

**CITY OF LEBANON
WARREN COUNTY
REGULAR AUDIT
JANUARY 1, 2016 – DECEMBER 31, 2016**





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Lebanon, Warren County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 15, 2017

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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:

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 16, 2017.

Internal Control Over Financial Reporting

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

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

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

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
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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 communication is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 16, 2017

CITY OF LEBANON, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

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INTRODUCTORY SECTION



**CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Issued by:
Office of the Auditor**

**Pam Stotts
Acting City Auditor**

City of Lebanon
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2016

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"Dedicated to Excellence in Public Service"

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

June 16, 2017

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

We are pleased to present the twenty-ninth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report for the year ended December 31, 2016 contains the financial statements and other financial and statistical information and conforms to accounting principles generally accepted in the United States of America as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the City of Lebanon ("the City").

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

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

Wilson, Shannon & Snow, Inc. performed the audit for the year ended December 31, 2016, 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 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 the Warren County Combined Health District. This is a jointly governed organization, for which the City has no financial responsibility or interest. Information regarding this entity may be found in the notes to the basic financial statements.

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

MAJOR INITIATIVES

The City remains committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2016. These projects totaled over \$3.32 million and included the complete reconstruction of East Street, resurfacing of Bypass 48 from Kingsview Drive to Turtlecreek Union Road, and the resurfacing of various streets throughout the City. The reconstruction of East Street included the replacement of the water distribution system, rehabilitation of the sanitary sewer mains, and the installation of a new storm drainage system. The City secured ODOT Urban Paving funds in the amount of \$829,000 to support the paving of Bypass 48 and OPWC grant funds in the amount of \$563,900 to support the High Street reconstruction project. The City's annual resurfacing and concrete replacement program totaled \$1.7 million and included multiple streets.

The City completed the reconstruction and widening of Columbia Road in the Industrial Park. This road is a major arterial serving the three Industrial Park properties, and the improvements to this road increase the accessibility for both existing and future manufacturing businesses. The total cost for these improvements was \$2.5 million, which represents a significant investment in our primary economic development area. This project also included the realignment of a section of the sanitary sewer force main to support the expansion of the Advics facility.

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 in East Street, the existing water main on West Lane 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. Additionally, the City completed the upgrade of the

Supervisory Control and Data Acquisition (SCADA) communication system to improve the functionality of the systems.

The City received a grant from the Ohio Department of Natural Resources totaling \$73,000 to purchase greenspace along Deerfield Road to support the construction of a future bike trail along this corridor.

LOCAL ECONOMY

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

Residential Housing

Overall, the number of residential permits issued during 2016 (200) increased 34% as compared to 2015 (149). The residential housing sector remained consistent as reflected by the permits issued for new housing starts. In 2016, the number of new housing units (39) remained the same as 2015. The total construction valuation of residential development as reflected in the permit data for 2016 was \$7.4 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 use of Tax Increment Financing (TIF) has been a key incentive for recruiting new companies and investment into the City's industrial parks. A recently completed TIF project was the construction of Homan Road in 2013. The new roadway has made accessible, prime commercial land for development, while providing a future northern access point into Lebanon Commerce Park. The Homan Road project has spurred development with the recent completion of the FedEx Ground facility, and INX International Ink Company that was completed and operational in January 2015.

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

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

In 2016, the City was successful in attracting new investment into the community. The City had quality growth in both the industry and commercial sectors. The industry sector continues to experience rebounded new development and investment. The commercial sector has also seen expansion in terms of new construction, and more importantly adaptive reuse of existing facilities. The growth in both sectors is encouraging and created significant momentum heading into 2017. The residential sector continues to see investment in relation to new housing starts, as reflected by new construction permits issued during 2016.

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

In September of 2016 the City initiated a master plan process for the Downtown Central Business District (CBD) and North Broadway Corridor. The master plan is a blueprint for the future based on integrating the values and aspirations of our community with solid technical research. It addresses topics such as development, housing, economic development, and transportation. It is a tool to prepare for change, and acts as both a business plan and policy guide for decision-makers. The CBD Master Plan will be completed in the third quarter of 2017.

The following are notable projects from 2016:

Mane, Inc.

Mane, Inc., one of the largest flavor and fragrance companies in the world continues to grow and expand their operations. The company began construction in June on a \$34 million expansion to their production facility in Lebanon Commerce Center. The latest expansion, their fourth since 2007, will provide additional space to increase the dry seasoning product line. The facility will be completed in 2017 and grow the company's current employment to over 500 employees.

Green Bay Packaging, Inc.

In late 2016, Green Bay Packaging began a \$4 million expansion to their facility on Kingsview Drive. Green Bay Packaging manufactures a wide variety of corrugated products for retail packaging. The facility expansion will provide the company with additional warehouse space to store and stage their products for shipping. Green Bay Packaging began operations in 2013 and employs over 120 workers.

Quantum Metals

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

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

FINANCIAL TRENDS

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

FINANCIAL PLANNING AND POLICIES

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

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

OTHER INFORMATION

Independent Audit

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

AWARDS AND ACKNOWLEDGEMENTS

Awards

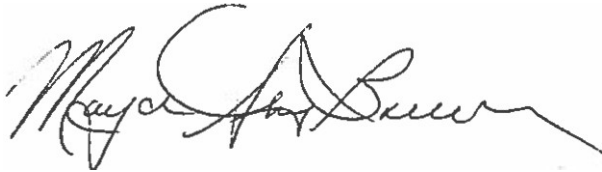
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lebanon for its comprehensive annual financial report for the year ended December 31, 2015. This was the twenty-eighth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to GFOA for review.

Acknowledgements

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



Pam Stotts
Acting City Auditor



Amy Brewer
Mayor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lebanon
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

CITY OF LEBANON, OHIO
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

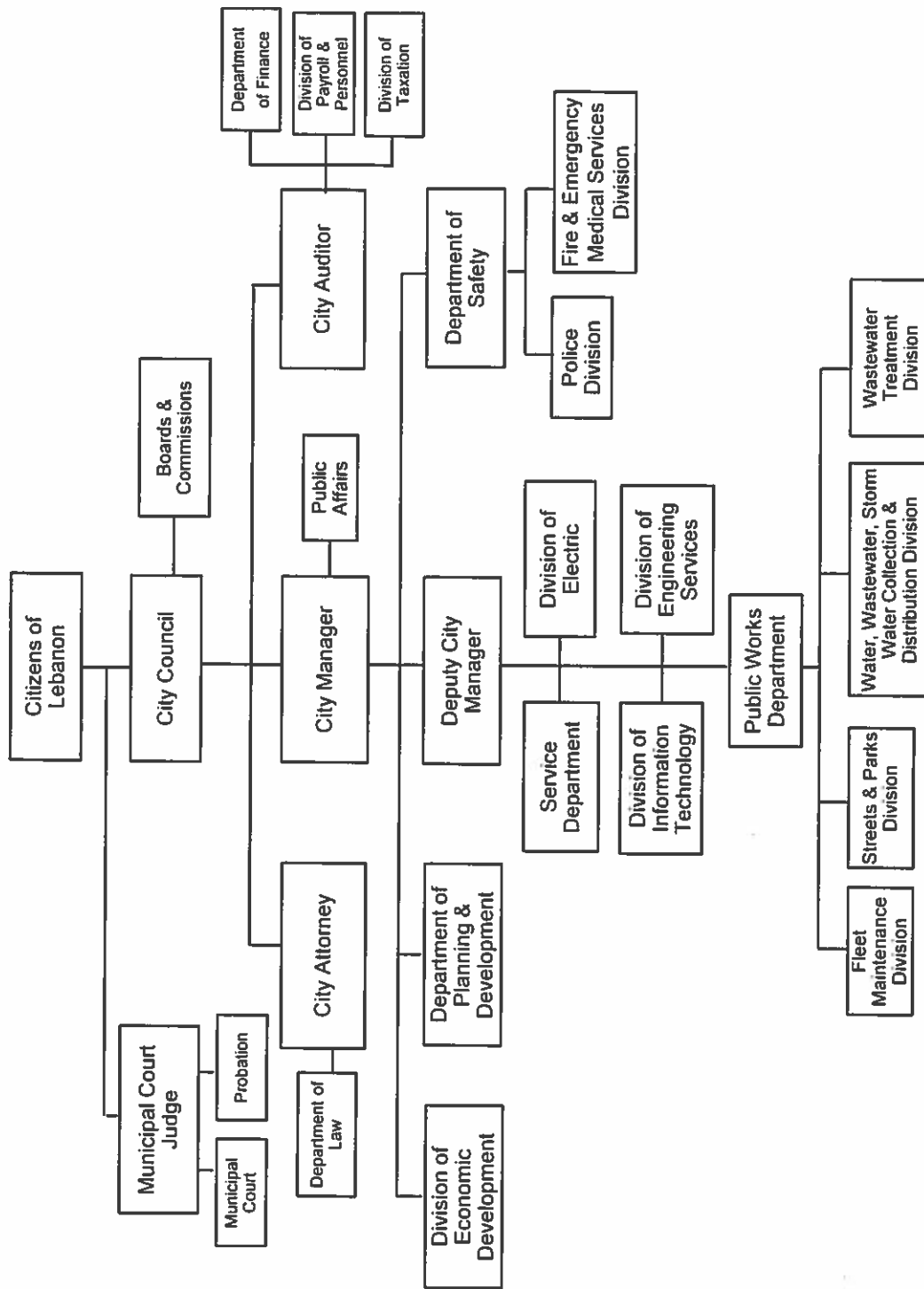
MAYOR	Amy Brewer
VICE MAYOR	Mark Messer
COUNCIL MEMBERS:	Wendy Monroe Jeffrey S. Aylor Jim Dearie Stephen Kaiser James Norris II

APPOINTED OFFICIALS

CITY MANAGER	George P. Clements
ACTING CITY AUDITOR*	Pam Stotts
CITY ATTORNEY	Mark S. Yurick

*DAN BURKE BECAME CITY AUDITOR ON JUNE, 6, 2017.

City of Lebanon, Ohio Organizational Chart



FINANCIAL SECTION





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

INDEPENDENT AUDITOR'S REPORT

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
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1-800-523-6611
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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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General and Fire and Life Squad Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2017 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 16, 2017

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CITY OF LEBANON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
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, 2016. 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 \$5,533,383. Current year revenues remained consistent compared to the prior year but outpaced expenses as the City continued to monitor its spending. The City remains committed to ensuring that service levels are adjusted in response to declines in revenue so that sufficient cash reserves are maintained in compliance with the City's fiscal policy.

General revenues of governmental activities accounted for \$15,802,005 of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$6,267,969 of the revenues.

The City had \$20,877,189 in expenses related to governmental activities; \$6,267,969 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily income taxes) of \$15,802,005 were adequate enough to support these programs.

The City had \$37,126,921 in expenses related to business-type activities. \$41,189,219 of program specific charges for services and sales, and capital grants and contributions, together with \$278,300 in general revenues more than offset the expenses.

The City's Enterprise Funds reflected a total operating income of \$4,892,337 as follows: Electric Fund \$3,503,396, Sanitation Fund \$63,329, Sewer Fund \$555,762, Telecommunications Fund (\$101,901), Water Fund \$903,992, and Storm Water Utility Fund (\$32,241).

USING THIS ANNUAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

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

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental Funds – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for expenditures. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be

converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be expended in the near future on services provided to our residents. The relationship (or differences) between governmental activities that is reported in the statement of net position and the statement of activities is explained in the reconciliations in the governmental fund financial statements.

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

THE CITY AS A WHOLE

As stated previously, the statement of net position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2016 compared to 2015.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total		Change
	2016	2015	2016	2015	2016	2015	
Assets:							
Current and Other Assets	\$31,996,919	\$30,601,968	\$39,125,897	\$46,822,204	\$71,122,816	\$77,424,172	(\$6,301,356)
Capital Assets	54,379,814	52,487,260	95,926,449	90,021,736	150,306,263	142,508,996	7,797,267
<i>Total Assets</i>	<u>86,376,733</u>	<u>83,089,228</u>	<u>135,052,346</u>	<u>136,843,940</u>	<u>221,429,079</u>	<u>219,933,168</u>	<u>1,495,911</u>
<i>Deferred Outflows of Resources</i>							
Deferred Charge on Refunding	67,165	83,438	226,129	663,770	293,294	747,208	(453,914)
Pension	3,735,926	1,477,044	994,536	316,402	4,730,462	1,793,446	2,937,016
<i>Total Deferred Outflows of Resources</i>	<u>3,803,091</u>	<u>1,560,482</u>	<u>1,220,665</u>	<u>980,172</u>	<u>5,023,756</u>	<u>2,540,654</u>	<u>2,483,102</u>
Liabilities:							
Current and Other Liabilities	2,769,023	1,135,000	2,432,584	1,515,495	5,201,607	2,650,495	2,551,112
Long-Term Liabilities							
Net Pension Liability	12,819,092	10,377,229	2,570,530	1,776,376	15,389,622	12,153,605	3,236,017
Other Amounts	10,942,958	9,485,303	21,512,732	30,959,650	32,455,690	40,444,953	(7,989,263)
<i>Total Liabilities</i>	<u>26,531,073</u>	<u>20,997,532</u>	<u>26,515,846</u>	<u>34,251,521</u>	<u>53,046,919</u>	<u>55,249,053</u>	<u>(2,202,134)</u>
<i>Deferred Inflows of Resources</i>							
Property Tax	3,710,905	3,633,341	0	0	3,710,905	3,633,341	77,564
Payment in Lieu of Taxes	1,750,291	1,757,214	0	0	1,750,291	1,757,214	(6,923)
Pension	619,241	60,579	49,668	31,207	668,909	91,786	577,123
<i>Total Deferred Inflows of Resources</i>	<u>6,080,437</u>	<u>5,451,134</u>	<u>49,668</u>	<u>31,207</u>	<u>6,130,105</u>	<u>5,482,341</u>	<u>647,764</u>
Net Position:							
Net Investment in Capital Assets	44,914,941	44,393,758	74,004,313	60,080,356	118,919,254	104,474,114	14,445,140
Restricted	9,034,221	7,975,274	2,933,782	4,724,747	11,968,003	12,700,021	(732,018)
Unrestricted	3,619,152	5,832,012	32,769,402	38,736,281	36,388,554	44,568,293	(8,179,739)
<i>Total Net Position</i>	<u>\$57,568,314</u>	<u>\$58,201,044</u>	<u>\$109,707,497</u>	<u>\$103,541,384</u>	<u>\$167,275,811</u>	<u>\$161,742,428</u>	<u>\$5,533,383</u>

The net pension liability (NPL) is one of the largest liabilities reported by the City at December 31, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

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

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

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

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

Net position of the City's governmental activities decreased \$632,730 from the prior year. The majority of this decrease is related to a decrease in unrestricted net position of \$2,212,860.

Governmental activities restricted net position increased \$1,058,947 due to the City completing a road improvement project within the tax increment financing district.

The net position of the City's business-type activities increased \$6,166,113. Unrestricted net position decreased due to increases in expenditures due to increased electrical power usage in 2016 as well as increased building and ground repairs compared to the prior year. 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, 2016 and 2015.

*Table 2
Changes in Net Position*

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$3,829,171	\$3,743,978	\$40,507,074	\$40,493,646	\$44,336,245	\$44,237,624
Operating Grants, Contributions and Interest	1,106,573	1,038,432	0	0	1,106,573	1,038,432
Capital Grants, Contributions and Interest	1,332,225	1,888,511	682,145	0	2,014,370	1,888,511
Total Program Revenues	<u>6,267,969</u>	<u>6,670,921</u>	<u>41,189,219</u>	<u>40,493,646</u>	<u>47,457,188</u>	<u>47,164,567</u>
General Revenues:						
Property Taxes	3,812,015	3,642,024	0	0	3,812,015	3,642,024
Income Taxes	7,613,002	7,425,983	0	0	7,613,002	7,425,983
Other Local Taxes	1,526,713	1,439,547	0	0	1,526,713	1,439,547
Payments in Lieu of Taxes	1,774,947	1,757,214	0	0	1,774,947	1,757,214
Grants and Entitlements Not Restricted to Specific Programs	366,251	406,357	0	0	366,251	406,357
Investment Earnings	460,102	64,872	198,153	139,240	658,255	204,112
Gain on Sale of Capital Assets	0	508	13,400	0	13,400	508
Other	248,975	294,305	66,747	67,067	315,722	361,372
Total General Revenues	<u>15,802,005</u>	<u>15,030,810</u>	<u>278,300</u>	<u>206,307</u>	<u>16,080,305</u>	<u>15,237,117</u>
Total Revenues	<u>\$22,069,974</u>	<u>\$21,701,731</u>	<u>\$41,467,519</u>	<u>\$40,699,953</u>	<u>\$63,537,493</u>	<u>\$62,401,684</u>

(continued)

Table 2
Changes in Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2016	2015	2016	2015	2016	2015
Program Expenses:						
General Government	\$5,157,129	\$3,924,199	\$0	\$0	\$5,157,129	\$3,924,199
Security of Persons and Property:						
Police	5,115,826	4,243,356	0	0	5,115,826	4,243,356
Fire	3,276,015	3,165,407	0	0	3,276,015	3,165,407
Public Health Services	197,737	196,806	0	0	197,737	196,806
Leisure Time Services	828,117	1,340,847	0	0	828,117	1,340,847
Community and Economic						
Development	1,240,968	1,021,078	0	0	1,240,968	1,021,078
Transportation	4,339,489	4,584,011	0	0	4,339,489	4,584,011
Intergovernmental	428,151	418,817	0	0	428,151	418,817
Interest and Fiscal Charges	293,757	213,544	0	0	293,757	213,544
Electric	0	0	27,684,350	26,348,054	27,684,350	26,348,054
Sanitation	0	0	1,617,010	1,625,356	1,617,010	1,625,356
Sewer	0	0	3,235,514	3,504,416	3,235,514	3,504,416
Telecommunications	0	0	162,201	161,943	162,201	161,943
Water	0	0	3,672,987	3,971,143	3,672,987	3,971,143
Storm Water Utility	0	0	754,859	634,635	754,859	634,635
Total Expenses	<u>20,877,189</u>	<u>19,108,065</u>	<u>37,126,921</u>	<u>36,245,547</u>	<u>58,004,110</u>	<u>55,353,612</u>
Change in Net Position						
Before Transfers	1,192,785	2,593,666	4,340,598	4,454,406	5,533,383	7,048,072
Transfers	<u>(1,825,515)</u>	<u>(84,131)</u>	<u>1,825,515</u>	<u>84,131</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u>(632,730)</u>	<u>2,509,535</u>	<u>6,166,113</u>	<u>4,538,537</u>	<u>\$5,533,383</u>	<u>\$7,048,072</u>
Net Position, January 1	<u>58,201,044</u>	<u>55,691,509</u>	<u>103,541,384</u>	<u>99,002,847</u>		
Net Position, December 31	<u>\$57,568,314</u>	<u>\$58,201,044</u>	<u>\$109,707,497</u>	<u>\$103,541,384</u>		

Governmental Activities

The City's income tax was established in 1970 at a rate of one percent. The rate has not been increased even though this rate is much lower than the State average for municipalities. The City provides tax relief in the form of a full tax credit for taxes paid to another municipality. The City's income tax is the largest source of revenue for the City's General Fund, Debt Service Fund, and Capital Improvement Fund. Employee withholding contributed 75.62 percent of the revenue received in 2016 with business earnings contributing 9.28 percent and individuals 15.10 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.

Recent projects undertaken in the City include the following:

Mane, Inc. Mane, Inc., began construction in June 2016 of a \$34 million expansion to their production facility in Lebanon Commerce Center that will grow the company's employment to over 500 employees.

Green Bay Packaging, Inc. In late 2016, Green Bay Packaging began a \$4 million expansion to their facility on Kingsview Drive. Green Bay Packaging began operations in 2013 and employs over 120 workers.

Quantum Metals Quantum Metals began a 24,000 square-foot expansion in 2016 that will allow the company to enhance their operations in response to growing market demand and increased services.

Income taxes increased \$187,019 mainly due to the completion of new businesses within the City. Capital grants, contributions and interest decreased \$556,286 as a result of the City receiving fewer grants in 2016.

Table 3
Governmental Activities

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
General Government	\$5,157,129	\$4,025,663	\$3,924,199	\$2,942,719
Security of Persons and Property:				
Police	5,115,826	3,986,128	4,243,356	2,455,590
Fire	3,276,015	2,801,835	3,165,407	2,732,780
Public Health Services	197,737	72,626	196,806	39,591
Leisure Time Services	828,117	53,199	1,340,847	425,522
Community and				
Economic Development	1,240,968	1,024,718	1,021,078	1,012,949
Transportation	4,339,489	1,923,143	4,584,011	2,195,632
Intergovernmental	428,151	428,151	418,817	418,817
Interest and Fiscal Charges	293,757	293,757	213,544	213,544
Total Expenses	<u>\$20,877,189</u>	<u>\$14,609,220</u>	<u>\$19,108,065</u>	<u>\$12,437,144</u>

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 28 percent of total revenues. The remaining revenues are primarily generated locally through property taxes, City income taxes, State distributions, grants and other miscellaneous income. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they have always been committed.

Overall, the City's governmental expenses increased \$1,769,124 from the prior year. Security of persons and property police expenses increased \$872,470 and general government expenses increased \$1,232,930. The increase in security of persons and property police was mainly due to the expenses related to the hiring of new employees. General government expenses increased due to an increase in building maintenance and repairs from the prior year and the City Attorney upgraded from a part time employee to a full time employee.

Business-Type Activities

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

Electric operations generate fees associated with the sale and delivery of electricity within Lebanon. Various electric service charges, not associated with the sale and delivery of electricity, are also generated by these operations. The fees collected are then used to purchase power, maintain and operate the electric generation, transmission, and distribution systems of the City, fund capital improvement projects and pay off debt service. Legislation increases electric

rates by one percent annually. Electric operating revenues decreased \$218,316, as operating expenses increased \$1,149,866. The primary cause of the overall increase in the fund was due to the increase in electrical power usage. The Cities customers used more power in 2016 compared to 2015 which caused the City to purchase more power and bill for more power.

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 2016 of \$75,029.

Sewer operations provide the City's wastewater collection and treatment system; this includes the Regional Wastewater Treatment Facility. Money that is collected from the fees that are billed, based upon number of gallons of water used, are used in the maintenance of the collection system, improvements to the Treatment Plant, and the payment of the debt incurred for the expansion of the facility. An important aspect of this fund's mission is to maintain the quality of the environment. As such, it is the policy of City Council, carried out by this operation, that all Ohio Environmental Protection Agency standards be met or exceeded. Sewer operating revenues increased \$96,939, and operating expenses decreased \$69,025. The City continues to monitor the costs associated with wastewater treatment. The City Wastewater Department has a track record of receiving the National Associations of Clear Water Agencies Silver Award, given to facilities that have less than five National Pollutant Discharge Elimination System violations in a calendar year.

The Telecommunications Fund accounts for charges collected and utilized for the operation of the community access cable channel. For 2016, the net position of this fund decreased \$101,148.

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 \$483,121, while operating expenses decreased \$286,519.

Storm Water Utility operations manage the backlog of storm water infrastructure requirements, as well as to provide a funding mechanism to support unfunded Ohio Environmental Protection Agency mandates associated with storm water management. Each residential dwelling unit is billed at a flat fee of \$3.50 per month. For all other nonresidential properties, the rate is computed based on total impervious area of property divided by the average impervious area of an equivalent residential unit. In conjunction with the implementation of the Storm Water Utility, the City is programmed to take over responsibility for the repair and replacement of defective curbs and gutters along public streets. Storm Water Utility operating revenues decreased \$254,353 from 2015, and operating expenses increased \$120,138.

