

CITY OF LEBANON
WARREN COUNTY
SINGLE AUDIT
JANUARY 1, 2013 – DECEMBER 31, 2013





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Lebanon, Warren County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2013 through December 31, 2013. 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 10, 2014

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**CITY OF LEBANON
WARREN COUNTY**

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CITY OF LEBANON
WARREN COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal Grantor/ <i>Pass Through Grantor/</i> Program Grant Title	Pass Through Entity Number	CFDA Number	Expenditures
U.S. Department of Justice:			
<i>Passed through Greater Warren County Drug Task Force:</i>			
Equitable Sharing Program	08-095/WCDTF	16.922	\$ 39,281
Equitable Sharing Program	10-ATF-005310/WC	16.922	3,656
Equitable Sharing Program	10-DEA-526846	16.922	9,241
Total U.S. Department of Justice			<u>52,178</u>
U.S. Department of Transportation; Federal Highway Administration			
<i>Passed through Mid-Ohio Regional Planning Commission:</i>			
Highway Planning and Construction	85320	20.205	1,767,604
Total U.S. Department of Transportation (FHA)			<u>1,767,604</u>
U.S. Environmental Protection Agency:			
<i>Passed through Ohio Environmental Protection Agency:</i>			
Nonpoint Source Implementation Grant	09(h) EPA-25	66.460	8,470
Total U.S. Environmental Protection Agency			<u>8,470</u>
Total Federal Awards Expenditures			<u>\$ 1,828,252</u>

The accompanying notes are an integral part of this Schedule.

**CITY OF LEBANON
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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



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

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

To City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, (the City) as of and for the year ended December 31, 2013, 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 23, 2014.

Internal Control Over Financial Reporting

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

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

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

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
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Compliance and Other Matters

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

Purpose of this Report

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 23, 2014



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

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

To City Council:

Report on Compliance for the Federal Program

We have audited the City of Lebanon's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Lebanon's major federal program for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Wilson, Shannon & Snow, Inc.

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Opinion on the Major Federal Program

In our opinion, the City of Lebanon complied, in all material respects with the compliance requirements referred to above that could directly and materially affects its major federal program for the year ended December 31, 2013.

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Federal Awards Expenditures

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lebanon (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 23, 2014. We conducted our audit to opine on the City's basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 23, 2014

**CITY OF LEBANON
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

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

**CITY OF LEBANON
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2013**

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

None.

3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS

None.

CITY OF LEBANON, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2013

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INTRODUCTORY SECTION



**CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Issued by:
Office of the Auditor**

**Sharee C. Dick
City Auditor**

City of Lebanon
Comprehensive Annual Financial Report
For the Year Ended December 31, 2013

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"Dedicated to Excellence in Public Service"

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

June 23, 2014

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

We are pleased to present the twenty-sixth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report for the year ended December 31, 2013 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, 2013, 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. The City also participates in the Ohio Municipal League Group Retrospective Rating Program, an insurance purchasing pool. Information regarding these entities 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.

The budget represents the City's financial plan and operations guide for the next operating year. It is a communications tool to inform Lebanon residents of how the City plans to allocate resources to address the needs of the community and improve the overall strength of the government.

MAJOR INITIATIVES

Lebanon initiated and completed several key roadway improvement projects totaling \$1.15 million in 2013. The City secured a State OPWC grant in the amount of \$386,000 to support the reconstruction of Oakwood Avenue, which included \$600,000 in roadway reconstruction. Additionally, the City reconstructed East Warren Street, with a total construction contract amount of \$550,000. Both of these roads were in poor condition and the roadway reconstruction was done in coordination with utility upgrade requirements that replaced aging water, sanitary, and storm sewer systems. The roadway reconstruction projects included the complete removal and replacement of concrete curbs and gutters, as well as the asphalt pavement. The City's annual pavement resurfacing and concrete replacement program totaled \$846,000 and included multiple streets throughout the City. Finally, the City awarded a contract in the amount of \$194,000 to rehabilitate the Mechanic Street Bridge.

The City began construction on the 0.75 mile S.R. 123 / S.R. 63 Connector project in 2013. This new 3-lane roadway begins at the intersection of S.R. 63 and Glosser Road, and runs north up to the intersection of S.R. 123 and Hart Road. The total project cost is \$5.9 million, and the City has secured a \$3.1 million Federal Surface Transportation Program grant to support the project. This new road will alleviate traffic congestion, and poor levels of service, at several key State Route intersections in the downtown area. This project will be completed in mid-2014.

Over the past several years, the City has focused on replacing aging sanitary sewer mains. This initiative is being undertaken to ensure our continued ability to deliver quality sewer service. In 2013, the City replaced and/or rehabilitated sanitary sewer mains on East Warren Avenue, Oakwood Avenue, and East Concord Avenue. The total cost of these projects was \$565,000. Additionally, the City installed a new 15" sanitary sewer main along Kingsview Drive in the Kingsview Industrial Park. This new gravity main will allow the City to abandon an existing pump station and force main, and open up new industrial areas for gravity sewer service. The total cost of this project was \$900,000.

The existing culvert on West Street was in extremely poor condition, and was replaced with a standard box culvert in 2013. By increasing the size of the culvert installed, this project will also address localized flooding issues experienced immediately upstream of the culvert. The total cost for this project was \$175,000.

The City continued to upgrade the electric transmission and distribution systems in both residential and commercial areas in 2013. These improvements are focused on continuing to improve the redundancy and reliability of the system while planning for future electrical demand growth in the City.

The City was awarded a \$550,000 State Clean Ohio Fund grant to purchase a 51.5 acre tract that is immediately adjacent to Miller Ecological Park. The acquisition of this land for green space supports the expansion of Miller Ecological Park to a total of 97 acres, and will provide excellent passive recreational opportunities for the community to enjoy.

LOCAL ECONOMY

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

Housing

The residential sector continued to decline slightly in a manner consistent with regional and national market trends, as reflected by the decrease in permits issued during 2013. In 2013, housing starts fell approximately 22% as compared to 2012, which saw a drop of 65% from 2011. One factor contributing to the further decline of new housing starts is the limited availability of platted lots. The construction valuation of residential development in 2013 was \$2.5 million.

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

Commercial and Industrial

The City is the county seat of Warren County located in Southwest Ohio. The City has experienced sustained growth, both residential and nonresidential, over the past two decades. The City's growth can be attributed to several factors including its ideal location along the I-71 corridor, business-friendly environment, high-quality workforce, excellent school system, and great quality of life. These strengths that are synonymous with Lebanon will continue to drive our success in 2014.

The City continues efforts to improve its mix of residential and nonresidential development. This is essential because of the positive fiscal impact nonresidential development has on the City. The financial health of the City is a direct result of the strength of the City's corporate residents. The City recognizes it has an excellent economic resource in its current employment base as existing businesses are a critical aspect of Lebanon's economic development success.

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 use of Tax Increment Financing (TIF) has been a key incentive to recruiting new companies and investment into the City's industrial parks. A recently completed TIF project was the construction of Homan Road in 2013. The new roadway has made accessible prime commercial land for development, while providing a future northern access point into Lebanon Commerce Park. The Homan Road project has spurred development with the recent completion of the FedEx Ground facility, and INX International Ink Company that is currently under construction and set to begin operations in December 2014.

In an effort to improve the City's economic development program, City Council expanded the Community Reinvestment Area (CRA) No. 7. The expansion of CRA No. 7, which originally included Kingsview Industrial Park, will incorporate industrial properties within and contiguous to Columbia Business Park and Lebanon Commerce Center. The expansion of CRA No. 7 will provide an additional business incentive for these areas and improve the economic development assistance available to new companies looking to locate in Lebanon.

City Council and 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 2013, the total industrial/commercial investment in Lebanon was \$33.48 million, a modest decrease of 12% from 2012.

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, 2012. This was the twenty-fifth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgements

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



Sharee C. Dick
City Auditor



Amy Brewer
Mayor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lebanon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR

Amy Brewer

VICE MAYOR

Mark Messer

COUNCIL MEMBERS:

Wendy Monroe

J. Matthew Rodriguez

Jim Dearie

Mark Messer

James Norris II

APPOINTED OFFICIALS

CITY MANAGER

George P. Clements

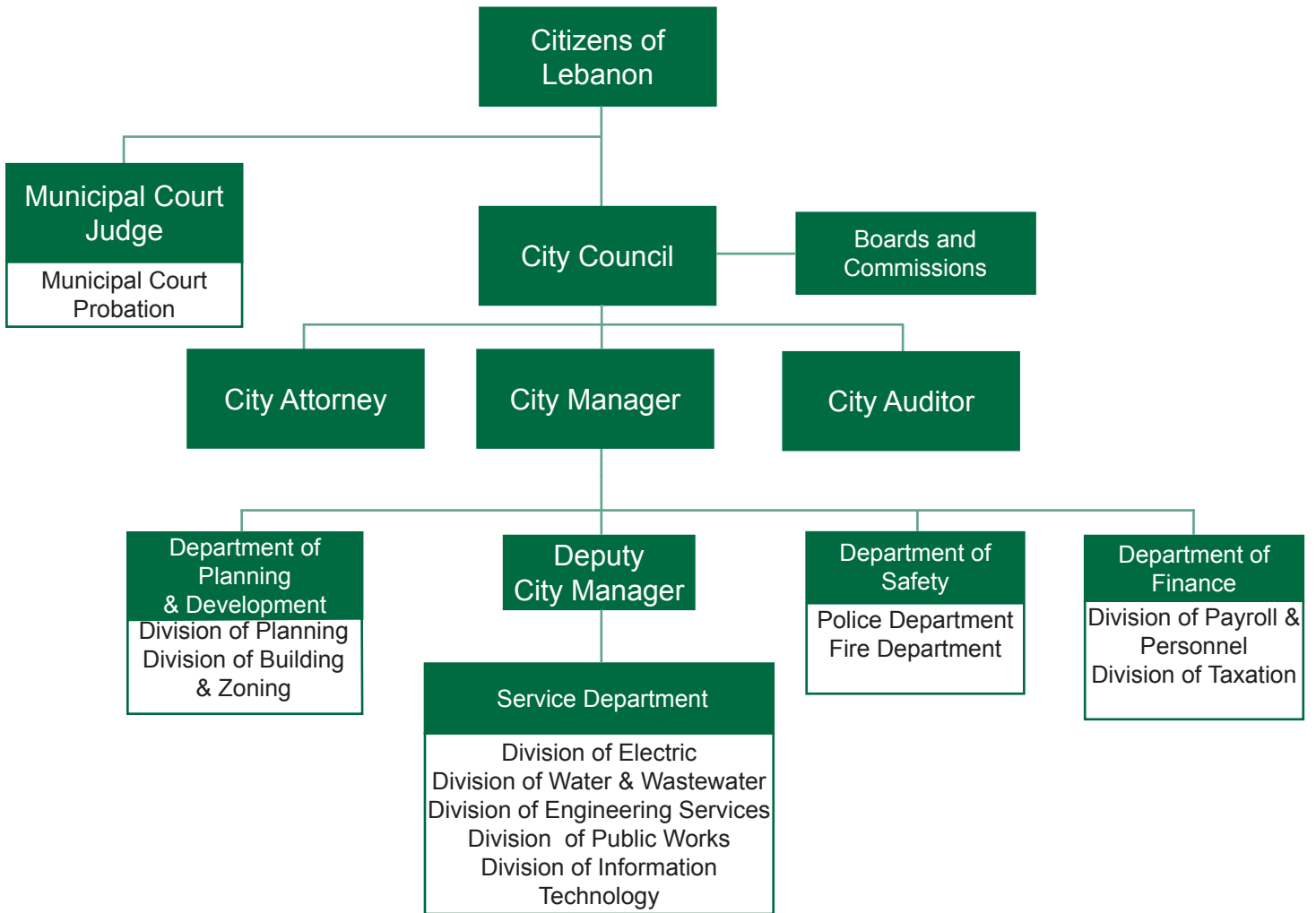
CITY AUDITOR

Sharee C. Dick

CITY ATTORNEY

Mark S. Yurick

CITY OF LEBANON ORGANIZATIONAL CHART



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FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio, as of December 31, 2013, 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 for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The Schedule of Federal Award Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the 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 23, 2014, 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 23, 2014

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CITY OF LEBANON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
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, 2013. 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 \$6,701,172. Revenues of governmental activities exceeded expenses by \$2,230,117, which was primarily the result of the City collecting greater income tax monies and charges for services than in the past. The City remains committed to ensuring that service levels are adjusted in response to declines in revenue so that sufficient cash reserves are maintained in compliance with the City's fiscal policy.

General revenues of governmental activities accounted for \$13,102,881 of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$8,500,916 of the revenues.

The City had \$18,873,680 in expenses related to governmental activities; \$8,500,916 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues (primarily income taxes) of \$13,102,881 were adequate enough to support these programs.

The City had \$35,721,531 in expenses related to business-type activities. \$39,410,470 of program specific charges for services and sales, together with \$782,116 in general revenues and transfers more than offset the expenses.

The City's Enterprise Funds reflected a total operating income of \$5,341,895 as follows: Electric Fund \$4,027,284, Sanitation Fund (\$16,479), Sewer Fund \$1,084,557, Water Fund (\$46,724), Storm Water Utility Fund \$280,477, and Telecommunications Fund \$12,780.

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 2013 compared to 2012.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total		Change
	2013	2012	2013	2012	2013	2012	
Assets:							
Current and Other Assets	\$31,370,539	\$28,579,093	\$40,788,430	\$38,255,006	\$72,158,969	\$66,834,099	\$5,324,870
Capital Assets	49,375,204	45,221,547	90,151,728	90,096,758	139,526,932	135,318,305	4,208,627
<i>Total Assets</i>	<u>80,745,743</u>	<u>73,800,640</u>	<u>130,940,158</u>	<u>128,351,764</u>	<u>211,685,901</u>	<u>202,152,404</u>	<u>9,533,497</u>
<i>Deferred Outflows of Resources</i>							
Deferred Charge on Refunding	115,984	33,353	856,270	952,520	972,254	985,873	(13,619)
Liabilities:							
Current and Other Liabilities	2,809,064	1,503,949	1,047,865	1,221,837	3,856,929	2,725,786	1,131,143
Long-Term Liabilities	10,166,192	6,370,405	36,235,937	38,040,876	46,402,129	44,411,281	1,990,848
<i>Total Liabilities</i>	<u>12,975,256</u>	<u>7,874,354</u>	<u>37,283,802</u>	<u>39,262,713</u>	<u>50,259,058</u>	<u>47,137,067</u>	<u>3,121,991</u>
<i>Deferred Inflows of Resources</i>							
Property Tax	2,841,929	2,862,962	0	0	2,841,929	2,862,962	(21,033)
Payment in Lieu of Taxes	1,476,518	1,758,770	0	0	1,476,518	1,758,770	(282,252)
<i>Total Deferred Inflows of Resources</i>	<u>4,318,447</u>	<u>4,621,732</u>	<u>0</u>	<u>0</u>	<u>4,318,447</u>	<u>4,621,732</u>	<u>(303,285)</u>
Net Position:							
Net Investment in Capital Assets	39,004,204	40,044,806	55,500,876	54,208,669	94,505,080	94,253,475	251,605
Restricted	5,585,635	8,952,231	5,680,330	6,212,490	11,265,965	15,164,721	(3,898,756)
Unrestricted	18,978,185	12,340,870	33,331,420	29,620,412	52,309,605	41,961,282	10,348,323
<i>Total Net Position</i>	<u>\$63,568,024</u>	<u>\$61,337,907</u>	<u>\$94,512,626</u>	<u>\$90,041,571</u>	<u>\$158,080,650</u>	<u>\$151,379,478</u>	<u>\$6,701,172</u>

Total net position increased \$6,701,172. Net position of the City's governmental activities increased \$2,230,117. Capital assets of governmental activities increased \$4,153,657 mainly due to land acquisition and infrastructure improvements. New projects started in 2013 were the Oakwood Avenue reconstruction, East Warren Street reconstruction, Homan Road project, and the S.R. 123 / S.R 63 Connector project.

Long-term liabilities increased due to the issuance of new debt for road improvement bonds and S.R. 123 connector improvement bond anticipation note. The City also refunded of the 2003 road improvement bonds.

The net position of the City's business-type activities increased \$4,471,055. Long-term liabilities decreased due to debt payments. Unrestricted net position increased due to increase in charges for services from rates increases and charges for services for new electric installations. Also, the City strives to control operational expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of the growing community in order to adjust for changes in City policy where necessary. City Council and administration are diligent in keeping the City fiscally strong, as indicated by the continued effort to achieve the goals set forth in the City's fiscal policy. The City's administration has developed a strategic planning process that utilizes a five-year capital improvement plan, which drives our operating budget and department superintendents are all involved in the entire process. The City's budget is developed from the bottom up with emphasis on good stewardship of our ratepayers' and taxpayers' money.

Table 2 shows the changes in net position for the years ended December 31, 2013 and 2012.

*Table 2
Changes in Net Position*

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$3,471,439	\$3,556,264	\$39,410,470	\$38,028,137	\$42,881,909	\$41,584,401
Operating Grants, Contributions	1,814,589	1,343,340	0	0	1,814,589	1,343,340
Capital Grants, Contributions	3,214,888	1,442,524	0	416,410	3,214,888	1,858,934
Total Program Revenues	<u>\$8,500,916</u>	<u>\$6,342,128</u>	<u>\$39,410,470</u>	<u>\$38,444,547</u>	<u>\$47,911,386</u>	<u>\$44,786,675</u>

(continued)

Table 2
Changes in Net Position (continued)

	<i>Governmental</i>		<i>Business-Type</i>		<i>Total</i>	
	<i>Activities</i>		<i>Activities</i>			
	2013	2012	2013	2012	2013	2012
General Revenues:						
Property Taxes	\$2,895,037	\$3,083,418	\$0	\$0	\$2,895,037	\$3,083,418
Income Taxes	6,371,559	6,232,249	0	0	6,371,559	6,232,249
Other Local Taxes	1,337,972	1,366,321	0	0	1,337,972	1,366,321
Payments in Lieu of Taxes	1,476,519	1,758,769	0	0	1,476,519	1,758,769
Grants and Entitlements Not						
Restricted to Specific Programs	420,153	342,899	0	0	420,153	342,899
Investment Earnings	227,603	317,837	113,323	219,886	340,926	537,723
Gain on Sale of Capital Assets	0	0	0	3,800	0	3,800
Other	374,038	155,073	168,793	2,018,744	542,831	2,173,817
Total General Revenues	13,102,881	13,256,566	282,116	2,242,430	13,384,997	15,498,996
Total Revenues	21,603,797	19,598,694	39,692,586	40,686,977	61,296,383	60,285,671
Program Expenses:						
General Government	3,731,306	3,591,911	0	0	3,731,306	3,591,911
Security of Persons and Property:						
Police	4,067,094	4,414,356	0	0	4,067,094	4,414,356
Fire	3,136,542	3,308,046	0	0	3,136,542	3,308,046
Public Health Services	216,095	221,850	0	0	216,095	221,850
Leisure Time Services	1,328,928	778,510	0	0	1,328,928	778,510
Community and Economic						
Development	1,278,496	1,080,804	0	0	1,278,496	1,080,804
Transportation	3,934,203	4,207,949	0	0	3,934,203	4,207,949
Intergovernmental	900,216	345,607	0	0	900,216	345,607
Interest and Fiscal Charges	280,800	338,645	0	0	280,800	338,645
Electric	0	0	27,155,807	28,898,408	27,155,807	28,898,408
Sanitation	0	0	1,524,770	1,508,493	1,524,770	1,508,493
Sewer	0	0	2,541,355	3,739,025	2,541,355	3,739,025
Telecommunications	0	0	153,569	178,763	153,569	178,763
Water	0	0	3,839,171	3,691,306	3,839,171	3,691,306
Storm Water Utility	0	0	506,859	502,542	506,859	502,542
Total Expenses	18,873,680	18,287,678	35,721,531	38,518,537	54,595,211	56,806,215
Change in Net Position						
Before Transfers	2,730,117	1,311,016	3,971,055	2,168,440	6,701,172	3,479,456
Transfers	(500,000)	(274,620)	500,000	274,620	0	0
Change in Net Position	2,230,117	1,036,396	4,471,055	2,443,060	6,701,172	3,479,456
Net Position, January 1	61,337,907	60,301,511	90,041,571	87,598,511	151,379,478	147,900,022
Net Position, December 31	\$63,568,024	\$61,337,907	\$94,512,626	\$90,041,571	\$158,080,650	\$151,379,478

Governmental Activities

The City’s income tax was established in 1970 at a rate of one percent. The rate has not been increased even though this rate is much lower than the State average for municipalities. The City provides tax relief in the form of a full tax credit for taxes paid to another municipality. The City’s income tax is the largest source of revenue for the City’s General Fund, Debt Service Fund, and Capital Improvement Fund. Employee withholding contributed 72.90 percent of the revenue received in 2013 with business earnings contributing 10.60 percent and individuals 16.50 percent. The City has mandatory filing for all residents that work regardless of their age. The revenues are allocated in the following manner: 56 percent General Fund, 33 percent Capital Improvement Fund, and 11 percent to the Debt Service Fund. This allocation begins after administration costs for the Division of Taxation have been obtained for the current operating year. Income Taxes in the Governmental Activities increased \$139,310. During 2013, the City was very successful in attracting new investment into the community. The City had modest growth and expansion in both the commercial and industrial sectors in terms of new construction and reuse of existing facilities. The City welcomed 33 new businesses to Lebanon in 2013. Notable projects to the City’s tax base were Mane, Inc, INX International Ink Co., Green Bay Packaging, and FedEx Ground.

Operating grants and contributions increased \$471,249 mainly as a result of grant that the City received from Ohio Department of Development for Columbia Business Park area. Capital grants and contributions increased \$1,772,364 mainly as a result of grants received for purchase land to expand Miller Ecological Park. Investment earnings decreased significantly as a result of the City’s investments decreasing in market value.

Table 3
Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
General Government	\$3,731,306	\$1,521,455	\$3,591,911	\$1,272,192
Security of Persons and Property:				
Police	4,067,094	3,440,703	4,414,356	3,773,026
Fire	3,136,542	2,525,811	3,308,046	2,639,706
Public Health Services	216,095	93,995	221,850	55,822
Leisure Time Services	1,328,928	728,347	778,510	741,868
Community and				
Economic Development	1,278,496	781,297	1,080,804	1,004,802
Transportation	3,934,203	100,140	4,207,949	1,773,882
Intergovernmental	900,216	900,216	345,607	345,607
Interest and Fiscal Charges	280,800	280,800	338,645	338,645
Total Expenses	\$18,873,680	\$10,372,764	\$18,287,678	\$11,945,550

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 39 percent of total revenues. The remaining revenues are primarily generated locally through property taxes, City income taxes, State distributions, grants and other miscellaneous income. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they have always been committed.

Overall, the City's expenses increased \$586,002 from the prior year. Intergovernmental expenses increased \$554,609. The increase was due to correction payments on the tax increment financing parcels of the City to the affected School Districts.

Business-Type Activities

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

Electric operations generate fees associated with the sale and delivery of electricity within Lebanon. Various electric service charges, not associated with the sale and delivery of electricity, are also generated by these operations. The fees collected are then used to purchase power, maintain and operate the electric generation, transmission, and distribution systems of the City, fund capital improvement projects and pay off debt service. Legislation increases electric rates by one percent annually. Electric operating revenues increased \$1,630,768, as operating expenses decreased \$1,083,934. The primary cause of the overall increase in the fund was an increase in charges for services for new electric installations.

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. Expenses exceeded revenues causing an overall decrease in net position for 2013 of \$233, which is insignificant.

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 decreased \$247,174, and operating expenses decreased \$932,061. The City continues to monitor the costs associated with wastewater treatment. Changes in expenses are due to continued growth in the area and upgrades to the facility. Sewer service rates, combined with contributions of assets from other governments or other governmental funds help to maintain the enterprise. Revenue decreases are largely attributed to a one-time large reimbursement from Duke Energy for overpayment related to a pump at the sewer plant in 2012. The City Wastewater Department has a track record of receiving the National Associations of Clear Water Agencies Silver Award, given to facilities that have less than five National Pollutant Discharge Elimination System violations in a calendar year.

The Telecommunications Fund accounts for charges collected and utilized for the operation of the community access cable channel. For 2013, the net position of this fund increased \$1,047, which is insignificant.

