

CITY OF LEBANON, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

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INTRODUCTORY SECTION



**CITY OF LEBANON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Issued by:
Office of the Auditor**

**Sharee C. Dick
City Auditor**

City of Lebanon
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2015

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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 20, 2016

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

We are pleased to present the twenty-eighth Comprehensive Annual Financial Report (CAFR) for the City of Lebanon. This report for the year ended December 31, 2015 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, 2015, and included in this report is their unmodified opinion rendered on the City's basic financial statements. The Independent Auditor's Report is located at the front of the Financial Section of this report.

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

PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

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

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

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

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

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

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

MAJOR INITIATIVES

The City remains committed to providing a high quality of life for its citizens and businesses. Lebanon initiated and completed several key roadway improvement projects in 2015. These projects totaled over \$1.68 million and included the complete reconstruction of High Street and the resurfacing of various streets throughout the City. The reconstruction of High 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 a CDBG grant in the amount of \$280,000 to help support this project. The City's annual resurfacing and concrete replacement program totaled \$1.1 million and included multiple streets.

The City completed the construction of the \$3.7 million Municipal Service Facility. This state of the art 33,000 s.f. facility will support the street, parks, and auto maintenance operations for years to come. The building includes a vehicle bay, auto maintenance garage, a 3,000 ton salt storage building, office space, and other site improvements. The facility was co-located with the City's water / sewer administration and maintenance building to promote the sharing of resources between the operations. The old Public Works buildings were demolished, and the 6 acre site on North Broadway Avenue is currently being marketed by the City for redevelopment.

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 High Street, the existing water main on Chillicothe Avenue was 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 is in the process of upgrading

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

The City received two grants from the Ohio Department of Natural Resources totaling \$538,000 to purchase greenspace supporting the expansion of Colonial Park and the Bowman Nature Preserve. Both of these efforts help improve the aesthetics and functionality of the City's park system, and the overall quality of life in the Community.

LOCAL ECONOMY

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

Housing

Overall, the number of residential permits issued during 2015 (149) decreased 15% as compared to 2014 (176), which saw an increase of 3.5% from 2013 (170). However, the residential sector has increased, as reflected by the increase in permits issued for housing starts. In 2015, the number of new housing units (39) increased approximately 39% as compared to 2014 (32), which saw an increase of 130% from 2013 (10). The construction valuation of residential development in 2015 was \$3.3 million.

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

Commercial and Industrial

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'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.

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 2015, 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 2016. The residential sector continues to see investment in relation to new housing starts, as reflected by new construction permits issued during 2015.

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. The addition of 17 acres of interstate frontage industrial property in Kingsview Industrial Park following the closure of the well field in 2012 will provide a significant opportunity for high quality development.

The following are notable projects from 2015:

ADVICS Manufacturing Ohio – 1650 Kingsview Dr.

Investment: \$150 MM; Job Creation: 260

In July, ADVICS broke ground on a \$150 million plant expansion to their CPD facility. At build-out, the expansion will provide an additional 268,000 square feet of production capacity and create 260 new jobs.

Flint Group, Inc. – 2675 Henkle Drive

Investment: \$12,000,000; Job Creation: 0

The Flint Group, Inc. began construction in August on a 6,000 square foot expansion of their production facility. The \$12,000,000 expansion will provide additional production space and sustain growth potential for future business.

LCNB National Bank – 105 North Broadway

Investment: \$7,000,000; Job Creation: 29

The LCNB National Bank began construction of their new corporate headquarters facility in September. LCNB plans to occupy the new 45,000 square foot Class-A office building in late 2016. The new headquarters facility is located in Historic Downtown Lebanon and represents a significant capital investment within the Central Business District.

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, 2014. This was the twenty-seventh 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.

A handwritten signature in cursive script that reads "Sharee C. Dick".

Sharee C. Dick
City Auditor

A handwritten signature in cursive script that reads "Amy Brewer".

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, 2014

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

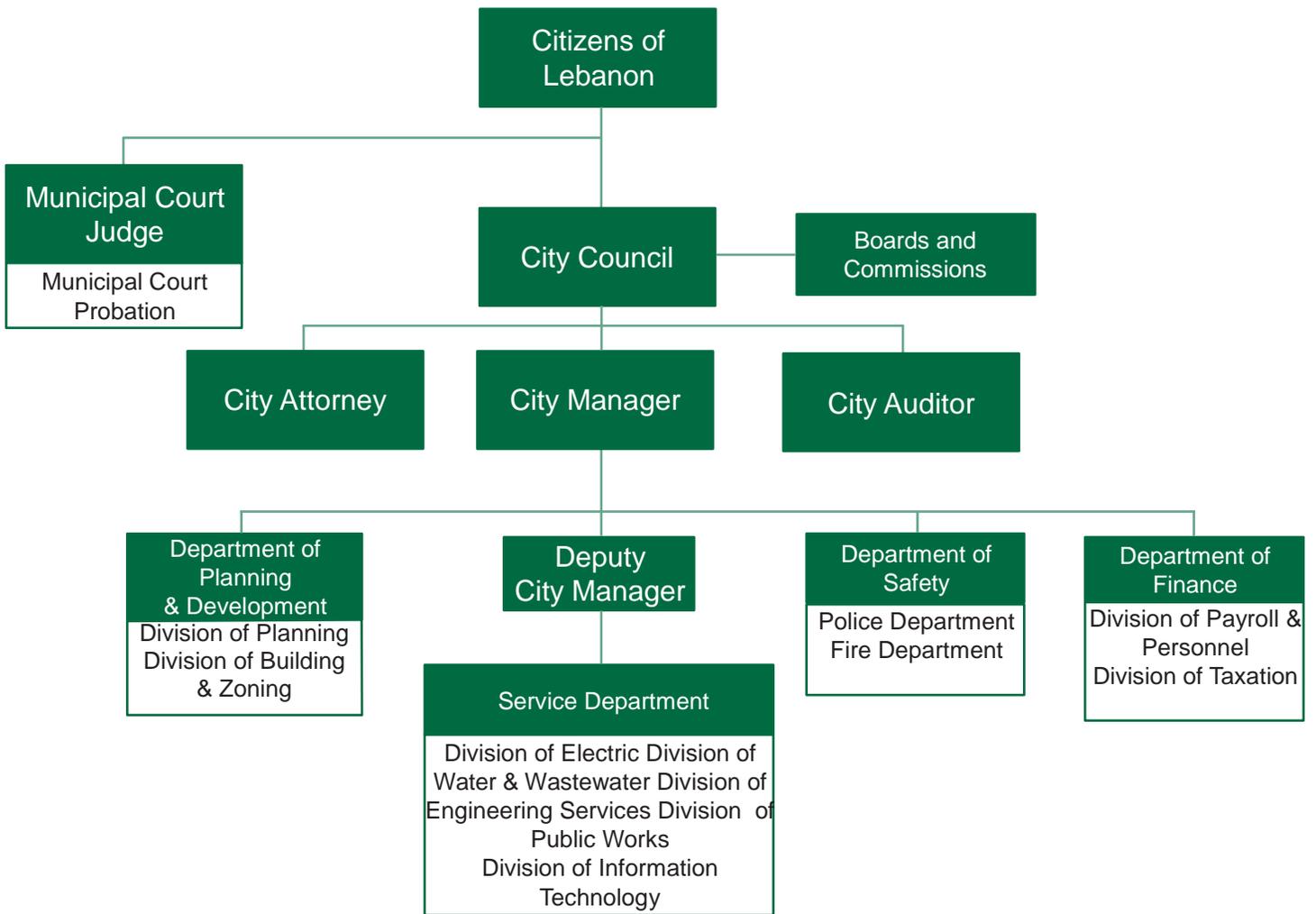
CITY AUDITOR

Sharee C. Dick

CITY ATTORNEY

Mark S. Yurick

CITY OF LEBANON ORGANIZATIONAL CHART



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FINANCIAL SECTION





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

INDEPENDENT AUDITOR'S REPORT

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Wilson, Shannon & Snow, Inc.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Warren County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire and Life Squad Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

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.

City of Lebanon
Warren County
Independent Auditor's Report

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 20, 2016

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CITY OF LEBANON, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015
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, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole, and readers are encouraged to review the transmittal letter and the basic financial statements and notes to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

The City's total net position increased \$7,048,072. Revenues of governmental activities exceeded expenses by \$2,509,535. 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 \$15,030,810 of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$6,670,921 of the revenues.

The City had \$19,108,065 in expenses related to governmental activities; \$6,670,921 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily income taxes) of \$15,030,810 were adequate enough to support these programs.

The City had \$36,245,547 in expenses related to business-type activities. \$40,493,646 of program specific charges for services and sales, together with \$206,307 in general revenues more than offset the expenses.

The City's Enterprise Funds reflected a total operating income of \$5,784,798 as follows: Electric Fund \$4,871,578, Sanitation Fund \$59,159, Sewer Fund \$389,798, Telecommunications Fund (\$12,339), Water Fund \$134,352, and Storm Water Utility Fund \$342,250.

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 13. 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 2015 compared to 2014.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total		
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014	Change
Assets:							
Current and Other Assets	\$30,601,968	\$31,113,961	\$46,822,204	\$42,955,510	\$77,424,172	\$74,069,471	\$3,354,701
Capital Assets	52,487,260	52,476,444	90,021,736	91,585,416	142,508,996	144,061,860	(1,552,864)
<i>Total Assets</i>	<u>83,089,228</u>	<u>83,590,405</u>	<u>136,843,940</u>	<u>134,540,926</u>	<u>219,933,168</u>	<u>218,131,331</u>	<u>1,801,837</u>
Deferred Outflows of Resources							
Deferred Charge on Refunding Pension	83,438	99,711	663,770	760,020	747,208	859,731	(112,523)
<i>Total Deferred Outflows of Resources</i>	<u>1,477,044</u>	<u>980,360</u>	<u>316,402</u>	<u>216,679</u>	<u>1,793,446</u>	<u>1,197,039</u>	<u>596,407</u>
Liabilities:							
Current and Other Liabilities	1,135,000	3,874,154	1,515,495	1,156,129	2,650,495	5,030,283	(2,379,788)
Long-Term Liabilities							
Net Pension Liability	10,377,229	9,884,571	1,776,376	1,736,253	12,153,605	11,620,824	532,781
Other Amounts	9,485,303	10,060,169	30,959,650	33,622,396	40,444,953	43,682,565	(3,237,612)
<i>Total Liabilities</i>	<u>20,997,532</u>	<u>23,818,894</u>	<u>34,251,521</u>	<u>36,514,778</u>	<u>55,249,053</u>	<u>60,333,672</u>	<u>(5,084,619)</u>
Deferred Inflows of Resources							
Property Tax	3,633,341	3,387,160	0	0	3,633,341	3,387,160	246,181
Payment in Lieu of Taxes	1,757,214	1,772,913	0	0	1,757,214	1,772,913	(15,699)
Pension	60,579	0	31,207	0	91,786	0	91,786
<i>Total Deferred Inflows of Resources</i>	<u>5,451,134</u>	<u>5,160,073</u>	<u>31,207</u>	<u>0</u>	<u>5,482,341</u>	<u>5,160,073</u>	<u>322,268</u>
Net Position:							
Net Investment in Capital Assets	44,393,758	41,585,043	60,080,356	59,251,800	104,474,114	100,836,843	3,637,271
Restricted	7,975,274	6,267,670	4,724,747	5,267,826	12,700,021	11,535,496	1,164,525
Unrestricted	5,832,012	7,838,796	38,736,281	34,483,221	44,568,293	42,322,017	2,246,276
<i>Total Net Position</i>	<u>\$58,201,044</u>	<u>\$55,691,509</u>	<u>\$103,541,384</u>	<u>\$99,002,847</u>	<u>\$161,742,428</u>	<u>\$154,694,356</u>	<u>\$7,048,072</u>

During 2015, the City adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. 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 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. Under the new standards required by GASB 68, the net pension liability equals 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.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$64,595,720 to \$55,691,509 for governmental activities and from \$100,522,421 to \$99,002,847 for business-type activities.

Governmental activities restricted net position increased \$1,707,604 mainly due to the tax increment financing fund. The City is limiting expenditures in the fund to grow a fund balance for a future road improvement projects within the tax increment financing district.

The net position of the City's business-type activities increased \$4,538,537. Unrestricted net position increased due to decreases in expenditures from less electrical power usage in 2015 as well as less building and ground repairs compared to the prior year. Also, the City strives to control operational expenses for business-type activities in order to maintain stability in charges for services and closely monitors the trends of the growing community in order to adjust for changes in City policy where necessary. City Council and administration are diligent in keeping the City fiscally strong, as indicated by the continued effort to achieve the goals set forth in the City's fiscal policy. The City's administration has developed a strategic planning process that utilizes a five-year capital improvement plan, which drives our operating budget and department superintendents are all involved in the entire process. The City's budget is developed from the bottom up with emphasis on good stewardship of our ratepayers' and taxpayers' money.

Table 2 shows the changes in net position for the years ended December 31, 2015 and 2014.

Table 2
Changes in Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$3,743,978	\$3,838,235	\$40,493,646	\$42,239,675	\$44,237,624	\$46,077,910
Operating Grants, Contributions and Interest	1,038,432	1,380,215	0	0	1,038,432	1,380,215
Capital Grants, Contributions and Interest	1,888,511	1,602,871	0	0	1,888,511	1,602,871
Total Program Revenues	6,670,921	6,821,321	40,493,646	42,239,675	47,164,567	49,060,996
General Revenues:						
Property Taxes	3,642,024	2,894,165	0	0	3,642,024	2,894,165
Income Taxes	7,425,983	6,751,574	0	0	7,425,983	6,751,574
Other Local Taxes	1,439,547	1,380,635	0	0	1,439,547	1,380,635
Payments in Lieu of Taxes	1,757,214	1,772,913	0	0	1,757,214	1,772,913
Grants and Entitlements Not Restricted to Specific Programs	406,357	750,994	0	0	406,357	750,994
Investment Earnings	64,872	396,425	139,240	282,679	204,112	679,104
Gain on Sale of Capital Assets	508	0	0	0	508	0
Other	294,305	384,300	67,067	103,639	361,372	487,939
Total General Revenues	15,030,810	14,331,006	206,307	386,318	15,237,117	14,717,324
Total Revenues	\$21,701,731	\$21,152,327	\$40,699,953	\$42,625,993	\$62,401,684	\$63,778,320

(continued)