THE CITY'S FUNDS

Information about the City's governmental funds begins on page 18. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$21,979,238 and expenditures of \$25,835,962. The General Fund balance decreased \$1,140,862. This was due to the transfers out to other funds of \$990,568.

Lebanon continues to position itself to capitalize on new and emerging business opportunities as the market strengthens through long term investments in land and infrastructure. Lebanon continues to leverage available economic development inducement programs to recruit new businesses and industry. The City's economic strengths come from within the community. The business-friendly environment, high-quality workforce, excellent school system, and great quality of life that have become synonymous with Lebanon will continue to drive our success in 2017.

The Fire and Life Squad Fund balance increased \$359,095 due to the collection on the increase in tax rate from 5.7 mills to 7.0 mills. The Fire department operates on monies from its 7.0 mill levy, which has allowed the Fire Department to operate two facilities, including additional staff requirements. Lebanon Fire Division hosts two stations: one on Silver Street in Lebanon's central business district, while the other station is located near State Route 48 close to Interstate I-71 and the surrounding industrial parks.

The Tax Increment Financing Fund balance increased \$1,121,882 due to the City issuing bond anticipation notes to use on major road improvement within the tax increment financing district.

The Capital Improvement Fund balance decreased \$216,817 due to a decrease in intergovernmental revenue during the year.

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 \$11,439,278. Final General Fund budgeted revenues and other financing sources were \$13,597,307. The variance between original and final budgeted revenues and other financing sources was \$2,158,029. This was primarily due to the expected increase in property, income and other local taxes. Actual revenues and other financing sources were \$2,664,917 less than final budgeted revenues and other financing sources due to the City over estimating property tax revenue and unpaid advances. Original appropriations and other financing uses were \$11,968,268, and final appropriations and other financing uses were \$14,327,034. The variance between original and final appropriations and other financing uses was \$2,358,766, due mainly to an increase in general government expenditures related to the purchase of a new ladder truck. Actual expenditures were \$982,662 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 2016 compared to 2015:

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$15,967,203	\$15,882,789	\$4,346,419	\$4,346,419	\$20,313,622	\$20,229,208
Construction in Progress	1,666,792	133,820	7,416,661	2,372,790	9,083,453	2,506,610
Land Improvements	626,215	573,370	0	0	626,215	573,370
Buildings and Improvements	6,281,574	6,567,158	11,673,177	12,410,140	17,954,751	18,977,298
Equipment	457,443	484,958	1,102,018	1,140,840	1,559,461	1,625,798
Vehicles	2,441,230	1,550,918	1,610,581	1,387,613	4,051,811	2,938,531
Infrastructure	26,939,357	27,294,247	69,777,593	68,363,934	96,716,950	95,658,181
Totals	<u>\$54,379,814</u>	<u>\$52,487,260</u>	<u>\$95,926,449</u>	<u>\$90,021,736</u>	<u>\$150,306,263</u>	<u>\$142,508,996</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, 2016 and 2015:

Table 5
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$7,563,209	\$6,245,984	\$0	\$0	\$7,563,209	\$6,245,984
Police Pension	16,075	16,639	0	0	16,075	16,639
Mortgage Revenue Bonds	0	0	21,148,265	29,605,150	21,148,265	29,605,150
Bond Anticipation Notes	2,111,623	2,007,350	0	1,000,000	2,111,623	3,007,350
	<u>\$9,690,907</u>	<u>\$8,269,973</u>	<u>\$21,148,265</u>	<u>\$30,605,150</u>	<u>\$30,839,172</u>	<u>\$38,875,123</u>

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

As of December 31, 2016, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$43,692,776, and the unvoted debt margin was \$22,886,692. For more information regarding long-term obligations and short-term bond anticipation notes, refer to Notes 15 and 16 of the notes to the basic financial statements.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

**CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$22,635,747	\$28,271,348	\$50,907,095
Accounts Receivable, Net	0	6,130,593	6,130,593
Intergovernmental Receivable	765,572	31,987	797,559
Accrued Interest Receivable	52,385	35,999	88,384
Prepaid Items	62,530	48,653	111,183
Internal Balances	(434,074)	434,074	0
Materials and Supplies Inventory	254,542	2,103,014	2,357,556
Income Taxes Receivable	2,990,808	0	2,990,808
Property Taxes Receivable	3,819,897	0	3,819,897
Other Local Taxes Receivable	5,336	0	5,336
Payment in Lieu of Taxes Receivable	1,750,291	0	1,750,291
Special Assessments Receivable	93,885	0	93,885
Cash and Cash Equivalents with Fiscal Agents	0	2,070,229	2,070,229
Nondepreciable Capital Assets	17,633,995	11,763,080	29,397,075
Depreciable Capital Assets, Net	36,745,819	84,163,369	120,909,188
Total Assets	86,376,733	135,052,346	221,429,079
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	67,165	226,129	293,294
	3,735,926	994,536	4,730,462
Total Deferred Outflows of Resources:	3,803,091	1,220,665	5,023,756
Liabilities:			
Accounts Payable	295,607	452,222	747,829
Accrued Wages Payable	273,033	69,883	342,916
Intergovernmental Payable	223,500	42,449	265,949
Contracts Payable	11,665	107,289	118,954
Retainage Payable	95,129	114,745	209,874
Accrued Interest Payable	64,912	83,248	148,160
Claims Payable	204,038	0	204,038
Notes Payable	1,500,000	1,000,000	2,500,000
Refundable Deposits	0	562,748	562,748
Matured Compensated Absences Payable	101,139	0	101,139
Long-Term Liabilities:			
Due Within One Year	1,024,671	1,344,815	2,369,486
Due in More Than One Year:			
Net Pension Liability (See Note 12)	12,819,092	2,570,530	15,389,622
Other Amounts	9,918,287	20,167,917	30,086,204
Total Liabilities	26,531,073	26,515,846	53,046,919
Deferred Inflows of Resources:			
Property Taxes	3,710,905	0	3,710,905
Payment in Lieu of Taxes	1,750,291	0	1,750,291
Pension	619,241	49,668	668,909
Total Deferred Inflows of Resources	6,080,437	49,668	6,130,105
Net Position:			
Net Investment in Capital Assets	44,914,941	74,004,313	118,919,254
Restricted for:			
Debt Service	172,390	2,001,282	2,173,672
Capital Outlay	4,946,834	0	4,946,834
Security of Persons and Property	1,010,816	0	1,010,816
Public Health Services	1,539,338	0	1,539,338
Community and Economic Development	197,964	0	197,964
Transportation	1,166,879	0	1,166,879
Revenue Bonds Replacement and Improvement	0	932,500	932,500
Unrestricted	3,619,152	32,769,402	36,388,554
Total Net Position	\$57,568,314	\$109,707,497	\$167,275,811

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$5,157,129	\$1,131,466	\$0	\$0
Security of Persons and Property:				
Police	5,115,826	1,129,698	0	0
Fire	3,276,015	445,067	29,113	0
Public Health Services	197,737	116,213	0	8,898
Leisure Time Services	828,117	697,533	10,000	67,385
Community and Economic Development	1,240,968	216,250	0	0
Transportation	4,339,489	92,944	1,067,460	1,255,942
Intergovernmental	428,151	0	0	0
Interest and Fiscal Charges	293,757	0	0	0
Total Governmental Activities	20,877,189	3,829,171	1,106,573	1,332,225
Business-Type Activities:				
Electric	27,684,350	30,372,073	0	0
Sanitation	1,617,010	1,677,936	0	0
Sewer	3,235,514	3,553,255	0	230,050
Telecommunications	162,201	58,976	0	0
Water	3,672,987	4,121,890	0	410,465
Storm Water Utility	754,859	722,944	0	41,630
Total Business-Type Activities	37,126,921	40,507,074	0	682,145
Total Activities	\$58,004,110	\$44,336,245	\$1,106,573	\$2,014,370

General Revenues and Transfers:

Taxes:

Property Taxes:

General Purposes

Fire and Life Squad

Income Taxes

Other Local Taxes

Payments in Lieu of Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Gain on Sale of Capital Assets

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$4,025,663)	\$0	(\$4,025,663)
(3,986,128)	0	(3,986,128)
(2,801,835)	0	(2,801,835)
(72,626)	0	(72,626)
(53,199)	0	(53,199)
(1,024,718)	0	(1,024,718)
(1,923,143)	0	(1,923,143)
(428,151)	0	(428,151)
(293,757)	0	(293,757)
<u>(14,609,220)</u>	<u>0</u>	<u>(14,609,220)</u>
0	2,687,723	2,687,723
0	60,926	60,926
0	547,791	547,791
0	(103,225)	(103,225)
0	859,368	859,368
0	9,715	9,715
<u>0</u>	<u>4,062,298</u>	<u>4,062,298</u>
<u>(14,609,220)</u>	<u>4,062,298</u>	<u>(10,546,922)</u>
1,039,309	0	1,039,309
2,772,706	0	2,772,706
7,613,002	0	7,613,002
1,526,713	0	1,526,713
1,774,947	0	1,774,947
366,251	0	366,251
460,102	198,153	658,255
0	13,400	13,400
248,975	66,747	315,722
<u>(1,825,515)</u>	<u>1,825,515</u>	<u>0</u>
<u>13,976,490</u>	<u>2,103,815</u>	<u>16,080,305</u>
(632,730)	6,166,113	5,533,383
<u>58,201,044</u>	<u>103,541,384</u>	<u>161,742,428</u>
<u>\$57,568,314</u>	<u>\$109,707,497</u>	<u>\$167,275,811</u>

**CITY OF LEBANON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$3,979,047	\$1,053,952	\$6,438,817
Materials and Supplies Inventory	46,110	13,070	0
Prepaid Items	34,585	14,477	0
Income Taxes Receivable	1,873,432	0	0
Property Taxes Receivable	1,046,623	2,773,274	0
Other Local Taxes Receivable	5,336	0	0
Payment in Lieu of Taxes Receivable	0	0	1,750,291
Accrued Interest Receivable	36,123	0	0
Intergovernmental Receivable	188,075	29,113	0
Special Assessments Receivable	0	0	0
Interfund Receivable	1,000,000	0	0
Advances to Other Funds	245,231	0	0
Total Assets	\$8,454,562	\$3,883,886	\$8,189,108
Liabilities:			
Accounts Payable	\$199,681	\$31,543	\$0
Accrued Wages Payable	211,575	50,813	0
Contracts Payable	0	0	3,279
Intergovernmental Payable	104,704	21,684	90,796
Matured Compensated Absences	101,139	0	0
Accrued Interest Payable	0	0	21,452
Retainage Payable	0	0	0
Notes Payable	0	0	1,500,000
Interfund Payable	7,985	4,106	0
Advances From Other Funds	0	0	245,231
Total Liabilities	625,084	108,146	1,860,758
Deferred Inflows of Resources:			
Property Taxes	1,014,613	2,696,292	0
Payment in Lieu of Taxes	0	0	1,750,291
Unavailable Revenue	1,516,714	106,095	0
Total Deferred Inflows of Resources	2,531,327	2,802,387	1,750,291
Fund Balances:			
Nonspendable	204,518	27,547	0
Restricted	0	945,806	4,578,059
Committed	0	0	0
Assigned	4,227,592	0	0
Unassigned	866,041	0	0
Total Fund Balances	5,298,151	973,353	4,578,059
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$8,454,562	\$3,883,886	\$8,189,108

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$3,536,830	\$5,891,371	\$20,900,017
0	119,462	178,642
0	7,683	56,745
838,032	279,344	2,990,808
0	0	3,819,897
0	0	5,336
0	0	1,750,291
6,859	6,407	49,389
0	548,384	765,572
0	93,885	93,885
0	0	1,000,000
0	0	245,231
<u>\$4,381,721</u>	<u>\$6,946,536</u>	<u>\$31,855,813</u>
\$13,391	\$50,751	\$295,366
0	6,825	269,213
8,386	0	11,665
0	3,907	221,091
0	0	101,139
0	0	21,452
95,129	0	95,129
0	0	1,500,000
1,000,000	13,766	1,025,857
0	0	245,231
<u>1,116,906</u>	<u>75,249</u>	<u>3,786,143</u>
0	0	3,710,905
0	0	1,750,291
<u>766,029</u>	<u>812,117</u>	<u>3,200,955</u>
<u>766,029</u>	<u>812,117</u>	<u>8,662,151</u>
0	127,145	359,210
0	2,721,339	8,245,204
2,498,786	3,210,686	5,709,472
0	0	4,227,592
0	0	866,041
<u>2,498,786</u>	<u>6,059,170</u>	<u>19,407,519</u>
<u>\$4,381,721</u>	<u>\$6,946,536</u>	<u>\$31,855,813</u>

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CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total Governmental Fund Balances \$19,407,519

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	15,967,203	
Construction in Progress	1,666,792	
Other Capital Assets	18,253,211	
Infrastructure	66,340,042	
Accumulated Depreciation	<u>(47,847,434)</u>	
Total Capital Assets		54,379,814

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	1,702,247	
Capital Assets	(183,313)	
Deferred Outflows - Pension	(58,502)	
Deferred Inflows - Pension	2,922	
Net Pension Liability	151,208	
Compensated Absences	<u>26,888</u>	
Total		1,641,450

Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. (439,764)

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	2,303,280	
Property Taxes	108,992	
Interest Revenue	42,816	
Intergovernmental	644,600	
Special Assessments	93,885	
Charges for Services	<u>7,382</u>	
Total		3,200,955

In the statement of activities, interest is accrued on outstanding bonds and bond anticipation notes, whereas in governmental funds, an interest expenditure is reported when due. (43,460)

Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds. 67,165

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

Deferred Outflows - Pension	3,735,926	
Deferred Inflows - Pension	(619,241)	
Net Pension Liability	<u>(12,819,092)</u>	
Total		(9,702,407)

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	(319,086)	
Premium on Notes	(11,623)	
Bonds	(7,244,123)	
Notes	(2,100,000)	
Police Pension	(16,075)	
Compensated Absences	<u>(1,252,051)</u>	
Total Liabilities		<u>(10,942,958)</u>

Net Position of Governmental Activities \$57,568,314

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, 2016

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Revenues:			
Property Taxes	\$1,048,872	\$2,799,159	\$0
Income Taxes	4,423,830	0	0
Other Local Taxes	1,526,713	0	0
Payments in Lieu of Taxes	0	0	1,774,947
Special Assessments	0	0	0
Charges for Services	2,357,994	475,864	0
Fines, Licenses and Permits	667,207	0	0
Intergovernmental	449,095	0	0
Interest	271,225	0	0
Contributions and Donations	10,000	0	0
Other	116,780	12,573	15
Total Revenues	10,871,716	3,287,596	1,774,962
Expenditures:			
Current:			
General Government	4,972,143	0	0
Security of Persons and Property:			
Police	4,494,251	0	0
Fire	0	3,016,268	0
Public Health Services	0	0	0
Leisure Time Services	673,639	0	0
Community and Economic Development	880,712	0	157,712
Transportation	0	0	0
Intergovernmental	0	0	428,151
Capital Outlay	0	185,284	2,128,134
Debt Service:			
Principal Retirement	564	0	0
Interest and Fiscal Charges	701	0	31,452
Total Expenditures	11,022,010	3,201,552	2,745,449
Excess of Revenues Over (Under) Expenditures	(150,294)	86,044	(970,487)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	18,051	0
Transfers In	0	255,000	0
Transfers Out	(990,568)	0	(42,500)
Bonds Issued	0	0	0
Bond Anticipation Notes Issued	0	0	2,100,000
Premium on Debt Issued	0	0	34,869
Total Other Financing Sources (Uses)	(990,568)	273,051	2,092,369
Net Change in Fund Balances	(1,140,862)	359,095	1,121,882
Fund Balances at Beginning of Year	6,439,013	614,258	3,456,177
Fund Balances at End of Year	<u>\$5,298,151</u>	<u>\$973,353</u>	<u>\$4,578,059</u>

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$3,848,031
2,338,493	779,497	7,541,820
0	0	1,526,713
0	0	1,774,947
64,425	0	64,425
0	119,887	2,953,745
0	167,209	834,416
1,255,942	1,026,651	2,731,688
132,361	40,892	444,478
0	0	10,000
113,708	5,899	248,975
<u>3,904,929</u>	<u>2,140,035</u>	<u>21,979,238</u>
0	4,095	4,976,238
0	43,386	4,537,637
0	0	3,016,268
0	168,762	168,762
0	7,308	680,947
0	0	1,038,424
5,110	916,374	921,484
0	0	428,151
3,421,981	1,298,081	7,033,480
2,000,000	715,000	2,715,564
58,446	228,408	319,007
<u>5,485,537</u>	<u>3,381,414</u>	<u>25,835,962</u>
<u>(1,580,608)</u>	<u>(1,241,379)</u>	<u>(3,856,724)</u>
25,345	0	43,396
0	832,500	1,087,500
(700,000)	0	(1,733,068)
1,935,000	0	1,935,000
0	0	2,100,000
103,446	19,266	157,581
<u>1,363,791</u>	<u>851,766</u>	<u>3,590,409</u>
(216,817)	(389,613)	(266,315)
<u>2,715,603</u>	<u>6,448,783</u>	<u>19,673,834</u>
<u>\$2,498,786</u>	<u>\$6,059,170</u>	<u>\$19,407,519</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, 2016**

Net Change in Fund Balances - Total Governmental Funds (\$266,315)

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

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

Capital Asset Additions	7,077,185	
Current Year Depreciation	<u>(3,946,062)</u>	
Excess of Capital Outlay over Depreciation Expense		3,131,123

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

Proceeds from Sale of Capital Assets	43,396	
Loss on Sale of Capital Assets	<u>(1,309,635)</u>	
Total		(1,266,239)

Assets transferred from enterprise activities during the year to governmental activities 27,670

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	(36,016)	
Income Taxes	71,182	
Charges for Services	(23,415)	
Intergovernmental	52,864	
Interest Revenue	<u>10,023</u>	
Total		74,638

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	715,000	
Note Principal Retirement	2,000,000	
Police Pension Principal Retirement	<u>564</u>	
Total Long-Term Obligation Repayment		2,715,564

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

Accretion on Bonds	(840)	
Amortization of Bond Premium	26,327	
Amortization of Note Premium	30,596	
Amortization of Loss on Refunding	(16,273)	
Accrued Interest	<u>(14,560)</u>	
Total		25,250

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

Bond Proceeds	(1,935,000)	
Note Proceeds	(2,100,000)	
Premium on Bonds	(122,712)	
Premium on Notes	<u>(34,869)</u>	
Total		(\$4,192,581)

(continued)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**
(continued)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	\$977,590
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(1,719,233)
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	(36,721)
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	(23,593)
Depreciation of Capital Assets	9,291
Capital Asset Transfer from Governmental	(55,895)
Addition to Capital Assets	(43,705)
Contractually Required Contributions for Pension	(13,531)
Pension Expense	21,441
Increase in Compensated Absences	2,516
Total	<u>(103,476)</u>
Change in Net Position of Governmental Activities	<u><u>(\$632,730)</u></u>
See Accompanying Notes to the Basic Financial Statements	

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,094,025	\$2,703,674	\$1,048,872	(\$1,654,802)
Income Taxes	4,198,500	4,410,856	4,410,856	0
Other Local Taxes	1,476,000	1,526,455	1,526,455	0
Charges for Services	2,348,650	2,357,994	2,357,994	0
Fines, Licenses and Permits	691,000	691,000	674,716	(16,284)
Intergovernmental	235,600	449,516	449,516	0
Interest	125,100	215,793	215,793	0
Contributions and Donations	2,500	10,000	10,000	0
Other	141,495	110,611	116,780	6,169
Total Revenues	10,312,870	12,475,899	10,810,982	(1,664,917)
Expenditures:				
Current:				
General Government	4,227,981	5,413,370	5,034,963	378,407
Security of Persons and Property	4,931,345	4,976,266	4,604,796	371,470
Leisure Time Services	635,153	758,197	720,169	38,028
Community and Economic Development	1,083,789	1,188,501	993,876	194,625
Debt Service:				
Principal Retirements	0	645,700	645,568	132
Total Expenditures	10,878,268	12,982,034	11,999,372	982,662
Excess of Revenues Under Expenditures	(565,398)	(506,135)	(1,188,390)	(682,255)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	5,000	0	0	0
Advances In	1,121,408	1,121,408	121,408	(1,000,000)
Transfers Out	(90,000)	(345,000)	(345,000)	0
Advances Out	(1,000,000)	(1,000,000)	(1,000,000)	0
Total Other Financing Sources (Uses)	36,408	(223,592)	(1,223,592)	(1,000,000)
Net Change in Fund Balance	(528,990)	(729,727)	(2,411,982)	(1,682,255)
Fund Balance at Beginning of Year	5,047,976	5,047,976	5,047,976	0
Prior Year Encumbrances Appropriated	222,576	222,576	222,576	0
Fund Balance at End of Year	\$4,741,562	\$4,540,825	\$2,858,570	(\$1,682,255)

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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,752,000	\$2,799,159	\$2,799,159	\$0
Charges for Services	450,000	463,268	475,864	12,596
Other	15,000	12,573	12,573	0
Total Revenues	<u>3,217,000</u>	<u>3,275,000</u>	<u>3,287,596</u>	<u>12,596</u>
Expenditures:				
Current:				
Security of Persons and Property	2,867,798	3,139,732	3,048,121	91,611
Capital Outlay	218,000	494,780	222,006	272,774
Total Expenditures	<u>3,085,798</u>	<u>3,634,512</u>	<u>3,270,127</u>	<u>364,385</u>
Excess of Revenues Over (Under) Expenditures	<u>131,202</u>	<u>(359,512)</u>	<u>17,469</u>	<u>376,981</u>
Other Financing Sources:				
Proceeds from Sale of Capital Assets	0	0	18,051	18,051
Transfers In	0	255,000	255,000	0
Total Other Financing Sources	<u>0</u>	<u>255,000</u>	<u>273,051</u>	<u>18,051</u>
Net Change in Fund Balance	131,202	(104,512)	290,520	395,032
Fund Balance at Beginning of Year	621,712	621,712	621,712	0
Prior Year Encumbrances Appropriated	<u>73,096</u>	<u>73,096</u>	<u>73,096</u>	<u>0</u>
Fund Balance at End of Year	<u>\$826,010</u>	<u>\$590,296</u>	<u>\$985,328</u>	<u>\$395,032</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$19,202,177	\$584,100	\$3,282,876
Accounts Receivable, Net	3,324,565	189,385	330,846
Intergovernmental Receivable	0	0	31,987
Accrued Interest Receivable	24,986	1,096	4,508
Prepaid Items	21,265	421	16,629
Materials and Supplies Inventory	1,738,097	0	99,712
Interfund Receivable	0	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	225,576	0	662,057
Total Current Assets	24,536,666	775,002	4,428,615
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,007,098	0	240,000
Cash and Cash Equivalents with Fiscal Agents	88,967	0	242,757
Nondepreciable Capital Assets	7,678,234	54,000	937,194
Depreciable Capital Assets, Net	11,016,842	0	23,964,988
Total Noncurrent Assets	19,791,141	54,000	25,384,939
Total Assets	44,327,807	829,002	29,813,554
Deferred Outflows of Resources:			
Deferred Charge on Refunding	0	0	148,429
Pension	643,523	0	234,009
Total Deferred Outflows of Resources	\$643,523	\$0	\$382,438

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$222,831	\$3,006,545	\$477,571	\$26,776,100	\$1,735,730
1,875,000	357,724	53,073	6,130,593	0
0	0	0	31,987	0
0	4,561	848	35,999	2,996
2,850	7,488	0	48,653	5,785
115,624	149,581	0	2,103,014	75,900
0	0	0	0	31,547
0	451,314	0	1,338,947	0
2,216,305	3,977,213	531,492	36,465,293	1,851,958
0	248,150	0	1,495,248	0
0	399,558	0	731,282	0
0	2,756,328	337,324	11,763,080	64,666
24,235	27,851,793	21,305,511	84,163,369	118,647
24,235	31,255,829	21,642,835	98,152,979	183,313
2,240,540	35,233,042	22,174,327	134,618,272	2,035,271
0	77,700	0	226,129	0
0	117,004	0	994,536	58,502
\$0	\$194,704	\$0	\$1,220,665	\$58,502