Water operations generate the fees charged for the sale of water within Lebanon and in several subdivisions in Turtlecreek and Union Townships. Those fees are then used to maintain lines for delivery and to treat water for further consumption. The City of Lebanon draws its water supplies from four well fields; one at the water treatment plant on Main Street, the second is on the western edge of the community between State Route 63 and McClure Road, the third is located along I-71 Kingsview Industrial Park, and the fourth is just south of Mason-Morrow Road. The City Council adopted legislation in 2009 to build a connection and begin purchasing water from the Greater Cincinnati Water Works in 2013. The City maintains four water towers within its jurisdiction and will continue to service all its infrastructure needs for distribution. This fund's mission from City Council is to maintain a high level of service while meeting all applicable Ohio Environmental Protection Agency standards. Water operating revenues decreased \$104,235, while operating expenses increased \$251,104.

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 decreased \$42,518 from 2012, and operating expenses increased \$16,247, which are insignificant.

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 \$21,531,540 and expenditures of \$24,186,527. The General Fund balance decreased \$277,355. This was due to a significant increase in general government expenses related to a decrease in the Administrative Recovery calculation and community and economic development expenses related to the creation of a new Economic Development department.

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 2013.

The Fire and Life Squad Fund balance decreased \$463,942 due to the decrease in Warren County's assessed valuation for Lebanon's corporate boundaries. The City has experienced lowered valuations since 2009 as a direct result of the recession. This decreased valuation affects not only general property taxes dollars but homestead and rollback monies as well. The Fire department operates on monies from its 5.5 mill levy, which has allowed the Fire Department to operate two facilities, including additional staff requirements. Lebanon Fire Division hosts two stations: one on Silver Street in Lebanon's central business district, while the other station is located near State Route 48 close to Interstate I-71 and the surrounding industrial parks.

The Capital Improvement Fund balance increased \$4,139,988 due to the issuance of notes and bonds for the 123 Connector Project and street reconstruction projects.

The Tax Increment Financing Fund balance decreased \$1,944,202 due to increases in refund payments and the purchase of land related to the Homan Road extension project.

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 \$10,242,228. Final General Fund budgeted revenues and other financing sources were \$11,096,916. The variance between original and final budgeted revenues was \$854,688. This was primarily due to a conservative estimate originally being made for property tax revenue and income tax revenue. Actual revenues were \$1,020,584 less than final budgeted revenues due to the City over estimating property tax revenue. Original appropriations and other financing uses were \$10,243,275, and final appropriations and other financing uses were \$11,313,885. The variance between original and final appropriations was \$1,070,610, due mainly to an increase in general government and security of persons and property expenditures related to income tax refunds and enterprise zone payments, the purchase of land, and the creation of a new department. Actual expenditures were \$905,402 less than final appropriations. This is mainly attributed to careful cost containment and hiring lags for positions that were budgeted for but not filled during 2013 operating year.

CAPITAL ASSETS

Table 4 presents the net book value of the City’s capital assets for governmental and business-type activities for 2013 compared to 2012:

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$15,133,406	\$14,064,176	\$4,354,568	\$4,781,582	\$19,487,974	\$18,845,758
Construction in Progress	4,720,912	1,751,420	3,118,650	4,174,511	7,839,562	5,925,931
Land Improvements	679,620	670,432	0	0	679,620	670,432
Buildings and Improvements	3,251,493	3,347,051	14,036,541	14,939,116	17,288,034	18,286,167
Equipment	569,012	783,009	1,311,438	1,333,078	1,880,450	2,116,087
Vehicles	1,188,911	1,188,959	687,398	513,032	1,876,309	1,701,991
Infrastructure	23,831,850	23,416,500	66,643,133	64,355,439	90,474,983	87,771,939
Totals	\$49,375,204	\$45,221,547	\$90,151,728	\$90,096,758	\$139,526,932	\$135,318,305

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

In 2014, a total of \$7.8 million has been programmed for roadway improvements. The major project for this year is the construction of a new S.R. 123 / S.R. 63 Connector roadway, which will greatly improve traffic flow in and around Lebanon. This \$6.0 million project will construct a new 3-lane roadway that connects S.R. 63 at Glosser Road with S.R. 123 at Hart Road. Additionally, Oakwood Avenue and East Warren Street will be reconstructed in 2013. The City has aggressively pursued Federal and State funding to help support these projects, and has been awarded a \$3.0 million grant for the Connector project. In conjunction with many of these roadway improvement projects, water mains, sanitary sewer, and storm sewer systems were upgraded. The roadway projects included not only the reconstruction and resurfacing of the road but also the replacement of concrete curbs and gutters. These projects have been designed and executed to meet the needs of a growing community.

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

DEBT

Table 5 summarizes bonds and notes outstanding at December 31, 2013 and 2012:

Table 5
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Special Assessment Bonds	\$0	\$9,439	\$0	\$0	\$0	\$9,439
General Obligation Bonds	7,461,050	5,200,655	0	0	7,461,050	5,200,655
Police Pension	17,699	18,196	0	0	17,699	18,196
Mortgage Revenue Bonds	0	0	34,507,122	36,840,609	34,507,122	36,840,609
Bond Anticipation Notes	1,509,526	0	1,400,000	550,000	2,909,526	550,000
AMP Rate Levelization Loan	0	0	0	339,290	0	339,290
	<u>\$8,988,275</u>	<u>\$5,228,290</u>	<u>\$35,907,122</u>	<u>\$37,729,899</u>	<u>\$44,895,397</u>	<u>\$42,958,189</u>

Special assessment bonds will be paid with special assessment revenues. 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 and the AMP rate levelization loan will be paid from their respective enterprise funds. The City's other long-term obligations include capital leases and compensated absences.

As of December 31, 2013, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$41,647,765, and the unvoted debt margin was \$21,815,496. For more information regarding long-term obligations and short-term bond anticipation notes, refer to Notes 16 and 17 of the notes to the basic financial statements.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

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CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental Activities	Business-Type Activities	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$23,438,465	\$25,622,037	\$49,060,502
Accounts Receivable, Net	0	7,307,307	7,307,307
Intergovernmental Receivable	849,402	34,807	884,209
Accrued Interest Receivable	52,948	32,177	85,125
Prepaid Items	62,419	46,119	108,538
Internal Balances	(279,279)	279,279	0
Materials and Supplies Inventory	193,062	2,605,925	2,798,987
Income Taxes Receivable	2,461,996	0	2,461,996
Property Taxes Receivable	3,007,317	0	3,007,317
Other Local Taxes Receivable	4,488	0	4,488
Payment in Lieu of Taxes Receivable	1,476,518	0	1,476,518
Special Assessments Receivable	103,203	651	103,854
Cash and Cash Equivalents with Fiscal Agents	0	4,860,128	4,860,128
Nondepreciable Capital Assets	19,854,318	7,473,218	27,327,536
Depreciable Capital Assets, Net	29,520,886	82,678,510	112,199,396
Total Assets	80,745,743	130,940,158	211,685,901
Deferred Outflows of Resources			
Deferred Charge on Refunding	115,984	856,270	972,254
Liabilities			
Accounts Payable	148,182	168,030	316,212
Accrued Wages Payable	412,002	121,112	533,114
Intergovernmental Payable	433,666	94,763	528,429
Contracts Payable	1,836	0	1,836
Accrued Interest Payable	38,444	120,315	158,759
Claims Payable	174,934	0	174,934
Notes Payable	1,600,000	0	1,600,000
Refundable Deposits	0	543,645	543,645
Long-Term Liabilities:			
Due Within One Year	846,951	2,665,119	3,512,070
Due in More Than One Year	9,319,241	33,570,818	42,890,059
Total Liabilities	12,975,256	37,283,802	50,259,058
Deferred Inflows of Resources			
Property Taxes	2,841,929	0	2,841,929
Payment in Lieu of Taxes	1,476,518	0	1,476,518
Total Deferred Inflows of Resources	4,318,447	0	4,318,447
Net Position			
Net Investment in Capital Assets	39,004,204	55,500,876	94,505,080
Restricted for:			
Debt Service	578,171	4,747,830	5,326,001
Capital Outlay	1,438,026	0	1,438,026
Security of Persons and Property	549,159	0	549,159
Public Health	618,791	0	618,791
Community and Economic Development	197,964	0	197,964
Transportation	1,505,934	0	1,505,934
Other Purposes	697,590	0	697,590
Revenue Bonds Replacement and Improvement	0	932,500	932,500
Unrestricted	18,978,185	33,331,420	52,309,605
Total Net Position	\$63,568,024	\$94,512,626	\$158,080,650

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government	\$3,731,306	\$2,209,851	\$0	\$0
Security of Persons and Property:				
Police	4,067,094	626,391	0	0
Fire	3,136,542	370,420	240,311	0
Public Health Services	216,095	104,226	15,000	2,874
Leisure Time Services	1,328,928	21,916	19,195	559,470
Community and Economic Development	1,278,496	8,130	489,069	0
Transportation	3,934,203	130,505	1,051,014	2,652,544
Intergovernmental	900,216	0	0	0
Interest and Fiscal Charges	280,800	0	0	0
Total Governmental Activities	<u>18,873,680</u>	<u>3,471,439</u>	<u>1,814,589</u>	<u>3,214,888</u>
Business-Type Activities				
Electric	27,155,807	30,606,725	0	0
Sanitation	1,524,770	1,512,454	0	0
Sewer	2,541,355	3,248,192	0	0
Telecommunications	153,569	156,348	0	0
Water	3,839,171	3,093,645	0	0
Storm Water Utility	506,859	793,106	0	0
Total Business-Type Activities	<u>35,721,531</u>	<u>39,410,470</u>	<u>0</u>	<u>0</u>
Total Activities	<u>\$54,595,211</u>	<u>\$42,881,909</u>	<u>\$1,814,589</u>	<u>\$3,214,888</u>

General Revenues and Transfers:

Taxes
 Property Taxes
 General Purposes
 Fire and Life Squad
 Income Taxes
 Other Local Taxes
 Payments in Lieu of Taxes
 Grants and Entitlements not Restricted to Specific Programs
 Investment Earnings
 Other
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$1,521,455)	\$0	(\$1,521,455)
(3,440,703)	0	(3,440,703)
(2,525,811)	0	(2,525,811)
(93,995)	0	(93,995)
(728,347)	0	(728,347)
(781,297)	0	(781,297)
(100,140)	0	(100,140)
(900,216)	0	(900,216)
(280,800)	0	(280,800)
<u>(10,372,764)</u>	<u>0</u>	<u>(10,372,764)</u>
0	3,450,918	3,450,918
0	(12,316)	(12,316)
0	706,837	706,837
0	2,779	2,779
0	(745,526)	(745,526)
0	286,247	286,247
<u>0</u>	<u>3,688,939</u>	<u>3,688,939</u>
<u>(10,372,764)</u>	<u>3,688,939</u>	<u>(6,683,825)</u>
989,809	0	989,809
1,905,228	0	1,905,228
6,371,559	0	6,371,559
1,337,972	0	1,337,972
1,476,519	0	1,476,519
420,153	0	420,153
227,603	113,323	340,926
374,038	168,793	542,831
(500,000)	500,000	0
<u>12,602,881</u>	<u>782,116</u>	<u>13,384,997</u>
2,230,117	4,471,055	6,701,172
<u>61,337,907</u>	<u>90,041,571</u>	<u>151,379,478</u>
<u>\$63,568,024</u>	<u>\$94,512,626</u>	<u>\$158,080,650</u>

**CITY OF LEBANON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,357,993	\$610,311	\$1,921,256
Materials and Supplies Inventory	34,174	37,947	0
Prepaid Items	38,539	12,573	0
Income Taxes Receivable	1,528,834	0	0
Property Taxes Receivable	1,017,978	1,989,339	0
Other Local Taxes Receivable	4,488	0	0
Payment in Lieu of Taxes Receivable	0	0	1,476,518
Accrued Interest Receivable	31,683	0	0
Intergovernmental Receivable	197,441	120,263	0
Special Assessments Receivable	0	0	0
Advances to Other Funds	609,455	0	0
Total Assets	\$8,820,585	\$2,770,433	\$3,397,774
Liabilities:			
Accounts Payable	\$116,012	\$16,807	\$0
Accrued Wages Payable	285,179	103,428	0
Contracts Payable	0	0	1,836
Intergovernmental Payable	212,932	69,985	132,350
Interfund Payable	8,770	4,690	0
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
Advances From Other Funds	0	0	609,455
Total Liabilities	622,893	194,910	743,641
Deferred Inflows of Resources			
Property Taxes	961,964	1,879,965	0
Payment in Lieu of Taxes	0	0	1,476,518
Unavailable Revenue	1,302,551	229,637	0
Total Deferred Inflows of Resources	2,264,515	2,109,602	1,476,518
Fund Balances:			
Nonspendable	682,168	50,520	0
Restricted	0	415,401	1,177,615
Committed	0	0	0
Assigned	194,031	0	0
Unassigned	5,056,978	0	0
Total Fund Balances	5,933,177	465,921	1,177,615
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$8,820,585	\$2,770,433	\$3,397,774

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$7,561,756	\$6,597,704	\$22,049,020
0	64,841	136,962
0	9,453	60,565
699,872	233,290	2,461,996
0	0	3,007,317
0	0	4,488
0	0	1,476,518
10,862	7,892	50,437
0	531,698	849,402
0	103,203	103,203
0	0	609,455
<u>\$8,272,490</u>	<u>\$7,548,081</u>	<u>\$30,809,363</u>
\$7,764	\$7,560	\$148,143
0	16,274	404,881
0	0	1,836
0	13,229	428,496
0	12,284	25,744
10,667	0	10,667
1,600,000	0	1,600,000
0	0	609,455
<u>1,618,431</u>	<u>49,347</u>	<u>3,229,222</u>
0	0	2,841,929
0	0	1,476,518
<u>629,344</u>	<u>757,155</u>	<u>2,918,687</u>
<u>629,344</u>	<u>757,155</u>	<u>7,237,134</u>
0	74,294	806,982
0	3,171,170	4,764,186
6,024,715	3,496,115	9,520,830
0	0	194,031
0	0	5,056,978
<u>6,024,715</u>	<u>6,741,579</u>	<u>20,343,007</u>
<u>\$8,272,490</u>	<u>\$7,548,081</u>	<u>\$30,809,363</u>

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CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Total Governmental Fund Balances		\$20,343,007
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	15,133,406	
Construction in Progress	4,720,912	
Other Capital Assets	13,394,406	
Infrastructure	53,716,369	
Accumulated Depreciation	<u>(37,589,889)</u>	
Total Capital Assets		49,375,204
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	1,375,592	
Capital Assets	(97,772)	
Compensated Absences	<u>17,280</u>	
		1,295,100
Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity.		
		(285,989)
Some of the City's revenues will be collected after year end, but are not available to pay for current period's expenditures and therefore are deferred in the funds:		
Income Taxes	1,875,848	
Property Taxes	165,388	
Interest Revenue	47,891	
Intergovernmental	726,357	
Special Assessments	<u>103,203</u>	
		2,918,687
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(27,777)
Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.		
		115,984
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	(273,973)	
Bonds	(2,590,000)	
Refunding Bonds	(4,606,603)	
Notes	(1,500,000)	
Police Pension	(17,699)	
Compensated Absences	<u>(1,177,917)</u>	
Total Liabilities		<u>(10,166,192)</u>
Net Position of Governmental Activities		<u>\$63,568,024</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, 2013

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Revenues:			
Property Taxes	\$1,004,141	\$1,932,811	\$0
Income Taxes	3,697,594	0	0
Other Local Taxes	1,337,972	0	0
Payments in Lieu of Taxes	0	0	1,476,519
Special Assessments	0	0	0
Charges for Services	2,114,574	370,420	8,130
Fines, Licenses and Permits	552,779	0	0
Intergovernmental	981,365	243,565	444,729
Interest	(35,603)	0	0
Contributions and Donations	19,195	0	0
Other	203,467	36,410	0
Total Revenues	9,875,484	2,583,206	1,929,378
Expenditures:			
Current:			
General Government	3,829,901	0	0
Security of Persons and Property:			
Police	4,102,387	0	0
Fire	0	2,867,920	0
Public Health Services	0	0	0
Leisure Time Services	1,182,904	0	0
Community and Economic Development	979,593	0	245,726
Transportation	0	0	0
Intergovernmental	0	0	900,216
Capital Outlay	0	191,432	2,185,138
Debt Service:			
Principal Retirement	497	0	0
Interest and Fiscal Charges	768	0	0
Total Expenditures	10,096,050	3,059,352	3,331,080
Excess of Revenues Over (Under) Expenditures	(220,566)	(476,146)	(1,401,702)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	3,211	12,204	0
Transfers In	0	0	0
Transfers Out	(60,000)	0	(542,500)
Bonds Issued	0	0	0
Refunding Bonds Issued	0	0	0
Notes Issued	0	0	0
Premium on Debt Issued	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Total Other Financing Sources (Uses)	(56,789)	12,204	(542,500)
Net Change in Fund Balances	(277,355)	(463,942)	(1,944,202)
Fund Balances at Beginning of Year	6,210,532	929,863	3,121,817
Fund Balances at End of Year	\$5,933,177	\$465,921	\$1,177,615

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$2,936,952
1,977,907	659,278	6,334,779
0	0	1,337,972
0	0	1,476,519
115,639	8,460	124,099
0	108,604	2,601,728
0	201,293	754,072
2,652,544	1,082,227	5,404,430
189,583	13,776	167,756
0	0	19,195
120,133	14,028	374,038
<u>5,055,806</u>	<u>2,087,666</u>	<u>21,531,540</u>
0	15,169	3,845,070
0	42,818	4,145,205
0	0	2,867,920
0	166,325	166,325
0	1,912	1,184,816
0	0	1,225,319
283,034	943,378	1,226,412
0	0	900,216
4,245,214	1,106,847	7,728,631
0	604,999	605,496
103,230	187,119	291,117
<u>4,631,478</u>	<u>3,068,567</u>	<u>24,186,527</u>
<u>424,328</u>	<u>(980,901)</u>	<u>(2,654,987)</u>
11,574	5,088	32,077
0	702,500	702,500
(600,000)	0	(1,202,500)
2,655,000	0	2,655,000
2,311,603	0	2,311,603
1,500,000	0	1,500,000
239,158	0	239,158
(2,401,675)	0	(2,401,675)
<u>3,715,660</u>	<u>707,588</u>	<u>3,836,163</u>
4,139,988	(273,313)	1,181,176
1,884,727	7,014,892	19,161,831
<u>\$6,024,715</u>	<u>\$6,741,579</u>	<u>\$20,343,007</u>

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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, 2013

Net Change in Fund Balances - Total Governmental Funds \$1,181,176

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	7,728,631	
Current Year Depreciation	<u>(3,520,396)</u>	4,208,235

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	(32,077)	
Loss on Disposal of Capital Assets	<u>(22,501)</u>	(54,578)

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	(41,915)	
Income Taxes	36,780	
Special Assessments	(8,460)	
Intergovernmental	23,131	
Interest Revenue	<u>43,160</u>	52,696

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.

Payment to Refunded Bond Escrow Agent	2,401,675	
Bond Principal Retirement	595,560	
Special Assessment Principal Retirement	9,439	
Police Pension Principal Retirement	497	
Total Long-Term Obligation Repayment	<u>3,007,171</u>	3,007,171

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.

Amortization of Bond Discount	(838)	
Amortization of Bond Premium	34,506	
Amortization of Loss on Refunding	(12,432)	
Accrued Interest	<u>(10,919)</u>	10,317

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	(2,655,000)	
Refunding Bond Proceeds	(2,311,603)	
Note Proceeds	(1,500,000)	
Premium on Bonds	(210,581)	
Premium on Notes	<u>(28,577)</u>	(6,705,761)

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		(35,802)
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Internal service funds used by management to charge the costs of insurance and automotive maintenance to individual 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	564,475	
Depreciation of Capital Assets	2,384	
Decrease in Compensated Absences	<u>(196)</u>	566,663

Change in Net Position of Governmental Activities	<u><u>\$2,230,117</u></u>
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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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,295,025	\$1,916,720	\$1,004,141	(\$912,579)
Income Taxes	3,491,000	3,635,397	3,635,397	0
Other Local Taxes	1,310,000	1,339,479	1,339,479	0
Charges for Services	2,141,050	2,141,050	2,114,499	(26,551)
Fines, Licenses and Permits	517,900	517,900	557,389	39,489
Intergovernmental	967,000	986,855	986,855	0
Interest	200,250	200,250	91,291	(108,959)
Contributions and Donations	5,000	28,450	19,195	(9,255)
Other	136,100	199,407	202,612	3,205
Total Revenues	10,063,325	10,965,508	9,950,858	(1,014,650)
Expenditures:				
Current:				
General Government	3,895,737	4,134,210	3,816,897	317,313
Security of Persons and Property:				
Police	4,525,429	4,634,885	4,253,273	381,612
Leisure Time Services	630,751	1,269,433	1,208,545	60,888
Community and Economic Development	1,131,358	1,215,357	1,069,768	145,589
Total Expenditures	10,183,275	11,253,885	10,348,483	905,402
Excess of Revenues Under Expenditures	(119,950)	(288,377)	(397,625)	(109,248)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	4,066	(5,934)
Transfers In	47,495	0	0	0
Advances In	121,408	121,408	121,408	0
Transfers Out	(60,000)	(60,000)	(60,000)	0
Total Other Financing Sources (Uses)	118,903	71,408	65,474	(5,934)
Net Change in Fund Balance	(1,047)	(216,969)	(332,151)	(115,182)
Fund Balance at Beginning of Year	4,616,701	4,616,701	4,616,701	0
Prior Year Encumbrances Appropriated	299,788	299,788	299,788	0
Fund Balance at End of Year	\$4,915,442	\$4,699,520	\$4,584,338	(\$115,182)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,400,000	\$2,620,532	\$1,932,811	(\$687,721)
Charges for Services	450,000	450,000	370,420	(79,580)
Intergovernmental	230,000	230,000	243,565	13,565
Other	17,500	17,500	36,410	18,910
Total Revenues	<u>3,097,500</u>	<u>3,318,032</u>	<u>2,583,206</u>	<u>(734,826)</u>
Expenditures:				
Current:				
Security of Persons and Property	3,045,186	3,164,982	2,931,595	233,387
Capital Outlay	210,000	211,594	211,571	23
Total Expenditures	<u>3,255,186</u>	<u>3,376,576</u>	<u>3,143,166</u>	<u>233,410</u>
Excess of Revenues Under Expenditures	(157,686)	(58,544)	(559,960)	(501,416)
Other Financing Sources:				
Proceeds from Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>12,204</u>	<u>12,204</u>
Net Change in Fund Balance	(157,686)	(58,544)	(547,756)	(489,212)
Fund Balance at Beginning of Year	1,003,582	1,003,582	1,003,582	0
Prior Year Encumbrances Appropriated	<u>85,057</u>	<u>85,057</u>	<u>85,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$930,953</u>	<u>\$1,030,095</u>	<u>\$540,883</u>	<u>(\$489,212)</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$15,420,282	\$467,517	\$3,226,871
Materials and Supplies Inventory	2,137,713	0	245,972
Accrued Interest Receivable	20,583	792	3,984
Accounts Receivable, Net	4,066,175	173,662	365,735
Interfund Receivable	0	0	0
Intergovernmental Receivable	0	0	34,807
Prepaid Items	21,901	129	15,505
Special Assessments Receivable	0	0	651
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	1,485,786	0	588,840
Total Current Assets	23,152,440	642,100	4,482,365
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents Cash and Cash Equivalents with Fiscal Agents	988,970	0	240,000
Nondepreciable Capital Assets	1,617,498	0	317,241
Depreciable Capital Assets, Net	2,617,232	54,000	1,447,679
	13,524,135	35,627	24,598,003
Total Noncurrent Assets	18,747,835	89,627	26,602,923
Total Assets	\$41,900,275	\$731,727	\$31,085,288

