

**CITY OF LEBANON**  
**WARREN COUNTY**  
**REGULAR AUDIT**  
**JANUARY 1, 2019 – DECEMBER 31, 2019**





OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

Members of 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, 2019 through December 31, 2019. 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 "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

August 14, 2020

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**CITY OF LEBANON  
WARREN COUNTY**

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

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

To the City Council and Management:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, (the City) as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated July 15, 2020, wherein we noted the City adopted GASB Statement No. 84 “*Fiduciary Activities*” as disclosed in Note 3, and the City’s considered the financial impact of COVID-19 as disclosed in Note 23.

***Internal Control Over Financial Reporting***

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

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
July 15, 2020

# **CITY OF LEBANON, OHIO**

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

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# INTRODUCTORY SECTION





**CITY OF LEBANON, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Issued by:  
Office of the Auditor**

**Dan Burke  
City Auditor**

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City of Lebanon  
Comprehensive Annual Financial Report  
For the Year Ended December 31, 2019

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Department of Finance  
50 S. Broadway  
Lebanon, OH 45036  
(513) 228-3163

July 15, 2020

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

We are pleased to present the thirty second Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report for the year ended December 31, 2019, 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 an 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, 2019, and included in this report is their unmodified opinion rendered on the City’s basic financial statements. The Independent Auditor’s Report is located at the front of the Financial Section of this report.

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

#### PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

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

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

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

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

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

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

## MAJOR INITIATIVES

The City remains committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2019. These projects totaled over \$6 million and included the complete reconstruction of Walnut Street, Dave Avenue, Fairview Avenue, Center Street, and portions of Monroe Road and Mulberry Street. The resurfacing of several streets and budgeted sidewalk repairs also occurred on schedule. Several of these projects included improvements or replacements of the water distribution system, rehabilitation of the sanitary sewer mains, and the installation of a new storm drainage system. City funds were supplemented with grants from the Ohio Public Works Commission and the Ohio Racetrack Redevelopment Fund.

The City continues to focus on replacing aging sanitary sewer and water mains throughout the City. In addition to the work performed on this infrastructure on S. Broadway Ave., the existing water main on Hillview and Sage St. was also replaced. The City has structured the water and sanitary sewer rates to ensure that this aging infrastructure will be replaced in a planned manner.

The City's Electric Department continued to operate debt free while several transmission system improvements were completed in the Southern Industrial Park service area.

The City opened the Premier Health Atrium Medical Center Bike Park in 2018. This park is unique to Southwest Ohio, and features mountain bike trails, pump tracks, a jump line, and cyclocross course that can host local and regional tournaments. The City acquired adjacent land in 2019 and plans are already in place to expand the facility.

## 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 the Dayton Daily News, Cox Publishing. The City also owns and operates “The Lebanon Channel 6”. The channel broadcasts programming that is relevant to the Lebanon community. Programming includes City Council and Planning Commission meetings, “The City Show”, and local events.

### Residential Housing

Overall, the number of residential permits issued in 2019 (230) increased by 5% percent as compared to 2018 (218). The residential sector continues to see investment in relation to new housing starts, as reflected by new construction permits issued during 2019 for 18 new housing units. The total construction valuation of residential development as reflected in the permit data for 2019 was \$6.35 million.

### Commercial and Industrial

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

Lebanon continues to position itself to capitalize on new and emerging business opportunities as the market strengthens through long term investments in land and infrastructure. Lebanon maintains a strategic focus to leverage available economic development inducement programs to recruit new businesses and industry. The City has used economic development incentives to attract new business and to assist existing business expansions. TIFs have been successfully used as a mechanism to provide a funding source for public infrastructure improvements needed to provide access to undeveloped sites or to improve existing infrastructure to accommodate new development. The Community Reinvestment Area (CRA) program has also served as an important incentive for new facility construction within the city as well as expansion and renovation projects.

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

In recent years the City has consistently attracted new investment into the community. The City had quality growth in both the industrial and commercial sectors. These sectors continue to experience new development and investment. The commercial sector has also seen expansion in terms of new construction, and more importantly adaptive reuse of existing facilities. The growth in both sectors is encouraging and created significant momentum heading into 2020.

The Think!Downtown master plan, adopted in November of 2017, provides policy and strategic guidance for Downtown oriented public efforts. This plan extends the boundaries of the Downtown focus area to include the North Broadway corridor and the Pleasant Square neighborhood. The plan, which offers a blueprint to guide downtown development over the next decade, replaces the existing master plan that was created in 2001. The plan will help guide future infrastructure investments in the area, as well as providing tools to support and enhance private investment in these areas. The plan's vision strives to make downtown a better place to live, work and visit by improving economic opportunities, residential

options, transportation, and overall aesthetics. Many of the recommendations outlined in the plan are already in the implementation phase.

The City recently completed the West Main St. Area Plan which provides land use recommendations and implementation strategies for the future development of over 500 acres on the West side of Lebanon along the S.R. 63 corridor. This planning effort included multiple community meetings, as well as input from stakeholders and property owners within the planning area. The City is now moving forward with utilizing this plan to market development along this corridor.

The following are notable Economic Development projects from 2019:

#### 511 North Broadway

The City finalized the first phase of a corridor development plan for North Broadway in concert with the Think Downtown Master Plan. The initial phase focuses on redeveloping the city-owned property at 511 N. Broadway into a mixed-use development. The approved plans call for luxury apartments and modern retail space to complement the northern gateway into historic Downtown Lebanon. The project is anticipated to begin construction in 2020.

#### Mulberry Street Entertainment District

The City hosts several large outdoor festivals along Mulberry Street every year. In 2019 the street was reconstructed and all of the utility infrastructure was improved. City Council collaborated with small business owners and business associations to establish the area surrounding Mulberry Street as a Designated Outdoor Refreshment Area (D.O.R.A.) This designation will encourage more people to visit downtown Lebanon throughout the year.

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 a focus on business retention and expansion of corporate residents. In light of the City's reliance on income tax revenues, nonresidential development is critical to funding the services and facilities required by residential growth and is an integral part of the City's quality of life for all residents. The City continues its efforts to improve the mix of residential and nonresidential development, which is crucial to sustaining a diversified tax base. The financial health of the City is a direct result of the strength of the City's corporate residents and the City recognizes it has an excellent economic resource in its current employment base.

### FINANCIAL TRENDS

The City continues to benefit from its location within the Cincinnati – Dayton growth corridor, and has experienced moderate tax base expansion. City government has renewed its focus on the delivery of core services, reduced or eliminated non-essential programs, and 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. A reduction of the earnings tax credit for Lebanon residents on January 1, 2017 coupled with continued business growth has resulted in significant earnings tax growth in 2017, 2018 and 2019 while building strong General Fund cash reserves.

### 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 participates in the State Treasurer's Open Checkbook transparency program.

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, 2018. This was the thirty-first 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. The City also received Ohio State Auditor Keith Faber's Award With Distinction for the 2018 audit.

### 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 thank the Local Government Services personnel from the Auditor of State's office for their assistance in preparing this report.



Daniel Burke  
City Auditor



Amy Brewer  
Mayor

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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, 2018**

*Christopher P. Morill*

Executive Director/CEO

CITY OF LEBANON, OHIO  
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

MAYOR

Amy Brewer

VICE MAYOR

Mark Messer

COUNCIL MEMBERS:

Wendy Monroe  
Douglas Shope  
Krista Wyatt  
Adam Mathews  
Joe Shafer

APPOINTED OFFICIALS

CITY MANAGER

Scott Brunka

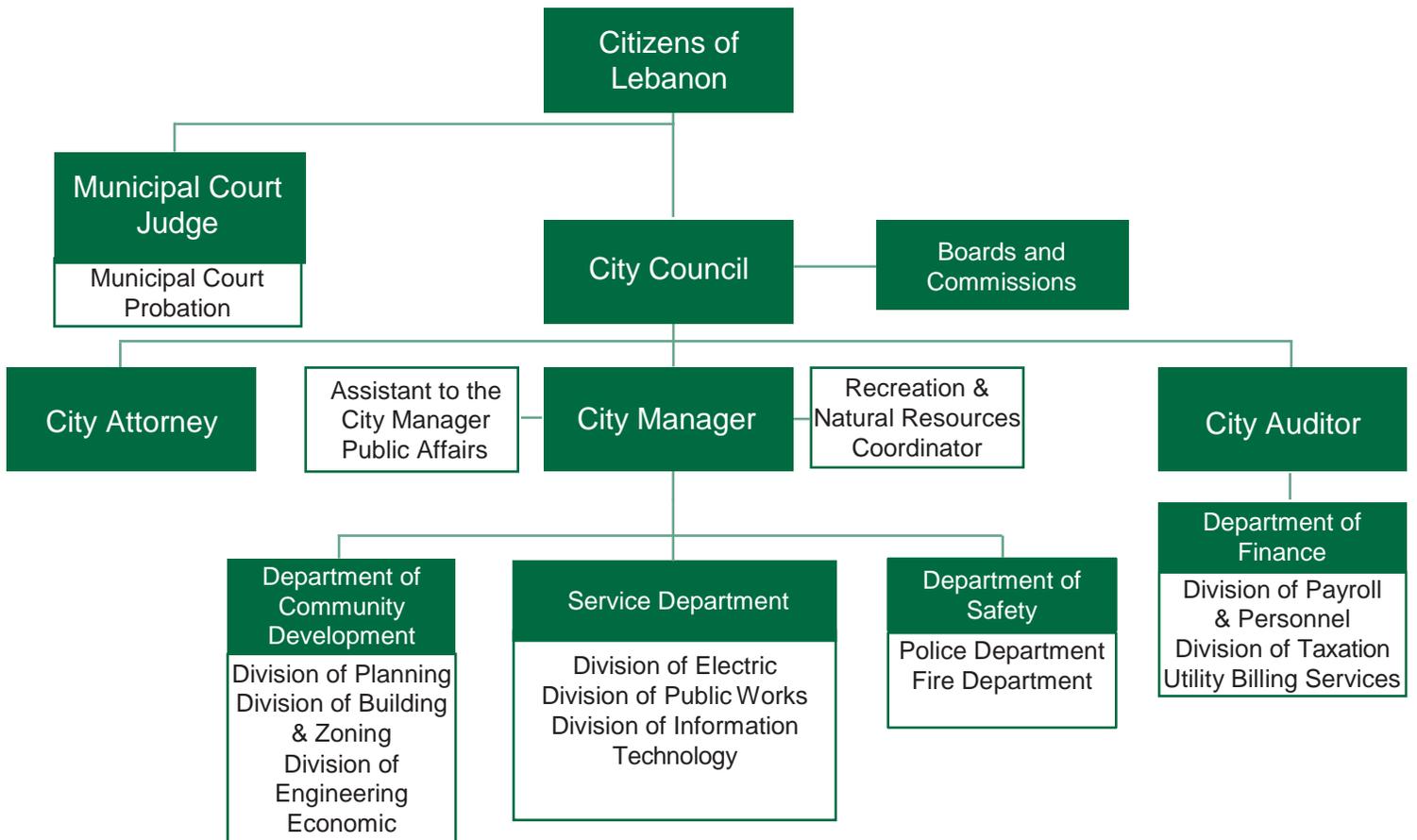
CITY AUDITOR

Dan Burke

CITY ATTORNEY

Mark S. Yurick

# City of Lebanon Organizational Chart



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# FINANCIAL SECTION





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

## INDEPENDENT AUDITOR'S REPORT

To the City Council and Management:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio (the City), as of and for the year ended December 31, 2019, 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire and Life Squad Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2019, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84 "*Fiduciary Activities*". As discussed in Note 23 to the financial statements, during 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding these matters.

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

City of Lebanon  
Warren County  
Independent Auditor's Report

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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is 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 July 15, 2020 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, Shannon & Sons, Inc.*

Newark, Ohio  
July 15, 2020

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CITY OF LEBANON, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
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, 2019. 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 \$16,037,235. Net position of Governmental Activities increased \$9,372,805, and net position of Business-Type Activities increased \$6,664,430.

In accordance with the requirements of GASB Statement 68 and GASB Statement 75, the City was required to report a net pension liability (asset) and a net other post-employment benefit (OPEB) liability. For the reasons discussed below in the Reporting the City as a Whole and detailed in Notes 12 and 13, reporting the net pension liability (asset) and the net OPEB liability causes a significant reduction to the net position of governmental and business-type activities. During 2019, the net pension liability for governmental activities increased \$7,705,304 and the net OPEB liability decreased \$5,160,445. The net pension liability for business-type activities increased \$1,743,067, and the net OPEB liability increased \$340,565.

Income tax revenue increased mainly due to increased employment within the City and the implementation of a municipal court delinquent income tax program.

**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, 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 2019 compared to 2018.

	Governmental Activities		Business-type Activities		Total		
	2019	Restated 2018	2019	2018	2019	Restated 2018	Change
<b>Assets:</b>							
Current and Other Assets	\$36,495,600	\$37,439,924	\$55,827,125	\$47,851,531	\$92,322,725	\$85,291,455	\$7,031,270
Capital Assets	57,529,808	55,971,719	94,792,054	96,342,775	152,321,862	152,314,494	7,368
<i>Total Assets</i>	<u>94,025,408</u>	<u>93,411,643</u>	<u>150,619,179</u>	<u>144,194,306</u>	<u>244,644,587</u>	<u>237,605,949</u>	<u>7,038,638</u>
<i>Deferred Outflows of Resources</i>							
Deferred Charge on Refunding	31,686	41,288	229,468	268,348	261,154	309,636	(48,482)
Pension	6,882,293	2,755,387	1,239,540	577,203	8,121,833	3,332,590	4,789,243
OPEB	2,377,472	1,339,050	165,042	117,812	2,542,514	1,456,862	1,085,652
<i>Total Deferred Outflows of Resources</i>	<u>9,291,451</u>	<u>4,135,725</u>	<u>1,634,050</u>	<u>963,363</u>	<u>10,925,501</u>	<u>5,099,088</u>	<u>5,826,413</u>
<b>Liabilities:</b>							
Current and Other Liabilities	2,298,788	5,809,894	1,222,269	1,139,575	3,521,057	6,949,469	(3,428,412)
Long-Term Liabilities							
Net Pension Liability	19,945,293	12,239,989	4,047,326	2,304,259	23,992,619	14,544,248	9,448,371
Net OPEB Liability	5,077,998	10,238,443	1,921,173	1,580,608	6,999,171	11,819,051	(4,819,880)
Other Amounts	8,832,535	10,328,641	14,399,512	15,523,100	23,232,047	25,851,741	(2,619,694)
<i>Total Liabilities</i>	<u>36,154,614</u>	<u>38,616,967</u>	<u>21,590,280</u>	<u>20,547,542</u>	<u>57,744,894</u>	<u>59,164,509</u>	<u>(1,419,615)</u>
<i>Deferred Inflows of Resources</i>							
Property Tax	5,317,272	3,894,050	0	0	5,317,272	3,894,050	1,423,222
Payment in Lieu of Taxes	368,322	1,660,423	0	0	368,322	1,660,423	(1,292,101)
Deferred Charge on Refunding	984	1,107	0	0	984	1,107	(123)
Pension	502,095	1,881,757	75,428	574,504	577,523	2,456,261	(1,878,738)
OPEB	419,626	311,923	5,213	117,745	424,839	429,668	(4,829)
<i>Total Deferred Inflows of Resources</i>	<u>6,608,299</u>	<u>7,749,260</u>	<u>80,641</u>	<u>692,249</u>	<u>6,688,940</u>	<u>8,441,509</u>	<u>(1,752,569)</u>
<b>Net Position:</b>							
Net Investment in Capital Assets	49,340,377	46,669,201	80,711,145	81,347,572	130,051,522	128,016,773	2,034,749
Restricted	6,980,172	6,973,104	1,029,212	1,028,468	8,009,384	8,001,572	7,812
Unrestricted	4,233,397	(2,461,164)	48,841,951	41,541,838	53,075,348	39,080,674	13,994,674
<i>Total Net Position</i>	<u>\$60,553,946</u>	<u>\$51,181,141</u>	<u>\$130,582,308</u>	<u>\$123,917,878</u>	<u>\$191,136,254</u>	<u>\$175,099,019</u>	<u>\$16,037,235</u>

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The City also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment

benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension/OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that

contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

For 2019, OP&F recognized a change in benefit terms for their OPEB plan. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years. These changes contributed to OPEB expense decreasing from \$628,200 in 2018 to a negative OPEB expense of \$6,423,850 for 2019.

Net position of the City's governmental activities increased \$9,372,805 from the prior year (as restated). Unrestricted increased \$6,694,561 mainly due to a change in OP&F's OPEB plan. Net investment in capital assets increased \$2,671,176 due to addition of assets from projects in construction in progress.

The net position of the City's business-type activities increased \$6,664,430. Unrestricted net position increased \$7,300,113 mainly due to a decrease in expenses. The Electric Fund had a decrease in electrical power usage expenses due to a decrease in service demand. The City also increased the water rates to users on January 1, 2019. The City still strives to control operational expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of the growing community in order to adjust for changes in City policy where necessary. City Council and administration are diligent in keeping the City fiscally strong, as indicated by the continued effort to achieve the goals set forth in the City's fiscal policy. The City's administration has developed a strategic planning process that utilizes a five-year capital improvement plan, which drives our operating budget and department superintendents are all involved in the entire process. The City's budget is developed from the bottom up with emphasis on good stewardship of our ratepayers' and taxpayers' money.

Table 2 shows the changes in net position for the years ended December 31, 2019 and 2018.

**Table 2**  
**Changes in Net Position**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$4,335,243	\$4,113,361	\$44,782,819	\$45,642,372	\$49,118,062	\$49,755,733
Operating Grants, Contributions and Interest	1,832,845	1,613,673	0	118,141	1,832,845	1,731,814
Capital Grants, Contributions and Interest	2,492,506	1,473,784	118,609	739,115	2,611,115	2,212,899
Total Program Revenues	8,660,594	7,200,818	44,901,428	46,499,628	53,562,022	53,700,446
General Revenues:						
Property Taxes	4,108,281	3,828,291	0	0	4,108,281	3,828,291
Income Taxes	10,580,698	9,847,997	0	0	10,580,698	9,847,997
Other Local Taxes	1,531,496	1,557,388	0	0	1,531,496	1,557,388
Payments in Lieu of Taxes	1,617,904	1,684,982	0	0	1,617,904	1,684,982
Grants and Entitlements Not Restricted to Specific Programs	498,567	366,847	0	0	498,567	366,847
Investment Earnings	751,257	530,248	852,746	414,121	1,604,003	944,369
Other	275,323	768,637	253,024	87,015	528,347	855,652
Total General Revenues	19,363,526	18,584,390	1,105,770	501,136	20,469,296	19,085,526
Total Revenues	28,024,120	25,785,208	46,007,198	47,000,764	74,031,318	72,785,972
Program Expenses:						
General Government						
Primary Government	5,389,856	4,718,932	0	0	5,389,856	4,718,932
Intergovernmental	891,445	4,461,868	0	0	891,445	4,461,868
Security of Persons and Property:						
Police	1,860,634	5,668,034	0	0	1,860,634	5,668,034
Fire	1,727,750	4,216,795	0	0	1,727,750	4,216,795
Public Health Services	241,369	178,851	0	0	241,369	178,851
Leisure Time Services	1,791,839	611,815	0	0	1,791,839	611,815
Community and Economic Development	1,413,635	1,659,343	0	0	1,413,635	1,659,343
Transportation	4,985,093	4,556,884	0	0	4,985,093	4,556,884
Interest and Fiscal Charges	206,733	207,370	0	0	206,733	207,370
Electric	0	0	28,561,167	29,853,214	28,561,167	29,853,214
Sanitation	0	0	1,755,902	1,707,946	1,755,902	1,707,946
Sewer	0	0	3,556,030	3,887,245	3,556,030	3,887,245
Telecommunications	0	0	48,610	92,969	48,610	92,969
Water	0	0	4,737,953	3,894,737	4,737,953	3,894,737
Storm Water Utility	0	0	826,067	886,106	826,067	886,106
Total Expenses	18,508,354	26,279,892	39,485,729	40,322,217	57,994,083	66,602,109
Change in Net Position						
Before Transfers	9,515,766	(494,684)	6,521,469	6,678,547	16,037,235	6,183,863
Transfers	(142,961)	(497,767)	142,961	497,767	0	0
Change in Net Position	9,372,805	(992,451)	6,664,430	7,176,314	\$16,037,235	\$6,183,863
Net Position, January 1 - Restated (See Note 3)	51,181,141	52,173,592	123,917,878	116,741,564		
Net Position, December 31	\$60,553,946	\$51,181,141	\$130,582,308	\$123,917,878		

### ***Governmental Activities***

The City's income tax was established in 1970 at a rate of one percent. The rate has not been increased even though this rate is much lower than the State average for municipalities. The City provides tax relief for taxes paid to another municipality. However, in 2017, the City decreased the tax relief from a full tax credit by 0.5 percent. The City's income tax is the largest source of

revenue for the City's General Fund, Debt Service Fund, and Capital Improvement Fund. Employee withholding contributed 65.43 percent of the revenue received in 2019 with business earnings contributing 10.82 percent and individuals 23.75 percent. The City has mandatory filing for all residents that work regardless of their age. The revenues are allocated in the following manner: 59 percent General Fund, 31 percent Capital Improvement Fund, and 10 percent to the Debt Service Fund. This allocation begins after administration costs for the Division of Taxation have been obtained for the current operating year.

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

	Total Cost of Services 2019	Net Cost of Services 2019	Restated Total Cost of Services 2018	Restated Net Cost of Services 2018
General Government				
Primary Government	\$5,389,856	\$4,252,794	\$4,718,932	\$3,729,737
Intergovernmental	891,445	891,445	4,461,868	4,461,868
Security of Persons and Property:				
Police	1,860,634	605,414	5,668,034	4,522,574
Fire	1,727,750	723,186	4,216,795	3,232,850
Public Health Services	241,369	79,454	178,851	17,591
Leisure Time Services	1,791,839	645,803	611,815	(99,949)
Community and				
Economic Development	1,413,635	1,156,130	1,659,343	1,331,166
Transportation	4,985,093	1,286,801	4,556,884	1,675,867
Interest and Fiscal Charges	206,733	206,733	207,370	207,370
Total Expenses	<u>\$18,508,354</u>	<u>\$9,847,760</u>	<u>\$26,279,892</u>	<u>\$19,079,074</u>

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 30.9 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 and grants to furnish the quality of life to businesses and citizens to which they have always been committed.

Overall, the City's governmental expenses decreased \$7,771,538 from the prior year. Intergovernmental expenses decreased \$3,570,423 due to additional payments to Kings Local Schools and Lebanon City Schools related to the tax increment financing agreements that were made in 2018. Security of persons and property expenses decreased \$6,296,445 due primarily to negative OPEB expense caused by the change in benefit terms by OP&F.

***Business-Type Activities***

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

Electric operations generate fees associated with the sale and delivery of electricity within Lebanon. Various electric service charges, not associated with the sale and delivery of electricity, are also generated by these operations. The fees collected are then used to purchase power, maintain and operate the electric generation, transmission, and distribution systems of the City, fund capital improvement projects and pay off debt service. Electric operating revenues decreased \$800,489, as operating expenses decreased \$1,281,787. The primary cause of the overall increase in the fund was due to the decrease in purchased power expenses related to a decrease in service demand in 2019.

Sanitation operations generate fees from citizens for the collection of residential garbage. The City outsources the actual collection by bidding the contract for services every three years. Revenues exceeded expenses causing an overall increase in net position for 2019 of \$49,966.

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 \$28,336, and operating expenses decreased \$429,983. The City continues to monitor the costs associated with wastewater treatment. The City Wastewater Department has a track record of receiving the National Association of Clear Water Agencies Silver Award, given to facilities that have less than five National Pollutant Discharge Elimination System violations in a calendar year.

The Telecommunications Fund accounts for charges collected and utilized for the operation of the community access cable channel. For 2019, the net position of this fund decreased \$12,079.

Water operations generate the fees charged for the sale of water within Lebanon and in several subdivisions in Turtlecreek and Union Townships. Those fees are then used to maintain lines for delivery and to treat water for further consumption. The City Council adopted legislation in 2009 to build a connection and begin purchasing water from the Greater Cincinnati Water Works in 2013. The City maintains four water towers within its jurisdiction and will continue to service all its infrastructure needs for distribution. This fund's mission from City Council is to maintain a high level of service while meeting all applicable Ohio Environmental Protection Agency standards. Water operating revenues increased \$103,272, and operating expenses increased \$350,001. The City increased the water rates 3 percent starting in January, 2019.

Storm Water Utility operations manage the backlog of storm water infrastructure requirements, as well as to provide a funding mechanism to support unfunded Ohio Environmental Protection Agency mandates associated with storm water management. Each residential dwelling unit is billed at a flat fee of \$3.50 per month. For all other nonresidential properties, the rate is computed based on total impervious area of property divided by the average impervious area of an equivalent residential unit. In conjunction with the implementation of the Storm Water Utility, the City is programmed to take over responsibility for the repair and replacement of defective curbs and gutters along public streets. Storm Water Utility operating revenues increased \$20,047 from 2018, and operating expenses decreased \$62,274.

## **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 \$27,994,283 and expenditures of \$25,442,142. The General Fund balance increased \$1,431,193, which is mainly due to an increase in income tax revenue. Income tax revenue increased mainly due to increased employment within the City and the implementation of a municipal court delinquent income tax program.

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 2020.

The Fire and Life Squad Fund balance decreased \$855,127. The Fire department operates on monies from its 7.0 mill levy, which has allowed the Fire Department to operate two facilities, including additional staff requirements. Lebanon Fire Division hosts two stations: one on Silver Street in Lebanon's central business district, while the other station is located near State Route 48 close to Interstate I-71 and the surrounding industrial parks. The fund balance decreased due to the debt payments related to the 2018 Fire Equipment Acquisition Bond Anticipation Notes.

The Capital Improvement Fund balance increased \$755,020. Intergovernmental revenue and income tax revenue increased during the year. Intergovernmental revenue increased mainly due to the City receiving an increase in OPWC grants during the year related to capital projects. Income tax revenue increased due to higher collections.

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

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

Original General Fund budgeted revenues and other financing sources were \$13,864,325. Final General Fund budgeted revenues and other financing sources were \$13,313,869. The variance between original and final budgeted revenues and other financing sources was \$550,456. This was primarily due to an increase in expected income tax revenue of \$431,436. Actual revenues and other financing sources were \$45 more than final budgeted revenues and other financing sources. Original appropriations and other financing uses were \$14,112,443, and final appropriations and other financing uses were \$14,868,822. The variance between original and final appropriations and other financing uses was \$756,379. Actual expenditures and other financing uses were \$2,372,197 less than final appropriations. This is mainly attributed to careful cost containment by the City.