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016
(continued)

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Liabilities:			
Current Liabilities:			
Accounts Payable	\$276,051	\$112,009	\$32,814
Accrued Wages Payable	40,991	2,747	15,719
Contracts Payable	107,289	0	0
Retainage Payable	114,745	0	0
Intergovernmental Payable	20,115	1,590	7,741
Accrued Interest Payable	10,576	0	36,358
Interfund Payable	2,936	0	364
Claims Payable	0	0	0
Notes Payable	0	0	1,000,000
Compensated Absences Payable	49,079	3,009	10,959
Mortgage Revenue Bonds Payable	215,000	0	640,000
Total Current Liabilities	<u>836,782</u>	<u>119,355</u>	<u>1,743,955</u>
Long-term Liabilities:			
Refundable Deposits	514,598	0	0
Compensated Absences Payable	155,051	0	67,912
Mortgage Revenue Bonds Payable	2,720,657	0	5,800,975
Net Pension Liability	1,663,285	0	604,831
Total Long-term Liabilities	<u>5,053,591</u>	<u>0</u>	<u>6,473,718</u>
Total Liabilities	<u>5,890,373</u>	<u>119,355</u>	<u>8,217,673</u>
Deferred Inflows of Resources:			
Pension	<u>32,138</u>	<u>0</u>	<u>11,687</u>
Net Position:			
Net Investment in Capital Assets	15,759,419	54,000	17,609,636
Restricted for:			
Debt Service	303,967	0	882,757
Revenue Bonds			
Replacement and Improvement	492,500	0	240,000
Unrestricted	<u>22,492,933</u>	<u>655,647</u>	<u>3,234,239</u>
Total Net Position	<u>\$39,048,819</u>	<u>\$709,647</u>	<u>\$21,966,632</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
\$2,253	\$28,870	\$225	\$452,222	\$241
2,336	6,811	1,279	69,883	3,820
0	0	0	107,289	0
0	0	0	114,745	0
1,145	11,090	768	42,449	2,409
0	36,314	0	83,248	0
37	2,165	188	5,690	0
0	0	0	0	204,038
0	0	0	1,000,000	0
4,812	5,586	1,370	74,815	6,483
0	415,000	0	1,270,000	0
<u>10,583</u>	<u>505,836</u>	<u>3,830</u>	<u>3,220,341</u>	<u>216,991</u>
0	48,150	0	562,748	0
25,853	40,068	768	289,652	20,405
0	11,356,633	0	19,878,265	0
0	302,414	0	2,570,530	151,208
<u>25,853</u>	<u>11,747,265</u>	<u>768</u>	<u>23,301,195</u>	<u>171,613</u>
<u>36,436</u>	<u>12,253,101</u>	<u>4,598</u>	<u>26,521,536</u>	<u>388,604</u>
<u>0</u>	<u>5,843</u>	<u>0</u>	<u>49,668</u>	<u>2,922</u>
24,235	18,914,188	21,642,835	74,004,313	183,313
0	814,558	0	2,001,282	0
0	200,000	0	932,500	0
<u>2,179,869</u>	<u>3,240,056</u>	<u>526,894</u>	<u>32,329,638</u>	<u>1,518,934</u>
<u>\$2,204,104</u>	<u>\$23,168,802</u>	<u>\$22,169,729</u>	109,267,733	<u>\$1,702,247</u>
			439,764	
			<u>\$109,707,497</u>	

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$30,372,073	\$1,677,936	\$3,553,255
Other	42,502	178	8,494
Total Operating Revenues	<u>30,414,575</u>	<u>1,678,114</u>	<u>3,561,749</u>
Operating Expenses:			
Personal Services	1,871,766	133,727	704,219
Contractual Services	1,546,765	1,480,965	1,127,931
Purchased Power	21,644,076	0	0
Supplies and Materials	678,108	0	105,062
Claims	0	0	0
Depreciation	1,162,863	7	1,068,612
Other	7,601	86	163
Total Operating Expenses	<u>26,911,179</u>	<u>1,614,785</u>	<u>3,005,987</u>
Operating Income (Loss)	<u>3,503,396</u>	<u>63,329</u>	<u>555,762</u>
Non-Operating Revenues (Expenses):			
Interest	105,167	11,700	44,375
Other Non-Operating Revenues	0	0	0
Gain on Sale of Capital Assets	7,650	0	0
Interest and Fiscal Charges	<u>(759,380)</u>	<u>0</u>	<u>(223,082)</u>
Total Non-Operating Revenues (Expenses)	<u>(646,563)</u>	<u>11,700</u>	<u>(178,707)</u>
Income (Loss) Before Contributions	2,856,833	75,029	377,055
Capital Contributions	<u>645,568</u>	<u>0</u>	<u>386,785</u>
Change in Net Position	3,502,401	75,029	763,840
Net Position at Beginning of Year	<u>35,546,418</u>	<u>634,618</u>	<u>21,202,792</u>
Net Position at End of Year	<u>\$39,048,819</u>	<u>\$709,647</u>	<u>\$21,966,632</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
\$58,976	\$4,121,890	\$722,944	\$40,507,074	\$2,142,479
0	14,731	89	65,994	727,386
58,976	4,136,621	723,033	40,573,068	2,869,865
105,189	320,685	72,697	3,208,283	216,569
24,867	858,327	164,227	5,203,082	379,199
0	0	0	21,644,076	0
26,366	1,067,891	77,925	1,955,352	30
0	0	0	0	2,387,529
4,455	984,628	440,375	3,660,940	9,291
0	1,098	50	8,998	0
160,877	3,232,629	755,274	35,680,731	2,992,618
(101,901)	903,992	(32,241)	4,892,337	(122,753)
0	29,165	7,746	198,153	16,098
753	0	0	753	0
0	5,750	0	13,400	0
0	(436,561)	0	(1,419,023)	0
753	(401,646)	7,746	(1,206,717)	16,098
(101,148)	502,346	(24,495)	3,685,620	(106,655)
0	496,438	978,869	2,507,660	55,895
(101,148)	998,784	954,374	6,193,280	(50,760)
2,305,252	22,170,018	21,215,355		1,753,007
\$2,204,104	\$23,168,802	\$22,169,729		\$1,702,247
			(27,167)	
			\$6,166,113	

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$31,066,221	\$1,686,854	\$3,564,074
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(1,795,572)	(134,327)	(666,964)
Cash Payments to Suppliers for Goods and Services	(23,635,746)	(1,481,067)	(1,251,500)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	42,502	178	8,494
Other Operating Expenses	0	(86)	(163)
Other Non-Operating Revenues	(7,601)	0	0
Utility Deposits Received	149,792	0	0
Utility Deposits Returned	(141,324)	0	0
Net Cash Provided by (Used for) Operating Activities	<u>5,678,272</u>	<u>71,552</u>	<u>1,653,941</u>
Cash Flows from Capital and Related Financing Activities:			
Cash Received from Special Assessments	0	0	5,169
Proceeds from Sale of Capital Assets	7,650	0	0
Acquisition of Capital Assets	(4,656,989)	0	(733,918)
Proceeds from Sale of Notes	0	0	1,000,000
Principal Paid on Notes	0	0	(1,000,000)
Principal Paid on Mortgage Revenue Bonds	(6,729,432)	0	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(432,823)	0	0
Principal Paid on Refunding Mortgage Bonds	0	0	(605,000)
Interest and Fiscal Charges Paid on Refunding Mortgage Bonds	0	0	(202,981)
Net Cash Used for Capital and Related Financing Activities	<u>(11,811,594)</u>	<u>0</u>	<u>(1,536,730)</u>
Cash Flows from Investing Activities:			
Interest	<u>102,411</u>	<u>11,226</u>	<u>37,746</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(6,030,911)	82,778	154,957
Cash and Cash Equivalents at Beginning of Year	<u>26,554,729</u>	<u>501,322</u>	<u>4,272,733</u>
Cash and Cash Equivalents at End of Year	<u>\$20,523,818</u>	<u>\$584,100</u>	<u>\$4,427,690</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
\$58,976	\$4,161,177	\$854,341	\$41,391,643	\$0
0	0	0	0	2,135,134
(105,223)	(303,621)	(72,501)	(3,078,208)	(206,667)
(63,298)	(2,023,913)	(243,667)	(28,699,191)	(399,957)
0	0	0	0	(2,452,959)
0	14,731	0	65,905	727,386
0	(1,098)	89	(1,258)	0
125,753	0	0	118,152	0
0	10,300	0	160,092	0
0	(10,400)	0	(151,724)	0
16,208	1,847,176	538,262	9,805,411	(197,063)
0	0	0	5,169	0
0	0	0	7,650	0
0	(1,632,486)	(680,168)	(7,703,561)	(43,705)
0	5,750	0	1,005,750	0
0	0	0	(1,000,000)	0
0	0	0	(6,729,432)	0
0	0	0	(432,823)	0
0	(400,000)	0	(1,005,000)	0
0	(443,762)	0	(646,743)	0
0	(2,470,498)	(680,168)	(16,498,990)	(43,705)
0	28,158	7,629	187,170	15,501
16,208	(595,164)	(134,277)	(6,506,409)	(225,267)
206,623	4,700,731	611,848	36,847,986	1,960,997
\$222,831	\$4,105,567	\$477,571	\$30,341,577	\$1,735,730

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016
(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)	\$3,503,396	\$63,329	\$555,762
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,162,863	7	1,068,612
Other Non-Operating Revenues	0	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Materials and Supplies Inventory	159,868	0	(1,195)
(Increase) Decrease in Accounts Receivable	694,148	8,918	17,831
Increase in Interfund Receivable	0	0	0
Increase in Intergovernmental Receivable	0	0	(7,012)
(Increase) Decrease in Prepaids Items	13,229	1,710	2,928
Decrease in Deferred Outflows of Resources - Pension	123,310	0	44,840
Increase (Decrease) in Accounts Payable	153,529	(1,768)	(20,472)
Increase (Decrease) in Accrued Wages Payable	6,553	536	2,280
Decrease in Contracts Payable	(209,211)	0	0
(Decrease) in Intergovernmental Payable	(14,994)	(850)	(5,222)
Increase in Retainage Payable	114,745	0	0
Increase (Decrease) in Interfund Payable	1,043	(44)	232
(Decrease) in Claims Payable	0	0	0
Increase (Decrease) in Liabilities Payable from Restricted Assets	8,468	0	0
Increase (Decrease) in Compensated Absences Payable	(2,382)	(286)	8,554
(Decrease) in Net Pension Liability	(17,133)	0	(6,230)
(Decrease) in Deferred Inflows of Resources - Pension	(19,160)	0	(6,967)
Net Cash Provided by (Used for) Operating Activities	<u>\$5,678,272</u>	<u>\$71,552</u>	<u>\$1,653,941</u>

Noncash Capital Financing Activities:

The Electric Fund received capital contributions from governmental funds in the amount of \$645,568.

The Sewer Fund received assets transferred from governmental activities in the amount of \$156,735.

The Sewer Fund received assets donated from developers in the amount of \$230,050.

The Water Fund received assets transferred from governmental activities in the amount of \$85,973.

The Water Fund received assets donated from developers in the amount of \$410,465.

The Storm Water Utility Fund received assets transferred from governmental activities in the amount of \$937,239.

The Storm Water Utility Fund received assets donated from developers in the amount of \$41,630.

The Automotive Maintenance Fund received assets transferred governmental activities in the amount of \$55,895.

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
(\$101,901)	\$903,992	(\$32,241)	\$4,892,337	(\$122,753)
4,455	984,628	440,375	3,660,940	9,291
125,753	0	0	125,753	0
0	(14,898)	0	143,775	(14,000)
0	39,287	131,397	891,581	0
0	0	0	0	(7,345)
0	0	0	(7,012)	0
(2,393)	(2,143)	0	13,331	(3,216)
0	22,420	0	190,570	11,210
(9,709)	(81,310)	(1,411)	38,859	(3,512)
317	957	(52)	10,591	466
0	0	0	(209,211)	0
(952)	(2,422)	(524)	(24,964)	(990)
0	0	0	114,745	0
37	656	(54)	1,870	0
0	0	0	0	(65,430)
0	(100)	0	8,368	0
601	2,708	772	9,967	2,516
0	(3,115)	0	(26,478)	(1,558)
0	(3,484)	0	(29,611)	(1,742)
<u>\$16,208</u>	<u>\$1,847,176</u>	<u>\$538,262</u>	<u>\$9,805,411</u>	<u>(\$197,063)</u>

CITY OF LEBANON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2016

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$34,107
Cash and Cash Equivalents in Segregated Accounts	<u>50,519</u>
Total Assets	<u><u>\$84,626</u></u>
Liabilities:	
Intergovernmental Payable	\$21,342
Undistributed Monies	<u>63,284</u>
Total Liabilities	<u><u>\$84,626</u></u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

CITY OF LEBANON, OHIO
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Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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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.

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

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

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

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

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

Internal Service Funds

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

Fiduciary Funds

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

CITY OF LEBANON, OHIO
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results of operations. The City has five agency funds: one is used to account for and report money received from fire insurance settlements, another is used to account for municipal court collections that are distributed to various other governments, another is used to distribute income tax revenues to Turtlecreeck Township, one is used to reimburse bonds back to developers in relation to projects involving the installation of public infrastructure, and the other is used to finance the redevelopment of an abandoned horse-racing facility.

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

CITY OF LEBANON, OHIO
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Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide statement of net position. The

CITY OF LEBANON, OHIO
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deferred outflows of resources related to pension are explained in Note 12. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, intergovernmental grants, and interest revenue. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 24. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12)

Expenses/Expenditures

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

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

Pensions

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

CITY OF LEBANON, OHIO
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Budgetary Process

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

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

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

Cash and Cash Equivalents

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

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

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During 2016, the City's investments were limited to STAROhio, U.S. Treasury Securities, Money Market Mutual Funds 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 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2016 amounted to \$271,225, of which \$186,603 was assigned from other funds.

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

Inventory

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016 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:

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

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

Capitalization of Interest

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

Compensated Absences

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

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

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

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On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary fund, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

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

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

Bond Premiums and Discounts

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

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Net Position

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

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

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

Fund Balance

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

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance. State statute authorizes the City Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The future appropriations amount assigned in the General Fund represents 2017 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.

CITY OF LEBANON, OHIO
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Internal Activity

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

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

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

Interfund Balances

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

Estimates

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

Note 3 – Change in Accounting Principle

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," GASB Statement No 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," GASB Statement No. 77, "Tax Abatement Disclosures." and GASB Statement No. 82, "Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73."

CITY OF LEBANON, OHIO
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GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the City's financial statements.

GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance. The City did not have any abatements that met the GASB No. 77 definition.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The City participates in STAR Ohio which implemented GASB Statement No. 79 for 2016. The City incorporated the corresponding GASB 79 guidance into their 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Budgetary Basis of Accounting

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

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

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

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

Net Change in Fund Balance		
	General Fund	Fire and Life Squad Fund
GAAP Basis	(\$1,140,862)	\$359,095
Revenue Accruals	(15,354)	0
Expenditure Accruals	(578,570)	49
Encumbrances	(398,792)	(68,624)
Advances	(878,592)	0
Transfers	645,568	0
Unrecorded Cash - 2015	70,266	0
Unrecorded Cash - 2016	(77,813)	0
Net Increase in Fair Value of Investments - 2015	606,039	0
Net Increase in Fair Value of Investments - 2016	(643,872)	0
Budget Basis	(\$2,411,982)	\$290,520

Note 5 - Deposits and Investments

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

Active deposits are public deposits determined to be necessary to meet current demands upon the City's treasury. Active monies must be maintained either as cash in the City Treasury, in

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commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

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8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

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

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

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

Investments:

Investments are reported at fair value. As of December 31, 2016, the City had the following investments:

Measurement/Investment	Measurement Amount	Investment Maturities (in Years)		S&P Rating	Percent of Total Investments
		Less than 1	1 - 3		
Net Asset Value Per Share:					
STAROhio	\$1,114,341	\$1,114,341	\$0	AAAm	N/A
Fair Value - Level One Inputs					
Money Market Mutual Funds	96,779	96,779	0	N/A	N/A
Fair Value - Level Two Inputs					
Federal Farm Credit Banks Consolidation Bonds	1,678,041	1,678,041	0	AA+	1.65%
Federal Home Loan Mortgage Corporation Bonds	347,277	347,277	0	AA+	20.06%
Federal National Mortgage Association Bonds	1,494,570	1,494,570	0	AA+	9.81%
Federal Home Loan Banks Bonds	992,810	992,810	0	AA+	12.20%
Negotiable Certificates of Deposits	11,016,496	2,249,985	8,766,511	N/A	54.95%
Total Fair Value - Level Two Inputs	15,529,194	6,762,683	8,766,511		
Total Investments	\$16,740,314	\$7,973,803	\$8,766,511		

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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, 2016. 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.

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 2016 for real and public utility property taxes represents collections of 2015 taxes.

2016 real property taxes were levied after October 1, 2016 on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

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.

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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. 2016 public utility property taxes which became a lien December 31, 2015 are levied after October 1, 2016 and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016 was \$9.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2016 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$412,066,170
Public Utility Real Property	4,055,510
Total	\$416,121,680

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, 2016 and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2016 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

Note 7 - Payments in Lieu of Taxes

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

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

Note 8 - Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2016, 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, 2016 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 \$1,875,000 accounts receivable in the telecommunications fund relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$1,750,000 is expected to be collected in more than one year. Special assessments expected to be collected in more than one year for the City amount to \$39,227. The City has \$8,074 in delinquent special assessments at December 31, 2016. Property taxes, income taxes, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All receivables are considered fully collectible except utility accounts and interfund receivable. The full amount of the advances to other funds is not expected to be repaid within one year. The following table provides a summary of business-type activities accounts receivable:

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$4,297,417	\$41,824	\$4,255,593
Telecommunications	1,875,000	0	1,875,000
Total	\$6,172,417	\$41,824	\$6,130,593

A summary of intergovernmental receivables follows:

Governmental Activities:

Local Government Assistance	\$106,157
Warren County Reimbursement for Baliff Services	7,382
Homestead and Rollback	93,922
Permissive Motor Vehicle License Tax	122,228
Motor Vehicle Tax	223,540
Gasoline Tax	202,616
Wireless 911	9,727
Total Governmental Activities	\$765,572

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Business-Type Activities:

Village of South Lebanon Sewage Processing Fees	\$31,987
Total Intergovernmental Receivables	\$797,559

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

	Balance at 12/31/15	Additions	Deductions	Balance at 12/31/16
<u>Governmental Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$15,882,789	\$84,414	\$0	\$15,967,203
Construction in Progress	133,820	1,749,179	(216,207)	1,666,792
Total Capital Assets, Not Being Depreciated	16,016,609	1,833,593	(216,207)	17,633,995
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,245,985	110,485	0	1,356,470
Buildings and Improvements	10,112,990	0	(140,928)	9,972,062
Equipment	1,789,515	91,803	(238,867)	1,642,451
Vehicles	4,630,006	1,220,644	(568,422)	5,282,228
Infrastructure	63,455,452	4,064,537	(1,179,947)	66,340,042
Total Capital Assets, Being Depreciated	81,233,948	5,487,469	(2,128,164)	84,593,253
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(672,615)	(57,640)	0	(730,255)
Buildings and Improvements	(3,545,832)	(224,836)	80,180	(3,690,488)
Equipment	(1,304,557)	(93,774)	213,323	(1,185,008)
Vehicles	(3,079,088)	(330,332)	568,422	(2,840,998)
Infrastructure	(36,161,205)	(3,239,480)	0	(39,400,685)
Total Accumulated Depreciation	(44,763,297)	(3,946,062) *	861,925	(47,847,434)
Total Capital Assets, Being Depreciated, Net	36,470,651	1,541,407	(1,266,239)	36,745,819
Governmental Activities Capital Assets, Net	\$52,487,260	\$3,375,000	(\$1,482,446)	\$54,379,814

Additions to capital assets being depreciated include \$27,670 in assets transferred to governmental activities from business-type activities. These assets have been fully depreciated. Deductions of capital assets being depreciated include \$1,862,092 transferred from governmental activities to business-type activities.

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* Depreciation expense was charged to governmental functions as follows:

General Government	\$27,085
Security of Persons and Property:	
Police	89,830
Fire	187,478
Public Health Services	33,023
Leisure Time Services	139,865
Community and Economic Development	90,197
Transportation	3,350,914
Total Depreciation Expense	\$3,918,392

	Balance at 12/31/15	Additions	Deductions	Balance at 12/31/16
<u>Business-Type Activities</u>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$4,346,419	\$0	\$0	\$4,346,419
Construction in Progress	2,372,790	5,073,057	(29,186)	7,416,661
Total Capital Assets, Not Being Depreciated	6,719,209	5,073,057	(29,186)	11,763,080
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	27,487,297	0	0	27,487,297
Equipment	6,812,397	61,121	0	6,873,518
Vehicles	3,039,537	372,009	(237,359)	3,174,187
Infrastructure	103,174,452	4,088,652	0	107,263,104
Total Capital Assets, Being Depreciated	140,513,683	4,521,782	(237,359)	144,798,106
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(15,077,157)	(736,963)	0	(15,814,120)
Equipment	(5,671,557)	(99,943)	0	(5,771,500)
Vehicles	(1,651,924)	(149,041)	237,359	(1,563,606)
Infrastructure	(34,810,518)	(2,674,993)	0	(37,485,511)
Total Accumulated Depreciation	(57,211,156)	(3,660,940)	237,359	(60,634,737)
Total Capital Assets, Being Depreciated, Net	83,302,527	860,842	0	84,163,369
Business-Type Activities Capital Assets, Net	\$90,021,736	\$5,933,899	(\$29,186)	\$95,926,449

Deductions to capital assets being depreciated include \$27,670 transferred from business-type activities to governmental activities. Additions to capital assets being depreciated include \$1,179,947 in assets transferred from governmental activities. Additions to capital assets being depreciated also include \$682,145 in assets donated by developers.

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Note 11 - Risk Management

Property and Liability

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

Machinery deductible levels vary with equipment. Enterprise Deployment Team has a \$1,000 deductible for computer equipment. Vehicles hold a \$250 to \$500 deductible, general liability has a \$0 deductible, and property has a \$1,000 deductible. The City carries a \$5,000 deductible for both police professional and public officials liability insurance. The City has an internal accident review board that analyzes all vehicle accidents. The City also contracts with Marsh and McLennan Insurance Group, who reviews each accident claim.

Coverage provided by the insurance follows:

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

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

Workers' Compensation

For year 2016, 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.

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Employee Benefits

The City has elected to provide employee medical, dental, and life insurance benefits through a self-insured program. The City maintains a Self-Insurance Internal Service Fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$300 single and \$750 cap per family deductible for City employees. The City also provides a dental plan with a \$50 deductible and \$1,500 cap in maximum benefits per year, a vision plan with a \$500 cap per family, per year, and \$50,000 in life insurance. A third party administrator reviews all claims, which the City then pays. The City purchases stop-loss coverage for medical in excess of \$60,000 per employee, per occurrence. HealthSmart was the third party administrator for the year.

The City pays into the Self-Insurance Internal Service Fund \$1,050 per full-time employee, per month. The fund that pays the salary for the employee pays this premium, which is based on historic cost information. The claims liability of \$204,038 reported in the fund at December 31, 2016 is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The claims liability was based on an estimate provided by an actuary. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the past two years were:

	Balance at January 1,	Current Year Claims	Claim Payments	Balance at December 31,
2015	\$223,357	\$1,673,192	\$1,627,081	\$269,468
2016	269,468	2,387,529	2,452,959	204,038

Note 12 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Ohio Public Employees Retirement System

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

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

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

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

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

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

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

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

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	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$676,563 for 2016. Of this amount, \$81,945 is reported as an intergovernmental payable.