Table 2
Changes in Net Position

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2015	2014	2015	2014	2015	2014
Program Expenses:						
General Government	\$3,924,199	\$3,858,814	\$0	\$0	\$3,924,199	\$3,858,814
Security of Persons and Property:						
Police	4,243,356	4,361,049	0	0	4,243,356	4,361,049
Fire	3,165,407	2,611,925	0	0	3,165,407	2,611,925
Public Health Services	196,806	211,544	0	0	196,806	211,544
Leisure Time Services	1,340,847	848,639	0	0	1,340,847	848,639
Community and Economic						
Development	1,021,078	1,459,944	0	0	1,021,078	1,459,944
Transportation	4,584,011	4,112,839	0	0	4,584,011	4,112,839
Intergovernmental	418,817	0	0	0	418,817	0
Interest and Fiscal Charges	213,544	239,369	0	0	213,544	239,369
Electric	0	0	26,348,054	29,100,455	26,348,054	29,100,455
Sanitation	0	0	1,625,356	1,568,798	1,625,356	1,568,798
Sewer	0	0	3,504,416	3,722,315	3,504,416	3,722,315
Telecommunications	0	0	161,943	132,226	161,943	132,226
Water	0	0	3,971,143	3,848,723	3,971,143	3,848,723
Storm Water Utility	0	0	634,635	664,189	634,635	664,189
Total Expenses	<u>19,108,065</u>	<u>17,704,123</u>	<u>36,245,547</u>	<u>39,036,706</u>	<u>55,353,612</u>	<u>56,740,829</u>
Change in Net Position						
Before Transfers	2,593,666	3,448,204	4,454,406	3,589,287	7,048,072	7,037,491
Transfers	<u>(84,131)</u>	<u>(2,420,508)</u>	<u>84,131</u>	<u>2,420,508</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u>2,509,535</u>	<u>1,027,696</u>	<u>4,538,537</u>	<u>6,009,795</u>	<u>\$7,048,072</u>	<u>\$7,037,491</u>
Net Position, January 1 (Restated)	<u>55,691,509</u>	N/A	<u>99,002,847</u>	N/A		
Net Position, December 31	<u>\$58,201,044</u>	<u>\$55,691,509</u>	<u>\$103,541,384</u>	<u>\$99,002,847</u>		

Governmental Activities

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$980,360 for governmental activities and \$216,679 for business-type activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,050,975 for governmental activities and \$193,227 for business-type activities. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$19,108,065	\$36,245,547	\$55,353,612
Pension expense under GASB 68	(1,050,975)	(193,227)	(1,244,202)
2015 contractually required contribution	994,423	221,620	1,216,043
Adjusted 2015 program expenses	19,051,513	36,273,940	55,325,453
Total 2014 program expenses under GASB 27	17,704,123	39,036,706	56,740,829
Change in program expenses not related to pension	\$1,347,390	(\$2,762,766)	(\$1,415,376)

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 74.78 percent of the revenue received in 2015 with business earnings contributing 9.09 percent and individuals 16.13 percent. The City has mandatory filing for all residents that work regardless of their age. The revenues are allocated in the following manner: 56 percent General Fund, 33 percent Capital Improvement Fund, and 11 percent to the Debt Service Fund. This allocation begins after administration costs for the Division of Taxation have been obtained for the current operating year. Income Taxes in the Governmental Activities increased \$674,409. During 2015, the City experienced increases in withholding income tax revenue due to the completion of several industrial park business expansions that increased the work force for these businesses. Also, retail businesses within the City have increased in numbers.

Recent projects undertaken in the City include the following:

ADVICS Manufacturing Ohio, Inc. ADVICS, the City's largest private employer broke ground on their \$150 million plant expansion in July 2015. At build-out, the expansion provided an additional 268,000 sq. ft. of production capacity and created 260 new jobs.

Flint Group, Inc. The Flint Group, Inc. began construction in August 2015 on a 6,000 sq. ft. expansion of their production facility. The \$12,000,000 expansion provided additional production space and sustaining growth potential for future business.

LCNB National Bank The LCNB National Bank began construction of their new corporate headquarters facility in September 2015. LNCB plans to occupy the new 45,000 sq. ft. Class-A office building in late 2016. The new headquarters facility is located in Historic Downtown Lebanon and represents a significant capital investment within the Central Business District.

Property taxes increased \$747,859 mainly due to the first year of collection on the Fire and EMS Levy tax rate change from 5.7 to 7 mills. Capital grants, contributions and interest increased \$285,640 mainly as a result of receiving grants in 2015 that the City did not receive in 2014 through OPWC and CDBG.

Table 3
Governmental Activities

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
General Government	\$3,924,199	\$2,942,719	\$3,858,814	\$1,392,547
Security of Persons and Property:				
Police	4,243,356	2,455,590	4,361,049	3,618,805
Fire	3,165,407	2,732,780	2,611,925	1,871,514
Public Health Services	196,806	39,591	211,544	72,439
Leisure Time Services	1,340,847	425,522	848,639	572,158
Community and				
Economic Development	1,021,078	1,012,949	1,459,944	1,451,814
Transportation	4,584,011	2,195,632	4,112,839	1,664,156
Intergovernmental	418,817	418,817	0	0
Interest and Fiscal Charges	213,544	213,544	239,369	239,369
Total Expenses	\$19,108,065	\$12,437,144	\$17,704,123	\$10,882,802

When looking at the sources of income to support governmental activities, it should be noted that total program revenues are 31 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 \$1,403,942 from the prior year. Transportation expenses increased \$471,172 and leisure time services expenses increased \$492,208. The increase was due to road and park maintenance projects.

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 \$2,239,488, as operating expenses decreased \$2,824,783. The primary cause of the overall increase in the fund was due to the decrease in electrical power usage. The Cities customers used less power in 2015 compared to 2014 which caused the City to purchase less power and bill for less 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. Expenses exceeded revenues causing an overall decrease in net position for 2015 of \$39,370.

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 \$76,932, and operating expenses decreased \$326,461. The City continues to monitor the costs associated with wastewater treatment. Changes in expenses are due to continued growth in the area and upgrades to the facility. 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 2015, the net position of this fund decreased \$14,116.

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 \$273,051, while operating expenses increased \$90,965.

Storm Water Utility operations manage the backlog of storm water infrastructure requirements, as well as to provide a funding mechanism to support unfunded Ohio Environmental Protection Agency mandates associated with storm water management. Each residential dwelling unit is billed at a flat fee of \$3.50 per month. For all other nonresidential properties, the rate is computed based on total impervious area of property divided by the average impervious area of an equivalent residential unit. In conjunction with the implementation of the Storm Water Utility, the City is programmed to take over responsibility for the repair and replacement of defective curbs and gutters along public streets. Storm Water Utility operating revenues increased \$127,837 from 2014, and operating expenses decreased \$36,650.

THE CITY'S FUNDS

Information about the City's governmental funds begins on page 20. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,696,009 and expenditures of \$21,754,603. The General Fund balance decreased \$47,025. This was due to the transfers out to other funds of \$415,000.

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 2015.

The Fire and Life Squad Fund balance increased \$795,511 due to the first 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 \$1,069,489 due City building balance within this fund to use in following years on major road improvement within the tax increment financing district.

The Capital Improvement Fund balance increased \$1,485,382 due to the less expenditures with the completion of the construction on the new Municipal Service facility.

General Fund Budgeting Highlights

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

Original General Fund budgeted revenues and other financing sources were \$10,803,478. Final General Fund budgeted revenues and other financing sources were \$11,145,978. The variance between original and final budgeted revenues and other financing sources was \$342,500. This was primarily due to the expected increase in income and other local taxes. Actual revenues and other financing sources were \$263,612 less than final budgeted revenues and other financing sources due to the City over estimating other local tax revenue. Original appropriations and other financing uses were \$10,818,535, and final appropriations and other financing uses were \$11,863,608. The variance between original and final appropriations and other financing uses was \$1,045,073, due mainly to an increase in leisure time activities with the purchase of land for the park as well as improvements to the park. Actual expenditures were \$950,096 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 2015 compared to 2014:

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$15,882,789	\$15,323,811	\$4,346,419	\$4,354,568	\$20,229,208	\$19,678,379
Construction in Progress	133,820	3,799,059	2,372,790	2,552,671	2,506,610	6,351,730
Land Improvements	573,370	626,569	0	0	573,370	626,569
Buildings and Improvements	6,567,158	3,107,589	12,410,140	13,200,423	18,977,298	16,308,012
Equipment	484,958	516,479	1,140,840	1,174,522	1,625,798	1,691,001
Vehicles	1,550,918	1,434,011	1,387,613	1,228,812	2,938,531	2,662,823
Infrastructure	27,294,247	27,668,926	68,363,934	69,074,420	95,658,181	96,743,346
Totals	\$52,487,260	\$52,476,444	\$90,021,736	\$91,585,416	\$142,508,996	\$144,061,860

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, 2015 and 2014:

Table 5
Outstanding Long-Term Debt at Year-End

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$6,245,984	\$6,861,017	\$0	\$0	\$6,245,984	\$6,861,017
Police Pension	16,639	17,180	0	0	16,639	17,180
Mortgage Revenue Bonds	0	0	29,605,150	32,093,636	29,605,150	32,093,636
Bond Anticipation Notes	2,007,350	2,010,088	1,000,000	1,200,000	3,007,350	3,210,088
	\$8,269,973	\$8,888,285	\$30,605,150	\$33,293,636	\$38,875,123	\$42,181,921

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

As of December 31, 2015, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$43,763,308, and the unvoted debt margin was \$22,923,638. For more information regarding long-term obligations and short-term bond anticipation notes, refer to Notes 15 and 16 of the notes to the basic financial statements.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

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CITY OF LEBANON, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$21,429,424	\$31,471,388	\$52,900,812
Accounts Receivable, Net	0	7,147,174	7,147,174
Intergovernmental Receivable	730,438	24,975	755,413
Accrued Interest Receivable	38,153	30,185	68,338
Prepaid Items	41,330	61,984	103,314
Internal Balances	(463,111)	463,111	0
Materials and Supplies Inventory	254,581	2,246,789	2,501,370
Income Taxes Receivable	2,936,627	0	2,936,627
Property Taxes Receivable	3,778,349	0	3,778,349
Other Local Taxes Receivable	5,078	0	5,078
Payment in Lieu of Taxes Receivable	1,757,214	0	1,757,214
Special Assessments Receivable	93,885	0	93,885
Restricted Cash and Cash Equivalents	0	1,486,880	1,486,880
Cash and Cash Equivalents with Fiscal Agents	0	3,889,718	3,889,718
Nondepreciable Capital Assets	16,016,609	6,719,209	22,735,818
Depreciable Capital Assets, Net	36,470,651	83,302,527	119,773,178
Total Assets	83,089,228	136,843,940	219,933,168
Deferred Outflows of Resources:			
Deferred Charge on Refunding	83,438	663,770	747,208
Pension	1,477,044	316,402	1,793,446
Total Deferred Outflows of Resources:	1,560,482	980,172	2,540,654
Liabilities:			
Accounts Payable	196,398	413,363	609,761
Accrued Wages Payable	259,394	59,292	318,686
Intergovernmental Payable	316,358	67,413	383,771
Contracts Payable	43,378	316,500	359,878
Accrued Interest Payable	28,900	104,547	133,447
Claims Payable	269,468	0	269,468
Refundable Deposits	0	554,380	554,380
Matured Compensated Absences Payable	21,104	0	21,104
Long-Term Liabilities:			
Due Within One Year	884,637	2,642,331	3,526,968
Due in More Than One Year:			
Net Pension Liability (See Note 12)	10,377,229	1,776,376	12,153,605
Other Amounts	8,600,666	28,317,319	36,917,985
Total Liabilities	20,997,532	34,251,521	55,249,053
Deferred Inflows of Resources:			
Property Taxes	3,633,341	0	3,633,341
Payment in Lieu of Taxes	1,757,214	0	1,757,214
Pension	60,579	31,207	91,786
Total Deferred Inflows of Resources	5,451,134	31,207	5,482,341
Net Position:			
Net Investment in Capital Assets	44,393,758	60,080,356	104,474,114
Restricted for:			
Debt Service	374,420	3,792,247	4,166,667
Capital Outlay	4,260,071	0	4,260,071
Security of Persons and Property	632,345	0	632,345
Public Health Services	1,431,189	0	1,431,189
Community and Economic Development	197,964	0	197,964
Transportation	1,079,285	0	1,079,285
Revenue Bonds Replacement and Improvement	0	932,500	932,500
Unrestricted	5,832,012	38,736,281	44,568,293
Total Net Position	\$58,201,044	\$103,541,384	\$161,742,428

See Accompanying Notes to the Basic Financial Statements

**CITY OF LEBANON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$3,924,199	\$981,480	\$0	\$0
Security of Persons and Property:				
Police	4,243,356	1,787,766	0	0
Fire	3,165,407	432,627	0	0
Public Health Services	196,806	153,546	0	3,669
Leisure Time Services	1,340,847	356,308	20,750	538,267
Community and Economic Development	1,021,078	8,129	0	0
Transportation	4,584,011	24,122	1,017,682	1,346,575
Intergovernmental	418,817	0	0	0
Interest and Fiscal Charges	213,544	0	0	0
Total Governmental Activities	19,108,065	3,743,978	1,038,432	1,888,511
Business-Type Activities:				
Electric	26,348,054	30,582,103	0	0
Sanitation	1,625,356	1,683,702	0	0
Sewer	3,504,416	3,461,898	0	0
Telecommunications	161,943	145,296	0	0
Water	3,971,143	3,643,684	0	0
Storm Water Utility	634,635	976,963	0	0
Total Business-Type Activities	36,245,547	40,493,646	0	0
Total Activities	\$55,353,612	\$44,237,624	\$1,038,432	\$1,888,511

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 - Restated (See Note 3)

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$2,942,719)	\$0	(\$2,942,719)
(2,455,590)	0	(2,455,590)
(2,732,780)	0	(2,732,780)
(39,591)	0	(39,591)
(425,522)	0	(425,522)
(1,012,949)	0	(1,012,949)
(2,195,632)	0	(2,195,632)
(418,817)	0	(418,817)
(213,544)	0	(213,544)
<u>(12,437,144)</u>	<u>0</u>	<u>(12,437,144)</u>
0	4,234,049	4,234,049
0	58,346	58,346
0	(42,518)	(42,518)
0	(16,647)	(16,647)
0	(327,459)	(327,459)
0	342,328	342,328
<u>0</u>	<u>4,248,099</u>	<u>4,248,099</u>
<u>(12,437,144)</u>	<u>4,248,099</u>	<u>(8,189,045)</u>
1,002,485	0	1,002,485
2,639,539	0	2,639,539
7,425,983	0	7,425,983
1,439,547	0	1,439,547
1,757,214	0	1,757,214
406,357	0	406,357
64,872	139,240	204,112
508	0	508
294,305	67,067	361,372
(84,131)	84,131	0
<u>14,946,679</u>	<u>290,438</u>	<u>15,237,117</u>
2,509,535	4,538,537	7,048,072
<u>55,691,509</u>	<u>99,002,847</u>	<u>154,694,356</u>
<u>\$58,201,044</u>	<u>\$103,541,384</u>	<u>\$161,742,428</u>

**CITY OF LEBANON, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,946,857	\$694,809	\$3,944,944
Materials and Supplies Inventory	27,762	39,547	0
Prepaid Items	16,608	10,991	0
Income Taxes Receivable	1,820,596	0	0
Property Taxes Receivable	1,011,232	2,767,117	0
Other Local Taxes Receivable	5,078	0	0
Payment in Lieu of Taxes Receivable	0	0	1,757,214
Accrued Interest Receivable	27,349	0	0
Intergovernmental Receivable	196,573	30,797	0
Special Assessments Receivable	0	0	0
Advances to Other Funds	366,639	0	0
Total Assets	\$9,418,694	\$3,543,261	\$5,702,158
Liabilities:			
Accounts Payable	\$129,353	\$28,093	\$0
Accrued Wages Payable	200,434	50,023	0
Contracts Payable	0	0	34,027
Intergovernmental Payable	165,953	50,843	88,101
Matured Compensated Absences	21,104	0	0
Due to Other Funds	4,917	2,130	0
Advances From Other Funds	0	0	366,639
Total Liabilities	521,761	131,089	488,767
Deferred Inflows of Resources:			
Property Taxes	969,659	2,663,682	0
Payment in Lieu of Taxes	0	0	1,757,214
Unavailable Revenue	1,488,261	134,232	0
Total Deferred Inflows of Resources	2,457,920	2,797,914	1,757,214
Fund Balances:			
Nonspendable	411,009	50,538	0
Restricted	0	563,720	3,456,177
Committed	0	0	0
Assigned	628,373	0	0
Unassigned	5,399,631	0	0
Total Fund Balances	6,439,013	614,258	3,456,177
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$9,418,694	\$3,543,261	\$5,702,158