### **CAPITAL ASSETS**

Table 4 presents the net book value of the City's capital assets for governmental and business-type activities for 2019 compared to 2018:

**Table 4**  
**Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$15,585,023	\$15,101,642	\$3,067,140	\$4,301,419	\$18,652,163	\$19,403,061
Construction in Progress	4,226,017	2,826,957	3,027,608	1,215,185	7,253,625	4,042,142
Land Improvements	1,168,375	890,634	0	0	1,168,375	890,634
Buildings and Improvements	5,979,575	5,933,655	10,172,535	10,927,477	16,152,110	16,861,132
Equipment	821,097	653,049	1,307,758	1,266,624	2,128,855	1,919,673
Vehicles	2,875,889	3,099,003	1,560,036	1,636,390	4,435,925	4,735,393
Infrastructure	26,873,832	27,466,779	75,656,977	76,995,680	102,530,809	104,462,459
Totals	<u>\$57,529,808</u>	<u>\$55,971,719</u>	<u>\$94,792,054</u>	<u>\$96,342,775</u>	<u>\$152,321,862</u>	<u>\$152,314,494</u>

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

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, 2019 and 2018:

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$6,837,204	\$7,865,656	\$3,620,000	\$4,265,000	\$10,457,204	\$12,130,656
Police Pension - Specific Liability	14,233	14,873	0	0	14,233	14,873
Mortgage Revenue Bonds	0	0	10,463,768	10,904,723	10,463,768	10,904,723
Bond Anticipation Notes	0	500,000	0	0	0	500,000
Ohio Department of Transportation SIB Loan	302,000	302,000	0	0	302,000	302,000
	<u>\$7,153,437</u>	<u>\$8,682,529</u>	<u>\$14,083,768</u>	<u>\$15,169,723</u>	<u>\$21,237,205</u>	<u>\$23,852,252</u>

General obligation bond issues will be paid through the Debt Service Fund with income tax revenues or the sewer fund with charges for services. The police pension specific liability will be paid from the General Fund from general property tax revenue. The mortgage revenue bonds will be paid from the water fund. The City's other long-term obligations include compensated absences and the net pension/OPEB liability.

As of December 31, 2019, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$52,149,671, and the unvoted debt margin was \$27,316,494. For more information regarding long-term obligations and short-term bond anticipation notes, refer to Note 16 of the notes to the basic financial statements.

## **CONTACTING THE CITY'S FINANCE DEPARTMENT**

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

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**CITY OF LEBANON, OHIO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	Governmental Activities	Business-Type Activities	Totals
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$24,299,759	\$45,421,387	\$69,721,146
Accounts Receivable, Net	0	6,167,878	6,167,878
Intergovernmental Receivable	1,746,066	37,235	1,783,301
Accrued Interest Receivable	127,249	118,356	245,605
Prepaid Items	143,149	50,984	194,133
Internal Balances	(597,256)	597,256	0
Materials and Supplies Inventory	235,498	2,540,819	2,776,317
Income Taxes Receivable	4,359,876	0	4,359,876
Property Taxes Receivable	5,456,520	0	5,456,520
Other Local Taxes Receivable	3,769	0	3,769
Payment in Lieu of Taxes Receivable	368,322	0	368,322
Special Assessments Receivable	293,978	0	293,978
Cash and Cash Equivalents with Fiscal Agents	0	862,984	862,984
Net Pension Asset	58,670	30,226	88,896
Nondepreciable Capital Assets	19,811,040	6,094,748	25,905,788
Depreciable Capital Assets, Net	37,718,768	88,697,306	126,416,074
<b>Total Assets</b>	<b>94,025,408</b>	<b>150,619,179</b>	<b>244,644,587</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Charge on Refunding	31,686	229,468	261,154
Pension	6,882,293	1,239,540	8,121,833
OPEB	2,377,472	165,042	2,542,514
<b>Total Deferred Outflows of Resources:</b>	<b>9,291,451</b>	<b>1,634,050</b>	<b>10,925,501</b>
<b>Liabilities:</b>			
Accounts Payable	154,389	195,624	350,013
Accrued Wages Payable	328,791	91,741	420,532
Intergovernmental Payable	294,345	79,854	374,199
Contracts Payable	707,588	148,829	856,417
Retainage Payable	124,566	77,780	202,346
Accrued Interest Payable	23,299	39,896	63,195
Claims Payable	248,339	0	248,339
Notes Payable	404,093	0	404,093
Deposits Held and Due to Others	13,378	0	13,378
Refundable Deposits	0	588,545	588,545
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,342,777	1,179,255	2,522,032
Due in More Than One Year:			
Net Pension Liability (See Note 12)	19,945,293	4,047,326	23,992,619
Net OPEB Liability (See Note 13)	5,077,998	1,921,173	6,999,171
Other Amounts	7,489,758	13,220,257	20,710,015
<b>Total Liabilities</b>	<b>36,154,614</b>	<b>21,590,280</b>	<b>57,744,894</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	5,317,272	0	5,317,272
Payment in Lieu of Taxes	368,322	0	368,322
Deferred Charge on Refunding	984	0	984
Pension	502,095	75,428	577,523
OPEB	419,626	5,213	424,839
<b>Total Deferred Inflows of Resources</b>	<b>6,608,299</b>	<b>80,641</b>	<b>6,688,940</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	49,340,377	80,711,145	130,051,522
<b>Restricted for:</b>			
Debt Service	7,370	829,212	836,582
Capital Outlay	2,074,689	0	2,074,689
Security of Persons and Property	1,958,334	0	1,958,334
Public Health Services	907,100	0	907,100
Community and Economic Development	157,568	0	157,568
Transportation	1,875,111	0	1,875,111
Revenue Bonds Replacement and Improvement	0	200,000	200,000
Unrestricted	4,233,397	48,841,951	53,075,348
<b>Total Net Position</b>	<b>\$60,553,946</b>	<b>\$130,582,308</b>	<b>\$191,136,254</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities:</b>				
<b>General Government:</b>				
Primary Government	\$5,389,856	\$1,137,062	\$0	\$0
Intergovernmental	891,445	0	0	0
<b>Security of Persons and Property:</b>				
Police	1,860,634	1,255,220	0	0
Fire	1,727,750	567,442	437,122	0
Public Health Services	241,369	142,032	0	19,883
Leisure Time Services	1,791,839	616,365	500	529,171
Community and Economic Development	1,413,635	257,505	0	0
Transportation	4,985,093	359,617	1,395,223	1,943,452
Interest and Fiscal Charges	206,733	0	0	0
<b>Total Governmental Activities</b>	<b>18,508,354</b>	<b>4,335,243</b>	<b>1,832,845</b>	<b>2,492,506</b>
<b>Business-Type Activities:</b>				
Electric	28,561,167	33,427,305	0	0
Sanitation	1,755,902	1,788,850	0	0
Sewer	3,556,030	3,833,562	0	0
Telecommunications	48,610	32,796	0	0
Water	4,737,953	4,799,754	0	0
Storm Water Utility	826,067	900,552	0	118,609
<b>Total Business-Type Activities</b>	<b>39,485,729</b>	<b>44,782,819</b>	<b>0</b>	<b>118,609</b>
<b>Total Activities</b>	<b>\$57,994,083</b>	<b>\$49,118,062</b>	<b>\$1,832,845</b>	<b>\$2,611,115</b>

**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 - Restated (See Note 3)

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>
(\$4,252,794)	\$0	(\$4,252,794)
(891,445)	0	(891,445)
(605,414)	0	(605,414)
(723,186)	0	(723,186)
(79,454)	0	(79,454)
(645,803)	0	(645,803)
(1,156,130)	0	(1,156,130)
(1,286,801)	0	(1,286,801)
(206,733)	0	(206,733)
<u>(9,847,760)</u>	<u>0</u>	<u>(9,847,760)</u>
0	4,866,138	4,866,138
0	32,948	32,948
0	277,532	277,532
0	(15,814)	(15,814)
0	61,801	61,801
0	193,094	193,094
<u>0</u>	<u>5,415,699</u>	<u>5,415,699</u>
<u>(9,847,760)</u>	<u>5,415,699</u>	<u>(4,432,061)</u>
1,222,270	0	1,222,270
2,886,011	0	2,886,011
10,580,698	0	10,580,698
1,531,496	0	1,531,496
1,617,904	0	1,617,904
498,567	0	498,567
751,257	852,746	1,604,003
275,323	253,024	528,347
(142,961)	142,961	0
<u>19,220,565</u>	<u>1,248,731</u>	<u>20,469,296</u>
9,372,805	6,664,430	16,037,235
<u>51,181,141</u>	<u>123,917,878</u>	<u>175,099,019</u>
<u>\$60,553,946</u>	<u>\$130,582,308</u>	<u>\$191,136,254</u>

**CITY OF LEBANON, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	General Fund	Fire and Life Squad Fund	Capital Improvement Fund
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$8,231,575	\$998,022	\$2,965,606
Materials and Supplies Inventory	15,564	0	0
Prepaid Items	97,520	17,928	1,021
Income Taxes Receivable	2,684,309	0	1,347,739
Property Taxes Receivable	1,204,480	4,252,040	0
Other Local Taxes Receivable	3,769	0	0
Payment in Lieu of Taxes Receivable	0	0	0
Accrued Interest Receivable	95,761	0	9,481
Intergovernmental Receivable	248,570	393,518	366,746
Special Assessments Receivable	0	0	293,978
Advances to Other Funds	35,683	0	0
<b>Total Assets</b>	<b>\$12,617,231</b>	<b>\$5,661,508</b>	<b>\$4,984,571</b>
<b>Liabilities:</b>			
Accounts Payable	\$87,990	\$19,421	\$19,562
Accrued Wages Payable	223,173	88,948	0
Contracts Payable	5,369	603,000	24,093
Intergovernmental Payable	156,667	33,905	0
Accrued Interest Payable	0	9,141	0
Retainage Payable	753	0	81,675
Notes Payable	0	404,093	0
Interfund Payable	188,926	49	0
Deposits Held and Due to Others	0	0	0
Advances From Other Funds	0	0	0
<b>Total Liabilities</b>	<b>662,878</b>	<b>1,158,557</b>	<b>125,330</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	1,163,897	4,153,375	0
Payment in Lieu of Taxes	0	0	0
Unavailable Revenue	2,159,046	122,485	1,927,760
<b>Total Deferred Inflows of Resources</b>	<b>3,322,943</b>	<b>4,275,860</b>	<b>1,927,760</b>
<b>Fund Balances:</b>			
Nonspendable	113,084	17,928	1,021
Restricted	0	209,163	0
Committed	0	0	2,930,460
Assigned	319,871	0	0
Unassigned	8,198,455	0	0
<b>Total Fund Balances</b>	<b>8,631,410</b>	<b>227,091</b>	<b>2,931,481</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$12,617,231</b>	<b>\$5,661,508</b>	<b>\$4,984,571</b>

See Accompanying Notes to the Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$10,268,499	\$22,463,702
157,334	172,898
20,770	137,239
327,828	4,359,876
0	5,456,520
0	3,769
368,322	368,322
15,621	120,863
737,232	1,746,066
0	293,978
0	35,683
<u>\$11,895,606</u>	<u>\$35,158,916</u>
\$26,778	\$153,751
10,005	322,126
75,126	707,588
98,401	288,973
0	9,141
42,138	124,566
0	404,093
377	189,352
13,378	13,378
35,683	35,683
<u>301,886</u>	<u>2,248,651</u>
0	5,317,272
368,322	368,322
934,806	5,144,097
<u>1,303,128</u>	<u>10,829,691</u>
178,104	310,137
4,925,329	5,134,492
5,187,159	8,117,619
0	319,871
0	8,198,455
<u>10,290,592</u>	<u>22,080,574</u>
<u>\$11,895,606</u>	<u>\$35,158,916</u>

**CITY OF LEBANON, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2019**

Total Governmental Fund Balances \$22,080,574

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	15,585,023	
Construction in Progress	4,226,017	
Other Capital Assets	20,275,191	
Infrastructure	76,932,579	
Accumulated Depreciation	<u>(59,489,002)</u>	
Total Capital Assets		57,529,808

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	1,536,354	
Net Pension Asset	(1,778)	
Capital Assets	(195,932)	
Deferred Outflows - Pension	(72,915)	
Deferred Outflows - OPEB	(9,708)	
Deferred Inflows - Pension	4,434	
Deferred Inflows - OPEB	307	
Net Pension Liability	238,082	
Net OPEB Liability	113,009	
Compensated Absences	<u>38,086</u>	
Total		1,649,939

Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. (407,904)

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Income Taxes	3,409,427	
Property Taxes	139,248	
Interest Revenue	70,727	
Intergovernmental	1,222,852	
Special Assessments	293,978	
Charges for Services	<u>7,865</u>	
Total		5,144,097

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (14,158)

Deferred Outflows/Inflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.

Deferred Loss	31,686	
Deferred Gain	<u>(984)</u>	
		\$30,702

(continued)

**CITY OF LEBANON, OHIO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO**  
**NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**December 31, 2019**  
(continued)

The net pension liability/asset and net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:

Net Pension Asset	\$58,670	
Deferred Outflows - Pension	6,882,293	
Deferred Outflows - OPEB	2,377,472	
Net Pension Liability	(19,945,293)	
Net OPEB Liability	(5,077,998)	
Deferred Inflows - Pension	(502,095)	
Deferred Inflows - OPEB	(419,626)	
Total		(16,626,577)

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	(194,956)	
Bonds	(6,642,248)	
Loans	(302,000)	
Police Pension-Specific Liability	(14,233)	
Compensated Absences	(1,679,098)	
Total Liabilities		(8,832,535)
Net Position of Governmental Activities		<u>\$60,553,946</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, 2019**

	General Fund	Fire and Life Squad Fund	Capital Improvement Fund
Revenues:			
Property Taxes	\$1,216,638	\$2,871,935	\$0
Income Taxes	6,065,668	0	3,626,341
Other Local Taxes	1,531,496	0	0
Payments in Lieu of Taxes	0	0	0
Special Assessments	0	0	221,520
Charges for Services	2,530,715	567,442	0
Fines, Licenses and Permits	597,174	0	0
Intergovernmental	965,542	532,779	2,305,301
Interest	548,132	0	112,764
Contributions and Donations	500	0	0
Other	164,517	53,955	49,049
Total Revenues	<u>13,620,382</u>	<u>4,026,111</u>	<u>6,314,975</u>
Expenditures:			
Current:			
General Government	4,424,349	0	0
Security of Persons and Property:			
Police	4,693,891	0	0
Fire	0	3,494,190	0
Public Health Services	0	0	0
Leisure Time Services	1,834,754	0	0
Community and Economic Development	979,477	0	0
Transportation	0	0	0
Intergovernmental	0	0	0
Capital Outlay	753	858,372	3,813,034
Debt Service:			
Principal Retirement	640	500,000	0
Interest and Fiscal Charges	625	29,658	0
Total Expenditures	<u>11,934,489</u>	<u>4,882,220</u>	<u>3,813,034</u>
Excess of Revenues Over (Under) Expenditures	<u>1,685,893</u>	<u>(856,109)</u>	<u>2,501,941</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	25,300	982	3,079
Transfers In	0	0	200,000
Transfers Out	(280,000)	0	(1,950,000)
Total Other Financing Sources (Uses)	<u>(254,700)</u>	<u>982</u>	<u>(1,746,921)</u>
Net Change in Fund Balances	1,431,193	(855,127)	755,020
Fund Balances at Beginning of Year - Restated (See Note 3)	<u>7,200,217</u>	<u>1,082,218</u>	<u>2,176,461</u>
Fund Balances at End of Year	<u><u>\$8,631,410</u></u>	<u><u>\$227,091</u></u>	<u><u>\$2,931,481</u></u>

See Accompanying Notes to the Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$4,088,573
788,197	10,480,206
0	1,531,496
1,617,904	1,617,904
0	221,520
158,748	3,256,905
127,993	725,167
1,244,734	5,048,356
87,437	748,333
0	500
7,802	275,323
<u>4,032,815</u>	<u>27,994,283</u>
27,233	4,451,582
47,355	4,741,246
0	3,494,190
168,621	168,621
25,718	1,860,472
114,918	1,094,395
943,223	943,223
891,445	891,445
1,396,824	6,068,983
1,005,000	1,505,640
192,062	222,345
<u>4,812,399</u>	<u>25,442,142</u>
<u>(779,584)</u>	<u>2,552,141</u>
2,011	31,372
2,330,000	2,530,000
<u>(300,000)</u>	<u>(2,530,000)</u>
<u>2,032,011</u>	<u>31,372</u>
1,252,427	2,583,513
<u>9,038,165</u>	<u>19,497,061</u>
<u><u>\$10,290,592</u></u>	<u><u>\$22,080,574</u></u>

**CITY OF LEBANON, OHIO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$2,583,513

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	6,505,638	
Current Year Depreciation	<u>(4,523,804)</u>	
Excess of Capital Outlay over Depreciation Expense		1,981,834

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/loss on sale of capital assets in the statement of activities.

Proceeds from Sale of Capital Assets	(31,372)	
Loss on Sale of Capital Assets	<u>(34,981)</u>	
Total		(66,353)

Certain Construction in Progress Assets were not classified as Depreciable Assets (214,431)  
Abandoned Construction in Progress

Assets Trasferred from enterprise funds to governmental activities	413,784	
Assets transferred from governmental activities during the year to enterprise funds	<u>(556,745)</u>	
Total		(142,961)

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

Property Taxes	19,708	
Income Taxes	100,492	
Special Assessments	131,484	
Charges for Services	167	
Intergovernmental	(247,455)	
Interest	<u>(1,533)</u>	
Total		2,863

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

Bond Principal Retirement	1,005,000	
Note Principal Retirement	500,000	
Police Pension Principal Retirement	<u>640</u>	
Total Long-Term Obligation Repayment		1,505,640

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

Accretion on Bonds	(980)	
Amortization of Bond Premium	24,432	
Amortization of Loss/Gain on Refunding	(9,479)	
Accrued Interest	<u>1,639</u>	
Total		\$15,612

(continued)

**CITY OF LEBANON, OHIO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(continued)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	\$1,360,136	
OPEB	20,246	
Total	<u>1,380,382</u>	1,380,382

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

Pension	(3,570,411)	
OPEB	6,070,918	
Total	<u>2,500,507</u>	2,500,507

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		(32,986)
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Internal service funds used by management to charge the costs of insurance and automotive maintenance to individuals funds are not reported in the entity-wide statement of activities. The net income of the internal service funds is reported with governmental activities, net of the adjustment to reflect the consolidation of internal service fund activities related to business type activities.

Change in Net Position	(250,447)	
Depreciation of Capital Assets	14,483	
Addition to Capital Assets	(25,492)	
Contractually Required Contributions for Pension	(18,480)	
Contractually Required Contributions for OPEB	(59)	
Pension Expense	53,045	
OPEB Expense	10,694	
Decrease in Compensated Absences	4,142	
Adjustment to Business Type Activities	71,299	
Total	<u>(140,815)</u>	(140,815)

Change in Net Position of Governmental Activities	<u>\$9,372,805</u>	
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See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,130,000	\$1,216,638	\$1,216,638	\$0
Income Taxes	5,535,000	5,966,436	5,966,436	0
Other Local Taxes	1,610,800	1,531,775	1,531,775	0
Charges for Services	2,300,200	2,530,715	2,530,715	0
Fines, Licenses and Permits	623,500	590,655	590,655	0
Intergovernmental	950,800	958,780	958,780	0
Interest	249,525	203,598	203,598	0
Contributions and Donations	2,000	500	500	0
Other	252,500	289,472	289,517	45
<b>Total Revenues</b>	<b>12,654,325</b>	<b>13,288,569</b>	<b>13,288,614</b>	<b>45</b>
Expenditures:				
Current:				
General Government	4,776,017	4,967,803	4,554,666	413,137
Security of Persons and Property	5,256,034	5,363,373	4,773,960	589,413
Leisure Time Services	1,454,326	1,934,752	1,876,864	57,888
Community and Economic Development	1,136,066	1,170,583	1,011,135	159,448
<b>Total Expenditures</b>	<b>12,622,443</b>	<b>13,436,511</b>	<b>12,216,625</b>	<b>1,219,886</b>
Excess of Revenues Over (Under) Expenditures	31,882	(147,942)	1,071,989	1,219,931
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	25,300	25,300	0
Advances In	1,210,000	0	0	0
Transfers Out	(1,280,000)	(1,280,000)	(280,000)	1,000,000
Advances Out	(210,000)	(152,311)	0	152,311
<b>Total Other Financing Sources (Uses)</b>	<b>(280,000)</b>	<b>(1,407,011)</b>	<b>(254,700)</b>	<b>1,152,311</b>
Net Change in Fund Balance	(248,118)	(1,554,953)	817,289	2,372,242
Fund Balances at Beginning of Year - Restated	5,701,097	5,701,097	5,701,097	0
Prior Year Encumbrances Appropriated	313,423	313,423	313,423	0
<b>Fund Balance at End of Year</b>	<b>\$5,766,402</b>	<b>\$4,459,567</b>	<b>\$6,831,809</b>	<b>\$2,372,242</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE AND LIFE SQUAD SPECIAL REVENUE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,800,000	\$2,871,935	\$2,871,935	\$0
Charges for Services	500,000	567,442	567,442	0
Intergovernmental	442,865	163,081	163,081	0
Other	15,000	53,955	53,955	0
<b>Total Revenues</b>	<b>3,757,865</b>	<b>3,656,413</b>	<b>3,656,413</b>	<b>0</b>
Expenditures:				
Current:				
Security of Persons and Property				
Fire Fighting, Prevention and Inspection				
Personal Services	2,961,121	3,135,061	2,917,789	217,272
Contractual Services	529,250	546,074	521,505	24,569
Supplies and Materials	67,381	72,541	66,395	6,146
<b>Total Security of Persons and Property</b>	<b>3,557,752</b>	<b>3,753,676</b>	<b>3,505,689</b>	<b>247,987</b>
Capital Outlay	385,000	969,105	964,072	5,033
Debt Service				
Principal Retirement	500,000	500,000	500,000	0
Interest and Fiscal Charges	32,500	32,500	21,336	11,164
<b>Total Debt Service</b>	<b>532,500</b>	<b>532,500</b>	<b>521,336</b>	<b>11,164</b>
<b>Total Expenditures</b>	<b>4,475,252</b>	<b>5,255,281</b>	<b>4,991,097</b>	<b>264,184</b>
Excess of Revenues Over (Under) Expenditures	(717,387)	(1,598,868)	(1,334,684)	264,184
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	982	982	0
Advances In	210,000	0	0	0
Advances Out	(210,000)	(210,000)	0	210,000
Bond Anticipation Notes Issued	400,000	400,000	400,000	0
Premium on Debt Issued	0	4,912	4,912	0
<b>Total Other Financing Sources (Uses)</b>	<b>400,000</b>	<b>195,894</b>	<b>405,894</b>	<b>210,000</b>
<b>Net Change in Fund Balance</b>	<b>(317,387)</b>	<b>(1,402,974)</b>	<b>(928,790)</b>	<b>474,184</b>
Fund Balance at Beginning of Year	1,084,740	1,084,740	1,084,740	0
Prior Year Encumbrances Appropriated	115,391	115,391	115,391	0
<b>Fund Balance at End of Year</b>	<b>\$882,744</b>	<b>(\$202,843)</b>	<b>\$271,341</b>	<b>\$474,184</b>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2019**

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$32,875,430	\$546,171	\$4,716,678
Accounts Receivable, Net	3,635,690	211,926	362,242
Intergovernmental Receivable	0	0	37,235
Accrued Interest Receivable	82,203	1,891	13,877
Prepaid Items	21,150	81	15,841
Materials and Supplies Inventory	2,335,973	0	62,280
Interfund Receivable	23,901	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	0	0	0
<b>Total Current Assets</b>	<b>38,974,347</b>	<b>760,069</b>	<b>5,208,153</b>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	539,545	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Net Pension Asset	19,559	0	7,110
Nondepreciable Capital Assets	1,401,319	9,000	1,636,577
Depreciable Capital Assets, Net	15,018,136	188,976	23,252,330
<b>Total Noncurrent Assets</b>	<b>16,978,559</b>	<b>197,976</b>	<b>24,896,017</b>
<b>Total Assets</b>	<b>55,952,906</b>	<b>958,045</b>	<b>30,104,170</b>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	0	180,028
Pension	802,054	0	291,658
OPEB	106,790	0	38,834
<b>Total Deferred Outflows of Resources</b>	<b>\$908,844</b>	<b>\$0</b>	<b>\$510,520</b>

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$232,620	\$5,592,292	\$669,651	\$44,632,842	\$1,836,057
1,500,000	403,179	54,841	6,167,878	0
0	0	0	37,235	0
0	18,199	2,186	118,356	6,386
117	13,795	0	50,984	5,910
0	142,566	0	2,540,819	62,600
187,500	0	2,905	214,306	0
0	473,772	0	473,772	0
1,920,237	6,643,803	729,583	54,236,192	1,910,953
0	249,000	0	788,545	0
0	389,212	0	389,212	0
0	3,557	0	30,226	1,778
0	2,458,864	588,988	6,094,748	64,666
20,867	27,160,063	23,056,934	88,697,306	131,266
20,867	30,260,696	23,645,922	96,000,037	197,710
1,941,104	36,904,499	24,375,505	150,236,229	2,108,663
0	49,440	0	229,468	0
0	145,828	0	1,239,540	72,915
0	19,418	0	165,042	9,708
\$0	\$214,686	\$0	\$1,634,050	\$82,623

(continued)

**CITY OF LEBANON, OHIO**  
**STATEMENT OF FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2019**  
(continued)

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Liabilities:			
Current Liabilities:			
Accounts Payable	\$19,437	\$121,400	\$29,342
Accrued Wages Payable	62,135	3,024	15,580
Contracts Payable	0	0	93,800
Retainage Payable	0	0	31,709
Intergovernmental Payable	46,426	2,516	17,048
Accrued Interest Payable	0	0	6,124
Interfund Payable	446	0	21,144
Claims Payable	0	0	0
Compensated Absences Payable	55,766	1,741	15,740
General Obligation Bonds Payable	0	0	655,000
Mortgage Revenue Bonds Payable	0	0	0
Total Current Liabilities	<u>184,210</u>	<u>128,681</u>	<u>885,487</u>
Long-term Liabilities:			
Refundable Deposits	539,545	0	0
Compensated Absences Payable	195,852	906	11,874
General Obligation Bonds Payable	0	0	2,965,000
Mortgage Revenue Bonds Payable	0	0	0
Net Pension Liability	2,618,859	0	952,311
Net OPEB Liability	1,243,112	0	452,041
Total Long-term Liabilities	<u>4,597,368</u>	<u>906</u>	<u>4,381,226</u>
Total Liabilities	<u>4,781,578</u>	<u>129,587</u>	<u>5,266,713</u>
Deferred Inflows of Resources:			
Pension	48,805	0	17,747
OPEB	3,373	0	1,227
Total Deferred Inflows of Resources	<u>52,178</u>	<u>0</u>	<u>18,974</u>
Net Position:			
Net Investment in Capital Assets	16,419,455	197,976	21,323,426
Restricted for:			
Debt Service	0	0	0
Revenue Bonds			
Replacement and Improvement	0	0	0
Unrestricted	<u>35,608,539</u>	<u>630,482</u>	<u>4,005,577</u>
Total Net Position	<u>\$52,027,994</u>	<u>\$828,458</u>	<u>\$25,329,003</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
\$374	\$24,909	\$162	\$195,624	\$638
796	7,067	3,139	91,741	6,665
0	55,029	0	148,829	0
0	26,506	19,565	77,780	0
598	10,868	2,398	79,854	5,372
0	33,772	0	39,896	0
0	3,364	0	24,954	0
0	0	0	0	248,339
1,410	7,443	2,155	84,255	8,017
0	0	0	655,000	0
0	440,000	0	440,000	0
<u>3,178</u>	<u>608,958</u>	<u>27,419</u>	<u>1,837,933</u>	<u>269,031</u>
0	49,000	0	588,545	0
6,882	13,070	2,905	231,489	30,069
0	0	0	2,965,000	0
0	10,023,768	0	10,023,768	0
0	476,156	0	4,047,326	238,082
0	226,020	0	1,921,173	113,009
<u>6,882</u>	<u>10,788,014</u>	<u>2,905</u>	<u>19,777,301</u>	<u>381,160</u>
<u>10,060</u>	<u>11,396,972</u>	<u>30,324</u>	<u>21,615,234</u>	<u>650,191</u>
0	8,876	0	75,428	4,434
0	613	0	5,213	307
<u>0</u>	<u>9,489</u>	<u>0</u>	<u>80,641</u>	<u>4,741</u>
20,867	19,123,064	23,626,357	80,711,145	195,932
0	829,212	0	829,212	0
0	200,000	0	200,000	0
1,910,177	5,560,448	718,824	48,434,047	1,340,422
<u>\$1,931,044</u>	<u>\$25,712,724</u>	<u>\$24,345,181</u>	<u>130,174,404</u>	<u>\$1,536,354</u>
			407,904	
			<u>\$130,582,308</u>	