Ohio Police and Fire Pension Fund

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

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF 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.

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 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 three 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:

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$531,059 for 2016. Of this amount \$66,335 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2016, the specific liability of the City was \$16,075 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04364800%	0.12170300%	
Prior Measurement Date	<u>0.04331800%</u>	<u>0.13375310%</u>	
Change in Proportionate Share	<u>0.0003300%</u>	<u>-0.0120501%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,560,383	\$7,829,239	\$15,389,622
Pension Expense	\$1,072,094	\$1,011,652	\$2,083,746

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,222,280	\$1,274,300	\$3,496,580
Changes in proportion and differences between City contributions and proportionate share of contributions	26,260	0	26,260
City contributions subsequent to the measurement date	<u>676,563</u>	<u>531,059</u>	<u>1,207,622</u>
Total Deferred Outflows of Resources	<u>\$2,925,103</u>	<u>\$1,805,359</u>	<u>\$4,730,462</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$146,082	\$21,984	\$168,066
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>0</u>	<u>500,843</u>	<u>500,843</u>
Total Deferred Inflows of Resources	<u>\$146,082</u>	<u>\$522,827</u>	<u>\$668,909</u>

\$1,207,622 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Year Ending December 31:	OPERS	OP&F	Total
2017	\$498,152	\$234,821	\$732,973
2018	533,686	234,821	768,507
2019	567,722	234,821	802,543
2020	502,898	161,849	664,747
2021	0	(96,501)	(96,501)
Thereafter	0	(18,338)	(18,338)
Total	<u>\$2,102,458</u>	<u>\$751,473</u>	<u>\$2,853,931</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, 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 valuations are presented below.

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

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

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

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

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expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

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 2015 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 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

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

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 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	\$12,045,539	\$7,560,383	\$3,777,298

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF'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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class.

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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 OPF's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return**
Cash and Cash Equivalents	0.00 %	0.00 %	0.00 %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected Securities*	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	<u>120.00 %</u>		

Note: Assumptions are geometric.

* levered 2x

** Numbers are net of expected inflation

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

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

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

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	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$10,325,718	\$7,829,239	\$5,714,476

Note 13 - Post-Employment Benefits

Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

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

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

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

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

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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

At the beginning of 2016, OPERS maintained three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), worked together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contributions rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both the Traditional Pension and Combined plans. The 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 third trust is a Voluntary Employee's Beneficiary Association (VEBA) Trust that provides funding for a Retiree Medical Account (RMA) for Member-Directed Plan members. The employer contribution as a percentage of covered payroll deposited to the RMAs for 2016 was 4.0 percent.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statements of Changes in Fiduciary Net Position for the year ended December 31, 2016, will reflect a partial year of activity in the 401(h) Trust and VEBA Trust prior to the termination of these trusts as of end of business day June 30, 2016, and the assets and liabilities, or net position, of these trusts being consolidated into the 115 Trust on July 1, 2016.

Substantially all of the City's contribution allocated to fund postemployment healthcare benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2014 was \$93,491, \$109,474, and \$212,034, respectively. For 2016, 85.34 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2015 and 2014.

Ohio Police and Fire Pension Fund

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

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

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The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2016 through December 31, 2016. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contribution to OPF that was allocated to the healthcare plan for the years ended December 31, 2016, 2015, and 2014 were \$11,171, \$10,387, and \$61,342, respectively, for Police and \$2,841, \$2,810, and \$19,059, respectively, for Fire. For 2016, 89.15 percent has been contributed for police and 84.81 percent has been contributed for firefighters with the balance being reported as an *intergovernmental payable*. The full amount has been contributed for 2015 and 2014.

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Note 14 - Employee Benefits

Compensated Absences

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

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

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

Note 15 - Short-Term Obligations

A summary of the short-term note transactions for the year ended December 31, 2016 follows:

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016
<u>Governmental Activities</u>				
2016 - Columbia Road				
Various Purpose, 2.00%	\$0	\$1,500,000	\$0	\$1,500,000
<u>Business-Type Activities</u>				
2016 - Sewer System Improvement				
Various Purpose, 2.00%	\$0	\$1,000,000	\$0	\$1,000,000
Total	\$0	\$2,500,000	\$0	\$2,500,000

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

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Note 16 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2016 follows:

Types/ Issues	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016	Amount Due in One Year
<u>Unvoted General Obligation Bonds:</u>					
2008 - 3.5 to 4.75% \$3,750,000					
Road Improvement Refunding	\$1,815,000	\$0	\$285,000	\$1,530,000	\$300,000
Premium on Debt Issue	55,456	0	4,622	50,834	0
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial Bonds	1,590,000	0	215,000	1,375,000	215,000
Term Bonds	245,000	0	0	245,000	0
Capital Appreciation Bonds	1,603	0	0	1,603	0
Accretion on Capital Appreciation Bonds	1,680	840	0	2,520	0
Premium on Debt Issue	92,531	0	11,812	80,719	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial Bonds	850,000	0	115,000	735,000	115,000
Term Bonds	1,520,000	0	0	1,520,000	0
Premium on Debt Issue	74,714	0	4,439	70,275	0
2016 - 1.0 to 4.0% \$1,935,000					
Service Building Bonds					
Serial Bonds	0	710,000	100,000	610,000	120,000
Term Bonds	0	1,225,000	0	1,225,000	0
Premium on Debt Issue	0	122,712	5,454	117,258	0
Total - Unvoted General Obligation Bonds	<u>6,245,984</u>	<u>2,058,552</u>	<u>741,327</u>	<u>7,563,209</u>	<u>750,000</u>
<u>Other Long-Term Obligations</u>					
2015 - 1.00 %					
123 Connector Improvement Bond					
Anticipation Notes \$2,000,000	2,000,000	0	2,000,000	0	0
Premium	7,350	0	7,350	0	0
2016 - 2.00 %					
Columbia Road Reconstruction Bond					
Anticipation Notes \$2,100,000	0	2,100,000	0	2,100,000	0
Premium	0	34,869	23,246	11,623	0
Compensated Absences Payable	1,215,330	527,331	490,610	1,252,051	274,083
Police Pension	16,639	0	564	16,075	588
Total - Other Long-Term Obligations	<u>3,239,319</u>	<u>2,662,200</u>	<u>2,521,770</u>	<u>3,379,749</u>	<u>274,671</u>
<u>Net Pension Liability</u>					
OP&F	6,928,969	900,270	0	7,829,239	0
OPERS	3,448,260	1,541,593	0	4,989,853	0
Total - Net Pension Liability	<u>10,377,229</u>	<u>2,441,863</u>	<u>0</u>	<u>12,819,092</u>	<u>0</u>
Total - Governmental Activities	<u>\$19,862,532</u>	<u>\$7,162,615</u>	<u>\$3,263,097</u>	<u>\$23,762,050</u>	<u>\$1,024,671</u>

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

In April 2013, the City issued a Road Improvement Refunding Bond, in the amount of \$2,311,603 to refund bonds previously issued in fiscal year 2003. 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 2016, the capital appreciation bonds were accreted \$840.

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

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

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

During 2015, the City issued \$2,000,000 bond anticipation notes for the purposes of the State Route 123/63 Connector Project Notes. These notes were paid off in April 2016.

During 2016, the City issued \$3,600,000 bond anticipation notes for the purposes of the Columbia Road Reconstruction. \$2,100,000 of these notes were refinanced in March of 2017 as disclosed in Note 23. The City had \$1,441,118 in unspent proceeds at December 31, 2016.

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Changes in the long-term obligations reported in business-type activities of the City during 2016 were as follows:

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016	Amounts Due in One Year
<u>Mortgage Revenue Bonds</u>					
2006 - 4.00 to 5.00% \$10,690,000					
Sewer System Improvement					
Refunding	\$7,020,000	\$0	\$605,000	\$6,415,000	\$640,000
Premium on Debt Issue	29,221	0	3,246	25,975	0
2006 - 3.75 to 4.50% \$18,170,000					
Electric System Improvement Refunding	7,170,000	0	7,170,000	0	0
Premium on Debt Issue	58,079	0	58,079	0	0
2008 - 4.0 to 4.50% \$4,465,000					
Electric System Improvement	3,145,000	0	205,000	2,940,000	215,000
Discount on Debt Issue	(4,738)	0	(395)	(4,343)	0
2012 - 2.0 to 4.0% \$13,650,000					
Water System Improvement Refunding	12,040,000	0	400,000	11,640,000	415,000
Premium on Debt Issue	147,588	0	15,955	131,633	0
Total - Mortgage Revenue Bonds Payable	<u>29,605,150</u>	<u>0</u>	<u>8,456,885</u>	<u>21,148,265</u>	<u>1,270,000</u>
<u>Bond Anticipation Notes</u>					
2015 - 1.00% \$1,000,000 Sewer System Improvement Bond Anticipation Notes	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>
Net Pension Liability - OPERS	1,776,376	794,154	0	2,570,530	0
Compensated Absences Payable	<u>354,500</u>	<u>115,698</u>	<u>105,731</u>	<u>364,467</u>	<u>74,815</u>
Total - Enterprise Funds	<u>\$32,736,026</u>	<u>\$909,852</u>	<u>\$9,562,616</u>	<u>\$24,083,262</u>	<u>\$1,344,815</u>

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

The City has pledged future sewer revenues, net of operating expenses, to repay the sewer system improvement mortgage revenue bonds in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2026. Annual principal and interest payments on the debt issues are expected to require 49 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$7,778,645. Principal and interest paid for the current year was \$807,981. Total net revenues were \$1,660,255, and total revenues were \$3,597,630.

On September 21, 2006, the City issued \$18,170,000 in electric system improvement mortgage revenue refunding bonds. A portion of the proceeds were used to advance refund the 2001 electric and telecommunications systems bonds in the amounts of \$7,040,000 and \$4,825,000, respectively. During 2016, the City chose to retire the total outstanding balance of the bonds, which resulted in the early extinguishment of the debt.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

The City has pledged future electric revenues, net of operating expenses, to repay the electric system mortgage revenue bonds in the Electric Fund. The debt is payable solely from net revenues and is payable through 2027. 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. Annual principal and interest payments on the remaining debt issue are expected to require eight percent of net revenues. The total principal and interest remaining to be paid on the debt is \$3,768,509. Principal and interest paid for the current year were \$7,807,823. Total net revenues were \$4,728,924, and total revenues were \$30,477,240.

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

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

The City has pledged future water revenues, net of operating expenses, to repay the water system improvement and refunding bonds in the Water Fund. The debt is payable solely from net revenues and is payable through 2037. Annual principal and interest payments on the debt issues are expected to require 44 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$17,318,311. Principal and interest paid for the current year were \$843,762. Total net revenues were \$1,903,054, and total revenues were \$4,151,055.

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

On April 20, 2015, the City issued a \$1,000,000 bond anticipation note for the purpose of making improvements to the sewer system. These were paid off in 2016.

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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

As of December 31, 2016, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$43,692,776, and the unvoted debt margin was \$22,886,692.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2016 were:

Year	Governmental Activities					
	General Obligation Bonds		Police Pension		Capital Appreciation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$750,000	\$210,926	\$588	\$677	\$0	\$0
2018	575,000	188,878	614	652	0	0
2019	580,000	175,088	640	625	0	0
2020	595,000	162,218	667	597	0	0
2021	600,000	149,074	696	569	0	0
2022-2026	2,465,000	497,911	3,958	2,371	1,603	8,397
2027-2031	1,505,000	157,124	4,882	1,444	0	0
2032-2035	170,000	5,100	4,030	347	0	0
Totals	<u>\$7,240,000</u>	<u>\$1,546,319</u>	<u>\$16,075</u>	<u>\$7,282</u>	<u>\$1,603</u>	<u>\$8,397</u>

Year	Business-Type Activities	
	Mortgage Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2017	\$1,270,000	\$827,356
2018	1,305,000	784,856
2019	1,350,000	740,006
2020	1,400,000	688,806
2021	1,455,000	635,701
2022-2026	6,845,000	2,304,717
2027-2031	3,120,000	1,274,423
2032-2036	3,470,000	583,400
2037	780,000	31,200
Totals	<u>\$20,995,000</u>	<u>\$7,870,465</u>

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2016

Note 17 - Interfund Activity

Interfund Payable/Receivable

As of December 31, 2016, the Automotive Maintenance Internal Service Fund had interfund receivables for services provided to those funds. These monies are expected to be repaid within one year.

		Receivable Governmental Activities - <u>Internal Service</u>
Payable	General	\$7,985
	Fire and Life Squad	4,106
	All Nonmajor Governmental	13,766
	Electric	2,936
	Sewer	364
	Telecommunications	37
	Water	2,165
	Storm Water Utility	188
	Total	<u>\$31,547</u>

Advances From/To Other Funds

The General Fund advanced monies to the Tax Increment Financing Capital Projects Fund for the purchase of property for use as an industrial park. The property is being developed and used by several corporations, who are leasing the property from the City. The advance is being repaid over time, with lease payments received by the participating companies. As of year-end, the outstanding balance of the advance is \$245,231. Of the total amount due to the General Fund at year-end, \$123,823 is not expected to be repaid in 2017.

Interfund Receivable/Payable

The General Fund advanced monies to the Capital Improvement Fund for By-Pass 48 Resurfacing Project. As of year-end, the outstanding balance of the advance is \$1,000,000. The total amount due to the General Fund at year-end is expected to be repaid in 2017.

Transfers From/To Other Funds

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

Transfers to the Nonmajor Governmental Funds from the General Fund were operating

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2016

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

		Transfers From			Total
		General Fund	Tax Increment Financing Fund	Capital Improvement Fund	
Transfers To	Fire and Life Squad Fund	\$255,000	\$0	\$0	\$255,000
	All Nonmajor Governmental	90,000	42,500	700,000	832,500
	Total	<u>\$345,000</u>	<u>\$42,500</u>	<u>\$700,000</u>	<u>\$1,087,500</u>

During 2016, the General Fund provided a portion of the principal payment to the Electric Fund in the amount of \$645,568, which is recorded as transfers in/out on the Statement of Activities. Therefore, transfers in and out do not equal on the fund financial statements.

Note 18 - Jointly Governed Organization and Insurance Purchasing Pool

Jointly Governed Organization

Warren County Combined Health District

The Warren County Combined Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$14,370 during 2016 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and the County Treasurer serve as fiscal officers. Financial information can be obtained from Brenda Joseph at the Warren County Combined Health District, 416 S. East Street, Lebanon, Ohio 45036.

Insurance Purchasing Pool

Ohio Municipal League Group Rating Program

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 19 - Fund Balances

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

Fund Balances	General Fund	Fire and Life Squad Fund	Tax		Nonmajor Governmental Funds	Total
			Increment Financing Fund	Capital Improvement Fund		
<u>Nonspendable:</u>						
Interfund Loans	\$123,823	\$0	\$0	\$0	\$0	\$123,823
Inventory	46,110	13,070	0	0	119,462	178,642
Prepays	34,585	14,477	0	0	7,683	56,745
<i>Total Nonspendable</i>	<u>204,518</u>	<u>27,547</u>	<u>0</u>	<u>0</u>	<u>127,145</u>	<u>359,210</u>
<u>Restricted for:</u>						
Road Improvements	0	0	0	0	611,314	611,314
Public Safety	0	945,806	0	0	759,491	1,705,297
Public Health Services	0	0	0	0	779,215	779,215
Community and Economic Development	0	0	0	0	197,964	197,964
Capital Improvements	0	0	4,578,059	0	91,717	4,669,776
Debt Service Payments	0	0	0	0	63,462	63,462
Issue II Improvements	0	0	0	0	218,176	218,176
<i>Total Restricted</i>	<u>0</u>	<u>945,806</u>	<u>4,578,059</u>	<u>0</u>	<u>2,721,339</u>	<u>8,245,204</u>
<u>Committed to:</u>						
Leisure Time Services	0	0	0	0	109,825	109,825
Debt Service Payments	0	0	0	0	3,100,861	3,100,861
Capital Improvements	0	0	0	2,498,786	0	2,498,786
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,498,786</u>	<u>3,210,686</u>	<u>5,709,472</u>
<u>Assigned to:</u>						
Purchases on Order	209,362	0	0	0	0	209,362
Future Appropriations	4,018,230	0	0	0	0	4,018,230
<i>Total Assigned</i>	<u>4,227,592</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,227,592</u>
Unassigned	<u>866,041</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>866,041</u>
Total Fund Balances	<u>\$5,298,151</u>	<u>\$973,353</u>	<u>\$4,578,059</u>	<u>\$2,498,786</u>	<u>\$6,059,170</u>	<u>\$19,407,519</u>

Note 20 - Significant Commitments

Encumbrances

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Governmental Funds:</u>	
General	\$398,792
Fire and Life Squad	68,624
Tax Increment Financing	4,387
Capital Improvement	242,050
Nonmajor Governmental Funds	138,030
Total Governmental Funds	851,883
 <u>Enterprise Funds:</u>	
Electric	902,199
Sanitation	6,447
Sewer	194,400
Telecommunications	890
Water	242,683
Storm Water Utility	10,677
Total Enterprise Funds	1,357,296
 <u>Internal Service Funds:</u>	
Automotive Maintenance	1,432
Self Insurance	283,544
Total Internal Service Fund	284,976
 Total	 \$2,494,155

Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2016:

Contractor	Purpose	Amount Remaining
ESI Inc.	Columbia Substation Construction	\$246,538
RA Miller	2016 Concrete Program	34,160
Barrett Paving	2016 Street Resurfacing	395,969
QEI LLC	2016 Scada Upgrade Major Equipment	2,462
Fishbeck, Thompson, Carr, & Huber	Turtlecreek Pump Station Design	40,538
ACP/Green	CBD Master Plan	97,378
Electrical Power	CR Substation Project Major Equipment	14,062
Tatman Associates	CR Substation Project Major Equipment	4,680
Choice One Engineering	2015 Roadway Design Services	4,920
GDP Group	Substation Engineering Columbia/Mills Rd. Electric	22,040
Northwest Construction	Engineering - Columbia Rd Recon Kingsview	4,387
Automated System Engineering	SCADA System Upgrade	17,252
Northwest Construction	Design Services Broadway/Maple/Cin. Ave. Bridge	55,839
GDP Group	Roadway Design Maple Street From Broadway to East	2,751
Total Contractual Commitments		\$942,976

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 21 – Joint Economic Development District

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

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

Note 22 - Contingent Liabilities

Litigation

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

Note 23 - Subsequent Event

On March 1, 2017, the City issued \$2,100,000 on 2017 Bond Anticipation Notes for the purpose of refinancing \$2,100,000 of the \$3,600,000 for Columbia Road Reconstruction Project Notes. The \$2,100,000 Bond Anticipation Notes will mature on March 1, 2018.

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 THREE YEARS (1)**

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

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

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

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

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

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

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

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

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

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$531,059	\$564,223	\$559,748	\$402,727
Contributions in Relation to the Contractually Required Contribution	<u>(531,059)</u>	<u>(564,223)</u>	<u>(559,748)</u>	<u>(402,727)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,665,193	\$2,821,335	\$2,790,353	\$2,376,423
Contributions as a Percentage of Covered Payroll:	19.93%	20.00%	20.06%	16.95%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$347,603	\$391,612	\$360,709	\$335,833	\$342,193	\$304,027
<u>(347,603)</u>	<u>(391,612)</u>	<u>(360,709)</u>	<u>(335,833)</u>	<u>(342,193)</u>	<u>(304,027)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,507,346	\$2,828,138	\$2,632,137	\$2,443,026	\$2,489,536	\$2,222,121
13.86%	13.85%	13.70%	13.75%	13.75%	13.68%

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

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

NONMAJOR SPECIAL REVENUE FUNDS

Cemetery Fund

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

Community Development Fund

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

Court Fund

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

Park/Recreation Impact Fee Fund

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

Transportation Fund

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

NONMAJOR DEBT SERVICE FUND

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

(continued)

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

(Continued)

CAPITAL PROJECTS FUNDS

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

NONMAJOR CAPITAL PROJECTS FUNDS

Cemetery Improvement Fund

To account for and report fees restricted for cemetery improvements.

