issued by:
Office of the Auditor**

**Dan Burke
City Auditor**

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City of Lebanon
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2017

Table of Contents

INTRODUCTORY SECTION

Title Page
 Table of Contents i
 Letter of Transmittalv
 GFOA Certificate of Achievement xi
 List of Principal Officials..... xii
 Organizational Chart..... xiii

FINANCIAL SECTION

Independent Auditor’s Report 1
 Management’s Discussion and Analysis5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position17
 Statement of Activities.....18

Fund Financial Statements:

Balance Sheet – Governmental Funds20
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities23
 Statement of Revenues, Expenditures and Changes in
 Fund Balances – Governmental Funds24
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
 Balances of Governmental Funds to the Statement of Activities.....26
 Statement of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual – General Fund – Budget Basis28
 Statement of Revenues, Expenditures and Changes in
 Fund Balance – Budget and Actual – Fire and Life Squad Special Revenue Fund –
 Budget Basis29
 Statement of Fund Net Position – Proprietary Funds30

Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	34
Statement of Cash Flows – Proprietary Funds.....	36
Statement of Fiduciary Assets and Liabilities – Agency Fund.....	40
Notes to the Basic Financial Statements.....	41
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System – Traditional Plan – Last Four Years.....	91
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund – Last Four Years.....	92
Schedule of City Contributions – Ohio Public Employees Retirement System - Traditional Plan – Last Five Years	93
Schedule of City Contributions – Ohio Police and Fire Pension Fund – Last Ten Years.....	94
Notes to Required Supplementary Information	96
Combining Financial Statements:	
Combining Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions.....	98
Combining Balance Sheet – Nonmajor Governmental Funds.....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	101
Combining Balance Sheet – Nonmajor Special Revenue Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	104
Combining Balance Sheet – Nonmajor Capital Projects Funds	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	107
Combining Statements – Internal Service Funds:	
Internal Service Fund Descriptions.....	108

Combining Statement of Fund Net Position – Internal Service Funds	109
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	110
Combining Statement of Cash Flows – Internal Service Funds	111
Combining Statements – Agency Funds:	
Agency Fund Descriptions.....	112
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	113
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget and Actual (Budget Basis):	
Major Funds:	
General Fund.....	114
Fire and Life Squad Special Revenue Fund.....	117
Tax Increment Financing Capital Projects Fund	118
Capital Improvement Capital Projects Fund.....	119
Electric Enterprise Fund	120
Sanitation Enterprise Fund.....	121
Sewer Enterprise Fund.....	122
Telecommunications Enterprise Fund	123
Water Enterprise Fund	124
Storm Water Utility Enterprise Fund.....	125
Nonmajor Funds:	
Cemetery Special Revenue Fund.....	126
Court Special Revenue Fund	127
Park/Recreation Impact Fee Special Revenue Fund.....	128
Transportation Special Revenue Fund.....	129
Debt Service Fund.....	130
Cemetery Improvement Capital Projects Fund.....	131
Automotive Maintenance Internal Service Fund	132
Self-Insurance Internal Service Fund.....	133

STATISTICAL SECTION

Statistical Tables Descriptions	S1
Net Position by Component – Last Ten Years.....	S2
Changes in Net Position – Last Ten Years	S4
Fund Balances, Governmental Funds – Last Ten Years.....	S10
Changes in Fund Balances, Governmental Funds – Last Ten Years.....	S12
Income Tax Revenue Base and Collections – Last Ten Years	S14
Income Tax Filers by Income Level – Tax Years 2016 and 2007.....	S15
Electric Sold by Type of Customer – Last Ten Years	S16
Principal Electric Customers – 2017 and 2008.....	S19
Electric Rates per Year – Last Ten Years.....	S20
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years	S24

Computation of Direct and Overlapping Governmental Activities Debt – December 31, 2017	S26
Ratio of General Obligation Bonded Debt to Estimated Actual Value and Bonded Debt Per Capita – Last Ten Years.....	S27
Legal Debt Margin – Last Ten Years	S28
Pledged Revenue Coverage – Electric System Mortgage Revenue Bonds – Last Ten Years.....	S30
Pledged Revenue Coverage – Sewer System Mortgage Revenue Bonds – Last Ten Years	S31
Pledged Revenue Coverage – Water System Mortgage Revenue Bonds – Last Ten Years.....	S32
Pledged Revenue Coverage – Special Assessment Bonds – Last Ten Years	S33
Demographic and Economic Statistics – Last Ten Years	S34
Principal Employers – 2016 and 2008.....	S36
Full-Time City Government Employees by Function/Program – Last Ten Years	S37
Operating Indicators by Function/Program – Last Ten Years	S38
Capital Assets Statistics by Function/Program – Last Ten Years.....	S44



"Dedicated to Excellence in Public Service"

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

June 20, 2018

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

We are pleased to present the thirtieth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report for the year ended December 31, 2017 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, 2017, 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.

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 2017. These projects totaled over \$3.49 million and included the complete reconstruction of Jackson Street, resurfacing of Bypass 48 from Turtlecreek Union Road to S.R. 123, and the resurfacing of various streets throughout the City. The reconstruction of Jackson Street included the replacement of the water distribution system, rehabilitation of the sanitary sewer mains, and the installation of a new storm drainage system. The City secured ODOT Urban Paving funds in the amount of \$867,806 to support the paving of Bypass 48. The City's annual resurfacing and concrete replacement program totaled \$1.2 million and included multiple streets.

The City continues to focus on replacing aging sanitary sewer and water mains throughout the City. In addition to the work performed on this infrastructure on Jackson Street, the existing water main on Mechanic Street was also replaced. The City also extended a new water main along Lebanon Road to serve property being marketed for professional office development. The City has structured the water and sanitary sewer rates to ensure that this aging infrastructure will be replaced in a planned manner.

The City received a grant from the Ohio Department of Natural Resources totaling \$236,750 to purchase property along South Broadway Avenue for additional greenspace within the downtown district to beautify this corridor.

The City received a \$150,000 grant from the Ohio Department of Natural Resources Recreational Trail Program to support the construction of the Lebanon Bike Park. This park is unique to Southwest Ohio,

and features mountain bike trails, pump tracks, a jump line, and cyclocross course that can host local and regional tournaments.

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.

Residential Housing

Overall, the number of residential permits issued during 2017 (196) declined slightly by 2 percent as compared to 2016 (200). The residential sector continues to see investment in relation to new housing starts, as reflected by new construction permits issued during 2017 for 77 new housing units. The total construction valuation of residential development as reflected in the permit data for 2017 was \$7.5 million.

Commercial and Industrial

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

Lebanon continues to position itself to capitalize on new and emerging business opportunities as the market strengthens through long term investments in land and infrastructure. Lebanon maintains a strategic focus to leverage available economic development inducement programs to recruit new businesses and industry. The City has used tax increment financing (TIF) and selected economic development incentives to attract new business and to assist existing business expansions. TIFs have been successfully used as a mechanism to provide a funding source for public infrastructure improvements needed to provide access to undeveloped sites or to improve existing infrastructure to accommodate new development. A recently completed TIF project was the widening of Columbia Road in 2016. The new roadway has made accessible prime commercial land for development, while providing improved traffic flow to existing manufacturing businesses in the industrial parks. This project was critical in supporting the expansion of the Advics facility. The Community Reinvestment Area (CRA) program has also served as an important incentive for new facility construction within the city as well as expansion and renovation projects.

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

In 2017, the City was successful in attracting new investment into the community. The City had quality growth in both the industry and commercial sectors. The industry sector continues to experience rebounded new development and investment. The commercial sector has also seen expansion in terms of new construction, and more importantly adaptive reuse of existing facilities. The growth in both sectors is encouraging and created significant momentum heading into 2018.

The City has remained focused on positioning itself to capitalize on new and expanding business opportunities as the economic environment continues to improve. The recent expansion of Columbia Business Park and the access improvements resulting from the Columbia Road reconstruction project have enhanced the Park's long-term marketability. In 2016, the City completed a master development plan for the remaining 185 acres, which includes preliminary site layout and engineering cost estimates. The result of this work has qualified the second phase of Columbia Business Park for SiteOhio certification through JobsOhio.

The Think!Downtown project emerged in late 2016 as the planning effort to create a new master plan for downtown Lebanon. The initiative focused on enhancing downtown Lebanon through public engagement and community-supported goals. The planning process was a year in the making, involving residents, community stakeholders, and city leaders who provided input along the way.

The master plan, adopted in November of 2017, extends the boundaries of the Downtown focus area to include the North Broadway corridor and the Pleasant Square neighborhood. The plan, which offers a blueprint to guide downtown development over the next decade, replaces the existing master plan that was created in 2001. The plan will help guide future infrastructure investments in the area, as well as providing tools to support and enhance private investment in these areas. The plan's vision strives to make downtown a better place to live, work and visit by improving economic opportunities, residential options, transportation and overall aesthetics. Many of the recommendations outlined in the plan are already in the implementation phase.

The following are notable projects from 2017:

Kadant Black Clawson

In 2017, the City welcomed Kadant Black Clawson to the Kingsview Industrial Park. The company began construction on a new manufacturing facility in June. The new state of the art facility encompasses 130,000 square feet of production area and 13,000 square feet of office space. Kadant Black Clawson is a global supplier of fiber processing systems for the pulp and paper industry. The new facility will begin operations in early 2018 with 115 employees.

Mane, Inc.

Mane, Inc., one of the largest flavor and fragrance companies in the world continues to grow and expand their Lebanon operations. Mane completed a \$34 million expansion to their production facility in Lebanon Commerce Center. The latest expansion, their fourth since 2007, will provide additional space for new product lines and grow the company's workforce to over 500 employees.

Green Bay Packaging, Inc.

Green Bay Packaging completed a \$4 million expansion to their facility on Kingsview Drive. The company manufactures a wide variety of corrugated products for retail packaging. The expansion will provide the company with additional warehouse space to stage their products for shipping. Green Bay Packaging began operations in 2013 and currently has over 120 employees.

Quantum Metals

Quantum Metals, located in Columbia Business Park, completed the company's third expansion to their production facility since beginning operations in 2002. The company provides innovative metal reclamation and recycling services. The 24,000 square-foot expansion will allow Quantum Metals to enhance their operations in response to growing market demand and increased services.

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 focus on business

retention and expansion of 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. The City continues its efforts to improve the mix of residential and nonresidential development, which is crucial to sustaining a diversified tax base. The financial health of the City is a direct result of the strength of the City's corporate residents and the City recognizes it has an excellent economic resource in its current employment base.

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, 2016. This was the twenty-ninth 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.



Daniel Burke
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, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR	Amy Brewer
VICE MAYOR	Mark Messer
COUNCIL MEMBERS:	Wendy Monroe Jeffrey S. Aylor Jim Dearie Stephen Kaiser ** James Norris II ** Douglas Shope *** Krista Wyatt ***

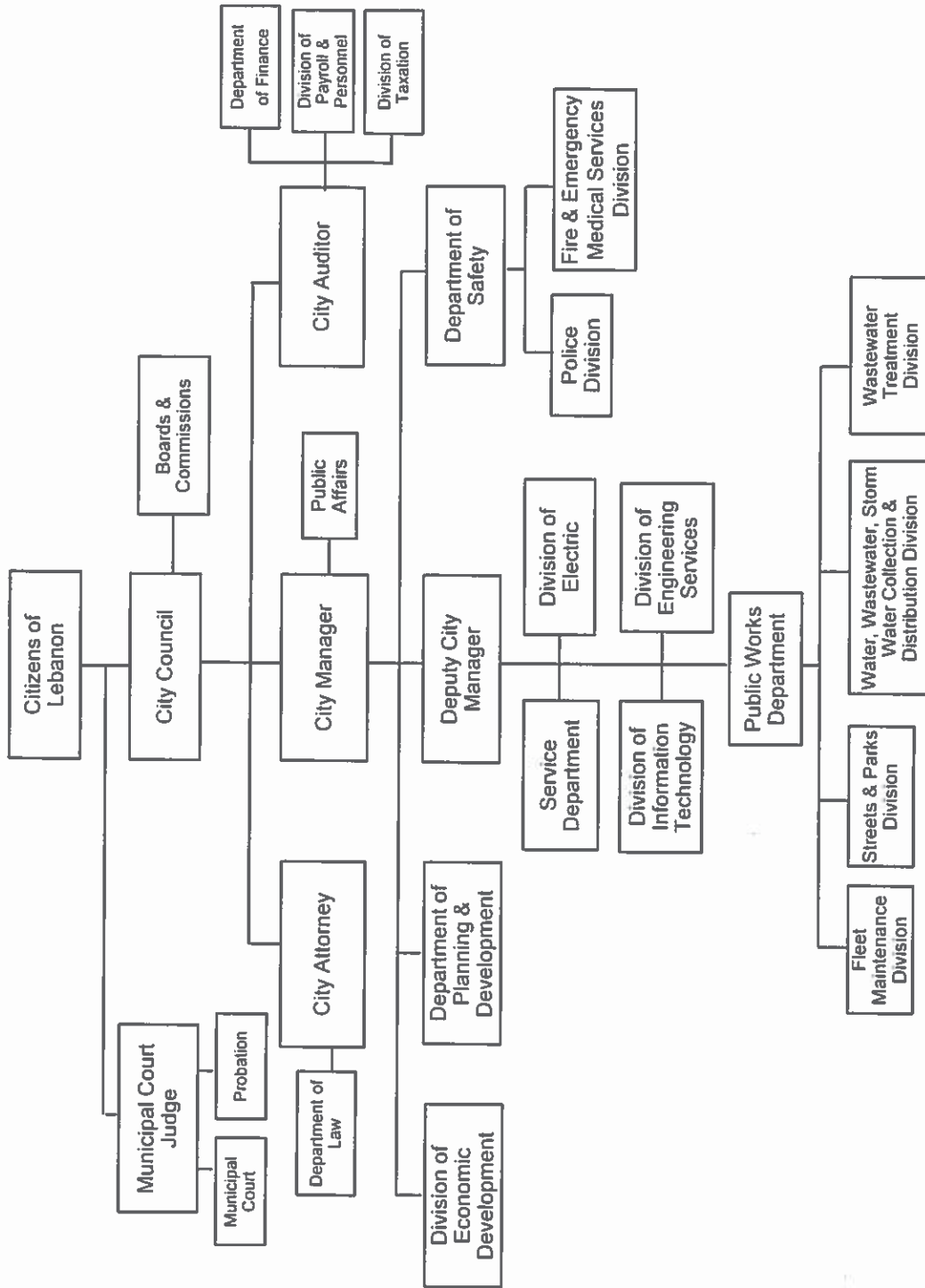
APPOINTED OFFICIALS

CITY MANAGER	Scott Brunka
CITY AUDITOR	Dan Burke
CITY ATTORNEY	Mark S. Yurick

** Stephen Kaiser and James Norris II served on City Council from January 1 - December 5, 2017.

*** Douglas Shope and Krista Wyatt began serving on City Council on December 5, 2017.

City of Lebanon, Ohio Organizational Chart



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FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

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, 2017, 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.

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, 2017, 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* and schedules of net pension liabilities and pension contributions 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 20, 2018 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 20, 2018

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CITY OF LEBANON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017
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, 2017. 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 \$11,218,132. Current year revenues increased compared to the prior year and outpaced expenses as the City continued to monitor its spending. The City income tax revenue increased due to change in the full credit (one percent) for those residents that pay earnings tax to their work City to 0.5 percent credit. The City also increased their water rates in 2017.

General revenues of governmental activities accounted for \$17,659,658 of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$7,569,977 of the revenues.

The City had \$21,220,525 in expenses related to governmental activities; \$7,569,977 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily income taxes) of \$17,659,658 were adequate enough to support these programs.

The City had \$38,319,321 in expenses related to business-type activities. \$45,190,775 of program specific charges for services and sales, and capital grants and contributions, and interest together with \$337,568 in general revenues more than offset the expenses.

The City's Enterprise Funds reflected a total operating income of \$5,219,725 as follows: Electric Fund \$3,682,513, Sanitation Fund \$61,575, Sewer Fund \$634,985, Telecommunications Fund (\$212,617), Water Fund \$868,209, and Storm Water Utility Fund \$185,060.

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 2017 compared to 2016.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total		Change
	2017	2016	2017	2016	2017	2016	
Assets:							
Current and Other Assets	\$33,900,564	\$31,996,919	\$43,384,005	\$39,125,897	\$77,284,569	\$71,122,816	\$6,161,753
Capital Assets	53,889,421	54,379,814	97,265,760	95,926,449	151,155,181	150,306,263	848,918
<i>Total Assets</i>	<u>87,789,985</u>	<u>86,376,733</u>	<u>140,649,765</u>	<u>135,052,346</u>	<u>228,439,750</u>	<u>221,429,079</u>	<u>7,010,671</u>
<i>Deferred Outflows of Resources</i>							
Deferred Charge on Refunding	50,892	67,165	307,228	226,129	358,120	293,294	64,826
Pension	3,839,321	3,735,926	1,297,289	994,536	5,136,610	4,730,462	406,148
<i>Total Deferred Outflows of Resources</i>	<u>3,890,213</u>	<u>3,803,091</u>	<u>1,604,517</u>	<u>1,220,665</u>	<u>5,494,730</u>	<u>5,023,756</u>	<u>470,974</u>
Liabilities:							
Current and Other Liabilities	992,925	2,769,023	1,340,558	2,432,584	2,333,483	5,201,607	(2,868,124)
Long-Term Liabilities							
Net Pension Liability	13,938,307	12,819,092	3,367,358	2,570,530	17,305,665	15,389,622	1,916,043
Other Amounts	10,390,544	10,942,958	19,335,296	21,512,732	29,725,840	32,455,690	(2,729,850)
<i>Total Liabilities</i>	<u>25,321,776</u>	<u>26,531,073</u>	<u>24,043,212</u>	<u>26,515,846</u>	<u>49,364,988</u>	<u>53,046,919</u>	<u>(3,681,931)</u>
<i>Deferred Inflows of Resources</i>							
Property Tax	3,663,125	3,710,905	0	0	3,663,125	3,710,905	(47,780)
Payment in Lieu of Taxes	1,709,075	1,750,291	0	0	1,709,075	1,750,291	(41,216)
Deferred Charge on Refunding	1,230	0	0	0	1,230	0	1,230
Pension	681,095	619,241	21,024	49,668	702,119	668,909	33,210
<i>Total Deferred Inflows of Resources</i>	<u>6,054,525</u>	<u>6,080,437</u>	<u>21,024</u>	<u>49,668</u>	<u>6,075,549</u>	<u>6,130,105</u>	<u>(54,556)</u>
Net Position:							
Net Investment in Capital Assets	45,187,387	44,914,941	78,562,446	74,004,313	123,749,833	118,919,254	4,830,579
Restricted	10,733,107	9,034,221	1,817,123	2,933,782	12,550,230	11,968,003	582,227
Unrestricted	4,383,403	3,619,152	37,810,477	32,769,402	42,193,880	36,388,554	5,805,326
<i>Total Net Position</i>	<u>\$60,303,897</u>	<u>\$57,568,314</u>	<u>\$118,190,046</u>	<u>\$109,707,497</u>	<u>\$178,493,943</u>	<u>\$167,275,811</u>	<u>\$11,218,132</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2017 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the City’s proportionate share of each plan’s collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Net position of the City's governmental activities increased \$2,735,583 from the prior year. Unrestricted and Restricted increased mainly due to income tax revenues that are both restricted and unrestricted in use. The City approved a change in the credits allowable for residents that pay earning tax to their work City from one percent to 0.5 percent.

The net position of the City's business-type activities increased \$8,482,549. Unrestricted net position increased due to a large increase in revenues. The Electric Fund and Water Fund had an increase in service demand from business growth in the City's industrial parks. The City also increased the water rates to users on January 1, 2017. The City still strives to control operational expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of the growing community in order to adjust for changes in City policy where necessary. City Council and administration are diligent in keeping the City fiscally strong, as indicated by the continued effort to achieve the goals set forth in the City's fiscal policy. The City's administration has developed a strategic planning process that utilizes a five-year capital improvement plan, which drives our operating budget and department superintendents are all involved in the entire process. The City's budget is developed from the bottom up with emphasis on good stewardship of our ratepayers' and taxpayers' money.

Table 2 shows the changes in net position for the years ended December 31, 2017 and 2016.

*Table 2
Changes in Net Position*

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$3,954,311	\$3,829,171	\$42,717,808	\$40,507,074	\$46,672,119	\$44,336,245
Operating Grants, Contributions and Interest	1,835,399	1,106,573	0	0	1,835,399	1,106,573
Capital Grants, Contributions and Interest	1,780,267	1,332,225	2,472,967	682,145	4,253,234	2,014,370
Total Program Revenues	<u>7,569,977</u>	<u>6,267,969</u>	<u>45,190,775</u>	<u>41,189,219</u>	<u>52,760,752</u>	<u>47,457,188</u>
General Revenues:						
Property Taxes	3,805,674	3,812,015	0	0	3,805,674	3,812,015
Income Taxes	9,548,135	7,613,002	0	0	9,548,135	7,613,002
Other Local Taxes	1,503,991	1,526,713	0	0	1,503,991	1,526,713
Payments in Lieu of Taxes	1,730,854	1,774,947	0	0	1,730,854	1,774,947
Grants and Entitlements Not Restricted to Specific Programs	352,609	366,251	0	0	352,609	366,251
Investment Earnings	274,506	460,102	218,950	198,153	493,456	658,255
Gain on Sale of Capital Assets	0	0	11,265	13,400	11,265	13,400
Other	443,889	248,975	107,353	66,747	551,242	315,722
Total General Revenues	<u>17,659,658</u>	<u>15,802,005</u>	<u>337,568</u>	<u>278,300</u>	<u>17,997,226</u>	<u>16,080,305</u>
Total Revenues	<u>\$25,229,635</u>	<u>\$22,069,974</u>	<u>\$45,528,343</u>	<u>\$41,467,519</u>	<u>\$70,757,978</u>	<u>\$63,537,493</u>

(continued)

Table 2
Changes in Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2017	2016	2017	2016	2017	2016
Program Expenses:						
General Government	\$4,840,572	\$5,157,129	\$0	\$0	\$4,840,572	\$5,157,129
Security of Persons and Property:						
Police	5,122,645	5,115,826	0	0	5,122,645	5,115,826
Fire	3,396,681	3,276,015	0	0	3,396,681	3,276,015
Public Health Services	220,040	197,737	0	0	220,040	197,737
Leisure Time Services	984,126	828,117	0	0	984,126	828,117
Community and Economic						
Development	1,314,860	1,240,968	0	0	1,314,860	1,240,968
Transportation	5,099,318	4,339,489	0	0	5,099,318	4,339,489
Intergovernmental	0	428,151	0	0	0	428,151
Interest and Fiscal Charges	242,283	293,757	0	0	242,283	293,757
Electric	0	0	28,290,002	27,684,350	28,290,002	27,684,350
Sanitation	0	0	1,660,252	1,617,010	1,660,252	1,617,010
Sewer	0	0	3,287,280	3,235,514	3,287,280	3,235,514
Telecommunications	0	0	266,372	162,201	266,372	162,201
Water	0	0	4,108,375	3,672,987	4,108,375	3,672,987
Storm Water Utility	0	0	707,040	754,859	707,040	754,859
Total Expenses	<u>21,220,525</u>	<u>20,877,189</u>	<u>38,319,321</u>	<u>37,126,921</u>	<u>59,539,846</u>	<u>58,004,110</u>
Change in Net Position						
Before Transfers	4,009,110	1,192,785	7,209,022	4,340,598	11,218,132	5,533,383
Transfers	<u>(1,273,527)</u>	<u>(1,825,515)</u>	<u>1,273,527</u>	<u>1,825,515</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u>2,735,583</u>	<u>(632,730)</u>	<u>8,482,549</u>	<u>6,166,113</u>	<u>\$11,218,132</u>	<u>\$5,533,383</u>
Net Position, January 1	<u>57,568,314</u>	<u>58,201,044</u>	<u>109,707,497</u>	<u>103,541,384</u>		
Net Position, December 31	<u>\$60,303,897</u>	<u>\$57,568,314</u>	<u>\$118,190,046</u>	<u>\$109,707,497</u>		

Governmental Activities

The City's income tax was established in 1970 at a rate of one percent. The rate has not been increased even though this rate is much lower than the State average for municipalities. The City provides tax relief for taxes paid to another municipality. However, in 2017 the City decreased the tax relief from a full tax credit of one percent to 0.5 percent. The City's income tax is the largest source of revenue for the City's General Fund, Debt Service Fund, and Capital Improvement Fund. Employee withholding contributed 71.27 percent of the revenue received in 2017 with business earnings contributing 9.74 percent and individuals 18.99 percent. The City has mandatory filing for all residents that work regardless of their age. The revenues are allocated in the following manner: 59 percent General Fund, 31 percent Capital Improvement Fund, and 10 percent to the Debt Service Fund. This allocation begins after administration costs for the Division of Taxation have been obtained for the current operating year.