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$2,633,706	\$6,248,111	\$19,468,427
0	125,372	192,681
0	11,162	38,761
837,023	279,008	2,936,627
0	0	3,778,349
0	0	5,078
0	0	1,757,214
3,321	5,084	35,754
0	503,068	730,438
0	93,885	93,885
0	0	366,639
<u>\$3,474,050</u>	<u>\$7,265,690</u>	<u>\$29,403,853</u>
\$9,457	\$25,742	\$192,645
0	5,583	256,040
9,351	0	43,378
0	8,062	312,959
0	0	21,104
0	13,335	20,382
0	0	366,639
<u>18,808</u>	<u>52,722</u>	<u>1,213,147</u>
0	0	3,633,341
0	0	1,757,214
<u>739,639</u>	<u>764,185</u>	<u>3,126,317</u>
<u>739,639</u>	<u>764,185</u>	<u>8,516,872</u>
0	136,534	598,081
0	3,124,581	7,144,478
2,715,603	3,187,668	5,903,271
0	0	628,373
0	0	5,399,631
<u>2,715,603</u>	<u>6,448,783</u>	<u>19,673,834</u>
<u>\$3,474,050</u>	<u>\$7,265,690</u>	<u>\$29,403,853</u>

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**CITY OF LEBANON, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015**

Total Governmental Fund Balances \$19,673,834

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	15,882,789	
Construction in Progress	133,820	
Other Capital Assets	17,778,496	
Infrastructure	63,455,452	
Accumulated Depreciation	<u>(44,763,297)</u>	
Total Capital Assets		52,487,260

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	1,753,007	
Capital Assets	(93,004)	
Deferred Outflows - Pension	(18,611)	
Deferred Inflows - Pension	1,836	
Net Pension Liability	104,493	
Compensated Absences	<u>24,372</u>	
Total		1,772,093

Adjustment to reflect the consolidation of internal service fund activities related to enterprise activity. (466,931)

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	2,232,098	
Property Taxes	145,008	
Interest Revenue	32,793	
Intergovernmental	622,533	
Special Assessments	<u>93,885</u>	
Total		3,126,317

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. (28,900)

Deferred Outflows of Resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds. 83,438

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	1,477,044	
Deferred Inflows - Pension	(60,579)	
Net Pension Liability	<u>(10,377,229)</u>	
Total		(8,960,764)

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	(222,701)	
Premium on Notes	(7,350)	
Bonds	(6,023,283)	
Notes	(2,000,000)	
Police Pension	(16,639)	
Compensated Absences	<u>(1,215,330)</u>	
Total Liabilities		<u>(9,485,303)</u>

Net Position of Governmental Activities \$58,201,044

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, 2015

	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund
Revenues:			
Property Taxes	\$998,974	\$2,652,142	\$0
Income Taxes	4,137,996	0	0
Other Local Taxes	1,439,547	0	0
Payments in Lieu of Taxes	0	0	1,757,214
Special Assessments	0	0	0
Charges for Services	2,288,180	432,627	8,129
Fines, Licenses and Permits	633,613	0	0
Intergovernmental	941,446	65,198	0
Interest	54,916	0	0
Contributions and Donations	20,750	0	0
Other	144,383	19,387	0
Total Revenues	10,659,805	3,169,354	1,765,343
Expenditures:			
Current:			
General Government	3,889,277	0	0
Security of Persons and Property:			
Police	4,273,572	0	0
Fire	0	2,646,167	0
Public Health Services	0	0	0
Leisure Time Services	1,190,800	0	0
Community and Economic Development	944,563	0	155,363
Transportation	0	0	0
Intergovernmental	0	0	418,817
Capital Outlay	0	61,046	69,174
Debt Service:			
Principal Retirement	541	0	0
Interest and Fiscal Charges	724	0	10,000
Total Expenditures	10,299,477	2,707,213	653,354
Excess of Revenues Over (Under) Expenditures	360,328	462,141	1,111,989
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	7,647	8,370	0
Transfers In	0	325,000	0
Transfers Out	(415,000)	0	(42,500)
Bond Anticipation Notes Issued	0	0	0
Premium on Debt Issued	0	0	0
Total Other Financing Sources (Uses)	(407,353)	333,370	(42,500)
Net Change in Fund Balances	(47,025)	795,511	1,069,489
Fund Balances at Beginning of Year	6,486,038	(181,253)	2,386,688
Fund Balances at End of Year	\$6,439,013	\$614,258	\$3,456,177

See Accompanying Notes to the Basic Financial Statements

Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$0	\$3,651,116
2,199,729	718,001	7,055,726
0	0	1,439,547
0	0	1,757,214
0	324	324
0	158,026	2,886,962
0	223,403	857,016
2,638,800	1,029,268	4,674,712
172	3,249	58,337
0	0	20,750
120,760	9,775	294,305
<u>4,959,461</u>	<u>2,142,046</u>	<u>22,696,009</u>
0	16,050	3,905,327
0	94,200	4,367,772
0	0	2,646,167
0	158,906	158,906
0	7,590	1,198,390
0	0	1,099,926
183,174	1,034,332	1,217,506
0	0	418,817
3,332,319	443,713	3,906,252
1,400,000	1,195,000	2,595,541
23,067	206,208	239,999
<u>4,938,560</u>	<u>3,155,999</u>	<u>21,754,603</u>
<u>20,901</u>	<u>(1,013,953)</u>	<u>941,406</u>
14,481	0	30,498
0	682,500	1,007,500
(550,000)	0	(1,007,500)
2,000,000	0	2,000,000
0	22,050	22,050
<u>1,464,481</u>	<u>704,550</u>	<u>2,052,548</u>
1,485,382	(309,403)	2,993,954
<u>1,230,221</u>	<u>6,758,186</u>	<u>16,679,880</u>
<u>\$2,715,603</u>	<u>\$6,448,783</u>	<u>\$19,673,834</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, 2015**

Net Change in Fund Balances - Total Governmental Funds \$2,993,954

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	3,626,680	
Assets transferred from governmental activities during the year to enterprise funds	280,108	
Current Year Depreciation	<u>(3,865,982)</u>	
Excess of Capital Outlay over Depreciation Expense		40,806

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	(30,498)	
Gain on Sale of Capital Assets	<u>508</u>	
Total		(29,990)

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	(9,092)	
Income Taxes	370,257	
Special Assessments	(324)	
Intergovernmental	(1,366,918)	
Interest Revenue	<u>12,359</u>	
Total		(993,718)

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	595,000	
Note Principal Retirement	2,000,000	
Police Pension Principal Retirement	<u>541</u>	
Total Long-Term Obligation Repayment		2,595,541

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	20,873	
Amortization of Note Premium	24,788	
Amortization of Loss on Refunding	(16,273)	
Accrued Interest	<u>(2,093)</u>	
Total		26,455

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

Note Proceeds	(2,000,000)	
Premium on Notes	<u>(22,050)</u>	
Total		(\$2,022,050)

(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, 2015**

(continued)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	\$994,423
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(1,050,975)
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	(43,446)
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	(204,477)
Depreciation of Capital Assets	2,384
Capital Asset Transfer to Governmental	200,000
Contractually Required Contributions for Pension	(13,036)
Pension Expense	11,366
Increase in Compensated Absences	2,298
Total	<u>(1,465)</u>
Change in Net Position of Governmental Activities	<u>\$2,509,535</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$1,240,025	\$998,974	\$998,974	\$0
Income Taxes	3,934,250	4,128,883	4,128,883	0
Other Local Taxes	1,385,000	1,772,570	1,438,770	(333,800)
Charges for Services	2,250,650	2,250,650	2,294,151	43,501
Fines, Licenses and Permits	521,500	635,714	635,714	0
Intergovernmental	933,000	942,973	942,973	0
Interest	125,150	125,150	148,713	23,563
Contributions and Donations	22,500	22,500	20,750	(1,750)
Other	134,995	139,509	144,383	4,874
Total Revenues	10,547,070	11,016,923	10,753,311	(263,612)
Expenditures:				
Current:				
General Government	4,037,884	4,275,182	4,004,946	270,236
Security of Persons and Property:				
Police	4,968,222	4,882,219	4,427,612	454,607
Leisure Time Services	631,345	1,275,006	1,237,452	37,554
Community and Economic Development	1,091,084	1,141,201	953,502	187,699
Total Expenditures	10,728,535	11,573,608	10,623,512	950,096
Excess of Revenues Over (Under) Expenditures	(181,465)	(556,685)	129,799	686,484
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	10,000	7,647	7,647	0
Advances In	246,408	121,408	121,408	0
Transfers Out	(90,000)	(290,000)	(290,000)	0
Total Other Financing Sources (Uses)	166,408	(160,945)	(160,945)	0
Net Change in Fund Balance	(15,057)	(717,630)	(31,146)	686,484
Fund Balance at Beginning of Year	4,895,868	4,895,868	4,895,868	0
Prior Year Encumbrances Appropriated	183,254	183,254	183,254	0
Fund Balance at End of Year	\$5,064,065	\$4,361,492	\$5,047,976	\$686,484

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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Revenues:				
Property Taxes	\$2,775,000	\$2,761,295	\$2,652,142	(\$109,153)
Charges for Services	450,000	450,000	432,627	(17,373)
Intergovernmental	234,500	65,448	65,198	(250)
Other	15,000	19,387	19,387	0
Total Revenues	<u>3,474,500</u>	<u>3,296,130</u>	<u>3,169,354</u>	<u>(126,776)</u>
Expenditures:				
Current:				
Security of Persons and Property	2,923,068	2,929,624	2,789,776	139,848
Capital Outlay	161,000	162,665	83,106	79,559
Total Expenditures	<u>3,084,068</u>	<u>3,092,289</u>	<u>2,872,882</u>	<u>219,407</u>
Excess of Revenues Over Expenditures	<u>390,432</u>	<u>203,841</u>	<u>296,472</u>	<u>92,631</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	8,370	8,370	0
Transfers In	0	200,000	200,000	0
Advances Out	(125,000)	(125,000)	0	125,000
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>83,370</u>	<u>208,370</u>	<u>125,000</u>
Net Change in Fund Balance	265,432	287,211	504,842	217,631
Fund Balance at Beginning of Year	102,234	102,234	102,234	0
Prior Year Encumbrances Appropriated	14,636	14,636	14,636	0
Fund Balance at End of Year	<u>\$382,302</u>	<u>\$404,081</u>	<u>\$621,712</u>	<u>\$217,631</u>

See Accompanying Notes to the Basic Financial Statements

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$23,421,825	\$501,322	\$3,128,052
Accounts Receivable, Net	4,018,713	198,303	348,677
Intergovernmental Receivable	0	0	24,975
Accrued Interest Receivable	22,230	622	3,048
Prepaid Items	34,494	2,131	19,557
Materials and Supplies Inventory	1,897,965	0	98,517
Due from Other Funds	0	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agents	1,591,003	0	629,578
 Total Current Assets	 30,986,230	 702,378	 4,252,404
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	998,630	0	240,000
Cash and Cash Equivalents with Fiscal Agents	543,271	0	275,103
Nondepreciable Capital Assets	3,182,331	54,000	802,353
Depreciable Capital Assets, Net	12,018,619	7	24,047,738
 Total Noncurrent Assets	 16,742,851	 54,007	 25,365,194
 Total Assets	 \$47,729,081	 \$756,385	 \$29,617,598

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$206,623	\$3,601,718	\$611,848	\$31,471,388	\$1,960,997
2,000,000	397,011	184,470	7,147,174	0
0	0	0	24,975	0
0	3,554	731	30,185	2,399
457	5,345	0	61,984	2,569
115,624	134,683	0	2,246,789	61,900
0	0	0	0	24,202
0	436,980	0	2,657,561	0
2,322,704	4,579,291	797,049	43,640,056	2,052,067
0	248,250	0	1,486,880	0
0	413,783	0	1,232,157	0
0	2,621,285	59,240	6,719,209	64,666
28,690	26,842,540	20,364,933	83,302,527	28,338
28,690	30,125,858	20,424,173	92,740,773	93,004
\$2,351,394	\$34,705,149	\$21,221,222	\$136,380,829	\$2,145,071

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015
(continued)

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	\$409,668	\$0	\$166,982
	<u>204,730</u>	<u>0</u>	<u>74,448</u>
Total Deferred Outflows of Resources	<u>614,398</u>	<u>0</u>	<u>241,430</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	122,522	113,777	53,286
Accrued Wages Payable	34,438	2,211	13,439
Contracts Payable	316,500	0	0
Intergovernmental Payable	35,109	2,440	12,963
Accrued Interest Payable	36,003	0	31,564
Due to Other Funds	1,893	44	132
Claims Payable	0	0	0
Compensated Absences Payable	52,103	3,187	13,127
General Obligation Bonds Payable	0	0	0
Mortgage Revenue Bonds Payable	1,555,000	0	605,000
Total Current Liabilities	<u>2,153,568</u>	<u>121,659</u>	<u>729,511</u>
Long-term Liabilities:			
Refundable Deposits	506,130	0	0
Compensated Absences Payable	154,409	108	57,190
Notes Payable	0	0	1,000,000
Mortgage Revenue Bonds Payable	8,813,341	0	6,444,221
Net Pension Liability	1,149,420	0	417,971
Total Long-term Liabilities	<u>10,623,300</u>	<u>108</u>	<u>7,919,382</u>
Total Liabilities	<u>12,776,868</u>	<u>121,767</u>	<u>8,648,893</u>
Deferred Inflows of Resources:			
Pension	20,193	0	7,343
Net Position:			
Net Investment in Capital Assets	5,242,277	54,007	16,967,852
Restricted for:			
Debt Service	2,098,271	0	880,103
Revenue Bonds			
Replacement and Improvement	492,500	0	240,000
Unrestricted	<u>27,713,370</u>	<u>580,611</u>	<u>3,114,837</u>
Total Net Position	<u>\$35,546,418</u>	<u>\$634,618</u>	<u>\$21,202,792</u>