**CITY OF LEBANON, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$33,427,305	\$1,788,850	\$3,833,562
Other	221,319	1,104	9,330
Total Operating Revenues	<u>33,648,624</u>	<u>1,789,954</u>	<u>3,842,892</u>
Operating Expenses:			
Personal Services	2,500,715	134,000	792,703
Contractual Services	1,443,477	1,602,199	1,254,276
Purchased Power	23,135,770	0	0
Supplies and Materials	381,292	0	93,034
Claims	0	0	0
Depreciation	1,057,831	15,748	1,181,706
Other	6,456	76	2,763
Total Operating Expenses	<u>28,525,541</u>	<u>1,752,023</u>	<u>3,324,482</u>
Operating Income (Loss)	<u>5,123,083</u>	<u>37,931</u>	<u>518,410</u>
Non-Operating Revenues (Expenses):			
Interest	563,234	12,035	106,094
Other Non-Operating Revenues	0	0	0
Interest and Fiscal Charges	0	0	(114,949)
Loss on Sale of Capital Assets	(386,362)	0	(105,168)
Total Non-Operating Revenues (Expenses)	<u>176,872</u>	<u>12,035</u>	<u>(114,023)</u>
Income (Loss) Before Contributions	5,299,955	49,966	404,387
Capital Contributions from Other Funds	0	0	0
Capital Contributions from Other Governments	0	0	0
Change in Net Position	5,299,955	49,966	404,387
Net Position at Beginning of Year	<u>46,728,039</u>	<u>778,492</u>	<u>24,924,616</u>
Net Position at End of Year	<u>\$52,027,994</u>	<u>\$828,458</u>	<u>\$25,329,003</u>

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

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Total	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$32,796	\$4,799,754	\$900,552	\$44,782,819	\$1,777,396
0	18,400	1,051	251,204	569,697
<u>32,796</u>	<u>4,818,154</u>	<u>901,603</u>	<u>45,034,023</u>	<u>2,347,093</u>
21,288	379,936	96,733	3,925,375	300,897
19,098	722,633	145,642	5,187,325	429,987
0	0	0	23,135,770	0
1,712	1,642,266	56,442	2,174,746	21,498
0	0	0	0	1,857,649
4,597	1,081,778	525,115	3,866,775	14,483
0	4,156	20	13,471	0
<u>46,695</u>	<u>3,830,769</u>	<u>823,952</u>	<u>38,303,462</u>	<u>2,624,514</u>
<u>(13,899)</u>	<u>987,385</u>	<u>77,651</u>	<u>6,730,561</u>	<u>(277,421)</u>
0	159,340	12,043	852,746	26,974
1,820	0	0	1,820	0
0	(410,415)	0	(525,364)	0
0	(494,530)	(13,328)	(999,388)	0
<u>1,820</u>	<u>(745,605)</u>	<u>(1,285)</u>	<u>(670,186)</u>	<u>26,974</u>
(12,079)	241,780	76,366	6,060,375	(250,447)
0	0	556,745	556,745	0
0	0	118,609	118,609	0
<u>(12,079)</u>	<u>241,780</u>	<u>751,720</u>	<u>6,735,729</u>	<u>(250,447)</u>
<u>1,943,123</u>	<u>25,470,944</u>	<u>23,593,461</u>		<u>1,786,801</u>
<u>\$1,931,044</u>	<u>\$25,712,724</u>	<u>\$24,345,181</u>		<u>\$1,536,354</u>
			<u>(71,299)</u>	
			<u>\$6,664,430</u>	

**CITY OF LEBANON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	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	\$33,277,085	\$1,784,257	\$3,831,736
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(1,967,484)	(132,758)	(646,813)
Cash Payments to Suppliers for Goods and Services	(25,207,358)	(1,599,147)	(1,292,647)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	221,319	1,104	9,330
Other Operating Expenses	(6,314)	0	(2,763)
Other Non-Operating Revenues	0	0	0
Utility Deposits Received	138,880	0	0
Utility Deposits Returned	(140,965)	0	0
Net Cash Provided by (Used For) Operating Activities	<u>6,315,163</u>	<u>53,456</u>	<u>1,898,843</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Sale of Capital Assets	0	0	120,000
Acquisition of Capital Assets	(683,107)	0	(1,178,175)
Principal Paid on Mortgage Revenue Bonds	0	0	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	0	0	0
Principal Paid on General Obligation Bonds	0	0	(645,000)
Interest and Fiscal Charges Paid on General Obligation Bonds	0	0	(86,580)
Capital Contributions from Other Governments	0	0	0
Net Cash Used for Capital and Related Financing Activities	<u>(683,107)</u>	<u>0</u>	<u>(1,789,755)</u>
Cash Flows from Investing Activities:			
Interest	<u>536,469</u>	<u>11,501</u>	<u>100,678</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,168,525	64,957	209,766
Cash and Cash Equivalents at Beginning of Year	<u>27,246,450</u>	<u>481,214</u>	<u>4,506,912</u>
Cash and Cash Equivalents at End of Year	<u><u>\$33,414,975</u></u>	<u><u>\$546,171</u></u>	<u><u>\$4,716,678</u></u>

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water		Activities-
Fund	Fund	Utility	Total	Internal
		Fund		Service Funds
\$32,796	\$4,779,084	\$896,320	\$44,601,278	\$0
0	0	0	0	1,777,396
(26,858)	(316,267)	(94,372)	(3,184,552)	(247,846)
(15,986)	(2,284,611)	(263,010)	(30,662,759)	(459,699)
0	0	0	0	(1,818,886)
0	18,400	1,051	251,204	569,697
0	(4,156)	0	(13,233)	0
1,820	0	0	1,820	0
0	8,350	0	147,230	0
0	(8,275)	0	(149,240)	0
(8,228)	2,192,525	539,989	10,991,748	(179,338)
0	528,675	0	648,675	0
0	(863,836)	(682,254)	(3,407,372)	(25,492)
0	(425,000)	0	(425,000)	0
0	(418,012)	0	(418,012)	0
0	0	0	(645,000)	0
0	0	0	(86,580)	0
0	0	118,609	118,609	0
0	(1,178,173)	(563,645)	(4,214,680)	(25,492)
0	151,665	11,620	811,933	26,352
(8,228)	1,166,017	(12,036)	7,589,001	(178,478)
240,848	5,538,259	681,687	38,695,370	2,014,535
\$232,620	\$6,704,276	\$669,651	\$46,284,371	\$1,836,057

(continued)

**CITY OF LEBANON, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(CONTINUED)**

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$5,123,083	\$37,931	\$518,410
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,057,831	15,748	1,181,706
Other Non-Operating Revenues	0	0	0
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	(231,039)	0	(13,570)
Accounts Receivable	(156,922)	(4,593)	(6,195)
Interfund Receivable	6,702	0	0
Intergovernmental Receivable	0	0	4,369
Prepays Items	6,498	398	3,507
Net Pension Asset	(5,873)	0	(2,136)
Deferred Outflows of Resources - Pension	565,697	0	205,709
Deferred Outflows of Resources - OPEB	69,840	0	25,395
Increase (Decrease) in Liabilities:			
Accounts Payable	(25,125)	2,730	(37,520)
Accrued Wages Payable	10,170	142	(954)
Contracts Payable	0	0	78,300
Intergovernmental Payable	4,423	240	(1,311)
Retainage Payable	0	0	31,709
Interfund Payable	0	0	(7,763)
Claims Payable	0	0	0
Liabilities Payable from Restricted Assets	(2,085)	0	0
Compensated Absences Payable	24,424	860	(32,645)
Net Pension Liability	(2,842)	0	(1,035)
Net OPEB Liability	68,095	0	24,763
Deferred Inflows of Resources - Pension	(176,770)	0	(64,280)
Deferred Inflows of Resources - OPEB	(20,944)	0	(7,616)
Net Cash Provided by (Used For) Operating Activities	<u>\$6,315,163</u>	<u>\$53,456</u>	<u>\$1,898,843</u>

Noncash Capital Financing Activities:

The Electric Fund transferred assets in the net amount of \$386,362 to governmental activities.

The Sewer Fund transferred assets in the net amount of \$4,366 to governmental activities.

The Water Fund transferred assets in the net amount of \$9,728 to governmental activities.

The Storm Water Utility Fund transferred assets in the net amount of \$13,328 to governmental activities.

The Storm Water Utility Fund received assets donated from governmental funds in the amount of \$556,745.

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water		Activities-
Fund	Fund	Utility	Total	Internal
		Fund		Service Funds
(\$13,899)	\$987,385	\$77,651	\$6,730,561	(\$277,421)
4,597	1,081,778	525,115	3,866,775	14,483
1,820	0	0	1,820	0
0	(16,058)	0	(260,667)	1,100
0	(20,670)	(4,232)	(192,612)	0
0	0	0	6,702	0
0	0	0	4,369	0
5,122	10,362	0	25,887	183
0	(1,067)	0	(9,076)	(535)
0	102,851	0	874,257	51,429
0	12,697	0	107,932	6,350
(287)	11,388	71	(48,743)	(9,497)
42	(1,182)	1,103	9,321	2,163
0	47,029	(79,253)	46,076	0
21	(429)	(521)	2,423	1,546
0	26,506	19,565	77,780	0
0	1,061	0	(6,702)	0
0	0	0	0	38,763
0	75	0	(2,010)	0
(5,644)	(25,118)	490	(37,633)	4,142
0	(516)	0	(4,393)	(258)
0	12,381	0	105,239	6,189
0	(32,140)	0	(273,190)	(16,071)
0	(3,808)	0	(32,368)	(1,904)
<u>(\$8,228)</u>	<u>\$2,192,525</u>	<u>\$539,989</u>	<u>\$10,991,748</u>	<u>(\$179,338)</u>

**CITY OF LEBANON, OHIO**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**CUSTODIAL FUNDS**  
**DECEMBER 31, 2019**

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$9,452
Cash and Cash Equivalents in Segregated Accounts	<u>63,885</u>
Total Assets	<u><u>\$73,337</u></u>
Liabilities:	
Accounts Payable	\$35,448
Intergovernmental Payable	<u>37,889</u>
Total Liabilities	<u><u>\$73,337</u></u>

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO**  
**STATEMENT OF CHANGE IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Additions:	
Fines and Forfeitures for Other Governments	\$641,828
Amounts Received as Fiscal Agent	40,461
	<hr/>
Total Additions	682,289
	<hr/>
Deductions:	
Distributions to the State of Ohio	388,654
Fines and Forfeitures Distributions to Other Governments	231,157
Distributions to Individuals	22,017
Distributions as Fiscal Agent	40,461
	<hr/>
Total Deductions	682,289
	<hr/>
Net Increase in Fiduciary Net Position	0
Net Position Beginning of Year	0
	<hr/>
Net Position End of Year	\$0
	<hr/> <hr/>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**Note 1 - Reporting Entity**

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

**Reporting Entity**

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

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

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

Jointly Governed Organizations:

Warren County Combined Health District

Insurance Purchasing Pool:

Ohio Municipal League Group Rating Program

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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.

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

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

Proprietary Fund Types

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

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

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

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

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

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

Internal Service Funds

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City has two custodial funds: one is used to account for municipal court collections that are distributed to various other governments and another is used to distribute income tax revenues to Turtlecreek Township.

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.

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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 and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position 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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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 statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Proprietary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows / outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, “available” means expected to be received within 31 days of year-end.

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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 deferred charges on refunding, pension and OPEB reported in the government-wide statement of net position in both governmental and business-type activities column. It is also reported on the enterprise fund 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 life of the old debt or the life of the new debt, whichever is shorter. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

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, payment in lieu of taxes, unavailable revenue, pension and OPEB. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, charges for services, intergovernmental revenues, including grants, and interest. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 22. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 12 and 13).

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, except custodial 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, 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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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 2019, the City’s investments were limited to STAROhio, Commercial Paper, Money Market Mutual Funds, Federal Farm Credit Banks Consolidation Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association Bonds, Federal Home Loan Banks Bonds, Federal Agricultural Mortgage Corporation Bonds, U.S. Treasury Securities and negotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. For investments in open-ended mutual funds, the fair value is determined by the fund’s current share price.

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

For 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2019 amounted to \$548,132, of which \$274,260 was assigned from other funds.

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

#### Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended when used. Inventory consists of expendable materials and supplies held for consumption.

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 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 acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

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

CITY OF LEBANON, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

<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.

Compensated Absences

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

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

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

Accrued Liabilities and Long-Term Obligations

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

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 funds. However, compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, loans, and the police and fire pension liability are recognized as liabilities on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Bond Premiums

On the government-wide financial statements (and in the enterprise funds), bond premiums 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 are presented as additions to the face amount of the bonds payable.

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

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

Net Position

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

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

The City's water enterprise fund was restricted net position relative to those resources necessary to comply with various covenants of bond financing agreements and customer deposits.

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Fund Balance

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

The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

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

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Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The future appropriations amount assigned in the General Fund represents 2020 appropriations that exceed estimated resources.

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

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

#### Operating Revenues and Expenses

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

#### Internal Activity

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

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

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

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Interfund Balances

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

Estimates

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

Pensions/Other Postemployment Benefits (OPEB)

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

**Note 3 – Change in Accounting Principles and Restatement of Fund Balances/Net Position**

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The City evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For 2019, the City also implemented the Governmental Accounting Standards Board’s (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the City’s 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the City will no longer be reporting agency funds. The City reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the City’s financial statements.

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GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the City's 2019 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on fund balance as of December 31, 2018:

	<u>General</u>	<u>Fire and Life Squad Fund</u>	<u>Capital Improvement Fund</u>
Fund Balances, December 31, 2018	\$7,144,801	\$1,082,218	\$2,176,461
Adjustments:			
GASB Statement No. 84	<u>55,416</u>	<u>0</u>	<u>0</u>
Restated Fund Balances, December 31, 2018	<u>\$7,200,217</u>	<u>\$1,082,218</u>	<u>\$2,176,461</u>

	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances, December 31, 2018	\$9,038,165	\$19,441,645
Adjustments:		
GASB Statement No. 84	<u>0</u>	<u>55,416</u>
Restated Fund Balances, December 31, 2018	<u>\$9,038,165</u>	<u>\$19,497,061</u>

The implementation of GASB Statement No. 84 had the following effect on net position as of December 31, 2018:

	<u>Governmental Activities</u>
Net Position, December 31, 2018	\$51,125,725
Adjustments:	
GASB Statement No. 84	<u>55,416</u>
Restated Net Position, December 31, 2018	<u>\$51,181,141</u>

At December 31, 2018, the City's agency funds reported assets and liabilities of \$109,403. Due to the implementation of GASB Statement No. 84, the new classification of custodial fund assets were offset by liabilities, resulting in no net position being presented.

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**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. 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.
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

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

Net Change in Fund Balance		
	General Fund	Fire and Life Squad Fund
GAAP Basis	\$1,431,193	(\$855,127)
Revenue Accruals	(6,742)	(369,698)
Expenditure Accruals	(69,416)	617,804
Encumbrances	(212,720)	(726,681)
Note Proceeds	0	400,000
Premium on Debt Issued	0	4,912
Unrecorded Cash - 2018	35,994	0
Unrecorded Cash - 2019	(34,662)	0
Net Increase in Fair Value of Investments - 2018	826,026	0
Net Increase in Fair Value of Investments - 2019	(1,152,384)	0
Budget Basis	\$817,289	(\$928,790)

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**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 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.

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

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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by obligations, provided that investments in securities described in this division are made only through eligible institutions;

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4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

The City has passed an ordinance allowing the City to invest 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.

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Investments:

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	S&P Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAROhio	\$3,844,562	Less than one year	AAAm	7.20%
Amortized Cost:				
Commercial Paper	12,640,960	Less than one year	N/A	23.69%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	527,087	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Farm Credit Banks Consolidation Bonds	8,032,657	Less than five years	AA+	15.05%
Federal Home Loan Mortgage Corporation Bonds	6,687,683	Less than five years	AA+	12.53%
Federal National Mortgage Association Bonds	1,999,480	Less than five years	AA+	N/A
Federal Home Loan Banks Bonds	10,364,525	Less than five years	AA+	19.42%
Federal Agricultural Mortgage Corporation Bonds	498,678	Less than one year	AAA	N/A
Negotiable Certificates of Deposits	6,513,325	Less than five years	N/A	12.21%
United States Treasury Notes	2,251,680	Less than three years	N/A	N/A
Total Fair Value - Level Two Inputs	36,348,028			
Total Investments	\$53,360,637			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2019. The Money Market Mutual Fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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.

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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 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019 on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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. 2019 public utility property taxes which became a lien December 31, 2018 are levied after October 1, 2019 and are collected in 2020 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019 was \$11.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$492,226,250
Public Utility Real Property	4,437,280
Total	\$496,663,530

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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which were measurable as of December 31, 2019 and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

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

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

**Note 8 - Income Tax**

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

Employers within the City are required to withhold income tax on gross 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 2019, 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, 2019, consisted of income, property and other local taxes, payment in lieu of taxes, accrued interest, intergovernmental, special assessments, advances to other funds, interfund, utility accounts, and amounts due from the sale of the telecommunications system. The

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\$1,500,000 accounts receivable in the telecommunications fund relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$1,375,000 is expected to be collected in more than one year. Property taxes, income taxes, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All receivables are considered fully collectible except utility accounts and interfund receivable. The following table provides a summary of business-type activities accounts receivable:

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$4,713,990	\$46,112	\$4,667,878
Telecommunications	1,500,000	0	1,500,000
<b>Total</b>	<b>\$6,213,990</b>	<b>\$46,112</b>	<b>\$6,167,878</b>

A summary of intergovernmental receivables follows:

Governmental Activities:

Local Government Assistance	\$154,807
Warren County Reimbursement for Baliff Services	7,865
Homestead and Rollback	96,174
Warren County Building Department	3,289
Wireless 911	10,255
Permissive Motor Vehicle License Tax	127,227
Motor Vehicle Tax	189,394
Gasoline Tax	420,611
Safer Grant	369,698
OPWC Grant	366,746
<b>Total Governmental Activities</b>	<b>1,746,066</b>

Business-Type Activities:

Village of South Lebanon Sewage Processing Fees	37,235
<b>Total Intergovernmental Receivables</b>	<b>\$1,783,301</b>

**Note 10 - Capital Assets**

Capital assets activity for the year ended December 31, 2019 was as follows:

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	Balance at 12/31/18	Additions	Deductions	Transfers	Balance at 12/31/19
<b>Governmental Activities:</b>					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$15,101,642	\$483,381	\$0	\$0	\$15,585,023
Construction in Progress	2,826,957	5,091,075	(3,692,015)	0	4,226,017
Total Capital Assets, Not Being Depreciated	<u>17,928,599</u>	<u>5,574,456</u>	<u>(3,692,015)</u>	<u>0</u>	<u>19,811,040</u>
<i>Capital Assets, Being Depreciated:</i>					
Land Improvements	1,743,849	363,481	0	0	2,107,330
Buildings and Improvements	10,012,956	284,112	(75,467)	0	10,221,601
Equipment	2,034,047	332,169	(103,992)	0	2,262,224
Vehicles	5,999,720	235,532	(595,185)	43,969	5,684,036
Infrastructure	73,886,434	3,193,472	0	(147,327)	76,932,579
Total Capital Assets, Being Depreciated	<u>93,677,006</u>	<u>4,408,766</u>	<u>(774,644)</u>	<u>(103,358)</u>	<u>97,207,770</u>
<i>Less Accumulated Depreciation:</i>					
Land Improvements	(853,215)	(85,740)	0	0	(938,955)
Buildings and Improvements	(4,079,301)	(237,921)	75,196	0	(4,242,026)
Equipment	(1,380,998)	(137,399)	77,270	0	(1,441,127)
Vehicles	(2,900,717)	(423,652)	555,825	(39,603)	(2,808,147)
Infrastructure	(46,419,655)	(3,639,092)	0	0	(50,058,747)
Total Accumulated Depreciation	<u>(55,633,886)</u>	<u>(4,523,804)</u>	<u>708,291</u>	<u>(39,603)</u>	<u>(59,489,002)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,043,120</u>	<u>(115,038)</u>	<u>(66,353)</u>	<u>(142,961)</u>	<u>37,718,768</u>
Governmental Activities Capital Assets, Net	<u>\$55,971,719</u>	<u>\$5,459,418</u>	<u>(\$3,758,368)</u>	<u>(\$142,961)</u>	<u>\$57,529,808</u>

Transfers of vehicles include \$43,969 transferred from business type activities. Depreciation was \$39,603. Transfers of infrastructure \$409,418 transferred from business type activities and \$556,745 transferred from governmental activities to business type activities. There was no depreciation associated with the infrastructure transfer as these were newly constructed assets.

Depreciation expense was charged to governmental functions as follows:

General Government	\$15,959
Security of Persons and Property:	
Police	145,647
Fire	239,406
Public Health Services	38,864
Leisure Time Services	194,717
Community and Economic Development	104,062
Transportation	3,785,149
Total Depreciation Expense	<u>\$4,523,804</u>

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	Balance at 12/31/18	Additions	Deductions	Transfers	Balance at 12/31/19
<b><u>Business-Type Activities:</u></b>					
<i>Capital Assets, Not Being Depreciated:</i>					
Land	\$4,301,419	\$0	(\$1,234,279)	\$0	\$3,067,140
Construction in Progress	1,215,185	2,849,198	(1,036,775)	0	3,027,608
Total Capital Assets, Not Being Depreciated	<u>5,516,604</u>	<u>2,849,198</u>	<u>(2,271,054)</u>	<u>0</u>	<u>6,094,748</u>
<i>Capital Assets, Being Depreciated:</i>					
Buildings and Improvements	28,082,666	0	(100,000)	0	27,982,666
Equipment	7,193,310	153,878	0	0	7,347,188
Vehicles	3,374,175	118,793	(89,070)	(43,969)	3,359,929
Infrastructure	120,231,229	1,322,278	0	147,327	121,700,834
Total Capital Assets, Being Depreciated	<u>158,881,380</u>	<u>1,594,949</u>	<u>(189,070)</u>	<u>103,358</u>	<u>160,390,617</u>
<i>Less Accumulated Depreciation:</i>					
Buildings and Improvements	(17,155,189)	(754,942)	100,000	0	(17,810,131)
Equipment	(5,926,686)	(112,744)	0	0	(6,039,430)
Vehicles	(1,737,785)	(190,781)	89,070	39,603	(1,799,893)
Infrastructure	(43,235,549)	(2,808,308)	0	0	(46,043,857)
Total Accumulated Depreciation	<u>(68,055,209)</u>	<u>(3,866,775)</u>	<u>189,070</u>	<u>39,603</u>	<u>(71,693,311)</u>
Total Capital Assets, Being Depreciated, Net	<u>90,826,171</u>	<u>(2,271,826)</u>	<u>0</u>	<u>142,961</u>	<u>88,697,306</u>
Business-Type Activities Capital Assets, Net	<u>\$96,342,775</u>	<u>\$577,372</u>	<u>(\$2,271,054)</u>	<u>\$142,961</u>	<u>\$94,792,054</u>

Transfers of vehicles include \$43,969 transferred to governmental type activities. Depreciation was \$39,603. Transfers of infrastructure include \$556,745 transferred from governmental type activities and \$409,418 transferred to governmental activities. There was no depreciation associated with the infrastructure transfer as these were newly constructed assets.

**Note 11 - Risk Management**

**Property and Liability**

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

Machinery deductible levels vary with equipment. Enterprise Deployment Team has a \$1,000 deductible for computer equipment. Vehicles hold a \$500 deductible, general liability has a \$0 deductible, and property has a \$1,000 deductible. The City carries a \$5,000 deductible for both police professional and public officials liability insurance. The City has an internal accident review board that analyzes all vehicle accidents. The City also contracts with Marsh and McLennan Insurance Group, who reviews each accident claim.

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Coverage provided by the insurance follows:

Excess Liability Umbrella	\$10,000,000
General Liability - Each Occurrence	1,000,000
Police Professionals Liability - Each Occurrence	1,000,000
Public Officials Liability - Each Occurrence	1,000,000
Vehicle Liability	1,000,000
Vehicle Physical Damage	Actual Cash Value
Property Coverage (Maximum \$5,000,000)	Replacement Cost

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

Workers' Compensation

For year 2019, 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 \$350 single and \$800 cap per family deductible for City employees. The City also provides a dental plan with a \$50 deductible and \$1,500 cap in maximum benefits per year, a vision plan with a \$500 cap per family, per year, and \$50,000 in life insurance. A third party administrator reviews all claims, which the City then pays. The City purchases stop-loss coverage for medical in excess of \$60,000 per employee, per occurrence. UMR was the third party administrator for the year.

The City budgets into the Self-Insurance Internal Service Fund \$1,050 per full-time employee, per month. The amount transferred is based on the medical claim activity, the fund cash balance, and other benchmarking data. The fund that pays the salary for the employee pays this premium, which is based on historic cost information. The claims liability of \$248,339 reported in the fund at December 31, 2019 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.

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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>
2018	\$174,954	\$1,757,522	\$1,722,900	\$209,576
2019	209,576	1,857,649	1,818,886	248,339

**Note 12 - Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability

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

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

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

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GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan.

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

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

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<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

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

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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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

	State and Local
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2019 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

For 2019, the City's contractually required contribution was \$882,696 for the traditional plan, \$41,295 for the combined plan and \$7,426 for the member-directed plan. Of these amounts, \$164,978 is reported as an intergovernmental payable for the traditional plan, \$7,719 for the combined plan, and \$1,384 for the member-directed plan.