Table 3
Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
General Government	\$4,840,572	\$3,774,822	\$5,157,129	\$4,025,663
Security of Persons and Property:				
Police	5,122,645	3,886,475	5,115,826	3,986,128
Fire	3,396,681	2,847,387	3,276,015	2,801,835
Public Health Services	220,040	110,861	197,737	72,626
Leisure Time Services	984,126	247,615	828,117	53,199
Community and				
Economic Development	1,314,860	304,966	1,240,968	1,024,718
Transportation	5,099,318	2,236,139	4,339,489	1,923,143
Intergovernmental	0	0	428,151	428,151
Interest and Fiscal Charges	242,283	242,283	293,757	293,757
Total Expenses	<u>\$21,220,525</u>	<u>\$13,650,548</u>	<u>\$20,877,189</u>	<u>\$14,609,220</u>

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 30 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 governmental expenses increased \$343,336 from the prior year. Transportation expenses increased \$759,829 and general government expenses decreased \$316,557. The increase in transportation was mainly due to the expenses related to street maintenance and repairs. General government expenses decreased due to an decrease in building maintenance and repairs from the prior year.

Business-Type Activities

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

Electric operations generate fees associated with the sale and delivery of electricity within Lebanon. Various electric service charges, not associated with the sale and delivery of electricity, are also generated by these operations. The fees collected are then used to purchase power, maintain and operate the electric generation, transmission, and distribution systems of the City, fund capital improvement projects and pay off debt service. Electric operating revenues increased \$1,447,166, as operating expenses increased \$1,268,049. The primary cause of the overall increase in the fund was due to the increase in electrical power usage. The City had an increase in service demand from business growth in the City's industrial parks

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 2017 of \$54,528.

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 \$175,316, and operating expenses increased \$96,093. The City continues to monitor the costs associated with wastewater treatment. The City Wastewater Department has a track record of receiving the National Association 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 2017, the net position of this fund decreased \$211,230.

Water operations generate the fees charged for the sale of water within Lebanon and in several subdivisions in Turtlecreek and Union Townships. Those fees are then used to maintain lines for delivery and to treat water for further consumption. The City Council adopted legislation in 2009 to build a connection and begin purchasing water from the Greater Cincinnati Water Works in 2013. The City maintains four water towers within its jurisdiction and will continue to service all its infrastructure needs for distribution. This fund's mission from City Council is to maintain a high level of service while meeting all applicable Ohio Environmental Protection Agency standards. Water operating revenues increased \$416,375, while operating expenses increased \$452,158. The City increased the water rates starting in January, 2017.

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 \$170,082 from 2016, and operating expenses decreased \$47,219.

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 \$24,227,924 and expenditures of \$25,533,467. The General Fund balance increased \$852,170. This was due to an increase in income tax revenue of \$722,788 from the change in the credit for those that work outside the City and pay into their work City income tax.

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 2017.

The Fire and Life Squad Fund balance increased \$88,339. The Fire department operates on monies from its 7.0 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 \$1,697,545 due to the sale of property and one-time grant proceeds. Income tax revenues also increased due to change in credit for those that work outside the City and pay income tax to their work City.

The Capital Improvement Fund balance increased \$36,367.

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 \$13,326,715. Final General Fund budgeted revenues and other financing sources were \$12,691,749. The variance between original and final budgeted revenues and other financing sources was \$634,966. This was primarily due to the originally expected issuance of bond anticipation notes in General Fund that were eliminated within final budget. Actual revenues and other financing sources were \$122,000 less than final budgeted revenues and other financing sources due to the City over estimating property tax revenue and unpaid advances. Original appropriations and other financing uses were \$12,612,827, and final appropriations and other financing uses were \$13,114,943. The variance between original and final appropriations and other financing uses was \$502,116. Actual expenditures were \$1,768,574 less than final appropriations. This is mainly attributed to careful cost containment by the City and not advancing \$1,000,000 that was budgeted.

CAPITAL ASSETS

Table 4 presents the net book value of the City's capital assets for governmental and business-type activities for 2017 compared to 2016:

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$14,908,699	\$15,967,203	\$4,346,419	\$4,346,419	\$19,255,118	\$20,313,622
Construction in Progress	1,361,764	1,666,792	639,966	7,416,661	2,001,730	9,083,453
Land Improvements	565,795	626,215	0	0	565,795	626,215
Buildings and Improvements	6,118,601	6,281,574	11,531,167	11,673,177	17,649,768	17,954,751
Equipment	476,370	457,443	1,238,791	1,102,018	1,715,161	1,559,461
Vehicles	2,793,380	2,441,230	1,708,629	1,610,581	4,502,009	4,051,811
Infrastructure	27,664,812	26,939,357	77,800,788	69,777,593	105,465,600	96,716,950
Totals	\$53,889,421	\$54,379,814	\$97,265,760	\$95,926,449	\$151,155,181	\$150,306,263

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

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

DEBT

Table 5 summarizes bonds and notes outstanding at December 31, 2017 and 2016:

Table 5
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$8,884,278	\$7,563,209	\$4,895,000	\$0	\$13,779,278	\$7,563,209
Police Pension	15,487	16,075	0	0	15,487	16,075
Mortgage Revenue Bonds	0	0	14,061,730	21,148,265	14,061,730	21,148,265
Bond Anticipation Notes	0	2,111,623	0	0	0	2,111,623
	\$8,899,765	\$9,690,907	\$18,956,730	\$21,148,265	\$27,856,495	\$30,839,172

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 and the net pension liability.

As of December 31, 2017, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$44,097,794, and the unvoted debt margin was \$23,098,844. 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.

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CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$22,798,627	\$33,107,645	\$55,906,272
Accounts Receivable, Net	0	6,359,988	6,359,988
Intergovernmental Receivable	1,561,299	34,579	1,595,878
Accrued Interest Receivable	42,007	31,048	73,055
Prepaid Items	95,734	62,329	158,063
Internal Balances	(458,466)	458,466	0
Materials and Supplies Inventory	223,032	2,156,238	2,379,270
Income Taxes Receivable	4,112,666	0	4,112,666
Property Taxes Receivable	3,791,690	0	3,791,690
Other Local Taxes Receivable	24,900	0	24,900
Payment in Lieu of Taxes Receivable	1,709,075	0	1,709,075
Cash and Cash Equivalents with Fiscal Agents	0	1,173,712	1,173,712
Nondepreciable Capital Assets	16,270,463	4,986,385	21,256,848
Depreciable Capital Assets, Net	37,618,958	92,279,375	129,898,333
Total Assets	87,789,985	140,649,765	228,439,750
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	50,892	307,228	358,120
	3,839,321	1,297,289	5,136,610
Total Deferred Outflows of Resources:	3,890,213	1,604,517	5,494,730
Liabilities:			
Accounts Payable	131,233	455,403	586,636
Accrued Wages Payable	266,424	73,080	339,504
Intergovernmental Payable	311,426	86,078	397,504
Contracts Payable	46,186	75,050	121,236
Retainage Payable	52,752	22,835	75,587
Accrued Interest Payable	9,950	54,452	64,402
Claims Payable	174,954	0	174,954
Refundable Deposits	0	573,660	573,660
Long-Term Liabilities:			
Due Within One Year	1,275,400	1,354,639	2,630,039
Due in More Than One Year:			
Net Pension Liability (See Note 12)	13,938,307	3,367,358	17,305,665
Other Amounts	9,115,144	17,980,657	27,095,801
Total Liabilities	25,321,776	24,043,212	49,364,988
Deferred Inflows of Resources:			
Property Taxes	3,663,125	0	3,663,125
Payment in Lieu of Taxes	1,709,075	0	1,709,075
Deferred Charge on Refunding Pension	1,230	0	1,230
	681,095	21,024	702,119
Total Deferred Inflows of Resources	6,054,525	21,024	6,075,549
Net Position:			
Net Investment in Capital Assets	45,187,387	78,562,446	123,749,833
Restricted for:			
Debt Service	0	1,124,623	1,124,623
Capital Outlay	6,621,817	0	6,621,817
Security of Persons and Property	1,885,053	0	1,885,053
Public Health Services	768,283	0	768,283
Community and Economic Development	197,964	0	197,964
Transportation	1,259,990	0	1,259,990
Revenue Bonds Replacement and Improvement	0	692,500	692,500
Unrestricted	4,383,403	37,810,477	42,193,880
Total Net Position	\$60,303,897	\$118,190,046	\$178,493,943

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$4,840,572	\$1,065,750	\$0	\$0
Security of Persons and Property:				
Police	5,122,645	1,235,170	1,000	0
Fire	3,396,681	492,836	56,458	0
Public Health Services	220,040	104,520	0	4,659
Leisure Time Services	984,126	699,761	1,500	35,250
Community and Economic Development	1,314,860	235,082	774,812	0
Transportation	5,099,318	121,192	1,001,629	1,740,358
Interest and Fiscal Charges	242,283	0	0	0
Total Governmental Activities	<u>21,220,525</u>	<u>3,954,311</u>	<u>1,835,399</u>	<u>1,780,267</u>
Business-Type Activities:				
Electric	28,290,002	31,792,788	0	0
Sanitation	1,660,252	1,722,062	0	0
Sewer	3,287,280	3,730,088	0	1,310,860
Telecommunications	266,372	54,424	0	0
Water	4,108,375	4,525,928	0	1,117,535
Storm Water Utility	707,040	892,518	0	44,572
Total Business-Type Activities	<u>38,319,321</u>	<u>42,717,808</u>	<u>0</u>	<u>2,472,967</u>
Total Activities	<u>\$59,539,846</u>	<u>\$46,672,119</u>	<u>\$1,835,399</u>	<u>\$4,253,234</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

 Gain on Sale of Capital Assets

 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>
(\$3,774,822)	\$0	(\$3,774,822)
(3,886,475)	0	(3,886,475)
(2,847,387)	0	(2,847,387)
(110,861)	0	(110,861)
(247,615)	0	(247,615)
(304,966)	0	(304,966)
(2,236,139)	0	(2,236,139)
(242,283)	0	(242,283)
<u>(13,650,548)</u>	<u>0</u>	<u>(13,650,548)</u>
0	3,502,786	3,502,786
0	61,810	61,810
0	1,753,668	1,753,668
0	(211,948)	(211,948)
0	1,535,088	1,535,088
0	230,050	230,050
<u>0</u>	<u>6,871,454</u>	<u>6,871,454</u>
<u>(13,650,548)</u>	<u>6,871,454</u>	<u>(6,779,094)</u>
1,052,956	0	1,052,956
2,752,718	0	2,752,718
9,548,135	0	9,548,135
1,503,991	0	1,503,991
1,730,854	0	1,730,854
352,609	0	352,609
274,506	218,950	493,456
0	11,265	11,265
443,889	107,353	551,242
<u>(1,273,527)</u>	<u>1,273,527</u>	<u>0</u>
<u>16,386,131</u>	<u>1,611,095</u>	<u>17,997,226</u>
2,735,583	8,482,549	11,218,132
<u>57,568,314</u>	<u>109,707,497</u>	<u>167,275,811</u>
<u>\$60,303,897</u>	<u>\$118,190,046</u>	<u>\$178,493,943</u>

**CITY OF LEBANON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,525,326	\$1,157,828	\$6,488,420
Materials and Supplies Inventory	47,086	9,534	0
Prepaid Items	64,507	12,022	0
Income Taxes Receivable	2,499,950	0	0
Property Taxes Receivable	1,038,591	2,753,099	0
Other Local Taxes Receivable	24,900	0	0
Payment in Lieu of Taxes Receivable	0	0	1,709,075
Accrued Interest Receivable	29,236	0	0
Intergovernmental Receivable	186,621	28,626	0
Advances to Other Funds	123,823	0	0
Total Assets	<u>\$9,540,040</u>	<u>\$3,961,109</u>	<u>\$8,197,495</u>
Liabilities:			
Accounts Payable	\$59,328	\$8,215	\$0
Accrued Wages Payable	177,975	72,314	0
Contracts Payable	0	0	1,496
Intergovernmental Payable	172,843	32,959	87,497
Retainage Payable	0	0	0
Interfund Payable	5,663	4,204	0
Advances From Other Funds	0	0	123,823
Total Liabilities	<u>415,809</u>	<u>117,692</u>	<u>212,816</u>
Deferred Inflows of Resources:			
Property Taxes	1,000,908	2,662,217	0
Payment in Lieu of Taxes	0	0	1,709,075
Unavailable Revenue	1,973,002	119,508	0
Total Deferred Inflows of Resources	<u>2,973,910</u>	<u>2,781,725</u>	<u>1,709,075</u>
Fund Balances:			
Nonspendable	111,593	21,556	0
Restricted	0	1,040,136	6,275,604
Committed	0	0	0
Assigned	315,523	0	0
Unassigned	5,723,205	0	0
Total Fund Balances	<u>6,150,321</u>	<u>1,061,692</u>	<u>6,275,604</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$9,540,040</u>	<u>\$3,961,109</u>	<u>\$8,197,495</u>

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$1,659,953	\$6,077,306	\$20,908,833
0	103,512	160,132
0	14,335	90,864
1,297,185	315,531	4,112,666
0	0	3,791,690
0	0	24,900
0	0	1,709,075
4,617	5,838	39,691
867,807	478,245	1,561,299
0	0	123,823
<u>\$3,829,562</u>	<u>\$6,994,767</u>	<u>\$32,522,973</u>
\$6,463	\$21,423	\$95,429
0	10,941	261,230
32,690	12,000	46,186
0	12,346	305,645
52,752	0	52,752
0	6,872	16,739
0	0	123,823
<u>91,905</u>	<u>63,582</u>	<u>901,804</u>
0	0	3,663,125
0	0	1,709,075
<u>1,202,504</u>	<u>791,762</u>	<u>4,086,776</u>
<u>1,202,504</u>	<u>791,762</u>	<u>9,458,976</u>
0	117,847	250,996
0	2,872,016	10,187,756
2,535,153	3,149,560	5,684,713
0	0	315,523
0	0	5,723,205
<u>2,535,153</u>	<u>6,139,423</u>	<u>22,162,193</u>
<u>\$3,829,562</u>	<u>\$6,994,767</u>	<u>\$32,522,973</u>

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**CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017**

Total Governmental Fund Balances		\$22,162,193
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	14,908,699	
Construction in Progress	1,361,764	
Other Capital Assets	18,794,630	
Infrastructure	70,555,091	
Accumulated Depreciation	<u>(51,730,763)</u>	
Total Capital Assets		53,889,421
Internal service funds are used by management to charge the costs of insurance and automotive maintenance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Net Position	1,805,206	
Capital Assets	(188,712)	
Deferred Outflows - Pension	(76,311)	
Deferred Inflows - Pension	1,236	
Net Pension Liability	198,081	
Compensated Absences	<u>24,841</u>	
Total		1,764,341
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.		
		(467,921)
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Income Taxes	3,240,348	
Property Taxes	128,565	
Interest Revenue	30,736	
Intergovernmental	593,242	
Special Assessments	<u>93,885</u>	
Total		4,086,776
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.		
		(9,950)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
		50,892
Deferred Inflows of Resources represent deferred gains on refundings which do not provide current financial resources and therefore are not reported in the funds.		
		(1,230)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	3,839,321	
Deferred Inflows - Pension	(681,095)	
Net Pension Liability	<u>(13,938,307)</u>	
Total		(10,780,081)
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	(243,820)	
Bonds	(8,640,458)	
Police Pension	(15,487)	
Compensated Absences	<u>(1,490,779)</u>	
Total Liabilities		<u>(10,390,544)</u>
Net Position of Governmental Activities		<u>\$60,303,897</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, 2017

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Revenues:			
Property Taxes	\$1,047,283	\$2,738,818	\$0
Income Taxes	5,146,618	0	0
Other Local Taxes	1,503,991	0	0
Payments in Lieu of Taxes	0	0	1,730,854
Special Assessments	0	0	0
Charges for Services	2,398,692	492,836	11,834
Fines, Licenses and Permits	634,001	0	0
Intergovernmental	388,688	56,945	774,812
Interest	169,781	0	0
Contributions and Donations	2,500	0	0
Other	306,361	79,753	4,300
Total Revenues	11,597,915	3,368,352	2,521,800
Expenditures:			
Current:			
General Government	4,208,846	0	0
Security of Persons and Property:			
Police	4,636,095	0	0
Fire	0	3,062,306	0
Public Health Services	0	0	0
Leisure Time Services	613,577	0	0
Community and Economic Development	959,671	0	153,437
Transportation	0	0	0
Capital Outlay	0	465,862	337,112
Debt Service:			
Principal Retirement	588	0	4,200,000
Interest and Fiscal Charges	677	0	102,983
Payment to Refunded Bond Escrow Agent	0	0	0
Total Expenditures	10,419,454	3,528,168	4,793,532
Excess of Revenues Over (Under) Expenditures	1,178,461	(159,816)	(2,271,732)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	3,709	8,155	806,777
Transfers In	0	240,000	0
Transfers Out	(330,000)	0	(1,062,500)
Bonds Issued	0	0	2,125,000
Refunding Bonds Issued	0	0	0
Bond Anticipation Notes Issued	0	0	2,100,000
Payment to Refunded Bond Escrow Agent	0	0	0
Total Other Financing Sources (Uses)	(326,291)	248,155	3,969,277
Net Change in Fund Balances	852,170	88,339	1,697,545
Fund Balances at Beginning of Year	5,298,151	973,353	4,578,059
Fund Balances at End of Year	\$6,150,321	\$1,061,692	\$6,275,604

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$3,786,101
2,675,393	789,056	8,611,067
0	0	1,503,991
0	0	1,730,854
79,585	0	79,585
0	107,909	3,011,271
0	229,287	863,288
1,634,105	1,057,885	3,912,435
64,128	49,034	282,943
0	0	2,500
47,519	5,956	443,889
<u>4,500,730</u>	<u>2,239,127</u>	<u>24,227,924</u>
0	6,185	4,215,031
0	66,487	4,702,582
0	0	3,062,306
0	167,715	167,715
0	90,000	703,577
0	0	1,113,108
257,771	934,173	1,191,944
4,242,828	56,630	5,102,432
0	450,000	4,650,588
0	194,432	298,092
0	326,092	326,092
<u>4,500,599</u>	<u>2,291,714</u>	<u>25,533,467</u>
<u>131</u>	<u>(52,587)</u>	<u>(1,305,543)</u>
36,236	0	854,877
0	132,500	372,500
0	0	(1,392,500)
0	0	2,125,000
0	1,250,000	1,250,000
0	0	2,100,000
0	(1,249,660)	(1,249,660)
<u>36,236</u>	<u>132,840</u>	<u>4,060,217</u>
36,367	80,253	2,754,674
<u>2,498,786</u>	<u>6,059,170</u>	<u>19,407,519</u>
<u>\$2,535,153</u>	<u>\$6,139,423</u>	<u>\$22,162,193</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, 2017**

Net Change in Fund Balances - Total Governmental Funds \$2,754,674

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	4,862,861	
Capital Assets Donated by Developers	106,253	
Current Year Depreciation	<u>(4,391,435)</u>	
Excess of Capital Outlay over Depreciation Expense		577,679

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	(854,877)	
Loss on Sale of Capital Assets	<u>(250,901)</u>	
Total		(1,105,778)

Assets transferred from enterprise activities during the year to governmental activities 37,706

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	19,573	
Income Taxes	937,068	
Charges for Services	167	
Intergovernmental	(58,907)	
Interest	<u>(12,080)</u>	
Total		885,821

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	450,000	
Note Principal Retirement	4,200,000	
Police Pension Principal Retirement	588	
Payment to Refunded Bond Escrow Agent	<u>1,575,752</u>	
Total Long-Term Obligation Repayment		6,226,340

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	(1,335)	
Amortization of Bond Premium	28,284	
Amortization of Note Premium	11,623	
Amortization of Loss/Gain on Refunding	(16,273)	
Accrued Interest	<u>33,510</u>	
Total		55,809

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.