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

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water	Totals	Activities
Fund	Fund	Utility		Internal
		Fund		Service Funds
\$0	\$87,120	\$0	\$663,770	\$0
0	37,224	0	316,402	18,611
0	124,344	0	980,172	18,611
11,962	110,180	1,636	413,363	3,753
2,019	5,854	1,331	59,292	3,354
0	0	0	316,500	0
2,097	13,512	1,292	67,413	3,399
0	36,980	0	104,547	0
0	1,509	242	3,820	0
0	0	0	0	269,468
5,630	6,918	1,366	82,331	6,703
0	0	0	0	0
0	400,000	0	2,560,000	0
21,708	574,953	5,867	3,607,266	286,677
0	48,250	0	554,380	0
24,434	36,028	0	272,169	17,669
0	0	0	1,000,000	0
0	11,787,588	0	27,045,150	0
0	208,985	0	1,776,376	104,493
24,434	12,080,851	0	30,648,075	122,162
46,142	12,655,804	5,867	34,255,341	408,839
0	3,671	0	31,207	1,836
28,690	17,363,357	20,424,173	60,080,356	93,004
0	813,873	0	3,792,247	0
0	200,000	0	932,500	0
2,276,562	3,792,788	791,182	38,269,350	1,660,003
<u>\$2,305,252</u>	<u>\$22,170,018</u>	<u>\$21,215,355</u>	103,074,453	<u>\$1,753,007</u>
			466,931	
			<u>\$103,541,384</u>	

CITY OF LEBANON, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities		
	Electric Fund	Sanitation Fund	Sewer Fund
Operating Revenues:			
Charges for Services and Sales	\$30,582,103	\$1,683,702	\$3,461,898
Other	50,788	613	2,912
Total Operating Revenues	<u>30,632,891</u>	<u>1,684,315</u>	<u>3,464,810</u>
Operating Expenses:			
Personal Services	1,743,456	139,121	680,254
Contractual Services	1,275,948	1,467,924	1,210,858
Purchased Power	21,171,021	0	0
Supplies and Materials	384,698	0	136,931
Claims	0	0	0
Depreciation	1,178,025	17,810	1,045,930
Other	8,165	301	1,039
Total Operating Expenses	<u>25,761,313</u>	<u>1,625,156</u>	<u>3,075,012</u>
Operating Income (Loss)	<u>4,871,578</u>	<u>59,159</u>	<u>389,798</u>
Non-Operating Revenues (Expenses):			
Interest	132,835	1,471	13,259
Other Non-Operating Revenues	167	0	0
Loss on Sale of Capital Assets	(41,546)	0	0
Interest and Fiscal Charges	(545,847)	0	(429,570)
Total Non-Operating Revenues (Expenses)	<u>(454,391)</u>	<u>1,471</u>	<u>(416,311)</u>
Income (Loss) Before Contributions	4,417,187	60,630	(26,513)
Capital Contributions	0	0	0
Transfers Out	(80,108)	(100,000)	0
Change in Net Position	4,337,079	(39,370)	(26,513)
Net Position at Beginning of Year - Restated (See Note 3)	<u>31,209,339</u>	<u>673,988</u>	<u>21,229,305</u>
Net Position at End of Year	<u>\$35,546,418</u>	<u>\$634,618</u>	<u>\$21,202,792</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
\$145,296	\$3,643,684	\$976,963	\$40,493,646	\$2,016,432
0	9,816	423	64,552	215,233
145,296	3,653,500	977,386	40,558,198	2,231,665
106,104	323,150	67,361	3,059,446	175,263
43,687	723,883	145,144	4,867,444	369,221
0	0	0	21,171,021	0
3,389	1,483,564	3,498	2,012,080	13,546
0	0	0	0	1,673,192
4,455	985,509	419,133	3,650,862	2,384
0	3,042	0	12,547	0
157,635	3,519,148	635,136	34,773,400	2,233,606
(12,339)	134,352	342,250	5,784,798	(1,941)
0	(4,826)	(3,499)	139,240	(1,068)
2,348	0	0	2,515	0
0	(8,149)	0	(49,695)	0
(4,125)	(444,378)	0	(1,423,920)	0
(1,777)	(457,353)	(3,499)	(1,331,860)	(1,068)
(14,116)	(323,001)	338,751	4,452,938	(3,009)
0	0	364,239	364,239	0
0	(50,000)	(50,000)	(280,108)	(200,000)
(14,116)	(373,001)	652,990	4,537,069	(203,009)
2,319,368	22,543,019	20,562,365		1,956,016
\$2,305,252	\$22,170,018	\$21,215,355		\$1,753,007
			1,468	
			\$4,538,537	

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$31,064,017	\$1,669,797	\$3,488,969
Cash Received from Interfund Services Provided	0	0	0
Cash Payments for Employee Services and Benefits	(1,815,011)	(141,704)	(705,293)
Cash Payments to Suppliers for Goods and Services	(22,454,400)	(1,464,896)	(1,336,273)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	0	0
Other Operating Revenues	50,788	613	2,912
Other Operating Expenses	(8,165)	(301)	(1,039)
Other Non-Operating Revenues	167	0	0
Utility Deposits Received	145,987	0	0
Utility Deposits Returned	(148,140)	0	0
Net Cash Provided by Operating Activities	<u>6,835,243</u>	<u>63,509</u>	<u>1,449,276</u>
Cash Flows from Capital and Related Financing Activities:			
Cash Received from Special Assessments	0	0	5,387
Collection of Accounts Receivable Related to the Sale of Discontinued Segments of Telecommunications Operation	0	0	0
Proceeds from Sale of Capital Assets	11,750	0	0
Acquisition of Capital Assets	(1,167,571)	(50,000)	(212,075)
Proceeds from Sale of Notes	0	0	1,000,000
Principal Paid on Notes	0	0	(1,000,000)
Interest Paid on Notes	0	0	0
Principal Paid on Mortgage Revenue Bonds	(200,000)	0	0
Interest and Fiscal Charges Paid on Mortgage Revenue Bonds	(143,113)	0	0
Principal Paid on Refunding Mortgage Bonds	(1,295,000)	0	(575,000)
Interest and Fiscal Charges Paid on Refunding Mortgage Bonds	(348,725)	0	(416,631)
Net Cash Used for Capital and Related Financing Activities	<u>(3,142,659)</u>	<u>(50,000)</u>	<u>(1,198,319)</u>
Cash Flows from Investing Activities:			
Interest	<u>121,230</u>	<u>1,199</u>	<u>6,508</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,813,814	14,708	257,465
Cash and Cash Equivalents at Beginning of Year	<u>22,740,915</u>	<u>486,614</u>	<u>4,015,268</u>
Cash and Cash Equivalents at End of Year	<u><u>\$26,554,729</u></u>	<u><u>\$501,322</u></u>	<u><u>\$4,272,733</u></u>

See Accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental
Telecommunications	Water	Storm Water		Activities-
Fund	Fund	Utility	Total	Internal
		Fund		Service Funds
\$145,296	\$3,685,744	\$845,170	\$40,898,993	\$0
0	0	0	0	2,014,552
(107,232)	(331,786)	(69,543)	(3,170,569)	(179,974)
(34,503)	(2,136,507)	(150,226)	(27,576,805)	(384,799)
0	0	0	0	(1,627,081)
0	9,816	423	64,552	215,233
0	(3,042)	0	(12,547)	0
2,348	0	0	2,515	0
0	10,745	0	156,732	0
0	(10,245)	0	(158,385)	0
<u>5,909</u>	<u>1,224,725</u>	<u>625,824</u>	<u>10,204,486</u>	<u>37,931</u>
0	0	0	5,387	0
125,000	0	0	125,000	0
0	0	0	11,750	0
0	(280,043)	(354,807)	(2,064,496)	0
0	0	0	1,000,000	0
(200,000)	0	0	(1,200,000)	0
(4,500)	0	0	(4,500)	0
0	0	0	(200,000)	0
0	0	0	(143,113)	0
0	(390,000)	0	(2,260,000)	0
0	(451,563)	0	(1,216,919)	0
<u>(79,500)</u>	<u>(1,121,606)</u>	<u>(354,807)</u>	<u>(5,946,891)</u>	<u>0</u>
0	(6,113)	(3,717)	119,107	(1,997)
(73,591)	97,006	267,300	4,376,702	35,934
<u>280,214</u>	<u>4,603,725</u>	<u>344,548</u>	<u>32,471,284</u>	<u>1,925,063</u>
<u>\$206,623</u>	<u>\$4,700,731</u>	<u>\$611,848</u>	<u>\$36,847,986</u>	<u>\$1,960,997</u>

(continued)

CITY OF LEBANON, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
(CONTINUED)

	Business-type Activities -		
	Electric Fund	Sanitation Fund	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided <u>by Operating Activities:</u>			
Operating Income (Loss)	\$4,871,578	\$59,159	\$389,798
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	1,178,025	17,810	1,045,930
Other Non-Operating Revenues	167	0	0
Changes in Assets and Liabilities:			
(Increase) Decrease in Materials and Supplies Inventory	34,923	0	(15,094)
(Increase) Decrease in Accounts Receivable	481,914	(13,905)	35,070
Increase in Interfund Receivable	0	0	0
Increase in Intergovernmental Receivable	0	0	(7,999)
(Increase) Decrease in Prepaids Items	(15,847)	(1,968)	(5,916)
Decrease in Deferred Outflows of Resources - Pension	12,136	0	4,413
Increase (Decrease) in Accounts Payable	87,649	5,059	32,786
(Decrease) in Accrued Wages Payable	(48,157)	(2,179)	(15,411)
Increase in Contracts Payable	271,392	0	0
(Decrease) in Intergovernmental Payable	(20,766)	(1,294)	(7,567)
Increase (Decrease) in Interfund Payable	(850)	(63)	(260)
Increase in Claims Payable	0	0	0
Increase (Decrease) in Liabilities Payable from Restricted Assets	(2,153)	0	0
Increase (Decrease) in Compensated Absences Payable	15,739	890	4,620
(Decrease) in Net Pension Liability	(21,190)	0	(7,705)
(Decrease) in Deferred Inflows of Resources - Pension	(9,317)	0	(3,389)
Net Cash Provided by Operating Activities	<u>\$6,835,243</u>	<u>\$63,509</u>	<u>\$1,449,276</u>
<u>Noncash Capital Financing Activities:</u>			
Assets Transferred To Governmental Funds	(\$80,108)	(\$100,000)	\$0

See Accompanying Notes to the Basic Financial Statements

Telecommunications Fund	Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Storm Water Utility Fund	Total	
(\$12,339)	\$134,352	\$342,250	\$5,784,798	(\$1,941)
4,455	985,509	419,133	3,650,862	2,384
2,348	0	0	2,515	0
0	(2,659)	0	17,170	(4,400)
0	42,060	(131,793)	413,346	0
0	0	0	0	(3,080)
0	0	0	(7,999)	0
774	1,845	0	(21,112)	(185)
0	2,206	0	18,755	1,103
11,837	70,724	(1,582)	206,473	3,753
(2,525)	(6,945)	(1,398)	(76,615)	(3,327)
0	0	0	271,392	0
(1,125)	(480)	(623)	(31,855)	(2,013)
(38)	1,030	(2)	(183)	0
0	0	0	0	46,111
0	500	0	(1,653)	0
2,522	2,130	(161)	25,740	2,298
0	(3,853)	0	(32,748)	(1,926)
0	(1,694)	0	(14,400)	(846)
<u>\$5,909</u>	<u>\$1,224,725</u>	<u>\$625,824</u>	<u>\$10,204,486</u>	<u>\$37,931</u>
\$0	(\$50,000)	(\$50,000)	(\$280,108)	(\$200,000)

CITY OF LEBANON, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2015

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$320
Cash and Cash Equivalents in Segregated Accounts	<u>47,608</u>
Total Assets	<u><u>\$47,928</u></u>
Liabilities:	
Intergovernmental Payable	\$24,960
Undistributed Monies	<u>22,968</u>
Total Liabilities	<u><u>\$47,928</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, 2015

Note 1 - Reporting Entity

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

Reporting Entity

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

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

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

Jointly Governed Organizations:

Warren County Combined Health District

Insurance Purchasing Pool:

Ohio Municipal League Group Retrospective Rating Program

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

The 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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 results of operations. The City has two agency funds: one is used to account for municipal court collections that are distributed to various other governments and the other is used to distribute income tax revenues to Turtlecreek Township.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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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.

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.

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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 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.

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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, 2015, but which were levied to finance 2016 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 26. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12)

Expenses/Expenditures

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

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

Pensions

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

Budgetary Process

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

CITY OF LEBANON, OHIO
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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."

During 2015, the City's investments were limited to STAROhio, U.S. Treasury Securities, Money Market Fund, and negotiable certificates of deposit.

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

STAROhio is an investment pool managed by the State Treasurer's office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for at December 31, 2015.

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Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest income is distributed to the funds according to Ohio statutory requirements and the City charter. Investments of the cash management pool and investments with original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Inventory

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

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015 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.

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

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

<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.

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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.

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.

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.

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Deferred Charge on Refunding

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

Net Position

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

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

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debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

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

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

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 2015 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.

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Operating Revenues and Expenses

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

Internal Activity

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

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

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

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 in 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.

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 3 – Change in Accounting Principle and Restatement of Net Position

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position December 31, 2014	\$64,595,720	\$100,522,421
Adjustments:		
Net Pension Liability	(9,884,571)	(1,736,253)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>980,360</u>	<u>216,679</u>
Restated Net Position December 31, 2014	<u><u>\$55,691,509</u></u>	<u><u>\$99,002,847</u></u>

	<u>Electric Fund</u>	<u>Sanitation Fund</u>	<u>Sewer Fund</u>	<u>Telecommunications Fund</u>
Net position December 31, 2014	\$32,192,593	\$673,988	\$21,586,852	\$2,319,368
Adjustments:				
Net Pension Liability	(1,123,458)	0	(408,530)	0
Deferred Outflow - Payments Subsequent to Measurement Date	<u>140,204</u>	<u>0</u>	<u>50,983</u>	<u>0</u>
Restated Net Position December 31, 2014	<u><u>\$31,209,339</u></u>	<u><u>\$673,988</u></u>	<u><u>\$21,229,305</u></u>	<u><u>\$2,319,368</u></u>

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	Water Fund	Storm Water Utility Fund	Total Enterprise Funds
	<u> </u>	<u> </u>	<u> </u>
Net position December 31, 2014	\$22,721,792	\$20,562,365	\$100,056,958
Adjustments:			
Net Pension Liability	(204,265)	0	(1,736,253)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>25,492</u>	<u>0</u>	<u>216,679</u>
Restated Net Position December 31, 2014	<u>\$22,543,019</u>	<u>\$20,562,365</u>	\$98,537,384
		Internal Activity	465,463
		Restated Net Position December 31, 2014	<u>\$99,002,847</u>

	Automotive Maintenance Fund	Other Internal Service Funds	Total Internal Service Funds
	<u> </u>	<u> </u>	<u> </u>
Net position December 31, 2014	\$416,063	\$1,629,340	\$2,045,403
Adjustments:			
Net Pension Liability	(102,133)	0	(102,133)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>12,746</u>	<u>0</u>	<u>12,746</u>
Restated Net Position December 31, 2014	<u>\$326,676</u>	<u>\$1,629,340</u>	<u>\$1,956,016</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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	(\$47,025)	\$795,511
Revenue Accruals	(3,596)	0
Expenditure Accruals	(101,459)	(92,572)
Encumbrances	(222,576)	(73,097)
Advances	121,408	0
Transfers	125,000	(125,000)
Unrecorded Cash - 2014	159,557	0
Unrecorded Cash - 2015	(70,266)	0
Net Increase in Fair Value of Investments - 2014	613,850	0
Net Increase in Fair Value of Investments - 2015	(606,039)	0
Budget Basis	(\$31,146)	\$504,842

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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if 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: As of December 31, 2015, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		S&P Rating	Percent of Total Investments
		Less than 1	1 - 3		
Federal Farm Credit Banks Consolidation Bonds	\$250,005	\$250,005	\$0	AA+	1.65%
Federal Home Loan Mortgage Corporation Bonds	3,035,840	3,035,840	0	AA+	20.06%
Federal National Mortgage Association Bonds	1,485,180	1,485,180	0	AA+	9.81%
Federal Home Loan Banks Bonds	1,846,106	1,846,106	0	AA+	12.20%
STAROhio	100,553	100,553	0	AAAm	N/A
Negotiable Certificates of Deposits	8,317,537	850,296	7,467,241	N/A	54.95%
Money Market Accounts	100,529	100,529	0	N/A	N/A
Totals	<u>\$15,135,750</u>	<u>\$7,668,509</u>	<u>\$7,467,241</u>		

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

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

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

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015 on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014 are levied after October 1, 2015 and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015 was \$9.82 per \$1,000 of assessed value. The assessed values of real and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$412,672,770
Public Utility Real Property	4,120,640
Total	\$416,793,410

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The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which were measurable as of December 31, 2015 and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

Note 7 - Payments in Lieu of Taxes

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

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

Note 8 - Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2015, the proceeds were allocated to the General Fund, the Capital Improvement Capital Projects Fund, and the Debt Service nonmajor governmental fund.