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Plan Description – Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3 percent or the percent increase, if any, in the Consumer Price Index over the 13 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

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

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	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2019 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee	<u>12.25%</u>	<u>12.25%</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$750,303 for 2019. Of this amount, \$66,125 is reported as intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2019, the specific liability of the City was \$14,233 payable in semi-annual payments through the year 2035.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2018, and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.04346400%	0.07949800%	0.14809800%	
Prior Measurement Date	<u>0.04320000%</u>	<u>0.07814400%</u>	<u>0.12655100%</u>	
Change in Proportionate Share	<u>0.00026400%</u>	<u>0.00135400%</u>	<u>0.02154700%</u>	
Proportionate Share of the:				
Net Pension Liability	\$11,903,909	\$0	\$12,088,710	\$23,992,619
Net Pension Asset	0	(88,896)	0	(88,896)
Pension Expense	2,628,923	23,305	1,819,939	4,472,167

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2019 pension expense for the member-directed defined contribution plan was \$7,426. The aggregate pension expense for all pension plans was \$4,479,593 for 2019.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$550	\$0	\$496,677	\$497,227
Changes of assumptions	1,036,264	19,854	320,488	1,376,606
Net difference between projected and actual earnings on pension plan investments	1,615,694	19,150	1,489,319	3,124,163
Changes in proportion and differences between City contributions and proportionate share of contributions	30,193	0	1,419,350	1,449,543
City contributions subsequent to the measurement date	882,696	41,295	750,303	1,674,294
Total Deferred Outflows of Resources	<u>\$3,565,397</u>	<u>\$80,299</u>	<u>\$4,476,137</u>	<u>\$8,121,833</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$156,305	\$36,307	\$11,288	\$203,900
Changes in proportion and differences between City contributions and proportionate share of contributions	21,291	7,931	344,401	373,623
Total Deferred Inflows of Resources	<u>\$177,596</u>	<u>\$44,238</u>	<u>\$355,689</u>	<u>\$577,523</u>

\$1,674,294 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2020	\$1,068,398	\$1,935	\$922,591	\$1,992,924
2021	535,399	(1,892)	596,922	1,130,429
2022	149,888	(1,486)	736,794	885,196
2023	751,420	4,507	1,013,227	1,769,154
2024	0	(3,363)	100,611	97,248
Thereafter	0	(4,935)	0	(4,935)
Total	<u>\$2,505,105</u>	<u>(\$5,234)</u>	<u>\$3,370,145</u>	<u>\$5,870,016</u>

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Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2018, are presented below.

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 7.5 percent to 7.2 percent. This change was effective beginning with the 2018 valuation.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94 percent for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	<u>100.00%</u>	<u>5.95%</u>

Discount Rate

For 2018, the discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. For 2017, the discount rate used to measure the total pension liability was 7.5 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

<b>City's proportionate share of the net pension liability (asset)</b>	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
OPERS Traditional Plan	\$17,585,534	\$11,903,909	\$7,182,426
OPERS Combined Plan	(29,414)	(88,896)	(131,967)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2018, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

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Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Firefighters</u>
67 or less	77%	68%
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Firefighters</u>
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income *	23.00	2.60
High Yield Fixed Income	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

\* levered 2x

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

Discount Rate

The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

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	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$15,889,776	\$12,088,710	\$8,912,370

**Note 13 – Defined Benefit OPEB Plans**

See Note 12 for a description of the net OPEB liability.

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

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Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, State and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,970 for 2019. Of this amount, \$554 is reported as an intergovernmental payable.

Plan Description - Ohio Police and Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$18,286 for 2019. Of this amount, \$1,581 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018, and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.04334000%	0.14809800%	
Prior Measurement Date	<u>0.04281000%</u>	<u>0.12655100%</u>	
Change in Proportionate Share	<u>0.00053000%</u>	<u>0.02154700%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,650,513	\$1,348,658	\$6,999,171
OPEB Expense	\$534,745	(\$6,423,850)	(\$5,889,105)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,913	\$0	\$1,913
Changes of assumptions	182,179	699,080	881,259
Net difference between projected and actual earnings on pension plan investments	259,043	45,653	304,696
Changes in proportion and differences between City contributions and proportionate share of contributions	39,313	1,294,077	1,333,390
City contributions subsequent to the measurement date	<u>2,970</u>	<u>18,286</u>	<u>21,256</u>
Total Deferred Outflows of Resources	<u>\$485,418</u>	<u>\$2,057,096</u>	<u>\$2,542,514</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$15,332	\$36,134	\$51,466
Changes of assumptions	<u>0</u>	<u>373,373</u>	<u>373,373</u>
Total Deferred Inflows of Resources	<u>\$15,332</u>	<u>\$409,507</u>	<u>\$424,839</u>

\$21,256 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:			
2020	\$222,191	\$275,498	\$497,689
2021	71,180	275,498	346,678
2022	43,248	275,498	318,746
2023	130,497	289,306	419,803
2024	0	267,537	267,537
Thereafter	<u>0</u>	<u>245,966</u>	<u>245,966</u>
Total	<u>\$467,116</u>	<u>\$1,629,303</u>	<u>\$2,096,419</u>

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Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.71 percent
Prior Measurement date	3.31 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age Normal

In October 2018, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5 percent to 6.0 percent. This change was be effective for the 2018 valuation.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

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

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 5.6 percent for 2018.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.42%
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00%	5.16%

Discount Rate

A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent

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that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$7,229,112	\$5,650,513	\$4,395,109

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

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	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,431,369	\$5,650,513	\$5,902,908

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5

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Single discount rate:

Current measurement date	4.66 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Firefighters
67 or less	77%	68%
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Firefighters
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate

For 2019, the total OPEB liability was calculated using the discount rate of 4.66 percent. For 2018, the total OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 4.66 percent for 2018 and 3.24 percent for 2017. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB

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payments until 2031. The long-term expected rate of return on health care investments was applied to projected costs through 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.66 percent), or one percentage point higher (5.66 percent) than the current rate.

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$1,643,035	\$1,348,658	\$1,101,556

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

**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.

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**Note 15 - Short-Term Obligations**

A summary of the short-term note transactions for the year ended December 31, 2019 follows:

	Balance at December 31, 2018	Increases	Decreases	Balance at December 31, 2019
<u>Governmental Activities:</u>				
2019 - Fire Equipment Acquisition				
Bond Anticipation Notes, 2.75%	\$0	\$400,000	\$0	\$400,000
Premium	0	4,093	0	4,093
Total	<u>\$0</u>	<u>\$404,093</u>	<u>\$0</u>	<u>\$404,093</u>

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

**Note 16 - Long-Term Obligations**

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2019 follows:

Types/ Issues	Balance at December 31, 2018	Increases	Decreases	Balance at December 31, 2019	Amount Due in One Year
<u>Unvoted General Obligation Bonds:</u>					
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial Bonds	\$930,000	\$0	\$230,000	\$700,000	\$235,000
Term Bonds	245,000	0	0	245,000	0
Capital Appreciation Bonds	1,603	0	0	1,603	0
Accretion on Capital Appreciation Bonds	4,665	980	0	5,645	0
Premium on Debt Issue	57,095	0	11,812	45,283	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial Bonds	500,000	0	120,000	380,000	125,000
Term Bonds	1,520,000	0	0	1,520,000	0
Premium on Debt Issue	61,397	0	4,439	56,958	0
2016 - 1.0 to 4.0% \$1,935,000					
Service Building Bonds					
Serial Bonds	370,000	0	120,000	250,000	125,000
Term Bonds	1,225,000	0	0	1,225,000	0
Premium on Debt Issue	\$100,896	\$0	\$8,181	\$92,715	\$0

*(Continued)*

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Types/ Issues	Balance at December 31, 2018	Increases	Decreases	Balance at December 31, 2019	Amount Due in One Year
<u>Direct Placements</u>					
2017 - 2.03% \$2,125,000					
Various Purpose Bonds	\$1,715,000	\$0	\$415,000	\$1,300,000	\$425,000
2017 - 2.03% \$1,250,000					
Various Purpose Refunding Bonds	1,135,000	0	120,000	1,015,000	120,000
Total - Unvoted General Obligation Bonds	<u>7,865,656</u>	<u>980</u>	<u>1,029,432</u>	<u>6,837,204</u>	<u>1,030,000</u>
<u>Other Long-Term Obligations:</u>					
2018 - 3.0% \$302,000					
Ohio Department of Transportation SIB Loan	302,000	0	0	302,000	0
2018 - 3.375% \$500,000					
Fire Equipment Acquisition Bond Anticipation Notes	500,000	0	500,000	0	0
Compensated Absences Payable	1,646,112	517,309	484,323	1,679,098	312,109
Police Pension - specific liability	14,873	0	640	14,233	668
Total - Other Long-Term Obligations	<u>2,462,985</u>	<u>517,309</u>	<u>984,963</u>	<u>1,995,331</u>	<u>312,777</u>
<u>Net Pension Liability:</u>					
OP&F	7,767,006	4,321,704	0	12,088,710	0
OPERS	4,472,983	3,383,600	0	7,856,583	0
Total - Net Pension Liability	<u>12,239,989</u>	<u>7,705,304</u>	<u>0</u>	<u>19,945,293</u>	<u>0</u>
<u>Net OPEB Liability:</u>					
OP&F	7,170,202	0	5,821,544	1,348,658	0
OPERS	3,068,241	661,099	0	3,729,340	0
Total - Net OPEB Liability	<u>10,238,443</u>	<u>661,099</u>	<u>5,821,544</u>	<u>5,077,998</u>	<u>0</u>
Total - Governmental Activities	<u>\$32,807,073</u>	<u>\$8,884,692</u>	<u>\$7,835,939</u>	<u>\$33,855,826</u>	<u>\$1,342,777</u>

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

The capital appreciation bonds, issued at \$1,603, are not subject to prior redemption. The capital appreciation bonds will mature in 2022, with a maturity amount of \$10,000, including interest. For 2019, the capital appreciation bonds were accreted \$980.

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

During 2016, the City issued general obligation bonds, in the amount of \$1,935,000 for improvements to a service building. Of these bonds \$710,000 were serial bonds and \$1,225,000 were term bonds. The bonds were issued with interest rates varying from 1.0 to 4.0 percent. The

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FOR THE YEAR ENDED DECEMBER 31, 2019

bonds were issued for a fifteen year period with the final maturity during 2030. These bonds will be retired through the Debt Service Fund.

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

In October 2017, the City issued \$1,250,000 in general obligation bonds for the purpose of advance refunding \$1,530,000 of the 2008 road improvement refunding general obligation bonds, in order to take advantage of lower interest rates. These bonds are paid from the Debt Service Fund and will mature in December 2027. The 2008 bonds were called in June 2018.

In 2018, the City entered into a \$302,000 loan with the Ohio Department of Transportation (ODOT) for the resurfacing of Ohio Route 48 between East Main Street (State Route 123) and Columbus Avenue (US Route 42). The interest rate on the loan is three percent and has a four year term. The loan will be retired through the Capital Improvement Fund.

In October 2018, the City issued \$500,000 in Bond Anticipation Notes for the purpose of purchasing new fire equipment. The interest rate of the notes is three and three-eighths of a percent. The notes will be retired from the Fire and Life Squad Fund.

Compensated absences will be paid from the General, Fire and Life Squad, Cemetery, and Transportation Funds. The police pension specific liability is a fixed long-term obligation, paid from the General Fund from general property tax revenue. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the General Fund, Fire and Life Squad, Cemetery and Transportation Special Revenue Funds. For additional information related to the net pension and OPEB liability see Notes 12 and 13.

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

Changes in the long-term obligations reported in business-type activities of the City during 2019 were as follows:

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	Balance at December 31, 2018	Increases	Decreases	Balance at December 31, 2019	Amounts Due in One Year
<u>General Obligation Bonds:</u>					
<u>Direct Placements</u>					
2017 - 2.03% \$4,895,000					
Sewer Various Purpose Refunding Bonds	\$4,265,000	\$0	\$645,000	\$3,620,000	\$655,000
<u>Mortgage Revenue Bonds:</u>					
2012 - 2.0 to 4.0% \$13,650,000					
Water System Improvement Refunding	10,805,000	0	425,000	10,380,000	440,000
Premium on Debt Issue	99,723	0	15,955	83,768	0
Total - Mortgage Revenue Bonds Payable	10,904,723	0	440,955	10,463,768	440,000
Net Pension Liability - OPERS	2,304,259	1,743,067	0	4,047,326	0
Net OPEB Liability - OPERS	1,580,608	340,565	0	1,921,173	0
Compensated Absences Payable	353,377	61,163	98,796	315,744	84,255
Total - Enterprise Funds	\$19,407,967	\$2,144,795	\$1,184,751	\$20,368,011	\$1,179,255

In October 2017, the City issued \$4,895,000 in general obligation bonds for the purpose of current refunding \$6,415,000 of the 2006 sewer system mortgage revenue bonds, in order to take advantage of lower interest rates. These bonds are paid from the sewer fund and will mature in December 2026. The 2006 bonds were called in December 2017.

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 37 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$14,777,076. Principal and interest paid for the current year were \$843,012. Total net revenues were \$2,210,103, and total revenues were \$4,959,094.

The mortgage revenue bonds are being repaid from charges for services in the water enterprise fund.

Compensated absences will be paid from the Electric, Sanitation, Sewer, Telecommunications, Water, Storm Water Utility, and Automotive Maintenance Funds. The City pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: Electric, Sanitation, Sewer, Telecommunications, Water, and Storm Water Utility Enterprise Funds and Automotive Maintenance Internal Service Fund. For additional information related to the net pension liability see Notes 12 and 13.

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The Water Fund’s related bond indenture has 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, 2019, the City’s overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$52,149,671, and the unvoted debt margin was \$27,316,494.

Principal and interest requirements to retire the City’s long-term obligations outstanding at December 31, 2019 were:

Year	Governmental Activities					
	General Obligation Bonds from Direct Placements		General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$545,000	\$46,994	\$485,000	\$122,906	\$0	\$0
2021	555,000	35,930	485,000	113,832	0	0
2022	565,000	24,664	485,000	102,956	1,603	8,397
2023	125,000	13,196	510,000	90,556	0	0
2024	130,000	10,658	265,000	76,556	0	0
2025-2029	395,000	16,240	1,475,000	250,638	0	0
2030-2034	0	0	615,000	34,750	0	0
2035	0	0	0	0	0	0
Totals	<u>\$2,315,000</u>	<u>\$147,682</u>	<u>\$4,320,000</u>	<u>\$792,194</u>	<u>\$1,603</u>	<u>\$8,397</u>

Year	Governmental Activities			
	Police Pension		ODOT SIB Loan from Direct Borrowing	
	Principal	Interest	Principal	Interest
2020	\$668	\$597	\$0	\$0
2021	696	569	200,000	13,625
2022	727	539	102,000	4,813
2023	758	508	0	0
2024	790	476	0	0
2025-2029	4,488	1,839	0	0
2030-2034	5,539	788	0	0
2035	567	12	0	0
Totals	<u>\$14,233</u>	<u>\$5,328</u>	<u>\$302,000</u>	<u>\$18,438</u>

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Year	Business-Type Activities			
	General Obligation Bonds from Direct Placements		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	\$655,000	\$73,486	\$440,000	\$405,263
2021	665,000	60,190	455,000	392,063
2022	680,000	46,690	470,000	378,413
2023	695,000	32,886	490,000	359,613
2024	705,000	18,778	505,000	344,914
2025-2029	220,000	6,699	2,580,000	1,472,210
2030-2034	0	0	3,190,000	862,200
2035-2037	0	0	2,250,000	182,400
Totals	<u>\$3,620,000</u>	<u>\$238,729</u>	<u>\$10,380,000</u>	<u>\$4,397,076</u>

**Note 17 - Interfund Activity**

Interfund Payable/Receivable

Interfund balances at December 31, 2019, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

	Receivable			Total
	Electric	Telecom	Stormwater Utility	
General	\$0	\$187,500	\$1,426	\$188,926
Fire and Life Squad	0	0	49	49
All Nonmajor Governmental	0	0	377	377
Electric	0	0	446	446
Sewer	20,808	0	336	21,144
Water	3,093	0	271	3,364
Total	<u>\$23,901</u>	<u>\$187,500</u>	<u>\$2,905</u>	<u>\$214,306</u>

Advances From/To Other Funds

The General Fund advanced monies to a Nonmajor Governmental 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 \$35,683 is expected to be repaid in 2020.

CITY OF LEBANON, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Transfers From/To Other Funds

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

The transfers between Nonmajor Governmental Funds were for debt service payments. The transfer from the Capital Improvement Fund to Nonmajor Governmental Funds was for capital improvements during the year.

		Transfers From			Total
		General Fund	Capital Improvement Fund	Nonmajor Governmental	
Transfers To	Capital				
	Improvement	\$200,000	\$0	\$0	\$200,000
	Nonmajor				
	Governmental	80,000	1,950,000	300,000	2,330,000
	Total	<u>\$280,000</u>	<u>\$1,950,000</u>	<u>\$300,000</u>	<u>\$2,530,000</u>

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

Jointly Governed Organization

*Warren County Combined Health District*

The Warren County Combined Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$13,485 during 2019 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and the County Treasurer serve as fiscal officers. Financial information can be obtained from Brenda Joseph at the Warren County Combined Health District, 416 S. East Street, Lebanon, Ohio 45036.

Insurance Purchasing Pool

*Ohio Municipal League Group Rating Program*

The City participates in the Ohio Municipal League Group Rating Program (GRRP), an insurance purchasing pool. The GRRP's business and affairs are conducted by a five-member Board of

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Directors. Each year, the participants pay an enrollment fee to CompManagement, Inc. to cover the costs of administering the program.

**Note 19 - Fund Balances**

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

Fund Balances	General Fund	Fire and Life Squad Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>					
Inventory	\$15,564	\$0	\$0	\$157,334	\$172,898
Prepays	97,520	17,928	1,021	20,770	137,239
<i>Total Nonspendable</i>	<u>113,084</u>	<u>17,928</u>	<u>1,021</u>	<u>178,104</u>	<u>310,137</u>
<u>Restricted for:</u>					
Debt Service	0	0	0	7,370	7,370
Capital Outlay	0	0	0	1,957,425	1,957,425
Security of Persons and Property	0	209,163	0	781,122	990,285
Public Health Services	0	0	0	905,969	905,969
Community and Economic Development	0	0	0	157,568	157,568
Transportation	0	0	0	1,115,875	1,115,875
<i>Total Restricted</i>	<u>0</u>	<u>209,163</u>	<u>0</u>	<u>4,925,329</u>	<u>5,134,492</u>
<u>Committed to:</u>					
Leisure Time Services	0	0	0	98,382	98,382
Debt Service	0	0	0	3,399,072	3,399,072
Capital Improvements	0	0	2,930,460	1,689,705	4,620,165
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>2,930,460</u>	<u>5,187,159</u>	<u>8,117,619</u>
<u>Assigned to:</u>					
Purchases on Order for:					
General Government	56,664	0	0	0	56,664
Security of Persons and Property	16,779	0	0	0	16,779
Leisure Time Services	45,437	0	0	0	45,437
Community and Economic Development	28,009	0	0	0	28,009
Future Appropriations	172,982	0	0	0	172,982
<i>Total Assigned</i>	<u>319,871</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>319,871</u>
<u>Unassigned:</u>	<u>8,198,455</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,198,455</u>
<b>Total Fund Balances</b>	<b><u><u>\$8,631,410</u></u></b>	<b><u><u>\$227,091</u></u></b>	<b><u><u>\$2,931,481</u></u></b>	<b><u><u>\$10,290,592</u></u></b>	<b><u><u>\$22,080,574</u></u></b>

CITY OF LEBANON, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

**Note 20 - Significant Commitments**

Encumbrances

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

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

<u>Governmental Funds:</u>	
General	\$212,720
Fire and Life Squad	726,681
Capital Improvement	740,608
Nonmajor Governmental Funds	2,789,972
Total Governmental Funds	4,469,981
<u>Enterprise Funds:</u>	
Electric	1,982,218
Sanitation	10,848
Sewer	903,107
Telecommunications	155
Water	536,915
Storm Water Utility	84,201
Total Enterprise Funds	3,517,444
<u>Internal Service Funds:</u>	
Automotive Maintenance	1,069
Self Insurance	239,090
Total Internal Service Funds	240,159
Total	\$8,227,584

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2019:

Contractor	Purpose	Amount Remaining
R.A. Miller Construction	2019 Concrete and Paving Program	\$172,298
R.B. Jergens	Dave Avenue Reconstruction	510,000
Milcon Concrete	Monroe Road Improvements	1,418,400
Rack & Ballauer	Center, Fairview & Walnut Streets Reconstruction	420,432
Doll Layman	Wastewater Treatment Plant Disinfection System Replacement	510,210
Environmental Engineering	Construction Management-WWTP Disinfection System Replacement	\$10,360

*(continued)*

CITY OF LEBANON, OHIO  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Contractor	Purpose	Amount Remaining
Midstate Contractors	2019 City Hall Improvements	\$839
Ford Development	North Broadway Corridor Improvements	480,967
Obersons Nursery & Landscape	Berry Park Construction	579,000
Ohio Traffic & Lighting Solutions	Mulberry Plaza Archway	125,482
KZF Design Inc.	Design New Fire Station 41	457,500
Bansal Construction	Installation Mulberry Plaza Archway	36,195
Tec Engineering	Downtown Pedestrian Safety	2,400
Conger Construction	Design Build Electric Dept Storage Building	20,831
Choice One Engineering	Design-N Broadway Regional Detention Basin	9,225
Rack & Ballauer	2018 Concrete and Paving Program	4,553
Rack & Ballauer	S Broadway Reconstruction	113,342
Tec Engineering	Countryside YMCA Trail Realignment and Extension	50,115
Choice One Engineering	Design New Street Reconstruction	44,620
Choice One Engineering	Design Summit Street & Highland Avenue Reconstruction	60,300
Choice One Engineering	Design Walnut, Center & Fairview Street Reconstruction	6,400
Tec Engineering	Downtown Pedestrian Safety Improvements	77,679
Stanley Consultants	Electric Generation Feasibility Study	6,149
Barge Design Solutions	Design N Sycamore Reconstruction	2,254
Choice One Engineering	Design LaLuz Storm Phase II	1,150
Choice One Engineering	Design Dave Avenue	6,420
Sutphen Corporation	Sutphen Custom Pumper	603,000
Total Contractual Commitments		<u><u>\$5,730,121</u></u>

**Note 21 – Joint Economic Development District**

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

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

**Note 22 - Contingent Liabilities**

Litigation

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

CITY OF LEBANON, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**Note 23 – Subsequent Event**

On February 12, 2020, the City issued \$600,000 in Series 2020 Limited Tax General Obligation Fire Equipment Acquisition Bond Anticipation Notes in anticipation of the issuance of bonds for the purpose of purchasing a new fire truck. The notes carry an interest rate of 2.75 percent.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. In June of 2020 the City of Lebanon received \$351,384 in direct funding from the CARES Act to offset the costs of the COVID-19 pandemic response.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.04346400%	0.04320000%	0.04361400%
City's Proportionate Share of the Net Pension Liability	\$11,903,909	\$6,777,242	\$9,903,997
City's Covered Payroll	\$5,870,614	\$5,823,085	\$5,638,025
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.77%	116.39%	175.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%

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

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

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.04368000%	0.04331800%	0.04331800%
\$7,560,383	\$5,224,636	\$5,106,628
\$5,431,836	\$5,310,750	\$5,297,364
139.19%	98.38%	96.40%
81.08%	86.45%	86.36%

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

	2019	2018
City's Proportion of the Net Pension Asset	0.07949800%	0.07814400%
City's Proportionate Share of the Net Pension Asset	(\$88,896)	(\$106,379)
City's Covered Payroll	\$340,007	\$320,038
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	26.15%	33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information.

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.04334000%	0.04281000%	0.04279000%
City's Proportionate Share of the Net OPEB Liability	\$5,650,513	\$4,648,849	\$4,321,935
City's Covered Payroll	\$6,286,396	\$6,178,248	\$5,913,767
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.88%	75.25%	73.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net Pension Liability	0.14809800%	0.12655100%	0.11685800%
City's Proportionate Share of the Net Pension Liability	\$12,088,710	\$7,767,006	\$7,401,668
City's Covered Payroll	\$3,479,288	\$2,917,109	\$2,665,193
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	347.45%	266.26%	277.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%

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

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

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.12170300%	0.13375310%	0.13375310%
\$7,829,239	\$6,928,969	\$6,514,196
\$2,821,335	\$2,790,353	\$2,376,423
277.50%	248.32%	274.12%
66.77%	71.71%	73.00%

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

	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.14809800%	0.12655100%	0.11685800%
City's Proportionate Share of the Net OPEB Liability	\$1,348,658	\$7,170,202	\$5,546,986
City's Covered Payroll	\$3,479,288	\$2,917,109	\$2,665,193
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.76%	245.80%	208.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information.

**CITY OF LEBANON, OHIO  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SEVEN YEARS (1) (2)**

	2019	2018	2017	2016
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$882,696	\$821,886	\$757,001	\$676,563
Contributions in Relation to the Contractually Required Contribution	<u>(882,696)</u>	<u>(821,886)</u>	<u>(757,001)</u>	<u>(676,563)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$6,304,971	\$5,870,614	\$5,823,085	\$5,638,025
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net Pension Asset - Combined Plan</b>				
Contractually Required Contribution	\$41,295	\$47,601	\$41,605	\$28,958
Contributions in Relation to the Contractually Required Contribution	<u>(41,295)</u>	<u>(47,601)</u>	<u>(41,605)</u>	<u>(28,958)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$294,964	\$340,007	\$320,038	\$241,317
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>
<b>Net OPEB Liability - OPEB Plan</b>				
Contractually Required Contribution	\$2,970	\$3,031	\$61,694	\$118,964
Contributions in Relation to the Contractually Required Contribution	<u>(2,970)</u>	<u>(3,031)</u>	<u>(61,694)</u>	<u>(118,964)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$6,674,185	\$6,286,396	\$6,178,248	\$5,913,767
OPEB Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.05%</u>	<u>1.00%</u>	<u>2.01%</u>

- (1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.
- (2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented for the OPEB plan.
- (3) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>
\$651,820	\$637,290	\$698,999
<u>(651,820)</u>	<u>(637,290)</u>	<u>(698,999)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,431,836	\$5,310,750	\$5,297,364
<u>12.00%</u>	<u>12.00%</u>	<u>13.20%</u>
\$28,428	\$27,458	\$28,338
<u>(28,428)</u>	<u>(27,458)</u>	<u>(28,338)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$236,900	\$228,817	\$217,985
<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$750,303	\$712,151	\$584,341	\$531,059
Contributions in Relation to the Contractually Required Contribution	<u>(750,303)</u>	<u>(712,151)</u>	<u>(584,341)</u>	<u>(531,059)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,657,312	\$3,479,288	\$2,917,109	\$2,665,193
Contributions as a Percentage of Covered Payroll:	<u>20.52%</u>	<u>20.47%</u>	<u>20.03%</u>	<u>19.93%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$18,286	\$17,396	\$14,585	\$13,326
Contributions in Relation to the Contractually Required Contribution	<u>(18,286)</u>	<u>(17,396)</u>	<u>(14,585)</u>	<u>(13,326)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.02%</u>	<u>20.97%</u>	<u>20.53%</u>	<u>20.43%</u>

(1) The City's Covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$564,223	\$559,748	\$402,727	\$347,603	\$391,612	\$360,709
<u>(564,223)</u>	<u>(559,748)</u>	<u>(402,727)</u>	<u>(347,603)</u>	<u>(391,612)</u>	<u>(360,709)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,821,335	\$2,790,353	\$2,376,423	\$2,507,346	\$2,828,138	\$2,632,137
<u>20.00%</u>	<u>20.06%</u>	<u>16.95%</u>	<u>13.86%</u>	<u>13.85%</u>	<u>13.70%</u>
\$14,107	\$13,952	\$85,948	\$169,246	\$190,900	\$177,669
<u>(14,107)</u>	<u>(13,952)</u>	<u>(85,948)</u>	<u>(169,246)</u>	<u>(190,900)</u>	<u>(177,669)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>20.50%</u>	<u>20.56%</u>	<u>20.57%</u>	<u>20.61%</u>	<u>20.60%</u>	<u>20.45%</u>

CITY OF LEBANON, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and in 2016 and prior are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

CITY OF LEBANON, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

	2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77% %	68%
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

Changes in Assumptions – OPERS OPEB

For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. For 2019, the health care cost trend rate was 10 percent, initial; 3.25 ultimate in 2029. For 2018, the health care cost trend rate was 7.25 percent, initial; 3.25 percent ultimate in 2028.