Bond Proceeds	(3,375,000)	
Note Proceeds	<u>(2,100,000)</u>	
Total		(\$5,475,000)

(continued)

CITY OF LEBANON, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(continued)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	\$1,089,008
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(2,166,682)
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	(238,728)
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	102,959
Depreciation of Capital Assets	8,557
Addition to Capital Assets	(13,956)
Contractually Required Contributions for Pension	42,221
Pension Expense	(14,843)
Decrease in Compensated Absences	(2,047)
Adjustment to Business Type Activities	(28,157)
Total	<u>94,734</u>
Change in Net Position of Governmental Activities	<u>\$2,735,583</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,144,025	\$1,047,283	\$1,047,283	\$0
Income Taxes	4,883,500	4,980,052	4,980,052	0
Other Local Taxes	1,560,987	1,484,427	1,484,427	0
Charges for Services	2,370,850	2,525,901	2,398,692	(127,209)
Fines, Licenses and Permits	670,000	631,600	631,600	0
Intergovernmental	398,350	389,480	389,480	0
Interest	160,100	204,237	204,237	0
Contributions and Donations	2,500	1,000	2,500	1,500
Other	139,995	306,361	306,361	0
Total Revenues	11,330,307	11,570,341	11,444,632	(125,709)
Expenditures:				
Current:				
General Government	4,422,739	4,737,880	4,352,372	385,508
Security of Persons and Property	5,087,869	5,053,531	4,827,768	225,763
Leisure Time Services	669,283	761,740	677,064	84,676
Community and Economic Development	921,247	1,050,103	977,476	72,627
Total Expenditures	11,101,138	11,603,254	10,834,680	768,574
Excess of Revenues Under Expenditures	229,169	(32,913)	609,952	642,865
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	5,000	0	3,709	3,709
Advances In	1,121,408	1,121,408	1,121,408	0
Transfers Out	(511,689)	(511,689)	(511,689)	0
Advances Out	(1,000,000)	(1,000,000)	0	1,000,000
Bond Anticipation Notes Issued	870,000	0	0	0
Total Other Financing Sources (Uses)	484,719	(390,281)	613,428	1,003,709
Net Change in Fund Balance	713,888	(423,194)	1,223,380	1,646,574
Fund Balance at Beginning of Year	2,858,570	2,858,570	2,858,570	0
Prior Year Encumbrances Appropriated	398,792	398,792	398,792	0
Fund Balance at End of Year	\$3,971,250	\$2,834,168	\$4,480,742	\$1,646,574

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$3,147,007	\$2,513,500	\$2,738,818	\$225,318
Charges for Services	450,000	450,000	492,836	42,836
Intergovernmental	4,500	0	56,945	56,945
Other	15,000	15,000	79,753	64,753
Total Revenues	<u>3,616,507</u>	<u>2,978,500</u>	<u>3,368,352</u>	<u>389,852</u>
Expenditures:				
Current:				
Security of Persons and Property	3,017,428	3,194,490	3,063,039	131,451
Capital Outlay	416,200	496,732	489,753	6,979
Total Expenditures	<u>3,433,628</u>	<u>3,691,222</u>	<u>3,552,792</u>	<u>138,430</u>
Excess of Revenues Over (Under) Expenditures	<u>182,879</u>	<u>(712,722)</u>	<u>(184,440)</u>	<u>528,282</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	0	0	8,155	8,155
Transfers In	240,000	240,000	240,000	0
Total Other Financing Sources	<u>240,000</u>	<u>240,000</u>	<u>248,155</u>	<u>8,155</u>
Net Change in Fund Balance	422,879	(472,722)	63,715	536,437
Fund Balance at Beginning of Year	985,328	985,328	985,328	0
Prior Year Encumbrances Appropriated	68,624	68,624	68,624	0
Fund Balance at End of Year	<u>\$1,476,831</u>	<u>\$581,230</u>	<u>\$1,117,667</u>	<u>\$536,437</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$23,119,657	\$408,948	\$3,762,214
Accounts Receivable, Net	3,603,705	205,683	350,093
Intergovernmental Receivable	0	0	34,579
Accrued Interest Receivable	21,923	489	3,865
Prepaid Items	20,521	858	16,030
Materials and Supplies Inventory	1,892,303	0	122,352
Interfund Receivable	0	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	234,859	0	0
Total Current Assets	28,892,968	615,978	4,289,133
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,017,135	0	240,000
Cash and Cash Equivalents with Fiscal Agents	81,370	0	3,605
Nondepreciable Capital Assets	1,044,979	54,000	863,193
Depreciable Capital Assets, Net	16,842,813	229,425	24,714,958
Total Noncurrent Assets	18,986,297	283,425	25,821,756
Total Assets	47,879,265	899,403	30,110,889
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	0	238,948
Pension	839,422	0	305,246
Total Deferred Outflows of Resources	839,422	0	544,194

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$246,939	\$3,460,307	\$603,420	\$31,601,485	\$1,889,794
1,750,000	384,938	65,569	6,359,988	0
0	0	0	34,579	0
0	3,843	928	31,048	2,316
2,568	22,352	0	62,329	4,870
0	141,583	0	2,156,238	62,900
0	0	0	0	26,194
0	455,622	0	690,481	0
1,999,507	4,468,645	669,917	40,936,148	1,986,074
0	249,025	0	1,506,160	0
0	398,256	0	483,231	0
0	2,613,188	411,025	4,986,385	64,666
31,187	28,845,897	21,615,095	92,279,375	124,046
31,187	32,106,366	22,026,120	99,255,151	188,712
2,030,694	36,575,011	22,696,037	140,191,299	2,174,786
0	68,280	0	307,228	0
0	152,621	0	1,297,289	76,311
0	220,901	0	1,604,517	76,311

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017
(continued)

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Liabilities:			
Current Liabilities:			
Accounts Payable	\$143,371	\$116,567	\$51,586
Accrued Wages Payable	43,032	2,373	16,266
Contracts Payable	53,812	9,947	11,291
Retainage Payable	0	0	0
Intergovernmental Payable	45,625	2,835	17,867
Accrued Interest Payable	9,859	0	8,971
Interfund Payable	4,455	862	723
Claims Payable	0	0	0
Compensated Absences Payable	49,310	2,644	13,220
General Obligation Bonds Payable	0	0	630,000
Mortgage Revenue Bonds Payable	225,000	0	0
Total Current Liabilities	<u>574,464</u>	<u>135,228</u>	<u>749,924</u>
Long-term Liabilities:			
Refundable Deposits	524,635	0	0
Compensated Absences Payable	155,818	0	69,496
General Obligation Bonds Payable	0	0	4,265,000
Mortgage Revenue Bonds Payable	2,496,052	0	0
Net Pension Liability	2,178,879	0	792,320
Total Long-term Liabilities	<u>5,355,384</u>	<u>0</u>	<u>5,126,816</u>
Total Liabilities	<u>5,929,848</u>	<u>135,228</u>	<u>5,876,740</u>
Deferred Inflows of Resources:			
Pension	<u>13,603</u>	<u>0</u>	<u>4,947</u>
Net Position:			
Net Investment in Capital Assets	15,112,928	283,425	20,922,099
Restricted for:			
Debt Service	306,370	0	0
Revenue Bonds			
Replacement and Improvement	492,500	0	0
Unrestricted	<u>26,863,438</u>	<u>480,750</u>	<u>3,851,297</u>
Total Net Position	<u>\$42,775,236</u>	<u>\$764,175</u>	<u>\$24,773,396</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
\$4,439	\$138,551	\$889	\$455,403	\$35,804
2,395	6,701	2,313	73,080	5,194
0	0	0	75,050	0
0	0	22,835	22,835	0
2,588	14,923	2,240	86,078	5,781
0	35,622	0	54,452	0
33	3,191	191	9,455	0
0	0	0	0	174,954
4,946	8,134	1,385	79,639	7,653
0	0	0	630,000	0
0	420,000	0	645,000	0
<u>14,401</u>	<u>627,122</u>	<u>29,853</u>	<u>2,130,992</u>	<u>229,386</u>
0	49,025	0	573,660	0
23,419	47,652	2,542	298,927	17,188
0	0	0	4,265,000	0
0	10,920,678	0	13,416,730	0
0	396,159	0	3,367,358	198,081
<u>23,419</u>	<u>11,413,514</u>	<u>2,542</u>	<u>21,921,675</u>	<u>215,269</u>
<u>37,820</u>	<u>12,040,636</u>	<u>32,395</u>	<u>24,052,667</u>	<u>444,655</u>
<u>0</u>	<u>2,474</u>	<u>0</u>	<u>21,024</u>	<u>1,236</u>
31,187	20,186,687	22,026,120	78,562,446	188,712
0	818,253	0	1,124,623	0
0	200,000	0	692,500	0
1,961,687	3,547,862	637,522	37,342,556	1,616,494
<u>\$1,992,874</u>	<u>\$24,752,802</u>	<u>\$22,663,642</u>	<u>117,722,125</u>	<u>\$1,805,206</u>
			<u>467,921</u>	
			<u>\$118,190,046</u>	

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$31,792,788	\$1,722,062	\$3,730,088
Other	68,953	1,187	6,977
Total Operating Revenues	<u>31,861,741</u>	<u>1,723,249</u>	<u>3,737,065</u>
Operating Expenses:			
Personal Services	1,879,114	128,605	777,580
Fringe Benefits	301,160	0	109,512
Contractual Services	1,238,124	1,516,325	1,167,038
Purchased Power	22,510,156	0	0
Supplies and Materials	733,739	0	90,365
Claims	0	0	0
Depreciation	1,297,003	16,742	957,531
Other	219,932	2	54
Total Operating Expenses	<u>28,179,228</u>	<u>1,661,674</u>	<u>3,102,080</u>
Operating Income (Loss)	<u>3,682,513</u>	<u>61,575</u>	<u>634,985</u>
Non-Operating Revenues (Expenses):			
Interest	156,265	(7,047)	32,295
Other Non-Operating Revenues	1,184	0	0
Gain on Sale of Capital Assets	11,265	0	0
Interest and Fiscal Charges	(124,810)	0	(191,376)
Total Non-Operating Revenues (Expenses)	<u>43,904</u>	<u>(7,047)</u>	<u>(159,081)</u>
Income (Loss) Before Contributions	3,726,417	54,528	475,904
Capital Contributions	0	0	1,310,860
Transfers In	0	0	1,020,000
Change in Net Position	3,726,417	54,528	2,806,764
Net Position at Beginning of Year	<u>39,048,819</u>	<u>709,647</u>	<u>21,966,632</u>
Net Position at End of Year	<u>\$42,775,236</u>	<u>\$764,175</u>	<u>\$24,773,396</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
\$54,424	\$4,525,928	\$892,518	\$42,717,808	\$2,042,422
0	27,068	597	104,782	454,206
54,424	4,552,996	893,115	42,822,590	2,496,628
105,491	377,073	80,006	3,347,869	239,515
0	54,759	0	465,431	0
32,578	757,874	174,448	4,886,387	383,552
0	0	0	22,510,156	0
123,249	1,549,382	5,275	2,502,010	28,519
0	0	0	0	1,743,163
5,723	944,479	448,323	3,669,801	8,557
0	1,220	3	221,211	0
267,041	3,684,787	708,055	37,602,865	2,403,306
(212,617)	868,209	185,060	5,219,725	93,322
0	26,683	10,754	218,950	9,637
1,387	0	0	2,571	0
0	0	0	11,265	
0	(428,427)	0	(744,613)	0
1,387	(401,744)	10,754	(511,827)	9,637
(211,230)	466,465	195,814	4,707,898	102,959
0	1,117,535	298,099	2,726,494	0
0	0	0	1,020,000	0
(211,230)	1,584,000	493,913	8,454,392	102,959
2,204,104	23,168,802	22,169,729		1,702,247
\$1,992,874	\$24,752,802	\$22,663,642		\$1,805,206
			28,157	
			\$8,482,549	

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	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	\$31,513,648	\$1,705,764	\$3,708,249
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(1,847,565)	(128,099)	(762,537)
Cash Payments to Suppliers for Goods and Services	(24,937,864)	(1,501,395)	(1,249,547)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	68,953	1,187	6,977
Other Operating Expenses	(219,932)	(2)	(54)
Other Non-Operating Revenues	1,184	0	0
Utility Deposits Received	148,680	0	0
Utility Deposits Returned	(138,643)	0	0
Net Cash Provided by Operating Activities	<u>4,588,461</u>	<u>77,455</u>	<u>1,703,088</u>
Cash Flows from Noncapital Financing Activities:			
Transfers In	<u>0</u>	<u>0</u>	<u>1,020,000</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Sale of Capital Assets	11,265	0	0
Acquisition of Capital Assets	(489,719)	(246,167)	(322,640)
Principal Paid on Notes	0	0	(1,000,000)
Interest Paid on Notes	0	0	(20,000)
Principal Paid on Mortgage Revenue Bonds	(215,000)	0	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(125,132)	0	(132,341)
Proceeds from Sale of Refunding Bonds	0	0	4,895,000
Interest and Fiscal Charges Paid on General Obligation Bonds	0	0	(50,575)
Payment to Refunded Bond Escrow Agent	<u>0</u>	<u>0</u>	<u>(6,547,341)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(818,586)</u>	<u>(246,167)</u>	<u>(3,177,897)</u>
Cash Flows from Investing Activities:			
Interest	<u>159,328</u>	<u>(6,440)</u>	<u>32,938</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,929,203	(175,152)	(421,871)
Cash and Cash Equivalents at Beginning of Year	<u>20,523,818</u>	<u>584,100</u>	<u>4,427,690</u>
Cash and Cash Equivalents at End of Year	<u><u>\$24,453,021</u></u>	<u><u>\$408,948</u></u>	<u><u>\$4,005,819</u></u>

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
\$54,424	\$4,498,714	\$880,022	\$42,360,821	\$0
0	0	0	0	2,047,775
(106,289)	(363,218)	(75,711)	(3,283,419)	(209,438)
(37,739)	(2,203,415)	(156,224)	(30,086,184)	(362,593)
0	0	0	0	(1,772,247)
0	27,068	597	104,782	454,206
0	(1,220)	0	(221,208)	0
126,387	0	0	127,571	0
0	10,675	0	159,355	0
0	(9,800)	0	(148,443)	0
<u>36,783</u>	<u>1,958,804</u>	<u>648,684</u>	<u>9,013,275</u>	<u>157,703</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,020,000</u>	<u>0</u>
0	0	0	11,265	0
(12,675)	(677,908)	(533,509)	(2,282,618)	(13,956)
0	0	0	(1,000,000)	0
0	0	0	(20,000)	0
0	(415,000)	0	(630,000)	0
0	(435,654)	0	(693,127)	0
0	0	0	4,895,000	0
0	0	0	(50,575)	0
0	0	0	(6,547,341)	0
<u>(12,675)</u>	<u>(1,528,562)</u>	<u>(533,509)</u>	<u>(6,317,396)</u>	<u>(13,956)</u>
<u>0</u>	<u>27,401</u>	<u>10,674</u>	<u>223,901</u>	<u>10,317</u>
24,108	457,643	125,849	3,939,780	154,064
<u>222,831</u>	<u>4,105,567</u>	<u>477,571</u>	<u>30,341,577</u>	<u>1,735,730</u>
<u>\$246,939</u>	<u>\$4,563,210</u>	<u>\$603,420</u>	<u>\$34,281,357</u>	<u>\$1,889,794</u>

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided <u>by (Used for) Operating Activities:</u>			
Operating Income (Loss)	\$3,682,513	\$61,575	\$634,985
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,297,003	16,742	957,531
Other Non-Operating Revenues	1,184	0	0
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	(154,206)	0	(22,640)
Accounts Receivable	(279,140)	(16,298)	(19,247)
Interfund Receivable	0	0	0
Intergovernmental Receivable	0	0	(2,592)
Prepays Items	744	(437)	599
Deferred Outflows of Resources - Pension	281,347	0	102,307
Increase (Decrease) in Liabilities:			
Accounts Payable	(132,680)	4,558	18,772
Accrued Wages Payable	2,041	(374)	547
Contracts Payable	(53,477)	9,947	11,291
Intergovernmental Payable	25,510	1,245	10,126
Retainage Payable	(114,745)	0	0
Interfund Payable	1,519	862	359
Claims Payable	0	0	0
Liabilities Payable from Restricted Assets	10,037	0	0
Compensated Absences Payable	998	(365)	3,845
Net Pension Liability	48,774	0	17,737
Deferred Inflows of Resources - Pension	(28,961)	0	(10,532)
Net Cash Provided by Operating Activities	<u>\$4,588,461</u>	<u>\$77,455</u>	<u>\$1,703,088</u>

Noncash Capital Financing Activities:

The Sewer Fund received assets donated from developers in the amount of \$1,310,860.

The Water Fund received assets donated from developers in the amount of \$1,117,535.

The Storm Water Fund received assets donated from developers in the amount of \$44,572.

The Storm Water Utility Fund received assets transferred from governmental activities in the amount of \$253,527.

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
(212,617)	\$868,209	\$185,060	\$5,219,725	\$93,322
5,723	944,479	448,323	3,669,801	8,557
126,387	0	0	127,571	0
115,624	7,998	0	(53,224)	13,000
0	(27,214)	(12,496)	(354,395)	0
0	0	0	0	5,353
0	0	0	(2,592)	0
282	(14,864)	0	(13,676)	915
0	51,154	0	434,808	25,577
2,186	109,681	664	3,181	(61)
59	(110)	1,034	3,197	1,374
0	0	0	(32,239)	0
1,443	3,833	1,472	43,629	38,996
0	0	22,835	(91,910)	0
(4)	1,026	3	3,765	0
0	0	0	0	(29,084)
0	875	0	10,912	0
(2,300)	10,132	1,789	14,099	(2,047)
0	8,870	0	75,381	4,434
0	(5,265)	0	(44,758)	(2,633)
<u>\$36,783</u>	<u>\$1,958,804</u>	<u>\$648,684</u>	<u>\$9,013,275</u>	<u>\$157,703</u>

CITY OF LEBANON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2017

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$222,617
Cash and Cash Equivalents in Segregated Accounts	<u>40,188</u>
Total Assets	<u><u>\$262,805</u></u>
Liabilities:	
Intergovernmental Payable	\$22,494
Undistributed Monies	<u>240,311</u>
Total Liabilities	<u><u>\$262,805</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, 2017

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 Rating Program

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

Proprietary Fund Types

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 automotive maintenance services for City vehicles and self-insurance programs for employee medical benefits.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension 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 five agency funds: one is used to account for and report money received from fire insurance settlements, another is used to account for municipal court collections that are distributed to various other governments, another is used to distribute income tax revenues to Turtlecreeck Township, one is used to reimburse bonds back to developers in relation to projects involving the installation of public infrastructure, and the other is used to finance the redevelopment of an abandoned horse-racing facility.

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. 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 “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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 and pension reported in the government-wide statement of net position. The deferred outflows of resources related to pension are explained in Note 12. 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.

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, deferred charge on refunding, pension, 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, 2017, but which were levied to finance 2018 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, income taxes, special assessments, intergovernmental grants, and interest revenue. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Governmental Fund Balance to Net Position of Governmental Activities found on page 23. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12)

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.

Pensions

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

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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 2017, the City's investments were limited to STAROhio, Money Market Mutual Funds, 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. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2017 amounted to \$169,781, of which \$95,011 was assigned from other funds.

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

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.

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, 2017 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

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

the internal service funds are reported in both the governmental activities column of the government-wide statement of net position and in the respective funds.

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

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

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

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

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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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 and net pension liability 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.

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

Net Position

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

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

The City's electric 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.

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).

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The future appropriations amount assigned in the General Fund represents 2018 appropriations that exceed estimated resources.

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for electric,

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

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

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

Interfund Balances

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

Estimates

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 3 – Change in Accounting Principle

For 2017, the City implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2016-1*. These changes were incorporated in the City's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
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.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Net Change in Fund Balance

	General Fund	Fire and Life Squad Fund
GAAP Basis	\$852,170	\$88,339
Revenue Accruals	(187,126)	0
Expenditure Accruals	(58,484)	15,537
Encumbrances	(356,742)	(40,161)
Advances	1,121,408	0
Transfers	(181,689)	0
Unrecorded Cash - 2016	77,813	0
Unrecorded Cash - 2017	(27,093)	0
Net Increase in Fair Value of Investments - 2016	643,872	0
Net Increase in Fair Value of Investments - 2017	(660,749)	0
Budget Basis	<u>\$1,223,380</u>	<u>\$63,715</u>

Note 5 - Deposits and Investments

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City'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;

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

3. Obligations of the City.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments:

Investments are reported at fair value. As of December 31, 2017, the City had the following investments:

Measurement/Investment	Measurement Amount	Investment Maturities (in Years)		S&P Rating	Percent of Total Investments
		Less than 1	1 - 5		
Net Asset Value Per Share:					
STAROhio	\$3,684,000	\$3,684,000	\$0	AAAm	N/A
Fair Value - Level One Inputs:					
Money Market Mutual Funds	7,671,883	7,671,883	0	N/A	N/A
Fair Value - Level Two Inputs:					
Federal Farm Credit Banks Consolidation Bonds	1,674,975	0	1,674,975	AA+	5.69%
Federal Home Loan Mortgage Corporation Bonds	1,373,194	0	1,373,194	AA+	4.66%
Federal National Mortgage Association Bonds	3,050,198	1,497,855	1,552,343	AA+	10.35%
Federal Home Loan Banks Bonds	2,298,763	249,727	2,049,036	AA+	7.80%
Federal Agricultural Mortgage Corporation Bonds	248,491	0	248,491	AAA	0.84%
Negotiable Certificates of Deposits	9,456,417	3,744,778	5,711,639	N/A	32.10%
Total Fair Value - Level Two Inputs	18,102,038	5,492,360	12,609,678		
Total Investments	\$29,457,921	\$16,848,243	\$12,609,678		

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2017. The Money Market Mutual Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

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 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes were levied after October 1, 2017 on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018.

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. 2017 public utility property taxes which became a lien December 31, 2016 are levied after October 1, 2017 and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017 was \$9.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2017 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$415,715,210
Public Utility Real Property	4,263,780
Total	\$419,978,990

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2017 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 one-half of one 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 2017, the proceeds were allocated to the General Fund, the Capital Improvement Capital Projects Fund, and the Debt Service nonmajor governmental fund.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Note 9 - Receivables

Receivables at December 31, 2017 consisted of income, property and other local taxes, payment in lieu of taxes, accrued interest, intergovernmental, advances to other funds, interfund, utility accounts, and amounts due from the sale of the telecommunications system. The \$1,750,000 accounts receivable in the telecommunications fund relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$1,625,000 is expected to be collected in more than one year. 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 remaining amount of \$123,823 will be paid in 2018. The following table provides a summary of business-type activities accounts receivable:

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$4,655,321	\$45,333	\$4,609,988
Telecommunications	1,750,000	0	1,750,000
Total	\$6,405,321	\$45,333	\$6,359,988

A summary of intergovernmental receivables follows:

Governmental Activities:

Local Government Assistance	\$104,704
Warren County Reimbursement for Baliff Services	7,549
Homestead and Rollback	93,267
Permissive Motor Vehicle License Tax	108,177
Motor Vehicle Tax	65,589
Gasoline Tax	304,479
Wireless 911	9,727
State Route 48 Road Construction Grant	867,807
Total Governmental Activities	\$1,561,299

Business-Type Activities:

Village of South Lebanon Sewage Processing Fees	\$34,579
Total Intergovernmental Receivables	\$1,595,878

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2017 was as follows:

	Balance at 12/31/16	Additions	Deductions	Balance at 12/31/17
<u>Governmental Activities:</u>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$15,967,203	\$18,023	(\$1,076,527)	\$14,908,699
Construction in Progress	1,666,792	1,151,633	(1,456,661)	1,361,764
Total Capital Assets, Not Being Depreciated	<u>17,633,995</u>	<u>1,169,656</u>	<u>(2,533,188)</u>	<u>16,270,463</u>
<i>Capital Assets, Being Depreciated:</i>				
Land Improvements	1,356,470	0	0	1,356,470
Buildings and Improvements	9,972,062	140,284	(150,265)	9,962,081
Equipment	1,642,451	152,185	(21,945)	1,772,691
Vehicles	5,282,228	786,307	(365,147)	5,703,388
Infrastructure	66,340,042	4,215,049	0	70,555,091
Total Capital Assets, Being Depreciated	<u>84,593,253</u>	<u>5,293,825</u>	<u>(537,357)</u>	<u>89,349,721</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(730,255)	(60,420)	0	(790,675)
Buildings and Improvements	(3,690,488)	(303,257)	150,265	(3,843,480)
Equipment	(1,185,008)	(131,828)	20,515	(1,296,321)
Vehicles	(2,840,998)	(406,336)	337,326	(2,910,008)
Infrastructure	(39,400,685)	(3,489,594)	0	(42,890,279)
Total Accumulated Depreciation	<u>(47,847,434)</u>	<u>(4,391,435) *</u>	<u>508,106</u>	<u>(51,730,763)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,745,819</u>	<u>902,390</u>	<u>(29,251)</u>	<u>37,618,958</u>
Governmental Activities Capital Assets, Net	<u>\$54,379,814</u>	<u>\$2,072,046</u>	<u>(\$2,562,439)</u>	<u>\$53,889,421</u>

Additions to capital assets being depreciated and accumulated depreciation include \$37,706 in assets transferred from business-type activities to governmental activities. Deductions of capital assets not being depreciated include \$253,527 transferred from governmental activities to business-type activities. These assets have been fully depreciated. Additions to capital assets being depreciated also include \$106,253 in assets donated by developers.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

* Depreciation expense was charged to governmental functions as follows:

General Government	\$30,645
Security of Persons and Property:	
Police	116,157
Fire	236,963
Public Health Services	37,942
Leisure Time Services	228,557
Community and Economic Development	114,111
Transportation	3,589,354
Total Depreciation Expense	\$4,353,729

	Balance at 12/31/16	Additions	Deductions	Balance at 12/31/17
<u>Business-Type Activities:</u>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$4,346,419	\$0	\$0	\$4,346,419
Construction in Progress	7,416,661	692,789	(7,469,484)	639,966
Total Capital Assets, Not Being Depreciated	11,763,080	692,789	(7,469,484)	4,986,385
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	27,487,297	466,444	0	27,953,741
Equipment	6,873,518	237,813	(37,706)	7,073,625
Vehicles	3,174,187	277,944	(152,083)	3,300,048
Infrastructure	107,263,104	10,803,606	0	118,066,710
Total Capital Assets, Being Depreciated	144,798,106	11,785,807	(189,789)	156,394,124
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(15,814,120)	(608,454)	0	(16,422,574)
Equipment	(5,771,500)	(101,040)	37,706	(5,834,834)
Vehicles	(1,563,606)	(179,896)	152,083	(1,591,419)
Infrastructure	(37,485,511)	(2,780,411)	0	(40,265,922)
Total Accumulated Depreciation	(60,634,737)	(3,669,801)	189,789	(64,114,749)
Total Capital Assets, Being Depreciated, Net	84,163,369	8,116,006	0	92,279,375
Business-Type Activities Capital Assets, Net	\$95,926,449	\$8,808,795	(\$7,469,484)	\$97,265,760

Deductions to capital assets being fully depreciated include \$37,706 transferred from business-type activities to governmental activities. Additions to capital assets not being depreciated include \$253,527 transferred from governmental activities to business-type activities. Additions to capital assets being depreciated also include \$2,472,967 in assets donated by developers.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 11 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracts with Marsh and McLennan Insurance Group 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 \$1,000 deductible for computer equipment. Vehicles hold a \$250 to \$500 deductible, general liability has a \$0 deductible, and property has a \$1,000 deductible. The City carries a \$5,000 deductible for both police professional and public officials liability insurance. The City has an internal accident review board that analyzes all vehicle accidents. The City also contracts with Marsh and McLennan Insurance Group, who reviews each accident claim.