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Note 9 - Receivables

Receivables at December 31, 2015 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 \$2,000,000 accounts receivable in the telecommunications fund relates to the sale of the telecommunications system to Cincinnati Bell that occurred in 2007. Of this amount, \$1,875,000 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 \$31,106. The City has \$21,717 in delinquent special assessments at December 31, 2015. Property taxes, income taxes, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. All receivables are considered fully collectible except utility accounts and interfund receivable. The full amount of the advances to other funds is not expected to be repaid within one year. The following table provides a summary of business-type activities accounts receivable:

	Accounts Receivable	Uncollectible	Accounts Receivable, Net
Utility	\$5,197,687	\$50,513	\$5,147,174
Telecommunications	2,000,000	0	2,000,000
Total	\$7,197,687	\$50,513	\$7,147,174

A summary of intergovernmental receivables follows:

Governmental Activities:

Local Government Assistance	\$117,422
Warren County Reimbursement for Baliff Services	7,187
Homestead and Rollback	93,034
Permissive Motor Vehicle License Tax	121,299
Motor Vehicle Tax	176,598
Gasoline Tax	205,171
Wireless 911	9,727
Total Governmental Activities	730,438

Business-Type Activities:

Village of South Lebanon Sewage Processing Fees	24,975
Total Intergovernmental Receivables	\$755,413

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Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2015 was as follows:

	Balance at 12/31/14	Additions	Deductions	Balance at 12/31/15
<u>Governmental Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$15,323,811	\$558,978	\$0	\$15,882,789
Construction in Progress	3,799,059	1,448,058	(5,113,297)	133,820
Total Capital Assets, Not Being Depreciated	<u>19,122,870</u>	<u>2,007,036</u>	<u>(5,113,297)</u>	<u>16,016,609</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	\$1,245,985	\$0	\$0	\$1,245,985
Buildings and Improvements	6,422,283	3,723,027	(32,320)	10,112,990
Equipment	1,770,129	81,129	(61,743)	1,789,515
Vehicles	4,339,846	405,395	(115,235)	4,630,006
Infrastructure	60,651,954	2,803,498	0	63,455,452
Total Capital Assets, Being Depreciated	<u>74,430,197</u>	<u>7,013,049</u>	<u>(209,298)</u>	<u>81,233,948</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(619,416)	(53,199)	0	(672,615)
Buildings and Improvements	(3,314,694)	(247,037)	15,899	(3,545,832)
Equipment	(1,253,650)	(99,081)	48,174	(1,304,557)
Vehicles	(2,905,835)	(288,488)	115,235	(3,079,088)
Infrastructure	(32,983,028)	(3,178,177)	0	(36,161,205)
Total Accumulated Depreciation	<u>(41,076,623)</u>	<u>(3,865,982)*</u>	<u>179,308</u>	<u>(44,763,297)</u>
Total Capital Assets, Being Depreciated, Net	<u>33,353,574</u>	<u>3,147,067</u>	<u>(29,990)</u>	<u>36,470,651</u>
Governmental Activities Capital Assets, Net	<u>\$52,476,444</u>	<u>\$5,154,103</u>	<u>(\$5,143,287)</u>	<u>\$52,487,260</u>

Additions to capital assets being depreciated include \$280,108 transferred to governmental activities from business-type activities.

* Depreciation expense was charged to governmental functions as follows:

General Government	\$31,024
Security of Persons and Property:	
Police	90,130
Fire	188,293
Public Health Services	43,040
Leisure Time Services	138,216
Community and Economic Development	11,100
Transportation	3,364,179
Total Depreciation Expense	<u>\$3,865,982</u>

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	Balance at 12/31/14	Additions	Deductions	Balance at 12/31/15
<u>Business-Type Activities</u>				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$4,354,568	\$8,954	(\$17,103)	\$4,346,419
Construction in Progress	2,552,671	710,733	(890,614)	2,372,790
Total Capital Assets, Not Being Depreciated	<u>6,907,239</u>	<u>719,687</u>	<u>(907,717)</u>	<u>6,719,209</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	27,515,297	0	(28,000)	27,487,297
Equipment	6,859,153	114,773	(161,529)	6,812,397
Vehicles	2,851,958	309,453	(121,874)	3,039,537
Infrastructure	101,281,956	1,904,282	(11,786)	103,174,452
Total Capital Assets, Being Depreciated	<u>138,508,364</u>	<u>2,328,508</u>	<u>(323,189)</u>	<u>140,513,683</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(14,314,874)	(790,283)	28,000	(15,077,157)
Equipment	(5,684,631)	(99,284)	112,358	(5,671,557)
Vehicles	(1,623,146)	(150,652)	121,874	(1,651,924)
Infrastructure	(32,207,536)	(2,610,643)	7,661	(34,810,518)
Total Accumulated Depreciation	<u>(53,830,187)</u>	<u>(3,650,862)</u>	<u>269,893</u>	<u>(57,211,156)</u>
Total Capital Assets, Being Depreciated, Net	<u>84,678,177</u>	<u>(1,322,354)</u>	<u>(53,296)</u>	<u>83,302,527</u>
Business-Type Activities Capital Assets, Net	<u><u>\$91,585,416</u></u>	<u><u>(\$602,667)</u></u>	<u><u>(\$961,013)</u></u>	<u><u>\$90,021,736</u></u>

Deductions to capital assets being depreciated include \$280,108 transferred from business-type activities to governmental activities.

Note 11 - Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracts with Marsh & McLennan – Travelers and HCC Specialty Insurance 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 & McLennan – Travelers and HCC Specialty Insurance, who reviews each accident claim.

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Coverage provided by the insurance follows:

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

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

Workers' Compensation

For year 2015, the City participated in the Ohio Municipal League Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the City by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience, and a common premium rate is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to cities that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

Employee Benefits

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

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The City pays into the Self-Insurance Internal Service Fund \$1,150 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 \$269,468 reported in the fund at December 31, 2015 is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The claims liability was based on an estimate provided by an actuary. This estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the past two years were:

	<u>Balance at January 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at December 31,</u>
2014	\$174,934	\$1,511,794	\$1,463,371	\$223,357
2015	223,357	1,673,192	1,627,081	269,468

Note 12 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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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.

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):

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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:

	<u>State and Local</u>
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$651,820 for 2015. Of this amount, \$46,304 is reported as an intergovernmental payable.

CITY OF LEBANON, OHIO
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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.

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:

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	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
 2015 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
 Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
 Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$564,223 for 2015. Of this amount \$43,571 is reported as an intergovernmental payable.

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, 2014, 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, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$5,224,636	\$6,928,969	\$12,153,605
Proportion of the Net Pension Liability	0.043318%	0.133753%	
Pension Expense	\$568,313	\$675,889	\$1,244,202

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS	OP&F	Total
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$278,771	\$298,632	\$577,403
City contributions subsequent to the measurement date	651,820	564,223	1,216,043
Total Deferred Outflows of Resources	\$930,591	\$862,855	\$1,793,446
Deferred Inflows of Resources			
Differences between expected and actual experience	\$91,786	\$0	\$91,786

\$1,216,043 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2016	\$27,342	\$74,658	\$102,000
2017	27,342	74,658	102,000
2018	62,607	74,658	137,265
2019	69,694	74,658	144,352
Total	\$186,985	\$298,632	\$485,617

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 in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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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 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 6.95 percent for 2014.

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 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

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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 statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 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:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$9,611,831	\$5,224,636	\$1,529,559

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, 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, 2014, are presented below:

Valuation Date	January 1, 2014
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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

* levered 2x

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

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current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$9,583,811	\$6,928,969	\$4,681,123

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.

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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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, 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.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. 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 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 employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The City's contribution allocated to fund postemployment healthcare benefits for the years ended December 31, 2015, 2014, and 2013 was \$109,474, \$212,034, and \$287,890, respectively. For 2015, 65.44 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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.

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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.

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, 2015 through December 31, 2015. 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.

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The City's contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$10,387 and \$2,810 for the year ended December 31, 2015, \$61,342 and \$19,059 for the year ended December 31, 2014, and \$49,342 and \$15,424 for the year ended December 31, 2013. For 2015, 93.12 percent has been contributed for police and 86.98 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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, 2015 follows:

<u>Governmental Activities</u>	Balance at December 31, 2014	Increases	Decreases	Balance at December 31, 2015
Capital Projects				
Various Purpose, 1.00%	\$2,200,000	\$0	\$2,200,000	\$0

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.

Note 16 - Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2015 follows:

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Types/ Issues	Restated Balance at December 31, 2014	Increases	Decreases	Balance at December 31, 2015	Amount Due in One Year
<u>Unvoted General Obligation Bonds:</u>					
2008 - 3.5 to 4.75% \$3,750,000					
Road Improvement Refunding	\$2,085,000	\$0	\$270,000	\$1,815,000	\$285,000
Premium on Debt Issue	60,078	0	4,622	55,456	0
2013 - 2.0 to 3.0% \$2,311,603					
Road Improvement Refunding					
Serial Bonds	1,805,000	0	215,000	1,590,000	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	840	840	0	1,680	0
Premium on Debt Issue	104,343	0	11,812	92,531	0
2013 - 2.0 to 3.0% \$2,655,000					
Road Improvement Bonds					
Serial Bonds	960,000	0	110,000	850,000	115,000
Term Bonds	1,520,000	0	0	1,520,000	0
Premium on Debt Issue	79,153	0	4,439	74,714	0
Total - Unvoted General Obligation Bonds	<u>6,861,017</u>	<u>840</u>	<u>615,873</u>	<u>6,245,984</u>	<u>615,000</u>
<u>Other Long-Term Obligations</u>					
2014 - 1.00 %					
123 Connector Improvement Bond					
Anticipation Notes \$1,500,000	2,000,000	0	2,000,000	0	0
Premium	10,088	0	10,088	0	0
2015 - 1.00 %					
123 Connector Improvement Bond					
Anticipation Notes \$2,000,000	0	2,000,000	0	2,000,000	0
Premium	0	22,050	14,700	7,350	0
Compensated Absences Payable	1,171,884	447,903	404,457	1,215,330	269,073
Police Pension	17,180	0	541	16,639	564
Total - Other Long-Term Obligations	<u>3,199,152</u>	<u>2,469,953</u>	<u>2,429,786</u>	<u>3,239,319</u>	<u>269,637</u>
<u>Net Pension Liability</u>					
OP&F	6,514,196	414,773	0	6,928,969	0
OPERS	3,370,375	77,885	0	3,448,260	0
Total - Net Pension Liability	<u>9,884,571</u>	<u>492,658</u>	<u>0</u>	<u>10,377,229</u>	<u>0</u>
Total - Governmental Activities	<u>\$19,944,740</u>	<u>\$2,963,451</u>	<u>\$3,045,659</u>	<u>\$19,862,532</u>	<u>\$884,637</u>

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

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

The capital appreciation bonds, issued at \$1,603, are not subject to prior redemption. The capital appreciation bonds will mature in 2022, with a maturity amount of \$10,000, including interest. For 2015, the capital appreciation bonds were accreted \$840.

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

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

Compensated absences will be paid from the General, Transportation, Cemetery, and Fire and Life Squad Funds. The police pension liability is a fixed long-term obligation, paid from the General Fund from general property tax revenue. The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see Note 12.

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 will be refinanced in April 2016 as disclosed in Note 23.

Changes in the long-term obligations reported in business-type activities of the City during 2015 were as follows:

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	Restated Balance at December 31, 2014	Increases	Decreases	Balance at December 31, 2015	Amounts Due in One Year
<u>Mortgage Revenue Bonds</u>					
2006 - 4.00 to 5.00% \$10,690,000					
Sewer System Improvement					
Refunding	\$7,595,000	\$0	\$575,000	\$7,020,000	\$605,000
Premium on Debt Issue	32,467	0	3,246	29,221	0
2006 - 3.75 to 4.50% \$18,170,000					
Electric System Improvement Refunding	8,465,000	0	1,295,000	7,170,000	1,350,000
Premium on Debt Issue	67,759	0	9,680	58,079	0
2008 - 4.0 to 4.50% \$4,465,000					
Electric System Improvement	3,345,000	0	200,000	3,145,000	205,000
Discount on Debt Issue	(5,133)	0	(395)	(4,738)	0
2012 - 2.0 to 4.0% \$13,650,000					
Water System Improvement Refunding	12,430,000	0	390,000	12,040,000	400,000
Premium on Debt Issue	163,543	0	15,955	147,588	0
Total - Mortgage Revenue Bonds Payable	<u>32,093,636</u>	<u>0</u>	<u>2,488,486</u>	<u>29,605,150</u>	<u>2,560,000</u>
<u>Bond Anticipation Notes</u>					
2012 - 2.25% \$550,000 Telecom System Improvement Bonds	200,000	0	200,000	0	0
2014 - 1.00% \$1,000,000 Sewer System Improvement Bond Anticipation Notes	1,000,000	0	1,000,000	0	0
2015 - 1.00% \$1,000,000 Sewer System Improvement Bond Anticipation Notes	0	1,000,000	0	1,000,000	0
Total - Bond Anticipation Notes	<u>1,200,000</u>	<u>1,000,000</u>	<u>1,200,000</u>	<u>1,000,000</u>	<u>0</u>
Net Pension Liability - OPERS	1,736,253	40,123	0	1,776,376	0
Compensated Absences Payable	328,760	125,804	100,064	354,500	82,331
Total - Enterprise Funds	<u>\$35,358,649</u>	<u>\$1,165,927</u>	<u>\$3,788,550</u>	<u>\$32,736,026</u>	<u>\$2,642,331</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 62 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$8,678,576. Principal and interest paid for the current year were \$898,681. Total net revenues were \$1,446,075, and total revenues were \$3,475,157.

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.

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

The City has pledged future electric revenues, net of operating expenses, to repay the electric system mortgage revenue bonds in the Electric Fund. The debt is payable solely from net revenues and is payable through 2027. Annual principal and interest payments on the debt issues are expected to require 32 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$12,292,547. Principal and interest paid for the current year were \$1,986,838. Total net revenues were \$6,131,650, and total revenues were \$30,714,938.