CITY OF LEBANON, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

For 2018, the single discount rate changed from 4.23 percent to 3.85 percent.

Changes in Assumptions – OP&F OPEB

For 2019, the single discount rate changed from 3.24 percent to 4.66 percent.

For 2018, the single discount rate changed from 3.79 percent to 3.24 percent.

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

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

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

**SPECIAL REVENUE FUNDS**

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

**NONMAJOR SPECIAL REVENUE FUNDS**

Cemetery Fund

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

Community Development Fund

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

Court Fund

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

Park/Recreation Impact Fee Fund

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

Transportation Fund

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

Fire Insurance Collection Fund

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

**NONMAJOR DEBT SERVICE FUND**

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

(continued)

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

(Continued)

**CAPITAL PROJECTS FUNDS**

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

**NONMAJOR CAPITAL PROJECTS FUNDS**

Tax Increment Financing Fund

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

Cemetery Improvement Fund

To account for and report fees restricted for cemetery improvements.

OPWC Capital Grant Fund

To account for and report OPWC reimbursable grants restricted to infrastructure improvement projects throughout the City.

**CITY OF LEBANON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,999,242	\$3,380,521	\$3,888,736	\$10,268,499
Materials and Supplies Inventory	157,334	0	0	157,334
Prepaid Items	20,770	0	0	20,770
Income Taxes Receivable	0	327,828	0	327,828
Payment in Lieu of Taxes Receivable	0	0	368,322	368,322
Accrued Interest Receivable	3,709	11,912	0	15,621
Intergovernmental Receivable	737,232	0	0	737,232
<b>Total Assets</b>	<b>\$3,918,287</b>	<b>\$3,720,261</b>	<b>\$4,257,058</b>	<b>\$11,895,606</b>
<b>Liabilities:</b>				
Accounts Payable	\$26,778	\$0	\$0	\$26,778
Accrued Wages Payable	10,005	0	0	10,005
Contracts Payable	0	0	75,126	75,126
Intergovernmental Payable	9,742	0	88,659	98,401
Retainage Payable	0	0	42,138	42,138
Interfund Payable	377	0	0	377
Deposits Held and Due to Others	13,378	0	0	13,378
Advances From Other Funds	0	0	35,683	35,683
<b>Total Liabilities</b>	<b>60,280</b>	<b>0</b>	<b>241,606</b>	<b>301,886</b>
<b>Deferred Inflows of Resources:</b>				
Payment in Lieu of Taxes	0	0	368,322	368,322
Unavailable Revenue	620,987	313,819	0	934,806
<b>Total Deferred Inflows of Resources</b>	<b>620,987</b>	<b>313,819</b>	<b>368,322</b>	<b>1,303,128</b>
<b>Fund Balances:</b>				
Nonspendable	178,104	0	0	178,104
Restricted	2,960,534	7,370	1,957,425	4,925,329
Committed	98,382	3,399,072	1,689,705	5,187,159
<b>Total Fund Balances</b>	<b>3,237,020</b>	<b>3,406,442</b>	<b>3,647,130</b>	<b>10,290,592</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$3,918,287</b>	<b>\$3,720,261</b>	<b>\$4,257,058</b>	<b>\$11,895,606</b>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$788,197	\$0	\$788,197
Payments in Lieu of Taxes	0	0	1,617,904	1,617,904
Charges for Services	137,786	0	20,962	158,748
Fines, Licenses and Permits	127,993	0	0	127,993
Intergovernmental	1,244,734	0	0	1,244,734
Interest	22,456	64,981	0	87,437
Other	6,889	0	913	7,802
<b>Total Revenues</b>	<b>1,539,858</b>	<b>853,178</b>	<b>1,639,779</b>	<b>4,032,815</b>
Expenditures:				
Current:				
General Government	27,233	0	0	27,233
Security of Persons and Property:				
Police	47,355	0	0	47,355
Public Health Services	167,666	0	955	168,621
Leisure Time Services	25,718	0	0	25,718
Community and Economic Development	0	0	114,918	114,918
Transportation	943,223	0	0	943,223
Intergovernmental	0	0	891,445	891,445
Capital Outlay	108,353	0	1,288,471	1,396,824
Debt Service:				
Principal Retirement	0	590,000	415,000	1,005,000
Interest and Fiscal Charges	0	157,247	34,815	192,062
<b>Total Expenditures</b>	<b>1,319,548</b>	<b>747,247</b>	<b>2,745,604</b>	<b>4,812,399</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>220,310</b>	<b>105,931</b>	<b>(1,105,825)</b>	<b>(779,584)</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	2,011	0	0	2,011
Transfers In	80,000	0	2,250,000	2,330,000
Transfers Out	0	(300,000)	0	(300,000)
<b>Total Other Financing Sources (Uses)</b>	<b>82,011</b>	<b>(300,000)</b>	<b>2,250,000</b>	<b>2,032,011</b>
<b>Net Change in Fund Balances</b>	<b>302,321</b>	<b>(194,069)</b>	<b>1,144,175</b>	<b>1,252,427</b>
<b>Fund Balances at Beginning of Year</b>	<b>2,934,699</b>	<b>3,600,511</b>	<b>2,502,955</b>	<b>9,038,165</b>
<b>Fund Balances at End of Year</b>	<b>\$3,237,020</b>	<b>\$3,406,442</b>	<b>\$3,647,130</b>	<b>\$10,290,592</b>

**CITY OF LEBANON, OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2019**

	Cemetery Fund	Community Development Fund	Court Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$910,419	\$157,568	\$783,503
Materials and Supplies Inventory	2,871	0	0
Prepaid Items	1,613	0	5,893
Accrued Interest Receivable	3,291	0	0
Intergovernmental Receivable	0	0	0
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$918,194</u>	<u>\$157,568</u>	<u>\$789,396</u>
Liabilities:			
Accounts Payable	\$142	\$0	\$682
Accrued Wages Payable	2,975	0	0
Intergovernmental Payable	2,443	0	1,699
Interfund Payable	255	0	0
Deposits Held and Due to Others	0	0	0
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>5,815</u>	<u>0</u>	<u>2,381</u>
Deferred Inflows of Resources:			
Unavailable Revenue	1,926	0	0
	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balances:			
Nonspendable	4,484	0	5,893
Restricted	905,969	157,568	781,122
Committed	0	0	0
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>910,453</u>	<u>157,568</u>	<u>787,015</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	<u>\$918,194</u>	<u>\$157,568</u>	<u>\$789,396</u>

Park/Recreation Impact Fee Fund	Transportation Fund	Fire Insurance Collection Fund	Total Nonmajor Special Revenue Funds
\$98,782	\$1,035,592	\$13,378	\$2,999,242
0	154,463	0	157,334
0	13,264	0	20,770
0	418	0	3,709
0	737,232	0	737,232
<u>\$98,782</u>	<u>\$1,940,969</u>	<u>\$13,378</u>	<u>\$3,918,287</u>
\$400	\$25,554	\$0	\$26,778
0	7,030	0	10,005
0	5,600	0	9,742
0	122	0	377
0	0	13,378	13,378
<u>400</u>	<u>38,306</u>	<u>13,378</u>	<u>60,280</u>
0	619,061	0	620,987
0	167,727		178,104
0	1,115,875		2,960,534
98,382	0	0	98,382
<u>98,382</u>	<u>1,283,602</u>	<u>0</u>	<u>3,237,020</u>
<u>\$98,782</u>	<u>\$1,940,969</u>	<u>\$13,378</u>	<u>\$3,918,287</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, 2019**

	Cemetery Fund	Community Development Fund	Court Fund
Revenues:			
Charges for Services	\$133,532	\$0	\$4,254
Fines, Licenses and Permits	0	0	98,243
Intergovernmental	0	0	0
Interest	19,834	0	0
Other	1,673	0	71
Total Revenues	<u>155,039</u>	<u>0</u>	<u>102,568</u>
Expenditures:			
Current:			
General Government	0	0	13,908
Security of Persons and Property:			
Police	0	0	47,355
Public Health Services	167,666	0	0
Leisure Time Services	0	0	0
Transportation	0	0	0
Capital Outlay	0	40,396	7,015
Total Expenditures	<u>167,666</u>	<u>40,396</u>	<u>68,278</u>
Excess of Revenues Over (Under) Expenditures	(12,627)	(40,396)	34,290
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	0	0
Transfers In	70,000	0	0
Total Other Financing Sources	<u>70,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	57,373	(40,396)	34,290
Fund Balances at Beginning of Year	<u>853,080</u>	<u>197,964</u>	<u>752,725</u>
Fund Balances at End of Year	<u><u>\$910,453</u></u>	<u><u>\$157,568</u></u>	<u><u>\$787,015</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$137,786
23,137	6,613	127,993
0	1,244,734	1,244,734
0	2,622	22,456
0	5,145	6,889
<u>23,137</u>	<u>1,259,114</u>	<u>1,539,858</u>
0	13,325	27,233
0	0	47,355
0	0	167,666
25,718	0	25,718
0	943,223	943,223
400	60,542	108,353
<u>26,118</u>	<u>1,017,090</u>	<u>1,319,548</u>
(2,981)	242,024	220,310
0	2,011	2,011
0	10,000	80,000
<u>0</u>	<u>12,011</u>	<u>82,011</u>
(2,981)	254,035	302,321
<u>101,363</u>	<u>1,029,567</u>	<u>2,934,699</u>
<u>\$98,382</u>	<u>\$1,283,602</u>	<u>\$3,237,020</u>

**CITY OF LEBANON, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2019**

	Tax Increment Financing Fund	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,983,239	\$98,528	\$1,806,969	\$3,888,736
Payment in Lieu of Taxes Receivable	368,322	0	0	368,322
<b>Total Assets</b>	<b><u>\$2,351,561</u></b>	<b><u>\$98,528</u></b>	<b><u>\$1,806,969</u></b>	<b><u>\$4,257,058</u></b>
<b>Liabilities:</b>				
Contracts Payable	\$0	\$0	\$75,126	\$75,126
Intergovernmental Payable	88,659	0	0	88,659
Retainage Payable	0	0	42,138	42,138
Advances From Other Funds	35,683	0	0	35,683
<b>Total Liabilities</b>	<b><u>124,342</u></b>	<b><u>0</u></b>	<b><u>117,264</u></b>	<b><u>241,606</u></b>
<b>Deferred Inflows of Resources:</b>				
Payment in Lieu of Taxes	368,322	0	0	368,322
<b>Fund Balances:</b>				
Restricted	1,858,897	98,528	0	1,957,425
Committed	0	0	1,689,705	1,689,705
<b>Total Fund Balances</b>	<b><u>1,858,897</u></b>	<b><u>98,528</u></b>	<b><u>1,689,705</u></b>	<b><u>3,647,130</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$2,351,561</u></b>	<b><u>\$98,528</u></b>	<b><u>\$1,806,969</u></b>	<b><u>\$4,257,058</u></b>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Tax Increment Financing Fund	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
Revenues:				
Payments in Lieu of Taxes	\$1,617,904	\$0	\$0	\$1,617,904
Charges for Services	12,462	8,500	0	20,962
Other	913	0	0	913
Total Revenues	<u>1,631,279</u>	<u>8,500</u>	<u>0</u>	<u>1,639,779</u>
Expenditures:				
Current:				
Public Health Services	0	955	0	955
Community and Economic Development	114,918	0	0	114,918
Intergovernmental	891,445	0	0	891,445
Capital Outlay	0	0	1,288,471	1,288,471
Debt Service:				
Principal Retirement	415,000	0	0	415,000
Interest and Fiscal Charges	34,815	0	0	34,815
Total Expenditures	<u>1,456,178</u>	<u>955</u>	<u>1,288,471</u>	<u>2,745,604</u>
Excess of Revenues Over (Under) Expenditures	175,101	7,545	(1,288,471)	(1,105,825)
Other Financing Sources:				
Transfers In	<u>300,000</u>	<u>0</u>	<u>1,950,000</u>	<u>2,250,000</u>
Net Change in Fund Balances	475,101	7,545	661,529	1,144,175
Fund Balances at Beginning of Year	<u>1,383,796</u>	<u>90,983</u>	<u>1,028,176</u>	<u>2,502,955</u>
Fund Balances at End of Year	<u><u>\$1,858,897</u></u>	<u><u>\$98,528</u></u>	<u><u>\$1,689,705</u></u>	<u><u>\$3,647,130</u></u>

CITY OF LEBANON, OHIO

**INTERNAL SERVICE FUNDS**

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

Automotive Maintenance Fund

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

Self-Insurance Fund

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

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2019**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
<b>Assets:</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$190,746	\$1,645,311	\$1,836,057
Accrued Interest Receivable	0	6,386	6,386
Prepaid Items	5,910	0	5,910
Materials and Supplies Inventory	62,600	0	62,600
<b>Total Current Assets</b>	<b>259,256</b>	<b>1,651,697</b>	<b>1,910,953</b>
<b>Noncurrent Assets:</b>			
Net Pension Asset	1,778	0	1,778
Nondepreciable Capital Assets	64,666	0	64,666
Depreciable Capital Assets, Net	131,266	0	131,266
<b>Total Noncurrent Assets</b>	<b>197,710</b>	<b>0</b>	<b>197,710</b>
<b>Total Assets</b>	<b>456,966</b>	<b>1,651,697</b>	<b>2,108,663</b>
<b>Deferred Outflows of Resources:</b>			
Pension	72,915	0	72,915
OPEB	9,708	0	9,708
<b>Total Deferred Outflows of Resources</b>	<b>82,623</b>	<b>0</b>	<b>82,623</b>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	638	0	638
Accrued Wages Payable	6,665	0	6,665
Intergovernmental Payable	5,372	0	5,372
Claims Payable	0	248,339	248,339
Compensated Absences Payable	8,017	0	8,017
<b>Total Current Liabilities</b>	<b>20,692</b>	<b>248,339</b>	<b>269,031</b>
<b>Long-term Liabilities:</b>			
Compensated Absences Payable	30,069	0	30,069
Net Pension Liability	238,082	0	238,082
Net OPEB Liability	113,009	0	113,009
<b>Total Long-Term Liabilities</b>	<b>381,160</b>	<b>0</b>	<b>381,160</b>
<b>Total Liabilities</b>	<b>401,852</b>	<b>248,339</b>	<b>650,191</b>
<b>Deferred Inflows of Resources:</b>			
Pension	4,434	0	4,434
OPEB	307	0	307
<b>Total Deferred Inflow of Resources</b>	<b>4,741</b>	<b>0</b>	<b>4,741</b>
<b>Net Position:</b>			
Investment in Capital Assets Unrestricted	195,932 (62,936)	0 1,403,358	195,932 1,340,422
<b>Total Net Position</b>	<b>\$132,996</b>	<b>\$1,403,358</b>	<b>\$1,536,354</b>

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating Revenues:			
Charges for Services	\$340,996	\$1,436,400	\$1,777,396
Other	2,833	566,864	569,697
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Operating Revenues	343,829	2,003,264	2,347,093
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating Expenses:			
Personal Services	300,897	0	300,897
Contractual Services	28,714	401,273	429,987
Supplies and Materials	21,498	0	21,498
Claims	0	1,857,649	1,857,649
Depreciation	14,483	0	14,483
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Operating Expenses	365,592	2,258,922	2,624,514
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating Loss	(21,763)	(255,658)	(277,421)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Non-Operating Revenues:			
Interest	0	26,974	26,974
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Change in Net Position	(21,763)	(228,684)	(250,447)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Position at Beginning of Year	154,759	1,632,042	1,786,801
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Position at End of Year	<u>\$132,996</u>	<u>\$1,403,358</u>	<u>\$1,536,354</u>

**CITY OF LEBANON, OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	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	\$340,996	\$1,436,400	\$1,777,396
Cash Payments for Employee Services and Benefits	(247,846)	0	(247,846)
Cash Payments to Suppliers for Goods and Services	(50,662)	(409,037)	(459,699)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(1,818,886)	(1,818,886)
Other Operating Revenues	2,833	566,864	569,697
Net Cash Provided by (used for) Operating Activities	<u>45,321</u>	<u>(224,659)</u>	<u>(179,338)</u>
Cash Flows Used in Capital and Related Financing Activities:			
Acquisition of Capital Assets	(25,492)	0	(25,492)
Cash Flows from Investing Activities:			
Interest	0	26,352	26,352
Net Increase (Decrease) in Cash and Cash Equivalents	19,829	(198,307)	(178,478)
Cash and Cash Equivalents at Beginning of Year	<u>170,917</u>	<u>1,843,618</u>	<u>2,014,535</u>
Cash and Cash Equivalents at End of Year	<u><u>\$190,746</u></u>	<u><u>\$1,645,311</u></u>	<u><u>\$1,836,057</u></u>
Reconciliation of Operating Loss to			
<u>Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Loss	<u>(\$21,763)</u>	<u>(\$255,658)</u>	<u>(\$277,421)</u>
Adjustments to Reconcile Operating Income (Loss) to			
<u>Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation	14,483	0	14,483
Decrease (Increase) in Assets:			
Materials and Supplies Inventory	1,100	0	1,100
Prepays Items	183	0	183
Net Pension Asset	(535)	0	(535)
Deferred Outflows of Resources - Pension	51,429	0	51,429
Deferred Outflows of Resources - OPEB	6,350	0	6,350
Increase (Decrease) in Liabilities:			
Accounts Payable	(1,733)	(7,764)	(9,497)
Accrued Wages Payable	2,163	0	2,163
Intergovernmental Payable	1,546	0	1,546
Claims Payable	0	38,763	38,763
Compensated Absences Payable	4,142	0	4,142
Net Pension Liability	(258)	0	(258)
Net OPEB Liability	6,189	0	6,189
Deferred Inflows of Resources - Pension	(16,071)	0	(16,071)
Deferred Inflows of Resources - OPEB	(1,904)	0	(1,904)
Net Cash Provided by (Used for) Operating Activities	<u><u>\$45,321</u></u>	<u><u>(\$224,659)</u></u>	<u><u>(\$179,338)</u></u>

CITY OF LEBANON, OHIO

**CUSTODIAL FUNDS**

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

Municipal Court Fund

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

Joint Economic Development District Fund

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

**CITY OF LEBANON, OHIO  
 COMBINING STATEMENT OF  
 FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 DECEMBER 31, 2019**

	Municipal Court Fund	Joint Economic Development District Fund	Total
<b>Assets:</b>			
Equity In Pooled Cash And Cash Equivalents	\$0	\$9,452	\$9,452
Cash and Cash Equivalents In Segregated Accounts	63,885	0	63,885
<b>Total Assets</b>	<b>\$63,885</b>	<b>\$9,452</b>	<b>\$73,337</b>
 <b>Liabilities and Fund Balances</b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	\$35,448	\$0	\$35,448
Intergovernmental Payable	28,437	9,452	37,889
<b>Total Liabilities</b>	<b>\$63,885</b>	<b>\$9,452</b>	<b>\$73,337</b>

**CITY OF LEBANON, OHIO  
COMBINING STATEMENT OF CHANGES  
IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
DECEMBER 31, 2019**

	Municipal Court Fund	Joint Economic Development District Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Additions:			
Fines and Forfeitures for Other Governments	\$641,828	\$0	\$641,828
Amounts Received as Fiscal Agent	0	40,461	40,461
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Additions	641,828	40,461	682,289
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Deductions:			
Distributions to the State of Ohio	388,654	0	388,654
Fines and Forfeitures Distributions to Other Governments	231,157	0	231,157
Distributions to Individuals	22,017	0	22,017
Distributions as Fiscal Agent	0	40,461	40,461
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Deductions	641,828	40,461	682,289
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Increase (Decrease) In Fiduciary Net Position	0	0	0
Net Position Beginning Of Year	0	0	0
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net Position End Of Year	\$0	\$0	\$0
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**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, 2019**

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$1,216,638	\$1,216,638	\$0
Income Taxes	5,966,436	5,966,436	0
Other Local Taxes	1,531,775	1,531,775	0
Charges for Services	2,530,715	2,530,715	0
Fines, Licenses and Permits	590,655	590,655	0
Intergovernmental	958,780	958,780	0
Interest	203,598	203,598	0
Contributions and Donations	500	500	0
Other	289,472	289,517	45
<b>Total Revenues</b>	<b>13,288,569</b>	<b>13,288,614</b>	<b>45</b>
Expenditures:			
Current:			
General Government			
Legislative			
Personal Services	56,150	52,854	3,296
Contractual Services	30,000	24,224	5,776
Supplies and Materials	600	119	481
<b>Total Legislative</b>	<b>86,750</b>	<b>77,197</b>	<b>9,553</b>
City Manager			
Personal Services	374,261	371,924	2,337
Contractual Services	91,269	74,596	16,673
Supplies and Materials	20,428	21,562	(1,134)
<b>Total City Manager</b>	<b>485,958</b>	<b>468,082</b>	<b>17,876</b>
Personnel			
Personal Services	174,844	168,734	6,110
Contractual Services	44,541	42,936	1,605
Supplies and Materials	4,428	2,026	2,402
<b>Total Personnel</b>	<b>223,813</b>	<b>213,696</b>	<b>10,117</b>
Department of Service			
Personal Services	341,620	317,267	24,353
Contractual Services	31,740	17,279	14,461
Supplies and Materials	6,500	2,525	3,975
<b>Total Department of Service</b>	<b>379,860</b>	<b>337,071</b>	<b>42,789</b>
Information Technology			
Personal Services	201,361	175,440	25,921
Contractual Services	318,345	310,227	8,118
Supplies and Materials	2,000	1,146	854
<b>Total Information Technology</b>	<b>521,706</b>	<b>486,813</b>	<b>34,893</b>
Finance			
Personal Services	412,970	389,621	23,349
Contractual Services	98,422	93,118	5,304
Supplies and Materials	7,833	7,833	0
<b>Total Finance</b>	<b>\$519,225</b>	<b>\$490,572</b>	<b>\$28,653</b>

(continued)

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(continued)

	Budgeted Amounts		Variance
	Final	Actual	with
	Budget		Final Budget
Income Tax			
Personal Services	\$304,240	\$296,182	\$8,058
Contractual Services	37,104	29,222	7,882
Supplies and Materials	5,000	4,420	580
Refunds	295,314	295,314	0
Other	197,376	197,376	0
<b>Total Income Tax</b>	<b>839,034</b>	<b>822,514</b>	<b>16,520</b>
Law			
Personal Services	212,392	205,324	7,068
Contractual Services	69,500	74,361	(4,861)
Supplies and Materials	0	30	(30)
<b>Total Law</b>	<b>281,892</b>	<b>279,715</b>	<b>2,177</b>
Municipal Court			
Personal Services	687,957	578,254	109,703
Contractual Services	144,277	111,786	32,491
Supplies and Materials	12,500	7,881	4,619
<b>Total Municipal Court</b>	<b>844,734</b>	<b>697,921</b>	<b>146,813</b>
Parking System			
Contractual Services	6,753	1,752	5,001
Capital Outlay	39,153	35,153	4,000
<b>Total Parking System</b>	<b>45,906</b>	<b>36,905</b>	<b>9,001</b>
Probation			
Personal Services	317,332	250,794	66,538
Contractual Services	9,500	3,901	5,599
Supplies and Materials	7,500	4,857	2,643
<b>Total Probation</b>	<b>334,332</b>	<b>259,552</b>	<b>74,780</b>
Building Maintenance			
Personal Services	194,404	180,922	13,482
Contractual Services	72,266	65,521	6,745
Supplies and Materials	26,869	19,328	7,541
<b>Total Building Maintenance</b>	<b>293,539</b>	<b>265,771</b>	<b>27,768</b>
Other General Government			
Contractual Services	101,957	109,958	(8,001)
Supplies and Materials	8,097	8,899	(802)
Reimbursements	1,000	0	1,000
<b>Total Other General Government</b>	<b>111,054</b>	<b>118,857</b>	<b>(7,803)</b>
<b>Total General Government</b>	<b>4,967,803</b>	<b>4,554,666</b>	<b>413,137</b>
Security of Persons and Property			
Police			
Personal Services	4,637,715	4,105,912	531,803
Contractual Services	465,735	441,684	24,051
Supplies and Materials	177,950	152,752	25,198
Capital Outlay	71,612	71,612	0
<b>Total Police</b>	<b>\$5,353,012</b>	<b>\$4,771,960</b>	<b>\$581,052</b>

(continued)

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(continued)

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Police Donation Trust			
Supplies and Materials	\$10,361	\$2,000	\$8,361
Total Security of Persons and Property	5,363,373	4,773,960	589,413
Leisure Time Services			
Recreation Programs			
Personal Services	338,930	294,633	44,297
Contractual Services	314,830	314,053	777
Supplies and Materials	92,753	84,908	7,845
Capital Outlay	1,187,739	1,182,120	5,619
Refunds	500	1,150	(650)
Total Leisure Time Services	1,934,752	1,876,864	57,888
Community and Economic Development			
Planning and Development			
Personal Services	368,509	336,400	32,109
Contractual Services	215,213	156,658	58,555
Supplies and Materials	10,600	3,671	6,929
Total Planning and Development	594,322	496,729	97,593
Engineer Services			
Personal Services	422,299	405,789	16,510
Contractual Services	119,383	89,807	29,576
Supplies and Materials	34,579	18,810	15,769
Total Engineer Services	576,261	514,406	61,855
Total Community and Economic Development	1,170,583	1,011,135	159,448
Total Expenditures	13,436,511	12,216,625	1,219,886
Excess of Revenues Over (Under) Expenditures	(147,942)	1,071,989	1,219,931
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	25,300	25,300	0
Transfers Out	(1,280,000)	(280,000)	1,000,000
Advances Out	(152,311)	0	152,311
Total Other Financing Sources (Uses)	(1,407,011)	(254,700)	1,152,311
Net Change in Fund Balance	(1,554,953)	817,289	2,372,242
Fund Balance at Beginning of Year - Restated	5,701,097	5,701,097	0
Prior Year Encumbrances Appropriated	313,423	313,423	0
Fund Balance at End of Year	\$4,459,567	\$6,831,809	\$2,372,242