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	Actual Cash Value
Property Coverage (Maximum \$5,000,000)	Replacement Cost

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

Workers' Compensation

For year 2017, 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 \$300 single and \$750 cap per family deductible for City employees. The City also provides a

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

dental plan with a \$50 deductible 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 in excess of \$60,000 per employee, per occurrence. HealthSmart was the third party administrator for the year.

The City pays into the Self-Insurance Internal Service Fund \$1,050 per full-time 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 \$174,954 reported in the fund at December 31, 2017 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,
2016	\$269,468	\$2,387,529	\$2,452,959	\$204,038
2017	204,038	1,743,163	1,772,247	174,954

Note 12 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual basis of accounting.

Ohio Public Employees Retirement System

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	State and Local
2017 Statutory Maximum Contribution Rates:	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates:	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
	<hr/>
Total Employer	14.0 %
	<hr/> <hr/>
Employee	10.0 %
	<hr/> <hr/>

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$757,001 for 2017. Of this amount, \$117,527 is reported as an intergovernmental payable.

Ohio Police and Fire Pension Fund

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will receive a COLA equal to a percentage of the member's base pension benefit where the percentage is the lesser of three percent or the percentage increase in the consumer price index, if any, over the 12 month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates:		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates:		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
	19.50 %	24.00 %
Total Employer		
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$584,341 for 2017. Of this amount \$80,151 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2017, the specific liability of the City was \$15,487 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016, and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04361400%	0.11685800%	
Prior Measurement Date	<u>0.04364800%</u>	<u>0.12170300%</u>	
Change in Proportionate Share	<u>-0.0000340%</u>	<u>-0.0048450%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,903,997	\$7,401,668	\$17,305,665
Pension Expense	\$2,111,071	\$773,376	\$2,884,447

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$13,424	\$2,094	\$15,518
Changes of assumptions	1,570,895	0	1,570,895
Net difference between projected and actual earnings on pension plan investments	1,474,932	719,780	2,194,712
Changes in proportion and differences between City contributions and proportionate share of contributions	14,143	0	14,143
City contributions subsequent to the measurement date	<u>757,001</u>	<u>584,341</u>	<u>1,341,342</u>
Total Deferred Outflows of Resources	<u>\$3,830,395</u>	<u>\$1,306,215</u>	<u>\$5,136,610</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$58,945	\$17,042	\$75,987
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>2,885</u>	<u>623,247</u>	<u>626,132</u>
Total Deferred Inflows of Resources	<u>\$61,830</u>	<u>\$640,289</u>	<u>\$702,119</u>

\$1,341,342 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2018	\$1,248,306	\$133,722	\$1,382,028
2019	1,282,307	133,722	1,416,029
2020	524,187	68,494	592,681
2021	(43,236)	(188,477)	(231,713)
2022	0	(61,622)	(61,622)
Thereafter	<u>0</u>	<u>(4,254)</u>	<u>(4,254)</u>
Total	<u>\$3,011,564</u>	<u>\$81,585</u>	<u>\$3,093,149</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

For 2016, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

For 2015, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2015. The prior experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	<u>100.00 %</u>	<u>5.66 %</u>

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's proportionate share of the net pension liability	\$15,130,569	\$9,903,997	\$5,548,573

Actuarial Assumptions – OPF

OP&F’s total pension liability as of December 31, 2016, is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

Valuation Date	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
	plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016, are summarized below:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$9,858,145	\$7,401,668	\$5,319,771

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Changes between Measurement Date and Report Date

In October 2017, the OP&F Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of January 1, 2017. The most significant change is a reduction in the discount rate from 8.25 percent to 8 percent. Although the exact amount of these changes is not known, it has the potential to impact to the City's net pension liability.

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 pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

Substantially all of the City's contribution allocated to fund postemployment healthcare benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2017, 2016, and 2015 was \$64,825, \$93,491, and \$109,474, respectively. For 2017, 78.79 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2016 and 2015.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides health care 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.

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B 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 OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2017, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OP&F that was allocated to the healthcare plan for the years ended December 31, 2017, 2016, and 2015 were \$11,315, \$11,171, and \$10,387, respectively, for Police and \$3,578, \$2,841, and \$2,810, respectively, for Fire. For 2017, 88.64 percent has been contributed for police and 81.37 percent has been contributed for firefighters with the balance being reported as an *intergovernmental payable*. The full amount has been contributed for 2016 and 2015.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017 follows:

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
<u>Governmental Activities</u>				
2016 - Columbia Road Various Purpose, 2.00%	\$1,500,000	\$0	\$1,500,000	\$0
<u>Business-Type Activities</u>				
2016 - Sewer System Improvement Various Purpose, 2.00%	\$1,000,000	\$0	\$1,000,000	\$0
Total	\$2,500,000	\$0	\$2,500,000	\$0

The notes were issued in anticipation of long-term bond financing and were backed by the full faith and credit of the City.

Note 16 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2017 follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Types/ Issues	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017	Amount Due in One Year
<u>Unvoted General Obligation Bonds:</u>					
2008 - 3.5 to 4.75% \$3,750,000					
Road Improvement Refunding	\$1,530,000	\$0	\$1,530,000	\$0	\$0
Premium on Debt Issue	50,834	0	50,834	0	0
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial Bonds	1,375,000	0	215,000	1,160,000	230,000
Term Bonds	245,000	0	0	245,000	0
Capital Appreciation Bonds	1,603	0	0	1,603	0
Accretion on Capital Appreciation Bonds	2,520	1,335	0	3,855	0
Premium on Debt Issue	80,719	0	11,812	68,907	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial Bonds	735,000	0	115,000	620,000	120,000
Term Bonds	1,520,000	0	0	1,520,000	0
Premium on Debt Issue	70,275	0	4,439	65,836	0
2016 - 1.0 to 4.0% \$1,935,000					
Service Building Bonds					
Serial Bonds	610,000	0	120,000	490,000	120,000
Term Bonds	1,225,000	0	0	1,225,000	0
Premium on Debt Issue	117,258	0	8,181	109,077	0
2017 - 2.03% \$2,125,000					
Various Purpose Bonds	0	2,125,000	0	2,125,000	410,000
2017 - 2.03% \$1,250,000					
Various Purpose Refunding Bonds	0	1,250,000	0	1,250,000	115,000
Total - Unvoted General Obligation Bonds	<u>7,563,209</u>	<u>3,376,335</u>	<u>2,055,266</u>	<u>8,884,278</u>	<u>995,000</u>
<u>Other Long-Term Obligations:</u>					
2016 - 2.00 %					
Columbia Road Reconstruction Bond					
Anticipation Notes \$2,100,000	2,100,000	0	2,100,000	0	0
Premium	11,623	0	11,623	0	0
2017 - 1.5% \$2,100,000					
Columbia Road Reconstruction Bond					
Anticipation Notes \$2,100,000	0	2,100,000	2,100,000	0	0
Compensated Absences Payable	1,252,051	664,066	425,338	1,490,779	279,786
Police Pension	16,075	0	588	15,487	614
Total - Other Long-Term Obligations	<u>3,379,749</u>	<u>2,764,066</u>	<u>4,637,549</u>	<u>1,506,266</u>	<u>280,400</u>
<u>Net Pension Liability:</u>					
OP&F	7,829,239	0	427,571	7,401,668	0
OPERS	4,989,853	1,546,786	0	6,536,639	0
Total - Net Pension Liability	<u>12,819,092</u>	<u>1,546,786</u>	<u>427,571</u>	<u>13,938,307</u>	<u>0</u>
Total - Governmental Activities	<u>\$23,762,050</u>	<u>\$7,687,187</u>	<u>\$7,120,386</u>	<u>\$24,328,851</u>	<u>\$1,275,400</u>

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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. The bonds were refunded in 2017.

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 2017, the capital appreciation bonds were accreted \$1,335.

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.

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

In October 2017, the City issued \$2,125,000 in general obligation bonds for the purpose of refunding the \$2,100,000 Columbia Road bond anticipation notes. These bonds are paid from the bond retirement fund and will mature in December 2022.

In October 2017, the City issued \$1,250,000 in general obligation bonds for the purpose of advance refunding \$1,530,000 of the 2008 road improvement refunding general obligation bonds, in order to take advantage of lower interest rates. These bonds are paid from the debt service fund and will mature in December 2027. As a result, \$1,530,000 of the 2008 road improvement refunding general obligation bonds were considered defeased and the liability for the refunded bonds have been removed from the City's financial statements. The City decreased its total debt service payments by \$119,473 as a result of the refunding. The City also incurred an economic gain (difference between present value of the old and new debt service payments) of \$92,607, and incurred an accounting gain of \$1,230 (difference between amount paid to bond escrow agent and the refunding amount), which is shown in the following table:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

2008 Road Improvement Refunding General Obligation Bonds

Bonds	\$1,530,000
Premium	50,834
Amortization of Premium	<u>(3,852)</u>
Net Carrying Amount of Bonds	1,576,982
Payment to Refunded Bond Escrow Agent - Debt Service	(326,092)
Payment to Refunded Bond Escrow Agent - Other Financing Use	<u>(1,249,660)</u>
2017 Refunding Accounting Gain	<u><u>\$1,230</u></u>

Proceeds of \$1,575,752 were deposited into a trust account with an escrow agent where the bonds will be called in June 2018. \$1,530,000 of the bonds are outstanding at December 31, 2017.

During 2017, the City issued \$2,100,000 in bond anticipation notes for the purposes of the Columbia Road Reconstruction. The note was bonded in 2017 as part of the \$2,125,000 bond issue.

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

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.

Changes in the long-term obligations reported in business-type activities of the City during 2017 were as follows:

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017	Amounts Due in One Year
<u>General Obligation Bonds:</u>					
2017 - 2.03% \$4,895,000					
Sewer Various Purpose Refunding Bonds	\$0	\$4,895,000	\$0	\$4,895,000	\$630,000
<u>Mortgage Revenue Bonds:</u>					
2006 - 4.00 to 5.00% \$10,690,000					
Sewer System Improvement					
Refunding	6,415,000	0	6,415,000	0	0
Premium on Debt Issue	25,975	0	25,975	0	0
2008 - 4.0 to 4.50% \$4,465,000					
Electric System Improvement	2,940,000	0	215,000	2,725,000	225,000
Discount on Debt Issue	(4,343)	0	(395)	(3,948)	0
2012 - 2.0 to 4.0% \$13,650,000					
Water System Improvement Refunding	11,640,000	0	415,000	11,225,000	420,000
Premium on Debt Issue	131,633	0	15,955	115,678	0
Total - Mortgage Revenue Bonds Payable	21,148,265	0	7,086,535	14,061,730	645,000
Net Pension Liability - OPERS	2,570,530	796,828	0	3,367,358	0
Compensated Absences Payable	364,467	128,149	114,050	378,566	79,639
Total - Enterprise Funds	\$24,083,262	\$5,819,977	\$7,200,585	\$22,702,654	\$1,354,639

In October 2017, the City issued \$4,895,000 in general obligation bonds for the purpose of current refunding \$6,415,000 of the 2006 sewer system mortgage revenue bonds, in order to take advantage of lower interest rates. These bonds are paid from the sewer fund and will mature in December 2026. As a result, \$6,415,000 of the 2006 Sewer Mortgage Revenue Bonds were considered defeased and the liability for the refunded bonds have been removed from the City's financial statements. The City decreased its total debt service payments by \$1,568,062 as a result of the refunding. The City also incurred an economic gain (difference between present value of the old and new debt service payments) of \$1,372,833, and incurred an accounting loss of \$109,072 (difference between amount paid to bond escrow agent and the refunding amount), which is shown in the following table:

2006 Sewer Mortgage Revenue Bonds

Bonds	\$6,415,000
Premium	25,975
Amortization of Premium	(2,706)
Net Carrying Amount of Bonds	6,438,269
Payment to Refunded Escrow Agent (Debt Proceeds)	(4,895,000)
Payment to Refunded Escrow Agent (City Contribution)	(1,652,341)
2017 Sewer Refunding Accounting Loss	(\$109,072)

Proceeds of \$6,547,341 were deposited into a trust account with an escrow agent where the bonds were called in December 2017.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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. In 2017, these bonds were refunded.

The City had pledged future sewer revenues, net of operating expenses, to repay the sewer system improvement mortgage revenue bonds in the Sewer Fund. The debt was payable solely from net revenues. Interest paid for the current year was \$132,341. Total net revenues were \$1,617,834, and total revenues were \$3,762,383. During 2017, the City refunded the total outstanding balance of \$6,415,000 associated with the 2006 Sewer System Improvement Mortgage Revenue Bonds.

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.

The City has pledged future electric revenues, net of operating expenses, to repay the electric system solely from net revenues and is payable through 2027. Annual principal and interest payments on the remaining bond issue are expected to require eight percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,426,598. Principal and interest paid for the current year were \$340,132. Total net revenues were \$5,066,828.

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 44 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$16,467,549. Principal and interest paid for the current year were \$850,654. Total net revenues were \$1,812,203, and total revenues were \$4,552,611.

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

As of December 31, 2017, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$44,097,794, and the unvoted debt margin was \$23,098,844.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2017 were:

Year	Governmental Activities					
	General Obligation Bonds		Capital Appreciation Bonds		Police Pension	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$995,000	\$216,598	\$0	\$0	\$614	\$652
2019	1,005,000	201,546	0	0	640	625
2020	1,030,000	188,510	0	0	667	597
2021	1,040,000	175,126	0	0	696	569
2022	1,050,000	151,541	1,603	8,397	727	539
2023-2027	2,280,000	386,576	0	0	4,127	2,201
2028-2032	1,235,000	106,018	0	0	5,092	1,235
2033-2035	0	0	0	0	2,924	187
Totals	<u>\$8,635,000</u>	<u>\$1,425,915</u>	<u>\$1,603</u>	<u>\$8,397</u>	<u>\$15,487</u>	<u>\$6,605</u>

Year	Business-Type Activities			
	General Obligation Bonds		Mortgage Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$630,000	\$107,649	\$645,000	\$545,775
2019	645,000	86,580	660,000	527,325
2020	655,000	73,486	685,000	504,588
2021	665,000	60,190	710,000	480,975
2022	680,000	46,690	735,000	456,488
2023-2027	1,620,000	58,363	3,985,000	1,851,171
2028-2032	0	0	2,920,000	1,133,225
2033-2037	0	0	3,610,000	444,600
Totals	<u>\$4,895,000</u>	<u>\$432,958</u>	<u>\$13,950,000</u>	<u>\$5,944,147</u>

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Note 17 - Interfund Activity

Interfund Payable/Receivable

As of December 31, 2017, 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.

		Receivable Governmental Activities - <u>Internal Service</u>
General		\$5,663
Fire and Life Squad		4,204
All Nonmajor Governmental		6,872
Payable Electric		4,455
Sanitation		862
Sewer		723
Telecommunications		33
Water		3,191
Storm Water Utility		191
Total		<u><u>\$26,194</u></u>

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 \$123,823 is expected to be repaid in 2018.

Transfers From/To Other Funds

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

The transfer to the Debt Service Fund from the Tax Increment Financing Fund was for debt service payments. A debt payment was made from the Tax Increment Financing Fund for Sewer Fund debt. Therefore, transfers in and out do not equal on the fund financial statements.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

		Transfers From		
		General Fund	Tax Increment Financing Fund	Total
Transfers To	Fire and Life Squad Fund	\$240,000	\$0	\$240,000
	All Nonmajor Governmental	90,000	42,500	132,500
	Sewer	0	1,020,000	1,020,000
	Total	\$330,000	\$1,062,500	\$1,392,500

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 \$13,838 during 2017 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and the County Treasurer serve as fiscal officers. Financial information can be obtained from Brenda Joseph at the Warren County Combined Health District, 416 S. East Street, Lebanon, Ohio 45036.

Insurance Purchasing Pool

Ohio Municipal League Group Rating Program

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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.

Fund Balances	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Inventory	\$47,086	\$9,534	\$0	\$0	\$103,512	\$160,132
Prepays	64,507	12,022	0	0	14,335	90,864
<i>Total Nonspendable</i>	<u>111,593</u>	<u>21,556</u>	<u>0</u>	<u>0</u>	<u>117,847</u>	<u>250,996</u>
<u>Restricted for:</u>						
Road Improvements	0	0	0	0	775,258	775,258
Public Safety	0	1,040,136	0	0	809,239	1,849,375
Public Health Services	0	0	0	0	770,735	770,735
Community and Economic Development	0	0	0	0	197,964	197,964
Capital Improvements	0	0	6,275,604	0	93,851	6,369,455
Debt Service Payments	0	0	0	0	6,793	6,793
Issue II Improvements	0	0	0	0	218,176	218,176
<i>Total Restricted</i>	<u>0</u>	<u>1,040,136</u>	<u>6,275,604</u>	<u>0</u>	<u>2,872,016</u>	<u>10,187,756</u>
<u>Committed to:</u>						
Leisure Time Services	0	0	0	0	87,986	87,986
Debt Service Payments	0	0	0	0	3,061,574	3,061,574
Capital Improvements	0	0	0	2,535,153	0	2,535,153
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,535,153</u>	<u>3,149,560</u>	<u>5,684,713</u>
<u>Assigned to:</u>						
Purchases on Order	278,242	0	0	0	0	278,242
Future Appropriations	37,281	0	0	0	0	37,281
<i>Total Assigned</i>	<u>315,523</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>315,523</u>
<u>Unassigned</u>	<u>5,723,205</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,723,205</u>
Total Fund Balances	<u>\$6,150,321</u>	<u>\$1,061,692</u>	<u>\$6,275,604</u>	<u>\$2,535,153</u>	<u>\$6,139,423</u>	<u>\$22,162,193</u>

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

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:

<u>Governmental Funds:</u>	
General	\$356,742
Fire and Life Squad	40,161
Tax Increment Financing	1,746,645
Capital Improvement	333,760
Nonmajor Governmental Funds	175,802
Total Governmental Funds	<u>2,653,110</u>
 <u>Enterprise Funds:</u>	
Electric	727,687
Sanitation	17,879
Sewer	389,996
Telecommunications	2,252
Water	324,478
Storm Water Utility	236,701
Total Enterprise Funds	<u>1,698,993</u>
 <u>Internal Service Funds:</u>	
Automotive Maintenance	1,981
Self Insurance	612,048
Total Internal Service Fund	<u>614,029</u>
 Total	 <u><u>\$4,966,132</u></u>

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2017:

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Contractor	Purpose	Amount Remaining
Adleta	2017 Concrete Program	\$111,706
Rack & Ballauer	Walnut Street Storm Sewer	269,058
Corna Kokosing	Turtlecreek Pump Station	1,074,339
ASE	Turtlecreek Pump Station SCADA	19,723
Rack & Ballauer	Turtlecreek Water Main	144,975
Bansal Construction	Traffic Signal Improvements E. Main / Oregonia	263,427
Innovative Dirt Solutions	Design / Build Bike Park	50,796
Elk Run Construction	Shelter	17,400
Cardno	Design / Build Instream Modification - Sycamore	103,490
Ridgewater LLC	Design / Build Instream Modification - Katherine	113,594
B&I Group	Design / Build Miller Park Trail	26,500
Applied Ecological Services	Design / Build Miller Park Trail	25,708
Stanley Consultants	Electric Generation Feasibility Study	103,600
Orchard Hiltz & McCliment	West Main Street Area Plan	59,000
Northwest Construction	Design Services Broadway / Maple Bridge	22,004
Fishbeck, Thompson, Carr	Turtlecreek Pump Station Construction	49,625
Total Contractual Commitments		<u><u>\$2,454,945</u></u>

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

Note 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.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.04361400%	0.04368000%	0.04331800%	0.04331800%
City's Proportionate Share of the Net Pension Liability	\$9,903,997	\$7,560,383	\$5,224,636	\$5,106,628
City's Covered Payroll	\$5,638,025	\$5,431,836	\$5,310,750	\$5,297,364
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.66%	139.19%	98.38%	96.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability	0.11685800%	0.12170300%	0.13375310%	0.13375310%
City's Proportionate Share of the Net Pension Liability	\$7,401,668	\$7,829,239	\$6,928,969	\$6,514,196
City's Covered Payroll	\$2,665,193	\$2,821,335	\$2,790,353	\$2,376,423
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	277.72%	277.50%	248.32%	274.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

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

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

**CITY OF LEBANON, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL PLAN
LAST FIVE YEARS (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$757,001	\$676,563	\$651,820	\$637,290	\$698,999
Contributions in Relation to the Contractually Required Contribution	<u>(757,001)</u>	<u>(676,563)</u>	<u>(651,820)</u>	<u>(637,290)</u>	<u>(698,999)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$5,823,085	\$5,638,025	\$5,431,836	\$5,310,750	\$5,297,364
Contributions as a Percentage of Covered Payroll	13.00%	12.00%	12.00%	12.00%	13.20%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$584,341	\$531,059	\$564,223	\$559,748
Contributions in Relation to the Contractually Required Contribution	<u>(584,341)</u>	<u>(531,059)</u>	<u>(564,223)</u>	<u>(559,748)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,917,109	\$2,665,193	\$2,821,335	\$2,790,353
Contributions as a Percentage of Covered Payroll:	20.03%	19.93%	20.00%	20.06%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$402,727	\$347,603	\$391,612	\$360,709	\$335,833	\$342,193
<u>(402,727)</u>	<u>(347,603)</u>	<u>(391,612)</u>	<u>(360,709)</u>	<u>(335,833)</u>	<u>(342,193)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,376,423	\$2,507,346	\$2,828,138	\$2,632,137	\$2,443,026	\$2,489,536
16.95%	13.86%	13.85%	13.70%	13.75%	13.75%

CITY OF LEBANON, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

Changes in Assumptions - OPERS

Amounts reported for 2017 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2016 and prior are presented below:

	<u>December 31, 2017</u>	<u>December 31, 2016 and Prior</u>
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

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

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

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

NONMAJOR SPECIAL REVENUE FUNDS

Cemetery Fund

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

Community Development Fund

To account for and report grants received from federal, state and local sources which are restricted for economic development within the City. This fund had no cash activity this year. Therefore, no budgetary schedule is presented.

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 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. This fund had no activity during 2017. Therefore, no budgetary statement is presented.