OPWC Capital Grant Fund

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

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,443,798	\$3,137,680	\$309,893	\$5,891,371
Materials and Supplies Inventory	119,462	0	0	119,462
Prepaid Items	7,683	0	0	7,683
Income Taxes Receivable	0	279,344	0	279,344
Accrued Interest Receivable	1,449	4,958	0	6,407
Intergovernmental Receivable	548,384	0	0	548,384
Special Assessments Receivable	0	93,885	0	93,885
Total Assets	<u><u>\$3,120,776</u></u>	<u><u>\$3,515,867</u></u>	<u><u>\$309,893</u></u>	<u><u>\$6,946,536</u></u>
Liabilities:				
Accounts Payable	\$50,751	\$0	\$0	\$50,751
Accrued Wages Payable	6,825	0	0	6,825
Intergovernmental Payable	3,907	0	0	3,907
Interfund Payable	13,766	0	0	13,766
Total Liabilities	<u><u>75,249</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>75,249</u></u>
Deferred Inflows of Resources:				
Unavailable Revenue	460,573	351,544	0	812,117
Fund Balances:				
Nonspendable	127,145	0	0	127,145
Restricted	2,347,984	63,462	309,893	2,721,339
Committed	109,825	3,100,861	0	3,210,686
Total Fund Balances	<u><u>2,584,954</u></u>	<u><u>3,164,323</u></u>	<u><u>309,893</u></u>	<u><u>6,059,170</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$3,120,776</u></u>	<u><u>\$3,515,867</u></u>	<u><u>\$309,893</u></u>	<u><u>\$6,946,536</u></u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$779,497	\$0	\$779,497
Charges for Services	111,587	0	8,300	119,887
Fines, Licenses and Permits	167,209	0	0	167,209
Intergovernmental	1,026,651	0	0	1,026,651
Interest	10,230	30,662	0	40,892
Other	5,899	0	0	5,899
Total Revenues	<u>1,321,576</u>	<u>810,159</u>	<u>8,300</u>	<u>2,140,035</u>
Expenditures:				
Current:				
General Government	4,095	0	0	4,095
Security of Persons and Property:				
Police	43,386	0	0	43,386
Public Health Services	161,762	0	7,000	168,762
Leisure Time Services	7,308	0	0	7,308
Transportation	916,374	0	0	916,374
Capital Outlay	102,780	0	1,195,301	1,298,081
Debt Service:				
Principal Retirement	0	715,000	0	715,000
Interest and Fiscal Charges	0	228,408	0	228,408
Total Expenditures	<u>1,235,705</u>	<u>943,408</u>	<u>1,202,301</u>	<u>3,381,414</u>
Excess of Revenues Over (Under) Expenditures	<u>85,871</u>	<u>(133,249)</u>	<u>(1,194,001)</u>	<u>(1,241,379)</u>
Other Financing Sources:				
Transfers In	90,000	42,500	700,000	832,500
Premium on Debt Issued	0	19,266	0	19,266
Total Other Financing Sources	<u>90,000</u>	<u>61,766</u>	<u>700,000</u>	<u>851,766</u>
Net Change in Fund Balances	175,871	(71,483)	(494,001)	(389,613)
Fund Balances at Beginning of Year	<u>2,409,083</u>	<u>3,235,806</u>	<u>803,894</u>	<u>6,448,783</u>
Fund Balances at End of Year	<u><u>\$2,584,954</u></u>	<u><u>\$3,164,323</u></u>	<u><u>\$309,893</u></u>	<u><u>\$6,059,170</u></u>

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$781,358	\$197,964	\$763,843
Materials and Supplies Inventory	1,910	0	2,632
Prepaid Items	683	0	0
Accrued Interest Receivable	1,273	0	0
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$785,224</u></u>	 <u><u>\$197,964</u></u>	 <u><u>\$766,475</u></u>
Liabilities:			
Accounts Payable	\$509	\$0	\$4,352
Accrued Wages Payable	808	0	0
Intergovernmental Payable	949	0	0
Interfund Payable	<u>46</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>2,312</u>	 <u>0</u>	 <u>4,352</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>1,104</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	2,593	0	2,632
Restricted	779,215	197,964	759,491
Committed	<u>0</u>	<u>0</u>	<u>0</u>
 Total Fund Balances	 <u>781,808</u>	 <u>197,964</u>	 <u>762,123</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>\$785,224</u></u>	 <u><u>\$197,964</u></u>	 <u><u>\$766,475</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$109,825	\$590,808	\$2,443,798
0	114,920	119,462
0	7,000	7,683
0	176	1,449
0	548,384	548,384
<u>\$109,825</u>	<u>\$1,261,288</u>	<u>\$3,120,776</u>
\$0	\$45,890	\$50,751
0	6,017	6,825
0	2,958	3,907
0	13,720	13,766
<u>0</u>	<u>68,585</u>	<u>75,249</u>
<u>0</u>	<u>459,469</u>	<u>460,573</u>
0	121,920	127,145
0	611,314	2,347,984
109,825	0	109,825
<u>109,825</u>	<u>733,234</u>	<u>2,584,954</u>
<u>\$109,825</u>	<u>\$1,261,288</u>	<u>\$3,120,776</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, 2016**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$107,913	\$0	\$3,674
Fines, Licenses and Permits	0	0	108,364
Intergovernmental	0	0	0
Interest	8,678	0	0
Other	256	0	938
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	116,847	0	112,976
Expenditures:			
Current:			
General Government	0	0	4,095
Security of Persons and Property:			
Police	0	0	43,386
Public Health Services	161,762	0	0
Leisure Time Services	0	0	0
Transportation	0	0	0
Capital Outlay	0	0	2,780
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	161,762	0	50,261
Excess of Revenues Over (Under) Expenditures	(44,915)	0	62,715
Other Financing Sources:			
Transfers In	80,000	0	0
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	35,085	0	62,715
Fund Balances at Beginning of Year	746,723	197,964	699,408
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u>\$781,808</u>	<u>\$197,964</u>	<u>\$762,123</u>

<u>Park/Recreation Impact Fee Fund</u>	<u>Transportation Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$111,587
30,326	28,519	167,209
0	1,026,651	1,026,651
0	1,552	10,230
0	4,705	5,899
<u>30,326</u>	<u>1,061,427</u>	<u>1,321,576</u>
0	0	4,095
0	0	43,386
0	0	161,762
7,308	0	7,308
0	916,374	916,374
0	100,000	102,780
<u>7,308</u>	<u>1,016,374</u>	<u>1,235,705</u>
23,018	45,053	85,871
0	10,000	90,000
23,018	55,053	175,871
86,807	678,181	2,409,083
<u>\$109,825</u>	<u>\$733,234</u>	<u>\$2,584,954</u>

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2016**

	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$91,717	\$218,176	\$309,893
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Restricted	91,717	218,176	309,893
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$91,717	\$218,176	\$309,893
	<u> </u>	<u> </u>	<u> </u>

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$8,300	\$0	\$8,300
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Public Health Services	7,000	0	7,000
Capital Outlay	0	1,195,301	1,195,301
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	7,000	1,195,301	1,202,301
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over (Under) Expenditures	1,300	(1,195,301)	(1,194,001)
Other Financing Sources:			
Transfers In	0	700,000	700,000
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	1,300	(495,301)	(494,001)
Fund Balances at Beginning of Year	90,417	713,477	803,894
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u>\$91,717</u>	<u>\$218,176</u>	<u>\$309,893</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, 2016

	Automotive Maintenance Fund	Self- Insurance Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$91,576	\$1,644,154	\$1,735,730
Materials and Supplies Inventory	75,900	0	75,900
Accrued Interest Receivable	0	2,996	2,996
Interfund Receivable	31,547	0	31,547
Prepaid Items	5,785	0	5,785
Total Current Assets	204,808	1,647,150	1,851,958
Noncurrent Assets:			
Nondepreciable Capital Assets	64,666	0	64,666
Depreciable Capital Assets, Net	118,647	0	118,647
Total Noncurrent Assets	183,313	0	183,313
Total Assets	388,121	1,647,150	2,035,271
Deferred Outflows of Resources:			
Pension	58,502	0	58,502
Liabilities:			
Current Liabilities:			
Accounts Payable	241	0	241
Accrued Wages Payable	3,820	0	3,820
Intergovernmental Payable	2,409	0	2,409
Claims Payable	0	204,038	204,038
Compensated Absences Payable	6,483	0	6,483
Total Current Liabilities	12,953	204,038	216,991
Long-term Liabilities:			
Compensated Absences Payable	20,405	0	20,405
Net Pension Liability	151,208	0	151,208
Total Long-Term Liabilities	171,613	0	171,613
Total Liabilities	184,566	204,038	388,604
Deferred Inflows of Resources:			
Pension	2,922	0	2,922
Net Position:			
Net Investment in Capital Assets	183,313	0	183,313
Unrestricted	75,822	1,443,112	1,518,934
Total Net Position	\$259,135	\$1,443,112	\$1,702,247

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$295,579	\$1,846,900	\$2,142,479
Other	245	727,141	727,386
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	295,824	2,574,041	2,869,865
	<u> </u>	<u> </u>	<u> </u>
Operating Expenses:			
Personal Services	216,569	0	216,569
Contractual Services	15,895	363,304	379,199
Supplies and Materials	30	0	30
Claims	0	2,387,529	2,387,529
Depreciation	9,291	0	9,291
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	241,785	2,750,833	2,992,618
	<u> </u>	<u> </u>	<u> </u>
Operating Income (Loss)	54,039	(176,792)	(122,753)
	<u> </u>	<u> </u>	<u> </u>
Non-Operating Revenues:			
Interest	0	16,098	16,098
	<u> </u>	<u> </u>	<u> </u>
Income (Loss) Before Capital Contributions	54,039	(160,694)	(106,655)
	<u> </u>	<u> </u>	<u> </u>
Capital Contributions	55,895	0	55,895
	<u> </u>	<u> </u>	<u> </u>
Change in Net Position	109,934	(160,694)	(50,760)
	<u> </u>	<u> </u>	<u> </u>
Net Position at Beginning of Year	149,201	1,603,806	1,753,007
	<u> </u>	<u> </u>	<u> </u>
Net Position at End of Year	\$259,135	\$1,443,112	\$1,702,247
	<u> </u>	<u> </u>	<u> </u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	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	\$288,234	\$1,846,900	\$2,135,134
Cash Payments for Employee Services and Benefits	(206,667)	0	(206,667)
Cash Payments to Suppliers for Goods and Services	(36,653)	(363,304)	(399,957)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(2,452,959)	(2,452,959)
Other Operating Revenues	245	727,141	727,386
Net Cash Provided by (Used For) Operating Activities	45,159	(242,222)	(197,063)
Cash Flows Used in Capital and Related Financing Activities:			
Acquisition of Capital Assets	(43,705)	0	(43,705)
Cash Flows from Investing Activities:			
Interest	0	15,501	15,501
Net Increase (Decrease) in Cash and Cash Equivalents	1,454	(226,721)	(225,267)
Cash and Cash Equivalents at Beginning of Year	90,122	1,870,875	1,960,997
Cash and Cash Equivalents at End of Year	<u>\$91,576</u>	<u>\$1,644,154</u>	<u>\$1,735,730</u>
Reconciliation of Operating Income (Loss) to <u>Net Cash Provided by (Used For) Operating Activities:</u>			
Operating Income (Loss)	\$54,039	(\$176,792)	(\$122,753)
Adjustments to Reconcile Operating Income (Loss) to <u>Net Cash Provided by (Used For) Operating Activities:</u>			
Depreciation	9,291	0	9,291
Changes in Assets and Liabilities:			
Increase in Materials and Supplies Inventory	(14,000)	0	(14,000)
Increase in Interfund Receivable	(7,345)	0	(7,345)
Increase in Prepays Items	(3,216)	0	(3,216)
Decrease in Deferred Outflows of Resources - Pension	11,210	0	11,210
Decrease in Accounts Payable	(3,512)	0	(3,512)
Increase in Accrued Wages Payable	466	0	466
Decrease in Intergovernmental Payable	(990)	0	(990)
Decrease in Claims Payable	0	(65,430)	(65,430)
Increase in Compensated Absences Payable	2,516	0	2,516
Decrease in Net Pension Liability	(1,558)	0	(1,558)
Decrease in Deferred Inflows of Resources - Pension	(1,742)	0	(1,742)
Net Cash Provided by (Used For) Operating Activities	<u>\$45,159</u>	<u>(\$242,222)</u>	<u>(\$197,063)</u>

Noncash Capital Financing Activities:

The Automotive Maintenance Fund received assets transferred from governmental activities in the amount of \$55,895.

CITY OF LEBANON, OHIO

AGENCY FUNDS

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

Fire Insurance Collection

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

Racetrack Redevelopment Fund

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

Municipal Court Fund

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

Joint Economic Development District Fund

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

Public Improvement Bond Fund

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

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance 1/1/16	Additions	Reductions	Balance 12/30/16
FIRE INSURANCE COLLECTION				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$33,276	\$33,276	\$0
Liabilities:				
Undistributed Monies	\$0	\$33,276	\$33,276	\$0
RACETRACK REDEVELOPMENT FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$969,131	\$969,131	\$0
Liabilities:				
Undistributed Monies	\$0	\$969,131	\$969,131	\$0
MUNICIPAL COURT FUND				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$47,608	\$50,966	\$48,055	\$50,519
Liabilities:				
Intergovernmental Payable	\$24,960	\$21,342	\$24,960	\$21,342
Undistributed Monies	22,648	29,624	23,095	29,177
Total Liabilities	\$47,608	\$50,966	\$48,055	\$50,519
JOINT ECONOMIC DEVELOPMENT DISTRICT FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$320	\$30,697	\$12,186	\$18,831
Liabilities:				
Undistributed Monies	\$320	\$30,697	\$12,186	\$18,831
PUBLIC IMPROVEMENT BOND AGENCY FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$15,276	\$0	\$15,276
Liabilities:				
Undistributed Monies	\$0	\$15,276	\$0	\$15,276
TOTAL - ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$320	\$1,048,380	\$1,014,593	\$34,107
Cash and Cash Equivalents in Segregated Accounts	47,608	50,966	48,055	50,519
Total Assets	\$47,928	\$1,099,346	\$1,062,648	\$84,626
Liabilities:				
Intergovernmental Payable	\$24,960	\$21,342	\$24,960	\$21,342
Undistributed Monies	22,968	1,078,004	1,037,688	63,284
Total Liabilities	\$47,928	\$1,099,346	\$1,062,648	\$84,626

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, 2016

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$2,703,674	\$1,048,872	(\$1,654,802)
Income Taxes	4,410,856	4,410,856	0
Other Local Taxes	1,526,455	1,526,455	0
Charges for Services	2,357,994	2,357,994	0
Fines, Licenses and Permits	691,000	674,716	(16,284)
Intergovernmental	449,516	449,516	0
Interest	215,793	215,793	0
Contributions and Donations	10,000	10,000	0
Other	110,611	116,780	6,169
Total Revenues	12,475,899	10,810,982	(1,664,917)
Expenditures:			
Current:			
General Government			
Legislative			
Personal Services	54,489	53,867	622
Contractual Services	58,100	41,514	16,586
Supplies and Materials	700	396	304
Capital Outlay	870,000	867,742	2,258
Total Legislative	983,289	963,519	19,770
City Manager			
Personal Services	491,732	489,240	2,492
Contractual Services	65,625	53,791	11,834
Supplies and Materials	8,500	6,365	2,135
Total City Manager	565,857	549,396	16,461
Personnel			
Personal Services	163,036	162,032	1,004
Contractual Services	52,043	51,591	452
Supplies and Materials	3,000	2,802	198
Total Personnel	218,079	216,425	1,654
Department of Service			
Personal Services	259,806	257,815	1,991
Contractual Services	58,165	55,791	2,374
Supplies and Materials	6,000	5,397	603
Total Department of Service	323,971	319,003	4,968
Information Technology			
Personal Services	191,442	190,581	861
Contractual Services	259,769	243,393	16,376
Supplies and Materials	3,000	1,292	1,708
Total Information Technology	454,211	435,266	18,945
Finance			
Personal Services	449,819	449,030	789
Contractual Services	98,470	83,053	15,417
Supplies and Materials	5,000	4,734	266
Total Finance	\$553,289	\$536,817	\$16,472

(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, 2016
(continued)

	<u>Budgeted Amounts</u>		<u>Variance</u>
	<u>Final</u>	<u>Actual</u>	<u>with</u>
	<u>Budget</u>		<u>Final Budget</u>
Income Tax			
Personal Services	\$190,580	\$189,763	\$817
Contractual Services	12,575	11,359	1,216
Supplies and Materials	3,400	2,677	723
Refunds	123,450	115,267	8,183
Other	126,550	126,541	9
Total Income Tax	456,555	445,607	10,948
Law			
Personal Services	181,214	180,941	273
Contractual Services	165,200	113,485	51,715
Supplies and Materials	2,600	2,503	97
Total Law	349,014	296,929	52,085
Municipal Court			
Personal Services	648,687	550,901	97,786
Contractual Services	150,934	110,955	39,979
Supplies and Materials	12,500	8,946	3,554
Total Municipal Court	812,121	670,802	141,319
Parking System			
Contractual Services	12,000	12,000	0
Capital Outlay	5,000	0	5,000
Total Parking System	17,000	12,000	5,000
Probation			
Personal Services	300,017	247,374	52,643
Contractual Services	8,200	4,979	3,221
Supplies and Materials	16,613	9,998	6,615
Total Probation	324,830	262,351	62,479
Building Maintenance			
Personal Services	176,137	175,792	345
Contractual Services	76,810	63,229	13,581
Supplies and Materials	27,777	18,794	8,983
Total Building Maintenance	280,724	257,815	22,909
Other General Government			
Contractual Services	67,930	65,661	2,269
Reimbursements	1,000	0	1,000
Other	5,500	3,372	2,128
Total Other General Government	74,430	69,033	5,397
Total General Government	5,413,370	5,034,963	378,407
Security of Persons and Property			
Police			
Personal Services	4,197,645	3,955,505	242,140
Contractual Services	456,200	345,846	110,354
Supplies and Materials	163,839	147,363	16,476
Capital Outlay	156,082	156,082	0
Total Police	\$4,973,766	\$4,604,796	\$368,970

(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, 2016
(continued)

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final Budget</u>	<u>Actual</u>	
Police Donation Trust			
Supplies and Materials	\$2,500	\$0	\$2,500
Total Security of Persons and Property	<u>4,976,266</u>	<u>4,604,796</u>	<u>371,470</u>
Leisure Time Services			
Recreation Programs			
Personal Services	267,597	263,108	4,489
Contractual Services	234,684	213,261	21,423
Supplies and Materials	89,716	86,264	3,452
Capital Outlay	166,000	157,481	8,519
Refunds	200	55	145
Total Leisure Time Services	<u>758,197</u>	<u>720,169</u>	<u>38,028</u>
Community and Economic Development			
Planning and Development			
Personal Services	341,444	328,361	13,083
Contractual Services	249,364	165,072	84,292
Supplies and Materials	8,500	7,107	1,393
Total Planning and Development	<u>599,308</u>	<u>500,540</u>	<u>98,768</u>
Engineer Services			
Personal Services	391,335	389,783	1,552
Contractual Services	77,606	72,638	4,968
Supplies and Materials	12,164	10,697	1,467
Refunds	108,088	20,218	87,870
Total Engineer Services	<u>589,193</u>	<u>493,336</u>	<u>95,857</u>
Total Community and Economic Development	<u>1,188,501</u>	<u>993,876</u>	<u>194,625</u>
Debt Service:			
Principal Retirement	645,700	645,568	132
Total Expenditures	<u>12,982,034</u>	<u>11,999,372</u>	<u>982,662</u>
Excess of Revenues Under Expenditures	<u>(506,135)</u>	<u>(1,188,390)</u>	<u>(682,255)</u>
Other Financing Sources (Uses):			
Advances In	1,121,408	121,408	(1,000,000)
Transfers Out	(345,000)	(345,000)	0
Advances Out	(1,000,000)	(1,000,000)	0
Total Other Financing Sources (Uses)	<u>(223,592)</u>	<u>(1,223,592)</u>	<u>(1,000,000)</u>
Net Change in Fund Balance	(729,727)	(2,411,982)	(1,682,255)
Fund Balance at Beginning of Year	5,047,976	5,047,976	0
Prior Year Encumbrances Appropriated	<u>222,576</u>	<u>222,576</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,540,825</u>	<u>\$2,858,570</u>	<u>(\$1,682,255)</u>

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, 2016

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Property Taxes	\$2,799,159	\$2,799,159	\$0
Charges for Services	463,268	475,864	12,596
Other	12,573	12,573	0
	<u>3,275,000</u>	<u>3,287,596</u>	<u>12,596</u>
Total Revenues			
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	2,386,954	2,334,810	52,144
Contractual Services	690,943	664,001	26,942
Supplies and Materials	61,835	49,310	12,525
	<u>3,139,732</u>	<u>3,048,121</u>	<u>91,611</u>
Total Security of Persons and Property			
Capital Outlay	494,780	222,006	272,774
	<u>3,634,512</u>	<u>3,270,127</u>	<u>364,385</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(359,512)	17,469	376,981
Other Financing Sources:			
Proceeds from Sale of Capital Assets	0	18,051	18,051
Transfers In	255,000	255,000	0
	<u>255,000</u>	<u>273,051</u>	<u>18,051</u>
Total Other Financing Sources			
Net Change in Fund Balance	(104,512)	290,520	395,032
Fund Balance at Beginning of Year	621,712	621,712	0
Prior Year Encumbrances Appropriated	73,096	73,096	0
	<u>\$590,296</u>	<u>\$985,328</u>	<u>\$395,032</u>
Fund Balance at End of Year			

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX INCREMENT FINANCING CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Payments in Lieu of Taxes	\$1,775,000	\$1,774,947	(\$53)
Intergovernmental	800,000	0	(800,000)
Charges for Services	8,150	0	(8,150)
Other	0	15	15
Total Revenues	<u>2,583,150</u>	<u>1,774,962</u>	<u>(808,188)</u>
Expenditures:			
Current:			
Community and Economic Development			
Community Planning			
Contractual Services	30,000	439	29,561
Supplies and Materials	197,495	154,578	42,917
Capital Outlay	3,686,008	2,163,269	1,522,739
Total Community and Economic Development	<u>3,913,503</u>	<u>2,318,286</u>	<u>1,595,217</u>
Intergovernmental			
Reimbursements	475,000	428,151	46,849
Debt Service:			
Principal Retirements	88,000	0	88,000
Interest and Fiscal Charges	50,000	10,000	40,000
Total Debt Service	<u>138,000</u>	<u>10,000</u>	<u>128,000</u>
Total Expenditures	<u>4,526,503</u>	<u>2,756,437</u>	<u>1,770,066</u>
Excess of Revenues Under Expenditures	<u>(1,943,353)</u>	<u>(981,475)</u>	<u>961,878</u>
Other Financing Sources (Uses):			
Bond Anticipation Notes Issued	3,600,000	3,600,000	0
Premium on Debt Issue	0	34,869	34,869
Transfers Out	(42,500)	(42,500)	0
Advances Out	(121,408)	(121,408)	0
Total Other Financing Sources (Uses)	<u>3,436,092</u>	<u>3,470,961</u>	<u>34,869</u>
Net Change in Fund Balance	1,492,739	2,489,486	996,747
Fund Balance at Beginning of Year	3,858,936	3,858,936	0
Prior Year Encumbrances Appropriated	<u>86,008</u>	<u>86,008</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,437,683</u></u>	<u><u>\$6,434,430</u></u>	<u><u>\$996,747</u></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, 2016

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Income Taxes	\$2,360,974	\$2,360,974	\$0
Special Assessments	80,000	115,163	35,163
Intergovernmental	1,836,481	1,255,942	(580,539)
Interest	25,000	26,851	1,851
Other	23,400	113,708	90,308
Total Revenues	<u>4,325,855</u>	<u>3,872,638</u>	<u>(453,217)</u>
Expenditures:			
Current:			
Transportation			
Capital Outlay	<u>3,728,650</u>	<u>3,571,043</u>	<u>157,607</u>
Debt Service:			
Principal Retirement	2,000,000	2,000,000	0
Interest and Fiscal Charges	<u>68,446</u>	<u>58,446</u>	<u>10,000</u>
Total Debt Service	<u>2,068,446</u>	<u>2,058,446</u>	<u>10,000</u>
Total Expenditures	<u>5,797,096</u>	<u>5,629,489</u>	<u>167,607</u>
Excess of Revenues Under Expenditures	<u>(1,471,241)</u>	<u>(1,756,851)</u>	<u>(285,610)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	25,345	25,345	0
Advances In	1,000,000	1,000,000	0
Transfers Out	(660,000)	(700,000)	(40,000)
Advances Out	(1,000,000)	0	1,000,000
Bonds Issued	1,935,000	1,935,000	0
Premium on Debt Issued	<u>103,446</u>	<u>103,446</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,403,791</u>	<u>2,363,791</u>	<u>960,000</u>
Net Change in Fund Balance	(67,450)	606,940	674,390
Fund Balance at Beginning of Year	2,445,353	2,445,353	0
Prior Year Encumbrances Appropriated	<u>110,106</u>	<u>110,106</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,488,009</u></u>	<u><u>\$3,162,399</u></u>	<u><u>\$674,390</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, 2016**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$31,991,747	\$31,066,221	(\$925,526)
Other	39,500	42,502	3,002
Interest	80,000	143,878	63,878
Utility Deposits Received	200,000	149,792	(50,208)
Proceeds from Sale of Capital Assets	5,000	7,650	2,650
	<u>32,316,247</u>	<u>31,410,043</u>	<u>(906,204)</u>
Total Revenues			
Expenses:			
Personal Services	1,932,419	1,807,032	125,387
Contractual Services	1,984,215	1,526,309	457,906
Purchased Power	22,269,151	21,644,076	625,075
Supplies and Materials	164,507	82,585	81,922
Other	7,700	7,601	99
Utility Deposits Returned	184,600	141,324	43,276
Capital Outlay	6,550,412	5,930,504	619,908
Debt Service:			
Principal Retirement	5,119,607	5,119,587	20
Interest and Fiscal Charges	359,093	222,937	136,156
	<u>38,571,704</u>	<u>36,481,955</u>	<u>2,089,749</u>
Total Expenses			
Net Change in Fund Equity	(6,255,457)	(5,071,912)	1,183,545
Fund Equity at Beginning of Year	20,102,509	20,102,509	0
Prior Year Encumbrances Appropriated	3,794,206	3,794,206	0
	<u>\$17,641,258</u>	<u>\$18,824,803</u>	<u>\$1,183,545</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, 2016**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$1,650,000	\$1,686,854	\$36,854
Other	500	178	(322)
Interest	2,500	4,723	2,223
	<u>1,653,000</u>	<u>1,691,755</u>	<u>38,755</u>
Total Revenues			
Expenses:			
Personal Services	142,768	134,816	7,952
Contractual Services	1,527,280	1,487,025	40,255
Other	1,000	86	914
	<u>1,671,048</u>	<u>1,621,927</u>	<u>49,121</u>
Total Expenses			
Net Change in Fund Equity	(18,048)	69,828	87,876
Fund Equity at Beginning of Year	473,976	473,976	0
Prior Year Encumbrances Appropriated	12,692	12,692	0
	<u>486,668</u>	<u>486,668</u>	<u>0</u>
Fund Equity at End of Year	<u>\$468,620</u>	<u>\$556,496</u>	<u>\$87,876</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL
SEWER ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$3,421,200	\$3,564,074	\$142,874
Interest	15,000	22,417	7,417
Other	1,000	8,494	7,494
Special Assessments	0	5,169	5,169
Bond Anticipation Notes Issued	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Total Revenues	<u>4,437,200</u>	<u>4,600,154</u>	<u>162,954</u>
Expenses:			
Personal Services	689,838	669,554	20,284
Contractual Services	1,552,461	1,492,884	59,577
Supplies and Materials	137,110	114,713	22,397
Capital Outlay	745,480	569,631	175,849
Other	2,000	163	1,837
Debt Service:			
Principal Retirement	1,513,450	1,605,000	(91,550)
Interest and Fiscal Charges	<u>387,550</u>	<u>202,981</u>	<u>184,569</u>
Total Expenses	<u>5,027,889</u>	<u>4,654,926</u>	<u>372,963</u>
Net Change in Fund Equity	(590,689)	(54,772)	535,917
Fund Equity at Beginning of Year	3,044,416	3,044,416	0
Prior Year Encumbrances Appropriated	<u>251,829</u>	<u>251,829</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$2,705,556</u></u>	<u><u>\$3,241,473</u></u>	<u><u>\$535,917</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
TELECOMMUNICATIONS ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		Variance
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$68,000	\$58,976	(\$9,024)
Other	<u>125,800</u>	<u>125,753</u>	<u>(47)</u>
Total Revenues	<u>193,800</u>	<u>184,729</u>	<u>(9,071)</u>
Expenses:			
Personal Services	106,920	105,585	1,335
Contractual Services	39,514	37,460	2,054
Supplies and Materials	1,000	507	493
Capital Outlay	<u>26,332</u>	<u>25,859</u>	<u>473</u>
Total Expenses	<u>173,766</u>	<u>169,411</u>	<u>4,355</u>
Net Change in Fund Equity	20,034	15,318	(4,716)
Fund Equity at Beginning of Year	193,833	193,833	0
Prior Year Encumbrances Appropriated	<u>12,796</u>	<u>12,796</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$226,663</u></u>	<u><u>\$221,947</u></u>	<u><u>(\$4,716)</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, 2016