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$353,873	\$4,282,778	\$394,571	\$24,145,892	\$1,389,445
115,624	106,616	0	2,605,925	56,100
0	5,873	945	32,177	2,511
2,250,000	402,841	48,894	7,307,307	0
0	0	0	0	32,454
0	0	0	34,807	0
886	7,698	0	46,119	1,854
0	0	0	651	0
0	423,272	0	2,497,898	0
2,720,383	5,229,078	444,410	36,670,776	1,482,364
0	247,175	0	1,476,145	0
0	427,491	0	2,362,230	0
0	2,803,799	550,508	7,473,218	64,666
8,729	27,547,806	16,964,210	82,678,510	33,106
8,729	31,026,271	17,514,718	93,990,103	97,772
\$2,729,112	\$36,255,349	\$17,959,128	\$130,660,879	\$1,580,136

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013
(CONTINUED)

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Deferred Outflows of Resources			
Deferred Charge on Refunding	\$546,222	\$0	\$204,088
Liabilities:			
Current Liabilities:			
Accounts Payable	37,838	106,209	7,196
Accrued Wages Payable	71,137	4,091	28,322
Intergovernmental Payable	53,561	2,948	20,068
Accrued Interest Payable	45,786	0	35,507
Interfund Payable	3,063	295	961
Claims Payable	0	0	0
Compensated Absences Payable	47,043	2,766	19,200
General Obligation Bonds Payable	0	0	0
Mortgage Revenue Bonds Payable	1,440,000	0	560,000
Total Current Liabilities	<u>1,698,428</u>	<u>116,309</u>	<u>671,254</u>
Long-term Liabilities:			
Refundable Deposits	496,470	0	0
Compensated Absences Payable	138,460	415	54,344
Notes Payable	0	0	1,000,000
General Obligation Bonds Payable	0	0	0
Mortgage Revenue Bonds Payable	11,881,911	0	7,630,713
Total Long-term Liabilities	<u>12,516,841</u>	<u>415</u>	<u>8,685,057</u>
Total Liabilities	<u>14,215,269</u>	<u>116,724</u>	<u>9,356,311</u>
Net Position:			
Net Investment in Capital Assets	3,365,678	89,627	17,059,057
Restricted for:			
Debt Service	3,057,498	0	877,841
Revenue Bonds			
Replacement and Improvement	492,500	0	240,000
Unrestricted	<u>21,315,552</u>	<u>525,376</u>	<u>3,756,167</u>
Total Net Position	<u>\$28,231,228</u>	<u>\$615,003</u>	<u>\$21,933,065</u>

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

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$0	\$105,960	\$0	\$856,270	\$0
39	14,286	2,462	168,030	39
4,152	11,106	2,304	121,112	7,121
3,015	13,293	1,878	94,763	5,170
750	38,272	0	120,315	0
54	2,337	0	6,710	0
0	0	0	0	174,934
4,244	6,866	0	80,119	6,970
200,000	0	0	200,000	0
0	385,000	0	2,385,000	0
212,254	471,160	6,644	3,176,049	194,234
0	47,175	0	543,645	0
22,381	33,096	0	248,696	10,310
0	0	0	1,000,000	0
200,000	0	0	200,000	0
0	12,609,498	0	32,122,122	0
222,381	12,689,769	0	34,114,463	10,310
434,635	13,160,929	6,644	37,290,512	204,544
8,729	17,463,067	17,514,718	55,500,876	97,772
0	812,491	0	4,747,830	0
0	200,000	0	932,500	0
2,285,748	4,724,822	437,766	33,045,431	1,277,820
\$2,294,477	\$23,200,380	\$17,952,484	94,226,637	\$1,375,592
			285,989	
			\$94,512,626	

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$30,606,725	\$1,512,454	\$3,248,192
Other	20,373	6,729	10,007
Total Operating Revenues	<u>30,627,098</u>	<u>1,519,183</u>	<u>3,258,199</u>
Operating Expenses:			
Personal Services	1,838,034	114,015	716,436
Contractual Services	1,539,703	1,403,205	226,176
Purchased Power	21,876,634	0	0
Supplies and Materials	79,075	0	198,111
Claims	0	0	0
Depreciation	1,261,741	17,810	1,032,919
Other	4,627	632	0
Total Operating Expenses	<u>26,599,814</u>	<u>1,535,662</u>	<u>2,173,642</u>
Operating Income (Loss)	<u>4,027,284</u>	<u>(16,479)</u>	<u>1,084,557</u>
Non-Operating Revenues (Expenses):			
Interest	99,142	16,246	(13,408)
Other Non-Operating Revenues	110,173	0	0
Loss on Sale of Capital Assets	0	0	(25,417)
Interest and Fiscal Charges	(658,611)	0	(387,671)
Total Non-Operating Revenues (Expenses)	<u>(449,296)</u>	<u>16,246</u>	<u>(426,496)</u>
Income (Loss) Before Transfers	3,577,988	(233)	658,061
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position	3,577,988	(233)	658,061
Net Position at Beginning of Year	<u>24,653,240</u>	<u>615,236</u>	<u>21,275,004</u>
Net Position at End of Year	<u>\$28,231,228</u>	<u>\$615,003</u>	<u>\$21,933,065</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

Telecommunications Fund	Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
\$156,348	\$3,093,645	\$793,106	\$39,410,470	\$2,233,561
0	17,151	802	55,062	307,842
<u>156,348</u>	<u>3,110,796</u>	<u>793,908</u>	<u>39,465,532</u>	<u>2,541,403</u>
100,138	287,246	67,102	3,122,971	133,027
26,373	598,265	89,380	3,883,102	359,053
0	0	0	21,876,634	0
15,489	1,250,693	2,689	1,546,057	0
0	0	0	0	1,296,482
1,568	1,019,924	354,188	3,688,150	2,384
0	1,392	72	6,723	0
<u>143,568</u>	<u>3,157,520</u>	<u>513,431</u>	<u>34,123,637</u>	<u>1,790,946</u>
<u>12,780</u>	<u>(46,724)</u>	<u>280,477</u>	<u>5,341,895</u>	<u>750,457</u>
0	11,660	(317)	113,323	19,561
3,558	0	0	113,731	0
0	(256,752)	0	(282,169)	0
(15,291)	(459,695)	0	(1,521,268)	0
<u>(11,733)</u>	<u>(704,787)</u>	<u>(317)</u>	<u>(1,576,383)</u>	<u>19,561</u>
1,047	(751,511)	280,160	3,765,512	770,018
0	500,000	0	500,000	0
1,047	(251,511)	280,160	4,265,512	770,018
<u>2,293,430</u>	<u>23,451,891</u>	<u>17,672,324</u>		<u>605,574</u>
<u>\$2,294,477</u>	<u>\$23,200,380</u>	<u>\$17,952,484</u>		<u>\$1,375,592</u>
			205,543	
			<u>\$4,471,055</u>	

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	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	\$30,596,997	\$1,567,569	\$3,271,315
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(1,835,768)	(111,295)	(703,117)
Cash Payments to Suppliers for Goods and Services	(23,831,326)	(1,401,166)	(522,463)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	20,373	6,729	10,007
Other Operating Expenses	(4,627)	0	0
Other Non-Operating Revenues	110,173	0	0
Utility Deposits Received	185,209	0	0
Utility Deposits Returned	(167,696)	0	0
Net Cash Provided by Operating Activities	<u>5,073,335</u>	<u>61,837</u>	<u>2,055,742</u>
Cash Flows from Noncapital Financing Activities:			
Principal Paid on Loans	(339,290)	0	0
Interest and Fiscal Charges Paid on Loans	(10,010)	0	0
Net Cash Used for Noncapital Financing Activities	<u>(349,300)</u>	<u>0</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities:			
Cash Received from Special Assessments	0	0	5,780
Collection of Accounts Receivable Related to the Sale of Discontinued Segments of Telecommunications Operation	0	0	0
Proceeds from Sale of Capital Assets	0	0	0
Acquisition of Capital Assets	(396,791)	0	(2,536,908)
Proceeds from Sale of Notes	0	0	1,000,000
Principal Paid on Notes	0	0	0
Interest Paid on Notes	0	0	0
Principal Paid on Mortgage Revenue Bonds	(1,390,000)	0	(535,000)
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(602,025)	0	(367,481)
Principal Paid on Refunding Mortgage Bonds	0	0	0
Interest and Fiscal Charges Paid on Refunding Mortgage Bonds	0	0	0
Net Cash Used for Capital and Related Financing Activities	<u>(2,388,816)</u>	<u>0</u>	<u>(2,433,609)</u>
Cash Flows from Investing Activities:			
Interest	84,452	15,648	(17,924)
Net Increase (Decrease) in Cash and Cash Equivalents	2,419,671	77,485	(395,791)
Cash and Cash Equivalents at Beginning of Year	<u>17,092,865</u>	<u>390,032</u>	<u>4,768,743</u>
Cash and Cash Equivalents at End of Year	<u>\$19,512,536</u>	<u>\$467,517</u>	<u>\$4,372,952</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	
\$156,348	\$3,092,067	\$842,760	\$39,527,056	\$0
0	0	0	0	2,233,183
(101,659)	(293,355)	(68,022)	(3,113,216)	(168,961)
(45,493)	(1,869,902)	(89,632)	(27,759,982)	(374,359)
0	0	0	0	(1,721,631)
0	17,151	802	55,062	459,962
0	(1,392)	0	(6,019)	0
3,558	0	0	113,731	0
0	14,000	0	199,209	0
0	(11,450)	0	(179,146)	0
<u>12,754</u>	<u>947,119</u>	<u>685,908</u>	<u>8,836,695</u>	<u>428,194</u>
0	0	0	(339,290)	0
0	0	0	(10,010)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(349,300)</u>	<u>0</u>
0	0	0	5,780	0
125,000	0	0	125,000	0
0	885,106	0	885,106	0
0	(498,574)	(978,122)	(4,410,395)	0
0	0	0	1,000,000	0
(150,000)	0	0	(150,000)	0
(15,572)	0	0	(15,572)	0
0	0	0	(1,925,000)	0
0	0	0	(969,506)	0
0	(380,000)	0	(380,000)	0
0	(466,863)	0	(466,863)	0
<u>(40,572)</u>	<u>(460,331)</u>	<u>(978,122)</u>	<u>(6,301,450)</u>	<u>0</u>
<u>0</u>	<u>7,818</u>	<u>(942)</u>	<u>89,052</u>	<u>17,576</u>
(27,818)	494,606	(293,156)	2,274,997	445,770
<u>381,691</u>	<u>4,886,110</u>	<u>687,727</u>	<u>28,207,168</u>	<u>943,675</u>
<u>\$353,873</u>	<u>\$5,380,716</u>	<u>\$394,571</u>	<u>\$30,482,165</u>	<u>\$1,389,445</u>

(continued)

**CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)**

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$4,027,284	(\$16,479)	\$1,084,557
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,261,741	17,810	1,032,919
Other Non-Operating Revenues	110,173	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Materials and Supplies Inventory	(208,269)	0	(35,061)
(Increase) Decrease in Accounts Receivable	(9,728)	55,115	43,118
Increase in Interfund Receivable	0	0	0
Increase in Intergovernmental Receivable	0	0	(19,995)
(Increase) Decrease in Prepaids Items	(4,049)	22	148
Increase (Decrease) in Accounts Payable	(124,306)	2,354	(62,210)
Increase (Decrease) in Accrued Wages Payable	4,804	769	4,289
Decrease in Intergovernmental Payable	(9,332)	(277)	(2,034)
Increase (Decrease) in Interfund Payable	710	295	(1,053)
Decrease in Claims Payable	0	0	0
Increase in Liabilities Payable from Restricted Assets	17,513	0	0
Increase (Decrease) in Compensated Absences Payable	6,794	2,228	11,064
Net Cash Provided by Operating Activities	<u>\$5,073,335</u>	<u>\$61,837</u>	<u>\$2,055,742</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	
\$12,780	(\$46,724)	\$280,477	\$5,341,895	\$750,457
1,568	1,019,924	354,188	3,688,150	2,384
3,558	0	0	113,731	0
0	(31,163)	0	(274,493)	(50,067)
0	(1,578)	49,654	136,581	0
0	0	0	0	(378)
0	0	0	(19,995)	0
(684)	1,807	371	(2,385)	(201)
(3,001)	7,519	2,138	(177,506)	(6)
350	(1,890)	(269)	8,053	(162)
(575)	(3,847)	(71)	(16,136)	(608)
54	893	0	899	0
0	0	0	0	(273,029)
0	2,550	0	20,063	0
(1,296)	(372)	(580)	17,838	(196)
<u>\$12,754</u>	<u>\$947,119</u>	<u>\$685,908</u>	<u>\$8,836,695</u>	<u>\$428,194</u>

**CITY OF LEBANON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2013**

Assets:	
Cash and Cash Equivalents in Segregated Accounts	<u><u>\$39,608</u></u>
Liabilities:	
Intergovernmental Payable	\$25,017
Undistributed Monies	<u>14,591</u>
Total Liabilities	<u><u>\$39,608</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, 2013

Note 1 - Reporting Entity

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

Reporting Entity

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

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

The City participates in one jointly governed organization and one insurance purchasing pool. These organizations are presented in Note 19.

Jointly Governed Organizations:

Warren County Combined Health District

Insurance Purchasing Pool:

Ohio Municipal League Group Retrospective Rating Program

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Proprietary Fund Types

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

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

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

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

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

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

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

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

Internal Service Funds

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

Fiduciary Funds

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

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

Deferred Outflows/Inflows of Resources

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

Expenses/Expenditures

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

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

Budgetary Process

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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 2013, the City's investments were limited to STAROhio, U.S. Treasury Securities, and negotiable certificates of deposit.

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

STAROhio is an investment pool managed by the State Treasurer's office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for at December 31, 2013.

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

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

Inventory

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

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

Capital Assets and Depreciation

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

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

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

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Capitalization of Interest

It is the City's policy to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset.

Compensated Absences

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Accrued Liabilities and Long-Term Obligations

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

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

Bond Premiums and Discounts

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

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

Deferred Charge on Refunding

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

Net Position

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Fund Balance

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

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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 Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Operating Revenues and Expenses

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

Internal Activity

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

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

Interfund Balances

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

Estimates

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

Note 3 - Change in Accounting Principles

For 2013, the City implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34." This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change in the City's financial statements.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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.

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Net Change in Fund Balance		
	General Fund	Fire and Life Squad Fund
GAAP Basis	(\$277,355)	(\$463,942)
Revenue Accruals	(48,297)	0
Expenditure Accruals	(44,472)	(14,386)
Encumbrances	(207,961)	(69,428)
Advances	121,408	0
Unrecorded Cash - 2012	32,883	0
Unrecorded Cash - 2013	(37,810)	0
Net Increase in Fair Value of Investments - 2012	657,337	0
Net Increase in Fair Value of Investments - 2013	(527,884)	0
Budget Basis	(\$332,151)	(\$547,756)

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.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if trading 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.

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

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

Investments: As of December 31, 2013, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		S&P Rating	Percent of Total Investments
		Less than 1	1 - 3		
Federal Home Loan Mortgage Corporation Bonds	\$129,570	\$129,570	\$0	AA+	N/A
Federal National Mortgage Association Bonds	2,580,587	2,580,587	0	AA+	23.56%
STAROhio	1,350,003	1,350,003	0	AAAm	N/A
Negotiable Certificates of Deposits	6,893,865	2,169,225	4,724,640	N/A	62.93%
Totals	<u>\$10,954,025</u>	<u>\$6,229,385</u>	<u>\$4,724,640</u>		

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 2013 for real and public utility property taxes represents collections of 2012 taxes.

CITY OF LEBANON, OHIO
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2013 real property taxes were levied after October 1, 2013 on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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. 2013 public utility property taxes which became a lien December 31, 2012 are levied after October 1, 2013 and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013 was \$8.32 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$392,988,250
Public Utility Real Property	3,657,130
Total	\$396,645,380

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, 2013 and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 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.

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

Note 8 - Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2013, the proceeds were allocated to the General Fund, the Capital Improvement Capital Projects Fund, and the Debt Service nonmajor governmental fund.

Note 9 - Receivables

Receivables at December 31, 2013 consisted of income, property and other local taxes, payment in lieu of taxes, accrued interest, intergovernmental, advances to other funds, special assessments, utility accounts, and amounts due from the sale of the telecommunications system. The \$2,250,000 accounts receivable in the telecommunications fund relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$2,125,000 is expected to be collected in more than one year. Special assessments expected to be collected in more than one year for the City amount to \$98,475. The City has \$26,469 in delinquent special assessments at December 31, 2013. Property taxes, income taxes, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All receivables are considered fully collectible except utility accounts and interfund receivable. The full amount of the advances to other funds is not expected to be repaid within one year. The following table provides a summary of business-type activities accounts receivable:

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$5,106,190	\$48,883	\$5,057,307
Telecommunications	2,250,000	0	2,250,000
Total	\$7,356,190	\$48,883	\$7,307,307

CITY OF LEBANON, OHIO
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A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	
Local Government Assistance	\$124,416
Warren County Reimbursement for Baliff Services	5,878
Homestead and Rollback	181,907
Permissive Motor Vehicle License Tax	118,350
Motor Vehicle Tax	201,965
Gasoline Tax	211,383
Wireless 911	<u>5,503</u>
Total Governmental Activities	849,402
 <u>Business-Type Activities:</u>	
Village of South Lebanon Sewage Processing Fees	<u>34,807</u>
 Total Intergovernmental Receivables	 <u><u>\$884,209</u></u>

CITY OF LEBANON, OHIO
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Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2013 was as follows:

	Balance at 12/31/12	Additions	Deductions	Balance at 12/31/13
<u>Governmental Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$14,064,176	\$1,069,230	\$0	\$15,133,406
Construction in Progress	1,751,420	4,113,533	(1,144,041)	4,720,912
Total Capital Assets, Not Being Depreciated	<u>15,815,596</u>	<u>5,182,763</u>	<u>(1,144,041)</u>	<u>19,854,318</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	\$1,209,308	\$36,677	\$0	\$1,245,985
Buildings and Improvements	6,290,676	88,909	0	6,379,585
Equipment	1,835,072	153,239	(157,922)	1,830,389
Vehicles	3,873,633	241,653	(176,839)	3,938,447
Infrastructure	50,546,938	3,169,431	0	53,716,369
Total Capital Assets, Being Depreciated	<u>63,755,627</u>	<u>3,689,909</u>	<u>(334,761)</u>	<u>67,110,775</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(538,876)	(27,489)	0	(566,365)
Buildings and Improvements	(2,943,625)	(184,467)	0	(3,128,092)
Equipment	(1,052,063)	(312,658)	103,344	(1,261,377)
Vehicles	(2,684,674)	(241,701)	176,839	(2,749,536)
Infrastructure	(27,130,438)	(2,754,081)	0	(29,884,519)
Total Accumulated Depreciation	<u>(34,349,676)</u>	<u>(3,520,396) *</u>	<u>280,183</u>	<u>(37,589,889)</u>
Total Capital Assets, Being Depreciated, Net	<u>29,405,951</u>	<u>169,513</u>	<u>(54,578)</u>	<u>29,520,886</u>
Governmental Activities Capital Assets, Net	<u>\$45,221,547</u>	<u>\$5,352,276</u>	<u>(\$1,198,619)</u>	<u>\$49,375,204</u>

* Depreciation expense was charged to governmental functions as follows:

General Government	\$34,304
Security of Persons and Property:	
Police	118,692
Fire	292,709
Public Health Services	59,840
Leisure Time Services	136,057
Community and Economic Development	97,870
Transportation	2,780,924
Total Depreciation Expense	<u>\$3,520,396</u>

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	Balance at 12/31/12	Additions	Deductions	Balance at 12/31/13
<u>Business-Type Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$4,781,582	\$32,100	(\$459,114)	\$4,354,568
Construction in Progress	4,174,511	1,618,321	(2,674,182)	3,118,650
Total Capital Assets, Not Being Depreciated	<u>8,956,093</u>	<u>1,650,421</u>	<u>(3,133,296)</u>	<u>7,473,218</u>
<i>Capital Assets, Being Depreciated</i>				
Buildings and Improvements	27,723,302	0	(208,005)	27,515,297
Equipment	6,722,716	169,374	(57,925)	6,834,165
Vehicles	2,287,153	285,314	(145,414)	2,427,053
Infrastructure	91,519,398	4,979,468	(246,895)	96,251,971
Total Capital Assets, Being Depreciated	<u>128,252,569</u>	<u>5,434,156</u>	<u>(658,239)</u>	<u>133,028,486</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(12,784,186)	(836,118)	141,548	(13,478,756)
Equipment	(5,389,638)	(178,930)	45,841	(5,522,727)
Vehicles	(1,774,121)	(110,948)	145,414	(1,739,655)
Infrastructure	(27,163,959)	(2,562,154)	117,275	(29,608,838)
Total Accumulated Depreciation	<u>(47,111,904)</u>	<u>(3,688,150)</u>	<u>450,078</u>	<u>(50,349,976)</u>
Total Capital Assets, Being Depreciated, Net	<u>81,140,665</u>	<u>1,746,006</u>	<u>(208,161)</u>	<u>82,678,510</u>
Business-Type Activities Capital Assets, Net	<u>\$90,096,758</u>	<u>\$3,396,427</u>	<u>(\$3,341,457)</u>	<u>\$90,151,728</u>

Note 11 - Risk Management

Property and Liability

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

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

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Coverage provided by the insurance follows:

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

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

Workers' Compensation

For year 2013, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience, and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

Employee Benefits

The City has elected to provide employee medical, dental, and life insurance benefits through a self-insured program. The City maintains a Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$200 single and \$600 cap per family deductible for City employees. The City also provides a dental plan with a \$50 deductible for single coverage and a \$100 deductible for family coverage and \$1,500 cap in maximum benefits per year, a vision plan with a \$500 cap per family, per year, and \$40,000 in life insurance. A third party administrator reviews all claims, which the City then pays. The City purchases stop-loss coverage for medical claims in excess of \$60,000 per employee, per occurrence. HealthSmart was the third party administrator for the year.

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The City pays into the Self-Insurance Internal Service Fund \$850 per employee, per month. The fund that pays the salary for the employee pays this premium, which is based on historic cost information. The claims liability of \$174,934 reported in the fund at December 31, 2013 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:

	<u>Balance at January 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at December 31,</u>
2012	\$340,631	\$2,464,135	\$2,356,803	\$447,963
2013	447,963	1,296,482	1,569,511	174,934

Note 12 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the

CITY OF LEBANON, OHIO
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Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll, while public safety and law enforcement members contributed 12.0 percent and 12.6 percent, respectively. Effective January 1, 2014, the member contribution rates for law enforcement increased to 13 percent. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1.00 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$719,725, \$506,556, and \$508,153, respectively. For 2013, 63.77 percent has been contributed with the balance due being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$6,846 made by the City and \$4,890 made by plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013 thru July 1, 2013, plan members were required to contribute 10.0 percent of their annual covered salary. From July 2, 2013 thru December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent and 24.0 percent respectively for police officers and firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For January 1, 2013 thru May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013

CITY OF LEBANON, OHIO
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thru December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$288,262 and \$114,465 for the year ended December 31, 2013, \$240,590 and \$107,013 for the year ended December 31, 2012, and \$272,685 and \$118,927 for the year ended December 31, 2011, respectively. For 2013, 88.48 percent for police and 76.11 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Note 13 - Post-Employment Benefits

Ohio Public Employees Retirement System

Plan Description – 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 plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

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

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Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1.0 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$287,890, \$202,622, and \$203,261, respectively. For 2013, 63.77 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in 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.

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OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F's website at www.op-f.org.

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 by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. 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 January 1, 2013 thru May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013 thru December 31, 2013, the employer contribution allocated to the health care plan was 2.85 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 also is 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 contributions to OP&F, which were allocated to fund post-employment health care benefits for police and firefighters, were \$49,342 and \$15,424 for the year ended December 31, 2013, \$127,371 and \$41,875 for the year ended December 31, 2012, and \$144,362 and \$46,537 for the year ended December 31, 2011, respectively. For 2013, 88.48 percent has been contributed for police and 76.11 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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Note 14 - Employee Benefits

Compensated Absences

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

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

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

Note 15 - American Municipal Power Rate Levelization Loan

During 2009, the City entered into a master service agreement with American Municipal Power, Inc. (AMP), which includes provisions for a levelized power supply cost from January 1, 2010, through December 31, 2014. As part of the agreement, AMP loaned the City \$280,000, per month from January 1, 2010 through May 31, 2011. The total amount of the loan was \$4,760,000, with an estimated interest rate of 3.5 percent.