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,627,985	\$3,137,294	\$312,027	\$6,077,306
Materials and Supplies Inventory	103,512	0	0	103,512
Prepaid Items	14,335	0	0	14,335
Income Taxes Receivable	0	315,531	0	315,531
Accrued Interest Receivable	1,148	4,690	0	5,838
Intergovernmental Receivable	478,245	0	0	478,245
Total Assets	\$3,225,225	\$3,457,515	\$312,027	\$6,994,767
Liabilities:				
Accounts Payable	\$21,423	\$0	\$0	\$21,423
Accrued Wages Payable	10,941	0	0	10,941
Contracts Payable	12,000	0	0	12,000
Intergovernmental Payable	12,346	0	0	12,346
Interfund Payable	6,872	0	0	6,872
Total Liabilities	63,582	0	0	63,582
Deferred Inflows of Resources:				
Unavailable Revenue	402,614	389,148	0	791,762
Fund Balances:				
Nonspendable	117,847	0	0	117,847
Restricted	2,553,196	6,793	312,027	2,872,016
Committed	87,986	3,061,574	0	3,149,560
Total Fund Balances	2,759,029	3,068,367	312,027	6,139,423
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,225,225	\$3,457,515	\$312,027	\$6,994,767

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$789,056	\$0	\$789,056
Charges for Services	100,109	0	7,800	107,909
Fines, Licenses and Permits	229,287	0	0	229,287
Intergovernmental	1,057,885	0	0	1,057,885
Interest	6,362	42,672	0	49,034
Other	5,956	0	0	5,956
Total Revenues	<u>1,399,599</u>	<u>831,728</u>	<u>7,800</u>	<u>2,239,127</u>
Expenditures:				
Current:				
General Government	6,185	0	0	6,185
Security of Persons and Property:				
Police	66,487	0	0	66,487
Public Health Services	162,049	0	5,666	167,715
Leisure Time Services	90,000	0	0	90,000
Transportation	934,173	0	0	934,173
Capital Outlay	56,630	0	0	56,630
Debt Service:				
Principal Retirement	0	450,000	0	450,000
Interest and Fiscal Charges	0	194,432	0	194,432
Payment to Refunded Bond Escrow Agent	0	326,092	0	326,092
Total Expenditures	<u>1,315,524</u>	<u>970,524</u>	<u>5,666</u>	<u>2,291,714</u>
Excess of Revenues Over (Under) Expenditures	<u>84,075</u>	<u>(138,796)</u>	<u>2,134</u>	<u>(52,587)</u>
Other Financing Sources (Uses):				
Transfers In	90,000	42,500	0	132,500
Refunding Bonds Issued	0	1,250,000	0	1,250,000
Payment to Refunded Bond Escrow Agent	0	(1,249,660)	0	(1,249,660)
Total Other Financing Sources (Uses)	<u>90,000</u>	<u>42,840</u>	<u>0</u>	<u>132,840</u>
Net Change in Fund Balances	174,075	(95,956)	2,134	80,253
Fund Balances at Beginning of Year	<u>2,584,954</u>	<u>3,164,323</u>	<u>309,893</u>	<u>6,059,170</u>
Fund Balances at End of Year	<u><u>\$2,759,029</u></u>	<u><u>\$3,068,367</u></u>	<u><u>\$312,027</u></u>	<u><u>\$6,139,423</u></u>

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$776,801	\$197,964	\$826,326
Materials and Supplies Inventory	1,640	0	3,349
Prepaid Items	880	0	0
Accrued Interest Receivable	988	0	0
Intergovernmental Receivable	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$780,309</u>	<u>\$197,964</u>	<u>\$829,675</u>
Liabilities:			
Accounts Payable	\$0	\$0	\$5,087
Accrued Wages Payable	2,021	0	0
Contracts Payable	0	0	12,000
Intergovernmental Payable	3,074	0	0
Interfund Payable	1,194	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>6,289</u>	<u>0</u>	<u>17,087</u>
Deferred Inflows of Resources:			
Unavailable Revenue	765	0	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Nonspendable	2,520	0	3,349
Restricted	770,735	197,964	809,239
Committed	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>773,255</u>	<u>197,964</u>	<u>812,588</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$780,309</u>	<u>\$197,964</u>	<u>\$829,675</u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$87,986	\$738,908	\$2,627,985
0	98,523	103,512
0	13,455	14,335
0	160	1,148
0	478,245	478,245
<u>\$87,986</u>	<u>\$1,329,291</u>	<u>\$3,225,225</u>
\$0	\$16,336	\$21,423
0	8,920	10,941
0	0	12,000
0	9,272	12,346
0	5,678	6,872
<u>0</u>	<u>40,206</u>	<u>63,582</u>
<u>0</u>	<u>401,849</u>	<u>402,614</u>
0	111,978	117,847
0	775,258	2,553,196
87,986	0	87,986
<u>87,986</u>	<u>887,236</u>	<u>2,759,029</u>
<u>\$87,986</u>	<u>\$1,329,291</u>	<u>\$3,225,225</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, 2017**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$96,720	\$0	\$3,389
Fines, Licenses and Permits	0	0	119,519
Intergovernmental	0	0	0
Interest	4,998	0	0
Other	1,675	0	709
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	103,393	0	123,617
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
General Government	0	0	6,185
Security of Persons and Property:			
Police	0	0	66,487
Public Health Services	162,049	0	0
Leisure Time Services	0	0	0
Transportation	0	0	0
Capital Outlay	29,897	0	480
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	191,946	0	73,152
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over (Under) Expenditures	(88,553)	0	50,465
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources:			
Transfers In	80,000	0	0
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	(8,553)	0	50,465
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at Beginning of Year	781,808	197,964	762,123
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u><u>773,255</u></u>	<u><u>\$197,964</u></u>	<u><u>\$812,588</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$100,109
68,161	41,607	229,287
0	1,057,885	1,057,885
0	1,364	6,362
0	3,572	5,956
<u>68,161</u>	<u>1,104,428</u>	<u>1,399,599</u>
0	0	6,185
0	0	66,487
0	0	162,049
90,000	0	90,000
0	934,173	934,173
0	26,253	56,630
<u>90,000</u>	<u>960,426</u>	<u>1,315,524</u>
(21,839)	144,002	84,075
<u>0</u>	<u>10,000</u>	<u>90,000</u>
(21,839)	154,002	174,075
<u>109,825</u>	<u>733,234</u>	<u>2,584,954</u>
<u><u>\$87,986</u></u>	<u><u>\$887,236</u></u>	<u><u>\$2,759,029</u></u>

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2017**

	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	\$93,851	\$218,176	\$312,027
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Restricted	\$93,851	\$218,176	\$312,027
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$93,851	\$218,176	\$312,027
	<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, 2017**

	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$7,800	\$0	\$7,800
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Public Health Services	5,666	0	5,666
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	5,666	0	5,666
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	2,134	0	2,134
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at Beginning of Year	91,717	218,176	309,893
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	\$93,851	\$218,176	\$312,027
	<u> </u>	<u> </u>	<u> </u>

CITY OF LEBANON, OHIO

INTERNAL SERVICE FUNDS

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

Automotive Maintenance Fund

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

Self-Insurance Fund

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

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2017

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$139,508	\$1,750,286	\$1,889,794
Accrued Interest Receivable	0	2,316	2,316
Prepaid Items	4,870	0	4,870
Materials and Supplies Inventory	62,900	0	62,900
Interfund Receivable	26,194	0	26,194
Total Current Assets	233,472	1,752,602	1,986,074
Noncurrent Assets:			
Nondepreciable Capital Assets	64,666	0	64,666
Depreciable Capital Assets, Net	124,046	0	124,046
Total Noncurrent Assets	188,712	0	188,712
Total Assets	422,184	1,752,602	2,174,786
Deferred Outflows of Resources:			
Pension	76,311	0	76,311
Liabilities:			
Current Liabilities:			
Accounts Payable	180	35,624	35,804
Accrued Wages Payable	5,194	0	5,194
Intergovernmental Payable	5,781	0	5,781
Claims Payable	0	174,954	174,954
Compensated Absences Payable	7,653	0	7,653
Total Current Liabilities	18,808	210,578	229,386
Long-term Liabilities:			
Compensated Absences Payable	17,188	0	17,188
Net Pension Liability	198,081	0	198,081
Total Long-Term Liabilities	215,269	0	215,269
Total Liabilities	234,077	210,578	444,655
Deferred Inflows of Resources:			
Pension	1,236	0	1,236
Net Position:			
Investment in Capital Assets	188,712	0	188,712
Unrestricted	74,470	1,542,024	1,616,494
Total Net Position	\$263,182	\$1,542,024	\$1,805,206

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$303,622	\$1,738,800	\$2,042,422
Other	1,649	452,557	454,206
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	<u>305,271</u>	<u>2,191,357</u>	<u>2,496,628</u>
Operating Expenses:			
Personal Services	239,515	0	239,515
Contractual Services	24,633	358,919	383,552
Supplies and Materials	28,519	0	28,519
Claims	0	1,743,163	1,743,163
Depreciation	8,557	0	8,557
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	<u>301,224</u>	<u>2,102,082</u>	<u>2,403,306</u>
Operating Income	4,047	89,275	93,322
Non-Operating Revenues:			
Interest	0	9,637	9,637
	<u> </u>	<u> </u>	<u> </u>
Change in Net Position	4,047	98,912	102,959
Net Position at Beginning of Year	<u>259,135</u>	<u>1,443,112</u>	<u>1,702,247</u>
Net Position at End of Year	<u><u>\$263,182</u></u>	<u><u>\$1,542,024</u></u>	<u><u>\$1,805,206</u></u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	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	\$308,975	\$1,738,800	\$2,047,775
Cash Payments for Employee Services and Benefits	(209,438)	0	(209,438)
Cash Payments to Suppliers for Goods and Services	(39,298)	(323,295)	(362,593)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(1,772,247)	(1,772,247)
Other Operating Revenues	1,649	452,557	454,206
Net Cash Provided by Operating Activities	<u>61,888</u>	<u>95,815</u>	<u>157,703</u>
Cash Flows Used in Capital and Related Financing Activities:			
Acquisition of Capital Assets	<u>(13,956)</u>	<u>0</u>	<u>(13,956)</u>
Cash Flows from Investing Activities:			
Interest	<u>0</u>	<u>10,317</u>	<u>10,317</u>
Net Increase in Cash and Cash Equivalents	47,932	106,132	154,064
Cash and Cash Equivalents at Beginning of Year	<u>91,576</u>	<u>1,644,154</u>	<u>1,735,730</u>
Cash and Cash Equivalents at End of Year	<u><u>\$139,508</u></u>	<u><u>\$1,750,286</u></u>	<u><u>\$1,889,794</u></u>
Reconciliation of Operating Income to			
<u>Net Cash Provided by Operating Activities:</u>			
Operating Income	<u>\$4,047</u>	<u>\$89,275</u>	<u>\$93,322</u>
Adjustments to Reconcile Operating Income to			
<u>Net Cash Provided by Operating Activities:</u>			
Depreciation	8,557	0	8,557
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	13,000	0	13,000
Interfund Receivable	5,353	0	5,353
Prepays Items	915	0	915
Deferred Outflows of Resources - Pension	25,577	0	25,577
Increase (Decrease) in Liabilities:			
Accounts Payable	(61)	0	(61)
Accrued Wages Payable	1,374	0	1,374
Intergovernmental Payable	3,372	35,624	38,996
Claims Payable	0	(29,084)	(29,084)
Compensated Absences Payable	(2,047)	0	(2,047)
Net Pension Liability	4,434	0	4,434
Deferred Inflows of Resources - Pension	<u>(2,633)</u>	<u>0</u>	<u>(2,633)</u>
Net Cash Provided by Operating Activities	<u><u>\$61,888</u></u>	<u><u>\$95,815</u></u>	<u><u>\$157,703</u></u>

CITY OF LEBANON, OHIO

AGENCY FUNDS

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.

Fire Insurance Collection

To account for and report money received from fire insurance settlements held on behalf of individuals and private organizations that is paid out when the fire damaged structure is repaired.

Racetrack Redevelopment Fund

This Fund is used to finance redevelopment projects that receive funding through the Racetrack Facility Community Economic Redevelopment Fund (Racetrack Redevelopment Fund). The Racetrack Redevelopment Fund was created via Section of HB 386 of the 129th General Assembly. The Racetrack Redevelopment Fund received a portion of money paid to the state by horse-racing permit holders for the privilege to relocate to a new facility in accordance with Section 3 of Sub. H.B. 277 of the 129th General Assembly. The Racetrack Redevelopment Fund is used for economic and community benefit projects with the primary goal of mitigating the economic impact from the abandoned horse-racing track facility. Use of funds will be prioritized for activities leading to revitalization efforts within the immediate area (1-mile) of the abandoned Track facility that result in an economic benefit for community and state. The City only serves as a cash conduit between the State and the secondary recipient, which is using the monies for economic development. The City has no administrative or direct financial involvement in the economic development projects being undertaken.

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.

Public Improvement Bond Fund

Public Improvement Bonds are required for all private projects involving the installation of public infrastructure (streets and appurtenances/sidewalks/water mains/sanitary sewer mains/storm sewers). Upon completion and proper maintenance of all improvements to City of Lebanon specifications, the bonds can be released. This Fund is used to reimburse the bonds back to the developer in accordance with the security agreement.

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance 1/1/17	Additions	Reductions	Balance 12/31/17
FIRE INSURANCE COLLECTION				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$61,085	\$61,085	\$0
Liabilities:				
Undistributed Monies	\$0	\$61,085	\$61,085	\$0
RACETRACK REDEVELOPMENT FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,008,486	\$1,008,486	\$0
Liabilities:				
Undistributed Monies	\$0	\$1,008,486	\$1,008,486	\$0
MUNICIPAL COURT FUND				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$50,519	\$40,188	\$50,519	\$40,188
Liabilities:				
Intergovernmental Payable	\$21,342	\$22,494	\$21,342	\$22,494
Undistributed Monies	29,177	17,694	29,177	17,694
Total Liabilities	\$50,519	\$40,188	\$50,519	\$40,188
JOINT ECONOMIC DEVELOPMENT DISTRICT FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$18,831	\$34,345	\$44,414	\$8,762
Liabilities:				
Undistributed Monies	\$18,831	\$34,345	\$44,414	\$8,762
PUBLIC IMPROVEMENT BOND FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$15,276	\$206,699	\$8,120	\$213,855
Liabilities:				
Undistributed Monies	\$15,276	\$206,699	\$8,120	\$213,855
TOTAL - ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$34,107	\$1,310,615	\$1,122,105	\$222,617
Cash and Cash Equivalents in Segregated Accounts	50,519	40,188	50,519	40,188
Total Assets	\$84,626	\$1,350,803	\$1,172,624	\$262,805
Liabilities:				
Intergovernmental Payable	\$21,342	\$22,494	\$21,342	\$22,494
Undistributed Monies	63,284	1,328,309	1,151,282	240,311
Total Liabilities	\$84,626	\$1,350,803	\$1,172,624	\$262,805

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, 2017

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$1,047,283	\$1,047,283	\$0
Income Taxes	4,980,052	4,980,052	0
Other Local Taxes	1,484,427	1,484,427	0
Charges for Services	2,525,901	2,398,692	(127,209)
Fines, Licenses and Permits	631,600	631,600	0
Intergovernmental	389,480	389,480	0
Interest	204,237	204,237	0
Contributions and Donations	1,000	2,500	1,500
Other	306,361	306,361	0
Total Revenues	11,570,341	11,444,632	(125,709)
Expenditures:			
Current:			
General Government			
Legislative			
Personal Services	54,955	53,794	1,161
Contractual Services	36,000	31,150	4,850
Supplies and Materials	600	491	109
Total Legislative	91,555	85,435	6,120
City Manager			
Personal Services	638,406	608,008	30,398
Contractual Services	64,660	49,243	15,417
Supplies and Materials	8,500	8,482	18
Total City Manager	711,566	665,733	45,833
Personnel			
Personal Services	166,953	165,795	1,158
Contractual Services	47,714	46,358	1,356
Supplies and Materials	3,250	2,495	755
Total Personnel	217,917	214,648	3,269
Department of Service			
Personal Services	268,027	266,951	1,076
Contractual Services	60,132	55,777	4,355
Supplies and Materials	6,000	4,081	1,919
Total Department of Service	334,159	326,809	7,350
Information Technology			
Personal Services	194,861	194,389	472
Contractual Services	279,633	259,276	20,357
Supplies and Materials	2,500	1,722	778
Total Information Technology	476,994	455,387	21,607
Finance			
Personal Services	532,583	476,015	56,568
Contractual Services	122,538	100,241	22,297
Supplies and Materials	4,297	4,115	182
Total Finance	\$659,418	\$580,371	\$79,047

(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, 2017
(continued)

	<u>Budgeted Amounts</u>		Variance
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Income Tax			
Personal Services	\$204,495	\$203,696	\$799
Contractual Services	9,575	9,169	406
Supplies and Materials	3,300	2,872	428
Refunds	122,600	96,433	26,167
Other	142,400	142,357	43
Total Income Tax	482,370	454,527	27,843
Law			
Personal Services	205,254	204,343	911
Contractual Services	124,500	109,905	14,595
Supplies and Materials	2,500	2,212	288
Total Law	332,254	316,460	15,794
Municipal Court			
Personal Services	598,240	561,208	37,032
Contractual Services	148,494	98,473	50,021
Supplies and Materials	12,500	7,540	4,960
Total Municipal Court	759,234	667,221	92,013
Parking System			
Contractual Services	10,000	0	10,000
Capital Outlay	5,000	0	5,000
Total Parking System	15,000	0	15,000
Probation			
Personal Services	273,909	245,910	27,999
Contractual Services	7,585	3,348	4,237
Supplies and Materials	13,591	6,346	7,245
Total Probation	295,085	255,604	39,481
Building Maintenance			
Personal Services	181,083	180,425	658
Contractual Services	82,672	65,954	16,718
Supplies and Materials	24,600	16,145	8,455
Total Building Maintenance	288,355	262,524	25,831
Other General Government			
Contractual Services	64,973	62,389	2,584
Supplies and Materials	8,000	5,264	2,736
Reimbursements	1,000	0	1,000
Total Other General Government	73,973	67,653	6,320
Total General Government	4,737,880	4,352,372	385,508
Security of Persons and Property			
Police			
Personal Services	4,261,737	4,100,977	160,760
Contractual Services	478,816	426,254	52,562
Supplies and Materials	172,505	162,955	9,550
Capital Outlay	137,973	137,582	391
Total Police	\$5,051,031	\$4,827,768	\$223,263

(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, 2017
(continued)

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Police Donation Trust			
Supplies and Materials	\$2,500	\$0	\$2,500
Total Security of Persons and Property	5,053,531	4,827,768	225,763
Leisure Time Services			
Recreation Programs			
Personal Services	276,366	208,049	68,317
Contractual Services	224,146	216,101	8,045
Supplies and Materials	84,253	76,334	7,919
Capital Outlay	176,775	176,555	220
Refunds	200	25	175
Total Leisure Time Services	761,740	677,064	84,676
Community and Economic Development			
Planning and Development			
Personal Services	323,712	298,078	25,634
Contractual Services	213,622	205,555	8,067
Supplies and Materials	10,000	9,760	240
Total Planning and Development	547,334	513,393	33,941
Engineer Services			
Personal Services	363,987	337,900	26,087
Contractual Services	124,023	112,752	11,271
Supplies and Materials	14,759	13,431	1,328
Total Engineer Services	502,769	464,083	38,686
Total Community and Economic Development	1,050,103	977,476	72,627
Total Expenditures	11,603,254	10,834,680	768,574
Excess of Revenues Over (Under) Expenditures	(32,913)	609,952	642,865
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	3,709	3,709
Advances In	1,121,408	1,121,408	0
Transfers Out	(511,689)	(511,689)	0
Advances Out	(1,000,000)	0	1,000,000
Total Other Financing Sources (Uses)	(390,281)	613,428	1,003,709
Net Change in Fund Balance	(423,194)	1,223,380	1,646,574
Fund Balance at Beginning of Year	2,858,570	2,858,570	0
Prior Year Encumbrances Appropriated	398,792	398,792	0
Fund Balance at End of Year	\$2,834,168	\$4,480,742	\$1,646,574

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, 2017

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Property Taxes	\$2,513,500	\$2,738,818	\$225,318
Charges for Services	450,000	492,836	42,836
Intergovernmental	0	56,945	56,945
Other	15,000	79,753	64,753
	<u>2,978,500</u>	<u>3,368,352</u>	<u>389,852</u>
Total Revenues			
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	2,499,530	2,455,016	44,514
Contractual Services	636,397	554,661	81,736
Supplies and Materials	58,563	53,362	5,201
	<u>3,194,490</u>	<u>3,063,039</u>	<u>131,451</u>
Total Security of Persons and Property			
Capital Outlay	496,732	489,753	6,979
	<u>3,691,222</u>	<u>3,552,792</u>	<u>138,430</u>
Total Expenditures			
Excess of Revenues Under Expenditures	(712,722)	(184,440)	528,282
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	8,155	8,155
Transfers In	240,000	240,000	0
	<u>240,000</u>	<u>248,155</u>	<u>8,155</u>
Total Other Financing Sources			
Net Change in Fund Balance	(472,722)	63,715	536,437
Fund Balance at Beginning of Year	985,328	985,328	0
Prior Year Encumbrances Appropriated	68,624	68,624	0
	<u>\$581,230</u>	<u>\$1,117,667</u>	<u>\$536,437</u>
Fund Balance at End of Year			

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, 2017

	<u>Budgeted Amounts</u>		Variance with
	Final Budget	Actual	Final Budget
Revenues:			
Payments in Lieu of Taxes	\$1,730,854	\$1,730,854	\$0
Charges for Services	11,834	11,834	0
Intergovernmental	774,812	774,812	0
Other	4,300	4,300	0
Total Revenues	<u>2,521,800</u>	<u>2,521,800</u>	<u>0</u>
Expenditures:			
Current:			
Community and Economic Development			
Community Planning			
Contractual Services	80,000	467	79,533
Supplies and Materials	157,495	156,269	1,226
Capital Outlay	1,642,371	1,610,540	31,831
Total Community and Economic Development	<u>1,879,866</u>	<u>1,767,276</u>	<u>112,590</u>
Intergovernmental			
Reimbursements	475,000	475,000	0
Debt Service:			
Principal Retirements	6,725,000	6,700,000	25,000
Interest and Fiscal Charges	244,000	144,435	99,565
Total Debt Service	<u>6,969,000</u>	<u>6,844,435</u>	<u>124,565</u>
Total Expenditures	<u>9,323,866</u>	<u>9,086,711</u>	<u>237,155</u>
Excess of Revenues Under Expenditures	<u>(6,802,066)</u>	<u>(6,564,911)</u>	<u>237,155</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	806,777	806,777	0
Transfers Out	(42,500)	(42,500)	0
Bonds Issued	2,125,000	2,125,000	0
Bond Anticipation Notes Issued	2,100,000	2,100,000	0
Advances Out	(121,408)	(121,408)	0
Total Other Financing Sources (Uses)	<u>4,867,869</u>	<u>4,867,869</u>	<u>0</u>
Net Change in Fund Balance	(1,934,197)	(1,697,042)	237,155
Fund Balance at Beginning of Year	6,434,430	6,434,430	0
Prior Year Encumbrances Appropriated	4,387	4,387	0
Fund Balance at End of Year	<u>\$4,504,620</u>	<u>\$4,741,775</u>	<u>\$237,155</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, 2017

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Income Taxes	\$2,655,086	\$2,655,086	\$0
Special Assessments	137,857	137,857	0
Intergovernmental	766,298	766,298	0
Interest	33,727	33,727	0
Other	47,519	47,519	0
	<u>3,640,487</u>	<u>3,640,487</u>	<u>0</u>
Total Revenues			
Expenditures:			
Current:			
Transportation			
Capital Outlay	5,023,550	4,859,360	164,190
	<u>5,023,550</u>	<u>4,859,360</u>	<u>164,190</u>
Total Expenditures			
Excess of Revenues Under Expenditures	<u>(1,383,063)</u>	<u>(1,218,873)</u>	<u>164,190</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	36,236	36,236	0
Advances Out	(1,000,000)	(1,000,000)	0
	<u>(963,764)</u>	<u>(963,764)</u>	<u>0</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balance	(2,346,827)	(2,182,637)	164,190
Fund Balance at Beginning of Year	3,162,399	3,162,399	0
Prior Year Encumbrances Appropriated	242,050	242,050	0
Fund Balance at End of Year	<u>\$1,057,622</u>	<u>\$1,221,812</u>	<u>\$164,190</u>