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$4,070,657	\$4,161,177	\$90,520
Other	4,000	14,731	10,731
Interest	15,000	23,744	8,744
Utility Deposits Received	15,000	10,300	(4,700)
Proceeds from Sale of Capital Assets	0	5,750	5,750
Total Revenues	<u>4,104,657</u>	<u>4,215,702</u>	<u>111,045</u>
Expenses:			
Personal Services	326,985	304,695	22,290
Contractual Services	1,012,548	970,681	41,867
Supplies and Materials	1,833,752	1,599,123	234,629
Other	1,500	1,098	402
Utility Deposits Returned	10,400	10,400	0
Capital Outlay	1,350,469	1,328,204	22,265
Debt Service:			
Principal Retirement	400,000	400,000	0
Interest and Fiscal Charges	445,000	443,762	1,238
Total Expenses	<u>5,380,654</u>	<u>5,057,963</u>	<u>322,691</u>
Excess of Revenues Under Expenses Before Transfers	(1,275,997)	(842,261)	433,736
Transfers Out	(140,000)	0	140,000
Net Change in Fund Equity	<u>(1,415,997)</u>	<u>(842,261)</u>	<u>573,736</u>
Fund Equity at Beginning of Year	2,824,583	2,824,583	0
Prior Year Encumbrances Appropriated	941,666	941,666	0
Fund Equity at End of Year	<u><u>\$2,350,252</u></u>	<u><u>\$2,923,988</u></u>	<u><u>\$573,736</u></u>

CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
STORM WATER UTILITY ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$850,366	\$854,341	\$3,975
Interest	4,000	8,479	4,479
Other	500	89	(411)
	<u>854,866</u>	<u>862,909</u>	<u>8,043</u>
Total Revenues			
Expenses:			
Personal Services	77,190	72,733	4,457
Contractual Services	170,246	166,875	3,371
Supplies and Materials	3,500	3,496	4
Capital Outlay	764,844	763,859	985
Other	1,000	50	950
	<u>1,016,780</u>	<u>1,007,013</u>	<u>9,767</u>
Total Expenses			
Net Change in Fund Equity	(161,914)	(144,104)	17,810
Fund Equity at Beginning of Year	376,496	376,496	0
Prior Year Encumbrances Appropriated	<u>218,127</u>	<u>218,127</u>	<u>0</u>
Fund Equity at End of Year	<u>\$432,709</u>	<u>\$450,519</u>	<u>\$17,810</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY SPECIAL REVENUE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$117,000	\$107,913	(\$9,087)
Interest	3,200	6,724	3,524
Other	500	256	(244)
Total Revenues	<u>120,700</u>	<u>114,893</u>	<u>(5,807)</u>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	127,663	123,378	4,285
Contractual Services	44,028	38,504	5,524
Supplies and Materials	3,235	1,640	1,595
Capital Outlay	4,000	3,573	427
Other	1,500	1,200	300
Total Expenditures	<u>180,426</u>	<u>168,295</u>	<u>12,131</u>
Excess of Revenues Under Expenditures	(59,726)	(53,402)	6,324
Other Financing Sources:			
Transfers In	80,000	80,000	0
Net Change in Fund Balance	20,274	26,598	6,324
Fund Balance at Beginning of Year	723,003	723,003	0
Prior Year Encumbrances Appropriated	5,409	5,409	0
Fund Balance at End of Year	<u><u>\$748,686</u></u>	<u><u>\$755,010</u></u>	<u><u>\$6,324</u></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, 2016

	Budgeted Amounts		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$5,000	\$3,674	(\$1,326)
Fines, Licenses and Permits	123,500	109,106	(14,394)
Other	500	1,175	675
Total Revenues	<u>129,000</u>	<u>113,955</u>	<u>(15,045)</u>
Expenditures:			
Current:			
General Government			
Municipal Court Special Project			
Contractual Services	27,000	681	26,319
Capital Outlay	20,000	2,300	17,700
Total Municipal Court Special Project	<u>47,000</u>	<u>2,981</u>	<u>44,019</u>
Federal Asset Forfeiture			
Capital Outlay	35,000	0	35,000
Total General Government	<u>82,000</u>	<u>2,981</u>	<u>79,019</u>
Security of Persons and Property			
Indigent Drivers Alcohol			
Contractual Services	120,580	60,419	60,161
Supplies and Materials	46,275	10,276	35,999
Total Indigent Drivers Alcohol	<u>166,855</u>	<u>70,695</u>	<u>96,160</u>
Computerized Legal Research			
Contractual Services	5,000	0	5,000
Supplies and Materials	5,000	0	5,000
Capital Outlay	5,000	0	5,000
Total Computerized Legal Research	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Computer Improvement			
Contractual Services	10,975	10,663	312
Capital Outlay	10,000	9,253	747
Total Computer Improvement	<u>20,975</u>	<u>19,916</u>	<u>1,059</u>
Total Security of Persons and Property	<u>202,830</u>	<u>90,611</u>	<u>112,219</u>
Capital Outlay	<u>40,000</u>	<u>480</u>	<u>39,520</u>
Total Expenditures	<u>324,830</u>	<u>94,072</u>	<u>230,758</u>
Net Change in Fund Balance	(195,830)	19,883	215,713
Fund Balance at Beginning of Year	666,253	666,253	0
Prior Year Encumbrances Appropriated	<u>30,612</u>	<u>30,612</u>	<u>0</u>
Fund Balance at End of Year	<u>\$501,035</u>	<u>\$716,748</u>	<u>\$215,713</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, 2016**

	<u>Budgeted Amounts</u>		Variance
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Fines, Licenses and Permits	\$10,000	\$30,326	\$20,326
Expenditures:			
Current:			
Leisure Time Services			
Capital Outlay	25,000	7,308	17,692
Net Change in Fund Balance	(15,000)	23,018	38,018
Fund Balance at Beginning of Year	85,307	85,307	0
Prior Year Encumbrances Appropriated	1,500	1,500	0
Fund Balance at End of Year	<u>\$71,807</u>	<u>\$109,825</u>	<u>\$38,018</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, 2016**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Fines, Licenses and Permits	\$15,000	\$28,519	\$13,519
Intergovernmental	1,054,000	1,020,545	(33,455)
Interest	300	863	563
Other	0	4,705	4,705
Total Revenues	<u>1,069,300</u>	<u>1,054,632</u>	<u>(14,668)</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	327,461	264,328	63,133
Contractual Services	429,041	406,609	22,432
Supplies and Materials	295,598	252,532	43,066
Capital Outlay	100,000	100,000	0
Total Street Maintenance and Repair	<u>1,152,100</u>	<u>1,023,469</u>	<u>128,631</u>
Division Highway Maintenance			
Contractual Services	39,100	23,153	15,947
Supplies and Materials	27,000	24,960	2,040
Total Division Highway Maintenance	<u>66,100</u>	<u>48,113</u>	<u>17,987</u>
Total Expenditures	<u>1,218,200</u>	<u>1,071,582</u>	<u>146,618</u>
Excess of Revenues Under Expenditures	(148,900)	(16,950)	131,950
Other Financing Sources:			
Transfers In	10,000	10,000	0
Net Change in Fund Balance	(138,900)	(6,950)	131,950
Fund Balance at Beginning of Year	458,955	458,955	0
Prior Year Encumbrances Appropriated	40,908	40,908	0
Fund Balance at End of Year	<u>\$360,963</u>	<u>\$492,913</u>	<u>\$131,950</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, 2016**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final Budget	<u>Actual</u>	with Final Budget
Revenues:			
Income Taxes	\$752,000	\$786,991	\$34,991
Special Assessments	1,000	0	(1,000)
Interest	<u>20,000</u>	<u>28,976</u>	<u>8,976</u>
Total Revenues	<u>773,000</u>	<u>815,967</u>	<u>42,967</u>
Expenditures:			
Debt Service:			
Principal Retirement	715,450	715,000	450
Interest and Fiscal Charges	<u>243,126</u>	<u>228,408</u>	<u>14,718</u>
Total Expenditures	<u>958,576</u>	<u>943,408</u>	<u>15,168</u>
Excess of Revenues Under Expenditures	<u>(185,576)</u>	<u>(127,441)</u>	<u>58,135</u>
Other Financing Sources:			
Transfers In	42,500	42,500	0
Premium on Debt Issued	<u>0</u>	<u>19,266</u>	<u>19,266</u>
Total Other Financing Sources	<u>42,500</u>	<u>61,766</u>	<u>19,266</u>
Net Change in Fund Balance	(143,076)	(65,675)	77,401
Fund Balance at Beginning of Year	<u>3,107,651</u>	<u>3,107,651</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,964,575</u></u>	<u><u>\$3,041,976</u></u>	<u><u>\$77,401</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY IMPROVEMENT CAPITAL PROJECTS FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budgeted Amounts</u> Final <u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$9,500	\$8,300	(\$1,200)
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Capital Outlay	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Net Change in Fund Balance	2,500	1,300	(1,200)
Fund Balance at Beginning of Year	<u>90,417</u>	<u>90,417</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$92,917</u></u>	<u><u>\$91,717</u></u>	<u><u>(\$1,200)</u></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, 2016**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>1,280,332</u>	<u>1,195,863</u>	<u>84,469</u>
Excess of Revenues Under Expenditures	(1,280,332)	(1,195,863)	84,469
Other Financing Sources:			
Transfers In	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Net Change in Fund Balance	(580,332)	(495,863)	84,469
Fund Balance at Beginning of Year	133,145	133,145	0
Prior Year Encumbrances Appropriated	<u>580,332</u>	<u>580,332</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$133,145</u></u>	<u><u>\$217,614</u></u>	<u><u>\$84,469</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, 2016

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	<u>Actual</u>	Final Budget
Revenues:			
Charges for Services	\$288,234	\$288,234	\$0
Other	<u>0</u>	<u>245</u>	<u>245</u>
Total Revenues	<u>288,234</u>	<u>288,479</u>	<u>245</u>
Expenses:			
Personal Services	212,488	207,790	4,698
Contractual Services	32,288	29,075	3,213
Supplies and Materials	16,900	16,592	308
Capital Outlay	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Total Expenses	<u>296,676</u>	<u>288,457</u>	<u>8,219</u>
Net Change in Fund Equity	(8,442)	22	8,464
Fund Equity at Beginning of Year	85,318	85,318	0
Prior Year Encumbrances Appropriated	<u>4,806</u>	<u>4,806</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$81,682</u></u>	<u><u>\$90,146</u></u>	<u><u>\$8,464</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, 2016**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$1,752,600	\$1,846,900	\$94,300
Other	306,283	727,141	420,858
Interest	10,000	14,180	4,180
Total Revenues	<u>2,068,883</u>	<u>2,588,221</u>	<u>519,338</u>
Expenses:			
Contractual Services	395,750	385,355	10,395
Claims	2,723,724	2,714,452	9,272
Total Expenses	<u>3,119,474</u>	<u>3,099,807</u>	<u>19,667</u>
Net Change in Fund Equity	(1,050,591)	(511,586)	539,005
Fund Equity at Beginning of Year	1,338,955	1,338,955	0
Prior Year Encumbrances Appropriated	475,410	475,410	0
Fund Equity at End of Year	<u><u>\$763,774</u></u>	<u><u>\$1,302,779</u></u>	<u><u>\$539,005</u></u>

STATISTICAL SECTION



STATISTICAL TABLES

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

CONTENTS PAGES

Financial Trends S2-S13

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity S14-S23

These schedules contain information to help the reader assess the City’s most significant local revenue sources, income taxes and charges for services for electricity.

Debt Capacity S24-S33

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information S34-S36

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Operating information S37-S44

These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental Activities				
Net Investment in Capital Assets	\$34,628,876	\$35,598,684	\$39,072,022	\$39,380,807
Restricted	14,310,899	16,371,911	12,685,486	10,226,109
Unrestricted	<u>4,770,470</u>	<u>6,042,040</u>	<u>7,601,885</u>	<u>10,223,471</u>
<i>Total Governmental Activities Net Position</i>	<u>53,710,245</u>	<u>58,012,635</u>	<u>59,359,393</u>	<u>59,830,387</u>
Business Type - Activities				
Net Investment in Capital Assets	40,865,125	44,388,792	49,797,775	48,615,352
Restricted	8,083,620	7,782,930	6,844,532	6,713,271
Unrestricted	<u>28,616,768</u>	<u>28,282,539</u>	<u>29,352,329</u>	<u>31,650,518</u>
<i>Total Business-Type Activities Net Position</i>	<u>77,565,513</u>	<u>80,454,261</u>	<u>85,994,636</u>	<u>86,979,141</u>
Primary Government				
Net Investment in Capital Assets	75,494,001	79,987,476	88,869,797	87,996,159
Restricted	22,394,519	24,154,841	19,530,018	16,939,380
Unrestricted	<u>33,387,238</u>	<u>34,324,579</u>	<u>36,954,214</u>	<u>41,873,989</u>
<i>Total Primary Government Net Position</i>	<u>\$131,275,758</u>	<u>\$138,466,896</u>	<u>\$145,354,029</u>	<u>\$146,809,528</u>

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>	<u>2016 (1)</u>
\$39,051,129	\$40,044,806	\$39,004,204	\$41,585,043	\$44,393,758	\$44,914,941
10,873,564	8,952,231	5,585,635	6,267,670	7,975,274	9,034,221
<u>10,376,818</u>	<u>12,340,870</u>	<u>18,978,185</u>	<u>7,838,796</u>	<u>5,832,012</u>	<u>3,619,152</u>
<u>60,301,511</u>	<u>61,337,907</u>	<u>63,568,024</u>	<u>55,691,509</u>	<u>58,201,044</u>	<u>57,568,314</u>
50,068,883	54,208,669	55,500,876	59,251,800	60,080,356	74,004,313
6,302,061	6,212,490	5,680,330	5,267,826	4,724,747	2,933,782
<u>31,227,567</u>	<u>29,620,412</u>	<u>33,331,420</u>	<u>34,483,221</u>	<u>38,736,281</u>	<u>32,769,402</u>
<u>87,598,511</u>	<u>90,041,571</u>	<u>94,512,626</u>	<u>99,002,847</u>	<u>103,541,384</u>	<u>109,707,497</u>
89,120,012	94,253,475	94,505,080	100,836,843	104,474,114	118,919,254
17,175,625	15,164,721	11,265,965	11,535,496	12,700,021	11,968,003
<u>41,604,385</u>	<u>41,961,282</u>	<u>52,309,605</u>	<u>42,322,017</u>	<u>44,568,293</u>	<u>36,388,554</u>
<u>\$147,900,022</u>	<u>\$151,379,478</u>	<u>\$158,080,650</u>	<u>\$154,694,356</u>	<u>\$161,742,428</u>	<u>\$167,275,811</u>

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

	2007	2008 (1)	2009	2010
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$2,094,209	\$2,083,300	\$1,855,435	\$1,857,748
Security of Persons and Property:				
Police	532,708	573,826	578,197	597,025
Fire	197,057	245,713	245,743	402,002
Public Health Services	117,795	102,754	104,390	102,577
Leisure Time Services	79,680	59,555	96,924	73,419
Community and Economic Development	0	0	0	0
Transportation	24,421	27,925	36,914	37,823
Subtotal - Charges for Services	<u>3,045,870</u>	<u>3,093,073</u>	<u>2,917,603</u>	<u>3,070,594</u>
Operating Grants, Contributions and Interest:				
General Government	2,813	3,938	651	319
Security of Persons and Property:				
Police	0	0	5,857	5,005
Fire	210,790	97,633	244,478	360,224
Public Health Services	54,056	42,562	50,741	33,645
Leisure Time Services	16,105	0	0	0
Community and Economic Development	869	878	3,501	5,965
Transportation	1,066,568	957,203	1,606,253	943,012
Subtotal - Operating Grants, Contributions and Interest	<u>1,351,201</u>	<u>1,102,214</u>	<u>1,911,481</u>	<u>1,348,170</u>
Capital Grants, Contributions and Interest:				
General Government	0	143,557	0	0
Security of Persons and Property:				
Fire	0	185,544	0	0
Public Health Services	0	0	0	0
Leisure Time Services	0	144,680	0	61,444
Transportation	667,331	1,157,245	945,434	821,157
Subtotal - Capital Grants, Contributions and Interest	<u>667,331</u>	<u>1,631,026</u>	<u>945,434</u>	<u>882,601</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,064,402</u>	<u>5,826,313</u>	<u>5,774,518</u>	<u>5,301,365</u>
Business-Type Activities:				
Charges for Services:				
Electric	28,405,280	28,332,284	28,867,568	28,078,497
Sanitation	1,189,868	1,250,052	1,349,490	1,456,893
Sewer	3,520,108	3,247,959	3,241,806	3,407,107
Telecommunications	169,831	98,749	126,404	150,371
Water	2,753,207	2,794,469	2,687,619	2,956,864
Storm Water Utility	837,314	770,567	818,352	815,451
Capital Grants, Contributions and Interest				
Sewer	0	130,531	0	0
Water	0	50,008	0	0
Storm Water Utility	0	83,066	33,720	69,410
<i>Total Business-Type Activities Program Revenues</i>	<u>36,875,608</u>	<u>36,757,685</u>	<u>37,124,959</u>	<u>36,934,593</u>
<i>Total Primary Government Program Revenues</i>	<u>\$41,940,010</u>	<u>\$42,583,998</u>	<u>\$42,899,477</u>	<u>\$42,235,958</u>

2011	2012	2013	2014	2015 (2)	2016 (2)
\$1,883,236	\$2,319,719	\$2,209,851	\$2,466,267	\$981,480	\$1,131,466
556,218	641,330	626,391	742,244	1,787,766	1,129,698
467,450	420,701	370,420	424,694	432,627	445,067
106,911	126,381	104,226	119,496	153,546	116,213
53,410	24,508	21,916	36,481	356,308	697,533
0	8,129	8,130	8,130	8,129	216,250
24,198	15,496	130,505	40,923	24,122	92,944
3,091,423	3,556,264	3,471,439	3,838,235	3,743,978	3,829,171
0	0	0	0	0	0
191,533	0	0	0	0	0
351,001	247,639	240,311	315,717	0	0
30,000	29,792	15,000	11,463	20,750	29,113
1,848	12,134	19,195	20,000	0	10,000
24,800	67,873	489,069	0	0	0
1,057,251	985,902	1,051,014	1,033,035	1,017,682	1,067,460
1,656,433	1,343,340	1,814,589	1,380,215	1,038,432	1,106,573
0	0	0	0	0	0
0	0	0	0	0	0
0	9,855	2,874	8,146	3,669	8,898
0	0	559,470	220,000	538,267	67,385
752,724	1,432,669	2,652,544	1,374,725	1,346,575	1,255,942
752,724	1,442,524	3,214,888	1,602,871	1,888,511	1,332,225
5,500,580	6,342,128	8,500,916	6,821,321	6,670,921	6,267,969
25,694,050	28,988,955	30,606,725	32,857,624	30,582,103	30,372,073
1,549,157	1,556,865	1,512,454	1,628,911	1,683,702	1,677,936
3,139,479	3,321,870	3,248,192	3,377,730	3,461,898	3,553,255
125,060	148,887	156,348	155,642	145,296	58,976
2,803,705	3,175,134	3,093,645	3,371,176	3,643,684	4,121,890
834,440	836,426	793,106	848,592	976,963	722,944
0	249,255	0	0	0	230,050
0	167,155	0	0	0	410,465
0	0	0	0	0	41,630
34,145,891	38,444,547	39,410,470	42,239,675	40,493,646	41,189,219
\$39,646,471	\$44,786,675	\$47,911,386	\$49,060,996	\$47,164,567	\$47,457,188

(continued)

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

	2007	2008 (1)	2009	2010
Expenses				
Governmental Activities:				
General Government	\$4,678,341	\$4,125,692	\$3,812,972	\$4,068,631
Security of Persons and Property:				
Police	3,662,803	3,861,017	4,218,030	4,470,394
Fire	2,687,928	2,631,887	2,735,622	2,832,199
Public Health Services	204,228	195,983	181,562	197,806
Leisure Time Services	526,995	498,379	588,970	382,313
Community and Economic Development	843,839	802,169	868,309	873,466
Transportation	3,866,183	3,090,437	3,591,609	3,790,494
Intergovernmental	0	244,657	257,623	277,310
Interest and Fiscal Charges	386,205	354,128	326,399	281,437
<i>Total Governmental Activities Expenses</i>	<u>16,856,522</u>	<u>15,804,349</u>	<u>16,581,096</u>	<u>17,174,050</u>
Business-Type Activities:				
Electric	25,617,652	26,754,920	26,164,717	28,153,003
Sanitation	1,285,576	1,327,449	1,363,001	1,522,129
Sewer	3,214,858	3,386,470	3,166,397	3,385,521
Telecommunications	180,577	222,847	210,102	171,385
Water	2,553,235	2,526,916	2,534,870	2,767,146
Storm Water Utility	422,249	490,366	512,516	572,544
<i>Total Business-Type Activities Expenses</i>	<u>33,274,147</u>	<u>34,708,968</u>	<u>33,951,603</u>	<u>36,571,728</u>
<i>Total Primary Government Program Expenses</i>	<u>50,130,669</u>	<u>50,513,317</u>	<u>50,532,699</u>	<u>53,745,778</u>
Net (Expense)/Revenue				
Governmental Activities	(11,792,120)	(9,978,036)	(10,806,578)	(11,872,685)
Business-Type Activities	3,601,461	2,048,717	3,173,356	362,865
<i>Total Primary Government Net Expense</i>	<u>(8,190,659)</u>	<u>(7,929,319)</u>	<u>(7,633,222)</u>	<u>(11,509,820)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	1,281,491	1,353,504	1,375,734	1,206,503
Fire and Life Squad	2,222,553	2,327,576	2,224,683	2,373,747
Debt Service	37,774	43,186	27,499	0
Income Taxes	5,888,391	6,260,249	5,409,147	5,451,284
Other Taxes	1,229,554	1,468,021	1,318,586	1,371,444
Payments in Lieu of Taxes	1,235,888	1,269,275	1,269,899	1,259,657
Grants and Entitlements not Restricted to				
Specific Programs	1,082,225	684,035	818,872	661,125
Unrestricted Contributions	10,345	7,494	7,375	2,000
Investment Earnings	1,353,237	781,418	1,063,750	179,250
Gain on Sale of Capital Assets	8,172	17,828	14,168	9,150
Other	403,496	185,479	160,078	139,756
Transfers	(478,040)	(117,639)	(1,536,455)	(310,237)
<i>Total Governmental Activities</i>	<u>\$14,275,086</u>	<u>\$14,280,426</u>	<u>\$12,153,336</u>	<u>\$12,343,679</u>