The repayment of this loan was included as part of the monthly power supply cost charged to the City by AMP and was adjusted as necessary to provide the City with a levelized monthly power supply cost of \$56.23/MWh. This loan was paid in full during 2013 from charges for services revenue in the Electric Enterprise Fund.

Note 16 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2013 follows:

	Balance at December 31, 2012	Increases	Decreases	Balance at December 31, 2013
<u>Governmental Activities</u>				
Capital Projects				
Road Improvement, 1.00 %	\$0	\$1,600,000	\$0	\$1,600,000
	\$0	\$1,600,000	\$0	\$1,600,000

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

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Note 17 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2013 follows:

Types/ Issues	Balance at December 31, 2012	Increases	Decreases	Balance at December 31, 2013	Amount Due in One Year
<u>Special Assessment Bonds with Governmental Commitment:</u>					
1994 - 5.00% \$54,372					
Pleasant Street Improvement	\$9,439	\$0	\$9,439	\$0	\$0
<u>Unvoted General Obligation Bonds:</u>					
1994 - 5.50% \$175,628					
Pleasant Street Improvement	30,560	0	30,560	0	0
2003 - 2.0 to 4.15% \$4,005,000					
Road Improvement	2,505,000	0	2,505,000	0	0
Discount on Debt Issue	(9,226)	0	(9,226)	0	0
2008 - 3.5 to 4.75% \$3,750,000					
Road Improvement Refunding	2,605,000	0	255,000	2,350,000	265,000
Premium on Debt Issue	69,321	0	4,621	64,700	0
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial Bonds	0	2,065,000	55,000	2,010,000	205,000
Term Bonds	0	245,000	0	245,000	0
Capital Appreciation Bonds	0	1,603	0	1,603	0
Premium on Debt Issue	0	124,030	7,875	116,155	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial Bonds	0	1,135,000	65,000	1,070,000	110,000
Term Bonds	0	1,520,000	0	1,520,000	0
Premium on Debt Issue	0	86,551	2,959	83,592	0
Total - Unvoted General Obligation Bonds	<u>5,200,655</u>	<u>5,177,184</u>	<u>2,916,789</u>	<u>7,461,050</u>	<u>580,000</u>
<u>Other Long-Term Obligations</u>					
2013 - 1.00 %					
123 Connector Improvement Bond					
Anticipation Notes \$1,500,000	0	1,500,000	0	1,500,000	0
Premium	0	28,577	19,051	9,526	0
Compensated Absences Payable	1,142,115	521,782	485,980	1,177,917	266,432
Police Pension	18,196	0	497	17,699	519
Total - Other Long-Term Obligations	<u>1,160,311</u>	<u>2,050,359</u>	<u>505,528</u>	<u>2,705,142</u>	<u>266,951</u>
Total - Governmental Activities	<u>\$6,370,405</u>	<u>\$7,227,543</u>	<u>\$3,431,756</u>	<u>\$10,166,192</u>	<u>\$846,951</u>

The Pleasant Street Improvement special assessment/general obligation bonds were issued to finance the construction and improvement of a road and new storm sewer. The City is responsible for paying for the costs of the intersections, rights of way, storm sewer, and some additional costs as determined by legal counsel. In 2013, this was paid in full through the Debt Service Fund with income tax revenue and special assessments.

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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.

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. 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.

2003 Road Improvement Bonds

Outstanding at December 31, 2012	\$2,505,000
Amount Refunded	(2,315,000)
Principal Payment on Non-Refunded Portion	<u>(190,000)</u>
Outstanding at December 31, 2013	<u><u>\$0</u></u>

Net proceeds of \$2,401,675 (including a \$124,030 premium and after payment of \$36,176 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on refunded 2003 Road Improvement Bonds. As a result, \$2,315,000 of these bonds was considered defeased and the liability for the refunded bonds have been removed from the City's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements.

2003 Road Improvement Bonds

Bonds	\$2,315,000
Discount on Bonds	<u>(8,388)</u>
Total 2003 Road Improvement Bonds	2,306,612
Payment to Refunded Bond Escrow Agent - Other Financing Use	<u>(2,401,675)</u>
2013 Road Improvement Refunding Accounting Loss	<u><u>(95,063)</u></u>

Although the refunding will result in the recognition of an accounting loss of \$95,063, the City in effect decreased its aggregated debt service payments by \$275,549 over the next ten years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$244,774.

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.

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In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and firefighters in 1967. This is an accounting liability of the City which will not vary. The liability is reported on the government-wide financial statements.

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

Changes in the long-term obligations reported in business-type activities of the City during 2013 were as follows:

	Balance at December 31, 2012	Increases	Decreases	Balance at December 31, 2013	Amounts Due in One Year
<u>Mortgage Revenue Bonds</u>					
2006 - 4.00 to 5.00% \$10,690,000					
Sewer System Improvement					
Refunding	\$8,690,000	\$0	\$535,000	\$8,155,000	\$560,000
Premium on Debt Issue	38,960	0	3,247	35,713	0
2006 - 3.75 to 4.50% \$18,170,000					
Electric System Improvement Refunding	10,920,000	0	1,205,000	9,715,000	1,250,000
Premium on Debt Issue	87,119	0	9,680	77,439	0
2008 - 4.0 to 4.50% \$4,465,000					
Electric System Improvement	3,720,000	0	185,000	3,535,000	190,000
Discount on Debt Issue	(5,923)	0	(395)	(5,528)	0
2012 - 2.0 to 4.0% \$13,650,000					
Water System Improvement Refunding	13,195,000	0	380,000	12,815,000	385,000
Premium on Debt Issue	195,453	0	15,955	179,498	0
Total - Mortgage Revenue Bonds Payable	<u>\$36,840,609</u>	<u>\$0</u>	<u>\$2,333,487</u>	<u>\$34,507,122</u>	<u>\$2,385,000</u>
2012 - 2.25% \$550,000 Telecom System Improvement Bonds	550,000	0	150,000	400,000	200,000
2013 - 1.00% \$1,000,000 Sewer System Improvement Bond Anticipation Notes	0	1,000,000	0	1,000,000	0
American Municipal Power, 3.5% Rate Levelization Loan	339,290	0	339,290	0	0
Compensated Absences Payable	<u>310,977</u>	<u>144,037</u>	<u>126,199</u>	<u>328,815</u>	<u>80,119</u>
Total - Enterprise Funds	<u>\$38,040,876</u>	<u>\$1,144,037</u>	<u>\$2,948,976</u>	<u>\$36,235,937</u>	<u>\$2,665,119</u>

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

CITY OF LEBANON, OHIO
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The City has pledged future sewer revenues, net of operating expenses, to repay the sewer system improvement mortgage revenue bonds in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2026. Annual principal and interest payments on the debt issues are expected to require 79 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$9,587,814. Principal and interest paid for the current year were \$902,481. Total net revenues were \$2,094,061, and total revenues were \$3,258,199.

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

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

The City has pledged future electric revenues, net of operating expenses, to repay the electric system mortgage revenue bonds in the Electric Fund. The debt is payable solely from net revenues and is payable through 2027. Annual principal and interest payments on the debt issues are expected to require 95 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$16,266,350. Principal and interest paid for the current year were \$1,992,025. Total net revenues were \$5,367,794, and total revenues were \$30,836,413.

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

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

The City has pledged future water revenues, net of operating expenses, to repay the water system improvement and refunding bonds in the Water Fund. The debt is payable solely from net revenues and is payable through 2037. Annual principal and interest payments on the debt issues are expected to require 79 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$19,847,897. Principal and interest paid for the current year were \$846,863. Total net revenues were \$967,709, and total revenues were \$3,122,456.

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

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

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On April 24, 2013, the City issued a \$1,000,000 bond anticipation note for the purpose of making improvements to the sewer system.

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

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

As of December 31, 2013, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$41,647,765, and the unvoted debt margin was \$21,815,496.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2013 were:

Year	Governmental Activities			
	General Obligation		Police	
	Bonds		Pension	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$580,000	\$213,326	\$519	\$747
2015	595,000	196,426	541	724
2016	615,000	179,126	564	702
2017	630,000	161,126	588	677
2018	455,000	140,278	614	652
2019-2023	2,391,603	522,442	3,488	2,839
2024-2028	1,270,000	216,194	4,303	2,023
2029-2033	660,000	49,950	5,311	1,016
2034-2037	0	0	1,771	75
Totals	<u>\$7,196,603</u>	<u>\$1,678,868</u>	<u>\$17,699</u>	<u>\$9,455</u>

CITY OF LEBANON, OHIO
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Year	Business-Type Activities			
	Mortgage Revenue		General Obligation	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2014	\$2,385,000	\$1,354,782	\$200,000	\$9,000
2015	2,460,000	1,267,082	200,000	4,500
2016	2,560,000	1,170,732	0	0
2017	2,345,000	1,060,156	0	0
2018	2,420,000	974,656	0	0
2019-2023	10,920,000	3,457,846	0	0
2024-2028	5,135,000	1,792,960	0	0
2029-2033	3,050,000	1,001,650	0	0
2034-2037	2,945,000	300,200	0	0
Totals	<u>\$34,220,000</u>	<u>\$12,380,064</u>	<u>\$400,000</u>	<u>\$13,500</u>

Note 18 - Interfund Activity

Interfund Receivable/Payable

As of December 31, 2013, 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 - Internal Service
Payable	
General	\$8,770
Fire and Life Squad	4,690
All Nonmajor Governmental	12,284
Electric	3,063
Sanitation	295
Sewer	961
Telecommunications	54
Water	2,337
Total	<u>\$32,454</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 the advance is \$609,455. Of the total amount due to the General Fund at year-end, \$488,047 is not expected to be repaid in 2014.

CITY OF LEBANON, OHIO
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Transfers From/To Other Funds

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

Transfers to the Nonmajor Governmental Funds from the General Fund were operating expenditures and debt service payments. Transfers to the Nonmajor Governmental Funds from the Capital Improvement Fund were for State Issue II construction projects. Transfers to the Water Fund from the Tax Increment Financing Fund were for purchase of land from the Water Fund for the purpose of increasing the Tax Increment Financing zone.

		Transfers From			Total
		General Fund	Tax Increment Financing Fund	Capital Improvement Fund	
Transfers To	All Nonmajor Governmental	\$60,000	\$42,500	\$600,000	\$702,500
	Water	0	500,000	0	500,000
	Total	<u>\$60,000</u>	<u>\$542,500</u>	<u>\$600,000</u>	<u>\$1,202,500</u>

Note 19 - Jointly Governed Organization and Insurance Purchasing Pool

Jointly Governed Organization

Warren County Combined Health District

The Warren County Combined Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$14,715 during 2013 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and the County Treasurer serve as fiscal officers. You may obtain financial information from Brenda Joseph at the Warren County Combined Health District, 416 S. East Street, Lebanon, Ohio 45036.

CITY OF LEBANON, OHIO
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Insurance Purchasing Pool

Ohio Municipal League Group Retrospective Rating Program

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

Note 20 - Fund Balances

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

Fund Balances	General	Fire and Life Squad	Tax Increment Financing	Capital Improvement	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Interfund Loans	\$609,455	\$0	\$0	\$0	\$0	\$609,455
Prepays	38,539	12,573	0	0	9,453	60,565
Inventory	34,174	37,947	0	0	64,841	136,962
<i>Total Nonspendable</i>	<u>682,168</u>	<u>50,520</u>	<u>0</u>	<u>0</u>	<u>74,294</u>	<u>806,982</u>
<u>Restricted for:</u>						
Road Improvements	0	0	0	0	1,009,789	1,009,789
Fire and Life Squad	0	415,401	0	0	0	415,401
Law Enforcement	0	0	0	0	697,086	697,086
Public Health Services	0	0	0	0	632,247	632,247
Community and Economic Development	0	0	0	0	197,964	197,964
Capital Improvements	0	0	1,177,615	0	81,299	1,258,914
Debt Service Payments	0	0	0	0	373,673	373,673
Issue II Improvements	0	0	0	0	179,112	179,112
<i>Total Restricted</i>	<u>0</u>	<u>415,401</u>	<u>1,177,615</u>	<u>0</u>	<u>3,171,170</u>	<u>4,764,186</u>
<u>Committed to:</u>						
Leisure Time Services	0	0	0	0	22,526	22,526
Debt Service Payments	0	0	0	0	3,473,589	3,473,589
Capital Improvements	0	0	0	6,024,715	0	6,024,715
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,024,715</u>	<u>3,496,115</u>	<u>9,520,830</u>
<u>Assigned to:</u>						
Purchases on Order	194,031	0	0	0	0	194,031
Unassigned	5,056,978	0	0	0	0	5,056,978
Total Fund Balances	<u><u>\$5,933,177</u></u>	<u><u>\$465,921</u></u>	<u><u>\$1,177,615</u></u>	<u><u>\$6,024,715</u></u>	<u><u>\$6,741,579</u></u>	<u><u>\$20,343,007</u></u>

CITY OF LEBANON, OHIO
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Note 21 - Significant Commitments

Encumbrances

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

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

<u>Governmental Funds</u>	
General	\$207,961
Fire and Life Squad	69,428
Tax Increment Financing	1,836
Capital Improvement	2,884,663
Nonmajor Governmental Funds	242,353
Total Governmental Funds	3,406,241
 <u>Enterprise Funds</u>	
Electric	347,882
Sanitation	48
Sewer	395,324
Water	509,592
Storm Water Utility	29,806
Total Enterprise Funds	1,282,652
 <u>Internal Service Funds</u>	
Automotive Maintenance	1,553
Self Insurance	34,069
Total Internal Service Fund	35,622
 Total	 \$4,724,515

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2013:

Contractor	Purpose	Amount Remaining
John R. Jurgensen	SR 63/123 Lebanon Connector	\$3,036,746
Ford Development	Oakwood Ave. Reconstruction	146,355
Welsh Excavation	Kingsview Sanitary Sewer Replacement & Pump Station	261,878

(continued)

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Contractor	Purpose	Amount Remaining
Pew Demolition	Demolition Specified Structures	4,100
Environmental Engineering	Waste Water Treatment Plant Secondary Treatment Aeration System Study	5,525
Northwest Consultants	2013 Roadway Design Services	35,603
Barge Waggoner Sumner	2013 Roadway Design Services	29,618
Northwest Consultants	West Street Reconstruction	17,634
Stone Consulting	Analysis Railroad Operation	23,241
Northwest Consultants	West Street Reconstruction Design	17,634
Power Serv	Power Plant Substation	8,000
O.R. Colan Associates	Right of Way Acquisition Services	\$3,000
Heritage Land Services	Right of Way Acquisition Services	150
Peerless R/W Acquisition	Right of Way Acquisition Services	900
GPD	Engineering-Power Plant	14,443
Wells Engineering	Engineering-Mills Road	2,342
Terracon Consultants	City Garage Groundwater	600
Northwest Consultants	Civil Engineering Design	818
Stantec Consulting	Civil Engineering Design	50
ME Companies	Civil Engineering Design	1,836
LJB	Civil Engineering Design	4,267
ME Companies	Roadway Design	2,545
HDR ENG	ST RT 123/63 Connector	40,800

Note 22 - Contingent Liabilities

Litigation

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

Note 23 - Subsequent Event

On April 22, 2014, the City issued \$5,200,000 in Refunding Notes and New Money Bonds for the purpose of rolling the \$1,000,000 Sewer Improvement Project Note, to finance \$2,700,000 for the municipal service building, and to pay down a portion and roll over \$1,500,000 of the State Route 123/63 Connector Project Notes. Total estimated cost for completion of the State Route 123/63 Connector project, which includes land acquisition, design and construction is \$7,200,000.

COMBINING STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

NONMAJOR SPECIAL REVENUE FUNDS

Cemetery Fund

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

Community Development Fund

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

Court Fund

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

Park/Recreation Impact Fee Fund

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

Transportation Fund

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

NONMAJOR DEBT SERVICE FUND

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

(continued)

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

(Continued)

CAPITAL PROJECTS FUNDS

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

NONMAJOR CAPITAL PROJECTS FUNDS

Cemetery Improvement Fund

To account for and report fees restricted for cemetery improvements.

State Issue II Fund

To account for and report State Issue II grants restricted to infrastructure improvement projects throughout the City.

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,517,314	\$3,819,979	\$260,411	\$6,597,704
Materials and Supplies Inventory	64,841	0	0	64,841
Prepaid Items	9,453	0	0	9,453
Income Taxes Receivable	0	233,290	0	233,290
Accrued Interest Receivable	1,235	6,657	0	7,892
Intergovernmental Receivable	531,698	0	0	531,698
Special Assessments Receivable	0	103,203	0	103,203
Total Assets	\$3,124,541	\$4,163,129	\$260,411	\$7,548,081
Liabilities:				
Accounts Payable	\$7,560	\$0	\$0	\$7,560
Accrued Wages Payable	16,274	0	0	16,274
Intergovernmental Payable	13,229	0	0	13,229
Interfund Payable	12,284	0	0	12,284
Total Liabilities	49,347	0	0	49,347
Deferred Inflows of Resources:				
Unavailable Revenue	441,288	315,867	0	757,155
Fund Balances:				
Nonspendable	74,294	0	0	74,294
Restricted	2,537,086	373,673	260,411	3,171,170
Committed	22,526	3,473,589	0	3,496,115
Total Fund Balances	2,633,906	3,847,262	260,411	6,741,579
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$3,124,541	\$4,163,129	\$260,411	\$7,548,081

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$659,278	\$0	\$659,278
Special Assessments	0	8,460	0	8,460
Charges for Services	100,804	0	7,800	108,604
Fines, Licenses and Permits	201,293	0	0	201,293
Intergovernmental	1,082,227	0	0	1,082,227
Interest	2,553	11,223	0	13,776
Other	14,028	0	0	14,028
Total Revenues	1,400,905	678,961	7,800	2,087,666
Expenditures:				
Current:				
General Government	15,169	0	0	15,169
Security of Persons and Property:				
Police	42,818	0	0	42,818
Public Health Services	163,769	0	2,556	166,325
Leisure Time Services	1,912	0	0	1,912
Transportation	943,378	0	0	943,378
Capital Outlay	221,075	0	885,772	1,106,847
Debt Service:				
Principal Retirement	0	604,999	0	604,999
Interest and Fiscal Charges	0	187,119	0	187,119
Total Expenditures	1,388,121	792,118	888,328	3,068,567
Excess of Revenues Over (Under) Expenditures	12,784	(113,157)	(880,528)	(980,901)
Other Financing Sources:				
Proceeds from Sale of Capital Assets	5,088	0	0	5,088
Transfers In	60,000	42,500	600,000	702,500
Total Other Financing Sources	65,088	42,500	600,000	707,588
Net Change in Fund Balances	77,872	(70,657)	(280,528)	(273,313)
Fund Balances at Beginning of Year	2,556,034	3,917,919	540,939	7,014,892
Fund Balances at End of Year	\$2,633,906	\$3,847,262	\$260,411	\$6,741,579

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2013**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$642,263	\$197,964	\$697,443
Materials and Supplies Inventory	1,645	0	504
Prepaid Items	2,701	0	0
Accrued Interest Receivable	1,141	0	0
Intergovernmental Receivable	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$647,750</u>	<u>\$197,964</u>	<u>\$697,947</u>
Liabilities:			
Accounts Payable	\$594	\$0	\$357
Accrued Wages Payable	5,228	0	0
Intergovernmental Payable	4,145	0	0
Interfund Payable	107	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>10,074</u>	<u>0</u>	<u>357</u>
Deferred Inflows of Resources:			
Unavailable Revenue	1,083	0	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Nonspendable	4,346	0	504
Restricted	632,247	197,964	697,086
Committed	0	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>636,593</u>	<u>197,964</u>	<u>697,590</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$647,750</u>	<u>\$197,964</u>	<u>\$697,947</u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$22,526	\$957,118	\$2,517,314
0	62,692	64,841
0	6,752	9,453
0	94	1,235
0	531,698	531,698
<u>\$22,526</u>	<u>\$1,558,354</u>	<u>\$3,124,541</u>
\$0	\$6,609	\$7,560
0	11,046	16,274
0	9,084	13,229
0	12,177	12,284
<u>0</u>	<u>38,916</u>	<u>49,347</u>
<u>0</u>	<u>440,205</u>	<u>441,288</u>
0	69,444	74,294
0	1,009,789	2,537,086
22,526	0	22,526
<u>22,526</u>	<u>1,079,233</u>	<u>2,633,906</u>
<u>\$22,526</u>	<u>\$1,558,354</u>	<u>\$3,124,541</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, 2013**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$96,426	\$0	\$4,378
Fines, Licenses and Permits	0	0	185,657
Intergovernmental	15,000	44,340	0
Interest	1,904	0	0
Other	1,847	0	1,236
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	115,177	44,340	191,271
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
General Government	0	0	15,169
Security of Persons and Property:			
Police	0	0	42,818
Public Health Services	163,769	0	0
Leisure Time Services	0	0	0
Transportation	0	0	0
Capital Outlay	0	42,880	3,195
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	163,769	42,880	61,182
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over (Under) Expenditures	(48,592)	1,460	130,089
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	50,000	0	0
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources	50,000	0	0
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	1,408	1,460	130,089
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at Beginning of Year	635,185	196,504	567,501
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	\$636,593	\$197,964	\$697,590
	<u> </u>	<u> </u>	<u> </u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$100,804
770	14,866	201,293
0	1,022,887	1,082,227
0	649	2,553
0	10,945	14,028
<u>770</u>	<u>1,049,347</u>	<u>1,400,905</u>
0	0	15,169
0	0	42,818
0	0	163,769
1,912	0	1,912
0	943,378	943,378
0	175,000	221,075
<u>1,912</u>	<u>1,118,378</u>	<u>1,388,121</u>
<u>(1,142)</u>	<u>(69,031)</u>	<u>12,784</u>
0	5,088	5,088
0	10,000	60,000
<u>0</u>	<u>15,088</u>	<u>65,088</u>
(1,142)	(53,943)	77,872
<u>23,668</u>	<u>1,133,176</u>	<u>2,556,034</u>
<u><u>\$22,526</u></u>	<u><u>\$1,079,233</u></u>	<u><u>\$2,633,906</u></u>

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2013**

	Cemetery Improvement Fund	State Issue II Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$81,299	\$179,112	\$260,411
	<u> </u>	<u> </u>	<u> </u>
Liabilities:	\$0	\$0	\$0
Fund Balances:			
Restricted	81,299	179,112	260,411
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<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, 2013**

	Cemetery Improvement Fund	State Issue II 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	2,556	0	2,556
Capital Outlay	0	885,772	885,772
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	2,556	885,772	888,328
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over (Under) Expenditures	5,244	(885,772)	(880,528)
Other Financing Sources:			
Transfers In	0	600,000	600,000
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	5,244	(285,772)	(280,528)
Fund Balances at Beginning of Year	76,055	464,884	540,939
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u>\$81,299</u>	<u>\$179,112</u>	<u>\$260,411</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, 2013