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, 2017

	<u>Budgeted Amounts</u>		Variance with
	Final Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$31,513,648	\$31,513,648	\$0
Other	70,137	70,137	0
Interest	145,952	145,952	0
Utility Deposits Received	148,680	148,680	0
Proceeds from Sale of Capital Assets	11,265	11,265	0
Total Revenues	<u>31,889,682</u>	<u>31,889,682</u>	<u>0</u>
Expenses:			
Personal Services	1,933,970	1,858,632	75,338
Contractual Services	2,051,802	1,612,780	439,022
Purchased Power	22,601,155	22,510,156	90,999
Supplies and Materials	327,021	82,031	244,990
Other	223,000	219,932	3,068
Utility Deposits Returned	185,200	138,643	46,557
Capital Outlay	3,420,666	1,939,236	1,481,430
Debt Service:			
Principal Retirement	1,021,250	215,000	806,250
Interest and Fiscal Charges	302,512	126,818	175,694
Total Expenses	<u>32,066,576</u>	<u>28,703,228</u>	<u>3,363,348</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(176,894)	3,186,454	3,363,348
Transfers Out	<u>(980,863)</u>	<u>0</u>	<u>980,863</u>
Net Change in Fund Equity	(1,157,757)	3,186,454	4,344,211
Fund Equity at Beginning of Year	18,824,803	18,824,803	0
Prior Year Encumbrances Appropriated	<u>902,199</u>	<u>902,199</u>	<u>0</u>
Fund Equity at End of Year	<u>\$18,569,245</u>	<u>\$22,913,456</u>	<u>\$4,344,211</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
SANITATION ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		Variance with
	Final Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$1,705,764	\$1,705,764	\$0
Other	1,187	1,187	0
Interest	3,648	3,648	0
Total Revenues	<u>1,710,599</u>	<u>1,710,599</u>	<u>0</u>
Expenses:			
Personal Services	143,801	128,588	15,213
Contractual Services	1,558,935	1,538,021	20,914
Capital Outlay	240,000	226,931	13,069
Other	1,000	2	998
Total Expenses	<u>1,943,736</u>	<u>1,893,542</u>	<u>50,194</u>
Net Change in Fund Equity	(233,137)	(182,943)	50,194
Fund Equity at Beginning of Year	556,496	556,496	0
Prior Year Encumbrances Appropriated	6,448	6,448	0
Fund Equity at End of Year	<u><u>\$329,807</u></u>	<u><u>\$380,001</u></u>	<u><u>\$50,194</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u>		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Charges for Services	\$3,708,249	\$3,708,249	\$0
Interest	26,399	26,399	0
Other	6,977	6,977	0
Refunding Bonds Issued	<u>4,895,000</u>	<u>4,895,000</u>	<u>0</u>
Total Revenues	<u>8,636,625</u>	<u>8,636,625</u>	<u>0</u>
Expenses:			
Personal Services	771,237	765,446	5,791
Contractual Services	1,666,351	1,482,597	183,754
Supplies and Materials	134,597	110,065	24,532
Capital Outlay	433,452	366,612	66,840
Other	2,000	54	1,946
Debt Service:			
Payment to Refunded Bond Escrow Agent	<u>5,825,681</u>	<u>5,822,876</u>	<u>2,805</u>
Total Expenses	<u>8,833,318</u>	<u>8,547,650</u>	<u>285,668</u>
Net Change in Fund Equity	(196,693)	88,975	285,668
Fund Equity at Beginning of Year	3,241,473	3,241,473	0
Prior Year Encumbrances Appropriated	<u>194,401</u>	<u>194,401</u>	<u>0</u>
Fund Equity at End of Year	<u>\$3,239,181</u>	<u>\$3,524,849</u>	<u>\$285,668</u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
TELECOMMUNICATIONS ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		Variance with
	Final Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$54,424	\$54,424	\$0
Other Non Operating	126,387	126,387	0
	<u>180,811</u>	<u>180,811</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	109,034	106,651	2,383
Contractual Services	35,860	32,004	3,856
Supplies and Materials	1,000	758	242
Capital Outlay	20,000	19,542	458
	<u>165,894</u>	<u>158,955</u>	<u>6,939</u>
Total Expenses			
Net Change in Fund Equity	14,917	21,856	6,939
Fund Equity at Beginning of Year	221,947	221,947	0
Prior Year Encumbrances Appropriated	890	890	0
	<u>237,754</u>	<u>244,693</u>	<u>\$6,939</u>
Fund Equity at End of Year			

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, 2017

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$4,498,714	\$4,498,714	\$0
Other	27,068	27,068	0
Interest	25,547	25,547	0
Utility Deposits Received	10,675	10,675	0
	<u>4,562,004</u>	<u>4,562,004</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	368,942	364,292	4,650
Contractual Services	834,739	785,229	49,510
Supplies and Materials	1,855,803	1,644,600	211,203
Other	1,500	1,220	280
Utility Deposits Returned	9,800	9,800	0
Capital Outlay	788,860	774,898	13,962
Debt Service:			
Principal Retirement	415,000	415,000	0
Interest and Fiscal Charges	436,762	435,654	1,108
	<u>4,711,406</u>	<u>4,430,693</u>	<u>280,713</u>
Total Expenses			
Excess of Revenues Over (Under) Expenses			
Before Transfers	(149,402)	131,311	280,713
Transfers Out	(108)	0	108
	<u>(149,510)</u>	<u>131,311</u>	<u>280,821</u>
Net Change in Fund Equity			
Fund Equity at Beginning of Year	2,923,988	2,923,988	0
Prior Year Encumbrances Appropriated	242,683	242,683	0
	<u>\$3,017,161</u>	<u>\$3,297,982</u>	<u>\$280,821</u>
Fund Equity at End of Year			

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, 2017

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$880,022	\$880,022	\$0
Interest	6,076	6,076	0
Other	597	597	0
	<u>886,695</u>	<u>886,695</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	77,877	75,943	1,934
Contractual Services	175,417	170,293	5,124
Supplies and Materials	5,500	5,500	0
Capital Outlay	785,000	750,406	34,594
Other	1,000	3	997
	<u>1,044,794</u>	<u>1,002,145</u>	<u>42,649</u>
Total Expenses			
Net Change in Fund Equity	(158,099)	(115,450)	42,649
Fund Equity at Beginning of Year	450,519	450,519	0
Prior Year Encumbrances Appropriated	10,677	10,677	0
	<u>\$303,097</u>	<u>\$345,746</u>	<u>\$42,649</u>
Fund Equity at End of Year			

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, 2017

	<u>Budgeted Amounts</u>		Variance with
	Final Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$96,720	\$96,720	\$0
Interest	7,213	7,213	0
Other	1,675	1,675	0
Total Revenues	<u>105,608</u>	<u>105,608</u>	<u>0</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	126,050	111,992	14,058
Contractual Services	42,034	36,199	5,835
Supplies and Materials	3,050	3,017	33
Capital Outlay	44,000	36,033	7,967
Other	2,000	1,400	600
Total Expenditures	<u>217,134</u>	<u>188,641</u>	<u>28,493</u>
Excess of Revenues Under Expenditures	(111,526)	(83,033)	28,493
Other Financing Sources:			
Transfers In	80,000	80,000	0
Net Change in Fund Balance	(31,526)	(3,033)	28,493
Fund Balance at Beginning of Year	755,010	755,010	0
Prior Year Encumbrances Appropriated	1,786	1,786	0
Fund Balance at End of Year	<u>\$725,270</u>	<u>\$753,763</u>	<u>\$28,493</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, 2017**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$3,389	\$3,389	\$0
Fines, Licenses and Permits	118,937	118,937	0
Other	627	627	0
Total Revenues	<u>122,953</u>	<u>122,953</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Municipal Court Special Project			
Contractual Services	27,000	1,095	25,905
Federal Asset Forfeiture			
Capital Outlay	<u>35,000</u>	<u>33,003</u>	<u>1,997</u>
Total General Government	<u>62,000</u>	<u>34,098</u>	<u>27,902</u>
Security of Persons and Property			
Indigent Drivers Alcohol			
Contractual Services	122,651	78,644	44,007
Supplies and Materials	47,414	5,414	42,000
Total Indigent Drivers Alcohol	<u>170,065</u>	<u>84,058</u>	<u>86,007</u>
Computerized Legal Research			
Contractual Services	5,000	1,157	3,843
Supplies and Materials	3,000	0	3,000
Capital Outlay	2,000	0	2,000
Total Computerized Legal Research	<u>10,000</u>	<u>1,157</u>	<u>8,843</u>
Computer Improvement			
Contractual Services	15,000	9,035	5,965
Capital Outlay	18,991	13,160	5,831
Total Computer Improvement	<u>33,991</u>	<u>22,195</u>	<u>11,796</u>
Total Security of Persons and Property	<u>214,056</u>	<u>107,410</u>	<u>106,646</u>
Capital Outlay	<u>57,000</u>	<u>480</u>	<u>56,520</u>
Total Expenditures	<u>333,056</u>	<u>141,988</u>	<u>191,068</u>
Net Change in Fund Balance	(210,103)	(19,035)	191,068
Fund Balance at Beginning of Year	716,748	716,748	0
Prior Year Encumbrances Appropriated	<u>41,201</u>	<u>41,201</u>	<u>0</u>
Fund Balance at End of Year	<u>\$547,846</u>	<u>\$738,914</u>	<u>\$191,068</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARK/RECREATION IMPACT FEE SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines, Licenses and Permits	\$68,161	\$68,161	\$0
Expenditures:			
Current:			
Leisure Time Services			
Contractual Services	15,000	15,000	0
Capital Outlay	75,000	75,000	0
Total Leisure Time Services	90,000	90,000	0
Total Expenditures	90,000	90,000	0
Net Change in Fund Balance	(21,839)	(21,839)	0
Fund Balance at Beginning of Year	109,825	109,825	0
Fund Balance at End of Year	<u>\$87,986</u>	<u>\$87,986</u>	<u>\$0</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, 2017

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Fines, Licenses and Permits	\$41,607	\$41,607	\$0
Intergovernmental	1,070,433	1,070,433	0
Interest	1,130	1,130	0
Other	3,572	3,572	0
	<u>1,116,742</u>	<u>1,116,742</u>	<u>0</u>
Total Revenues			
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	346,322	343,905	2,417
Contractual Services	414,378	396,262	18,116
Supplies and Materials	263,026	191,431	71,595
Capital Outlay	75,000	26,253	48,747
	<u>1,098,726</u>	<u>957,851</u>	<u>140,875</u>
Total Street Maintenance and Repair			
Division Highway Maintenance			
Contractual Services	38,000	18,939	19,061
Supplies and Materials	27,236	21,596	5,640
	<u>65,236</u>	<u>40,535</u>	<u>24,701</u>
Total Division Highway Maintenance			
Transportation Impact Fee			
Contractual Services	75,000	74,680	320
	<u>1,238,962</u>	<u>1,073,066</u>	<u>165,576</u>
Total Transportation			
Total Expenditures	<u>1,238,962</u>	<u>1,073,066</u>	<u>165,896</u>
Excess of Revenues Over (Under) Expenditures	(122,220)	43,676	165,896
Other Financing Sources:			
Transfers In	10,000	10,000	0
Net Change in Fund Balance	(112,220)	53,676	165,896
Fund Balance at Beginning of Year	492,913	492,913	0
Prior Year Encumbrances Appropriated	94,482	94,482	0
Fund Balance at End of Year	<u>\$475,175</u>	<u>\$641,071</u>	<u>\$165,896</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Budgeted Amounts Final Budget	Actual	Variance with Final Budget
Revenues:			
Income Taxes	\$885,024	\$885,024	\$0
Special Assessments	500	0	(500)
Interest	31,945	31,945	0
Total Revenues	<u>917,469</u>	<u>916,969</u>	<u>(500)</u>
Expenditures:			
Debt Service:			
Principal Retirement	480,340	450,000	30,340
Interest and Fiscal Charges	209,836	194,432	15,404
Payment to Refunded Bond Escrow Agent	326,092	326,092	0
Total Expenditures	<u>1,016,268</u>	<u>970,524</u>	<u>45,744</u>
Excess of Revenues Over Expenditures	<u>(98,799)</u>	<u>(53,555)</u>	<u>45,244</u>
Other Financing Sources (Uses):			
Transfers In	42,500	42,500	0
Refunding Bond Issued	1,250,000	1,250,000	0
Payment to Refunded Bonded Escrow Agent	(1,249,660)	(1,249,660)	0
Total Other Financing Sources (Uses)	<u>42,840</u>	<u>42,840</u>	<u>0</u>
Net Change in Fund Balance	(55,959)	(10,715)	45,244
Fund Balance at Beginning of Year	<u>3,041,976</u>	<u>3,041,976</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,986,017</u></u>	<u><u>\$3,031,261</u></u>	<u><u>\$45,244</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY IMPROVEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$7,800	\$7,800	\$0
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Capital Outlay	7,000	5,666	1,334
Total Expenditures	7,000	5,666	1,334
Net Change in Fund Balance	800	2,134	1,334
Fund Balance at Beginning of Year	91,717	91,717	0
Fund Balance at End of Year	<u>\$92,517</u>	<u>\$93,851</u>	<u>\$1,334</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, 2017**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$308,975	\$308,975	\$0
Other	1,649	1,649	0
Total Revenues	<u>310,624</u>	<u>310,624</u>	<u>0</u>
Expenses:			
Personal Services	247,085	210,561	36,524
Contractual Services	30,314	23,753	6,561
Supplies and Materials	20,300	16,403	3,897
Capital Outlay	15,000	13,956	1,044
Total Expenses	<u>312,699</u>	<u>264,673</u>	<u>48,026</u>
Net Change in Fund Equity	(2,075)	45,951	48,026
Fund Equity at Beginning of Year	90,146	90,146	0
Prior Year Encumbrances Appropriated	1,432	1,432	0
Fund Equity at End of Year	<u><u>\$89,503</u></u>	<u><u>\$137,529</u></u>	<u><u>\$48,026</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SELF-INSURANCE INTERNAL SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$1,738,800	\$1,738,800	\$0
Other	452,557	452,557	0
Interest	15,793	15,793	0
	<u>2,207,150</u>	<u>2,207,150</u>	<u>0</u>
Total Revenues			
Expenses:			
Contractual Services	432,936	397,621	35,315
Claims	2,387,718	2,309,969	77,749
	<u>2,820,654</u>	<u>2,707,590</u>	<u>113,064</u>
Total Expenses			
Net Change in Fund Equity	(613,504)	(500,440)	113,064
Fund Equity at Beginning of Year	1,302,779	1,302,779	0
Prior Year Encumbrances Appropriated	283,544	283,544	0
	<u>972,819</u>	<u>1,085,883</u>	<u>\$113,064</u>
Fund Equity at End of Year			

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STATISTICAL SECTION



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STATISTICAL TABLES

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.

CONTENTS PAGES

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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$35,598,684	\$39,072,022	\$39,380,807	\$39,051,129
Restricted	16,371,911	12,685,486	10,226,109	10,873,564
Unrestricted	<u>6,042,040</u>	<u>7,601,885</u>	<u>10,223,471</u>	<u>10,376,818</u>
<i>Total Governmental Activities Net Position</i>	<u>58,012,635</u>	<u>59,359,393</u>	<u>59,830,387</u>	<u>60,301,511</u>
Business Type - Activities				
Net Investment in Capital Assets	44,388,792	49,797,775	48,615,352	50,068,883
Restricted	7,782,930	6,844,532	6,713,271	6,302,061
Unrestricted	<u>28,282,539</u>	<u>29,352,329</u>	<u>31,650,518</u>	<u>31,227,567</u>
<i>Total Business-Type Activities Net Position</i>	<u>80,454,261</u>	<u>85,994,636</u>	<u>86,979,141</u>	<u>87,598,511</u>
Primary Government				
Net Investment in Capital Assets	79,987,476	88,869,797	87,996,159	89,120,012
Restricted	24,154,841	19,530,018	16,939,380	17,175,625
Unrestricted	<u>34,324,579</u>	<u>36,954,214</u>	<u>41,873,989</u>	<u>41,604,385</u>
<i>Total Primary Government Net Position</i>	<u>\$138,466,896</u>	<u>\$145,354,029</u>	<u>\$146,809,528</u>	<u>\$147,900,022</u>

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

<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016 (1)</u>	<u>2017 (1)</u>
\$40,044,806	\$39,004,204	\$41,585,043	\$44,393,758	\$44,914,941	\$45,187,387
8,952,231	5,585,635	6,267,670	7,975,274	9,034,221	10,733,107
<u>12,340,870</u>	<u>18,978,185</u>	<u>7,838,796</u>	<u>5,832,012</u>	<u>3,619,152</u>	<u>4,383,403</u>
<u>61,337,907</u>	<u>63,568,024</u>	<u>55,691,509</u>	<u>58,201,044</u>	<u>57,568,314</u>	<u>60,303,897</u>
54,208,669	55,500,876	59,251,800	60,080,356	74,004,313	78,562,446
6,212,490	5,680,330	5,267,826	4,724,747	2,933,782	1,817,123
<u>29,620,412</u>	<u>33,331,420</u>	<u>34,483,221</u>	<u>38,736,281</u>	<u>32,769,402</u>	<u>37,810,477</u>
<u>90,041,571</u>	<u>94,512,626</u>	<u>99,002,847</u>	<u>103,541,384</u>	<u>109,707,497</u>	<u>118,190,046</u>
94,253,475	94,505,080	100,836,843	104,474,114	118,919,254	123,749,833
15,164,721	11,265,965	11,535,496	12,700,021	11,968,003	12,550,230
<u>41,961,282</u>	<u>52,309,605</u>	<u>42,322,017</u>	<u>44,568,293</u>	<u>36,388,554</u>	<u>42,193,880</u>
<u>\$151,379,478</u>	<u>\$158,080,650</u>	<u>\$154,694,356</u>	<u>\$161,742,428</u>	<u>\$167,275,811</u>	<u>\$178,493,943</u>

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

	2008 (1)	2009	2010	2011
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$2,083,300	\$1,855,435	\$1,857,748	\$1,883,236
Security of Persons and Property:				
Police	573,826	578,197	597,025	556,218
Fire	245,713	245,743	402,002	467,450
Public Health Services	102,754	104,390	102,577	106,911
Leisure Time Services	59,555	96,924	73,419	53,410
Community and Economic Development	0	0	0	0
Transportation	27,925	36,914	37,823	24,198
Subtotal - Charges for Services	<u>3,093,073</u>	<u>2,917,603</u>	<u>3,070,594</u>	<u>3,091,423</u>
Operating Grants, Contributions and Interest:				
General Government	3,938	651	319	0
Security of Persons and Property:				
Police	0	5,857	5,005	191,533
Fire	97,633	244,478	360,224	351,001
Public Health Services	42,562	50,741	33,645	30,000
Leisure Time Services	0	0	0	1,848
Community and Economic Development	878	3,501	5,965	24,800
Transportation	957,203	1,606,253	943,012	1,057,251
Subtotal - Operating Grants, Contributions and Interest	<u>1,102,214</u>	<u>1,911,481</u>	<u>1,348,170</u>	<u>1,656,433</u>
Capital Grants, Contributions and Interest:				
General Government	143,557	0	0	0
Security of Persons and Property:				
Fire	185,544	0	0	0
Public Health Services	0	0	0	0
Leisure Time Services	144,680	0	61,444	0
Transportation	1,157,245	945,434	821,157	752,724
Subtotal - Capital Grants, Contributions and Interest	<u>1,631,026</u>	<u>945,434</u>	<u>882,601</u>	<u>752,724</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,826,313</u>	<u>5,774,518</u>	<u>5,301,365</u>	<u>5,500,580</u>
Business-Type Activities:				
Charges for Services:				
Electric	28,332,284	28,867,568	28,078,497	25,694,050
Sanitation	1,250,052	1,349,490	1,456,893	1,549,157
Sewer	3,247,959	3,241,806	3,407,107	3,139,479
Telecommunications	98,749	126,404	150,371	125,060
Water	2,794,469	2,687,619	2,956,864	2,803,705
Storm Water Utility	770,567	818,352	815,451	834,440
Capital Grants, Contributions and Interest				
Sewer	130,531	0	0	0
Water	50,008	0	0	0
Storm Water Utility	83,066	33,720	69,410	0
<i>Total Business-Type Activities Program Revenues</i>	<u>36,757,685</u>	<u>37,124,959</u>	<u>36,934,593</u>	<u>34,145,891</u>
<i>Total Primary Government Program Revenues</i>	<u>\$42,583,998</u>	<u>\$42,899,477</u>	<u>\$42,235,958</u>	<u>\$39,646,471</u>

2012	2013	2014	2015 (2)	2016 (2)	2017 (2)
\$2,319,719	\$2,209,851	\$2,466,267	\$981,480	\$1,131,466	\$1,065,750
641,330	626,391	742,244	1,787,766	1,129,698	1,235,170
420,701	370,420	424,694	432,627	445,067	492,836
126,381	104,226	119,496	153,546	116,213	104,520
24,508	21,916	36,481	356,308	697,533	699,761
8,129	8,130	8,130	8,129	216,250	235,082
15,496	130,505	40,923	24,122	92,944	121,192
<u>3,556,264</u>	<u>3,471,439</u>	<u>3,838,235</u>	<u>3,743,978</u>	<u>3,829,171</u>	<u>3,954,311</u>
0	0	0	0	0	0
0	0	0	0	0	1,000
247,639	240,311	315,717	0	0	56,458
29,792	15,000	11,463	20,750	29,113	0
12,134	19,195	20,000	0	10,000	1,500
67,873	489,069	0	0	0	774,812
985,902	1,051,014	1,033,035	1,017,682	1,067,460	1,001,629
<u>1,343,340</u>	<u>1,814,589</u>	<u>1,380,215</u>	<u>1,038,432</u>	<u>1,106,573</u>	<u>1,835,399</u>
0	0	0	0	0	0
0	0	0	0	0	0
9,855	2,874	8,146	3,669	8,898	4,659
0	559,470	220,000	538,267	67,385	35,250
1,432,669	2,652,544	1,374,725	1,346,575	1,255,942	1,740,358
<u>1,442,524</u>	<u>3,214,888</u>	<u>1,602,871</u>	<u>1,888,511</u>	<u>1,332,225</u>	<u>1,780,267</u>
6,342,128	8,500,916	6,821,321	6,670,921	6,267,969	7,569,977
28,988,955	30,606,725	32,857,624	30,582,103	30,372,073	31,792,788
1,556,865	1,512,454	1,628,911	1,683,702	1,677,936	1,722,062
3,321,870	3,248,192	3,377,730	3,461,898	3,553,255	3,730,088
148,887	156,348	155,642	145,296	58,976	54,424
3,175,134	3,093,645	3,371,176	3,643,684	4,121,890	4,525,928
836,426	793,106	848,592	976,963	722,944	892,518
249,255	0	0	0	230,050	1,310,860
167,155	0	0	0	410,465	1,117,535
0	0	0	0	41,630	44,572
<u>38,444,547</u>	<u>39,410,470</u>	<u>42,239,675</u>	<u>40,493,646</u>	<u>41,189,219</u>	<u>45,190,775</u>
<u>\$44,786,675</u>	<u>\$47,911,386</u>	<u>\$49,060,996</u>	<u>\$47,164,567</u>	<u>\$47,457,188</u>	<u>\$52,760,752</u>

(continued)

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

	2008 (1)	2009	2010	2011
Expenses				
Governmental Activities:				
General Government	\$4,125,692	\$3,812,972	\$4,068,631	\$3,881,199
Intergovernmental	244,657	257,623	277,310	310,704
Security of Persons and Property:				
Police	3,861,017	4,218,030	4,470,394	4,547,632
Fire	2,631,887	2,735,622	2,832,199	2,866,797
Public Health Services	195,983	181,562	197,806	220,299
Leisure Time Services	498,379	588,970	382,313	674,644
Community and Economic Development	802,169	868,309	873,466	930,934
Transportation	3,090,437	3,591,609	3,790,494	3,561,887
Interest and Fiscal Charges	354,128	326,399	281,437	253,316
<i>Total Governmental Activities Expenses</i>	<u>15,804,349</u>	<u>16,581,096</u>	<u>17,174,050</u>	<u>17,247,412</u>
Business-Type Activities:				
Electric	26,754,920	26,164,717	28,153,003	25,488,085
Sanitation	1,327,449	1,363,001	1,522,129	1,512,397
Sewer	3,386,470	3,166,397	3,385,521	3,444,593
Telecommunications	222,847	210,102	171,385	164,107
Water	2,526,916	2,534,870	2,767,146	3,086,876
Storm Water Utility	490,366	512,516	572,544	612,275
<i>Total Business-Type Activities Expenses</i>	<u>34,708,968</u>	<u>33,951,603</u>	<u>36,571,728</u>	<u>34,308,333</u>
<i>Total Primary Government Program Expenses</i>	<u>50,513,317</u>	<u>50,532,699</u>	<u>53,745,778</u>	<u>51,555,745</u>
Net (Expense)/Revenue				
Governmental Activities	(9,978,036)	(10,806,578)	(11,872,685)	(11,746,832)
Business-Type Activities	2,048,717	3,173,356	362,865	(162,442)
<i>Total Primary Government Net Expense</i>	<u>(7,929,319)</u>	<u>(7,633,222)</u>	<u>(11,509,820)</u>	<u>(11,909,274)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	1,353,504	1,375,734	1,206,503	1,147,868
Fire and Life Squad	2,327,576	2,224,683	2,373,747	2,228,171
Debt Service	43,186	27,499	0	0
Income Taxes	6,260,249	5,409,147	5,451,284	5,762,855
Other Taxes	1,468,021	1,318,586	1,371,444	1,245,078
Payments in Lieu of Taxes	1,269,275	1,269,899	1,259,657	1,395,381
Grants and Entitlements not Restricted to				
Specific Programs	684,035	818,872	661,125	814,808
Unrestricted Contributions	7,494	7,375	2,000	0
Investment Earnings	781,418	1,063,750	179,250	(217,091)
Gain on Sale of Capital Assets	17,828	14,168	9,150	7,414
Other	185,479	160,078	139,756	225,740
Transfers	(117,639)	(1,536,455)	(310,237)	(392,268)
<i>Total Governmental Activities</i>	<u>\$14,280,426</u>	<u>\$12,153,336</u>	<u>\$12,343,679</u>	<u>\$12,217,956</u>