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 49 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$18,162,073. Principal and interest paid for the current year were \$841,563. Total net revenues were \$1,105,219, and total revenues were \$3,638,858.

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

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

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

Compensated absences will be paid from the Electric, Sanitation, Sewer, Telecommunications, Water, Storm Water Utility, and Automotive Maintenance Funds. The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see Note 12.

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 FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$43,763,308, and the unvoted debt margin was \$22,923,638.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2015 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>
2016	\$615,000	\$179,126	\$564	\$702	\$0	\$0
2017	630,000	161,126	588	677	0	0
2018	455,000	140,278	614	652	0	0
2019	460,000	128,288	640	625	0	0
2020	470,000	117,218	667	597	0	0
2021-2025	1,995,000	392,098	3,795	2,534	1,603	8,397
2026-2030	1,060,000	135,832	4,680	1,646	0	0
2031-2035	335,000	15,150	5,091	552	0	0
Totals	<u>\$6,020,000</u>	<u>\$1,269,116</u>	<u>\$16,639</u>	<u>\$7,985</u>	<u>\$1,603</u>	<u>\$8,397</u>

Year	Business-Type Activities	
	Mortgage Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>
2016	\$2,560,000	\$1,170,732
2017	2,345,000	1,060,156
2018	2,420,000	974,656
2019	2,510,000	885,206
2020	2,610,000	787,606
2021-2025	8,475,000	2,636,924
2026-2030	3,595,000	1,427,818
2031-2035	3,330,000	722,700
2036-2037	1,530,000	92,400
Totals	<u>\$29,375,000</u>	<u>\$9,758,198</u>

Note 17 - Interfund Activity

Interfund Receivable/Payable

As of December 31, 2015, 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.

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

		Receivable Governmental Activities - <u>Internal Service</u>
Payable	General	\$4,917
	Fire and Life Squad	2,130
	All Nonmajor Governmental	13,335
	Electric	1,893
	Sanitation	44
	Sewer	132
	Water	1,509
	Storm Water Utility	242
	Total	<u><u>\$24,202</u></u>

Advances From/To Other Funds

The General Fund advanced monies to the Tax Increment Financing Capital Projects Fund for the purchase of property for use as an industrial park. The property is being developed and used by several corporations, who are leasing the property from the City. The advance is being repaid over time, with lease payments received by the participating companies. As of year-end, the outstanding balance of the advance is \$366,639. Of the total amount due to the General Fund at year-end, \$245,231 is not expected to be repaid in 2016.

Transfers From/To Other Funds

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

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

CITY OF LEBANON, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

		Transfers From			Total
		General Fund	Tax Increment Financing Fund	Capital Improvement Fund	
Transfers To	Fire and Life Squad Fund	\$325,000	\$0	\$0	\$325,000
	All Nonmajor Governmental	90,000	42,500	550,000	682,500
	Total	<u>\$415,000</u>	<u>\$42,500</u>	<u>\$550,000</u>	<u>\$1,007,500</u>

Note 18 - Jointly Governed Organization and Insurance Purchasing Pool

Jointly Governed Organization

Warren County Combined Health District

The Warren County Combined Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to representation on the Board. The City contributed \$14,577 during 2015 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 Retrospective Rating Program

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

Note 19 - Fund Balances

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

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Fund Balances	General Fund	Fire and Life Squad Fund	Tax Increment Financing Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>						
Interfund Loans	\$366,639	\$0	\$0	\$0	\$0	\$366,639
Inventory	27,762	39,547	0	0	125,372	192,681
Prepays	16,608	10,991	0	0	11,162	38,761
<i>Total Nonspendable</i>	<u>411,009</u>	<u>50,538</u>	<u>0</u>	<u>0</u>	<u>136,534</u>	<u>598,081</u>
<u>Restricted for:</u>						
Road Improvements	0	0	0	0	548,694	548,694
Public Safety	0	563,720	0	0	696,082	1,259,802
Public Health Services	0	0	0	0	743,002	743,002
Community and Economic Development	0	0	0	0	197,964	197,964
Capital Improvements	0	0	3,456,177	0	90,417	3,546,594
Debt Service Payments	0	0	0	0	134,945	134,945
Issue II Improvements	0	0	0	0	713,477	713,477
<i>Total Restricted</i>	<u>0</u>	<u>563,720</u>	<u>3,456,177</u>	<u>0</u>	<u>3,124,581</u>	<u>7,144,478</u>
<u>Committed to:</u>						
Leisure Time Services	0	0	0	0	86,807	86,807
Debt Service Payments	0	0	0	0	3,100,861	3,100,861
Capital Improvements	0	0	0	2,715,603	0	2,715,603
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,715,603</u>	<u>3,187,668</u>	<u>5,903,271</u>
<u>Assigned to:</u>						
Purchases on Order	99,383	0	0	0	0	99,383
Future Appropriations	528,990	0	0	0	0	528,990
<i>Total Assigned</i>	<u>628,373</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>628,373</u>
<u>Unassigned</u>	<u>5,399,631</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,399,631</u>
Total Fund Balances	<u><u>\$6,439,013</u></u>	<u><u>\$614,258</u></u>	<u><u>\$3,456,177</u></u>	<u><u>\$2,715,603</u></u>	<u><u>\$6,448,783</u></u>	<u><u>\$19,673,834</u></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, 2015

Governmental Funds:

General	\$222,576
Fire and Life Squad	73,097
Tax Increment Financing	86,008
Capital Improvement	110,106
Nonmajor Governmental Funds	658,761
Total Governmental Funds	<u>1,150,548</u>

Enterprise Funds:

Electric	3,794,206
Sanitation	12,692
Sewer	251,829
Telecommunications	12,795
Water	941,667
Storm Water Utility	218,127
Total Enterprise Funds	<u>5,231,316</u>

Internal Service Funds:

Automotive Maintenance	4,806
Self Insurance	475,410
Total Internal Service Fund	<u>480,216</u>

Total	<u><u>\$6,862,080</u></u>
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Contractual Commitments

The City of Lebanon has entered into the following contracts as of December 31, 2015:

Contractor	Purpose	Amount Remaining
Delta Star	Columbia Substation Transformers	\$1,050,648
Rack and Ballauer Excavating	Maple Avenue Reconstruction	1,167,117
Alstom Grid Incorporated	CR Substation Project	127,271
Electrical Power	CR Substation Project	140,615
Tatman Associates	CR Substation Project	234,000
Eaton	CR Substation Project	1,097,609
Conger Construction	Columbia Road Substation Control Building	383,500
Choice One Engineering	North East Street Design	11,776
GPD	Substation Engineering Columbia/Mills Road	106,826
Unger Construction	North Zone Booster Station Design Building	453,622
Northwest Consultants	Engineering - Columbia Road	86,008

CITY OF LEBANON, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 21 – Joint Economic Development District

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

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

Note 22 - Contingent Liabilities

Litigation

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

Note 23 - Subsequent Event

On April 14, 2016, the City issued \$1,935,000 in 2016 Municipal Services Facility General Obligation Bonds for the purpose of refinancing the \$1,935,000 of the State Route 123/63 Connector Project Notes.

On April 14, 2016, the City issued \$4,600,000 on 2016 Bond Anticipation Notes for the purpose of refinancing the \$1,000,000 Sewer Improvement Project Notes and issuing new amount of \$3,600,000 for Columbia Road Reconstruction and Turtle Creek Pump Station Improvement Projects Notes.

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 TWO YEARS (1)

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.043318%	0.043318%
City's Proportionate Share of the Net Pension Liability	\$5,224,636	\$5,106,628
City's Covered-Employee Payroll	\$5,310,750	\$5,297,364
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	96.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal 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 TWO YEARS (1)**

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.133753%	0.133753%
City's Proportionate Share of the Net Pension Liability	\$6,928,969	\$6,514,196
City's Covered-Employee Payroll	\$2,790,353	\$2,376,423
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	248.32%	274.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

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

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

(1) Information prior to 2013 is not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$564,223	\$559,748	\$402,727	\$347,603
Contributions in Relation to the Contractually Required Contribution	<u>(564,223)</u>	<u>(559,748)</u>	<u>(402,727)</u>	<u>(347,603)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$2,821,335	\$2,790,353	\$2,376,423	\$2,507,346
Contributions as a Percentage of Covered-Employee Payroll:	20.00%	20.06%	16.95%	13.86%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$391,612	\$360,709	\$335,833	\$342,193	\$304,027	\$245,161
<u>(391,612)</u>	<u>(360,709)</u>	<u>(335,833)</u>	<u>(342,193)</u>	<u>(304,027)</u>	<u>(245,161)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,828,138	\$2,632,137	\$2,443,026	\$2,489,536	\$2,222,121	\$1,974,734
13.85%	13.70%	13.75%	13.75%	13.68%	12.41%

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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 special assessment and general obligation principal and interest and fiscal charges. The City has only one Debt Service Fund.

(continued)

CITY OF LEBANON, OHIO

NONMAJOR FUND DESCRIPTIONS

(Continued)

CAPITAL PROJECTS FUNDS

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

NONMAJOR CAPITAL PROJECTS FUNDS

Cemetery Improvement Fund

To account for and report fees restricted for cemetery improvements.

OPWC Capital Grant Fund

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

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,242,220	\$3,201,997	\$803,894	\$6,248,111
Materials and Supplies Inventory	125,372	0	0	125,372
Prepaid Items	11,162	0	0	11,162
Income Taxes Receivable	0	279,008	0	279,008
Accrued Interest Receivable	1,079	4,005	0	5,084
Intergovernmental Receivable	503,068	0	0	503,068
Special Assessments Receivable	0	93,885	0	93,885
Total Assets	<u>\$2,882,901</u>	<u>\$3,578,895</u>	<u>\$803,894</u>	<u>\$7,265,690</u>
Liabilities:				
Accounts Payable	\$25,742	\$0	\$0	\$25,742
Accrued Wages Payable	5,583	0	0	5,583
Intergovernmental Payable	8,062	0	0	8,062
Due to Other Funds	13,335	0	0	13,335
Total Liabilities	<u>52,722</u>	<u>0</u>	<u>0</u>	<u>52,722</u>
Deferred Inflows of Resources:				
Unavailable Revenue	421,096	343,089	0	764,185
Fund Balances:				
Nonspendable	136,534	0	0	136,534
Restricted	2,185,742	134,945	803,894	3,124,581
Committed	86,807	3,100,861	0	3,187,668
Total Fund Balances	<u>2,409,083</u>	<u>3,235,806</u>	<u>803,894</u>	<u>6,448,783</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$2,882,901</u>	<u>\$3,578,895</u>	<u>\$803,894</u>	<u>\$7,265,690</u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Income Taxes	\$0	\$718,001	\$0	\$718,001
Special Assessments	0	324	0	324
Charges for Services	147,926	0	10,100	158,026
Fines, Licenses and Permits	223,403	0	0	223,403
Intergovernmental	1,029,268	0	0	1,029,268
Interest	4,286	(1,037)	0	3,249
Other	9,775	0	0	9,775
Total Revenues	<u>1,414,658</u>	<u>717,288</u>	<u>10,100</u>	<u>2,142,046</u>
Expenditures:				
Current:				
General Government	16,050	0	0	16,050
Security of Persons and Property:				
Police	94,200	0	0	94,200
Public Health Services	155,044	0	3,862	158,906
Leisure Time Services	7,590	0	0	7,590
Transportation	1,034,332	0	0	1,034,332
Capital Outlay	207,037	0	236,676	443,713
Debt Service:				
Principal Retirement	0	1,195,000	0	1,195,000
Interest and Fiscal Charges	0	206,208	0	206,208
Total Expenditures	<u>1,514,253</u>	<u>1,401,208</u>	<u>240,538</u>	<u>3,155,999</u>
Excess of Revenues Under Expenditures	<u>(99,595)</u>	<u>(683,920)</u>	<u>(230,438)</u>	<u>(1,013,953)</u>
Other Financing Sources:				
Transfers In	90,000	42,500	550,000	682,500
Premium on Debt Issued	0	22,050	0	22,050
Total Other Financing Sources	<u>90,000</u>	<u>64,550</u>	<u>550,000</u>	<u>704,550</u>
Net Change in Fund Balances	(9,595)	(619,370)	319,562	(309,403)
Fund Balances at Beginning of Year	<u>2,418,678</u>	<u>3,855,176</u>	<u>484,332</u>	<u>6,758,186</u>
Fund Balances at End of Year	<u><u>\$2,409,083</u></u>	<u><u>\$3,235,806</u></u>	<u><u>\$803,894</u></u>	<u><u>\$6,448,783</u></u>

**CITY OF LEBANON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$751,110	\$197,964	\$703,738
Materials and Supplies Inventory	993	0	3,326
Prepaid Items	2,728	0	0
Accrued Interest Receivable	964	0	0
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$755,795</u></u>	 <u><u>\$197,964</u></u>	 <u><u>\$707,064</u></u>
Liabilities:			
Accounts Payable	\$3,704	\$0	\$7,656
Accrued Wages Payable	1,552	0	0
Intergovernmental Payable	2,901	0	0
Due to Other Funds	<u>31</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>8,188</u>	 <u>0</u>	 <u>7,656</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>884</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	3,721	0	3,326
Restricted	743,002	197,964	696,082
Committed	<u>0</u>	<u>0</u>	<u>0</u>
 Total Fund Balances	 <u>746,723</u>	 <u>197,964</u>	 <u>699,408</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u><u>\$755,795</u></u>	 <u><u>\$197,964</u></u>	 <u><u>\$707,064</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$86,807	\$502,601	\$2,242,220
0	121,053	125,372
0	8,434	11,162
0	115	1,079
0	503,068	503,068
<u>\$86,807</u>	<u>\$1,135,271</u>	<u>\$2,882,901</u>
\$0	\$14,382	\$25,742
0	4,031	5,583
0	5,161	8,062
0	13,304	13,335
<u>0</u>	<u>36,878</u>	<u>52,722</u>
<u>0</u>	<u>420,212</u>	<u>421,096</u>
0	129,487	136,534
0	548,694	2,185,742
86,807	0	86,807
<u>86,807</u>	<u>678,181</u>	<u>2,409,083</u>
<u>\$86,807</u>	<u>\$1,135,271</u>	<u>\$2,882,901</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, 2015**

	Cemetery Fund	Community Development Fund	Court Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$143,446	\$0	\$4,480
Fines, Licenses and Permits	0	0	140,436
Intergovernmental	0	0	0
Interest	3,262	0	0
Other	555	0	1,431
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	147,263	0	146,347
Expenditures:			
Current:			
General Government	0	0	16,050
Security of Persons and Property:			
Police	0	0	94,200
Public Health Services	155,044	0	0
Leisure Time Services	0	0	0
Transportation	0	0	0
Capital Outlay	0	0	57,037
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	155,044	0	167,287
Excess of Revenues Over (Under) Expenditures	(7,781)	0	(20,940)
Other Financing Sources:			
Transfers In	80,000	0	0
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	72,219	0	(20,940)
Fund Balances at Beginning of Year	674,504	197,964	720,348
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u><u>\$746,723</u></u>	<u><u>\$197,964</u></u>	<u><u>\$699,408</u></u>