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$118,460	\$1,270,985	\$1,389,445
Materials and Supplies Inventory	56,100	0	56,100
Accrued Interest Receivable	0	2,511	2,511
Interfund Receivable	32,454	0	32,454
Prepaid Items	1,854	0	1,854
	<u> </u>	<u> </u>	<u> </u>
Total Current Assets	208,868	1,273,496	1,482,364
Noncurrent Assets:			
Nondepreciable Capital Assets	64,666	0	64,666
Depreciable Capital Assets, Net	33,106	0	33,106
	<u> </u>	<u> </u>	<u> </u>
Total Noncurrent Assets	97,772	0	97,772
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$306,640	\$1,273,496	\$1,580,136
	<u> </u>	<u> </u>	<u> </u>
Liabilities:			
Current Liabilities:			
Accounts Payable	\$39	\$0	\$39
Accrued Wages Payable	7,121	0	7,121
Intergovernmental Payable	5,170	0	5,170
Claims Payable	0	174,934	174,934
Compensated Absences Payable	6,970	0	6,970
	<u> </u>	<u> </u>	<u> </u>
Total Current Liabilities	19,300	174,934	194,234
Long-term Liabilities:			
Compensated Absences Payable	10,310	0	10,310
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	29,610	174,934	204,544
	<u> </u>	<u> </u>	<u> </u>
Net Position:			
Net Investment in Capital Assets	97,772	0	97,772
Unrestricted	179,258	1,098,562	1,277,820
	<u> </u>	<u> </u>	<u> </u>
Total Net Position	\$277,030	\$1,098,562	\$1,375,592
	<u> </u>	<u> </u>	<u> </u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$185,698	\$2,047,863	\$2,233,561
Other	0	307,842	307,842
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	<u>185,698</u>	<u>2,355,705</u>	<u>2,541,403</u>
Operating Expenses:			
Personal Services	133,027	0	133,027
Contractual Services	5,984	353,069	359,053
Claims	0	1,296,482	1,296,482
Depreciation	2,384	0	2,384
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	<u>141,395</u>	<u>1,649,551</u>	<u>1,790,946</u>
Operating Income	44,303	706,154	750,457
Non-Operating Revenues:			
Interest	0	19,561	19,561
	<u> </u>	<u> </u>	<u> </u>
Change in Net Position	44,303	725,715	770,018
Net Position at Beginning of Year	<u>232,727</u>	<u>372,847</u>	<u>605,574</u>
Net Position at End of Year	<u><u>\$277,030</u></u>	<u><u>\$1,098,562</u></u>	<u><u>\$1,375,592</u></u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	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	\$185,320	\$2,047,863	\$2,233,183
Cash Payments for Employee Services and Benefits	(168,961)	0	(168,961)
Cash Payments to Suppliers for Goods and Services	(21,290)	(353,069)	(374,359)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(1,721,631)	(1,721,631)
Other Operating Revenues	0	459,962	459,962
Net Cash Provided by (Used for) Operating Activities	(4,931)	433,125	428,194
Cash Flows from Investing Activities:			
Interest	0	17,576	17,576
Net Increase (Decrease) in Cash and Cash Equivalents	(4,931)	450,701	445,770
Cash and Cash Equivalents at Beginning of Year	123,391	820,284	943,675
Cash and Cash Equivalents at End of Year	<u>\$118,460</u>	<u>\$1,270,985</u>	<u>\$1,389,445</u>
Reconciliation of Operating Income to			
<u>Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income	\$44,303	\$706,154	\$750,457
Adjustments to Reconcile Operating Income to			
<u>Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation	2,384	0	2,384
Changes in Assets and Liabilities:			
Increase in Materials and Supplies Inventory	(50,067)	0	(50,067)
Increase in Interfund Receivable	(378)	0	(378)
Increase in Prepaids Items	(201)	0	(201)
Decrease in Accounts Payable	(6)	0	(6)
Decrease in Accrued Wages Payable	(162)	0	(162)
Decrease in Intergovernmental Payable	(608)	0	(608)
Decrease in Claims Payable	0	(273,029)	(273,029)
Decrease in Compensated Absences Payable	(196)	0	(196)
Net Cash Provided by (Used for) Operating Activities	<u>(\$4,931)</u>	<u>\$433,125</u>	<u>\$428,194</u>

CITY OF LEBANON, OHIO

AGENCY FUND

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

Municipal Court

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

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance 1/1/13	Additions	Reductions	Balance 12/31/13
MUNICIPAL COURT				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$48,306	\$40,901	\$49,599	\$39,608
Liabilities:				
Intergovernmental Payable	\$27,592	\$25,017	\$27,592	\$25,017
Undistributed Monies	20,714	15,884	22,007	14,591
Total Liabilities	\$48,306	\$40,901	\$49,599	\$39,608

**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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,295,025	\$1,916,720	\$1,004,141	(\$912,579)
Income Taxes	3,491,000	3,635,397	3,635,397	0
Other Local Taxes	1,310,000	1,339,479	1,339,479	0
Charges for Services	2,141,050	2,141,050	2,114,499	(26,551)
Fines, Licenses and Permits	517,900	517,900	557,389	39,489
Intergovernmental	967,000	986,855	986,855	0
Interest	200,250	200,250	91,291	(108,959)
Contributions and Donations	5,000	28,450	19,195	(9,255)
Other	136,100	199,407	202,612	3,205
Total Revenues	10,063,325	10,965,508	9,950,858	(1,014,650)
Expenditures:				
Current:				
General Government				
Legislative				
Personal Services	53,650	54,175	54,076	99
Contractual Services	30,100	30,242	26,784	3,458
Supplies and Materials	600	800	765	35
Total Legislative	84,350	85,217	81,625	3,592
City Manager				
Personal Services	489,113	492,465	489,743	2,722
Contractual Services	77,206	79,228	58,579	20,649
Supplies and Materials	9,500	9,500	5,609	3,891
Total City Manager	575,819	581,193	553,931	27,262
Personnel				
Personal Services	142,452	150,583	149,995	588
Contractual Services	37,000	46,298	45,964	334
Supplies and Materials	3,000	3,000	2,893	107
Total Personnel	182,452	199,881	198,852	1,029
Department of Service				
Personal Services	246,543	248,526	244,959	3,567
Contractual Services	48,600	67,797	67,748	49
Supplies and Materials	6,000	6,000	5,365	635
Total Department of Service	301,143	322,323	318,072	4,251
Information Technology				
Personal Services	183,081	184,534	181,843	2,691
Contractual Services	219,188	235,113	209,113	26,000
Supplies and Materials	4,500	4,500	3,718	782
Total Information Technology	406,769	424,147	394,674	29,473
Finance				
Personal Services	438,513	447,253	446,666	587
Contractual Services	92,022	92,022	79,857	12,165
Supplies and Materials	3,000	3,000	2,980	20
Total Finance	\$533,535	\$542,275	\$529,503	\$12,772

(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, 2013
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Income Tax				
Personal Services	\$173,814	\$174,190	\$173,350	\$840
Contractual Services	10,300	10,300	6,356	3,944
Supplies and Materials	15,300	15,300	7,209	8,091
Refunds	150,000	246,000	189,708	56,292
Other	24,000	24,000	45,738	(21,738)
Total Income Tax	373,414	469,790	422,361	47,429
Law				
Personal Services	34,126	34,405	30,837	3,568
Contractual Services	112,500	125,500	124,938	562
Supplies and Materials	500	500	210	290
Total Law	147,126	160,405	155,985	4,420
Municipal Court				
Personal Services	558,958	552,203	492,806	59,397
Contractual Services	147,200	130,200	98,866	31,334
Supplies and Materials	14,500	14,500	7,812	6,688
Total Municipal Court	720,658	696,903	599,484	97,419
Parking System				
Contractual Services	7,000	7,000	4,576	2,424
Supplies and Materials	750	750	0	750
Total Parking System	7,750	7,750	4,576	3,174
Probation				
Personal Services	217,671	219,001	184,883	34,118
Contractual Services	7,850	7,902	2,655	5,247
Supplies and Materials	5,500	5,595	2,412	3,183
Total Probation	231,021	232,498	189,950	42,548
Building Maintenance				
Personal Services	160,924	165,196	164,353	843
Contractual Services	82,776	94,489	68,934	25,555
Supplies and Materials	33,000	35,573	21,143	14,430
Total Building Maintenance	276,700	295,258	254,430	40,828
Other General Government				
Contractual Services	52,000	53,670	51,936	1,734
Supplies and Materials	3,000	2,900	1,608	1,292
Other	0	60,000	59,910	90
Total Other General Government	55,000	116,570	113,454	3,116
Total General Government	3,895,737	4,134,210	3,816,897	317,313
Security of Persons and Property				
Police				
Personal Services	3,932,954	4,048,920	3,826,301	222,619
Contractual Services	361,590	339,411	271,415	67,996
Supplies and Materials	108,985	116,781	108,866	7,915
Capital Outlay	111,900	119,773	46,691	73,082
Total Police	\$4,515,429	\$4,624,885	\$4,253,273	\$371,612

(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, 2013
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Police Donation Trust				
Supplies and Materials	\$10,000	\$10,000	\$0	\$10,000
Total Security of Persons and Property	4,525,429	4,634,885	4,253,273	381,612
Leisure Time Services				
Recreation Programs				
Personal Services	236,691	238,375	230,466	7,909
Contractual Services	158,610	191,801	187,910	3,891
Supplies and Materials	68,750	84,603	83,923	680
Capital Outlay	166,500	754,454	706,146	48,308
Refunds	200	200	100	100
Total Leisure Time Services	630,751	1,269,433	1,208,545	60,888
Community and Economic Development				
Planning and Development				
Personal Services	347,782	351,428	340,367	11,061
Contractual Services	117,271	145,161	107,955	37,206
Supplies and Materials	7,000	6,900	3,790	3,110
Other	8,000	58,000	50,000	8,000
Total Planning and Development	480,053	561,489	502,112	59,377
Building and Zoning				
Personal Services	0	437	437	0
Contractual Services	0	112	86	26
Supplies and Materials	0	200	0	200
Total Building and Zoning	0	749	523	226
Engineer Services				
Personal Services	357,619	357,415	347,189	10,226
Contractual Services	112,603	113,074	106,715	6,359
Supplies and Materials	19,750	21,297	9,619	11,678
Refunds	161,333	161,333	103,610	57,723
Total Engineer Services	651,305	653,119	567,133	85,986
Total Community and Economic Development	1,131,358	1,215,357	1,069,768	145,589
Total Expenditures	10,183,275	11,253,885	10,348,483	905,402
Excess of Revenues Under Expenditures	(119,950)	(288,377)	(397,625)	(109,248)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	10,000	4,066	(5,934)
Transfers In	47,495	0	0	0
Advances In	121,408	121,408	121,408	0
Transfers Out	(60,000)	(60,000)	(60,000)	0
Total Other Financing Sources (Uses)	118,903	71,408	65,474	(5,934)
Net Change in Fund Balance	(1,047)	(216,969)	(332,151)	(115,182)
Fund Balance at Beginning of Year	4,616,701	4,616,701	4,616,701	0
Prior Year Encumbrances Appropriated	299,788	299,788	299,788	0
Fund Balance at End of Year	\$4,915,442	\$4,699,520	\$4,584,338	(\$115,182)

**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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,400,000	\$2,620,532	\$1,932,811	(\$687,721)
Charges for Services	450,000	450,000	370,420	(79,580)
Intergovernmental	230,000	230,000	243,565	13,565
Other	17,500	17,500	36,410	18,910
Total Revenues	<u>3,097,500</u>	<u>3,318,032</u>	<u>2,583,206</u>	<u>(734,826)</u>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Fighting, Prevention and Inspection				
Personal Services	2,320,400	2,362,207	2,158,743	203,464
Contractual Services	661,286	694,992	665,620	29,372
Supplies and Materials	63,500	107,783	107,232	551
Total Security of Persons and Property	<u>3,045,186</u>	<u>3,164,982</u>	<u>2,931,595</u>	<u>233,387</u>
Capital Outlay	<u>210,000</u>	<u>211,594</u>	<u>211,571</u>	<u>23</u>
Total Expenditures	<u>3,255,186</u>	<u>3,376,576</u>	<u>3,143,166</u>	<u>233,410</u>
Excess of Revenues Under Expenditures	(157,686)	(58,544)	(559,960)	(501,416)
Other Financing Sources:				
Proceeds from Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>12,204</u>	<u>12,204</u>
Net Change in Fund Balance	(157,686)	(58,544)	(547,756)	(489,212)
Fund Balance at Beginning of Year	1,003,582	1,003,582	1,003,582	0
Prior Year Encumbrances Appropriated	<u>85,057</u>	<u>85,057</u>	<u>85,057</u>	<u>0</u>
Fund Balance at End of Year	<u>\$930,953</u>	<u>\$1,030,095</u>	<u>\$540,883</u>	<u>(\$489,212)</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Payments in Lieu of Taxes	\$1,550,000	\$2,186,562	\$1,476,519	(\$710,043)
Intergovernmental	200,000	444,729	444,729	0
Charges for Services	8,150	8,150	8,130	(20)
Total Revenues	<u>1,758,150</u>	<u>2,639,441</u>	<u>1,929,378</u>	<u>(710,063)</u>
Expenditures:				
Current:				
Community and Economic Development				
Community Planning				
Contractual Services	35,000	35,000	0	35,000
Supplies and Materials	250,000	305,897	161,427	144,470
Capital Outlay	350,000	2,803,522	2,685,138	118,384
Total Community and Economic Development	635,000	3,144,419	2,846,565	297,854
Intergovernmental				
Reimbursements	400,000	905,003	900,216	4,787
Total Expenditures	<u>1,035,000</u>	<u>4,049,422</u>	<u>3,746,781</u>	<u>302,641</u>
Excess of Revenues Over (Under) Expenditures	<u>723,150</u>	<u>(1,409,981)</u>	<u>(1,817,403)</u>	<u>(407,422)</u>
Other Financing Uses:				
Transfers Out	(89,995)	(45,535)	(42,500)	3,035
Advances Out	(121,408)	(121,408)	(121,408)	0
Total Other Financing Uses	<u>(211,403)</u>	<u>(166,943)</u>	<u>(163,908)</u>	<u>3,035</u>
Net Change in Fund Balance	511,747	(1,576,924)	(1,981,311)	(404,387)
Fund Balance at Beginning of Year	2,245,950	2,245,950	2,245,950	0
Prior Year Encumbrances Appropriated	<u>1,654,781</u>	<u>1,654,781</u>	<u>1,654,781</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,412,478</u>	<u>\$2,323,807</u>	<u>\$1,919,420</u>	<u>(\$404,387)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Income Taxes	\$1,876,000	\$1,876,000	\$2,015,916	\$139,916
Special Assessments	28,660	28,660	115,639	86,979
Intergovernmental	2,227,000	965,977	2,652,544	1,686,567
Interest	20,000	20,000	23,366	3,366
Other	38,840	38,840	156,725	117,885
Total Revenues	4,190,500	2,929,477	4,964,190	2,034,713
Expenditures:				
Current:				
Transportation				
Contractual Services	0	283,034	283,034	0
Capital Outlay	8,146,000	8,008,002	7,157,287	850,715
Debt Service:				
Interest and Fiscal Charges	92,563	92,563	92,563	0
Total Expenditures	8,238,563	8,383,599	7,532,884	850,715
Excess of Revenues Under Expenditures	(4,048,063)	(5,454,122)	(2,568,694)	2,885,428
Other Financing Sources (Uses):				
Bonds Issued	(45,000)	2,655,000	2,655,000	0
Refunding Bonds Issued	2,311,603	2,311,603	2,311,603	0
Premium on Debt Issued	239,158	239,158	239,158	0
Payment to Refunded Bond Escrow Agent	(2,401,675)	(2,401,675)	(2,401,675)	0
Proceeds from Sale of Capital Assets	0	0	11,574	11,574
Notes Issued	5,888,477	3,100,000	3,100,000	0
Transfers In	0	5,000	0	(5,000)
Transfers Out	(600,000)	(600,000)	(600,000)	0
Total Other Financing Sources (Uses)	5,392,563	5,309,086	5,315,660	6,574
Net Change in Fund Balance	1,344,500	(145,036)	2,746,966	2,892,002
Fund Balance at Beginning of Year	1,600,786	1,600,786	1,600,786	0
Prior Year Encumbrances Appropriated	145,098	145,098	145,098	0
Fund Balance at End of Year	\$3,090,384	\$1,600,848	\$4,492,850	\$2,892,002

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$29,325,750	\$29,345,061	\$30,596,997	\$1,251,936
Other	15,000	21,678	20,373	(1,305)
Interest	75,000	75,000	52,591	(22,409)
Utility Deposits Received	200,000	181,000	185,209	4,209
Other Non-Operating Revenues	60,000	110,173	110,173	0
Total Revenues	29,675,750	29,732,912	30,965,343	1,232,431
Expenses:				
Personal Services	1,909,953	1,923,999	1,835,768	88,231
Contractual Services	1,700,715	1,827,259	1,401,832	425,427
Purchased Power	21,014,147	22,285,025	21,876,634	408,391
Supplies and Materials	167,500	177,282	94,584	82,698
Other	7,500	7,500	4,627	2,873
Utility Deposits Returned	183,550	183,550	167,696	15,854
Capital Outlay	1,503,000	1,920,153	1,202,949	717,204
Debt Service:				
Principal Retirement	1,433,180	1,433,180	1,428,040	5,140
Interest and Fiscal Charges	496,917	496,917	494,023	2,894
Total Expenses	28,416,462	30,254,865	28,506,153	1,748,712
Excess of Revenues Over (Under) Expenses Before Transfers	1,259,288	(521,953)	2,459,190	2,981,143
Transfers Out	0	(49,000)	0	49,000
Net Change in Fund Equity	1,259,288	(570,953)	2,459,190	3,030,143
Fund Equity at Beginning of Year	12,615,271	12,615,271	12,615,271	0
Prior Year Encumbrances Appropriated	637,769	637,769	637,769	0
Fund Equity at End of Year	\$14,512,328	\$12,682,087	\$15,712,230	\$3,030,143

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$1,595,000	\$1,626,528	\$1,567,569	(\$58,959)
Other	0	0	6,729	6,729
Interest	2,500	2,500	2,220	(280)
Total Revenues	<u>1,597,500</u>	<u>1,629,028</u>	<u>1,576,518</u>	<u>(52,510)</u>
Expenses:				
Personal Services	121,740	132,207	111,295	20,912
Contractual Services	1,446,288	1,447,324	1,400,582	46,742
Capital Outlay	50,000	50,000	0	50,000
Other	1,000	1,000	632	368
Total Expenses	<u>1,619,028</u>	<u>1,630,531</u>	<u>1,512,509</u>	<u>118,022</u>
Net Change in Fund Equity	(21,528)	(1,503)	64,009	65,512
Fund Equity at Beginning of Year	388,509	388,509	388,509	0
Prior Year Encumbrances Appropriated	<u>1,520</u>	<u>1,520</u>	<u>1,520</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$368,501</u></u>	<u><u>\$388,526</u></u>	<u><u>\$454,038</u></u>	<u><u>\$65,512</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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$3,355,150	\$3,723,709	\$3,271,315	(\$452,394)
Interest	12,000	12,521	12,521	0
Other	2,500	10,007	10,007	0
Special Assessments	0	0	5,780	5,780
Bond Anticipation Notes Issued	1,000,000	1,000,000	1,000,000	0
Total Revenues	4,369,650	4,746,237	4,299,623	(446,614)
Expenses:				
Personal Services	760,794	765,502	703,677	61,825
Contractual Services	1,376,493	1,512,217	1,402,155	110,062
Supplies and Materials	169,450	201,380	154,825	46,555
Capital Outlay	1,498,000	2,007,367	1,897,155	110,212
Debt Service:				
Principal Retirement	535,000	535,000	535,000	0
Interest and Fiscal Charges	368,500	368,500	366,881	1,619
Total Expenses	4,708,237	5,389,966	5,059,693	330,273
Excess of Revenues Under Expenses Before Transfers	(338,587)	(643,729)	(760,070)	(116,341)
Transfers In	0	26,000	0	(26,000)
Net Change in Fund Equity	(338,587)	(617,729)	(760,070)	(142,341)
Fund Equity at Beginning of Year	3,119,147	3,119,147	3,119,147	0
Prior Year Encumbrances Appropriated	644,917	644,917	644,917	0
Fund Equity at End of Year	\$3,425,477	\$3,146,335	\$3,003,994	(\$142,341)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$130,000	\$194,264	\$156,348	(\$37,916)
Other	126,100	126,100	128,558	2,458
Total Revenues	256,100	320,364	284,906	(35,458)
Expenses:				
Personal Services	99,626	102,931	101,659	1,272
Contractual Services	30,738	30,901	30,004	897
Supplies and Materials	1,000	1,000	195	805
Capital Outlay	14,000	15,894	15,294	600
Debt Service:				
Principal Retirement	150,000	150,000	150,000	0
Interest and Fiscal Charges	22,500	22,500	15,572	6,928
Total Expenses	317,864	323,226	312,724	10,502
Net Change in Fund Equity	(61,764)	(2,862)	(27,818)	(24,956)
Fund Equity at Beginning of Year	377,837	377,837	377,837	0
Prior Year Encumbrances Appropriated	3,859	3,859	3,859	0
Fund Equity at End of Year	\$319,932	\$378,834	\$353,878	(\$24,956)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$3,130,000	\$3,250,687	\$3,092,067	(\$158,620)
Other	5,000	17,151	17,151	0
Interest	15,000	17,530	17,530	0
Utility Deposits Received	14,000	14,000	14,000	0
Proceeds from Sale of Capital Assets	0	885,106	885,106	0
Total Revenues	3,164,000	4,184,474	4,025,854	(158,620)
Expenses:				
Personal Services	318,068	320,778	293,915	26,863
Contractual Services	902,043	909,387	845,841	63,546
Supplies and Materials	1,631,000	1,822,313	1,797,120	25,193
Other	1,500	1,500	1,392	108
Utility Deposits Returned	11,450	11,450	11,450	0
Capital Outlay	466,000	467,133	453,300	13,833
Debt Service:				
Principal Retirement	380,000	380,000	380,000	0
Interest and Fiscal Charges	467,863	467,863	466,863	1,000
Total Expenses	4,177,924	4,380,424	4,249,881	130,543
Excess of Revenues Under Expenses Before Transfers	(1,013,924)	(195,950)	(224,027)	(28,077)
Transfers Out	0	(4,000)	0	4,000
Net Change in Fund Equity	(1,013,924)	(199,950)	(224,027)	(24,077)
Fund Equity at Beginning of Year	3,939,400	3,939,400	3,939,400	0
Prior Year Encumbrances Appropriated	205,362	205,362	205,362	0
Fund Equity at End of Year	\$3,130,838	\$3,944,812	\$3,920,735	(\$24,077)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$825,366	\$1,136,332	\$842,760	(\$293,572)
Interest	4,000	4,000	3,667	(333)
Other	0	0	802	802
Total Revenues	<u>829,366</u>	<u>1,140,332</u>	<u>847,229</u>	<u>(293,103)</u>
Expenses:				
Personal Services	66,793	77,253	68,022	9,231
Contractual Services	149,839	153,056	138,427	14,629
Supplies and Materials	3,500	3,500	2,689	811
Capital Outlay	910,000	957,251	956,372	879
Other	200	200	72	128
Total Expenses	<u>1,130,332</u>	<u>1,191,260</u>	<u>1,165,582</u>	<u>25,678</u>
Net Change in Fund Equity	(300,966)	(50,928)	(318,353)	(267,425)
Fund Equity at Beginning of Year	614,007	614,007	614,007	0
Prior Year Encumbrances Appropriated	<u>53,086</u>	<u>53,086</u>	<u>53,086</u>	<u>0</u>
Fund Equity at End of Year	<u>\$366,127</u>	<u>\$616,165</u>	<u>\$348,740</u>	<u>(\$267,425)</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$102,000	\$76,000	\$96,426	\$20,426
Intergovernmental	30,000	68,103	29,792	(38,311)
Interest	4,500	1,000	3,196	2,196
Other	0	0	1,847	1,847
Total Revenues	136,500	145,103	131,261	(13,842)
Expenditures:				
Current:				
Public Health Services				
Cemetery				
Personal Services	140,449	146,418	137,225	9,193
Contractual Services	39,079	41,168	25,538	15,630
Supplies and Materials	2,900	3,364	3,177	187
Capital Outlay	6,475	6,475	0	6,475
Other	1,200	1,200	0	1,200
Total Expenditures	190,103	198,625	165,940	32,685
Excess of Revenues Under Expenditures	(53,603)	(53,522)	(34,679)	18,843
Other Financing Sources:				
Transfers In	50,000	50,000	50,000	0
Net Change in Fund Balance	(3,603)	(3,522)	15,321	18,843
Fund Balance at Beginning of Year	603,165	603,165	603,165	0
Prior Year Encumbrances Appropriated	3,761	3,761	3,761	0
Fund Balance at End of Year	\$603,323	\$603,404	\$622,247	\$18,843

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$45,000	\$45,000	\$44,340	(\$660)
Expenditures:				
Current:				
Community Environment				
Community Development				
Capital Outlay	45,000	45,000	44,980	20
Net Change in Fund Balance	0	0	(640)	(640)
Fund Balance at Beginning of Year	196,504	196,504	196,504	0
Fund Balance at End of Year	\$196,504	\$196,504	\$195,864	(\$640)