2011	2012	2013	2014	2015 (2)	2016 (2)
\$3,881,199	\$3,591,911	\$3,731,306	\$3,858,814	\$3,924,199	\$5,157,129
4,547,632	4,414,356	4,067,094	4,361,049	4,243,356	5,115,826
2,866,797	3,308,046	3,136,542	2,611,925	3,165,407	3,276,015
220,299	221,850	216,095	211,544	196,806	197,737
674,644	778,510	1,328,928	848,639	1,340,847	828,117
930,934	1,080,804	1,278,496	1,459,944	1,021,078	1,240,968
3,561,887	4,207,949	3,934,203	4,112,839	4,584,011	4,339,489
310,704	345,607	900,216	0	418,817	428,151
253,316	338,645	280,800	239,369	213,544	293,757
17,247,412	18,287,678	18,873,680	17,704,123	19,108,065	20,877,189
25,488,085	28,898,408	27,155,807	29,100,455	26,348,054	27,684,350
1,512,397	1,508,493	1,524,770	1,568,798	1,625,356	1,617,010
3,444,593	3,739,025	2,541,355	3,722,315	3,504,416	3,235,514
164,107	178,763	153,569	132,226	161,943	162,201
3,086,876	3,691,306	3,839,171	3,848,723	3,971,143	3,672,987
612,275	502,542	506,859	664,189	634,635	754,859
34,308,333	38,518,537	35,721,531	39,036,706	36,245,547	37,126,921
51,555,745	56,806,215	54,595,211	56,740,829	55,353,612	58,004,110
(11,746,832)	(11,945,550)	(10,372,764)	(10,882,802)	(12,437,144)	(14,609,220)
(162,442)	(73,990)	3,688,939	3,202,969	4,248,099	4,062,298
(11,909,274)	(12,019,540)	(6,683,825)	(7,679,833)	(8,189,045)	(10,546,922)
1,147,868	1,054,552	989,809	988,577	1,002,485	1,039,309
2,228,171	2,028,866	1,905,228	1,905,588	2,639,539	2,772,706
0	0	0	0	0	0
5,762,855	6,232,249	6,371,559	6,751,574	7,425,983	7,613,002
1,245,078	1,366,321	1,337,972	1,380,635	1,439,547	1,526,713
1,395,381	1,758,769	1,476,519	1,772,913	1,757,214	1,774,947
814,808	342,899	420,153	750,994	406,357	366,251
0	0	0	0	0	0
(217,091)	317,837	227,603	396,425	64,872	460,102
7,414	0	0	0	508	0
225,740	155,073	374,038	384,300	294,305	248,975
(392,268)	(274,620)	(500,000)	(2,420,508)	(84,131)	(1,825,515)
\$12,217,956	\$12,981,946	\$12,602,881	\$11,910,498	\$14,946,679	\$13,976,490

(continued)

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

	2007	2008 (1)	2009	2010
General Revenues and Other Changes in Net Position (continued)				
<i>Business-Type Activities:</i>				
Investment Earnings	\$693,586	\$447,260	\$700,087	\$232,745
Gain on Sale of Capital Assets	0	0	2,310	10,200
Loss from Discontinued Segments of Telecommunications				
Operations	(328,948)	0	0	0
Gain on Disposal of Segments of Telecommunications				
Operations	2,742,921	0	0	0
Other	88,918	275,132	128,167	68,458
Transfers	12,320	117,639	1,536,455	310,237
<i>Total Business-Type Activities</i>	<u>3,208,797</u>	<u>840,031</u>	<u>2,367,019</u>	<u>621,640</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>17,483,883</u>	<u>15,120,457</u>	<u>14,520,355</u>	<u>12,965,319</u>
Prior Year Restatement of Governmental Activities Net Position	0	0	0	0
Prior Year Restatement of Business-Type Activities Net Position	0	0	0	0
Change in Net Position				
Governmental Activities	2,482,966	4,302,390	1,346,758	470,994
Business-Type Activities	<u>6,810,258</u>	<u>2,888,748</u>	<u>5,540,375</u>	<u>984,505</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$9,293,224</u>	<u>\$7,191,138</u>	<u>\$6,887,133</u>	<u>\$1,455,499</u>

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

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

2011	2012	2013	2014	2015 (2)	2016 (2)
(\$288,217)	\$219,886	\$113,323	\$282,679	\$139,240	\$198,153
12,415	3,800	0	0	0	13,400
0	0	0	0	0	0
0	0	0	0	0	0
665,346	2,018,744	168,793	103,639	67,067	66,747
392,268	274,620	500,000	2,420,508	84,131	1,825,515
781,812	2,517,050	782,116	2,806,826	290,438	2,103,815
12,999,768	15,498,996	13,384,997	14,717,324	15,237,117	16,080,305
0	0	0	(8,904,211)	0	0
0	0	0	(1,519,574)	0	0
471,124	1,036,396	2,230,117	(7,876,515)	2,509,535	(632,730)
619,370	2,443,060	4,471,055	4,490,221	4,538,537	6,166,113
\$1,090,494	\$3,479,456	\$6,701,172	(\$3,386,294)	\$7,048,072	\$5,533,383

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

	2007	2008	2009
General Fund			
Nonspendable	\$0	\$0	\$1,184,302
Committed	0	0	15,190
Assigned	0	0	0
Unassigned	0	0	3,800,626
Reserved	1,586,780	1,498,020	0
Unreserved	3,306,942	3,429,456	0
Total General Fund	4,893,722	4,927,476	5,000,118
All Other Governmental Funds			
Nonspendable	0	0	262,740
Restricted	0	0	7,969,375
Committed	0	0	3,121,909
Unassigned (Deficit)	0	0	0
Reserved	2,168,634	2,717,467	0
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	2,896,180	2,825,839	0
Debt Service Fund	4,995,975	5,078,023	0
Capital Projects Funds	1,407,152	1,968,876	0
Total All Other Governmental Funds	11,467,941	12,590,205	11,354,024
Prior Year Restatement of Fund Balances	0	0	0
Total Governmental Funds	\$16,361,663	\$17,517,681	\$16,354,142

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

2010	2011	2012	2013	2014	2015	2016
\$1,064,339	\$921,909	\$813,297	\$682,168	\$565,102	\$411,009	\$204,518
0	0	0	0	0	0	0
0	183,215	260,111	194,031	140,952	628,373	4,227,592
4,071,783	4,267,452	5,137,124	5,056,978	5,779,984	5,399,631	866,041
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,136,122</u>	<u>5,372,576</u>	<u>6,210,532</u>	<u>5,933,177</u>	<u>6,486,038</u>	<u>6,439,013</u>	<u>5,298,151</u>
198,933	189,965	190,824	124,814	197,501	187,072	154,692
8,864,107	9,490,132	7,704,927	4,764,186	5,531,792	7,144,478	8,245,204
3,129,214	3,196,405	5,055,548	9,520,830	4,702,921	5,903,271	5,709,472
0	0	0	0	(238,372)	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>12,192,254</u>	<u>12,876,502</u>	<u>12,951,299</u>	<u>14,409,830</u>	<u>10,193,842</u>	<u>13,234,821</u>	<u>14,109,368</u>
0	0	0	0	0	0	0
<u>\$17,328,376</u>	<u>\$18,249,078</u>	<u>\$19,161,831</u>	<u>\$20,343,007</u>	<u>\$16,679,880</u>	<u>\$19,673,834</u>	<u>\$19,407,519</u>

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

	2007	2008	2009	2010
Revenues				
Property Taxes	\$3,536,738	\$3,758,401	\$3,594,477	\$3,563,064
Income Taxes	5,988,089	5,719,316	5,510,661	5,565,246
Other Local Taxes	1,230,707	1,466,536	1,319,827	1,371,120
Payments in Lieu of Taxes	1,235,888	1,269,275	1,269,899	1,259,657
Special Assessments	89,412	94,678	103,030	87,439
Charges for Services	2,154,757	2,122,822	2,113,504	2,303,809
Fines, Licenses and Permits	891,574	969,440	795,107	775,800
Intergovernmental	3,042,013	2,897,793	3,563,319	2,884,405
Interest	1,316,866	732,751	911,684	200,297
Contributions and Donations	10,345	7,494	4,375	63,444
Other	406,585	188,765	163,574	143,475
<i>Total Revenues</i>	<u>19,902,974</u>	<u>19,227,271</u>	<u>19,349,457</u>	<u>18,217,756</u>
Expenditures				
Current:				
General Government	4,936,788	4,594,923	3,858,069	3,837,352
Security of Persons and Property:				
Police	3,760,488	3,975,505	4,165,490	4,208,892
Fire	2,552,853	2,513,055	2,540,690	2,579,293
Public Health Services	188,855	175,878	159,879	164,718
Leisure Time Services	485,810	434,985	424,044	390,839
Community and Economic Development	719,007	863,405	851,361	826,380
Transportation	1,622,542	875,710	1,000,611	1,102,322
Intergovernmental	229,308	244,657	257,623	277,310
Capital Outlay	4,540,579	3,194,419	6,231,284	2,993,629
Debt Service:				
Principal Retirement	464,861	2,819,636	576,144	590,158
Interest and Fiscal Charges	286,716	370,358	309,873	272,577
Interest Paid on Capital Appreciation Bonds	91,687	95,767	103,322	0
Bond Issuance Costs	0	103,476	0	0
<i>Total Expenditures</i>	<u>19,879,494</u>	<u>20,261,774</u>	<u>20,478,390</u>	<u>17,243,470</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>23,480</u>	<u>(1,034,503)</u>	<u>(1,128,933)</u>	<u>974,286</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	20,436	39,550	14,168	13,700
Transfers In	2,551,127	1,575,558	2,575,617	1,212,115
Transfers Out	(3,144,659)	(1,589,309)	(2,624,391)	(1,225,867)
Inception of Capital Lease	0	60,361	0	0
General Obligation Bonds Issued	0	3,750,000	0	0
Bond Anticipation Notes Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	2,280,000	0	0	0
Premium on Debt Issued	1,993	92,821	0	0
Payment to Refunded Bond Escrow Agent	0	(1,738,460)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,708,897</u>	<u>2,190,521</u>	<u>(34,606)</u>	<u>(52)</u>
<i>Net Change in Fund Balances</i>	<u>\$1,732,377</u>	<u>\$1,156,018</u>	<u>(\$1,163,539)</u>	<u>\$974,234</u>
Debt Service as a Percentage of Noncapital Expenditures	5.5%	20.4%	6.9%	6.1%

2011	2012	2013	2014	2015	2016
\$3,377,780	\$3,070,560	\$2,936,952	\$2,940,203	\$3,651,116	\$3,848,031
5,463,788	6,155,444	6,334,779	6,765,581	7,055,726	7,541,820
1,245,646	1,366,321	1,337,972	1,380,635	1,439,547	1,526,713
1,428,970	1,758,769	1,476,519	1,772,913	1,757,214	1,774,947
112,287	89,051	124,099	37,671	324	64,425
2,309,288	2,819,113	2,601,728	2,902,988	2,886,962	2,953,745
788,547	737,151	754,072	906,570	857,016	834,416
2,932,834	2,647,883	5,404,430	2,407,179	4,674,712	2,731,688
(86,371)	329,748	167,756	397,885	58,337	444,478
1,848	12,134	19,195	20,000	20,750	10,000
225,740	155,073	374,038	384,300	294,305	248,975
17,800,357	19,141,247	21,531,540	19,915,925	22,696,009	21,979,238
3,512,438	3,353,208	3,845,070	4,022,641	3,905,327	4,976,238
4,138,153	4,155,702	4,145,205	4,491,399	4,367,772	4,537,637
2,538,806	3,055,494	2,867,920	2,960,394	2,646,167	3,016,268
175,537	171,222	166,325	180,868	158,906	168,762
493,220	648,820	1,184,816	750,673	1,198,390	680,947
861,847	1,010,993	1,225,319	990,247	1,099,926	1,038,424
868,916	1,146,286	1,226,412	947,545	1,217,506	921,484
296,891	345,607	900,216	407,960	418,817	428,151
3,205,214	3,718,437	7,728,631	8,522,810	3,906,252	7,033,480
540,884	466,645	605,496	2,080,519	2,595,541	2,715,564
244,320	220,992	291,117	283,889	239,999	319,007
0	0	0	0	0	0
0	0	0	0	0	0
16,876,226	18,293,406	24,186,527	25,638,945	21,754,603	25,835,962
924,131	847,841	(2,654,987)	(5,723,020)	941,406	(3,856,724)
37,825	64,912	32,077	19,541	30,498	43,396
433,620	502,500	702,500	1,632,500	1,007,500	1,087,500
(474,874)	(502,500)	(1,202,500)	(1,632,500)	(1,007,500)	(1,733,068)
0	0	0	0	0	0
0	0	2,655,000	0	0	1,935,000
0	0	0	0	2,000,000	2,100,000
0	0	2,311,603	0	0	0
0	0	1,500,000	2,000,000	0	0
0	0	239,158	40,352	22,050	157,581
0	0	(2,401,675)	0	0	0
(3,429)	64,912	3,836,163	2,059,893	2,052,548	3,590,409
\$920,702	\$912,753	\$1,181,176	(\$3,663,127)	\$2,993,954	(\$266,315)
5.5%	4.6%	5.4%	12.6%	15.6%	16.2%

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>
2007	1.00%	\$5,888,391	\$4,362,709	74.09%	\$542,910	9.22%	\$982,772	16.69%
2008	1.00	6,260,249	4,757,789	76.00	438,217	7.00	1,064,242	17.00
2009	1.00	5,409,147	4,105,542	75.90	402,441	7.44	901,164	16.66
2010	1.00	5,451,284	4,021,412	73.77	493,341	9.05	936,531	17.18
2011	1.00	5,762,855	4,320,412	74.97	418,960	7.27	1,023,483	17.76
2012	1.00	6,232,249	4,594,414	73.72	572,120	9.18	1,065,715	17.10
2013	1.00	6,323,285	4,609,675	72.90	670,268	10.60	1,043,342	16.50
2014	1.00	6,658,556	4,892,707	73.48	763,736	11.47	1,002,113	15.05
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

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 2015 AND 2006 (1)

Tax Year 2015 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,325	22.04 %	\$215,022,362	54.04 %
75,001-100,000	679	11.29	59,076,546	14.85
50,001-75,000	952	15.83	58,944,574	14.81
25,000-50,000	1,233	20.51	45,259,192	11.37
Under 25,000	1,824	30.33	19,593,220	4.93
Total	6,013	100.00	\$397,895,894	100.00

Tax Year 2006

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	824	14.13 %	\$118,337,023	38.13 %
75,001-100,000	731	12.53	63,455,513	20.45
50,001-75,000	918	15.74	56,583,462	18.23
25,000-50,000	1,380	23.67	50,327,074	16.22
Under 25,000	1,980	37.03	21,655,072	6.97
Total	5,833	103.10	\$310,358,144	100.00

Source: City Income Tax Department

- (1) Tax year 2016 information is not available.
- (2) Includes individuals who live within the corporation limits

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

Type of Customer:	<u>2007 (2)</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Residential	\$9,608,478	\$9,716,139	\$9,699,704	\$9,631,822
Industrial	1,694,059	1,730,682	1,764,978	1,657,291
Commercial (1)	<u>16,249,343</u>	<u>17,957,635</u>	<u>17,065,759</u>	<u>16,797,199</u>
Total (3)	<u><u>\$27,551,880</u></u>	<u><u>\$29,404,456</u></u>	<u><u>\$28,530,441</u></u>	<u><u>\$28,086,312</u></u>

(1) Majority of government buildings included in this category

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

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$9,512,740	\$9,669,899	\$10,001,557	\$10,015,251	\$9,602,351	\$9,302,438
1,690,421	1,802,374	1,890,244	1,930,896	1,801,187	1,745,760
<u>14,495,444</u>	<u>17,583,205</u>	<u>18,967,595</u>	<u>20,582,711</u>	<u>19,712,760</u>	<u>20,303,536</u>
<u><u>\$25,698,605</u></u>	<u><u>\$29,055,478</u></u>	<u><u>\$30,859,396</u></u>	<u><u>\$32,528,858</u></u>	<u><u>\$31,116,298</u></u>	<u><u>\$31,351,734</u></u>

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CITY OF LEBANON, OHIO
 PRINCIPAL ELECTRIC CUSTOMERS
 2016 AND 2007

2016		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CyrusOne LLC	\$3,969,312	12.66 %
Advics Mfg.	2,577,939	8.22
Mane Inc.	1,126,332	3.59
Warren County	858,866	2.74
HTNA	722,952	2.31
Green Bay Packaging	496,588	1.58
Countryside YMCA	421,782	1.35
JBM Envelope	359,656	1.15
Wal-Mart	329,603	1.05
EPC Range	299,056	0.95
Total	<u>\$11,162,086</u>	<u>35.60 %</u>
Total Electric Charges for Services	<u>\$31,351,734</u>	

2007		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Advics Mfg.	\$2,037,622	7.40 %
Quebecor World MS	1,940,768	7.04
Amtex Inc.	1,173,771	4.26
Wal-Mart	454,723	1.65
Kroger Limited Partnership Inc.	414,065	1.50
Franklin Brazing & Metal	335,339	1.22
Inna Tech	333,447	1.21
Flint Ink	286,717	1.04
PNG Products Inc.	275,289	1.00
Warren County Fair Board	273,836	0.99
Total	<u>\$7,525,577</u>	<u>27.31 %</u>
Total Electric Charges for Services	<u>\$27,551,880</u>	

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

	2007 (1)	2008	2009 (2)	2010
Residential				
Customer Service Charge	\$4.52	\$4.57	\$4.61	\$5.15
Energy Charge KWH:				
All KWH	-	-	-	\$0.0670
First 1,500 KWH	\$0.06260	\$0.06322	\$0.06385	-
Above 1,500 KWH	\$0.04580	\$0.04625	\$0.04671	-
Distribution Charge per KWH:				
First 800 KWH	-	-	-	\$0.0412
Next 800 KWH	-	-	-	\$0.0361
Over 1,600 KWH	-	-	-	\$0.0206
Fuel Adjustment all KWH (yr avg)	\$0.03890	\$0.04510	\$0.01610	(\$0.00820)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
General Service Rate				
Customer Service Charge:				
Single Phase (1 Ph) Meter	\$7.78	\$7.86	\$7.93	\$15.45
Three Phase (3 Ph) Meter	\$12.98	\$13.11	\$13.24	\$20.60
Single and Three Phase Meter	\$20.78	\$20.99	\$21.20	-
Energy Charge KWH:				
First 2,000 KWH	\$0.06940	\$0.07009	\$0.07079	-
Next 6,000 KWH	\$0.05500	\$0.05555	\$0.05611	-
Over 8,000 KWH	\$0.04370	\$0.04413	\$0.04457	-
Over 100,000 KWH	\$0.03040	\$0.03070	\$0.03101	-
1 Phase-First 165 KWH/KW	-	-	-	\$0.0824
1 Phase-Next 85 KWH/KW	-	-	-	\$0.0721
1 Phase-Over 250 KWH/KW	-	-	-	\$0.0412
3 Phase-First 300 KWH/KW	-	-	-	\$0.0618
3 Phase-Over 300 KWH/KW	-	-	-	\$0.0309
Demand Charge per KW:				
First 10 KW	Free	Free	Free	-
Next 15 KW	\$6.24290	\$6.30532	\$6.36837	-
Over 25 KW	\$5.52196	\$5.57717	\$5.63294	-
1 Phase-First 10 KW	-	-	-	Free
1 Phase-Next 15 KW	-	-	-	\$7.21
1 Phase-Over 25 KW	-	-	-	\$9.27
3 Phase-First 1,000 KW	-	-	-	\$10.30
3 Phase-Over 1,000 KW	-	-	-	\$12.36
Distribution Charge KWH:				
1 Phase-First 1,000 KWH	-	-	-	\$0.0412
1 Phase-Next 800 KWH	-	-	-	\$0.0361
1 Phase-Over 1,800 KWH	-	-	-	\$0.0206
3 Phase-First 5,000 KWH	-	-	-	\$0.0258
3 Phase-Next 10,000 KWH	-	-	-	\$0.0206
3 Phase-Over 15,000 KWH	-	-	-	\$0.0155
Fuel Adjustment all KWH (yr avg)	\$0.03890	\$0.04510	\$0.01610	(\$0.00820)
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

2011	2012	2013	2014	2015	2016
\$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
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
\$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
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
\$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)

	2007 (1)	2008	2009 (2)	2010
Large Power-Secondary Metered				
Customer Service Charge	\$100.00	\$101.00	\$102.00	\$103.00
Energy Charge KWH:				
All KWH	\$0.02200	\$0.02215	\$0.02237	-
First 300 KWH/KVA	-	-	-	\$0.0361
Over 300 KWH/KVA	-	-	-	\$0.0288
Demand Charge:				
All per KVA	\$7.00	\$7.06	\$7.13	-
First 1,000 KVA	-	-	-	\$15.45
Over 1,000 KVA	-	-	-	\$13.39
Distribution Charge KWH:				
First 200,000 KWH	-	-	-	\$0.01550
Over 200,000 KWH	-	-	-	\$0.01030
Fuel Adjustment all KWH (yr avg)	\$0.03890	\$0.04510	\$0.01610	(\$0.00820)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363
Large Power-Primary Metered				
Customer Service Charge	\$100.00	\$101.00	\$102.00	\$103.00
Energy Charge KWH:				
All KWH	\$0.01349	\$0.01363	\$0.01376	-
First 300 KWH/KVA	-	-	-	\$0.0464
Over 300 KWH/KVA	-	-	-	\$0.0103
Demand Charge per KVA:				
All per KVA	\$4.29130	\$4.33430	\$4.37760	-
First 1,000 KVA	-	-	-	\$8.24
Over 1,000 KVA	-	-	-	\$10.30
Distribution Charge KWH:				
First 500,000 KWH	-	-	-	\$0.02580
Over 500,000 KWH	-	-	-	\$0.01550
Fuel Adjustment all KWH (yr avg)	\$0.03890	\$0.04510	\$0.01610	(\$0.00820)
KWH Tax:				
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363

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

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

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

- Not Applicable

2011	2012	2013	2014	2015	2016
\$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
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
\$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
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010	(\$0.00800)
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00412	\$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
2007	\$5,456,426	\$409,529	\$0	\$2,560,000
2008	7,048,239	315,883	60,361	1,280,000
2009	6,499,576	218,507	46,315	0
2010	6,058,568	87,401	31,595	0
2011	5,650,893	12,985	16,168	0
2012	5,200,655	9,439	0	0
2013	7,461,050	0	0	1,509,526
2014	6,861,017	0	0	2,010,088
2015	6,245,984	0	0	2,007,350
2016	7,563,209	0	0	3,611,623