**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, 2019**

	<u>Budgeted Amounts</u>		Variance
	Final	Actual	with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Property Taxes	\$2,871,935	\$2,871,935	\$0
Charges for Services	567,442	567,442	0
Intergovernmental	163,081	163,081	0
Other	53,955	53,955	0
Total Revenues	<u>3,656,413</u>	<u>3,656,413</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	3,135,061	2,917,789	217,272
Contractual Services	546,074	521,505	24,569
Supplies and Materials	72,541	66,395	6,146
Total Security of Persons and Property	<u>3,753,676</u>	<u>3,505,689</u>	<u>247,987</u>
Capital Outlay	<u>969,105</u>	<u>964,072</u>	<u>5,033</u>
Debt Service:			
Principal Retirement	500,000	500,000	0
Interest and Fiscal Charges	32,500	21,336	11,164
Total Debt Service	<u>532,500</u>	<u>521,336</u>	<u>11,164</u>
Total Expenditures	<u>5,255,281</u>	<u>4,991,097</u>	<u>264,184</u>
Excess of Revenues Under Expenditures	<u>(1,598,868)</u>	<u>(1,334,684)</u>	<u>264,184</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	982	982	0
Advances Out	(210,000)	0	210,000
Bond Anticipation Notes Issued	400,000	400,000	0
Premium on Debt Issued	4,912	4,912	0
Total Other Financing Sources (Uses)	<u>195,894</u>	<u>405,894</u>	<u>210,000</u>
Net Change in Fund Balance	<u>(1,402,974)</u>	<u>(928,790)</u>	<u>474,184</u>
Fund Balance at Beginning of Year	1,084,740	1,084,740	0
Prior Year Encumbrances Appropriated	<u>115,391</u>	<u>115,391</u>	<u>0</u>
Fund Balance at End of Year	<u>(\$202,843)</u>	<u>\$271,341</u>	<u>\$474,184</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, 2019**

	Budgeted Amounts Final Budget	Actual	Variance with Final Budget
Revenues:			
Income Taxes	\$3,613,139	\$3,613,139	\$0
Special Assessments	277,120	277,120	0
Intergovernmental	2,002,644	2,367,741	365,097
Interest	26,694	26,694	0
Other	49,049	49,049	0
Total Revenues	<u>5,968,646</u>	<u>6,333,743</u>	<u>365,097</u>
Expenditures:			
Current:			
Transportation			
Capital Outlay	<u>5,871,535</u>	<u>5,148,072</u>	<u>723,463</u>
Total Expenditures	<u>5,871,535</u>	<u>5,148,072</u>	<u>723,463</u>
Excess of Revenues Over Expenditures	<u>97,111</u>	<u>1,185,671</u>	<u>1,088,560</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	3,079	3,079	0
Transfers In	565,097	200,000	(365,097)
Transfers Out	(1,950,000)	(1,950,000)	0
Advances Out	<u>(1,000,000)</u>	<u>0</u>	<u>1,000,000</u>
Total Other Financing Sources (Uses)	<u>(2,381,824)</u>	<u>(1,746,921)</u>	<u>634,903</u>
Net Change in Fund Balance	(2,284,713)	(561,250)	1,723,463
Fund Balance at Beginning of Year	1,260,607	1,260,607	0
Prior Year Encumbrances Appropriated	<u>1,411,323</u>	<u>1,411,323</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$387,217</u></u>	<u><u>\$2,110,680</u></u>	<u><u>\$1,723,463</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL**  
**ELECTRIC ENTERPRISE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	<u>Actual</u>	Final Budget
Revenues:			
Charges for Services	\$33,277,085	\$33,277,085	\$0
Other	221,319	221,319	0
Interest	177,898	177,898	0
Utility Deposits Received	138,880	138,880	0
	<u>33,815,182</u>	<u>33,815,182</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	2,131,463	1,970,484	160,979
Contractual Services	2,295,049	1,501,178	793,871
Purchased Power	24,921,094	24,402,495	518,599
Supplies and Materials	432,176	83,349	348,827
Utility Deposits Returned	171,725	140,965	30,760
Capital Outlay	4,699,848	1,882,661	2,817,187
Other	8,200	6,314	1,886
	<u>34,659,555</u>	<u>29,987,446</u>	<u>4,672,109</u>
Total Expenses			
Net Change in Fund Equity	(844,373)	3,827,736	4,672,109
Fund Equity at Beginning of Year	25,864,378	25,864,378	0
Prior Year Encumbrances Appropriated	749,390	749,390	0
	<u>25,769,395</u>	<u>30,441,504</u>	<u>\$4,672,109</u>
Fund Equity at End of Year			

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$1,784,257	\$1,784,257	\$0
Other	1,104	1,104	0
Interest	4,187	4,187	0
	<u>1,789,548</u>	<u>1,789,548</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	143,934	132,758	11,176
Contractual Services	1,640,911	1,609,919	30,992
Other	500	76	424
	<u>1,785,345</u>	<u>1,742,753</u>	<u>42,592</u>
Total Expenses			
Net Change in Fund Equity	4,203	46,795	42,592
Fund Equity at Beginning of Year	459,950	459,950	0
Prior Year Encumbrances Appropriated	5,772	5,772	0
	<u>469,925</u>	<u>512,517</u>	<u>42,592</u>
Fund Equity at End of Year			

**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, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$3,831,736	\$3,831,736	\$0
Proceeds from Sale of Capital Assets	120,000	120,000	0
Interest	29,908	29,908	0
Other	9,330	9,330	0
	<u>3,990,974</u>	<u>3,990,974</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	806,767	646,813	159,954
Contractual Services	1,532,809	1,427,240	105,569
Supplies and Materials	160,804	99,410	61,394
Capital Outlay	1,891,134	1,847,279	43,855
Other	200	2,763	(2,563)
Debt Service:			
Principal Retirement	645,000	645,000	0
Interest and Fiscal Charges	89,080	86,580	2,500
	<u>5,125,794</u>	<u>4,755,085</u>	<u>370,709</u>
Total Expenses			
Net Change in Fund Equity	(1,134,820)	(764,111)	370,709
Fund Equity at Beginning of Year	3,475,816	3,475,816	0
Prior Year Encumbrances Appropriated	934,536	934,536	0
	<u>\$3,275,532</u>	<u>\$3,646,241</u>	<u>\$370,709</u>
Fund Equity at End of Year			

**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, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$32,796	\$32,796	\$0
Other Non Operating	1,820	1,820	0
Total Revenues	<u>34,616</u>	<u>34,616</u>	<u>0</u>
Expenses:			
Personal Services	27,135	26,858	277
Contractual Services	15,182	14,206	976
Supplies and Materials	500	92	408
Capital Outlay	5,000	1,843	3,157
Total Expenses	<u>47,817</u>	<u>42,999</u>	<u>4,818</u>
Net Change in Fund Equity	(13,201)	(8,383)	4,818
Fund Equity at Beginning of Year	240,661	240,661	0
Prior Year Encumbrances Appropriated	193	193	0
Fund Equity at End of Year	<u><u>\$227,653</u></u>	<u><u>\$232,471</u></u>	<u><u>\$4,818</u></u>

**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, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$4,779,084	\$4,779,084	\$0
Other	18,400	18,400	0
Interest	33,221	33,221	0
Utility Deposits Received	8,350	8,350	0
Proceeds from Sale of Capital Assets	528,675	528,675	0
Total Revenues	<u>5,367,730</u>	<u>5,367,730</u>	<u>0</u>
Expenses:			
Personal Services	382,324	316,267	66,057
Contractual Services	901,643	751,623	150,020
Supplies and Materials	2,045,651	1,877,885	167,766
Utility Deposits Returned	8,275	8,275	0
Capital Outlay	1,066,493	1,055,854	10,639
Other	1,500	4,156	(2,656)
Debt Service:			
Principal Retirement	425,000	425,000	0
Interest and Fiscal Charges	415,513	398,607	16,906
Total Expenses	<u>5,246,399</u>	<u>4,837,667</u>	<u>408,732</u>
Net Change in Fund Equity	121,331	530,063	408,732
Fund Equity at Beginning of Year	3,938,850	3,938,850	0
Prior Year Encumbrances Appropriated	616,014	616,014	0
Fund Equity at End of Year	<u>\$4,676,195</u>	<u>\$5,084,927</u>	<u>\$408,732</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND EQUITY - BUDGET AND ACTUAL**  
**STORM WATER UTILITY ENTERPRISE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$896,320	\$896,320	\$0
Other	1,051	1,051	0
Interest	5,378	5,378	0
Intergovernmental	118,609	118,609	0
	<u>1,021,358</u>	<u>1,021,358</u>	<u>0</u>
Total Revenues			
Expenses:			
Personal Services	101,225	94,372	6,853
Contractual Services	165,247	151,723	13,524
Supplies and Materials	7,050	7,046	4
Capital Outlay	962,528	870,676	91,852
Other	1,000	20	980
	<u>1,237,050</u>	<u>1,123,837</u>	<u>113,213</u>
Total Expenses			
Net Change in Fund Equity	(215,692)	(102,479)	113,213
Fund Equity at Beginning of Year	233,307	233,307	0
Prior Year Encumbrances Appropriated	428,265	428,265	0
	<u>445,880</u>	<u>559,093</u>	<u>\$113,213</u>
Fund Equity at End of Year			

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CEMETERY SPECIAL REVENUE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>		<u>with</u>
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$133,532	\$133,532	\$0
Interest	6,881	6,881	0
Other	1,673	1,673	0
Total Revenues	<u>142,086</u>	<u>142,086</u>	<u>0</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	123,134	117,765	5,369
Contractual Services	51,036	39,830	11,206
Supplies and Materials	4,600	2,820	1,780
Capital Outlay	9,460	7,491	1,969
Other	2,000	2,544	(544)
Total Expenditures	<u>190,230</u>	<u>170,450</u>	<u>19,780</u>
Excess of Revenues Under Expenditures	(48,144)	(28,364)	19,780
Other Financing Sources:			
Transfers In	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Net Change in Fund Balance	21,856	41,636	19,780
Fund Balance at Beginning of Year	822,014	822,014	0
Prior Year Encumbrances Appropriated	<u>5,527</u>	<u>5,527</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$849,397</u></u>	<u><u>\$869,177</u></u>	<u><u>\$19,780</u></u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Community Environment			
Community Development			
Capital Outlay	197,964	197,964	0
Net Change in Fund Balance	(197,964)	(197,964)	0
Fund Balance at Beginning of Year	197,964	197,964	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COURT SPECIAL REVENUE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Revenues:			
Charges for Services	\$4,254	\$4,254	\$0
Fines, Licenses and Permits	97,577	97,577	0
Total Revenues	<u>101,831</u>	<u>101,831</u>	<u>0</u>
Expenditures:			
Current:			
General Government			
Municipal Court Special Project			
Contractual Services	17,000	300	16,700
Federal Asset Forfeiture			
Capital Outlay	<u>21,000</u>	<u>21,000</u>	<u>0</u>
Total General Government	<u>38,000</u>	<u>21,300</u>	<u>16,700</u>
Security of Persons and Property			
Indigent Drivers Alcohol			
Contractual Services	141,239	67,740	73,499
Supplies and Materials	<u>83,431</u>	<u>4,030</u>	<u>79,401</u>
Total Indigent Drivers Alcohol	<u>224,670</u>	<u>71,770</u>	<u>152,900</u>
Computerized Legal Research			
Contractual Services	5,000	0	5,000
Supplies and Materials	3,000	0	3,000
Capital Outlay	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Computerized Legal Research	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Computer Improvement			
Contractual Services	10,000	4,085	5,915
Capital Outlay	<u>23,187</u>	<u>23,614</u>	<u>(427)</u>
Total Computer Improvement	<u>33,187</u>	<u>27,699</u>	<u>5,488</u>
Total Security of Persons and Property	<u>267,857</u>	<u>99,469</u>	<u>168,388</u>
Capital Outlay	<u>56,184</u>	<u>8,362</u>	<u>47,822</u>
Total Expenditures	<u>362,041</u>	<u>129,131</u>	<u>232,910</u>
Net Change in Fund Balance	(260,210)	(27,300)	232,910
Fund Balance at Beginning of Year	675,403	675,403	0
Prior Year Encumbrances Appropriated	<u>96,039</u>	<u>96,039</u>	<u>0</u>
Fund Balance at End of Year	<u>\$511,232</u>	<u>\$744,142</u>	<u>\$232,910</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, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Fines, Licenses and Permits	\$0	\$23,137	\$23,137
Expenditures:			
Current:			
Leisure Time Services			
Refunds	0	1,361	(1,361)
Capital Outlay	84,851	72,728	12,123
Total Expenditures	84,851	74,089	10,762
Net Change in Fund Balance	(84,851)	(50,952)	12,375
Fund Balance at Beginning of Year	66,512	66,512	0
Prior Year Encumbrances Appropriated	34,851	34,851	0
Fund Balance at End of Year	<u>\$16,512</u>	<u>\$50,411</u>	<u>\$12,375</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSPORTATION SPECIAL REVENUE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Revenues:			
Fines, Licenses and Permits	\$6,613	\$6,613	\$0
Intergovernmental	1,208,753	1,208,753	0
Interest	902	902	0
Other	5,145	5,145	0
	<u>1,221,413</u>	<u>1,221,413</u>	<u>0</u>
Total Revenues			
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	370,366	308,025	62,341
Contractual Services	462,868	419,538	43,330
Supplies and Materials	246,673	201,893	44,780
Capital Outlay	75,043	75,061	(18)
Total Street Maintenance and Repair	<u>1,154,950</u>	<u>1,004,517</u>	<u>150,433</u>
Division Highway Maintenance			
Contractual Services	35,000	25,790	9,210
Supplies and Materials	64,000	61,270	2,730
Total Division Highway Maintenance	<u>99,000</u>	<u>87,060</u>	<u>11,940</u>
Transportation Impact Fee			
Contractual Services	100,000	389	99,611
Total Transportation	<u>1,353,950</u>	<u>1,091,966</u>	<u>162,373</u>
Total Expenditures	<u>1,353,950</u>	<u>1,091,966</u>	<u>261,984</u>
Excess of Revenues Over (Under) Expenditures	(132,537)	129,447	261,984
Other Financing Sources:			
Proceeds from Sale of Capital Assets	2,011	2,011	0
Transfers In	10,000	10,000	0
Total Other Financing Sources	<u>12,011</u>	<u>12,011</u>	<u>0</u>
Net Change in Fund Balance	(120,526)	141,458	261,984
Fund Balance at Beginning of Year	741,113	741,113	0
Prior Year Encumbrances Appropriated	91,318	91,318	0
Fund Balance at End of Year	<u>\$711,905</u>	<u>\$973,889</u>	<u>\$261,984</u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE INSURANCE COLLECTION SPECIAL REVENUE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Other	\$13,378	\$13,378	\$0
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	13,378	13,378	0
Net Change in Fund Balance	13,378	13,378	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$13,378</u></u>	<u><u>\$13,378</u></u>	<u><u>\$0</u></u>

**CITY OF LEBANON, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Income Taxes	\$878,871	\$878,871	\$0
Interest	28,795	28,795	0
Total Revenues	<u>907,666</u>	<u>907,666</u>	<u>0</u>
Expenditures:			
Debt Service:			
Principal Retirement	590,000	590,000	0
Interest and Fiscal Charges	157,247	157,247	0
Total Expenditures	<u>747,247</u>	<u>747,247</u>	<u>0</u>
Excess of Revenues Over Expenditures	<u>160,419</u>	<u>160,419</u>	<u>0</u>
Other Financing Uses:			
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
Net Change in Fund Balance	(139,581)	(139,581)	0
Fund Balance at Beginning of Year	<u>3,376,464</u>	<u>3,376,464</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,236,883</u></u>	<u><u>\$3,236,883</u></u>	<u><u>\$0</u></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, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Revenues:			
Payments in Lieu of Taxes	\$1,617,904	\$1,617,904	\$0
Charges for Services	12,462	12,462	0
Other	913	913	0
	<u>1,631,279</u>	<u>1,631,279</u>	<u>0</u>
Total Revenues			
Expenditures:			
Current:			
Community and Economic Development			
Community Planning			
Supplies and Materials	119,000	107,310	11,690
Capital Outlay	703,000	703,000	0
Intergovernmental			
Reimbursements	4,937,422	4,925,787	11,635
Debt Service:			
Principal Retirements	415,000	415,000	0
Interest and Fiscal Charges	37,315	34,815	2,500
Total Debt Service	452,315	449,815	2,500
	<u>6,211,737</u>	<u>6,185,912</u>	<u>25,825</u>
Total Expenditures			
Excess of Revenues Under Expenditures	(4,580,458)	(4,554,633)	25,825
Other Financing Sources:			
Transfers In	300,000	300,000	0
	<u>(4,280,458)</u>	<u>(4,254,633)</u>	<u>25,825</u>
Net Change in Fund Balance			
Fund Balance at Beginning of Year	4,960,954	4,960,954	0
Prior Year Encumbrances Appropriated	572,637	572,637	0
	<u>\$1,253,133</u>	<u>\$1,278,958</u>	<u>\$25,825</u>
Fund Balance at End of Year			

**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, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$8,500	\$8,500	\$0
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Capital Outlay	13,231	11,388	1,843
Total Expenditures	13,231	11,388	1,843
Net Change in Fund Balance	(4,731)	(2,888)	1,843
Fund Balance at Beginning of Year	95,564	95,564	0
Prior Year Encumbrances Appropriated	5,564	5,564	0
Fund Balance at End of Year	<u>\$96,397</u>	<u>\$98,240</u>	<u>\$1,843</u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
OPWC CAPITAL GRANT PROJECTS FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>2,959,981</u>	<u>2,959,981</u>	<u>0</u>
Excess of Revenues Under Expenditures	(2,959,981)	(2,959,981)	0
Other Financing Sources:			
Transfers In	<u>1,950,000</u>	<u>1,950,000</u>	<u>0</u>
Net Change in Fund Balance	(1,009,981)	(1,009,981)	0
Fund Balance at Beginning of Year	18,194	18,194	0
Prior Year Encumbrances Appropriated	<u>1,009,982</u>	<u>1,009,982</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$18,195</u></u>	<u><u>\$18,195</u></u>	<u><u>\$0</u></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, 2019**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$340,996	\$340,996	\$0
Other	2,833	2,833	0
Total Revenues	<u>343,829</u>	<u>343,829</u>	<u>0</u>
Expenses:			
Personal Services	267,111	247,846	19,265
Contractual Services	32,876	29,733	3,143
Supplies and Materials	22,818	19,816	3,002
Capital Outlay	28,000	27,674	326
Total Expenses	<u>350,805</u>	<u>325,069</u>	<u>25,736</u>
Net Change in Fund Equity	(6,976)	18,760	25,736
Fund Equity at Beginning of Year	160,244	160,244	0
Prior Year Encumbrances Appropriated	10,675	10,675	0
Fund Equity at End of Year	<u><u>\$163,943</u></u>	<u><u>\$189,679</u></u>	<u><u>\$25,736</u></u>

**CITY OF LEBANON, OHIO  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL  
SELF-INSURANCE INTERNAL SERVICE FUND  
BUDGET BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Revenues:			
Charges for Services	\$1,436,400	\$1,436,400	\$0
Other	566,864	566,864	0
Interest	15,133	15,133	0
	<u>2,018,397</u>	<u>2,018,397</u>	<u>0</u>
Total Revenues			
Expenses:			
Contractual Services	393,096	505,364	(112,268)
Claims	2,275,847	1,961,649	314,198
	<u>2,668,943</u>	<u>2,467,013</u>	<u>201,930</u>
Total Expenses			
Net Change in Fund Equity	(650,546)	(448,616)	201,930
Fund Equity at Beginning of Year	1,435,777	1,435,777	0
Prior Year Encumbrances Appropriated	342,058	342,058	0
	<u>1,127,289</u>	<u>1,329,219</u>	<u>\$201,930</u>
Fund Equity at End of Year			

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# STATISTICAL SECTION





## *STATISTICAL TABLES*

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

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

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

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

	2010	2011	2012	2013
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$39,380,807	\$39,051,129	\$40,044,806	\$39,004,204
Restricted	10,226,109	10,873,564	8,952,231	5,585,635
Unrestricted	10,223,471	10,376,818	12,340,870	18,978,185
<i>Total Governmental Activities Net Position</i>	<u>59,830,387</u>	<u>60,301,511</u>	<u>61,337,907</u>	<u>63,568,024</u>
<b>Business Type - Activities</b>				
Net Investment in Capital Assets	48,615,352	50,068,883	54,208,669	55,500,876
Restricted	6,713,271	6,302,061	6,212,490	5,680,330
Unrestricted	31,650,518	31,227,567	29,620,412	33,331,420
<i>Total Business-Type Activities Net Position</i>	<u>86,979,141</u>	<u>87,598,511</u>	<u>90,041,571</u>	<u>94,512,626</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	87,996,159	89,120,012	94,253,475	94,505,080
Restricted	16,939,380	17,175,625	15,164,721	11,265,965
Unrestricted	41,873,989	41,604,385	41,961,282	52,309,605
<i>Total Primary Government Net Position</i>	<u>\$146,809,528</u>	<u>\$147,900,022</u>	<u>\$151,379,478</u>	<u>\$158,080,650</u>

- (1) The City reported the impact of GASB Statement No. 68 beginning in 2014.  
(2) The City reported the impact of GASB Statement No. 75 beginning in 2017.  
(3) The City reported the impact of GASB Statement No. 84 beginning in 2018.

<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016 (1)</u>	<u>2017 (1)(2)</u>	<u>2018 (1)(2)(3)</u>	<u>2019 (3)</u>
\$41,585,043	\$44,393,758	\$44,914,941	\$45,187,387	\$46,669,201	\$49,340,377
6,267,670	7,975,274	9,034,221	10,733,107	6,973,104	6,980,172
<u>7,838,796</u>	<u>5,832,012</u>	<u>3,619,152</u>	<u>(3,960,757)</u>	<u>(2,461,164)</u>	<u>4,233,397</u>
<u>55,691,509</u>	<u>58,201,044</u>	<u>57,568,314</u>	<u>51,959,737</u>	<u>51,181,141</u>	<u>60,553,946</u>
59,251,800	60,080,356	74,004,313	78,562,446	81,347,572	80,711,145
5,267,826	4,724,747	2,933,782	1,817,123	1,028,468	1,029,212
<u>34,483,221</u>	<u>38,736,281</u>	<u>32,769,402</u>	<u>36,361,995</u>	<u>41,541,838</u>	<u>48,841,951</u>
<u>99,002,847</u>	<u>103,541,384</u>	<u>109,707,497</u>	<u>116,741,564</u>	<u>123,917,878</u>	<u>130,582,308</u>
100,836,843	104,474,114	118,919,254	123,749,833	128,016,773	130,051,522
11,535,496	12,700,021	11,968,003	12,550,230	8,001,572	8,009,384
<u>42,322,017</u>	<u>44,568,293</u>	<u>36,388,554</u>	<u>32,401,238</u>	<u>39,080,674</u>	<u>53,075,348</u>
<u>\$154,694,356</u>	<u>\$161,742,428</u>	<u>\$167,275,811</u>	<u>\$168,701,301</u>	<u>\$175,099,019</u>	<u>\$191,136,254</u>

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

	2010	2011	2012	2013
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$1,857,748	\$1,883,236	\$2,319,719	\$2,209,851
Security of Persons and Property:				
Police	597,025	556,218	641,330	626,391
Fire	402,002	467,450	420,701	370,420
Public Health Services	102,577	106,911	126,381	104,226
Leisure Time Services	73,419	53,410	24,508	21,916
Community and Economic Development	0	0	8,129	8,130
Transportation	37,823	24,198	15,496	130,505
Subtotal - Charges for Services	<u>3,070,594</u>	<u>3,091,423</u>	<u>3,556,264</u>	<u>3,471,439</u>
Operating Grants, Contributions and Interest:				
General Government	319	0	0	0
Security of Persons and Property:				
Police	5,005	191,533	0	0
Fire	360,224	351,001	247,639	240,311
Public Health Services	33,645	30,000	29,792	15,000
Leisure Time Services	0	1,848	12,134	19,195
Community and Economic Development	5,965	24,800	67,873	489,069
Transportation	943,012	1,057,251	985,902	1,051,014
Subtotal - Operating Grants, Contributions and Interest	<u>1,348,170</u>	<u>1,656,433</u>	<u>1,343,340</u>	<u>1,814,589</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	9,855	2,874
Leisure Time Services	61,444	0	0	559,470
Transportation	821,157	752,724	1,432,669	2,652,544
Subtotal - Capital Grants, Contributions and Interest	<u>882,601</u>	<u>752,724</u>	<u>1,442,524</u>	<u>3,214,888</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,301,365</u>	<u>5,500,580</u>	<u>6,342,128</u>	<u>8,500,916</u>
Business-Type Activities:				
Charges for Services:				
Electric	28,078,497	25,694,050	28,988,955	30,606,725
Sanitation	1,456,893	1,549,157	1,556,865	1,512,454
Sewer	3,407,107	3,139,479	3,321,870	3,248,192
Telecommunications	150,371	125,060	148,887	156,348
Water	2,956,864	2,803,705	3,175,134	3,093,645
Storm Water Utility	815,451	834,440	836,426	793,106
Operating Grants, Contributions and Interest	0	0	0	0
Capital Grants, Contributions and Interest				
Sewer	0	0	249,255	0
Water	0	0	167,155	0
Storm Water Utility	69,410	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>36,934,593</u>	<u>34,145,891</u>	<u>38,444,547</u>	<u>39,410,470</u>
<i>Total Primary Government Program Revenues</i>	<u>\$42,235,958</u>	<u>\$39,646,471</u>	<u>\$44,786,675</u>	<u>\$47,911,386</u>

2014	2015 (1)	2016 (1)	2017 (1)(2)	2018 (1)(2)	2019
\$2,466,267	\$981,480	\$1,131,466	\$1,065,750	\$989,195	\$1,137,062
742,244	1,787,766	1,129,698	1,235,170	1,143,786	1,255,220
424,694	432,627	445,067	492,836	567,552	567,442
119,496	153,546	116,213	104,520	148,890	142,032
36,481	356,308	697,533	699,761	657,187	616,365
8,130	8,129	216,250	235,082	237,784	257,505
40,923	24,122	92,944	121,192	278,574	359,617
<u>3,838,235</u>	<u>3,743,978</u>	<u>3,829,171</u>	<u>3,954,311</u>	<u>4,022,968</u>	<u>4,335,243</u>
0	0	0	0	0	0
0	0	0	1,000	1,674	437,122
315,717	0	0	56,458	416,393	0
11,463	20,750	29,113	0	0	0
20,000	0	10,000	1,500	3,030	500
0	0	0	774,812	0	0
<u>1,033,035</u>	<u>1,017,682</u>	<u>1,067,460</u>	<u>1,001,629</u>	<u>1,192,576</u>	<u>1,395,223</u>
<u>1,380,215</u>	<u>1,038,432</u>	<u>1,106,573</u>	<u>1,835,399</u>	<u>1,613,673</u>	<u>1,832,845</u>
0	0	0	0	0	0
0	0	0	0	0	0
8,146	3,669	8,898	4,659	12,370	19,883
220,000	538,267	67,385	35,250	51,547	529,171
<u>1,374,725</u>	<u>1,346,575</u>	<u>1,255,942</u>	<u>1,740,358</u>	<u>1,409,867</u>	<u>1,943,452</u>
<u>1,602,871</u>	<u>1,888,511</u>	<u>1,332,225</u>	<u>1,780,267</u>	<u>1,473,784</u>	<u>2,492,506</u>
<u>6,821,321</u>	<u>6,670,921</u>	<u>6,267,969</u>	<u>7,569,977</u>	<u>7,110,425</u>	<u>8,660,594</u>
32,857,624	30,582,103	30,372,073	31,792,788	34,392,469	33,427,305
1,628,911	1,683,702	1,677,936	1,722,062	1,767,643	1,788,850
3,377,730	3,461,898	3,553,255	3,730,088	3,862,365	3,833,562
155,642	145,296	58,976	54,424	40,121	32,796
3,371,176	3,643,684	4,121,890	4,525,928	4,698,976	4,799,754
848,592	976,963	722,944	892,518	880,798	900,552
0	0	0	0	118,141	0
0	0	230,050	1,310,860	477,950	0
0	0	410,465	1,117,535	0	0
0	0	41,630	44,572	261,165	118,609
<u>42,239,675</u>	<u>40,493,646</u>	<u>41,189,219</u>	<u>45,190,775</u>	<u>46,499,628</u>	<u>44,901,428</u>
<u>\$49,060,996</u>	<u>\$47,164,567</u>	<u>\$47,457,188</u>	<u>\$52,760,752</u>	<u>\$53,610,053</u>	<u>\$53,562,022</u>