**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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$5,000	\$5,000	\$4,378	(\$622)
Fines, Licenses and Permits	97,500	202,750	187,665	(15,085)
Intergovernmental	14,000	14,000	0	(14,000)
Other	500	5,000	25	(4,975)
Total Revenues	<u>117,000</u>	<u>226,750</u>	<u>192,068</u>	<u>(34,682)</u>
Expenditures:				
Current:				
General Government				
Municipal Court Special Project				
Contractual Services	22,000	22,000	14,690	7,310
Capital Outlay	25,000	25,000	0	25,000
Total Municipal Court Special Project	<u>47,000</u>	<u>47,000</u>	<u>14,690</u>	<u>32,310</u>
Federal Asset Forfeiture				
Contractual Services	2,000	2,000	0	2,000
Total General Government	<u>49,000</u>	<u>49,000</u>	<u>14,690</u>	<u>34,310</u>
Security of Persons and Property				
Indigent Drivers Alcohol				
Contractual Services	42,000	44,619	31,601	13,018
Supplies and Materials	15,500	15,500	4,798	10,702
Total Indigent Drivers Alcohol	<u>57,500</u>	<u>60,119</u>	<u>36,399</u>	<u>23,720</u>
Computerized Legal Research				
Contractual Services	5,000	5,000	0	5,000
Supplies and Materials	5,000	5,000	0	5,000
Capital Outlay	5,000	5,000	0	5,000
Total Computerized Legal Research	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Computer Improvement				
Contractual Services	21,000	21,000	11,799	9,201
Supplies and Materials	4,000	4,000	0	4,000
Capital Outlay	10,000	10,000	1,041	8,959
Total Computer Improvement	<u>35,000</u>	<u>35,000</u>	<u>12,840</u>	<u>22,160</u>
Drug Law Enforcement				
Contractual Services	10,000	10,000	10,000	0
Total Security of Persons and Property	<u>117,500</u>	<u>120,119</u>	<u>59,239</u>	<u>60,880</u>
Capital Outlay	<u>5,000</u>	<u>41,250</u>	<u>39,440</u>	<u>1,810</u>
Total Expenditures	<u>171,500</u>	<u>210,369</u>	<u>113,369</u>	<u>97,000</u>
Net Change in Fund Balance	(54,500)	16,381	78,699	62,318
Fund Balance at Beginning of Year	553,250	553,250	553,250	0
Prior Year Encumbrances Appropriated	6,226	6,226	6,226	0
Fund Balance at End of Year	<u>\$504,976</u>	<u>\$575,857</u>	<u>\$638,175</u>	<u>\$62,318</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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Fines, Licenses and Permits	\$5,000	\$2,000	\$770	(\$1,230)
Expenditures:				
Current:				
Leisure Time Services				
Refunds	0	2,000	1,912	88
Net Change in Fund Balance	5,000	0	(1,142)	(1,142)
Fund Balance at Beginning of Year	23,668	23,668	23,668	0
Fund Balance at End of Year	\$28,668	\$23,668	\$22,526	(\$1,142)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Fines, Licenses and Permits	\$30,000	\$0	\$14,866	\$14,866
Intergovernmental	1,077,500	1,344,225	1,017,459	(326,766)
Interest	350	350	202	(148)
Other	0	10,945	10,945	0
Total Revenues	1,107,850	1,355,520	1,043,472	(312,048)
Expenditures:				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	320,246	337,593	320,962	16,631
Contractual Services	313,423	321,247	321,238	9
Supplies and Materials	237,000	293,378	282,258	11,120
Capital Outlay	400,000	400,000	175,000	225,000
Total Street Maintenance and Repair	1,270,669	1,352,218	1,099,458	252,760
Division Highway Maintenance				
Contractual Services	56,000	62,679	55,038	7,641
Supplies and Materials	26,500	27,917	27,487	430
Total Division Highway Maintenance	82,500	90,596	82,525	8,071
Total Expenditures	1,353,169	1,442,814	1,181,983	260,831
Excess of Revenues Under Expenditures	(245,319)	(87,294)	(138,511)	(51,217)
Other Financing Sources:				
Proceeds from Sale of Capital Assets	3,000	3,000	5,088	2,088
Transfers In	10,000	10,000	10,000	0
Total Other Financing Sources	13,000	13,000	15,088	2,088
Net Change in Fund Balance	(232,319)	(74,294)	(123,423)	(49,129)
Fund Balance at Beginning of Year	903,240	903,240	903,240	0
Prior Year Encumbrances Appropriated	77,497	77,497	77,497	0
Fund Balance at End of Year	\$748,418	\$906,443	\$857,314	(\$49,129)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Income Taxes	\$625,000	\$387,441	\$671,972	\$284,531
Special Assessments	20,000	449,563	12,086	(437,477)
Interest	25,000	25,000	20,070	(4,930)
Total Revenues	670,000	862,004	704,128	(157,876)
Expenditures:				
Debt Service:				
Principal Retirement	484,999	674,999	604,999	70,000
Interest and Fiscal Charges	229,505	229,505	187,119	42,386
Total Expenditures	714,504	904,504	792,118	112,386
Excess of Revenues Under Expenditures	(44,504)	(42,500)	(87,990)	(45,490)
Other Financing Sources:				
Transfers In	42,500	42,500	42,500	0
Net Change in Fund Balance	(2,004)	0	(45,490)	(45,490)
Fund Balance at Beginning of Year	3,752,556	3,752,556	3,752,556	0
Fund Balance at End of Year	\$3,750,552	\$3,752,556	\$3,707,066	(\$45,490)

**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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$7,500	\$6,000	\$7,800	\$1,800
Expenditures:				
Current:				
Public Health Services				
Cemetery				
Capital Outlay	6,000	6,000	5,972	28
Net Change in Fund Balance	1,500	0	1,828	1,828
Fund Balance at Beginning of Year	76,055	76,055	76,055	0
Fund Balance at End of Year	\$77,555	\$76,055	\$77,883	\$1,828

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STATE ISSUE II CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:	\$0	\$0	\$0	\$0
Expenditures:				
Capital Outlay	600,000	971,969	971,969	0
Excess of Revenues Under Expenditures	(600,000)	(971,969)	(971,969)	0
Other Financing Sources:				
Transfers In	1,050,000	1,050,000	600,000	(450,000)
Net Change in Fund Balance	450,000	78,031	(371,969)	(450,000)
Fund Balance at Beginning of Year	14,884	14,884	14,884	0
Prior Year Encumbrances Appropriated	450,000	450,000	450,000	0
Fund Balance at End of Year	<u>\$914,884</u>	<u>\$542,915</u>	<u>\$92,915</u>	<u>(\$450,000)</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$183,323	\$252,726	\$185,320	(\$67,406)
Expenses:				
Personal Services	168,676	179,966	133,993	45,973
Contractual Services	10,350	10,485	6,424	4,061
Supplies and Materials	13,700	18,497	51,387	(32,890)
Capital Outlay	50,000	50,000	0	50,000
Total Expenses	242,726	258,948	191,804	67,144
Net Change in Fund Equity	(59,403)	(6,222)	(6,484)	(262)
Fund Equity at Beginning of Year	114,934	114,934	114,934	0
Prior Year Encumbrances Appropriated	8,459	8,459	8,459	0
Fund Equity at End of Year	\$63,990	\$117,171	\$116,909	(\$262)

**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, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Charges for Services	\$2,142,100	\$1,857,820	\$2,047,863	\$190,043
Other	0	459,962	459,962	0
Interest	12,000	5,218	5,218	0
Total Revenues	2,154,100	2,323,000	2,513,043	190,043
Expenses:				
Contractual Services	355,000	362,179	362,630	(451)
Claims	1,968,000	2,006,769	1,746,139	260,630
Total Expenses	2,323,000	2,368,948	2,108,769	260,179
Net Change in Fund Equity	(168,900)	(45,948)	404,274	450,222
Fund Equity at Beginning of Year	742,248	742,248	742,248	0
Prior Year Encumbrances Appropriated	47,799	47,799	47,799	0
Fund Equity at End of Year	\$621,147	\$744,099	\$1,194,321	\$450,222

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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.

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year and/or City of Lebanon records. The City implemented *GASB Statement No. 34* in 2003. Schedules presenting government-wide information include information beginning in that year.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities				
Net Investment in Capital Assets	\$26,334,143	\$34,147,382	\$33,764,338	\$34,628,876
Restricted	10,544,147	11,137,800	13,388,372	14,310,899
Unrestricted	<u>2,818,372</u>	<u>2,759,921</u>	<u>4,074,569</u>	<u>4,770,470</u>
<i>Total Governmental Activities Net Position</i>	<u>39,696,662</u>	<u>48,045,103</u>	<u>51,227,279</u>	<u>53,710,245</u>
Business Type - Activities				
Net Investment in Capital Assets	34,340,402	42,195,263	44,463,041	40,865,125
Restricted	3,334,324	3,962,065	3,698,199	8,083,620
Unrestricted	<u>22,139,380</u>	<u>20,867,518</u>	<u>22,594,015</u>	<u>28,616,768</u>
<i>Total Business-Type Activities Net Position</i>	<u>59,814,106</u>	<u>67,024,846</u>	<u>70,755,255</u>	<u>77,565,513</u>
Primary Government				
Net Investment in Capital Assets	60,674,545	76,342,645	78,227,379	75,494,001
Restricted	13,878,471	15,099,865	17,086,571	22,394,519
Unrestricted	<u>24,957,752</u>	<u>23,627,439</u>	<u>26,668,584</u>	<u>33,387,238</u>
<i>Total Primary Government Net Position</i>	<u>\$99,510,768</u>	<u>\$115,069,949</u>	<u>\$121,982,534</u>	<u>\$131,275,758</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$35,598,684	\$39,072,022	\$39,380,807	\$39,051,129	\$40,044,806	\$39,004,204
16,371,911	12,685,486	10,226,109	10,873,564	8,952,231	5,585,635
<u>6,042,040</u>	<u>7,601,885</u>	<u>10,223,471</u>	<u>10,376,818</u>	<u>12,340,870</u>	<u>18,978,185</u>
<u>58,012,635</u>	<u>59,359,393</u>	<u>59,830,387</u>	<u>60,301,511</u>	<u>61,337,907</u>	<u>63,568,024</u>
44,388,792	49,797,775	48,615,352	50,068,883	54,208,669	55,500,876
7,782,930	6,844,532	6,713,271	6,302,061	6,212,490	5,680,330
<u>28,282,539</u>	<u>29,352,329</u>	<u>31,650,518</u>	<u>31,227,567</u>	<u>29,620,412</u>	<u>33,331,420</u>
<u>80,454,261</u>	<u>85,994,636</u>	<u>86,979,141</u>	<u>87,598,511</u>	<u>90,041,571</u>	<u>94,512,626</u>
79,987,476	88,869,797	87,996,159	89,120,012	94,253,475	94,505,080
24,154,841	19,530,018	16,939,380	17,175,625	15,164,721	11,265,965
<u>34,324,579</u>	<u>36,954,214</u>	<u>41,873,989</u>	<u>41,604,385</u>	<u>41,961,282</u>	<u>52,309,605</u>
<u>\$138,466,896</u>	<u>\$145,354,029</u>	<u>\$146,809,528</u>	<u>\$147,900,022</u>	<u>\$151,379,478</u>	<u>\$158,080,650</u>

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

	2004	2005	2006	2007
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$2,732,173	\$2,286,061	\$2,371,502	\$2,094,209
Security of Persons and Property:				
Police	180,689	480,320	537,467	532,708
Fire	145,950	180,894	129,802	197,057
Public Health Services	89,641	96,059	105,554	117,795
Leisure Time Services	164,464	39,450	65,125	79,680
Community and Economic Development	143,383	28,575	0	0
Transportation	0	0	50	24,421
Subtotal - Charges for Services	<u>3,456,300</u>	<u>3,111,359</u>	<u>3,209,500</u>	<u>3,045,870</u>
Operating Grants, Contributions and Interest:				
General Government	0	7,065	2,611	2,813
Security of Persons and Property:				
Police	0	0	107,769	0
Fire	134,841	244,621	0	210,790
Public Health Services	63,794	76,424	30,000	54,056
Leisure Time Services	0	0	0	16,105
Community and Economic Development	74,403	128,279	895	869
Transportation	779,525	825,052	896,955	1,066,568
Subtotal - Operating Grants, Contributions and Interest	<u>1,052,563</u>	<u>1,281,441</u>	<u>1,038,230</u>	<u>1,351,201</u>
Capital Grants, Contributions and Interest:				
General Government	0	0	0	0
Security of Persons and Property:				
Fire	0	0	0	0
Public Health Services	0	0	0	0
Leisure Time Services	0	0	0	0
Community and Economic Development	0	2,151,306	0	0
Transportation	2,848,219	3,267,180	1,038,941	667,331
Subtotal - Capital Grants, Contributions and Interest	<u>2,848,219</u>	<u>5,418,486</u>	<u>1,038,941</u>	<u>667,331</u>
<i>Total Governmental Activities Program Revenues</i>	<u>7,357,082</u>	<u>9,811,286</u>	<u>5,286,671</u>	<u>5,064,402</u>
Business-Type Activities:				
Charges for Services:				
Electric	13,079,140	16,216,563	17,737,799	28,405,280
Sanitation	865,618	908,611	1,107,928	1,189,868
Sewer	2,798,610	3,184,630	3,208,346	3,520,108
Telecommunications	5,409,918	5,520,109	5,940,724	169,831
Water	2,943,454	2,858,864	2,600,842	2,753,207
Storm Water Utility	611,372	748,930	779,837	837,314
Capital Grants, Contributions and Interest				
Sanitation	1,109,904	0	0	0
Sewer	804,971	2,147,795	264,491	0
Water	1,004,213	948,226	216,081	0
Storm Water Utility	651,811	1,580,447	144,060	0
<i>Total Business-Type Activities Program Revenues</i>	<u>29,279,011</u>	<u>34,114,175</u>	<u>32,000,108</u>	<u>36,875,608</u>
<i>Total Primary Government Program Revenues</i>	<u>\$36,636,093</u>	<u>\$43,925,461</u>	<u>\$37,286,779</u>	<u>\$41,940,010</u>

2008 (1)	2009	2010	2011	2012	2013
\$2,083,300	\$1,855,435	\$1,857,748	\$1,883,236	\$2,319,719	\$2,209,851
573,826	578,197	597,025	556,218	641,330	626,391
245,713	245,743	402,002	467,450	420,701	370,420
102,754	104,390	102,577	106,911	126,381	104,226
59,555	96,924	73,419	53,410	24,508	21,916
0	0	0	0	8,129	8,130
27,925	36,914	37,823	24,198	15,496	130,505
<u>3,093,073</u>	<u>2,917,603</u>	<u>3,070,594</u>	<u>3,091,423</u>	<u>3,556,264</u>	<u>3,471,439</u>
3,938	651	319	0	0	0
0	5,857	5,005	191,533	0	0
97,633	244,478	360,224	351,001	247,639	240,311
42,562	50,741	33,645	30,000	29,792	15,000
0	0	0	1,848	12,134	19,195
878	3,501	5,965	24,800	67,873	489,069
957,203	1,606,253	943,012	1,057,251	985,902	1,051,014
<u>1,102,214</u>	<u>1,911,481</u>	<u>1,348,170</u>	<u>1,656,433</u>	<u>1,343,340</u>	<u>1,814,589</u>
143,557	0	0	0	0	0
185,544	0	0	0	0	0
0	0	0	0	9,855	2,874
144,680	0	61,444	0	0	559,470
0	0	0	0	0	0
1,157,245	945,434	821,157	752,724	1,432,669	2,652,544
<u>1,631,026</u>	<u>945,434</u>	<u>882,601</u>	<u>752,724</u>	<u>1,442,524</u>	<u>3,214,888</u>
<u>5,826,313</u>	<u>5,774,518</u>	<u>5,301,365</u>	<u>5,500,580</u>	<u>6,342,128</u>	<u>8,500,916</u>
28,332,284	28,867,568	28,078,497	25,694,050	28,988,955	30,606,725
1,250,052	1,349,490	1,456,893	1,549,157	1,556,865	1,512,454
3,247,959	3,241,806	3,407,107	3,139,479	3,321,870	3,248,192
98,749	126,404	150,371	125,060	148,887	156,348
2,794,469	2,687,619	2,956,864	2,803,705	3,175,134	3,093,645
770,567	818,352	815,451	834,440	836,426	793,106
0	0	0	0	0	0
130,531	0	0	0	249,255	0
50,008	0	0	0	167,155	0
83,066	33,720	69,410	0	0	0
<u>36,757,685</u>	<u>37,124,959</u>	<u>36,934,593</u>	<u>34,145,891</u>	<u>38,444,547</u>	<u>39,410,470</u>
<u>\$42,583,998</u>	<u>\$42,899,477</u>	<u>\$42,235,958</u>	<u>\$39,646,471</u>	<u>\$44,786,675</u>	<u>\$47,911,386</u>

(continued)

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

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
General Government	\$3,524,592	\$3,431,266	\$3,606,717	\$4,678,341
Security of Persons and Property:				
Police	3,056,648	3,265,548	3,258,125	3,662,803
Fire	2,019,372	1,767,049	1,985,638	2,687,928
Public Health Services	255,918	213,152	201,838	204,228
Leisure Time Services	415,275	265,241	440,546	526,995
Community and Economic Development	1,264,165	1,192,677	1,157,580	843,839
Transportation	744,796	2,117,570	2,077,765	3,866,183
Intergovernmental	0	0	0	0
Interest and Fiscal Charges	375,493	376,665	373,156	386,205
<i>Total Governmental Activities Expenses</i>	<u>11,656,259</u>	<u>12,629,168</u>	<u>13,101,365</u>	<u>16,856,522</u>
Business-Type Activities:				
Electric	11,619,684	15,918,475	16,433,153	25,617,652
Sanitation	904,097	943,265	1,213,352	1,285,576
Sewer	3,056,641	3,144,530	3,389,076	3,214,858
Telecommunications	5,550,469	6,040,320	5,799,642	180,577
Water	2,147,822	2,106,086	2,969,131	2,553,235
Storm Water Utility	268,757	406,202	416,054	422,249
<i>Total Business-Type Activities Expenses</i>	<u>23,547,470</u>	<u>28,558,878</u>	<u>30,220,408</u>	<u>33,274,147</u>
<i>Total Primary Government Program Expenses</i>	<u>35,203,729</u>	<u>41,188,046</u>	<u>43,321,773</u>	<u>50,130,669</u>
Net (Expense)/Revenue				
Governmental Activities	(4,299,177)	(2,817,882)	(7,814,694)	(11,792,120)
Business-Type Activities	<u>5,731,541</u>	<u>5,555,297</u>	<u>1,779,700</u>	<u>3,601,461</u>
<i>Total Primary Government Net Expense</i>	<u>1,432,364</u>	<u>2,737,415</u>	<u>(6,034,994)</u>	<u>(8,190,659)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	2,428,646	3,418,309	1,085,029	1,281,491
Fire and Life Squad	0	0	2,107,551	2,222,553
Debt Service	0	0	121,488	37,774
Income Taxes	4,682,034	5,319,437	6,509,453	5,888,391
Other Taxes	791,589	855,499	858,253	1,229,554
Payments in Lieu of Taxes	43,237	872,934	1,181,361	1,235,888
Grants and Entitlements not Restricted to				
Specific Programs	865,966	849,811	603,496	1,082,225
Unrestricted Contributions	6,654	29,500	3,119	10,345
Investment Earnings	210,049	486,315	822,519	1,353,237
Gain on Sale of Capital Assets	623	0	27,760	8,172
Other	194,352	154,434	356,384	403,496
Transfers	(430,541)	(819,916)	(13,752)	(478,040)
<i>Total Governmental Activities</i>	<u>\$8,792,609</u>	<u>\$11,166,323</u>	<u>\$13,662,661</u>	<u>\$14,275,086</u>

2008 (1)	2009	2010	2011	2012	2013
\$4,125,692	\$3,812,972	\$4,068,631	\$3,881,199	\$3,591,911	\$3,731,306
3,861,017	4,218,030	4,470,394	4,547,632	4,414,356	4,067,094
2,631,887	2,735,622	2,832,199	2,866,797	3,308,046	3,136,542
195,983	181,562	197,806	220,299	221,850	216,095
498,379	588,970	382,313	674,644	778,510	1,328,928
802,169	868,309	873,466	930,934	1,080,804	1,278,496
3,090,437	3,591,609	3,790,494	3,561,887	4,207,949	3,934,203
244,657	257,623	277,310	310,704	345,607	900,216
354,128	326,399	281,437	253,316	338,645	280,800
<u>15,804,349</u>	<u>16,581,096</u>	<u>17,174,050</u>	<u>17,247,412</u>	<u>18,287,678</u>	<u>18,873,680</u>
26,754,920	26,164,717	28,153,003	25,488,085	28,898,408	27,155,807
1,327,449	1,363,001	1,522,129	1,512,397	1,508,493	1,524,770
3,386,470	3,166,397	3,385,521	3,444,593	3,739,025	2,541,355
222,847	210,102	171,385	164,107	178,763	153,569
2,526,916	2,534,870	2,767,146	3,086,876	3,691,306	3,839,171
490,366	512,516	572,544	612,275	502,542	506,859
<u>34,708,968</u>	<u>33,951,603</u>	<u>36,571,728</u>	<u>34,308,333</u>	<u>38,518,537</u>	<u>35,721,531</u>
<u>50,513,317</u>	<u>50,532,699</u>	<u>53,745,778</u>	<u>51,555,745</u>	<u>56,806,215</u>	<u>54,595,211</u>
(9,978,036)	(10,806,578)	(11,872,685)	(11,746,832)	(11,945,550)	(10,372,764)
2,048,717	3,173,356	362,865	(162,442)	(73,990)	3,688,939
<u>(7,929,319)</u>	<u>(7,633,222)</u>	<u>(11,509,820)</u>	<u>(11,909,274)</u>	<u>(12,019,540)</u>	<u>(6,683,825)</u>
1,353,504	1,375,734	1,206,503	1,147,868	1,054,552	989,809
2,327,576	2,224,683	2,373,747	2,228,171	2,028,866	1,905,228
43,186	27,499	0	0	0	0
6,260,249	5,409,147	5,451,284	5,762,855	6,232,249	6,371,559
1,468,021	1,318,586	1,371,444	1,245,078	1,366,321	1,337,972
1,269,275	1,269,899	1,259,657	1,395,381	1,758,769	1,476,519
684,035	818,872	661,125	814,808	342,899	420,153
7,494	7,375	2,000	0	0	0
781,418	1,063,750	179,250	(217,091)	317,837	227,603
17,828	14,168	9,150	7,414	0	0
185,479	160,078	139,756	225,740	155,073	374,038
(117,639)	(1,536,455)	(310,237)	(392,268)	(274,620)	(500,000)
<u>\$14,280,426</u>	<u>\$12,153,336</u>	<u>\$12,343,679</u>	<u>\$12,217,956</u>	<u>\$12,981,946</u>	<u>\$12,602,881</u>

(continued)

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

	2004	2005	2006	2007
General Revenues and Other Changes in Net Position (continued)				
<i>Business-Type Activities</i>				
Investment Earnings	\$235,160	\$530,302	\$942,160	\$693,586
Gain on Sale of Capital Assets	1,150	0	17,300	0
Loss from Discontinued Segments of Telecommunications Operations	0	0	0	(328,948)
Gain on Disposal of Segments of Telecommunications Operations	0	0	0	2,742,921
Other	466,399	305,225	457,877	88,918
Transfers	430,541	819,916	13,752	12,320
<i>Total Business-Type Activities</i>	<u>1,133,250</u>	<u>1,655,443</u>	<u>1,431,089</u>	<u>3,208,797</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>9,925,859</u>	<u>12,821,766</u>	<u>15,093,750</u>	<u>17,483,883</u>
Prior Year Restatement of Governmental Activities Net Position	0	0	(2,146,171)	0
Change in Net Position				
Governmental Activities	11,881,670	8,348,441	3,701,796	2,482,966
Business-Type Activities	<u>12,298,268</u>	<u>7,210,740</u>	<u>3,210,789</u>	<u>6,810,258</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$24,179,938</u>	<u>\$15,559,181</u>	<u>\$6,912,585</u>	<u>\$9,293,224</u>