2012	2013	2014	2015 (2)	2016 (2)	2017 (2)
\$3,591,911	\$3,731,306	\$3,858,814	\$3,924,199	\$5,157,129	\$4,840,572
345,607	900,216	0	418,817	428,151	0
4,414,356	4,067,094	4,361,049	4,243,356	5,115,826	5,122,645
3,308,046	3,136,542	2,611,925	3,165,407	3,276,015	3,396,681
221,850	216,095	211,544	196,806	197,737	220,040
778,510	1,328,928	848,639	1,340,847	828,117	984,126
1,080,804	1,278,496	1,459,944	1,021,078	1,240,968	1,314,860
4,207,949	3,934,203	4,112,839	4,584,011	4,339,489	5,099,318
338,645	280,800	239,369	213,544	293,757	242,283
18,287,678	18,873,680	17,704,123	19,108,065	20,877,189	21,220,525
28,898,408	27,155,807	29,100,455	26,348,054	27,684,350	28,290,002
1,508,493	1,524,770	1,568,798	1,625,356	1,617,010	1,660,252
3,739,025	2,541,355	3,722,315	3,504,416	3,235,514	3,287,280
178,763	153,569	132,226	161,943	162,201	266,372
3,691,306	3,839,171	3,848,723	3,971,143	3,672,987	4,108,375
502,542	506,859	664,189	634,635	754,859	707,040
38,518,537	35,721,531	39,036,706	36,245,547	37,126,921	38,319,321
56,806,215	54,595,211	56,740,829	55,353,612	58,004,110	59,539,846
(11,945,550)	(10,372,764)	(10,882,802)	(12,437,144)	(14,609,220)	(13,650,548)
(73,990)	3,688,939	3,202,969	4,248,099	4,062,298	6,871,454
(12,019,540)	(6,683,825)	(7,679,833)	(8,189,045)	(10,546,922)	(6,779,094)
1,054,552	989,809	988,577	1,002,485	1,039,309	1,052,956
2,028,866	1,905,228	1,905,588	2,639,539	2,772,706	2,752,718
0	0	0	0	0	0
6,232,249	6,371,559	6,751,574	7,425,983	7,613,002	9,548,135
1,366,321	1,337,972	1,380,635	1,439,547	1,526,713	1,503,991
1,758,769	1,476,519	1,772,913	1,757,214	1,774,947	1,730,854
342,899	420,153	750,994	406,357	366,251	352,609
0	0	0	0	0	0
317,837	227,603	396,425	64,872	460,102	274,506
0	0	0	508	0	0
155,073	374,038	384,300	294,305	248,975	443,889
(274,620)	(500,000)	(2,420,508)	(84,131)	(1,825,515)	(1,273,527)
\$12,981,946	\$12,602,881	\$11,910,498	\$14,946,679	\$13,976,490	\$16,386,131

(continued)

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

	2008 (1)	2009	2010	2011
General Revenues and Other Changes in Net Position (continued)				
<i>Business-Type Activities:</i>				
Investment Earnings	\$447,260	\$700,087	\$232,745	(\$288,217)
Gain on Sale of Capital Assets	0	2,310	10,200	12,415
Loss from Discontinued Segments of Telecommunications Operations	0	0	0	0
Gain on Disposal of Segments of Telecommunications Operations	0	0	0	0
Other	275,132	128,167	68,458	665,346
Transfers	117,639	1,536,455	310,237	392,268
<i>Total Business-Type Activities</i>	<u>840,031</u>	<u>2,367,019</u>	<u>621,640</u>	<u>781,812</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>15,120,457</u>	<u>14,520,355</u>	<u>12,965,319</u>	<u>12,999,768</u>
Prior Year Restatement of Governmental Activities Net Position	0	0	0	0
Prior Year Restatement of Business-Type Activities Net Position	0	0	0	0
Change in Net Position				
Governmental Activities	4,302,390	1,346,758	470,994	471,124
Business-Type Activities	2,888,748	5,540,375	984,505	619,370
<i>Total Primary Government Change in Net Position</i>	<u>\$7,191,138</u>	<u>\$6,887,133</u>	<u>\$1,455,499</u>	<u>\$1,090,494</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.
- (2) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2012	2013	2014	2015 (2)	2016 (2)	2017 (2)
\$219,886	\$113,323	\$282,679	\$139,240	\$198,153	\$218,950
3,800	0	0	0	13,400	11,265
0	0	0	0	0	0
0	0	0	0	0	0
2,018,744	168,793	103,639	67,067	66,747	107,353
274,620	500,000	2,420,508	84,131	1,825,515	1,273,527
<u>2,517,050</u>	<u>782,116</u>	<u>2,806,826</u>	<u>290,438</u>	<u>2,103,815</u>	<u>1,611,095</u>
<u>15,498,996</u>	<u>13,384,997</u>	<u>14,717,324</u>	<u>15,237,117</u>	<u>16,080,305</u>	<u>17,997,226</u>
0	0	(8,904,211)	0	0	0
0	0	(1,519,574)	0	0	0
1,036,396	2,230,117	(7,876,515)	2,509,535	(632,730)	2,735,583
2,443,060	4,471,055	4,490,221	4,538,537	6,166,113	8,482,549
<u>\$3,479,456</u>	<u>\$6,701,172</u>	<u>(\$3,386,294)</u>	<u>\$7,048,072</u>	<u>\$5,533,383</u>	<u>\$11,218,132</u>

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

	2008	2009	2010	2011
General Fund				
Nonspendable	\$0	\$1,184,302	\$1,064,339	\$921,909
Committed	0	15,190	0	0
Assigned	0	0	0	183,215
Unassigned	0	3,800,626	4,071,783	4,267,452
Reserved	1,498,020	0	0	0
Unreserved	3,429,456	0	0	0
Total General Fund	4,927,476	5,000,118	5,136,122	5,372,576
All Other Governmental Funds				
Nonspendable	0	262,740	198,933	189,965
Restricted	0	7,969,375	8,864,107	9,490,132
Committed	0	3,121,909	3,129,214	3,196,405
Unassigned (Deficit)	0	0	0	0
Reserved	2,717,467	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,825,839	0	0	0
Debt Service Fund	5,078,023	0	0	0
Capital Projects Funds	1,968,876	0	0	0
Total All Other Governmental Funds	12,590,205	11,354,024	12,192,254	12,876,502
Prior Year Restatement of Fund Balances	0	0	0	0
Total Governmental Funds	\$17,517,681	\$16,354,142	\$17,328,376	\$18,249,078

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

2012	2013	2014	2015	2016	2017
\$813,297	\$682,168	\$565,102	\$411,009	\$204,518	\$111,593
0	0	0	0	0	0
260,111	194,031	140,952	628,373	4,227,592	315,523
5,137,124	5,056,978	5,779,984	5,399,631	866,041	5,723,205
0	0	0	0	0	0
0	0	0	0	0	0
6,210,532	5,933,177	6,486,038	6,439,013	5,298,151	6,150,321
190,824	124,814	197,501	187,072	154,692	139,403
7,704,927	4,764,186	5,531,792	7,144,478	8,245,204	10,187,756
5,055,548	9,520,830	4,702,921	5,903,271	5,709,472	5,684,713
0	0	(238,372)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
12,951,299	14,409,830	10,193,842	13,234,821	14,109,368	16,011,872
0	0	0	0	0	0
\$19,161,831	\$20,343,007	\$16,679,880	\$19,673,834	\$19,407,519	\$22,162,193

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

	2008	2009	2010	2011
Revenues				
Property Taxes	\$3,758,401	\$3,594,477	\$3,563,064	\$3,377,780
Income Taxes	5,719,316	5,510,661	5,565,246	5,463,788
Other Local Taxes	1,466,536	1,319,827	1,371,120	1,245,646
Payments in Lieu of Taxes	1,269,275	1,269,899	1,259,657	1,428,970
Special Assessments	94,678	103,030	87,439	112,287
Charges for Services	2,122,822	2,113,504	2,303,809	2,309,288
Fines, Licenses and Permits	969,440	795,107	775,800	788,547
Intergovernmental	2,897,793	3,563,319	2,884,405	2,932,834
Interest	732,751	911,684	200,297	(86,371)
Contributions and Donations	7,494	4,375	63,444	1,848
Other	188,765	163,574	143,475	225,740
<i>Total Revenues</i>	<u>19,227,271</u>	<u>19,349,457</u>	<u>18,217,756</u>	<u>17,800,357</u>
Expenditures				
Current:				
General Government	4,594,923	3,858,069	3,837,352	3,512,438
Security of Persons and Property:				
Police	3,975,505	4,165,490	4,208,892	4,138,153
Fire	2,513,055	2,540,690	2,579,293	2,538,806
Public Health Services	175,878	159,879	164,718	175,537
Leisure Time Services	434,985	424,044	390,839	493,220
Community and Economic Development	863,405	851,361	826,380	861,847
Transportation	875,710	1,000,611	1,102,322	868,916
Intergovernmental	244,657	257,623	277,310	296,891
Capital Outlay	3,194,419	6,231,284	2,993,629	3,205,214
Debt Service:				
Principal Retirement	2,819,636	576,144	590,158	540,884
Interest and Fiscal Charges	370,358	309,873	272,577	244,320
Interest Paid on Capital Appreciation Bonds	95,767	103,322	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Bond Issuance Costs	103,476	0	0	0
<i>Total Expenditures</i>	<u>20,261,774</u>	<u>20,478,390</u>	<u>17,243,470</u>	<u>16,876,226</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,034,503)</u>	<u>(1,128,933)</u>	<u>974,286</u>	<u>924,131</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	39,550	14,168	13,700	37,825
Transfers In	1,575,558	2,575,617	1,212,115	433,620
Transfers Out	(1,589,309)	(2,624,391)	(1,225,867)	(474,874)
Inception of Capital Lease	60,361	0	0	0
General Obligation Bonds Issued	3,750,000	0	0	0
Bond Anticipation Notes Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0
Premium on Debt Issued	92,821	0	0	0
Payment to Refunded Bond Escrow Agent	(1,738,460)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>2,190,521</u>	<u>(34,606)</u>	<u>(52)</u>	<u>(3,429)</u>
<i>Net Change in Fund Balances</i>	<u>\$1,156,018</u>	<u>(\$1,163,539)</u>	<u>\$974,234</u>	<u>\$920,702</u>
Debt Service as a Percentage of Noncapital Expenditures	20.4%	6.9%	6.1%	5.5%

2012	2013	2014	2015	2016	2017
\$3,070,560	\$2,936,952	\$2,940,203	\$3,651,116	\$3,848,031	\$3,786,101
6,155,444	6,334,779	6,765,581	7,055,726	7,541,820	8,611,067
1,366,321	1,337,972	1,380,635	1,439,547	1,526,713	1,503,991
1,758,769	1,476,519	1,772,913	1,757,214	1,774,947	1,730,854
89,051	124,099	37,671	324	64,425	79,585
2,819,113	2,601,728	2,902,988	2,886,962	2,953,745	3,011,271
737,151	754,072	906,570	857,016	834,416	863,288
2,647,883	5,404,430	2,407,179	4,674,712	2,731,688	3,912,435
329,748	167,756	397,885	58,337	444,478	282,943
12,134	19,195	20,000	20,750	10,000	2,500
155,073	374,038	384,300	294,305	248,975	443,889
<u>19,141,247</u>	<u>21,531,540</u>	<u>19,915,925</u>	<u>22,696,009</u>	<u>21,979,238</u>	<u>24,227,924</u>
3,353,208	3,845,070	4,022,641	3,905,327	4,976,238	4,215,031
4,155,702	4,145,205	4,491,399	4,367,772	4,537,637	4,702,582
3,055,494	2,867,920	2,960,394	2,646,167	3,016,268	3,062,306
171,222	166,325	180,868	158,906	168,762	167,715
648,820	1,184,816	750,673	1,198,390	680,947	703,577
1,010,993	1,225,319	990,247	1,099,926	1,038,424	1,113,108
1,146,286	1,226,412	947,545	1,217,506	921,484	1,191,944
345,607	900,216	407,960	418,817	428,151	0
3,718,437	7,728,631	8,522,810	3,906,252	7,033,480	5,102,432
466,645	605,496	2,080,519	2,595,541	2,715,564	4,650,588
220,992	291,117	283,889	239,999	319,007	298,092
0	0	0	0	0	0
0	0	0	0	0	326,092
0	0	0	0	0	0
<u>18,293,406</u>	<u>24,186,527</u>	<u>25,638,945</u>	<u>21,754,603</u>	<u>25,835,962</u>	<u>25,533,467</u>
847,841	(2,654,987)	(5,723,020)	941,406	(3,856,724)	(1,305,543)
64,912	32,077	19,541	30,498	43,396	854,877
502,500	702,500	1,632,500	1,007,500	1,087,500	372,500
(502,500)	(1,202,500)	(1,632,500)	(1,007,500)	(1,733,068)	(1,392,500)
0	0	0	0	0	0
0	2,655,000	0	0	1,935,000	2,125,000
0	0	0	2,000,000	2,100,000	2,100,000
0	2,311,603	0	0	0	1,250,000
0	1,500,000	2,000,000	0	0	0
0	239,158	40,352	22,050	157,581	0
0	(2,401,675)	0	0	0	(1,249,660)
<u>64,912</u>	<u>3,836,163</u>	<u>2,059,893</u>	<u>2,052,548</u>	<u>3,590,409</u>	<u>4,060,217</u>
<u>\$912,753</u>	<u>\$1,181,176</u>	<u>(\$3,663,127)</u>	<u>\$2,993,954</u>	<u>(\$266,315)</u>	<u>\$2,754,674</u>
4.6%	5.4%	12.6%	15.6%	16.2%	23.9%

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>
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
2015	1.00	7,054,685	5,275,555	74.78	641,281	9.09	1,137,849	16.13
2016	1.00	7,554,661	5,712,740	75.62	700,769	9.28	1,141,152	15.10
2017	1.00	8,497,022	6,055,536	71.27	827,787	9.74	1,613,699	18.99

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 2016 AND 2007 (1)

Tax Year 2016 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,327	21.65 %	\$215,260,731	53.18 %
75,001-100,000	701	11.44	61,170,940	15.11
50,001-75,000	942	15.37	58,538,326	14.46
25,000-50,000	1,357	22.14	50,377,156	12.44
Under 25,000	1,801	29.40	19,454,214	4.81
Total	6,128	100.00	\$404,801,367	100.00

Tax Year 2007

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	937	15.64 %	\$136,615,935	41.18 %
75,001-100,000	732	12.22	63,524,294	19.15
50,001-75,000	957	15.98	59,320,720	17.88
25,000-50,000	1,399	23.36	51,067,462	15.39
Under 25,000	1,965	32.80	21,255,615	6.40
Total	5,990	100.00	\$331,784,026	100.00

Source: City Income Tax Department

- (1) Tax year 2017 information is not available.
- (2) Includes individuals who live within the corporation limits

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

Type of Customer:	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Residential	\$9,716,139	\$9,699,704	\$9,631,822	\$9,512,740
Industrial	1,730,682	1,764,978	1,657,291	1,690,421
Commercial (1)	<u>17,957,635</u>	<u>17,065,759</u>	<u>16,797,199</u>	<u>14,495,444</u>
Total (2)	<u><u>\$29,404,456</u></u>	<u><u>\$28,530,441</u></u>	<u><u>\$28,086,312</u></u>	<u><u>\$25,698,605</u></u>

(1) Majority of government buildings included in this category

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$9,669,899	\$10,001,557	\$10,015,251	\$9,602,351	\$9,302,438	\$9,160,783
1,802,374	1,890,244	1,930,896	1,801,187	1,745,760	1,733,759
<u>17,583,205</u>	<u>18,967,595</u>	<u>20,582,711</u>	<u>19,712,760</u>	<u>20,303,536</u>	<u>20,928,621</u>
<u><u>\$29,055,478</u></u>	<u><u>\$30,859,396</u></u>	<u><u>\$32,528,858</u></u>	<u><u>\$31,116,298</u></u>	<u><u>\$31,351,734</u></u>	<u><u>\$31,823,163</u></u>

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CITY OF LEBANON, OHIO
 PRINCIPAL ELECTRIC CUSTOMERS
 2017 AND 2008

2017		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CyrusOne LLC	\$4,269,048	13.41 %
Advics Mfg.	2,741,658	8.62
Mane Inc.	1,356,575	4.26
Warren County	861,872	2.71
HTNA	647,521	2.03
Green Bay Packaging	567,678	1.78
Countryside YMCA	432,421	1.36
JBM Envelope	374,292	1.18
Wal-Mart	334,608	1.05
Flint Ink	299,324	0.94
Total	<u>\$11,884,997</u>	<u>37.35 %</u>
Total Electric Charges for Services	<u>\$31,823,163</u>	
2008		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Advics Mfg.	\$2,289,705	7.79 %
Quebecor World MS	1,773,515	6.03
Amtex Inc.	1,091,074	3.71
Wal-Mart	435,745	1.48
Kroger Limited Partnership Inc.	348,351	1.18
Inna Tech	314,593	1.07
Bethesda Hospital Arrow Springs	305,388	1.04
Flint Ink	292,991	1.00
JBM Envelope	285,048	0.97
Warren County Fair Board	281,808	0.96
Total	<u>\$7,418,218</u>	<u>25.23 %</u>
Total Electric Charges for Services	<u>\$29,404,456</u>	

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

	2008	2009 (1)	2010	2011
Residential				
Customer Service Charge	\$4.57	\$4.61	\$5.15	\$5.15
Energy Charge KWH:				
All KWH	-	-	\$0.0670	\$0.0670
First 1,500 KWH	\$0.06322	\$0.06385	-	-
Above 1,500 KWH	\$0.04625	\$0.04671	-	-
Distribution Charge per KWH:				
First 800 KWH	-	-	\$0.0412	\$0.0412
Next 800 KWH	-	-	\$0.0361	\$0.0361
Over 1,600 KWH	-	-	\$0.0206	\$0.0206
Fuel Adjustment all KWH (yr avg)	\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
General Service Rate				
Customer Service Charge:				
Single Phase (1 Ph) Meter	\$7.86	\$7.93	\$15.45	\$15.45
Three Phase (3 Ph) Meter	\$13.11	\$13.24	\$20.60	\$20.60
Single and Three Phase Meter	\$20.99	\$21.20	-	-
Energy Charge KWH:				
First 2,000 KWH	\$0.07009	\$0.07079	-	-
Next 6,000 KWH	\$0.05555	\$0.05611	-	-
Over 8,000 KWH	\$0.04413	\$0.04457	-	-
Over 100,000 KWH	\$0.03070	\$0.03101	-	-
1 Phase-First 165 KWH/KW	-	-	\$0.0824	\$0.0824
1 Phase-Next 85 KWH/KW	-	-	\$0.0721	\$0.0721
1 Phase-Over 250 KWH/KW	-	-	\$0.0412	\$0.0412
3 Phase-First 300 KWH/KW	-	-	\$0.0618	\$0.0618
3 Phase-Over 300 KWH/KW	-	-	\$0.0309	\$0.0309
Demand Charge per KW:				
First 10 KW	Free	Free	-	-
Next 15 KW	\$6.30532	\$6.36837	-	-
Over 25 KW	\$5.57717	\$5.63294	-	-
1 Phase-First 10 KW	-	-	Free	Free
1 Phase-Next 15 KW	-	-	\$7.21	\$7.21
1 Phase-Over 25 KW	-	-	\$9.27	\$9.27
3 Phase-First 1,000 KW	-	-	\$10.30	\$10.30
3 Phase-Over 1,000 KW	-	-	\$12.36	\$12.36
Distribution Charge KWH:				
1 Phase-First 1,000 KWH	-	-	\$0.0412	\$0.0412
1 Phase-Next 800 KWH	-	-	\$0.0361	\$0.0361
1 Phase-Over 1,800 KWH	-	-	\$0.0206	\$0.0206
3 Phase-First 5,000 KWH	-	-	\$0.0258	\$0.0258
3 Phase-Next 10,000 KWH	-	-	\$0.0206	\$0.0206
3 Phase-Over 15,000 KWH	-	-	\$0.0155	\$0.0155
Fuel Adjustment all KWH (yr avg)	\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)
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

2012	2013	2014	2015	2016	2017
\$5.15	\$5.15	\$5.15	\$5.15	\$5.15	\$5.15
\$0.0670	\$0.0670	\$0.0670	\$0.0670	\$0.0670	\$0.0670
-	-	-	-	-	-
-	-	-	-	-	-
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$20.60	\$20.60	\$20.60	\$20.60	\$20.60	\$20.60
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$0.0824	\$0.0824	\$0.0824	\$0.0824	\$0.0824	\$0.0824
\$0.0721	\$0.0721	\$0.0721	\$0.0721	\$0.0721	\$0.0721
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0618	\$0.0618	\$0.0618	\$0.0618	\$0.0618	\$0.0618
\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Free	Free	Free	Free	Free	Free
\$7.21	\$7.21	\$7.21	\$7.21	\$7.21	\$7.21
\$9.27	\$9.27	\$9.27	\$9.27	\$9.27	\$9.27
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$12.36	\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.0258	\$0.0258	\$0.0258	\$0.0258	\$0.0258	\$0.0258
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.0155	\$0.0155	\$0.0155	\$0.0155	\$0.0155	\$0.0155
(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
\$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)

	2008	2009 (1)	2010	2011
Large Power-Secondary Metered				
Customer Service Charge	\$101.00	\$102.00	\$103.00	\$103.00
Energy Charge KWH:				
All KWH	\$0.02215	\$0.02237	-	-
First 300 KWH/KVA	-	-	\$0.0361	\$0.0361
Over 300 KWH/KVA	-	-	\$0.0288	\$0.0288
Demand Charge:				
All per KVA	\$7.06	\$7.13	-	-
First 1,000 KVA	-	-	\$15.45	\$15.45
Over 1,000 KVA	-	-	\$13.39	\$13.39
Distribution Charge KWH:				
First 200,000 KWH	-	-	\$0.01550	\$0.01550
Over 200,000 KWH	-	-	\$0.01030	\$0.01030
Fuel Adjustment all KWH (yr avg)	\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
Large Power-Primary Metered				
Customer Service Charge	\$101.00	\$102.00	\$103.00	\$103.00
Energy Charge KWH:				
All KWH	\$0.01363	\$0.01376	-	-
First 300 KWH/KVA	-	-	\$0.0464	\$0.0464
Over 300 KWH/KVA	-	-	\$0.0103	\$0.0103
Demand Charge per KVA:				
All per KVA	\$4.33430	\$4.37760	-	-
First 1,000 KVA	-	-	\$8.24	\$8.24
Over 1,000 KVA	-	-	\$10.30	\$10.30
Distribution Charge KWH:				
First 500,000 KWH	-	-	\$0.02580	\$0.02580
Over 500,000 KWH	-	-	\$0.01550	\$0.01550
Fuel Adjustment all KWH (yr avg)	\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)
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