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

Business-Type Activities

Mortgage Revenue Bonds	Capital Leases	Notes Payable	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
\$33,632,086	\$0	\$5,750,000	\$0	\$47,808,041	13.49%	\$2,819
36,030,824	0	1,250,000	0	45,985,307	12.97	2,711
34,175,122	0	4,900,000	0	45,839,520	8.94	2,288
32,234,420	0	6,300,000	3,360,000	48,071,984	9.38	2,400
31,142,688	0	8,150,000	2,752,260	47,724,994	9.31	2,382
36,840,609	0	550,000	339,290	42,939,993	8.38	2,143
34,507,122	0	1,400,000	0	44,877,698	8.76	2,240
32,093,636	0	1,200,000	0	42,164,741	8.23	2,105
29,605,150	0	1,000,000	0	38,858,484	7.58	1,940
21,148,265	0	1,000,000	0	33,323,097	6.50	1,663

CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2016

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Lebanon			
General Obligation Bonds	\$7,563,209	100.00%	\$7,563,209
Notes Payable	3,611,623	100.00	3,611,623
<i>Total Direct Debt</i>	<u>11,174,832</u>		<u>11,174,832</u>
Overlapping			
Lebanon City School District			
General Obligation Bonds	55,079,987	50.24	27,672,185
Capital Leases	2,551,000	50.24	1,281,622
Kings Local School District			
General Obligation Bonds	54,233,810	1.15	623,689
Warren County Career Center			
Energy Conservation Notes	525,000	10.49	55,073
Capital Leases	56,462	10.49	5,923
Warren County			
General Obligation Bonds	7,579,162	7.07	535,847
Special Assessment Bonds	6,508,405	7.07	460,144
<i>Total Overlapping Debt</i>	<u>126,533,826</u>		<u>30,634,483</u>
Total	<u><u>\$137,708,658</u></u>		<u><u>\$41,809,315</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

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

Sources:

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

(2) County Auditor

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

CITY OF LEBANON, OHIO
LEGAL DEBT MARGIN
LAST TEN YEARS

	2007	2008	2009	2010
Total Assessed Property Value	<u>\$451,956,350</u>	<u>\$443,736,980</u>	<u>\$416,119,870</u>	<u>\$417,778,478</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>47,455,417</u>	<u>46,592,383</u>	<u>43,692,586</u>	<u>43,866,740</u>
Debt Outstanding:				
General Obligation Bonds	5,316,381	6,945,794	6,481,492	6,037,598
Mortgage Revenue Bonds	34,740,000	37,045,000	35,115,000	33,100,000
Special Assessment Bonds	409,529	315,883	218,507	87,401
Bond Anticipation Notes	<u>8,310,000</u>	<u>2,530,000</u>	<u>4,900,000</u>	<u>6,300,000</u>
Total Gross Indebtedness	48,775,910	46,836,677	46,714,999	45,524,999
Less:				
General Obligation Bonds	(5,260,470)	(6,919,116)	(6,481,492)	(6,037,598)
Mortgage Revenue Bonds	(34,740,000)	(37,045,000)	(35,115,000)	(33,100,000)
Special Assessment Bonds	(409,529)	(315,883)	(218,507)	(87,401)
Bond Anticipation Notes	(5,750,000)	(1,250,000)	(4,900,000)	(6,300,000)
General Obligation Bond Retirement Fund Balance	<u>(182,304)</u>	<u>(103,180)</u>	<u>0</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>2,433,607</u>	<u>1,203,498</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$45,021,810</u>	<u>\$45,388,885</u>	<u>\$43,692,586</u>	<u>\$43,866,740</u>
Legal Debt Margin as a Percentage of the Debt Limit	94.87%	97.42%	100.00%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$24,857,599</u>	<u>\$24,405,534</u>	<u>\$22,886,593</u>	<u>\$22,977,816</u>
Total Gross Indebtedness	48,775,910	46,836,677	46,714,999	45,524,999
Less:				
General Obligation Bonds	(5,260,470)	(6,919,116)	(6,481,492)	(6,037,598)
Mortgage Revenue Bonds	(34,740,000)	(37,045,000)	(35,115,000)	(33,100,000)
Special Assessment Bonds	(409,529)	(315,883)	(218,507)	(87,401)
Bond Anticipation Notes	<u>(5,750,000)</u>	<u>(1,250,000)</u>	<u>(4,900,000)</u>	<u>(6,300,000)</u>
Net Debt Within 5 ½ % Limitations	<u>2,615,911</u>	<u>1,306,678</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$22,241,688</u>	<u>\$23,098,856</u>	<u>\$22,886,593</u>	<u>\$22,977,816</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	89.48%	94.65%	100.00%	100.00%

Source: City Financial Records

2011	2012	2013	2014	2015	2016
<u>\$414,764,110</u>	<u>\$396,556,600</u>	<u>\$396,645,380</u>	<u>\$397,990,590</u>	<u>\$416,793,410</u>	<u>\$416,121,680</u>
<u>43,550,232</u>	<u>41,638,443</u>	<u>41,647,765</u>	<u>41,789,012</u>	<u>43,763,308</u>	<u>43,692,776</u>
5,587,014	5,140,560	7,196,603	6,816,603	6,021,603	7,241,603
31,010,000	36,525,000	34,220,000	31,835,000	29,375,000	20,995,000
12,985	9,439	0	0	0	0
<u>8,150,000</u>	<u>550,000</u>	<u>4,500,000</u>	<u>5,200,000</u>	<u>3,000,000</u>	<u>4,600,000</u>
44,759,999	42,224,999	45,916,603	43,851,603	38,396,603	32,836,603
(5,587,014)	(5,140,560)	(7,196,603)	(6,816,603)	(6,021,603)	(7,241,603)
(31,010,000)	(36,525,000)	(34,220,000)	(31,835,000)	(29,375,000)	(20,995,000)
(12,985)	(9,439)	0	0	0	0
<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>	<u>(5,200,000)</u>	<u>(3,000,000)</u>	<u>(4,600,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$43,550,232</u>	<u>\$41,638,443</u>	<u>\$41,647,765</u>	<u>\$41,789,012</u>	<u>\$43,763,308</u>	<u>\$43,692,776</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>
44,759,999	42,224,999	45,916,603	43,851,603	38,396,603	32,836,603
(5,587,014)	(5,140,560)	(7,196,603)	(6,816,603)	(6,021,603)	(7,241,603)
(31,010,000)	(36,525,000)	(34,220,000)	(31,835,000)	(29,375,000)	(20,995,000)
(12,985)	(9,439)	0	0	0	0
<u>(8,150,000)</u>	<u>(550,000)</u>	<u>(4,500,000)</u>	<u>(5,200,000)</u>	<u>(3,000,000)</u>	<u>(4,600,000)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>	<u>\$22,886,692</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

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

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

(3) 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	
2007	\$3,689,432	\$1,719,657	\$1,969,775	\$620,000	\$503,030	\$1,123,030	1.75%
2008	3,347,674	1,923,716	1,423,958	645,000	475,766	1,120,766	1.27
2009	3,382,159	1,729,070	1,653,089	465,000	446,991	911,991	1.81
2010	3,389,268	1,907,162	1,482,106	480,000	425,971	905,971	1.64
2011	3,105,295	1,965,877	1,139,418	490,000	407,482	897,482	1.27
2012	3,368,455	2,117,451	1,251,004	510,000	387,881	897,881	1.39
2013	3,234,784	1,140,723	2,094,061	535,000	367,481	902,481	2.32
2014	3,404,925	2,323,575	1,081,350	560,000	346,081	906,081	1.19
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

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

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

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

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

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

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

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

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2007	16,962	\$354,454,914	\$20,897	\$46,856	31.9
2008	16,962	354,454,914	20,897	46,856	31.9
2009	16,962	354,454,914	20,897	46,856	31.9
2010	20,033	512,544,305	25,585	61,085	33.9
2011	20,033	512,544,305	25,585	61,085	33.9
2012	20,033	512,544,305	25,585	61,085	33.9
2013	20,033	512,544,305	25,585	61,085	33.9
2014	20,033	512,544,305	25,585	61,085	33.9
2015	20,033	512,544,305	25,585	61,085	33.9
2016	20,033	512,544,305	25,585	61,085	33.9

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

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

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

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Warren County Unemployment Rate (4)
25.0%	5,383	4.7
25.0	5,202	8.5
25.0	5,301	9.3
26.0	5,379	8.4
26.0	5,450	7.0
26.0	5,442	5.6
26.0	5,442	5.6
26.0	5,715	4.8
26.0	5,381	3.9
26.0	5,302	3.9

CITY OF LEBANON, OHIO
 PRINCIPAL EMPLOYERS
 2015 AND 2007

2015

Employer	Employees
Warren County	1,244
Lebanon City School District	877
CM Temporary	864
Advics Manufacturing	856
Countryside YMCA	822
Kroger	624
FedEx	432
Mane Inc.	408
Hayashi Telempu (Amtex, Inc.)	406
Wal-Mart	363
Total	6,896

2007

Employer	Employees
Warren County	1,173
Countryside YMCA	866
Lebanon City School District	830
Kroger	642
Wal-Mart	541
Advics Manufacturing	623
Quebecor	600
Amtex	315
City of Lebanon	158
JBM	181
Total	5,929

Information on total employment within the City is not available.

The 2016 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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Council (1)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Tax	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	5.00	5.00	5.00	4.00	4.00	4.00	5.00	5.00	5.00	4.00
Building Maintenance	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Engineer	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Service Department	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Court	7.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Probation	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Security of Persons and Property										
Police										
Police - Chiefs/Administrative	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Police - Sargeants	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police - Officers	23.00	22.00	22.00	22.00	22.00	22.00	21.00	21.00	21.00	21.00
Police - Dispatchers	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Fire (2)(3)										
Fire - Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Administrative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire - Captains	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire - Lieutenants	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Health										
Cemetery	3.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Leisure Time Services										
Parks & Recreation (3)	2.00	2.00	2.00	1.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Development										
Building and Zoning	0.00	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Planning and Development	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Internal Service										
Automotive Maintenance	2.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Transportation										
Street M&R (3)	8.00	8.00	8.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Basic Utility Services										
Electric - Administrative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Electric - Meter Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Electric - Operation & Maintenance (3)	13.00	13.00	13.00	13.00	13.00	13.00	13.00	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	12.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water - Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Water - Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00	3.00
Water - Supply and Treatment	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Wastewater - Administration	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater - Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	2.00
Wastewater - Collection and Treatment	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Totals:	<u>158.00</u>	<u>145.00</u>	<u>145.00</u>	<u>142.00</u>	<u>141.00</u>	<u>139.00</u>	<u>136.00</u>	<u>135.00</u>	<u>135.00</u>	<u>132.00</u>

Source: City of Lebanon Annual Budget

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

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

Function/Program	2007	2008	2009	2010
General Government				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	190	163	113	131
Number of Planning Commission Docket Items	46	24	30	23
Zoning Board of Appeals Docket Items	9	6	5	6
<i>Finance Department (I)</i>				
Number of Checks Issued	4,788	4,952	4,477	4,540
Number of Purchase Orders Issued	2,507	1,106	1,016	1,000
Amount of Checks Written (includes interfund transfers)	\$78,123,022	\$79,454,629	\$67,670,694	\$70,323,107
Interest Earnings for Fiscal Year (cash basis)	\$1,631,436	\$729,505	\$460,240	\$366,830
Number of Supplemental Appropriations Issued	65	46	34	20
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	A1
Health Insurance Costs vs. General Fund Expenditures	12.86%	14.46%	12.32%	8.99%
General Fund Receipts (cash basis in thousands)	\$10,325	\$9,354	\$8,883	\$9,251
General Fund Expenditures (cash basis in thousands)	\$10,260	\$9,185	\$9,019	\$8,918
General Fund (unexpended) Cash Balances (in thousands)	\$2,873	\$3,042	\$2,906	\$3,239
<i>Income Tax Department</i>				
Number of Individual Returns	8,679	9,202	9,827	9,790
Number of Business Returns	1,408	1,506	1,507	1,518
Number of Business Withholding Accounts	1,305	1,496	1,496	1,472
Annual Number of Corporate Withholding Forms Processed	6,900	7,936	8,514	8,418
Annual Number of Balance Due Statements Forms Processed	2,160	500	600	791
Annual Number of Estimated Payment Forms Processed	1,850	2,000	2,000	2,500
Annual Number of Reconciliations of Withholdings Processed	1,517	1,346	1,322	1,356
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$5,301,116	\$5,010,259	\$7,545,020	\$3,235,575
<i>Municipal Court</i>				
Number of Civil Cases	1,275	1,321	1,087	1,063
Number of Criminal Cases	1,540	1,597	1,393	1,372
<i>Civil Service</i>				
Number of Police Entry Tests Administered	151	153	429	0
Number of Police Promotional Tests Administered	0	8	0	0
Number of Hires of Police Officers from Certified Lists	0	3	3	1
Number of Promotions from Police Certified Lists	0	1	0	0

2011	2012	2013	2014	2015	2016
107	115	114	99	132	117
22	28	32	34	63	37
2	3	3	11	9	10
4,433	4,753	5,509	4,425	4,173	4,101
1,039	1,084	1,045	873	992	997
\$73,041,394	\$78,807,285	\$72,899,728	\$78,072,236	\$71,328,633	\$86,679,935
\$241,760	\$455,725	\$231,840	\$251,836	\$390,473	\$496,631
26	42	20	21	23	14
A1	Aa2	Aa2	Aa2	Aa2	Aa2
9.29%	10.50%	11.13%	11.90%	10.19%	8.57%
\$9,257	\$9,951	\$10,055	\$10,604	\$10,857	\$10,904
\$8,918	\$8,945	\$10,186	\$10,323	\$10,663	\$12,924
\$3,758	\$4,853	\$4,721	\$5,003	\$5,196	\$3,177
9,630	9,982	9,807	10,573	10,091	7,746
1,593	1,470	1,522	1,713	1,346	1,693
2,356	2,344	2,385	2,632	1,310	1,955
8,415	8,298	8,411	8,448	8,010	10,750
720	800	745	760	586	600
2,016	2,118	2,158	2,017	1,801	1,846
1,530	1,166	1,343	1,278	1,726	1,951
\$7,181,756	\$5,885,336	\$8,577,939	\$11,874,633	\$2,173,804	\$8,346,500
826	754	593	605	638	592
1,417	1,515	1,475	1,573	1,562	1,685
0	1	1	30	57	73
2	0	0	5	1	0
0	2	2	2	2	2
2	1	0	2	2	0

(continued)

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

Function/Program	2007	2008	2009	2010
<i>Building Department Indicators</i>				
Commercial Construction Permits Issued	93	176	127	90
Estimated Value of Commercial Construction	\$15,704,396	\$24,382,169	\$6,017,287	\$7,898,118
Residential Construction Building Permits Issued	140	127	137	112
Estimated Value of Residential Construction	\$9,761,281	\$8,273,210	\$10,780,028	\$6,536,428
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	23,823	25,459	23,389	22,024
Number of Traffic Citations Issued	1,576	1,767	1,373	1,203
Number of Parking Citations Issued	235	125	217	68
Number of Criminal Arrests	1,649	1,794	1,335	1,263
Number of Accident Reports Completed	595	400	392	398
Part 1 Offenses (major offenses)	449	480	519	474
Animal Complaints	360	322	343	336
DUI Arrests	152	165	112	109
Traffic Crashes	595	400	392	398
Crash Injuries	137	125	97	86
Crash Deaths	0	0	1	1
Prisoners	118	12	3	2
Prisoner Meal Costs	\$1,300	\$63	\$0	\$0
Gasoline Costs of Fleet	\$55,796	\$76,614	\$49,409	\$63,837
<i>Fire</i>				
EMS Calls	2,131	2,152	2,235	2,226
Ambulance Billing Collections (net)	\$189,844	\$245,713	\$245,743	\$402,002
Fire Calls	1,535	1,884	1,521	1,468
Fires with Loss	42	55	25	33
Fires with Losses Exceeding \$10K	9	12	12	5
Fire Losses	\$643,967	\$914,225	\$1,357,420	\$846,664
Fire Safety Inspections	610	650	n/a	141
Number of Times Mutual Aid Given to Fire and EMS	54	58	53	52
Number of Times Mutual Aid Received for Fire and EMS	42	67	70	45
Public Health				
Cemetery Receipts (includes interfund transfers)	\$168,527	\$156,522	\$160,398	\$156,010

2011	2012	2013	2014	2015	2016
60	67	65	93	81	119
\$18,480,315	\$37,700,000	\$33,482,059	\$44,964,185	\$125,985,538	\$54,500,000
30	88	170	176	149	200
\$6,124,089	\$3,200,000	\$2,533,487	\$5,870,806	\$3,308,718	\$7,400,000
21,229	22,410	21,449	21,932	22,617	23,864
989	1,472	1,656	1,406	1,192	1,626
63	130	572	48	352	121
1,072	1,232	1,138	1,308	1,118	1,199
433	419	550	645	413	455
385	585	500	494	355	397
345	378	317	358	362	332
76	70	104	137	78	105
432	419	550	452	413	455
81	80	100	73	91	93
0	0	1	0	0	0
0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$83,778	\$81,418	\$78,641	\$83,046	\$53,001	\$47,552
2,174	2,262	2,169	2,149	2,360	2,432
\$467,450	\$420,701	\$370,420	\$424,694	\$432,627	\$475,864
1,409	1,428	1,528	1,252	1,116	3,214
47	31	19	15	20	19
11	7	7	6	4	12
\$1,380,239	\$401,631	\$249,056	\$331,491	\$235,434	\$1,539,500
n/a	35	38	300	575	700
31	44	24	32	21	77
95	69	56	42	68	86
\$187,242	\$167,721	\$158,214	\$178,975	\$189,634	\$164,639

(continued)

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

Function/Program	2007	2008	2009	2010
Leisure Time Services				
<i>Recreation Receipts</i>				
Farmer's Market	\$1,000	\$850	\$800	\$900
Recreation Programs	26,864	27,680	66,093	23,230
Field Usage Fees	20,790	26,223	26,605	38,645
Total Recreation Department Receipts	\$48,654	\$54,753	\$93,498	\$62,775
Transportation				
Crackseal Coating Program (Miles)	4.00	3.50	4.10	5.50
Street Repair (Curbs, aprons, berms, asphalt) (hours)	2,080	2,175	1,975	2,080
Street Sweeper (hours)	1,400	1,906	1,706	1,280
Cold Patch (hours)	65	96	102	105
After Hours Sewer and Water Calls	150	111	105	106
Sewer Cleaning (feet)	32,313	27,557	29,744	16,955
Sewer Jet, Vac-All, Video (feet)	26,050	23,299	13,281	21,566
Landscaping Stump-Chipper Service (hours)	168	128	84	80
Leaf Collection (hours)	3,696	3,696	3,562	1,920
Downtown Square Repair After Events (hours)	352	410	435	365
Equipment Repair/Body Shop (hours)	4,475	4,160	4,160	4,360
Sign Department (hours)	200	350	290	816
Tons of Snow Melting Salt Purchased (Nov-Mar)	2,200	500	1,070	2,307
Cost of Salt Purchased	\$95,700	\$93,992	\$134,810	\$196,394
Water Department				
Water Rates per 1st 2,500 Gallons of Water Used	\$9.74	\$10.03	\$10.63	\$11.27
Avg. Number of Water Accounts Billed Monthly	7,125	7,179	7,235	7,296
Total Water Collections Annually	\$2,753,207	\$2,315,455	\$2,430,625	\$2,706,968
Wastewater Department				
Wastewater Rates per 1st 2,500 Gallons Used	\$14.99	\$14.99	\$15.74	\$16.21
Total Flow of Wastewater Treatment Plant (MG)	1,061.000	1,051.670	935.570	961.950
Average Daily Flow (millions of gallons per day)	2.900	2.900	2.600	2.600
Tons of Dry Sludge Removed	460.25	473.18	481.16	444.78

(1) Receipts and expenditures include interfund transfers

2011	2012	2013	2014	2015	2016
\$1,150	\$1,740	\$1,600	\$1,540	\$1,150	\$1,200
21,995	20,600	19,940	20,995	21,945	17,236
34,145	43,280	29,332	41,945	50,778	48,640
<u>\$57,290</u>	<u>\$65,620</u>	<u>\$50,872</u>	<u>\$64,480</u>	<u>\$73,873</u>	<u>\$67,076</u>

11.20	7.00	8.00	8.50	6.50	3.00
1,865	1,700	2,000	2,150	2,400	1,800
1,280	750	1,300	750	1,100	980
8	20	30	48	40	94
92	100	64	117	74	59
28,950	36,112	51,451	68,813	85,434	34,435
54,555	19,541	23,998	17,241	15,485	28,634
96	50	20	80	100	80
1,920	2,000	1,900	2,250	1,500	1,800
420	400	500	550	500	500
4,360	4,458	4,507	5,334	5,224	6,677
816	850	1,000	1,150	1,600	600
1,875	840	2,400	3,000	700	998
\$62,589	\$33,028	\$112,832	\$208,172	\$214,245	\$112,649

\$11.95	\$12.67	\$14.24	\$14.24	\$16.34	\$17.32
7,305	7,350	7,360	7,377	7,412	7,421
\$2,733,116	\$3,040,209	\$2,987,747	\$3,209,751	\$3,518,933	\$4,015,783

\$16.21	\$16.70	\$17.20	\$17.20	\$18.06	\$18.06
1,215.369	928.000	1,045.000	1,022.000	1,036.900	1,061.652
3.330	2.500	2.860	2.810	2.840	2.901
414.03	472.00	348.31	473.43	454.37	444.71

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Square Footage Occupied	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226	12,226
Administrative Vehicles	8	7	8	8	6	7	7	7	10	10
Inspection Vehicles	6	4	3	3	3	3	3	3	3	3
Information Technology	2	2	2	2	2	1	1	1	1	1
Cemetery										
Square Footage of Building	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126	4,126
Vehicles	2	2	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Square Footage of Building	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610	17,610
Vehicles	17	17	18	17	16	16	18	16	19	19
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331	17,331
Vehicles	20	21	21	21	19	20	20	19	17	16
Recreation										
Number of Parks	15	15	16	16	16	16	16	16	16	16
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Baseball Diamonds	11	11	12	12	12	12	12	12	12	12
Number of Soccer Fields	27	27	30	37	37	37	37	37	37	37
Number of Community Access Buildings (1)	4	4	4	4	4	4	4	4	3	3
Number of Disc Golf Course	0	0	0	0	1	1	1	1	1	1
Other Public Works										
Streets (miles)	94.813	94.813	94.813	94.813	94.813	94.813	95.040	102.893	102.893	102.893
Service Vehicles	19	18	23	22	24	24	24	21	23	25
Auto Maintenance Internal Service	2	2	2	2	2	2	2	2	1	1
Square Footage of Building(NEW-2015)									37,060	37,060
Electric										
Vehicles	21	22	23	24	22	19	20	17	18	18
Sanitation										
Vehicles	1	1	1	1	1	1	1	1	1	1
Telecommunications										
Vehicles	1	1	2	2	2	2	2	2	2	2
Wastewater										
Sanitary Sewers (miles)	81.744	113.457	113.591	113.591	113.610	113.799	114.327	114.406	114.419	114.778
Storm Sewers (miles)	48.288	83.439	84.512	86.10	86.53	88.05	88.52	90.00	90.94	91.68
Vehicles	8	7	7	7	7	7	7	6	6	5
Water Department										
Water Lines (miles)	85.628	109.305	110.425	110.432	110.432	113.609	113.636	114.145	114.145	114.781
Vehicles	10	10	10	11	10	10	10	10	10	11

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



Dave Yost • Auditor of State

CITY OF LEBANON

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 29, 2017