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

<u>2008 (1)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$447,260	\$700,087	\$232,745	(\$288,217)	\$219,886	\$113,323
0	2,310	10,200	12,415	3,800	0
0	0	0	0	0	0
0	0	0	0	0	0
275,132	128,167	68,458	665,346	2,018,744	168,793
<u>117,639</u>	<u>1,536,455</u>	<u>310,237</u>	<u>392,268</u>	<u>274,620</u>	<u>500,000</u>
<u>840,031</u>	<u>2,367,019</u>	<u>621,640</u>	<u>781,812</u>	<u>2,517,050</u>	<u>782,116</u>
<u>15,120,457</u>	<u>14,520,355</u>	<u>12,965,319</u>	<u>12,999,768</u>	<u>15,498,996</u>	<u>13,384,997</u>
0	0	0	0	0	0
4,302,390	1,346,758	470,994	471,124	1,036,396	2,230,117
<u>2,888,748</u>	<u>5,540,375</u>	<u>984,505</u>	<u>619,370</u>	<u>2,443,060</u>	<u>4,471,055</u>
<u>\$7,191,138</u>	<u>\$6,887,133</u>	<u>\$1,455,499</u>	<u>\$1,090,494</u>	<u>\$3,479,456</u>	<u>\$6,701,172</u>

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

	2004	2005	2006	2007
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	1,790,633	1,696,873	1,788,814	1,586,780
Unreserved	1,634,323	2,392,657	3,418,537	3,306,942
Total General Fund	3,424,956	4,089,530	5,207,351	4,893,722
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Reserved	1,666,092	656,568	1,330,635	2,168,634
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,697,762	3,168,101	2,902,779	2,896,180
Debt Service Fund	4,025,444	4,617,027	5,484,816	4,995,975
Capital Projects Funds (Deficit)	1,192,800	(582,137)	502,409	1,407,152
Total All Other Governmental Funds	8,582,098	7,859,559	10,220,639	11,467,941
Prior Year Restatement of Fund Balances	0	0	(798,704)	0
Total Governmental Funds	\$12,007,054	\$11,949,089	\$14,629,286	\$16,361,663

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$0	\$1,184,302	\$1,064,339	\$921,909	\$813,297	\$682,168
0	15,190	0	0	0	0
0	0	0	183,215	260,111	194,031
0	3,800,626	4,071,783	4,267,452	5,137,124	5,056,978
1,498,020	0	0	0	0	0
<u>3,429,456</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>4,927,476</u>	<u>5,000,118</u>	<u>5,136,122</u>	<u>5,372,576</u>	<u>6,210,532</u>	<u>5,933,177</u>
0	262,740	198,933	189,965	190,824	124,814
0	7,969,375	8,864,107	9,490,132	7,704,927	4,764,186
0	3,121,909	3,129,214	3,196,405	5,055,548	9,520,830
2,717,467	0	0	0	0	0
2,825,839	0	0	0	0	0
5,078,023	0	0	0	0	0
<u>1,968,876</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,590,205</u>	<u>11,354,024</u>	<u>12,192,254</u>	<u>12,876,502</u>	<u>12,951,299</u>	<u>14,409,830</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$17,517,681</u>	<u>\$16,354,142</u>	<u>\$17,328,376</u>	<u>\$18,249,078</u>	<u>\$19,161,831</u>	<u>\$20,343,007</u>

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

	2004	2005	2006	2007
Revenues				
Property Taxes	\$2,404,009	\$3,314,607	\$3,344,659	\$3,536,738
Income Taxes	4,698,641	5,244,581	6,437,444	5,988,089
Other Local Taxes	791,589	855,499	857,100	1,230,707
Payments in Lieu of Taxes	848,321	910,839	1,181,361	1,235,888
Special Assessments	154,965	151,277	152,172	89,412
Charges for Services	2,199,776	2,111,196	2,113,406	2,154,757
Fines, Licenses and Permits	1,255,552	1,108,910	1,090,009	891,574
Intergovernmental	4,037,285	3,017,163	2,650,427	3,042,013
Interest	210,017	483,990	796,824	1,316,866
Contributions and Donations	40,448	29,500	3,119	10,345
Other	209,643	164,843	366,095	406,585
<i>Total Revenues</i>	<u>16,850,246</u>	<u>17,392,405</u>	<u>18,992,616</u>	<u>19,902,974</u>
Expenditures				
Current:				
General Government	3,417,840	3,424,490	3,823,519	4,936,788
Security of Persons and Property:				
Police	3,010,437	3,188,715	3,432,462	3,760,488
Fire	2,409,771	2,316,185	2,022,690	2,552,853
Public Health Services	219,357	167,028	175,691	188,855
Leisure Time Services	308,656	201,642	967,844	485,810
Community and Economic Development	1,166,589	1,854,563	1,102,447	719,007
Transportation	829,360	739,947	769,950	1,622,542
Intergovernmental	92,219	160,373	212,289	229,308
Capital Outlay	3,774,983	4,774,592	2,184,601	4,540,579
Debt Service:				
Principal Retirement	614,325	510,030	530,771	464,861
Interest and Fiscal Charges	346,936	342,982	327,457	286,716
Interest Paid on Capital Appreciation Bonds	0	0	0	91,687
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>16,190,473</u>	<u>17,680,547</u>	<u>15,549,721</u>	<u>19,879,494</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>659,773</u>	<u>(288,142)</u>	<u>3,442,895</u>	<u>23,480</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	2,204	174,400	49,758	20,436
Transfers In	622,866	887,746	1,445,692	2,551,127
Transfers Out	(635,847)	(831,969)	(1,459,444)	(3,144,659)
Inception of Capital Lease	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	0	0	2,280,000
Premium on Debt Issued	0	0	0	1,993
Discount on Debt Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,777)</u>	<u>230,177</u>	<u>36,006</u>	<u>1,708,897</u>
<i>Net Change in Fund Balances</i>	<u>\$648,996</u>	<u>(\$57,965)</u>	<u>\$3,478,901</u>	<u>\$1,732,377</u>
Debt Service as a Percentage of Noncapital Expenditures	7.7%	6.6%	6.4%	5.5%

2008	2009	2010	2011	2012	2013
\$3,758,401	\$3,594,477	\$3,563,064	\$3,377,780	\$3,070,560	\$2,936,952
5,719,316	5,510,661	5,565,246	5,463,788	6,155,444	6,334,779
1,466,536	1,319,827	1,371,120	1,245,646	1,366,321	1,337,972
1,269,275	1,269,899	1,259,657	1,428,970	1,758,769	1,476,519
94,678	103,030	87,439	112,287	89,051	124,099
2,122,822	2,113,504	2,303,809	2,309,288	2,819,113	2,601,728
969,440	795,107	775,800	788,547	737,151	754,072
2,897,793	3,563,319	2,884,405	2,932,834	2,647,883	5,404,430
732,751	911,684	200,297	(86,371)	329,748	167,756
7,494	4,375	63,444	1,848	12,134	19,195
188,765	163,574	143,475	225,740	155,073	374,038
<u>19,227,271</u>	<u>19,349,457</u>	<u>18,217,756</u>	<u>17,800,357</u>	<u>19,141,247</u>	<u>21,531,540</u>
4,594,923	3,858,069	3,837,352	3,512,438	3,353,208	3,845,070
3,975,505	4,165,490	4,208,892	4,138,153	4,155,702	4,145,205
2,513,055	2,540,690	2,579,293	2,538,806	3,055,494	2,867,920
175,878	159,879	164,718	175,537	171,222	166,325
434,985	424,044	390,839	493,220	648,820	1,184,816
863,405	851,361	826,380	861,847	1,010,993	1,225,319
875,710	1,000,611	1,102,322	868,916	1,146,286	1,226,412
244,657	257,623	277,310	296,891	345,607	900,216
3,194,419	6,231,284	2,993,629	3,205,214	3,718,437	7,728,631
2,819,636	576,144	590,158	540,884	466,645	605,496
370,358	309,873	272,577	244,320	220,992	291,117
95,767	103,322	0	0	0	0
103,476	0	0	0	0	0
<u>20,261,774</u>	<u>20,478,390</u>	<u>17,243,470</u>	<u>16,876,226</u>	<u>18,293,406</u>	<u>24,186,527</u>
<u>(1,034,503)</u>	<u>(1,128,933)</u>	<u>974,286</u>	<u>924,131</u>	<u>847,841</u>	<u>(2,654,987)</u>
39,550	14,168	13,700	37,825	64,912	32,077
1,575,558	2,575,617	1,212,115	433,620	502,500	702,500
(1,589,309)	(2,624,391)	(1,225,867)	(474,874)	(502,500)	(1,202,500)
60,361	0	0	0	0	0
3,750,000	0	0	0	0	2,655,000
0	0	0	0	0	2,311,603
0	0	0	0	0	1,500,000
92,821	0	0	0	0	239,158
0	0	0	0	0	0
(1,738,460)	0	0	0	0	(2,401,675)
<u>2,190,521</u>	<u>(34,606)</u>	<u>(52)</u>	<u>(3,429)</u>	<u>64,912</u>	<u>3,836,163</u>
<u>\$1,156,018</u>	<u>(\$1,163,539)</u>	<u>\$974,234</u>	<u>\$920,702</u>	<u>\$912,753</u>	<u>\$1,181,176</u>
20.4%	6.9%	6.1%	5.5%	4.6%	5.4%

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>
2004	1.00%	\$4,682,034	\$35,864	76.60%	\$3,090	6.60%	\$7,866	16.80%
2005	1.00	5,319,437	3,907,126	73.45	534,603	10.05	877,707	16.50
2006	1.00	6,509,453	4,658,816	71.57	770,068	11.83	1,080,569	16.60
2007	1.00	5,888,391	4,362,709	74.09	542,910	9.22	982,772	16.69
2008	1.00	6,260,249	4,757,789	76.00	438,217	7.00	1,064,242	17.00
2009	1.00	5,409,147	4,105,542	75.90	402,441	7.44	901,164	16.66
2010	1.00	5,451,284	4,021,412	73.77	493,341	9.05	936,531	17.18
2011	1.00	5,762,855	4,320,412	74.97	418,960	7.27	1,023,483	17.76
2012	1.00	6,232,249	4,594,414	73.72	572,120	9.18	1,065,715	17.10
2013	1.00	6,323,285	4,609,675	72.90	670,268	10.60	1,043,342	16.50

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 2012 AND 2003 (1)

Tax Year 2012 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,146	19.46 %	\$180,598,523	50.04 %
75,001-100,000	636	10.80	55,421,537	15.36
50,001-75,000	906	15.38	56,206,163	15.57
25,000-50,000	1,299	22.05	48,227,901	13.36
Under 25,000	1,903	32.31	20,479,177	5.67
Total	5,890	100.00	\$360,933,301	100.00

Tax Year 2003

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	612	12.60 %	\$86,360,930	33.58 %
75,001-100,000	632	13.01	54,546,231	21.21
50,001-75,000	859	17.68	53,386,820	20.76
25,000-50,000	1,225	25.22	45,047,233	17.51
Under 25,000	1,530	31.49	17,865,917	6.94
Total	4,858	100.00	\$257,207,131	100.00

Source: City Income Tax Department

- (1) Tax year 2013 information is not available.
- (2) Includes individuals who live within the corporation limits

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 (2)</u>
Type of Customer:				
Residential	\$6,181,266	\$7,508,220	\$8,611,965	\$9,608,478
Industrial	1,202,978	1,371,063	1,526,030	1,694,059
Commercial (1)	<u>5,553,868</u>	<u>6,749,294</u>	<u>7,727,224</u>	<u>16,249,343</u>
Total	<u>\$12,938,112</u>	<u>\$15,628,576</u>	<u>\$17,865,219</u>	<u>\$27,551,880</u>

(1) Majority of government buildings included in this category

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$9,716,139	\$9,699,704	\$9,631,822	\$9,512,740	\$9,669,899	\$10,001,557
1,730,682	1,764,978	1,657,291	1,690,421	1,802,374	1,890,244
<u>17,957,635</u>	<u>17,065,759</u>	<u>16,797,199</u>	<u>14,495,444</u>	<u>17,583,205</u>	<u>18,967,595</u>
<u>\$29,404,456</u>	<u>\$28,530,441</u>	<u>\$28,086,312</u>	<u>\$25,698,605</u>	<u>\$29,055,478</u>	<u>\$30,859,396</u>

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CITY OF LEBANON, OHIO
 PRINCIPAL ELECTRIC CUSTOMERS
 2013 AND 2004

2013		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CBTS	\$2,825,818	9.16 %
Advics Mfg.	2,341,255	7.59
HTNA	1,041,305	3.37
Warren County Commissioners	983,141	3.19
Mane Inc.	947,241	3.07
Lebanon City School District	697,113	2.26
Countryside YMCA	430,993	1.40
JBM Envelope	418,957	1.36
Walmart	408,830	1.32
City of Lebanon	376,088	1.22
Total	\$10,470,741	33.94 %
Total Electric Charges for Services	\$30,859,395	
2004		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Warren County Commissioners	\$562,380	4.35 %
Inna Tech	413,912	3.20
Countryside YMCA	286,391	2.21
Kroger	225,912	1.75
Franklin Brazing & Metal	219,137	1.69
Lebanon City School District	201,711	1.56
PAC National	137,429	1.06
Home Depot	104,107	0.80
Embarq	81,375	0.63
PAC Products	66,688	0.52
Total	\$2,299,042	17.77 %
Total Electric Charges for Services	\$12,938,112	

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

	2004	2005	2006	2007 (1)
Residential				
Customer Service Charge	\$4.40	\$4.44	\$4.48	\$4.52
Energy Charge KWH:				
All KWH	-	-	-	-
First 1,500 KWH	\$0.04141	\$0.04183	\$0.04225	\$0.06260
Above 1,500 KWH	\$0.02515	\$0.02540	\$0.02565	\$0.04580
Distribution Charge per KWH:				
First 800 KWH	-	-	-	-
Next 800 KWH	-	-	-	-
Over 1,600 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	\$0.03000	\$0.04340	\$0.05200	\$0.03890
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	\$7.55	\$7.63	\$7.71	\$7.78
Three Phase (3 Ph) Meter	\$12.60	\$12.73	\$12.86	\$12.98
Single and Three Phase Meter	\$20.17	\$20.37	\$20.57	\$20.78
Energy Charge KWH:				
First 2,000 KWH	\$0.04828	\$0.04876	\$0.04925	\$0.06940
Next 6,000 KWH	\$0.03414	\$0.03448	\$0.03482	\$0.05500
Over 8,000 KWH	\$0.02313	\$0.02336	\$0.02359	\$0.04370
Over 100,000 KWH	\$0.01010	\$0.01020	\$0.01030	\$0.03040
1 Phase-First 165 KWH/KW	-	-	-	-
1 Phase-Next 85 KWH/KW	-	-	-	-
1 Phase-Over 250 KWH/KW	-	-	-	-
3 Phase-First 300 KWH/KW	-	-	-	-
3 Phase-Over 300 KWH/KW	-	-	-	-
Demand Charge per KW:				
First 10 KW	Free	Free	Free	Free
Next 15 KW	\$6.05931	\$6.11990	\$6.11990	\$6.24290
Over 25 KW	\$5.35956	\$5.41316	\$5.41316	\$5.52196
1 Phase-First 10 KW	-	-	-	-
1 Phase-Next 15 KW	-	-	-	-
1 Phase-Over 25 KW	-	-	-	-
3 Phase-First 1,000 KW	-	-	-	-
3 Phase-Over 1,000 KW	-	-	-	-
Distribution Charge KWH:				
1 Phase-First 1,000 KWH	-	-	-	-
1 Phase-Next 800 KWH	-	-	-	-
1 Phase-Over 1,800 KWH	-	-	-	-
3 Phase-First 5,000 KWH	-	-	-	-
3 Phase-Next 10,000 KWH	-	-	-	-
3 Phase-Over 15,000 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	\$0.03000	\$0.04340	\$0.05200	\$0.03890
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

2008	2009 (2)	2010	2011	2012	2013
\$4.57	\$4.61	\$5.15	\$5.15	\$5.15	\$5.15
-	-	\$0.0670	\$0.0670	\$0.0670	\$0.0670
\$0.06322	\$0.06385	-	-	-	-
\$0.04625	\$0.04671	-	-	-	-
-	-	\$0.0412	\$0.0412	\$0.0412	\$0.0412
-	-	\$0.0361	\$0.0361	\$0.0361	\$0.0361
-	-	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$7.86	\$7.93	\$15.45	\$15.45	\$15.45	\$15.45
\$13.11	\$13.24	\$20.60	\$20.60	\$20.60	\$20.60
\$20.99	\$21.20	-	-	-	-
\$0.07009	\$0.07079	-	-	-	-
\$0.05555	\$0.05611	-	-	-	-
\$0.04413	\$0.04457	-	-	-	-
\$0.03070	\$0.03101	-	-	-	-
-	-	\$0.0824	\$0.0824	\$0.0824	\$0.0824
-	-	\$0.0721	\$0.0721	\$0.0721	\$0.0721
-	-	\$0.0412	\$0.0412	\$0.0412	\$0.0412
-	-	\$0.0618	\$0.0618	\$0.0618	\$0.0618
-	-	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Free	Free	-	-	-	-
\$6.30532	\$6.36837	-	-	-	-
\$5.57717	\$5.63294	-	-	-	-
-	-	Free	Free	Free	Free
-	-	\$7.21	\$7.21	\$7.21	\$7.21
-	-	\$9.27	\$9.27	\$9.27	\$9.27
-	-	\$10.30	\$10.30	\$10.30	\$10.30
-	-	\$12.36	\$12.36	\$12.36	\$12.36
-	-	\$0.0412	\$0.0412	\$0.0412	\$0.0412
-	-	\$0.0361	\$0.0361	\$0.0361	\$0.0361
-	-	\$0.0206	\$0.0206	\$0.0206	\$0.0206
-	-	\$0.0258	\$0.0258	\$0.0258	\$0.0258
-	-	\$0.0206	\$0.0206	\$0.0206	\$0.0206
-	-	\$0.0155	\$0.0155	\$0.0155	\$0.0155
\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
\$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

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

	2004	2005	2006	2007 (1)
Large Power-Secondary Metered				
Customer Service Charge	-	-	-	\$100.00
Energy Charge KWH:				
All KWH	-	-	-	\$0.02200
First 300 KWH/KVA	-	-	-	-
Over 300 KWH/KVA	-	-	-	-
Demand Charge:				
All per KVA	-	-	-	\$7.00
First 1,000 KVA	-	-	-	-
Over 1,000 KVA	-	-	-	-
Distribution Charge KWH:				
First 200,000 KWH	-	-	-	-
Over 200,000 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	-	-	-	\$0.03890
KWH Tax:				
First 2,000 KWH	-	-	-	\$0.00465
Next 13,000 KWH	-	-	-	\$0.00419
Above 15,000 KWH	-	-	-	\$0.00363
Large Power-Primary Metered				
Customer Service Charge	-	-	-	\$100.00
Energy Charge KWH:				
All KWH	-	-	-	\$0.01349
First 300 KWH/KVA	-	-	-	-
Over 300 KWH/KVA	-	-	-	-
Demand Charge per KVA:				
All per KVA	-	-	-	\$4.29130
First 1,000 KVA	-	-	-	-
Over 1,000 KVA	-	-	-	-
Distribution Charge KWH:				
First 500,000 KWH	-	-	-	-
Over 500,000 KWH	-	-	-	-
Fuel Adjustment all KWH (yr avg)	-	-	-	\$0.03890
KWH Tax:				
First 2,000 KWH	-	-	-	\$0.00465
Next 13,000 KWH	-	-	-	\$0.00419
Above 15,000 KWH	-	-	-	\$0.00363

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

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

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

- Not Applicable

2008	2009 (2)	2010	2011	2012	2013
\$101.00	\$102.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.02215	\$0.02237	-	-	-	-
-	-	\$0.0361	\$0.0361	\$0.0361	\$0.0361
-	-	\$0.0288	\$0.0288	\$0.0288	\$0.0288
\$7.06	\$7.13	-	-	-	-
-	-	\$15.45	\$15.45	\$15.45	\$15.45
-	-	\$13.39	\$13.39	\$13.39	\$13.39
-	-	\$0.01550	\$0.01550	\$0.01550	\$0.01550
-	-	\$0.01030	\$0.01030	\$0.01030	\$0.01030
\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
\$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
\$101.00	\$102.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.01363	\$0.01376	-	-	-	-
-	-	\$0.0464	\$0.0464	\$0.0464	\$0.0464
-	-	\$0.0103	\$0.0103	\$0.0103	\$0.0103
\$4.33430	\$4.37760	-	-	-	-
-	-	\$8.24	\$8.24	\$8.24	\$8.24
-	-	\$10.30	\$10.30	\$10.30	\$10.30
-	-	\$0.02580	\$0.02580	\$0.02580	\$0.02580
-	-	\$0.01550	\$0.01550	\$0.01550	\$0.01550
\$0.04510	\$0.01610	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00412
\$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
2004	\$6,638,372	\$665,723	\$46,237	\$1,400,000
2005	6,257,240	584,449	31,562	1,120,000
2006	5,864,320	499,445	16,162	840,000
2007	5,456,426	409,529	0	2,560,000
2008	7,048,239	315,883	60,361	1,280,000
2009	6,499,576	218,507	46,315	0
2010	6,058,568	87,401	31,595	0
2011	5,650,893	12,985	16,168	0
2012	5,200,655	9,439	0	0
2013	7,461,050	0	0	1,509,526

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

Business-Type Activities

Mortgage Revenue Bonds	Capital Leases	Notes Payable	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
\$32,817,309	\$0	\$8,000,000	\$0	\$49,567,641	13.98%	\$2,922
31,321,070	253,111	8,000,000	0	47,567,432	13.42	2,804
35,530,846	617,607	1,750,000	0	45,118,380	12.73	2,660
33,632,086	0	5,750,000	0	47,808,041	13.49	2,819
36,030,824	0	1,250,000	0	45,985,307	12.97	2,711
34,175,122	0	4,900,000	0	45,839,520	8.94	2,288
32,234,420	0	6,300,000	3,360,000	48,071,984	9.38	2,400
31,142,688	0	8,150,000	2,752,260	47,724,994	9.31	2,382
36,840,609	0	550,000	339,290	42,939,993	8.38	2,143
34,507,122	0	1,400,000	0	44,877,698	8.76	2,240

CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2013

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Lebanon			
General Obligation Bonds	\$7,461,050	100.00%	\$7,461,050
Notes Payable	1,509,526	100.00	1,509,526
<i>Total Direct Debt</i>	<u>8,970,576</u>		<u>8,970,576</u>
Overlapping			
Lebanon City School District			
General Obligation Bonds	36,519,952	50.24	18,347,624
Capital Leases	2,861,000	50.24	1,437,366
Kings Local School District			
General Obligation Bonds	57,142,501	1.15	657,139
Warren County Vocational School District			
Certificates of Participation	5,859,606	10.49	614,673
Energy Conservation Notes	810,000	10.49	84,969
Capital Leases	115,975	10.49	12,166
Warren County			
General Obligation Bonds	9,838,052	7.07	695,550
Special Assessment Bonds	10,180,451	7.07	719,758
<i>Total Overlapping Debt</i>	<u>123,327,537</u>		<u>22,569,245</u>
Total	<u><u>\$132,298,113</u></u>		<u><u>\$31,539,821</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>
2004	16,962	\$ 1,216,973,482	\$6,638,372	0.55%	\$391.37
2005	16,962	1,219,371,199	6,257,240	0.51	368.90
2006	16,962	1,330,955,444	5,864,320	0.44	345.73
2007	16,962	1,525,874,800	5,456,426	0.36	321.69
2008	16,962	1,276,594,439	7,048,239	0.55	415.53
2009	16,962	1,192,296,133	6,499,576	0.55	383.18
2010	20,033	1,191,372,162	6,058,568	0.51	302.43
2011	20,033	1,185,040,310	5,610,870	0.47	280.08
2012	20,033	1,126,990,932	5,200,655	0.46	259.60
2013	20,033	1,126,979,400	7,461,050	0.66	372.44

Sources:

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

(2) County Auditor

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

CITY OF LEBANON, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS

	2004	2005	2006	2007
Total Assessed Property Value	<u>\$402,731,560</u>	<u>\$409,173,949</u>	<u>\$454,976,445</u>	<u>\$451,956,350</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>42,286,814</u>	<u>42,963,265</u>	<u>47,772,527</u>	<u>47,455,417</u>
Debt Outstanding:				
General Obligation Bonds	6,518,500	6,104,774	5,674,778	5,316,381
Mortgage Revenue Bonds	32,775,000	31,260,000	36,740,000	34,740,000
Special Assessment Bonds	665,723	584,449	449,445	409,529
Bond Anticipation Notes	<u>9,400,000</u>	<u>9,120,000</u>	<u>2,590,000</u>	<u>8,310,000</u>
Total Gross Indebtedness	49,359,223	47,069,223	45,454,223	48,775,910
Less:				
General Obligation Bonds	(6,204,276)	(5,900,550)	(5,585,554)	(5,260,470)
Mortgage Revenue Bonds	(32,775,000)	(31,260,000)	(36,740,000)	(34,740,000)
Special Assessment Bonds	(665,723)	(584,449)	(449,445)	(409,529)
Bond Anticipation Notes	(8,000,000)	(8,000,000)	(1,750,000)	(5,750,000)
General Obligation Bond Retirement Fund Balance	<u>(234,744)</u>	<u>(247,839)</u>	<u>(261,135)</u>	<u>(182,304)</u>
Total Net Debt Applicable to Debt Limit	<u>1,479,480</u>	<u>1,076,385</u>	<u>668,089</u>	<u>2,433,607</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$40,807,334</u>	<u>\$41,886,880</u>	<u>\$47,104,438</u>	<u>\$45,021,810</u>
Legal Debt Margin as a Percentage of the Debt Limit	96.50%	97.49%	98.60%	94.87%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$22,150,236</u>	<u>\$22,504,567</u>	<u>\$25,023,704</u>	<u>\$24,857,599</u>
Total Gross Indebtedness	49,359,223	47,069,223	45,454,223	48,775,910
Less:				
General Obligation Bonds	(6,204,276)	(5,900,550)	(5,585,554)	(5,260,470)
Mortgage Revenue Bonds	(32,775,000)	(31,260,000)	(36,740,000)	(34,740,000)
Special Assessment Bonds	(665,723)	(584,449)	(449,445)	(409,529)
Bond Anticipation Notes	<u>(8,000,000)</u>	<u>(8,000,000)</u>	<u>(1,750,000)</u>	<u>(5,750,000)</u>
Net Debt Within 5 ½ % Limitations	<u>1,479,480</u>	<u>1,076,385</u>	<u>668,089</u>	<u>2,615,911</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$20,670,756</u>	<u>\$21,428,182</u>	<u>\$24,355,615</u>	<u>\$22,241,688</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	93.32%	95.22%	97.33%	89.48%

Source: City Financial Records

2008	2009	2010	2011	2012	2013
<u>\$443,736,980</u>	<u>\$416,119,870</u>	<u>\$417,778,478</u>	<u>\$414,764,110</u>	<u>\$396,556,600</u>	<u>\$396,645,380</u>
<u>46,592,383</u>	<u>43,692,586</u>	<u>43,866,740</u>	<u>43,550,232</u>	<u>41,638,443</u>	<u>41,647,765</u>
6,945,794	6,481,492	6,037,598	5,587,014	5,140,560	7,196,603
37,045,000	35,115,000	33,100,000	31,010,000	36,525,000	34,220,000
315,883	218,507	87,401	12,985	9,439	0
<u>2,530,000</u>	<u>4,900,000</u>	<u>6,300,000</u>	<u>8,150,000</u>	<u>550,000</u>	<u>4,500,000</u>
46,836,677	46,714,999	45,524,999	44,759,999	42,224,999	45,916,603
(6,919,116)	(6,481,492)	(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)
(37,045,000)	(35,115,000)	(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)
(315,883)	(218,507)	(87,401)	(12,985)	(9,439)	0
(1,250,000)	(4,900,000)	(6,300,000)	(8,150,000)	(550,000)	(4,500,000)
<u>(103,180)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,203,498</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$45,388,885</u>	<u>\$43,692,586</u>	<u>\$43,866,740</u>	<u>\$43,550,232</u>	<u>\$41,638,443</u>	<u>\$41,647,765</u>
97.42%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$24,405,534</u>	<u>\$22,886,593</u>	<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>
46,836,677	46,714,999	45,524,999	44,759,999	42,224,999	45,916,603
(6,919,116)	(6,481,492)	(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)
(37,045,000)	(35,115,000)	(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)
(315,883)	(218,507)	(87,401)	(12,985)	(9,439)	0
<u>(1,250,000)</u>	<u>(4,900,000)</u>	<u>(6,300,000)</u>	<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>
<u>1,306,678</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$23,098,856</u>	<u>\$22,886,593</u>	<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>
94.65%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Year	Electric/ Telecommunications Service Charges and Interest (1)	Direct Operating Expenses (2)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2004	\$18,756,240	\$14,231,399	\$4,524,841	\$670,000	\$520,850	\$1,190,850	3.80%
2005	21,957,982	18,933,542	3,024,440	700,000	816,284	1,516,284	1.99
2006	24,143,085	19,441,416	4,701,669	730,000	301,463	1,031,463	4.56
2007	28,884,945	23,994,524	4,890,421	950,000	695,938	1,645,938	2.97
2008	28,585,522	24,931,692	3,653,830	1,070,000	752,988	1,822,988	2.00
2009	29,285,522	24,079,628	5,205,894	1,180,000	880,604	2,060,604	2.53
2010	28,291,909	25,998,247	2,293,662	1,235,000	722,651	1,957,651	1.17
2011	25,478,741	23,255,870	2,222,871	1,285,000	701,325	1,986,325	1.12
2012	29,119,640	26,483,052	2,636,588	1,340,000	655,186	1,995,186	1.32
2013	30,705,867	25,338,073	5,367,794	1,390,000	602,025	1,992,025	2.69

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

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

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

Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2004	\$2,932,406	\$1,818,503	\$1,113,903	\$400,000	\$446,068	\$846,068	1.32%
2005	3,191,967	1,583,313	1,608,654	415,000	428,903	843,903	1.91
2006	3,223,609	1,737,309	1,486,300	435,000	522,556	957,556	1.55
2007	3,689,432	1,719,657	1,969,775	620,000	503,030	1,123,030	1.75
2008	3,347,674	1,923,716	1,423,958	645,000	475,766	1,120,766	1.27
2009	3,382,159	1,729,070	1,653,089	465,000	446,991	911,991	1.81
2010	3,389,268	1,907,162	1,482,106	480,000	425,971	905,971	1.64
2011	3,105,295	1,965,877	1,139,418	490,000	407,482	897,482	1.27
2012	3,368,455	2,117,451	1,251,004	510,000	387,881	897,881	1.39
2013	3,234,784	1,140,723	2,094,061	535,000	367,481	902,481	2.32

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

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

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2004	\$2,950,110	\$1,199,936	\$1,750,174	\$380,000	\$430,000	\$810,000	2.16%
2005	2,870,825	1,024,742	1,846,083	400,000	414,800	814,800	2.27
2006	2,603,513	1,873,634	729,879	415,000	398,400	813,400	0.90
2007	2,905,422	1,436,995	1,468,427	430,000	380,970	810,970	1.81
2008	2,864,853	1,434,585	1,430,268	445,000	362,480	807,480	1.77
2009	2,801,673	1,361,027	1,440,646	285,000	342,900	627,900	2.29
2010	2,997,829	1,431,532	1,566,297	300,000	330,218	630,218	2.49
2011	2,759,278	1,827,517	931,761	315,000	316,568	631,568	1.48
2012	3,217,644	1,944,281	1,273,363	455,000	226,870	681,870	1.87
2013	3,105,305	2,137,596	967,709	380,000	466,863	846,863	1.14

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

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

Year	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2004	\$154,965	\$77,544	\$48,002	\$125,546	1.23%
2005	151,277	81,274	42,948	124,222	1.22
2006	152,172	85,004	37,653	122,657	1.24
2007	147,773	89,916	3,218	93,134	1.59
2008	142,454	93,646	26,272	119,918	1.19
2009	140,737	97,376	20,185	117,561	1.20
2010	109,358	131,106	13,857	144,963	0.75
2011	107,264	74,416	6,096	80,512	1.33
2012	19,378	3,546	780	4,326	4.48
2013	12,086	9,439	288	9,727	1.24

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>
2004	16,962	\$354,454,914	\$20,897	\$46,856	31.9
2005	16,962	354,454,914	20,897	46,856	31.9
2006	16,962	354,454,914	20,897	46,856	31.9
2007	16,962	354,454,914	20,897	46,856	31.9
2008	16,962	354,454,914	20,897	46,856	31.9
2009	16,962	354,454,914	20,897	46,856	31.9
2010	20,033	512,544,305	25,585	61,085	33.9
2011	20,033	512,544,305	25,585	61,085	33.9
2012	20,033	512,544,305	25,585	61,085	33.9
2013	20,033	512,544,305	25,585	61,085	33.9

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

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

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

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Warren County Unemployment Rate (4)
25.0%	4,778	4.3%
25.0	4,997	4.4
25.0	5,238	4.2
25.0	5,383	4.7
25.0	5,202	8.5
25.0	5,301	9.3
26.0	5,379	8.4
26.0	5,450	7.0
26.0	5,442	5.6
26.0	5,447	5.9

CITY OF LEBANON, OHIO
 PRINCIPAL EMPLOYERS
 2012 AND 2004

2012

Employer	Employees
Warren County	1,191
Lebanon City School District	890
Countryside YMCA	781
Advics Manufacturing	601
Wal-Mart	442
Kroger	386
Amtex, Inc.	298
Mane Inc.	278
Warren County BDD (MRDD)	225
Lebanon Citizens National Bank	170
Total	5,262

2004

Employer	Employees
Warren County	1,033
Lebanon City School District	803
Countryside YMCA	802
CBS Personnel Services	617
Advics Manufacturing	613
Kroger	429
Cintemp Personnel Services	394
Production Services Unlimited	283
Wal-Mart	279
PAC National	265
Total	5,518

Information on total employment within the City is not available.

The 2013 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Council (1)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Tax	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law	2.00	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00
Building Maintenance	3.00	3.00	2.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Engineer	3.00	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	4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Court	8.00	8.00	8.00	7.00	8.00	8.00	7.00	7.00	7.00	7.00
Probation	3.00	3.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Security of Persons and Property										
Police										
Police - Chiefs/Administrative	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Police - Sargeants	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Police - Officers	18.00	18.00	20.00	23.00	22.00	22.00	22.00	22.00	22.00	21.00
Police - Dispatchers	8.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Fire (2)(3)										
Fire - Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Captains	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Lieutenants	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Health										
Cemetery	2.50	2.50	2.50	3.00	2.00	2.00	2.00	2.00	1.00	1.00
Leisure Time Services										
Parks & Recreation (3)	0.50	0.50	0.50	2.00	2.00	2.00	1.00	3.00	3.00	3.00
Community Development										
Building and Zoning	2.00	2.00	3.00	0.00	0.00	1.00	1.00	1.00	1.00	0.00
Planning and Development	3.00	3.00	3.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Internal Service										
Automotive Maintenance	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Transportation										
Street M&R (3)	9.00	8.00	8.00	8.00	8.00	8.00	5.00	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)	11.00	11.00	11.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Electric - Power Production	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sanitation	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Storm Water Utility	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Telecommunications	11.00	11.00	12.00	12.00	1.00	1.00	1.00	1.00	1.00	1.00
Water - Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water - Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Water - Supply and Treatment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Wastewater - Administration	1.00	1.00	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater - Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Wastewater - Collection and Treatment	5.00	5.00	6.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Totals:	149.00	148.00	150.00	158.00	145.00	145.00	142.00	141.00	139.00	136.00

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	2004	2005	2006	2007
General Government				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	201	178	191	190
Number of Planning Commission Docket Items	74	80	44	46
Zoning Board of Appeals Docket Items	3	3	8	9
<i>Finance Department (I)</i>				
Number of Checks Issued	4,886	5,274	5,393	4,788
Number of Purchase Orders Issued	2,932	2,921	3,136	2,507
Amount of Checks Written (includes interfund transfers)	\$59,967,100	\$65,681,841	\$64,977,705	\$78,123,022
Interest Earnings for Fiscal Year (cash basis)	\$419,007	\$655,602	\$1,098,245	\$1,631,436
Number of Supplemental Appropriations Issued	49	51	49	65
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Health Insurance Costs vs. General Fund Expenditures	12.01%	11.86%	14.61%	12.86%
General Fund Receipts (cash basis in thousands)	\$7,708	\$8,242	\$8,789	\$10,325
General Fund Expenditures (cash basis in thousands)	\$7,036	\$7,538	\$7,986	\$10,260
General Fund (unexpended) Cash Balances (in thousands)	\$1,300	\$2,004	\$2,807	\$2,873
<i>Income Tax Department</i>				
Number of Individual Returns	6,093	7,424	8,202	8,679
Number of Business Returns	759	1,401	1,014	1,408
Number of Business Withholding Accounts	1,245	1,245	1,244	1,305
Annual Number of Corporate Withholding Forms Processed	5,846	6,364	6,823	6,900
Annual Number of Balance Due Statements Forms Processed	1,200	1,300	1,520	2,160
Annual Number of Estimated Payment Forms Processed	1,461	1,650	1,706	1,850
Annual Number of Reconciliations of Withholdings Processed	1,300	1,331	1,329	1,517
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$4,867,448	\$9,043,425	\$5,221,623	\$5,301,116
<i>Municipal Court</i>				
Number of Civil Cases	1,226	1,233	1,212	1,275
Number of Criminal Cases	1,476	1,500	1,471	1,540
<i>Civil Service</i>				
Number of Police Entry Tests Administered	1	1	0	151
Number of Police Promotional Tests Administered	0	0	0	0
Number of Hires of Police Officers from Certified Lists	5	2	0	0
Number of Promotions from Police Certified Lists	0	0	0	0

2008	2009	2010	2011	2012	2013
163	113	131	107	115	114
24	30	23	22	28	32
6	5	6	2	3	3
4,952	4,477	4,540	4,433	4,753	5,509
1,106	1,016	1,000	1,039	1,084	1,045
\$79,454,629	\$67,670,694	\$70,323,107	\$73,041,394	\$78,807,285	\$72,899,728
\$729,505	\$460,240	\$366,830	\$241,760	\$455,725	\$231,840
46	34	20	26	42	20
Aaa	Aaa	A1	A1	Aa2	Aa2
14.46%	12.32%	8.99%	9.29%	10.50%	11.13%
\$9,354	\$8,883	\$9,251	\$9,257	\$9,951	\$10,055
\$9,185	\$9,019	\$8,918	\$8,918	\$8,945	\$10,186
\$3,042	\$2,906	\$3,239	\$3,758	\$4,853	\$4,721
9,202	9,827	9,790	9,630	9,982	9,807
1,506	1,507	1,518	1,593	1,470	1,522
1,496	1,496	1,472	2,356	2,344	2,385
7,936	8,514	8,418	8,415	8,298	8,411
500	600	791	720	800	745
2,000	2,000	2,500	2,016	2,118	2,158
1,346	1,322	1,356	1,530	1,166	1,343
\$5,010,259	\$7,545,020	\$3,235,575	\$7,181,756	\$5,885,336	\$8,577,939
1,321	1,087	1,063	826	754	593
1,597	1,393	1,372	1,417	1,515	1,475
153	429	0	0	1	1
8	0	0	2	0	0
3	3	1	0	2	2
1	0	0	2	1	0

(continued)

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

Function/Program	2004	2005	2006	2007
<i>Building Department Indicators</i>				
Commercial Construction Permits Issued	78	99	99	93
Estimated Value of Commercial Construction	\$11,660,094	\$31,850,725	\$12,249,758	\$15,704,396
Residential Construction Building Permits Issued	192	293	92	140
Estimated Value of Residential Construction	\$29,516,836	\$24,861,557	\$17,034,844	\$9,761,281
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	23,038	23,389	25,475	23,823
Number of Traffic Citations Issued	1,234	1,663	1,841	1,576
Number of Parking Citations Issued	0	0	0	235
Number of Criminal Arrests	1,106	1,237	1,561	1,649
Number of Accident Reports Completed	817	787	835	595
Part 1 Offenses (major offenses)	750	715	644	449
Animal Complaints	320	334	410	360
DUI Arrests	92	121	149	152
Traffic Crashes	426	421	440	595
Crash Injuries	120	128	143	137
Crash Deaths	0	0	0	0
Prisoners	192	276	389	118
Prisoner Meal Costs	\$2,251	\$3,793	\$7,486	\$1,300
Gasoline Costs of Fleet	\$44,815	\$48,477	\$57,754	\$55,796
<i>Fire</i>				
EMS Calls	2,058	2,000	2,037	2,131
Ambulance Billing Collections (net)	\$145,950	\$180,894	\$129,802	\$189,844
Fire Calls	739	1,062	1,139	1,535
Fires with Loss	48	42	50	42
Fires with Losses Exceeding \$10K	8	5	3	9
Fire Losses	\$340,101	\$395,500	\$229,275	\$643,967
Fire Safety Inspections	n/a	305	540	610
Number of Times Mutual Aid Given to Fire and EMS	28	31	26	54
Number of Times Mutual Aid Received for Fire and EMS	15	8	6	42
Public Health				
Cemetery Receipts (includes interfund transfers)	\$151,423	\$124,664	\$163,759	\$168,527

2008	2009	2010	2011	2012	2013
176	127	90	60	67	65
\$24,382,169	\$6,017,287	\$7,898,118	\$18,480,315	\$37,700,000	\$33,482,059
127	137	112	30	88	170
\$8,273,210	\$10,780,028	\$6,536,428	\$6,124,089	\$3,200,000	\$2,533,487
25,459	23,389	22,024	21,229	22,410	21,449
1,767	1,373	1,203	989	1,472	1,656
125	217	68	63	130	572
1,794	1,335	1,263	1,072	1,232	1,138
400	392	398	433	419	550
480	519	474	385	585	500
322	343	336	345	378	317
165	112	109	76	70	104
400	392	398	432	419	550
125	97	86	81	80	100
0	1	1	0	0	1
12	3	2	0	0	0
\$63	\$0	\$0	\$0	\$0	\$0
\$76,614	\$49,409	\$63,837	\$83,778	\$81,418	\$78,641
2,152	2,235	2,226	2,174	2,262	2,169
\$245,713	\$245,743	\$402,002	\$467,450	\$420,701	\$370,420
1,884	1,521	1,468	1,409	1,428	1,528
55	25	33	47	31	19
12	12	5	11	7	7
\$914,225	\$1,357,420	\$846,664	\$1,380,239	\$401,631	\$249,056
650	n/a	141	n/a	35	38
58	53	52	31	44	24
67	70	45	95	69	56
\$156,522	\$160,398	\$156,010	\$187,242	\$167,721	\$158,214

(continued)

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

Function/Program	2004	2005	2006	2007
Leisure Time Services				
<i>Recreation Receipts</i>				
Football	\$16,730	\$1,095	\$0	\$0
Softball Leagues	4,550	4,500	0	0
Adult Basketball	4,650	3,975	0	0
Farmer's Market	0	0	1,250	1,000
Recreation Programs	3,776	3,545	15,030	26,864
Field Usage Fees	7,581	18,458	15,930	20,790
Summer Camp	0	0	0	0
Concession Stand	0	0	0	0
Total Recreation Department Receipts	<u>\$37,287</u>	<u>\$31,573</u>	<u>\$32,210</u>	<u>\$48,654</u>
Transportation				
Crackseal Coating Program (Miles)	4.00	3.00	2.50	4.00
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,200	1,500	1,950	2,080
Street Sweeper (hours)	1,152	1,440	1,440	1,400
Cold Patch (hours)	100	180	210	65
After Hours Sewer and Water Calls	141	180	224	150
Sewer Cleaning (feet)	22,700	40,460	51,030	32,313
Sewer Jet, Vac-All, Video (feet)	26,574	15,907	45,681	26,050
Landscaping Stump-Chipper Service (hours)	120	160	200	168
Leaf Collection (hours)	2,200	2,800	3,000	3,696
Downtown Square Repair After Events (hours)	25	25	25	352
Equipment Repair/Body Shop (hours)	4,160	4,160	4,160	4,475
Sign Department (hours)	395	416	500	200
Tons of Snow Melting Salt Purchased (Nov-Mar)	1,123	3,427	542	2,200
Cost of Salt Purchased	\$36,022	\$115,441	\$22,927	\$95,700
Water Department				
Water Rates per 1st 2,500 Gallons of Water Used	\$8.50	\$8.92	\$9.19	\$9.74
Avg. Number of Water Accounts Billed Monthly	6,600	6,800	7,000	7,125
Total Water Collections Annually	\$2,942,212	\$2,943,704	\$3,327,223	\$2,753,207
Wastewater Department				
Wastewater Rates per 1st 2,500 Gallons Used	\$10.96	\$11.29	\$14.28	\$14.99
Total Flow of Wastewater Treatment Plant (MG)	978.000	1,031.000	1,028.000	1,061.000
Average Daily Flow (millions of gallons per day)	2.700	2.800	2.800	2.900
Tons of Dry Sludge Removed	584.00	498.00	461.00	460.25

(1) Receipts and expenditures include interfund transfers

2008	2009	2010	2011	2012	2013
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
850	800	900	1,150	1,740	1,600
27,680	66,093	23,230	21,995	20,600	19,940
26,223	26,605	38,645	34,145	43,280	29,332
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$54,753</u>	<u>\$93,498</u>	<u>\$62,775</u>	<u>\$57,290</u>	<u>\$65,620</u>	<u>\$50,872</u>

3.50	4.10	5.50	11.20	7.00	8.00
2,175	1,975	2,080	1,865	1,700	2,000
1,906	1,706	1,280	1,280	750	1,300
96	102	105	8	20	30
111	105	106	92	100	64
27,557	29,744	16,955	28,950	36,112	51,451
23,299	13,281	21,566	54,555	19,541	23,998
128	84	80	96	50	20
3,696	3,562	1,920	1,920	2,000	1,900
410	435	365	420	400	500
4,160	4,160	4,360	4,360	4,458	4,507
350	290	816	816	850	1,000
500	1,070	2,307	1,875	840	2,400
\$93,992	\$134,810	\$196,394	\$62,589	\$33,028	\$112,832

\$10.03	\$10.63	\$11.27	\$11.95	\$12.67	\$14.24
7,179	7,235	7,296	7,305	7,350	7,360
\$2,315,455	\$2,430,625	\$2,706,968	\$2,733,116	\$3,040,209	\$2,987,747

\$14.99	\$15.74	\$16.21	\$16.21	\$16.70	\$17.20
1,051.670	935.570	961.950	1,215.369	928.000	1,045.000
2.900	2.600	2.600	3.330	2.500	2.860
473.18	481.16	444.78	414.03	472.00	348.31

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	10	9	9	8	7	8	8	6	7	7
Inspection Vehicles	6	7	7	6	4	3	3	3	3	3
Information Technology	1	1	1	2	2	2	2	2	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	2	2	2	2	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	21	21	17	17	18	17	16	16	18
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	18	21	21	20	21	21	21	19	20	20
Recreation										
Number of Parks	15	15	15	15	15	16	16	16	16	16
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	11	11	11	11	11	12	12	12	12	12
Number of Soccer Fields	24	24	27	27	27	30	37	37	37	37
Number of Community Access Buildings (1)	4	4	4	4	4	4	4	4	4	4
Number of Disc Golf Course	0	0	0	0	0	0	0	1	1	1
Other Public Works										
Streets (miles)	91.668	94.132	94.724	94.813	94.813	94.813	94.813	94.813	94.813	95.040
Service Vehicles	17	17	17	19	18	23	22	24	24	24
Auto Maintenance Internal Service	2	2	2	2	2	2	2	2	2	2
Electric										
Vehicles	18	21	20	21	22	23	24	22	19	20
Sanitation										
Vehicles	1	0	0	1	1	1	1	1	1	1
Telecommunications										
Vehicles	7	7	7	1	1	2	2	2	2	2
Wastewater										
Sanitary Sewers (miles)	77.243	80.877	81.744	81.744	113.457	113.591	113.591	113.610	113.799	114.327
Storm Sewers (miles)	39.520	46.224	47.598	48.288	83.439	84.512	86.10	86.53	88.05	88.52
Vehicles	9	9	9	8	7	7	7	7	7	7
Water Department										
Water Lines (miles)	81.597	84.100	84.870	85.628	109.305	110.425	110.432	110.432	113.609	113.636
Vehicles	8	8	9	10	10	10	11	10	10	10

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



Dave Yost • Auditor of State

CITY OF LEBANON

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 22, 2014