Park/Recreation Impact Fee Fund	Transportation Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$147,926
58,845	24,122	223,403
0	1,029,268	1,029,268
0	1,024	4,286
0	7,789	9,775
<u>58,845</u>	<u>1,062,203</u>	<u>1,414,658</u>
0	0	16,050
0	0	94,200
0	0	155,044
7,590	0	7,590
0	1,034,332	1,034,332
0	150,000	207,037
<u>7,590</u>	<u>1,184,332</u>	<u>1,514,253</u>
51,255	(122,129)	(99,595)
<u>0</u>	<u>10,000</u>	<u>90,000</u>
51,255	(112,129)	(9,595)
<u>35,552</u>	<u>790,310</u>	<u>2,418,678</u>
<u><u>\$86,807</u></u>	<u><u>\$678,181</u></u>	<u><u>\$2,409,083</u></u>

**CITY OF LEBANON, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2015**

	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	\$90,417	\$713,477	\$803,894
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Restricted	90,417	713,477	803,894
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$90,417	\$713,477	\$803,894
	<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, 2015**

	Cemetery Improvement Fund	OPWC Capital Grant Fund	Total Nonmajor Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Charges for Services	\$10,100	\$0	\$10,100
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Current:			
Public Health Services	3,862	0	3,862
Capital Outlay	0	236,676	236,676
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	3,862	236,676	240,538
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Over (Under) Expenditures	6,238	(236,676)	(230,438)
Other Financing Sources:			
Transfers In	0	550,000	550,000
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	6,238	313,324	319,562
Fund Balances at Beginning of Year	84,179	400,153	484,332
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	\$90,417	\$713,477	\$803,894
	<u> </u>	<u> </u>	<u> </u>

CITY OF LEBANON, OHIO

INTERNAL SERVICE FUNDS

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

Automotive Maintenance Fund

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

Self-Insurance Fund

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

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2015**

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$90,122	\$1,870,875	\$1,960,997
Materials and Supplies Inventory	61,900	0	61,900
Accrued Interest Receivable	0	2,399	2,399
Due from Other Funds	24,202	0	24,202
Prepaid Items	2,569	0	2,569
	<u> </u>	<u> </u>	<u> </u>
Total Current Assets	178,793	1,873,274	2,052,067
Noncurrent Assets:			
Nondepreciable Capital Assets	64,666	0	64,666
Depreciable Capital Assets, Net	28,338	0	28,338
	<u> </u>	<u> </u>	<u> </u>
Total Noncurrent Assets	93,004	0	93,004
	<u> </u>	<u> </u>	<u> </u>
Total Assets	271,797	1,873,274	2,145,071
Deferred Outflows of Resources:			
Pension	18,611	0	18,611
	<u> </u>	<u> </u>	<u> </u>
Liabilities:			
Current Liabilities:			
Accounts Payable	3,753	0	3,753
Accrued Wages Payable	3,354	0	3,354
Intergovernmental Payable	3,399	0	3,399
Claims Payable	0	269,468	269,468
Compensated Absences Payable	6,703	0	6,703
	<u> </u>	<u> </u>	<u> </u>
Total Current Liabilities	17,209	269,468	286,677
Long-term Liabilities:			
Compensated Absences Payable	17,669	0	17,669
Net Pension Liability	104,493	0	104,493
	<u> </u>	<u> </u>	<u> </u>
Total Long-Term Liabilities	122,162	0	122,162
Deferred Inflows of Resources:			
Pension	1,836	0	1,836
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	141,207	269,468	410,675
Net Position:			
Net Investment in Capital Assets Unrestricted	93,004	0	93,004
	<u> </u>	<u> </u>	<u> </u>
Total Net Position	\$149,201	\$1,603,806	\$1,753,007
	<u> </u>	<u> </u>	<u> </u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Automotive Maintenance Fund	Self- Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$223,937	\$1,792,495	\$2,016,432
Other	728	214,505	215,233
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	<u>224,665</u>	<u>2,007,000</u>	<u>2,231,665</u>
Operating Expenses:			
Personal Services	175,263	0	175,263
Contractual Services	10,947	358,274	369,221
Supplies and Materials	13,546	0	13,546
Claims	0	1,673,192	1,673,192
Depreciation	2,384	0	2,384
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	<u>202,140</u>	<u>2,031,466</u>	<u>2,233,606</u>
Operating Income (Loss)	22,525	(24,466)	(1,941)
Non-Operating Revenues:			
Interest	0	(1,068)	(1,068)
	<u> </u>	<u> </u>	<u> </u>
Income (Loss) Before Transfers	22,525	(25,534)	(3,009)
Transfers Out	(200,000)	0	(200,000)
	<u> </u>	<u> </u>	<u> </u>
Change in Net Position	(177,475)	(25,534)	(203,009)
Net Position at Beginning of Year - Restated (See Note 3)	<u>326,676</u>	<u>1,629,340</u>	<u>1,956,016</u>
Net Position at End of Year	<u><u>\$149,201</u></u>	<u><u>\$1,603,806</u></u>	<u><u>\$1,753,007</u></u>

CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$222,057	\$1,792,495	\$2,014,552
Cash Payments for Employee Services and Benefits	(179,974)	0	(179,974)
Cash Payments to Suppliers for Goods and Services	(26,525)	(358,274)	(384,799)
Cash Payments for Employee Medical, Dental, and Life Insurance Claims	0	(1,627,081)	(1,627,081)
Other Operating Revenues	728	214,505	215,233
Net Cash Provided by Operating Activities	16,286	21,645	37,931
Cash Flows from Investing Activities:			
Interest	0	(1,997)	(1,997)
Net Increase in Cash and Cash Equivalents	16,286	19,648	35,934
Cash and Cash Equivalents at Beginning of Year	73,836	1,851,227	1,925,063
Cash and Cash Equivalents at End of Year	<u>\$90,122</u>	<u>\$1,870,875</u>	<u>\$1,960,997</u>
Reconciliation of Operating Income (Loss) to <u>Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	\$22,525	(\$24,466)	(\$1,941)
Adjustments to Reconcile Operating Income (Loss) to <u>Net Cash Provided by Operating Activities:</u>			
Depreciation	2,384	0	2,384
Changes in Assets and Liabilities:			
Increase in Materials and Supplies Inventory	(4,400)	0	(4,400)
Increase in Interfund Receivable	(3,080)	0	(3,080)
Increase in Prepaids Items	(185)	0	(185)
Decrease in Deferred Outflows of Resources - Pension	1,103	0	1,103
Increase in Accounts Payable	3,753	0	3,753
Decrease in Accrued Wages Payable	(3,327)	0	(3,327)
Decrease in Intergovernmental Payable	(2,013)	0	(2,013)
Increase in Claims Payable	0	46,111	46,111
Increase in Compensated Absences Payable	2,298	0	2,298
Decrease in Net Pension Liability	(1,926)	0	(1,926)
Decrease in Deferred Inflows of Resources - Pension	(846)	0	(846)
Net Cash Provided by Operating Activities	<u>\$16,286</u>	<u>\$21,645</u>	<u>\$37,931</u>

CITY OF LEBANON, OHIO

AGENCY FUND

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

Municipal Court Fund

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

Joint Economic Development District Fund

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

**CITY OF LEBANON, OHIO
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance 1/1/15	Additions	Reductions	Balance 12/31/15
MUNICIPAL COURT FUND				
Assets:				
Cash and Cash Equivalents in Segregated Accounts	\$54,597	\$48,068	\$55,057	\$47,608
Liabilities:				
Intergovernmental Payable	\$30,280	\$24,960	\$30,280	\$24,960
Undistributed Monies	24,317	23,108	24,777	22,648
Total Liabilities	\$54,597	\$48,068	\$55,057	\$47,608
JOINT ECONOMIC DEVELOPMENT DISTRICT FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$320	\$6,959	\$6,959	\$320
Liabilities:				
Undistributed Monies	\$320	\$6,959	\$6,959	\$320
TOTAL - ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$320	\$6,959	\$6,959	\$320
Cash and Cash Equivalents in Segregated Accounts	54,597	48,068	55,057	47,608
Total Assets	\$54,917	\$55,027	\$62,016	\$47,928
Liabilities:				
Intergovernmental Payable	\$30,280	\$24,960	\$30,280	\$24,960
Undistributed Monies	24,637	30,067	31,736	22,968
Total Liabilities	\$54,917	\$55,027	\$62,016	\$47,928

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, 2015

	Budgeted Amounts		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Property Taxes	\$998,974	\$998,974	\$0
Income Taxes	4,128,883	4,128,883	0
Other Local Taxes	1,772,570	1,438,770	(333,800)
Charges for Services	2,250,650	2,294,151	43,501
Fines, Licenses and Permits	635,714	635,714	0
Intergovernmental	942,973	942,973	0
Interest	125,150	148,713	23,563
Contributions and Donations	22,500	20,750	(1,750)
Other	139,509	144,383	4,874
Total Revenues	11,016,923	10,753,311	(263,612)
Expenditures:			
Current:			
General Government			
Legislative			
Personal Services	54,175	53,552	623
Contractual Services	28,000	19,129	8,871
Supplies and Materials	700	496	204
Total Legislative	82,875	73,177	9,698
City Manager			
Personal Services	525,063	521,639	3,424
Contractual Services	77,528	65,382	12,146
Supplies and Materials	9,400	5,328	4,072
Total City Manager	611,991	592,349	19,642
Personnel			
Personal Services	165,279	165,084	195
Contractual Services	40,142	30,141	10,001
Supplies and Materials	3,000	1,945	1,055
Total Personnel	208,421	197,170	11,251
Department of Service			
Personal Services	258,801	256,512	2,289
Contractual Services	58,900	56,867	2,033
Supplies and Materials	8,400	8,395	5
Total Department of Service	326,101	321,774	4,327
Information Technology			
Personal Services	197,754	196,310	1,444
Contractual Services	212,884	208,663	4,221
Supplies and Materials	4,500	3,148	1,352
Capital Outlay	23,000	22,308	692
Total Information Technology	438,138	430,429	7,709
Finance			
Personal Services	452,114	438,653	13,461
Contractual Services	98,827	93,499	5,328
Supplies and Materials	3,000	2,939	61
Total Finance	\$553,941	\$535,091	\$18,850

(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, 2015
(continued)

	Budgeted Amounts		Variance
	Final		with
	Budget	Actual	Final Budget
Income Tax			
Personal Services	\$225,493	\$209,580	\$15,913
Contractual Services	13,150	11,778	1,372
Supplies and Materials	3,500	2,968	532
Refunds	113,165	82,379	30,786
Other	111,835	111,835	0
Total Income Tax	467,143	418,540	48,603
Law			
Personal Services	35,892	31,463	4,429
Contractual Services	157,383	145,517	11,866
Supplies and Materials	500	0	500
Total Law	193,775	176,980	16,795
Municipal Court			
Personal Services	587,935	519,878	68,057
Contractual Services	154,130	145,408	8,722
Supplies and Materials	9,990	6,780	3,210
Capital Outlay	19,500	19,499	1
Total Municipal Court	771,555	691,565	79,990
Parking System			
Contractual Services	5,000	4,828	172
Supplies and Materials	500	0	500
Capital Outlay	20,000	11,645	8,355
Total Parking System	25,500	16,473	9,027
Probation			
Personal Services	236,101	230,677	5,424
Contractual Services	11,068	4,779	6,289
Supplies and Materials	11,898	10,182	1,716
Total Probation	259,067	245,638	13,429
Building Maintenance			
Personal Services	179,789	179,495	294
Contractual Services	70,838	61,872	8,966
Supplies and Materials	29,100	17,827	11,273
Total Building Maintenance	279,727	259,194	20,533
Other General Government			
Contractual Services	53,948	45,155	8,793
Supplies and Materials	3,000	1,411	1,589
Total Other General Government	56,948	46,566	10,382
Total General Government	4,275,182	4,004,946	270,236
Security of Persons and Property			
Police			
Personal Services	4,244,641	3,862,957	381,684
Contractual Services	373,869	312,759	61,110
Supplies and Materials	137,327	127,858	9,469
Capital Outlay	123,882	122,851	1,031
Total Police	\$4,879,719	\$4,426,425	\$453,294

(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, 2015
(continued)

	<u>Budgeted Amounts</u>		Variance with Final Budget
	<u>Final Budget</u>	<u>Actual</u>	
Police Donation Trust			
Supplies and Materials	\$2,500	\$1,187	\$1,313
Total Security of Persons and Property	<u>4,882,219</u>	<u>4,427,612</u>	<u>454,607</u>
Leisure Time Services			
Recreation Programs			
Personal Services	266,642	234,921	31,721
Contractual Services	238,903	237,328	1,575
Supplies and Materials	88,697	86,585	2,112
Capital Outlay	680,564	678,543	2,021
Refunds	200	75	125
Total Leisure Time Services	<u>1,275,006</u>	<u>1,237,452</u>	<u>37,554</u>
Community and Economic Development			
Planning and Development			
Personal Services	367,596	357,003	10,593
Contractual Services	128,652	78,765	49,887
Supplies and Materials	6,600	5,650	950
Total Planning and Development	<u>502,848</u>	<u>441,418</u>	<u>61,430</u>
Engineer Services			
Personal Services	381,916	380,607	1,309
Contractual Services	96,412	90,163	6,249
Supplies and Materials	13,367	12,314	1,053
Capital Outlay	29,000	29,000	0
Refunds	117,658	0	117,658
Total Engineer Services	<u>638,353</u>	<u>512,084</u>	<u>126,269</u>
Total Community and Economic Development	<u>1,141,201</u>	<u>953,502</u>	<u>187,699</u>
Total Expenditures	<u>11,573,608</u>	<u>10,623,512</u>	<u>950,096</u>
Excess of Revenues Over (Under) Expenditures	<u>(556,685)</u>	<u>129,799</u>	<u>686,484</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	7,647	7,647	0
Advances In	121,408	121,408	0
Transfers Out	(290,000)	(290,000)	0
Total Other Financing Sources (Uses)	<u>(160,945)</u>	<u>(160,945)</u>	<u>0</u>
Net Change in Fund Balance	(717,630)	(31,146)	686,484
Fund Balance at Beginning of Year	4,895,868	4,895,868	0
Prior Year Encumbrances Appropriated	<u>183,254</u>	<u>183,254</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,361,492</u>	<u>\$5,047,976</u>	<u>\$686,484</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, 2015

	Budgeted Amounts		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Property Taxes	\$2,761,295	\$2,652,142	(\$109,153)
Charges for Services	450,000	432,627	(17,373)
Intergovernmental	65,448	65,198	(250)
Other	19,387	19,387	0
Total Revenues	3,296,130	3,169,354	(126,776)
Expenditures:			
Current:			
Security of Persons and Property			
Fire Fighting, Prevention and Inspection			
Personal Services	2,199,695	2,133,454	66,241
Contractual Services	666,262	607,179	59,083
Supplies and Materials	63,667	49,143	14,524
Total Security of Persons and Property	2,929,624	2,789,776	139,848
Capital Outlay	162,665	83,106	79,559
Total Expenditures	3,092,289	2,872,882	219,407
Excess of Revenues Over Expenditures	203,841	296,472	92,631
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	8,370	8,370	0
Transfers In	200,000	200,000	0
Advances Out	(125,000)	0	125,000
Total Other Financing Sources (Uses)	83,370	208,370	125,000
Net Change in Fund Balance	287,211	504,842	217,631
Fund Balance at Beginning of Year	102,234	102,234	0
Prior Year Encumbrances Appropriated	14,636	14,636	0
Fund Balance at End of Year	\$404,081	\$621,712	\$217,631