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

(1) In 2009, the City changed the electric rates to include a multiple tier rate system.
- Not Applicable

2012	2013	2014	2015	2016	2017
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
-	-	-	-	-	-
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288
-	-	-	-	-	-
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
\$0.01030	\$0.01030	\$0.01030	\$0.01030	\$0.01030	\$0.01030
(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
-	-	-	-	-	-
\$0.0464	\$0.0464	\$0.0464	\$0.0464	\$0.0464	\$0.0464
\$0.0103	\$0.0103	\$0.0103	\$0.0103	\$0.0103	\$0.0103
-	-	-	-	-	-
\$8.24	\$8.24	\$8.24	\$8.24	\$8.24	\$8.24
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$0.02580	\$0.02580	\$0.02580	\$0.02580	\$0.02580	\$0.02580
\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00412	\$0.00411	\$0.00411	\$0.00411	\$0.00411
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

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

Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable
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
2015	6,245,984	0	0	2,007,350
2016	7,563,209	0	0	2,111,623
2017	8,884,278	0	0	0

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

Business-Type Activities

General Obligation Bonds	Mortgage Revenue Bonds	Notes Payable	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$36,030,824	\$1,250,000	\$0	\$45,985,307	12.97%	\$2,711
0	34,175,122	4,900,000	0	45,839,520	8.94	2,288
0	32,234,420	6,300,000	3,360,000	48,071,984	9.38	2,400
0	31,142,688	8,150,000	2,752,260	47,724,994	9.31	2,382
0	36,840,609	550,000	339,290	42,939,993	8.38	2,143
0	34,507,122	1,400,000	0	44,877,698	8.76	2,240
0	32,093,636	1,200,000	0	42,164,741	8.23	2,105
0	29,605,150	1,000,000	0	38,858,484	7.58	1,940
0	21,148,265	1,000,000	0	31,823,097	6.21	1,589
4,895,000	14,061,730	0	0	27,841,008	5.43	1,390

CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2017

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Lebanon			
General Obligation Bonds	\$8,884,278	100.00%	\$8,884,278
<i>Total Direct Debt</i>	<u>8,884,278</u>		<u>8,884,278</u>
Overlapping			
Lebanon City School District			
General Obligation Bonds	51,784,987	50.24	26,016,777
Capital Leases	2,437,000	50.24	1,224,349
Kings Local School District			
General Obligation Bonds	52,944,660	1.15	608,864
Warren County Career Center			
Energy Conservation Notes	450,000	10.49	47,205
Capital Leases	39,573	10.49	4,151
Warren County			
General Obligation Bonds	9,346,314	6.56	613,118
Special Assessment Bonds	5,632,634	6.56	369,501
<i>Total Overlapping Debt</i>	<u>122,635,168</u>		<u>28,883,965</u>
Total	<u><u>\$131,519,446</u></u>		<u><u>\$37,768,243</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>
2008	16,962	\$1,276,594,439	\$7,048,239	0.55%	\$416
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
2015	20,033	1,190,838,314	6,245,984	0.52	311.78
2016	20,033	1,188,919,085	7,563,209	0.64	377.54
2017	20,033	1,199,939,971	13,779,278	1.15	687.83

Sources:

(1) 2007-2009 from 2000 Federal Census/2010-2016 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

	2008	2009	2010	2011
Total Assessed Property Value	<u>\$443,736,980</u>	<u>\$416,119,870</u>	<u>\$417,778,478</u>	<u>\$414,764,110</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>46,592,383</u>	<u>43,692,586</u>	<u>43,866,740</u>	<u>43,550,232</u>
Debt Outstanding:				
General Obligation Bonds	6,945,794	6,481,492	6,037,598	5,587,014
Mortgage Revenue Bonds	37,045,000	35,115,000	33,100,000	31,010,000
Special Assessment Bonds	315,883	218,507	87,401	12,985
Bond Anticipation Notes	<u>2,530,000</u>	<u>4,900,000</u>	<u>6,300,000</u>	<u>8,150,000</u>
Total Gross Indebtedness	46,836,677	46,714,999	45,524,999	44,759,999
Less:				
General Obligation Bonds	(6,919,116)	(6,481,492)	(6,037,598)	(5,587,014)
Mortgage Revenue Bonds	(37,045,000)	(35,115,000)	(33,100,000)	(31,010,000)
Special Assessment Bonds	(315,883)	(218,507)	(87,401)	(12,985)
Bond Anticipation Notes	(1,250,000)	(4,900,000)	(6,300,000)	(8,150,000)
General Obligation Bond Retirement Fund Balance	<u>(103,180)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>1,203,498</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$45,388,885</u>	<u>\$43,692,586</u>	<u>\$43,866,740</u>	<u>\$43,550,232</u>
Legal Debt Margin as a Percentage of the Debt Limit	97.42%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$24,405,534</u>	<u>\$22,886,593</u>	<u>\$22,977,816</u>	<u>\$22,812,026</u>
Total Gross Indebtedness	46,836,677	46,714,999	45,524,999	44,759,999
Less:				
General Obligation Bonds	(6,919,116)	(6,481,492)	(6,037,598)	(5,587,014)
Mortgage Revenue Bonds	(37,045,000)	(35,115,000)	(33,100,000)	(31,010,000)
Special Assessment Bonds	(315,883)	(218,507)	(87,401)	(12,985)
Bond Anticipation Notes	<u>(1,250,000)</u>	<u>(4,900,000)</u>	<u>(6,300,000)</u>	<u>(8,150,000)</u>
Net Debt Within 5 ½ % Limitations	<u>1,306,678</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$23,098,856</u>	<u>\$22,886,593</u>	<u>\$22,977,816</u>	<u>\$22,812,026</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	94.65%	100.00%	100.00%	100.00%

Source: City Financial Records

2012	2013	2014	2015	2016	2017
<u>\$396,556,600</u>	<u>\$396,645,380</u>	<u>\$397,990,590</u>	<u>\$416,793,410</u>	<u>\$416,121,680</u>	<u>\$419,978,990</u>
<u>41,638,443</u>	<u>41,647,765</u>	<u>41,789,012</u>	<u>43,763,308</u>	<u>43,692,776</u>	<u>44,097,794</u>
5,140,560	7,196,603	6,816,603	6,021,603	7,241,603	13,531,603
36,525,000	34,220,000	31,835,000	29,375,000	20,995,000	13,950,000
9,439	0	0	0	0	0
<u>550,000</u>	<u>4,500,000</u>	<u>5,200,000</u>	<u>3,000,000</u>	<u>4,600,000</u>	<u>0</u>
42,224,999	45,916,603	43,851,603	38,396,603	32,836,603	27,481,603
(5,140,560)	(7,196,603)	(6,816,603)	(6,021,603)	(7,241,603)	(13,531,603)
(36,525,000)	(34,220,000)	(31,835,000)	(29,375,000)	(20,995,000)	(13,950,000)
(9,439)	0	0	0	0	0
(550,000)	(4,500,000)	(5,200,000)	(3,000,000)	(4,600,000)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$41,638,443</u>	<u>\$41,647,765</u>	<u>\$41,789,012</u>	<u>\$43,763,308</u>	<u>\$43,692,776</u>	<u>\$44,097,794</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>	<u>\$23,098,844</u>
42,224,999	45,916,603	43,851,603	38,396,603	32,836,603	27,481,603
(5,140,560)	(7,196,603)	(6,816,603)	(6,021,603)	(7,241,603)	(13,531,603)
(36,525,000)	(34,220,000)	(31,835,000)	(29,375,000)	(20,995,000)	(13,950,000)
(9,439)	0	0	0	0	0
<u>(550,000)</u>	<u>(4,500,000)</u>	<u>(5,200,000)</u>	<u>(3,000,000)</u>	<u>(4,600,000)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>	<u>\$23,098,844</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 Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total (2)	
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
2015	30,765,726	24,583,288	6,182,438	1,495,000	491,838	1,986,838	3.11
2016	30,477,240	25,748,316	4,728,924	7,375,000	432,823	7,807,823	0.61
2017	31,949,053	26,882,225	5,066,828	215,000	125,132	340,132	14.90

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

(2) During 2016, the City chose to retire the total outstanding balance of \$7,170,000 associated with the September 2006 Electric System Improvement Mortgage Revenue Bonds.

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

Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total (2)	
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
2015	3,475,157	2,029,082	1,446,075	575,000	323,681	898,681	1.61
2016	3,597,630	1,937,375	1,660,255	605,000	202,981	807,981	2.05
2017	3,762,383	2,144,549	1,617,834	0	132,341	132,341	12.22

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

(2) During 2017, the City refunded the total outstanding balance of \$6,415,000 associated with the 2006 Sewer System Improvement Mortgage Revenue Bonds.

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

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
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
2015	3,643,684	2,533,639	1,110,045	390,000	451,563	841,563	1.32
2016	4,151,055	2,248,001	1,903,054	400,000	443,762	843,762	2.26
2017	4,552,611	2,740,308	1,812,303	415,000	435,654	850,654	2.13

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

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

Year (1)	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
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
2014	0	0	0	0	0.00
2015	0	0	0	0	0.00
2016	0	0	0	0	0.00
2017	0	0	0	0	0.00

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>
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
2015	20,033	512,544,305	25,585	61,085	33.9
2016	20,033	512,544,305	25,585	61,085	33.9
2017	20,033	512,544,305	25,585	61,085	33.9

(1) Source: 2008-2009 from 2000 Federal Census/2010-2017 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%	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
26.0	5,381	3.9
26.0	5,302	3.9
26.0	5,299	3.8

CITY OF LEBANON, OHIO
 PRINCIPAL EMPLOYERS
 2016 AND 2008

2016

Employer	Employees
Warren County	1,307
Advics Manufacturing	1028
Lebanon City Schools	899
Countryside YMCA	868
Kroger	654
CM Temporary Services Inc.	615
FedEx	550
Mane Inc.	468
CBS Personnel Services LLC	337
Unity Staffing	303
Total	7,029

2008

Employer	Employees
Warren County	1,277
Countryside YMCA	895
Lebanon City School District	846
Advics Manufacturing	711
Kroger	559
Quebecor	527
Wal-Mart	522
Amtex Inc.	335
JBM Envelope	272
City of Lebanon	230
Total	6,174

Information on total employment within the City is not available.

The 2017 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Council (1)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Administration	5.00	5.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00
Building Maintenance	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Department	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Court	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Probation	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Security of Persons and Property										
Police										
Police - Chiefs/Administrative	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police - Sergeants	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police - Officers	22.00	22.00	22.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00
Police - Dispatchers	8.00	8.00	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	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Firefighters/EMTs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00
Public Health										
Cemetery	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Services										
Parks & Recreation (3)	2.00	2.00	1.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Community Development										
Building and Zoning	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Planning and Development	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00
Internal Service										
Automotive Maintenance	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Transportation										
Street M&R (3)	8.00	8.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Basic Utility Services										
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)	13.00	13.00	13.00	13.00	13.00	13.00	12.00	12.00	12.00	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	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Storm Water Utility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Telecommunications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water - Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Water - Maintenance	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00	3.00	3.00
Water - Supply and Treatment	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Wastewater - Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater - Maintenance	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	2.00	2.00
Wastewater - Collection and Treatment	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Totals:	145.00	145.00	142.00	141.00	139.00	136.00	135.00	135.00	132.00	137.00

Source: City of Lebanon Annual Budget

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

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

Function/Program	2008	2009	2010	2011
General Government				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	163	113	131	107
Number of Planning Commission Docket Items	24	30	23	22
Zoning Board of Appeals Docket Items	6	5	6	2
<i>Finance Department (1)</i>				
Number of Checks Issued	4,952	4,477	4,540	4,433
Number of Purchase Orders Issued	1,106	1,016	1,000	1,039
Amount of Checks Written (includes interfund transfers)	\$79,454,629	\$67,670,694	\$70,323,107	\$73,041,394
Interest Earnings for Fiscal Year (cash basis)	\$729,505	\$460,240	\$366,830	\$241,760
Number of Supplemental Appropriations Issued	46	34	20	26
Agency Ratings - Moody's Financial Services	Aaa	Aaa	A1	A1
Health Insurance Costs vs. General Fund Expenditures	14.46%	12.32%	8.99%	9.29%
General Fund Receipts (cash basis in thousands)	\$9,354	\$8,883	\$9,251	\$9,257
General Fund Expenditures (cash basis in thousands)	\$9,185	\$9,019	\$8,918	\$8,918
General Fund (unexpended) Cash Balances (in thousands)	\$3,042	\$2,906	\$3,239	\$3,758
<i>Income Tax Department</i>				
Number of Individual Returns	9,202	9,827	9,790	9,630
Number of Business Returns	1,506	1,507	1,518	1,593
Number of Business Withholding Accounts	1,496	1,496	1,472	2,356
Annual Number of Corporate Withholding Forms Processed	7,936	8,514	8,418	8,415
Annual Number of Balance Due Statements Forms Processed	500	600	791	720
Annual Number of Estimated Payment Forms Processed	2,000	2,000	2,500	2,016
Annual Number of Reconciliations of Withholdings Processed	1,346	1,322	1,356	1,530
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$5,010,259	\$7,545,020	\$3,235,575	\$7,181,756
<i>Municipal Court</i>				
Number of Civil Cases	1,321	1,087	1,063	826
Number of Criminal Cases	1,597	1,393	1,372	1,417
<i>Civil Service</i>				
Number of Police Entry Tests Administered	153	429	0	0
Number of Police Promotional Tests Administered	8	0	0	2
Number of Hires of Police Officers from Certified Lists	3	3	1	0
Number of Promotions from Police Certified Lists	1	0	0	2

2012	2013	2014	2015	2016	2017
115	114	99	132	117	126
28	32	34	63	37	52
3	3	11	9	10	12
4,753	5,509	4,425	4,173	4,101	4,207
1,084	1,045	873	992	997	1,114
\$78,807,285	\$72,899,728	\$78,072,236	\$71,328,633	\$86,679,935	\$88,570,629
\$455,725	\$231,840	\$251,836	\$390,473	\$496,631	\$501,666
42	20	21	23	14	12
Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
10.50%	11.13%	11.90%	10.19%	8.57%	9.18%
\$9,951	\$10,055	\$10,604	\$10,857	\$10,904	\$12,537
\$8,945	\$10,186	\$10,323	\$10,663	\$12,924	\$10,980
\$4,853	\$4,721	\$5,003	\$5,196	\$3,177	\$4,734
9,982	9,807	10,573	10,091	7,746	10,941
1,470	1,522	1,713	1,346	1,693	2,475
2,344	2,385	2,632	1,310	1,955	2,281
8,298	8,411	8,448	8,010	10,750	12,103
800	745	760	586	600	915
2,118	2,158	2,017	1,801	1,846	2,980
1,166	1,343	1,278	1,726	1,951	1,778
\$5,885,336	\$8,577,939	\$11,874,633	\$2,173,804	\$8,346,500	\$7,311,859
754	593	605	638	592	649
1,515	1,475	1,573	1,562	1,685	1,626
1	1	30	57	73	0
0	0	5	1	0	1
2	2	2	2	2	0
1	0	2	2	0	2

(continued)

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

Function/Program	2008	2009	2010	2011
<i>Building Department Indicators</i>				
Commercial Construction Permits Issued	176	127	90	60
Estimated Value of Commercial Construction	\$24,382,169	\$6,017,287	\$7,898,118	\$18,480,315
Residential Construction Building Permits Issued	127	137	112	30
Estimated Value of Residential Construction	\$8,273,210	\$10,780,028	\$6,536,428	\$6,124,089
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	25,459	23,389	22,024	21,229
Number of Traffic Citations Issued	1,767	1,373	1,203	989
Number of Parking Citations Issued	125	217	68	63
Number of Criminal Arrests	1,794	1,335	1,263	1,072
Number of Accident Reports Completed	400	392	398	433
Part 1 Offenses (major offenses)	480	519	474	385
Animal Complaints	322	343	336	345
DUI Arrests	165	112	109	76
Traffic Crashes	400	392	398	432
Crash Injuries	125	97	86	81
Crash Deaths	0	1	1	0
Prisoners	12	3	2	0
Prisoner Meal Costs	\$63	\$0	\$0	\$0
Gasoline Costs of Fleet	\$76,614	\$49,409	\$63,837	\$83,778
<i>Fire</i>				
EMS Calls	2,152	2,235	2,226	2,174
Ambulance Billing Collections (net)	\$245,713	\$245,743	\$402,002	\$467,450
Fire Calls	1,884	1,521	1,468	1,409
Fires with Loss	55	25	33	47
Fires with Losses Exceeding \$10K	12	12	5	11
Fire Losses	\$914,225	\$1,357,420	\$846,664	\$1,380,239
Fire Safety Inspections	650	n/a	141	n/a
Number of Times Mutual Aid Given to Fire and EMS	58	53	52	31
Number of Times Mutual Aid Received for Fire and EMS	67	70	45	95
Public Health				
Cemetery Receipts (includes interfund transfers)	\$156,522	\$160,398	\$156,010	\$187,242

2012	2013	2014	2015	2016	2017
67	65	93	81	119	104
\$37,700,000	\$33,482,059	\$44,964,185	\$125,985,538	\$54,500,000	\$39,764,540
88	170	176	149	200	196
\$3,200,000	\$2,533,487	\$5,870,806	\$3,308,718	\$7,400,000	\$7,482,998
22,410	21,449	21,932	22,617	23,864	24,648
1,472	1,656	1,406	1,192	1,626	1,441
130	572	48	352	121	537
1,232	1,138	1,308	1,118	1,199	1,158
419	550	645	413	455	433
585	500	494	355	397	350
378	317	358	362	332	299
70	104	137	78	105	56
419	550	452	413	455	433
80	100	73	91	93	76
0	1	0	0	0	0
0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$81,418	\$78,641	\$83,046	\$53,001	\$47,552	\$54,016
2,262	2,169	2,099	1,948	2,434	2,452
\$420,701	\$370,420	\$424,694	\$432,627	\$475,864	\$492,836
1,428	1,528	591	786	777	734
31	19	15	9	19	20
7	7	6	4	12	5
\$401,631	\$249,056	\$331,491	\$235,434	\$1,539,500	\$827,501
35	38	300	375	375	490
44	24	37	39	77	47
69	56	25	39	86	73
\$167,721	\$158,214	\$178,975	\$189,634	\$164,639	\$156,424

(continued)

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

Function/Program	2008	2009	2010	2011
Leisure Time Services				
<i>Recreation Receipts</i>				
Farmer's Market	\$850	\$800	\$900	\$1,150
Recreation Programs	27,680	66,093	23,230	21,995
Field Usage Fees	26,223	26,605	38,645	34,145
Total Recreation Department Receipts	<u>\$54,753</u>	<u>\$93,498</u>	<u>\$62,775</u>	<u>\$57,290</u>
Transportation				
Crackseal Coating Program (Miles)	3.50	4.10	5.50	11.20
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,175	1,975	2,080	1,865
Street Sweeper (hours)	1,906	1,706	1,280	1,280
Cold Patch (hours)	96	102	105	8
After Hours Sewer and Water Calls	111	105	106	92
Sewer Cleaning (feet)	27,557	29,744	16,955	28,950
Sewer Jet, Vac-All, Video (feet)	23,299	13,281	21,566	54,555
Landscaping Stump-Chipper Service (hours)	128	84	80	96
Leaf Collection (hours)	3,696	3,562	1,920	1,920
Downtown Square Repair After Events (hours)	410	435	365	420
Equipment Repair/Body Shop (hours)	4,160	4,160	4,360	4,360
Sign Department (hours)	350	290	816	816
Tons of Snow Melting Salt Purchased (Nov-Mar)	500	1,070	2,307	1,875
Cost of Salt Purchased	\$93,992	\$134,810	\$196,394	\$62,589
Water Department				
Water Rates per 1st 2,500 Gallons of Water Used	\$10.03	\$10.63	\$11.27	\$11.95
Avg. Number of Water Accounts Billed Monthly	7,179	7,235	7,296	7,305
Total Water Collections Annually	\$2,315,455	\$2,430,625	\$2,706,968	\$2,733,116
Wastewater Department				
Wastewater Rates per 1st 2,500 Gallons Used	\$14.99	\$15.74	\$16.21	\$16.21
Total Flow of Wastewater Treatment Plant (MG)	1,051.670	935.570	961.950	1,215.369
Average Daily Flow (millions of gallons per day)	2.900	2.600	2.600	3.330
Tons of Dry Sludge Removed	473.18	481.16	444.78	414.03

(1) Receipts and expenditures include interfund transfers

2012	2013	2014	2015	2016	2017
\$1,740	\$1,600	\$1,540	\$1,150	\$1,200	\$2,350
20,600	19,940	20,995	21,945	17,236	19,457
43,280	29,332	41,945	50,778	48,640	43,510
<u>\$65,620</u>	<u>\$50,872</u>	<u>\$64,480</u>	<u>\$73,873</u>	<u>\$67,076</u>	<u>\$65,317</u>
7.00	8.00	8.50	6.50	3.00	28.00
1,700	2,000	2,150	2,400	1,800	2,200
750	1,300	750	1,100	980	1,440
20	30	48	40	94	120
100	64	117	74	59	25
36,112	51,451	68,813	85,434	34,435	28,931
19,541	23,998	17,241	15,485	28,634	16,500
50	20	80	100	80	140
2,000	1,900	2,250	1,500	1,800	1,440
400	500	550	500	500	768
4,458	4,507	5,334	5,224	6,677	7,052
850	1,000	1,150	1,600	600	840
840	2,400	3,000	700	998	2,615
\$33,028	\$112,832	\$208,172	\$214,245	\$112,649	\$65,176
\$12.67	\$14.24	\$14.24	\$16.34	\$17.32	\$18.01
7,350	7,360	7,377	7,412	7,421	7,466
\$3,040,209	\$2,987,747	\$3,209,751	\$3,518,933	\$4,015,783	\$4,226,355
\$16.70	\$17.20	\$17.20	\$18.06	\$18.06	\$18.06
928.000	1,045.000	1,022.000	1,036.900	1,061.652	1,042.478
2.500	2.860	2.810	2.840	2.901	2.856
472.00	348.31	473.43	454.37	444.71	473.43

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
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	7	8	8	6	7	7	7	10	10	10
Inspection Vehicles	4	3	3	3	3	3	3	3	3	3
Information Technology	2	2	2	2	1	1	1	1	1	1
Cemetery										
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	1	1	1	1	1	1	1	1	1
Police										
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	17	18	17	16	16	18	16	19	19	20
Fire										
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	21	19	20	20	19	17	16	17
Recreation										
Number of Parks	15	16	16	16	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	12	12	12	12	12	12	12	12	13
Number of Soccer Fields	27	30	37	37	37	37	37	37	37	37
Number of Community Access Buildings (1)	4	4	4	4	4	4	4	3	3	3
Number of Disc Golf Course	0	0	0	1	1	1	1	1	1	1
Other Public Works										
Streets (miles)	94.813	94.813	94.813	94.813	94.813	95.040	102.893	102.893	102.893	102.969
Service Vehicles	18	23	22	24	24	24	21	23	25	22
Auto Maintenance Internal Service	2	2	2	2	2	2	2	1	1	1
Square Footage of Building(NEW-2015)								37,060	37,060	37,060
Electric										
Vehicles	22	23	24	22	19	20	17	18	18	17
Sanitation										
Vehicles	1	1	1	1	1	1	1	1	1	1
Telecommunications										
Vehicles	1	2	2	2	2	2	2	2	2	2
Wastewater										
Sanitary Sewers (miles)	113.457	113.591	113.591	113.610	113.799	114.327	114.406	114.419	114.778	116.260
Storm Sewers (miles)	83.439	84.512	86.10	86.53	88.05	88.52	90.00	90.94	91.68	91.76
Vehicles	7	7	7	7	7	7	6	6	5	5
Water Department										
Water Lines (miles)	109.305	110.425	110.432	110.432	113.609	113.636	114.145	114.145	114.781	116.287
Vehicles	10	10	11	10	10	10	10	10	11	12

(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 26, 2018