(continued)

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

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
General Government	\$4,068,631	\$3,881,199	\$3,591,911	\$3,731,306
Intergovernmental	277,310	310,704	345,607	900,216
Security of Persons and Property:				
Police	4,470,394	4,547,632	4,414,356	4,067,094
Fire	2,832,199	2,866,797	3,308,046	3,136,542
Public Health Services	197,806	220,299	221,850	216,095
Leisure Time Services	382,313	674,644	778,510	1,328,928
Community and Economic Development	873,466	930,934	1,080,804	1,278,496
Transportation	3,790,494	3,561,887	4,207,949	3,934,203
Interest and Fiscal Charges	281,437	253,316	338,645	280,800
<i>Total Governmental Activities Expenses</i>	<u>17,174,050</u>	<u>17,247,412</u>	<u>18,287,678</u>	<u>18,873,680</u>
Business-Type Activities:				
Electric	28,153,003	25,488,085	28,898,408	27,155,807
Sanitation	1,522,129	1,512,397	1,508,493	1,524,770
Sewer	3,385,521	3,444,593	3,739,025	2,541,355
Telecommunications	171,385	164,107	178,763	153,569
Water	2,767,146	3,086,876	3,691,306	3,839,171
Storm Water Utility	572,544	612,275	502,542	506,859
<i>Total Business-Type Activities Expenses</i>	<u>36,571,728</u>	<u>34,308,333</u>	<u>38,518,537</u>	<u>35,721,531</u>
<i>Total Primary Government Program Expenses</i>	<u>53,745,778</u>	<u>51,555,745</u>	<u>56,806,215</u>	<u>54,595,211</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(11,872,685)	(11,746,832)	(11,945,550)	(10,372,764)
Business-Type Activities	362,865	(162,442)	(73,990)	3,688,939
<i>Total Primary Government Net Expense</i>	<u>(11,509,820)</u>	<u>(11,909,274)</u>	<u>(12,019,540)</u>	<u>(6,683,825)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	1,206,503	1,147,868	1,054,552	989,809
Fire and Life Squad	2,373,747	2,228,171	2,028,866	1,905,228
Income Taxes	5,451,284	5,762,855	6,232,249	6,371,559
Other Taxes	1,371,444	1,245,078	1,366,321	1,337,972
Payments in Lieu of Taxes	1,259,657	1,395,381	1,758,769	1,476,519
Grants and Entitlements not Restricted to				
Specific Programs	661,125	814,808	342,899	420,153
Unrestricted Contributions	2,000	0	0	0
Investment Earnings	179,250	(217,091)	317,837	227,603
Gain on Sale of Capital Assets	9,150	7,414	0	0
Other	139,756	225,740	155,073	374,038
Transfers	(310,237)	(392,268)	(274,620)	(500,000)
<i>Total Governmental Activities</i>	<u>\$12,343,679</u>	<u>\$12,217,956</u>	<u>\$12,981,946</u>	<u>\$12,602,881</u>

2014	2015 (1)	2016 (1)	2017 (1)(2)	2018 (1)(2)	2019
\$3,858,814	\$3,924,199	\$5,157,129	\$4,840,572	\$4,718,932	\$5,389,856
0	418,817	428,151	0	4,461,868	891,445
4,361,049	4,243,356	5,115,826	5,122,645	5,668,034	1,860,634
2,611,925	3,165,407	3,276,015	3,396,681	4,216,795	1,727,750
211,544	196,806	197,737	220,040	178,851	241,369
848,639	1,340,847	828,117	984,126	611,815	1,791,839
1,459,944	1,021,078	1,240,968	1,314,860	1,410,511	1,413,635
4,112,839	4,584,011	4,339,489	5,099,318	4,556,884	4,985,093
239,369	213,544	293,757	242,283	207,370	206,733
17,704,123	19,108,065	20,877,189	21,220,525	26,031,060	18,508,354
29,100,455	26,348,054	27,684,350	28,290,002	29,853,214	28,561,167
1,568,798	1,625,356	1,617,010	1,660,252	1,707,946	1,755,902
3,722,315	3,504,416	3,235,514	3,287,280	3,887,245	3,556,030
132,226	161,943	162,201	266,372	92,969	48,610
3,848,723	3,971,143	3,672,987	4,108,375	3,894,737	4,737,953
664,189	634,635	754,859	707,040	886,106	826,067
39,036,706	36,245,547	37,126,921	38,319,321	40,322,217	39,485,729
56,740,829	55,353,612	58,004,110	59,539,846	66,353,277	57,994,083
(10,882,802)	(12,437,144)	(14,609,220)	(13,650,548)	(18,920,635)	(9,847,760)
3,202,969	4,248,099	4,062,298	6,871,454	6,177,411	5,415,699
(7,679,833)	(8,189,045)	(10,546,922)	(6,779,094)	(12,743,224)	(4,432,061)
988,577	1,002,485	1,039,309	1,052,956	1,059,991	1,222,270
1,905,588	2,639,539	2,772,706	2,752,718	2,768,300	2,886,011
6,751,574	7,425,983	7,613,002	9,548,135	9,847,997	10,580,698
1,380,635	1,439,547	1,526,713	1,503,991	1,557,388	1,531,496
1,772,913	1,757,214	1,774,947	1,730,854	1,684,982	1,617,904
750,994	406,357	366,251	352,609	366,847	498,567
0	0	0	0	0	0
396,425	64,872	460,102	274,506	530,248	751,257
0	508	0	0	0	0
384,300	294,305	248,975	443,889	768,637	275,323
(2,420,508)	(84,131)	(1,825,515)	(1,273,527)	(497,767)	(142,961)
\$11,910,498	\$14,946,679	\$13,976,490	\$16,386,131	\$18,086,623	\$19,220,565

(continued)

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

	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position (continued)</b>				
Business-Type Activities:				
Investment Earnings	\$232,745	(\$288,217)	\$219,886	\$113,323
Gain on Sale of Capital Assets	10,200	12,415	3,800	0
Other	68,458	665,346	2,018,744	168,793
Transfers	310,237	392,268	274,620	500,000
<i>Total Business-Type Activities</i>	<u>621,640</u>	<u>781,812</u>	<u>2,517,050</u>	<u>782,116</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>				
	<u>12,965,319</u>	<u>12,999,768</u>	<u>15,498,996</u>	<u>13,384,997</u>
Prior Year Restatement of Governmental Activities Net Position	0	0	0	0
Prior Year Restatement of Business-Type Activities Net Position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Change in Net Position</b>				
Governmental Activities	470,994	471,124	1,036,396	2,230,117
Business-Type Activities	<u>984,505</u>	<u>619,370</u>	<u>2,443,060</u>	<u>4,471,055</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$1,455,499</u></u>	<u><u>\$1,090,494</u></u>	<u><u>\$3,479,456</u></u>	<u><u>\$6,701,172</u></u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2017.

<u>2014</u>	<u>2015 (1)</u>	<u>2016 (1)</u>	<u>2017 (1)(2)</u>	<u>2018 (1)(2)</u>	<u>2019</u>
\$282,679	\$139,240	\$198,153	\$218,950	\$414,121	\$852,746
0	0	13,400	11,265	0	0
103,639	67,067	66,747	107,353	87,015	253,024
<u>2,420,508</u>	<u>84,131</u>	<u>1,825,515</u>	<u>1,273,527</u>	<u>497,767</u>	<u>142,961</u>
<u>2,806,826</u>	<u>290,438</u>	<u>2,103,815</u>	<u>1,611,095</u>	<u>998,903</u>	<u>1,248,731</u>
<u>14,717,324</u>	<u>15,237,117</u>	<u>16,080,305</u>	<u>17,997,226</u>	<u>19,085,526</u>	<u>20,469,296</u>
(8,904,211)	0	0	(8,344,160)	0	0
<u>(1,519,574)</u>	<u>0</u>	<u>0</u>	<u>(1,448,482)</u>	<u>0</u>	<u>0</u>
(7,876,515)	2,509,535	(632,730)	(5,608,577)	(834,012)	9,372,805
<u>4,490,221</u>	<u>4,538,537</u>	<u>6,166,113</u>	<u>7,034,067</u>	<u>7,176,314</u>	<u>6,664,430</u>
<u>(\$3,386,294)</u>	<u>\$7,048,072</u>	<u>\$5,533,383</u>	<u>\$1,425,490</u>	<u>\$6,342,302</u>	<u>\$16,037,235</u>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>				
Nonspendable	\$1,064,339	\$921,909	\$813,297	\$682,168
Assigned	0	183,215	260,111	194,031
Unassigned	<u>4,071,783</u>	<u>4,267,452</u>	<u>5,137,124</u>	<u>5,056,978</u>
Total General Fund	<u>5,136,122</u>	<u>5,372,576</u>	<u>6,210,532</u>	<u>5,933,177</u>
<b>All Other Governmental Funds</b>				
Nonspendable	198,933	189,965	190,824	124,814
Restricted	8,864,107	9,490,132	7,704,927	4,764,186
Committed	3,129,214	3,196,405	5,055,548	9,520,830
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total All Other Governmental Funds	<u>12,192,254</u>	<u>12,876,502</u>	<u>12,951,299</u>	<u>14,409,830</u>
<b>Total Governmental Funds</b>	<u><u>\$17,328,376</u></u>	<u><u>\$18,249,078</u></u>	<u><u>\$19,161,831</u></u>	<u><u>\$20,343,007</u></u>

2014	2015	2016	2017	2018	2019
\$565,102	\$411,009	\$204,518	\$111,593	\$104,384	\$113,084
140,952	628,373	4,227,592	315,523	290,171	319,871
5,779,984	5,399,631	866,041	5,723,205	6,805,662	8,198,455
6,486,038	6,439,013	5,298,151	6,150,321	7,200,217	8,631,410
197,501	187,072	154,692	139,403	154,686	197,053
5,531,792	7,144,478	8,245,204	10,187,756	6,272,909	5,134,492
4,702,921	5,903,271	5,709,472	5,684,713	5,869,249	8,117,619
(238,372)	0	0	0	0	0
10,193,842	13,234,821	14,109,368	16,011,872	12,296,844	13,449,164
\$16,679,880	\$19,673,834	\$19,407,519	\$22,162,193	\$19,497,061	\$22,080,574

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

	2010	2011	2012	2013
<b>Revenues</b>				
Property Taxes	\$3,563,064	\$3,377,780	\$3,070,560	\$2,936,952
Income Taxes	5,565,246	5,463,788	6,155,444	6,334,779
Other Local Taxes	1,371,120	1,245,646	1,366,321	1,337,972
Payments in Lieu of Taxes	1,259,657	1,428,970	1,758,769	1,476,519
Special Assessments	87,439	112,287	89,051	124,099
Charges for Services	2,303,809	2,309,288	2,819,113	2,601,728
Fines, Licenses and Permits	775,800	788,547	737,151	754,072
Intergovernmental	2,884,405	2,932,834	2,647,883	5,404,430
Interest	200,297	(86,371)	329,748	167,756
Contributions and Donations	63,444	1,848	12,134	19,195
Other	143,475	225,740	155,073	374,038
<i>Total Revenues</i>	<u>18,217,756</u>	<u>17,800,357</u>	<u>19,141,247</u>	<u>21,531,540</u>
<b>Expenditures</b>				
Current:				
General Government	3,837,352	3,512,438	3,353,208	3,845,070
Security of Persons and Property:				
Police	4,208,892	4,138,153	4,155,702	4,145,205
Fire	2,579,293	2,538,806	3,055,494	2,867,920
Public Health Services	164,718	175,537	171,222	166,325
Leisure Time Services	390,839	493,220	648,820	1,184,816
Community and Economic Development	826,380	861,847	1,010,993	1,225,319
Transportation	1,102,322	868,916	1,146,286	1,226,412
Intergovernmental	277,310	296,891	345,607	900,216
Capital Outlay	2,993,629	3,205,214	3,718,437	7,728,631
Debt Service:				
Principal Retirement	590,158	540,884	466,645	605,496
Interest and Fiscal Charges	272,577	244,320	220,992	291,117
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Expenditures</i>	<u>17,243,470</u>	<u>16,876,226</u>	<u>18,293,406</u>	<u>24,186,527</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>974,286</u>	<u>924,131</u>	<u>847,841</u>	<u>(2,654,987)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	13,700	37,825	64,912	32,077
Proceeds of Loans	0	0	0	0
Transfers In	1,212,115	433,620	502,500	702,500
Transfers Out	(1,225,867)	(474,874)	(502,500)	(1,202,500)
General Obligation Bonds Issued	0	0	0	2,655,000
Bond Anticipation Notes Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	2,311,603
Proceeds from Sale of Notes	0	0	0	1,500,000
Premium on Debt Issued	0	0	0	239,158
Payment to Refunded Bond Escrow Agent	0	0	0	(2,401,675)
<i>Total Other Financing Sources (Uses)</i>	<u>(52)</u>	<u>(3,429)</u>	<u>64,912</u>	<u>3,836,163</u>
<i>Net Change in Fund Balances</i>	<u>\$974,234</u>	<u>\$920,702</u>	<u>\$912,753</u>	<u>\$1,181,176</u>
Debt Service as a Percentage of Noncapital Expenditures	6.1%	5.5%	4.6%	5.4%

2014	2015	2016	2017	2018	2019
\$2,940,203	\$3,651,116	\$3,848,031	\$3,786,101	\$3,837,316	\$4,088,573
6,765,581	7,055,726	7,541,820	8,611,067	9,873,295	10,480,206
1,380,635	1,439,547	1,526,713	1,503,991	1,557,388	1,531,496
1,772,913	1,757,214	1,774,947	1,730,854	1,684,982	1,617,904
37,671	324	64,425	79,585	95,436	221,520
2,902,988	2,886,962	2,953,745	3,011,271	2,985,962	3,256,905
906,570	857,016	834,416	863,288	778,927	725,167
2,407,179	4,674,712	2,731,688	3,912,435	2,445,772	5,048,356
397,885	58,337	444,478	282,943	466,086	748,333
20,000	20,750	10,000	2,500	46,536	500
384,300	294,305	248,975	443,889	768,637	275,323
<u>19,915,925</u>	<u>22,696,009</u>	<u>21,979,238</u>	<u>24,227,924</u>	<u>24,540,337</u>	<u>27,994,283</u>
4,022,641	3,905,327	4,976,238	4,215,031	4,291,645	4,451,582
4,491,399	4,367,772	4,537,637	4,702,582	4,984,432	4,741,246
2,960,394	2,646,167	3,016,268	3,062,306	3,527,903	3,494,190
180,868	158,906	168,762	167,715	144,214	168,621
750,673	1,198,390	680,947	703,577	811,296	1,860,472
990,247	1,099,926	1,038,424	1,113,108	1,222,729	1,094,395
947,545	1,217,506	921,484	1,191,944	976,040	943,223
407,960	418,817	428,151	0	4,461,868	891,445
8,522,810	3,906,252	7,033,480	5,102,432	6,507,367	6,068,983
2,080,519	2,595,541	2,715,564	4,650,588	995,614	1,505,640
283,889	239,999	319,007	298,092	215,664	222,345
0	0	0	326,092	0	0
<u>25,638,945</u>	<u>21,754,603</u>	<u>25,835,962</u>	<u>25,533,467</u>	<u>28,138,772</u>	<u>25,442,142</u>
<u>(5,723,020)</u>	<u>941,406</u>	<u>(3,856,724)</u>	<u>(1,305,543)</u>	<u>(3,598,435)</u>	<u>2,552,141</u>
19,541	30,498	43,396	854,877	75,887	31,372
0	0	0	0	302,000	0
1,632,500	1,007,500	1,087,500	372,500	1,145,000	2,530,000
(1,632,500)	(1,007,500)	(1,733,068)	(1,392,500)	(1,145,000)	(2,530,000)
0	0	1,935,000	2,125,000	0	0
0	2,000,000	2,100,000	2,100,000	500,000	0
0	0	0	1,250,000	0	0
2,000,000	0	0	0	0	0
40,352	22,050	157,581	0	0	0
0	0	0	(1,249,660)	0	0
<u>2,059,893</u>	<u>2,052,548</u>	<u>3,590,409</u>	<u>4,060,217</u>	<u>877,887</u>	<u>31,372</u>
<u>(\$3,663,127)</u>	<u>\$2,993,954</u>	<u>(\$266,315)</u>	<u>\$2,754,674</u>	<u>(\$2,720,548)</u>	<u>\$2,583,513</u>
12.6%	15.6%	16.2%	23.9%	5.7%	9.1%

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>
2010	1.00%	\$5,451,284	\$4,021,412	73.77%	\$493,341	9.05%	\$936,531	17.18%
2011	1.00	5,762,855	4,320,412	74.97	418,960	7.27	1,023,483	17.76
2012	1.00	6,232,249	4,594,414	73.72	572,120	9.18	1,065,715	17.10
2013	1.00	6,323,285	4,609,675	72.90	670,268	10.60	1,043,342	16.50
2014	1.00	6,658,556	4,892,707	73.48	763,736	11.47	1,002,113	15.05
2015	1.00	7,054,685	5,275,555	74.78	641,281	9.09	1,137,849	16.13
2016	1.00	7,554,661	5,712,740	75.62	700,769	9.28	1,141,152	15.10
2017	1.00	8,497,022	6,055,536	71.27	827,787	9.74	1,613,699	18.99
2018	1.00	9,706,803	6,698,504	69.01	791,053	8.15	2,217,246	22.84
2019	1.00	10,458,446	6,842,935	65.43	1,132,100	10.82	2,483,411	23.75

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 2018 AND 2009 (1)

Tax Year 2018 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,562	22.81 %	\$256,534,119	56.15 %
75,001-100,000	713	10.41	58,407,734	12.78
50,001-75,000	1,038	15.16	63,802,093	13.96
25,000-50,000	1,495	21.83	55,310,020	12.11
Under 25,000	2,041	29.79	22,850,456	5.00
Total	6,849	100.00	\$456,904,422	100.00

Tax Year 2009 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,001	17.19 %	\$151,127,012	45.17 %
75,001-100,000	683	11.73	59,433,633	17.76
50,001-75,000	869	14.93	53,792,886	16.08
25,000-50,000	1,325	22.76	49,145,270	14.69
Under 25,000	1,944	33.39	21,087,061	6.30
Total	5,822	100.00	\$334,585,862	100.00

Source: City Income Tax Department

- (1) Tax year 2019 information is not available.
- (2) Includes individuals who live within the corporation limits

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

<b>Type of Customer:</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Residential	\$9,631,822	\$9,512,740	\$9,669,899	\$10,001,557
Industrial	1,657,291	1,690,421	1,802,374	1,890,244
Commercial (1)	<u>16,797,199</u>	<u>14,495,444</u>	<u>17,583,205</u>	<u>18,967,595</u>
Total (2)	<u>\$28,086,312</u>	<u>\$25,698,605</u>	<u>\$29,055,478</u>	<u>\$30,859,396</u>

(1) Majority of government buildings included in this category

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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$10,015,251	\$9,602,351	\$9,302,438	\$9,160,783	\$10,264,321	\$9,720,651
1,930,896	1,801,187	1,745,760	1,733,759	1,817,776	1,755,379
<u>20,582,711</u>	<u>19,712,760</u>	<u>20,303,536</u>	<u>20,928,621</u>	<u>22,548,466</u>	<u>21,856,921</u>
<u>\$32,528,858</u>	<u>\$31,116,298</u>	<u>\$31,351,734</u>	<u>\$31,823,163</u>	<u>\$34,630,563</u>	<u>\$33,332,951</u>

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CITY OF LEBANON, OHIO  
 PRINCIPAL ELECTRIC CUSTOMERS  
 2019 AND 2010

2019		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CyrusOne LLC	\$4,006,013	12.02 %
Advics Mfg.	2,847,727	8.54
Mane Inc.	1,855,753	5.57
Warren County	845,565	2.54
Green Bay Packaging	654,569	1.96
HTNA	506,820	1.52
JBM Packaging	502,012	1.51
Countryside YMCA	431,538	1.29
Quantum Metals	426,519	1.28
Wal-Mart	304,085	0.91
Total	<u>\$12,380,601</u>	<u>37.14 %</u>
Total Electric Charges for Services	<u>\$33,332,951</u>	
2010		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Advics Mfg Ohio Inc.	\$2,017,626	7.18 %
World Color Cincinnati	1,707,586	6.08
CBTS	1,246,271	4.44
Amtex Inc.	899,026	3.20
JBM Envelope	407,873	1.45
Mane Inc.	403,547	1.44
Countryside YMCA	396,556	1.41
Wal-Mart	373,959	1.33
Lebanon City School District	304,327	1.08
Bethesda Hospital Arrowsprings	262,856	0.94
Total	<u>\$8,019,627</u>	<u>28.55 %</u>
Total Electric Charges for Services	<u>\$28,086,312</u>	

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

	2010	2011	2012	2013
<b>Residential</b>				
Customer Service Charge	\$5.15	\$5.15	\$5.15	\$5.15
Energy Charge KWH:				
All KWH	\$0.0670	\$0.0670	\$0.0670	\$0.0670
Distribution Charge per KWH:				
First 800 KWH	\$0.0412	\$0.0412	\$0.0412	\$0.0412
Next 800 KWH	\$0.0361	\$0.0361	\$0.0361	\$0.0361
Over 1,600 KWH	\$0.0206	\$0.0206	\$0.0206	\$0.0206
Fuel Adjustment all KWH (yr avg)	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
<b>General Service Rate</b>				
Customer Service Charge:				
Single Phase (1 Ph) Meter	\$15.45	\$15.45	\$15.45	\$15.45
Three Phase (3 Ph) Meter	\$20.60	\$20.60	\$20.60	\$20.60
Energy Charge KWH:				
1 Phase-First 165 KWH/KW	\$0.0824	\$0.0824	\$0.0824	\$0.0824
1 Phase-Next 85 KWH/KW	\$0.0721	\$0.0721	\$0.0721	\$0.0721
1 Phase-Over 250 KWH/KW	\$0.0412	\$0.0412	\$0.0412	\$0.0412
3 Phase-First 300 KWH/KW	\$0.0618	\$0.0618	\$0.0618	\$0.0618
3 Phase-Over 300 KWH/KW	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Demand Charge per KW:				
1 Phase-First 10 KW	Free	Free	Free	Free
1 Phase-Next 15 KW	\$7.21	\$7.21	\$7.21	\$7.21
1 Phase-Over 25 KW	\$9.27	\$9.27	\$9.27	\$9.27
3 Phase-First 1,000 KW	\$10.30	\$10.30	\$10.30	\$10.30
3 Phase-Over 1,000 KW	\$12.36	\$12.36	\$12.36	\$12.36
Distribution Charge KWH:				
1 Phase-First 1,000 KWH	\$0.0412	\$0.0412	\$0.0412	\$0.0412
1 Phase-Next 800 KWH	\$0.0361	\$0.0361	\$0.0361	\$0.0361
1 Phase-Over 1,800 KWH	\$0.0206	\$0.0206	\$0.0206	\$0.0206
3 Phase-First 5,000 KWH	\$0.0258	\$0.0258	\$0.0258	\$0.0258
3 Phase-Next 10,000 KWH	\$0.0206	\$0.0206	\$0.0206	\$0.0206
3 Phase-Over 15,000 KWH	\$0.0155	\$0.0155	\$0.0155	\$0.0155
Fuel Adjustment all KWH (yr avg)	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
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

2014	2015	2016	2017	2018	2019
\$5.15	\$5.15	\$5.15	\$5.15	\$5.15	\$5.15
\$0.0670	\$0.0670	\$0.0670	\$0.0670	\$0.0670	\$0.0670
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)	(\$0.00290)	(\$0.00510)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$20.60	\$20.60	\$20.60	\$20.60	\$20.60	\$20.60
\$0.0824	\$0.0824	\$0.0824	\$0.0824	\$0.0824	\$0.0824
\$0.0721	\$0.0721	\$0.0721	\$0.0721	\$0.0721	\$0.0721
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0618	\$0.0618	\$0.0618	\$0.0618	\$0.0618	\$0.0618
\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309
Free	Free	Free	Free	Free	Free
\$7.21	\$7.21	\$7.21	\$7.21	\$7.21	\$7.21
\$9.27	\$9.27	\$9.27	\$9.27	\$9.27	\$9.27
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$12.36	\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.0258	\$0.0258	\$0.0258	\$0.0258	\$0.0258	\$0.0258
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.0155	\$0.0155	\$0.0155	\$0.0155	\$0.0155	\$0.0155
\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)	(\$0.00290)	(\$0.00510)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

(continued)

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

	2010	2011	2012	2013
<b>Large Power-Secondary Metered</b>				
Customer Service Charge	\$103.00	\$103.00	\$103.00	\$103.00
Energy Charge KWH:				
First 300 KWH/KVA	\$0.0361	\$0.0361	\$0.0361	\$0.0361
Over 300 KWH/KVA	\$0.0288	\$0.0288	\$0.0288	\$0.0288
Demand Charge:				
First 1,000 KVA	\$15.45	\$15.45	\$15.45	\$15.45
Over 1,000 KVA	\$13.39	\$13.39	\$13.39	\$13.39
Distribution Charge KWH:				
First 200,000 KWH	\$0.01550	\$0.01550	\$0.01550	\$0.01550
Over 200,000 KWH	\$0.01030	\$0.01030	\$0.01030	\$0.01030
Fuel Adjustment all KWH (yr avg)	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
<b>Large Power-Primary Metered</b>				
Customer Service Charge	\$103.00	\$103.00	\$103.00	\$103.00
Energy Charge KWH:				
First 300 KWH/KVA	\$0.0464	\$0.0464	\$0.0464	\$0.0464
Over 300 KWH/KVA	\$0.0103	\$0.0103	\$0.0103	\$0.0103
Demand Charge per KVA:				
First 1,000 KVA	\$8.24	\$8.24	\$8.24	\$8.24
Over 1,000 KVA	\$10.30	\$10.30	\$10.30	\$10.30
Distribution Charge KWH:				
First 500,000 KWH	\$0.02580	\$0.02580	\$0.02580	\$0.02580
Over 500,000 KWH	\$0.01550	\$0.01550	\$0.01550	\$0.01550
Fuel Adjustment all KWH (yr avg)	(\$0.00820)	(\$0.00840)	(\$0.00400)	\$0.00140
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363

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

2014	2015	2016	2017	2018	2019
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
\$0.01030	\$0.01030	\$0.01030	\$0.01030	\$0.01030	\$0.01030
\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)	(\$0.00290)	(\$0.00510)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
\$0.0464	\$0.0464	\$0.0464	\$0.0464	\$0.0464	\$0.0464
\$0.0103	\$0.0103	\$0.0103	\$0.0103	\$0.0103	\$0.0103
\$8.24	\$8.24	\$8.24	\$8.24	\$8.24	\$8.24
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$0.02580	\$0.02580	\$0.02580	\$0.02580	\$0.02580	\$0.02580
\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
\$0.00010	\$0.00010	(\$0.00800)	(\$0.00580)	(\$0.00290)	(\$0.00510)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00411	\$0.00411	\$0.00411	\$0.00411	\$0.00411	\$0.00411
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

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

Year	Governmental Activities				
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Notes Payable	Loans Payable
2010	\$6,058,568	\$87,401	\$31,595	\$0	\$31,595
2011	5,650,893	12,985	16,168	0	16,168
2012	5,200,655	9,439	0	0	0
2013	7,461,050	0	0	1,509,526	0
2014	6,861,017	0	0	2,010,088	0
2015	6,245,984	0	0	2,007,350	0
2016	7,563,209	0	0	2,111,623	0
2017	8,884,278	0	0	0	0
2018	7,865,656	0	0	0	302,000
2019	6,837,204	0	0	0	302,000

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

Business-Type Activities

General Obligation Bonds	Mortgage Revenue Bonds	Notes Payable	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
\$0	\$32,234,420	\$6,300,000	\$3,360,000	\$48,103,579	9.38%	\$2,401
0	31,142,688	8,150,000	2,752,260	47,741,162	9.31	2,383
0	36,840,609	550,000	339,290	42,939,993	8.38	2,143
0	34,507,122	1,400,000	0	44,877,698	8.76	2,240
0	32,093,636	1,200,000	0	42,164,741	8.23	2,105
0	29,605,150	1,000,000	0	38,858,484	7.58	1,940
0	21,148,265	1,000,000	0	31,823,097	6.21	1,589
4,895,000	14,061,730	0	0	27,841,008	5.43	1,390
4,265,000	10,904,723	0	0	23,337,379	4.55	1,165
3,620,000	10,463,768	0	0	21,222,972	4.14	1,059

CITY OF LEBANON, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2019

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Lebanon</b>			
General Obligation Bonds	\$6,837,204	100.00%	\$6,837,204
<i>Total Direct Debt</i>	<u>6,837,204</u>		<u>6,837,204</u>
<b>Overlapping</b>			
Lebanon City School District			
General Obligation Bonds	44,025,000	50.24	22,118,160
Capital Leases	6,189,000	50.24	3,109,354
Kings Local School District			
General Obligation Bonds	48,106,212	1.15	553,221
Warren County Career Center			
Energy Conservation Notes	300,000	10.49	31,470
Capital Leases	4,544	10.49	477
Warren County			
General Obligation Bonds	3,922,081	6.56	257,289
Special Assessment Bonds	4,129,790	6.56	270,914
Loans Payable	<u>758,946</u>	6.56	<u>49,787</u>
<i>Total Overlapping Debt</i>	<u>107,435,573</u>		<u>26,390,671</u>
<b>Total</b>	<u><u>\$114,272,777</u></u>		<u><u>\$33,227,875</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>
2010	20,033	\$1,191,372,162	\$6,058,568	0.51%	\$302.43
2011	20,033	1,185,040,310	5,610,870	0.47	280.08
2012	20,033	1,126,990,932	5,200,655	0.46	259.60
2013	20,033	1,126,979,400	7,461,050	0.66	372.44
2014	20,033	1,137,115,970	6,861,017	0.60	342.49
2015	20,033	1,190,838,314	6,245,984	0.52	311.78
2016	20,033	1,188,919,085	7,563,209	0.64	377.54
2017	20,033	1,199,939,971	13,779,278	1.15	687.83
2018	20,033	1,359,697,685	12,130,656	0.89	605.53
2019	20,033	1,359,697,685	10,457,204	0.77	522.00

(1) 2010-2019 from 2010 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt.

CITY OF LEBANON, OHIO  
LEGAL DEBT MARGIN  
LAST TEN YEARS

	2010	2011	2012	2013
Total Assessed Property Value	<u>\$417,778,478</u>	<u>\$414,764,110</u>	<u>\$396,556,600</u>	<u>\$396,645,380</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>43,866,740</u>	<u>43,550,232</u>	<u>41,638,443</u>	<u>41,647,765</u>
Debt Outstanding:				
General Obligation Bonds	6,037,598	5,587,014	5,140,560	7,196,603
Mortgage Revenue Bonds	33,100,000	31,010,000	36,525,000	34,220,000
Special Assessment Bonds	87,401	12,985	9,439	0
Bond Anticipation Notes	<u>6,300,000</u>	<u>8,150,000</u>	<u>550,000</u>	<u>4,500,000</u>
Total Gross Indebtedness	45,524,999	44,759,999	42,224,999	45,916,603
Less:				
General Obligation Bonds	(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)
Mortgage Revenue Bonds	(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)
Special Assessment Bonds	(87,401)	(12,985)	(9,439)	0
Bond Anticipation Notes	<u>(6,300,000)</u>	<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$43,866,740</u>	<u>\$43,550,232</u>	<u>\$41,638,443</u>	<u>\$41,647,765</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>
Total Gross Indebtedness	45,524,999	44,759,999	42,224,999	45,916,603
Less:				
General Obligation Bonds	(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)
Mortgage Revenue Bonds	(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)
Special Assessment Bonds	(87,401)	(12,985)	(9,439)	0
Bond Anticipation Notes	<u>(6,300,000)</u>	<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

2014	2015	2016	2017	2018	2019
<u>\$397,990,590</u>	<u>\$416,793,410</u>	<u>\$416,121,680</u>	<u>\$419,978,990</u>	<u>\$475,894,190</u>	<u>\$496,663,530</u>
<u>41,789,012</u>	<u>43,763,308</u>	<u>43,692,776</u>	<u>44,097,794</u>	<u>49,968,890</u>	<u>52,149,671</u>
6,816,603	6,021,603	7,241,603	13,531,603	11,905,000	10,255,000
31,835,000	29,375,000	20,995,000	13,950,000	10,805,000	10,380,000
0	0	0	0	0	0
<u>5,200,000</u>	<u>3,000,000</u>	<u>4,600,000</u>	<u>0</u>	<u>500,000</u>	<u>400,000</u>
43,851,603	38,396,603	32,836,603	27,481,603	23,210,000	21,035,000
(6,816,603)	(6,021,603)	(7,241,603)	(13,531,603)	(11,905,000)	(10,255,000)
(31,835,000)	(29,375,000)	(20,995,000)	(13,950,000)	(10,805,000)	(10,380,000)
0	0	0	0	0	0
<u>(5,200,000)</u>	<u>(3,000,000)</u>	<u>(4,600,000)</u>	<u>0</u>	<u>(500,000)</u>	<u>(400,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$41,789,012</u>	<u>\$43,763,308</u>	<u>\$43,692,776</u>	<u>\$44,097,794</u>	<u>\$49,968,890</u>	<u>\$52,149,671</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>	<u>\$23,098,844</u>	<u>\$26,174,180</u>	<u>\$27,316,494</u>
43,851,603	38,396,603	32,836,603	27,481,603	23,210,000	21,035,000
(6,816,603)	(6,021,603)	(7,241,603)	(13,531,603)	(11,905,000)	(10,255,000)
(31,835,000)	(29,375,000)	(20,995,000)	(13,950,000)	(10,805,000)	(10,380,000)
0	0	0	0	0	0
<u>(5,200,000)</u>	<u>(3,000,000)</u>	<u>(4,600,000)</u>	<u>0</u>	<u>(500,000)</u>	<u>(400,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>	<u>\$23,098,844</u>	<u>\$26,174,180</u>	<u>\$27,316,494</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Year	Electric Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total (2)	
2010	\$28,291,909	\$25,998,247	\$2,293,662	\$1,235,000	\$722,651	\$1,957,651	1.17%
2011	25,478,741	23,255,870	2,222,871	1,285,000	701,325	1,986,325	1.12
2012	29,119,640	26,483,052	2,636,588	1,340,000	655,186	1,995,186	1.32
2013	30,705,867	25,338,073	5,367,794	1,390,000	602,025	1,992,025	2.69
2014	33,074,747	27,381,946	5,692,801	1,440,000	549,438	1,989,438	2.86
2015	30,765,726	24,583,288	6,182,438	1,495,000	491,838	1,986,838	3.11
2016	30,477,240	25,748,316	4,728,924	7,375,000	432,823	7,807,823	0.61
2017	31,949,053	26,882,225	5,066,828	215,000	125,132	340,132	14.90
2018	34,692,302	28,520,556	6,171,746	2,725,000	57,473	2,782,473	2.22
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total (2)	
2010	\$3,389,268	\$1,907,162	\$1,482,106	\$480,000	\$425,971	\$905,971	1.64%
2011	3,105,295	1,965,877	1,139,418	490,000	407,482	897,482	1.27
2012	3,368,455	2,117,451	1,251,004	510,000	387,881	897,881	1.39
2013	3,234,784	1,140,723	2,094,061	535,000	367,481	902,481	2.32
2014	3,404,925	2,323,575	1,081,350	560,000	346,081	906,081	1.19
2015	3,475,157	2,029,082	1,446,075	575,000	323,681	898,681	1.61
2016	3,597,630	1,937,375	1,660,255	605,000	202,981	807,981	2.05
2017	3,762,383	2,144,549	1,617,834	0	132,341	132,341	12.22
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2010	\$2,997,829	\$1,431,532	\$1,566,297	\$300,000	\$330,218	\$630,218	2.49%
2011	2,759,278	1,827,517	931,761	315,000	316,568	631,568	1.48
2012	3,217,644	1,944,281	1,273,363	455,000	226,870	681,870	1.87
2013	3,105,305	2,137,596	967,709	380,000	466,863	846,863	1.14
2014	3,392,408	2,383,892	1,008,516	385,000	459,263	844,263	1.19
2015	3,643,684	2,533,639	1,110,045	390,000	451,563	841,563	1.32
2016	4,151,055	2,248,001	1,903,054	400,000	443,762	843,762	2.26
2017	4,552,611	2,740,308	1,812,303	415,000	435,654	850,654	2.13
2018	4,769,142	2,469,385	2,299,757	420,000	423,052	843,052	2.73
2019	4,959,094	2,748,991	2,210,103	425,000	418,012	843,012	2.62

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

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

Year (1)	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2010	\$109,358	\$131,106	\$13,857	\$144,963	0.75%
2011	107,264	74,416	6,096	80,512	1.33
2012	19,378	3,546	780	4,326	4.48
2013	12,086	9,439	288	9,727	1.24
2014	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2010	20,033	\$512,544,305	\$25,585	\$61,085	33.9
2011	20,033	512,544,305	25,585	61,085	33.9
2012	20,033	512,544,305	25,585	61,085	33.9
2013	20,033	512,544,305	25,585	61,085	33.9
2014	20,033	512,544,305	25,585	61,085	33.9
2015	20,033	512,544,305	25,585	61,085	33.9
2016	20,033	512,544,305	25,585	61,085	33.9
2017	20,033	512,544,305	25,585	61,085	33.9
2018	20,033	512,544,305	25,585	61,085	33.9
2019	20,033	512,544,305	25,585	61,085	33.9

(1) 2010-2019 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)
26.0%	5,379	8.4
26.0	5,450	7.0
26.0	5,442	5.6
26.0	5,442	5.6
26.0	5,715	4.8
26.0	5,381	3.9
26.0	5,302	3.9
26.0	5,299	3.8
26.0	5,311	3.9
26.0	5,289	3.1

CITY OF LEBANON, OHIO  
 PRINCIPAL EMPLOYERS  
 2018 AND 2010

2018

Employer	Employees
Warren County	1,430
Advics Manufacturing	1,161
Lebanon City Schools	931
Countryside YMCA	875
Mane Inc.	715
FedEx Ground Package System	682
Sheakley HR	526
Kroger Limited Partnership Inc.	518
Staffmark	387
Wal-Mart Associates Inc.	368
Minute Men Select Inc.	357
Total	7,950

2010

Employer	Employees
Warren County	1,141
Lebanon City School District	878
Countryside YMCA	777
Advics Manufacturing	517
Wal-Mart	480
Kroger Limited Partnership Inc.	423
Warren County BDD (MRDD)	231
Amtex Inc.	221
JBM Envelope	157
Lebanon Citizens National Bank	151
Total	4,976

Information on total employment within the City is not available.

The 2019 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Council (1)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Tax	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Law	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Administration	4.00	4.00	4.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Building Maintenance	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Department	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Court	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Probation	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
<b>Security of Persons and Property</b>										
<b>Police</b>										
Police - Chiefs/Administrative	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Police - Sargeants	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police - Officers	22.00	22.00	22.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Police - Dispatchers	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
<b>Fire (2)(3)</b>										
Fire - Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Captains	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Lieutenants	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Firefighters/EMTs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	9.00	9.00
<b>Public Health</b>										
Cemetery	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Leisure Time Services</b>										
Parks & Recreation (3)	1.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
<b>Community Development</b>										
Building and Zoning	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Planning and Development	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00	3.00
<b>Internal Service</b>										
Automotive Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Transportation</b>										
Street M&R (3)	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<b>Basic Utility Services</b>										
Electric - Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electric - Meter Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Electric - Operation & Maintenance (3)	13.00	13.00	13.00	13.00	12.00	12.00	12.00	12.00	12.00	12.00
Electric - Power Production	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Sanitation	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Storm Water Utility	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Telecommunications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water - Administration	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Water - Maintenance	3.00	3.00	3.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Water - Supply and Treatment	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater - Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater - Maintenance	2.00	2.00	2.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Wastewater - Collection and Treatment	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Totals:</b>	<b>142.00</b>	<b>141.00</b>	<b>139.00</b>	<b>136.00</b>	<b>135.00</b>	<b>135.00</b>	<b>132.00</b>	<b>137.00</b>	<b>145.00</b>	<b>146.00</b>

**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	2010	2011	2012	2013
<b>General Government</b>				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	131	107	115	114
Number of Planning Commission Docket Items	23	22	28	32
Zoning Board of Appeals Docket Items	6	2	3	3
<i>Finance Department (1)</i>				
Number of Checks Issued	4,540	4,433	4,753	5,509
Number of Purchase Orders Issued	1,000	1,039	1,084	1,045
Amount of Checks Written (includes interfund transfers)	\$70,323,107	\$73,041,394	\$78,807,285	\$72,899,728
Interest Earnings for Fiscal Year (cash basis)	\$366,830	\$241,760	\$455,725	\$231,840
Number of Supplemental Appropriations Issued	20	26	42	20
Agency Ratings - Moody's Financial Services	A1	A1	Aa2	Aa2
Health Insurance Costs vs. General Fund Expenditures	8.99%	9.29%	10.50%	11.13%
General Fund Receipts (cash basis in thousands)	\$9,251	\$9,257	\$9,951	\$10,055
General Fund Expenditures (cash basis in thousands)	\$8,918	\$8,918	\$8,945	\$10,186
General Fund (unexpended) Cash Balances (in thousands)	\$3,239	\$3,758	\$4,853	\$4,721
<i>Income Tax Department</i>				
Number of Individual Returns	9,790	9,630	9,982	9,807
Number of Business Returns	1,518	1,593	1,470	1,522
Number of Business Withholding Accounts	1,472	2,356	2,344	2,385
Annual Number of Corporate Withholding Forms Processed	8,418	8,415	8,298	8,411
Annual Number of Balance Due Statements Forms Processed	791	720	800	745
Annual Number of Estimated Payment Forms Processed	2,500	2,016	2,118	2,158
Annual Number of Reconciliations of Withholdings Processed	1,356	1,530	1,166	1,343
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$3,235,575	\$7,181,756	\$5,885,336	\$8,577,939
<i>Municipal Court</i>				
Number of Civil Cases	1,063	826	754	593
Number of Criminal Cases	1,372	1,417	1,515	1,475
<i>Civil Service</i>				
Number of Police Entry Tests Administered	0	0	1	1
Number of Police Promotional Tests Administered	0	2	0	0
Number of Hires of Police Officers from Certified Lists	1	0	2	2
Number of Promotions from Police Certified Lists	0	2	1	0

2014	2015	2016	2017	2018	2019
99	132	117	126	108	106
34	63	37	52	62	55
11	9	10	12	11	11
4,425	4,173	4,101	4,207	4,494	4,781
873	992	997	1,114	1,674	1,372
\$78,072,236	\$71,328,633	\$86,679,935	\$88,570,629	\$78,726,004	\$79,743,248
\$251,836	\$390,473	\$496,631	\$501,666	\$421,578	\$536,396
21	23	14	12	4	6
Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
11.90%	10.19%	8.57%	9.18%	8.73%	6.51%
\$10,604	\$10,857	\$10,904	\$12,537	\$13,064	\$13,028
\$10,323	\$10,663	\$12,924	\$10,980	\$11,935	\$12,221
\$5,003	\$5,196	\$3,177	\$4,734	\$5,863	\$6,670
10,573	10,091	7,746	10,941	9,060	9,402
1,713	1,346	1,693	2,475	1,644	1,549
2,632	1,310	1,955	2,281	2,495	2,768
8,448	8,010	10,750	12,103	13,789	13,735
760	586	600	915	1,040	1,810
2,017	1,801	1,846	2,980	3,943	6,371
1,278	1,726	1,951	1,778	2,094	2,357
\$11,874,633	\$2,173,804	\$8,346,500	\$7,311,859	\$4,042,190	\$10,008,121
605	638	592	649	658	755
1,573	1,562	1,685	1,626	1,583	1,636
30	57	73	0	77	78
5	1	0	1	0	0
2	2	2	0	1	1
2	2	0	2	0	0

(continued)

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

Function/Program	2010	2011	2012	2013
<b><i>Building Department Indicators</i></b>				
Commercial Construction Permits Issued	90	60	67	65
Estimated Value of Commercial Construction	\$7,898,118	\$18,480,315	\$37,700,000	\$33,482,059
Residential Construction Building Permits Issued	112	30	88	170
Estimated Value of Residential Construction	\$6,536,428	\$6,124,089	\$3,200,000	\$2,533,487
<b>Security of Persons and Property</b>				
<b><i>Police</i></b>				
Total Calls for Services	22,024	21,229	22,410	21,449
Number of Traffic Citations Issued	1,203	989	1,472	1,656
Number of Parking Citations Issued	68	63	130	572
Number of Criminal Arrests	1,263	1,072	1,232	1,138
Number of Accident Reports Completed	398	433	419	550
Part 1 Offenses (major offenses)	474	385	585	500
Animal Complaints	336	345	378	317
DUI Arrests	109	76	70	104
Traffic Crashes	398	432	419	550
Crash Injuries	86	81	80	100
Crash Deaths	1	0	0	1
Prisoners	2	0	0	0
Prisoner Meal Costs	\$0	\$0	\$0	\$0
Gasoline Costs of Fleet	\$63,837	\$83,778	\$81,418	\$78,641
<b><i>Fire</i></b>				
EMS Calls	2,226	2,174	2,262	2,169
Ambulance Billing Collections (net)	\$402,002	\$467,450	\$420,701	\$370,420
Fire Calls	1,468	1,409	1,428	1,528
Fires with Loss	33	47	31	19
Fires with Losses Exceeding \$10K	5	11	7	7
Fire Losses	\$846,664	\$1,380,239	\$401,631	\$249,056
Fire Safety Inspections	141	n/a	35	38
Number of Times Mutual Aid Given to Fire and EMS	52	31	44	24
Number of Times Mutual Aid Received for Fire and EMS	45	95	69	56
<b>Public Health</b>				
Cemetery Receipts (includes interfund transfers)	\$156,010	\$187,242	\$167,721	\$158,214

2014	2015	2016	2017	2018	2019
93	81	119	104	93	72
\$44,964,185	\$125,985,538	\$54,500,000	\$39,764,540	\$17,048,291	\$91,157,101
176	149	200	196	218	230
\$5,870,806	\$3,308,718	\$7,400,000	\$7,482,998	\$6,551,520	\$6,356,505
21,932	22,617	23,864	24,648	24,242	24,018
1,406	1,192	1,626	1,441	881	851
48	352	121	537	127	192
1,308	1,118	1,199	1,158	1,048	969
645	413	455	433	415	446
494	355	397	350	426	386
358	362	332	299	299	335
137	78	105	56	52	48
452	413	455	433	415	446
73	91	93	76	90	81
0	0	0	0	0	1
0	0	0	0	0	0
\$0	\$0	\$0	\$0	0	0
\$83,046	\$53,001	\$47,552	\$54,016	\$57,043	\$58,727
2,099	1,948	2,434	2,452	2,553	2,488
\$424,694	\$432,627	\$475,864	\$492,836	\$535,269	\$531,959
591	786	777	734	914	926
15	9	19	20	18	21
6	4	12	5	7	8
\$331,491	\$235,434	\$1,539,500	\$827,501	\$254,500	\$1,490,000
300	375	375	490	1,171	1,090
37	39	77	47	87	89
25	39	86	73	54	78
\$178,975	\$189,634	\$164,639	\$156,424	\$173,658	\$174,002

(continued)

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

Function/Program	2010	2011	2012	2013
<b>Leisure Time Services</b>				
<i>Recreation Receipts</i>				
Farmer's Market	\$900	\$1,150	\$1,740	\$1,600
Recreation Programs	23,230	21,995	20,600	19,940
Field Usage Fees	38,645	34,145	43,280	29,332
	<u>38,645</u>	<u>34,145</u>	<u>43,280</u>	<u>29,332</u>
Total Recreation Department Receipts	<u>\$62,775</u>	<u>\$57,290</u>	<u>\$65,620</u>	<u>\$50,872</u>
<b>Transportation</b>				
Crackseal Coating Program (Miles)	5.50	11.20	7.00	8.00
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,080	1,865	1,700	2,000
Street Sweeper (hours)	1,280	1,280	750	1,300
Cold Patch (hours)	105	8	20	30
After Hours Sewer and Water Calls	106	92	100	64
Sewer Cleaning (feet)	16,955	28,950	36,112	51,451
Sewer Jet, Vac-All, Video (feet)	21,566	54,555	19,541	23,998
Landscaping Stump-Chipper Service (hours)	80	96	50	20
Leaf Collection (hours)	1,920	1,920	2,000	1,900
Downtown Square Repair After Events (hours)	365	420	400	500
Equipment Repair/Body Shop (hours)	4,360	4,360	4,458	4,507
Sign Department (hours)	816	816	850	1,000
Tons of Snow Melting Salt Purchased (Nov-Mar)	2,307	1,875	840	2,400
Cost of Salt Purchased	\$196,394	\$62,589	\$33,028	\$112,832
<b>Water Department</b>				
Water Rates per 1st 2,500 Gallons of Water Used	\$11.27	\$11.95	\$12.67	\$14.24
Avg. Number of Water Accounts Billed Monthly	7,296	7,305	7,350	7,360
Total Water Collections Annually	\$2,706,968	\$2,733,116	\$3,040,209	\$2,987,747
<b>Wastewater Department</b>				
Wastewater Rates per 1st 2,500 Gallons Used	\$16.21	\$16.21	\$16.70	\$17.20
Total Flow of Wastewater Treatment Plant (MG)	961.950	1,215.369	928.000	1,045.000
Average Daily Flow (millions of gallons per day)	2.600	3.330	2.500	2.860
Tons of Dry Sludge Removed	444.78	414.03	472.00	348.31

Source: City of Lebanon records

(1) Receipts and expenditures include interfund transfers

2014	2015	2016	2017	2018	2019
\$1,540	\$1,150	\$1,200	\$2,350	\$1,960	\$1,965
20,995	21,945	17,236	19,457	16,727	12,225
41,945	50,778	48,640	43,510	57,100	50,720
<u>\$64,480</u>	<u>\$73,873</u>	<u>\$67,076</u>	<u>\$65,317</u>	<u>\$75,787</u>	<u>\$64,910</u>
8.50	6.50	3.00	28.00	2.10	4.07
2,150	2,400	1,800	2,200	1,340	1,645
750	1,100	980	1,440	473	199
48	40	94	120	350	341
117	74	59	25	52	57
68,813	85,434	34,435	28,931	70,023	19,312
17,241	15,485	28,634	16,500	26,748	70,785
80	100	80	140	53	60
2,250	1,500	1,800	1,440	695	255
550	500	500	768	890	1,350
5,334	5,224	6,677	7,052	7,680	7,809
1,150	1,600	600	840	215.50	78.50
3,000	700	998	2,615	1,294	1,000
\$208,172	\$214,245	\$112,649	\$65,176	\$135,852	\$131,627
\$14.24	\$16.34	\$17.32	\$18.01	\$18.73	\$19.29
7,377	7,412	7,421	7,466	7,520	7,545
\$3,209,751	\$3,518,933	\$4,015,783	\$4,226,355	\$4,468,877	\$4,626,255
\$17.20	\$18.06	\$18.06	\$18.06	\$18.60	\$18.60
1,022.000	1,036.900	1,061.652	1,042.478	1,125.952	1,123.590
2.810	2.840	2.901	2.856	3.103	3.078
473.43	454.37	444.71	473.43	499.56	551.00

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Square Footage Occupied	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226
Administrative Vehicles	8	6	7	7	7	10	10	10	10	10
Inspection Vehicles	3	3	3	3	3	3	3	3	3	4
Information Technology	2	2	1	1	1	1	1	1	1	1
<b>Cemetery</b>										
Square Footage of Building	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610
Vehicles	17	16	16	18	16	19	19	20	22	23
<b>Fire</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331
Vehicles	21	19	20	20	19	17	16	17	16	13
<b>Recreation</b>										
Number of Parks	16	16	16	16	16	16	16	16	17	17
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	5
Number of Baseball Diamonds	12	12	12	12	12	12	12	13	13	10
Number of Soccer Fields	37	37	37	37	37	37	37	37	37	37
Number of Community Access Buildings (1)	4	4	4	4	4	3	3	3	3	4
Number of Disc Golf Course	0	1	1	1	1	1	1	1	1	1
<b>Other Public Works</b>										
Streets (miles)	94.813	94.813	94.813	95.040	102.893	102.893	102.893	102.969	103.246	103.246
Service Vehicles	22	24	24	24	21	23	25	22	23	23
Auto Maintenance Internal Service	2	2	2	2	2	1	1	1	2	2
Square Footage of Building(NEW-2015)						37,060	37,060	37,060	37,060	37,060
<b>Electric</b>										
Vehicles	24	22	19	20	17	18	18	17	18	19
<b>Sanitation</b>										
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Telecommunications</b>										
Vehicles	2	2	2	2	2	2	2	2	2	1
<b>Wastewater</b>										
Sanitary Sewers (miles)	113.591	113.610	113.799	114.327	114.406	114.419	114.778	116.260	116.501	116.501
Storm Sewers (miles)	86.10	86.53	88.05	88.52	90.00	90.94	91.68	91.76	92.09	92.28
Vehicles	7	7	7	7	6	6	5	5	6	6
<b>Water Department</b>										
Water Lines (miles)	110.432	110.432	113.609	113.636	114.145	114.145	114.781	116.287	116.481	116.481
Vehicles	11	10	10	10	10	10	11	12	11	11

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

# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF LEBANON**

**WARREN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 9/1/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)