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, 2015

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Payments in Lieu of Taxes	\$1,835,000	\$1,757,214	(\$77,786)
Charges for Services	<u>8,150</u>	<u>8,129</u>	<u>(21)</u>
Total Revenues	<u>1,843,150</u>	<u>1,765,343</u>	<u>(77,807)</u>
Expenditures:			
Current:			
Community and Economic Development			
Community Planning			
Contractual Services	30,000	427	29,573
Supplies and Materials	197,495	153,367	44,128
Capital Outlay	<u>135,000</u>	<u>121,155</u>	<u>13,845</u>
Total Community and Economic Development	<u>362,495</u>	<u>274,949</u>	<u>87,546</u>
Intergovernmental			
Reimbursements	<u>600,000</u>	<u>418,817</u>	<u>181,183</u>
Debt Service:			
Principal Retirements	42,000	0	42,000
Interest and Fiscal Charges	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>
Total Debt Service	<u>62,000</u>	<u>10,000</u>	<u>52,000</u>
Total Expenditures	<u>1,024,495</u>	<u>703,766</u>	<u>320,729</u>
Excess of Revenues Over Expenditures	<u>818,655</u>	<u>1,061,577</u>	<u>242,922</u>
Other Financing Uses:			
Transfers Out	(42,500)	(42,500)	0
Advances Out	<u>(121,408)</u>	<u>(121,408)</u>	<u>0</u>
Total Other Financing Uses	<u>(163,908)</u>	<u>(163,908)</u>	<u>0</u>
Net Change in Fund Balance	654,747	897,669	242,922
Fund Balance at Beginning of Year	<u>2,961,267</u>	<u>2,961,267</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,616,014</u></u>	<u><u>\$3,858,936</u></u>	<u><u>\$242,922</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, 2015

	<u>Budgeted Amounts</u>		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Income Taxes	\$2,181,000	\$2,198,047	\$17,047
Special Assessments	38,600	38,600	0
Intergovernmental	915,400	2,948,960	2,033,560
Interest	22,000	23,711	1,711
Other	97,400	149,538	52,138
Total Revenues	<u>3,254,400</u>	<u>5,358,856</u>	<u>2,104,456</u>
Expenditures:			
Current:			
Transportation			
Capital Outlay	<u>4,045,656</u>	<u>3,992,255</u>	<u>53,401</u>
Debt Service:			
Principal Retirement	3,600,000	3,600,000	0
Interest and Fiscal Charges	<u>52,000</u>	<u>41,856</u>	<u>10,144</u>
Total Debt Service	<u>3,652,000</u>	<u>3,641,856</u>	<u>10,144</u>
Total Expenditures	<u>7,697,656</u>	<u>7,634,111</u>	<u>63,545</u>
Excess of Revenues Under Expenditures	<u>(4,443,256)</u>	<u>(2,275,255)</u>	<u>2,168,001</u>
Other Financing Sources (Uses):			
Bond Anticipation Notes Issued	2,100,000	2,000,000	(100,000)
Proceeds from Sale of Capital Assets	0	14,481	14,481
Transfers Out	<u>(750,000)</u>	<u>(550,000)</u>	<u>200,000</u>
Total Other Financing Sources (Uses)	<u>1,350,000</u>	<u>1,464,481</u>	<u>114,481</u>
Net Change in Fund Balance	(3,093,256)	(810,774)	2,282,482
Fund Balance at Beginning of Year	1,551,343	1,551,343	0
Prior Year Encumbrances Appropriated	<u>1,704,784</u>	<u>1,704,784</u>	<u>0</u>
Fund Balance at End of Year	<u>\$162,871</u>	<u>\$2,445,353</u>	<u>\$2,282,482</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, 2015**

	<u>Budgeted Amounts</u>		Variance
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$29,734,424	\$31,064,017	\$1,329,593
Other	31,000	50,788	19,788
Interest	45,000	116,866	71,866
Utility Deposits Received	200,000	145,987	(54,013)
Proceeds from Sale of Capital Assets	15,000	11,750	(3,250)
Other Non-Operating Revenues	0	167	167
	<u>30,025,424</u>	<u>31,389,575</u>	<u>1,364,151</u>
Total Revenues			
Expenses:			
Personal Services	1,988,794	1,821,650	167,144
Contractual Services	1,973,222	1,498,055	475,167
Purchased Power	20,456,722	19,862,101	594,621
Supplies and Materials	171,219	92,238	78,981
Other	11,000	8,165	2,835
Utility Deposits Returned	184,755	148,140	36,615
Capital Outlay	4,784,048	4,648,224	135,824
Debt Service:			
Principal Retirement	1,171,250	1,171,250	0
Interest and Fiscal Charges	405,657	265,791	139,866
	<u>31,146,667</u>	<u>29,515,614</u>	<u>1,631,053</u>
Total Expenses			
Excess of Revenues Over (Under) Expenses Before Transfers	(1,121,243)	1,873,961	2,995,204
Transfers Out	(1,161,164)	(1,308,920)	(147,756)
Net Change in Fund Equity	(2,282,407)	565,041	2,847,448
Fund Equity at Beginning of Year	18,918,583	18,918,583	0
Prior Year Encumbrances Appropriated	618,885	618,885	0
Fund Equity at End of Year	<u>\$17,255,061</u>	<u>\$20,102,509</u>	<u>\$2,847,448</u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
SANITATION ENTERPRISE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u> Final <u>Budget</u>	<u>Actual</u>	Variance with <u>Final Budget</u>
Revenues:			
Charges for Services	\$1,657,511	\$1,669,797	\$12,286
Other	0	613	613
Interest	2,500	3,658	1,158
	<u>1,660,011</u>	<u>1,674,068</u>	<u>14,057</u>
Total Revenues			
Expenses:			
Personal Services	143,281	141,704	1,577
Contractual Services	1,535,571	1,477,588	57,983
Capital Outlay	60,000	50,000	10,000
Other	1,000	301	699
	<u>1,739,852</u>	<u>1,669,593</u>	<u>70,259</u>
Total Expenses			
Net Change in Fund Equity	(79,841)	4,475	84,316
Fund Equity at Beginning of Year	469,442	469,442	0
Prior Year Encumbrances Appropriated	<u>59</u>	<u>59</u>	<u>0</u>
Fund Equity at End of Year	<u>\$389,660</u>	<u>\$473,976</u>	<u>\$84,316</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, 2015**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	Variance with Final Budget
Revenues:			
Charges for Services	\$3,498,820	\$3,488,969	(\$9,851)
Interest	17,018	17,018	0
Other	2,912	2,912	0
Special Assessments	0	5,387	5,387
Bond Anticipation Notes Issued	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Total Revenues	<u>4,518,750</u>	<u>4,514,286</u>	<u>(4,464)</u>
Expenses:			
Personal Services	735,604	706,737	28,867
Contractual Services	1,927,881	1,299,524	628,357
Supplies and Materials	172,286	146,453	25,833
Capital Outlay	537,360	352,756	184,604
Other	1,500	1,039	461
Debt Service:			
Principal Retirement	1,575,000	1,575,000	0
Interest and Fiscal Charges	<u>436,550</u>	<u>415,231</u>	<u>21,319</u>
Total Expenses	<u>5,386,181</u>	<u>4,496,740</u>	<u>889,441</u>
Net Change in Fund Equity	(867,431)	17,546	884,977
Fund Equity at Beginning of Year	2,907,789	2,907,789	0
Prior Year Encumbrances Appropriated	<u>119,081</u>	<u>119,081</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$2,159,439</u></u>	<u><u>\$3,044,416</u></u>	<u><u>\$884,977</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, 2015

	<u>Budgeted Amounts</u>		Variance
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$148,500	\$145,296	(\$3,204)
Other	<u>126,100</u>	<u>127,348</u>	<u>1,248</u>
Total Revenues	<u>274,600</u>	<u>272,644</u>	<u>(1,956)</u>
Expenses:			
Personal Services	107,884	107,407	477
Contractual Services	33,021	32,402	619
Supplies and Materials	1,000	320	680
Capital Outlay	15,000	14,401	599
Debt Service:			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	<u>14,500</u>	<u>4,500</u>	<u>10,000</u>
Total Expenses	<u>371,405</u>	<u>359,030</u>	<u>12,375</u>
Net Change in Fund Equity	(96,805)	(86,386)	10,419
Fund Equity at Beginning of Year	<u>280,219</u>	<u>280,219</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$183,414</u></u>	<u><u>\$193,833</u></u>	<u><u>\$10,419</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, 2015

	<u>Budgeted Amounts</u>		Variance
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$3,447,032	\$3,685,744	\$238,712
Other	5,000	9,816	4,816
Interest	15,000	20,998	5,998
Utility Deposits Received	15,000	10,745	(4,255)
Total Revenues	<u>3,482,032</u>	<u>3,727,303</u>	<u>245,271</u>
Expenses:			
Personal Services	349,487	332,898	16,589
Contractual Services	925,340	855,246	70,094
Supplies and Materials	1,609,579	1,609,579	0
Other	358,399	3,042	355,357
Utility Deposits Returned	10,245	10,245	0
Capital Outlay	914,306	892,280	22,026
Debt Service:			
Principal Retirement	390,000	390,000	0
Interest and Fiscal Charges	453,000	451,563	1,437
Total Expenses	<u>5,010,356</u>	<u>4,544,853</u>	<u>465,503</u>
Net Change in Fund Equity	(1,528,324)	(817,550)	710,774
Fund Equity at Beginning of Year	3,332,492	3,332,492	0
Prior Year Encumbrances Appropriated	309,641	309,641	0
Fund Equity at End of Year	<u><u>\$2,113,809</u></u>	<u><u>\$2,824,583</u></u>	<u><u>\$710,774</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, 2015

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$852,866	\$845,170	(\$7,696)
Interest	5,000	4,150	(850)
Other	<u>0</u>	<u>423</u>	<u>423</u>
Total Revenues	<u>857,866</u>	<u>849,743</u>	<u>(8,123)</u>
Expenses:			
Personal Services	73,908	69,707	4,201
Contractual Services	162,468	148,475	13,993
Supplies and Materials	3,500	3,498	2
Capital Outlay	675,360	571,023	104,337
Other	<u>500</u>	<u>0</u>	<u>500</u>
Total Expenses	<u>915,736</u>	<u>792,703</u>	<u>123,033</u>
Net Change in Fund Equity	(57,870)	57,040	114,910
Fund Equity at Beginning of Year	309,599	309,599	0
Prior Year Encumbrances Appropriated	<u>9,857</u>	<u>9,857</u>	<u>0</u>
Fund Equity at End of Year	<u>\$261,586</u>	<u>\$376,496</u>	<u>\$114,910</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, 2015**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$117,325	\$143,446	\$26,121
Interest	4,220	5,611	1,391
Other	555	555	0
	<hr/>	<hr/>	<hr/>
Total Revenues	122,100	149,612	27,512
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Personal Services	131,578	119,682	11,896
Contractual Services	38,203	35,086	3,117
Supplies and Materials	3,450	3,450	0
Capital Outlay	3,000	1,920	1,080
Other	1,200	1,100	100
	<hr/>	<hr/>	<hr/>
Total Expenditures	177,431	161,238	16,193
	<hr/>	<hr/>	<hr/>
Excess of Revenues Under Expenditures	(55,331)	(11,626)	43,705
Other Financing Sources:			
Transfers In	80,000	80,000	0
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	24,669	68,374	43,705
Fund Balance at Beginning of Year	654,054	654,054	0
Prior Year Encumbrances Appropriated	575	575	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$679,298</u>	<u>\$723,003</u>	<u>\$43,705</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, 2015

	Budgeted Amounts		Variance
	Final		with
	Budget	Actual	Final Budget
Revenues:			
Charges for Services	\$5,000	\$4,480	(\$520)
Fines, Licenses and Permits	167,500	144,374	(23,126)
Other	500	50	(450)
Total Revenues	<u>173,000</u>	<u>148,904</u>	<u>(24,096)</u>
Expenditures:			
Current:			
General Government			
Municipal Court Special Project			
Contractual Services	22,000	3,187	18,813
Capital Outlay	52,000	51,747	253
Total Municipal Court Special Project	<u>74,000</u>	<u>54,934</u>	<u>19,066</u>
Federal Asset Forfeiture			
Capital Outlay	38,300	13,738	24,562
Total General Government	<u>112,300</u>	<u>68,672</u>	<u>43,628</u>
Security of Persons and Property			
Indigent Drivers Alcohol			
Contractual Services	122,296	43,453	78,843
Supplies and Materials	20,887	8,133	12,754
Total Indigent Drivers Alcohol	<u>143,183</u>	<u>51,586</u>	<u>91,597</u>
Computerized Legal Research			
Contractual Services	5,000	5,000	0
Supplies and Materials	5,000	5,000	0
Capital Outlay	5,000	5,000	0
Total Computerized Legal Research	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Computer Improvement			
Contractual Services	28,000	26,419	1,581
Capital Outlay	26,413	25,498	915
Total Computer Improvement	<u>54,413</u>	<u>51,917</u>	<u>2,496</u>
Total Security of Persons and Property	<u>212,596</u>	<u>118,503</u>	<u>94,093</u>
Capital Outlay	<u>40,000</u>	<u>5,290</u>	<u>34,710</u>
Total Expenditures	<u>364,896</u>	<u>192,465</u>	<u>172,431</u>
Net Change in Fund Balance	(191,896)	(43,561)	148,335
Fund Balance at Beginning of Year	678,133	678,133	0
Prior Year Encumbrances Appropriated	<u>31,681</u>	<u>31,681</u>	<u>0</u>
Fund Balance at End of Year	<u>\$517,918</u>	<u>\$666,253</u>	<u>\$148,335</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, 2015**

	<u>Budgeted Amounts</u>		Variance
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Fines, Licenses and Permits	\$8,000	\$58,845	\$50,845
Expenditures:			
Current:			
Leisure Time Services			
Capital Outlay	12,000	9,090	2,910
Net Change in Fund Balance	(4,000)	49,755	53,755
Fund Balance at Beginning of Year	35,552	35,552	0
Fund Balance at End of Year	<u>\$31,552</u>	<u>\$85,307</u>	<u>\$53,755</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, 2015**

	<u>Budgeted Amounts</u>		Variance with Final Budget
	Final Budget	Actual	
Revenues:			
Fines, Licenses and Permits	\$20,000	\$24,122	\$4,122
Intergovernmental	1,080,211	1,029,736	(50,475)
Interest	300	562	262
Other	7,789	7,789	0
Total Revenues	<u>1,108,300</u>	<u>1,062,209</u>	<u>(46,091)</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	322,231	303,703	18,528
Contractual Services	389,335	382,164	7,171
Supplies and Materials	317,220	315,148	2,072
Capital Outlay	150,000	150,000	0
Total Street Maintenance and Repair	<u>1,178,786</u>	<u>1,151,015</u>	<u>27,771</u>
Division Highway Maintenance			
Contractual Services	36,578	25,478	11,100
Supplies and Materials	29,000	28,910	90
Total Division Highway Maintenance	<u>65,578</u>	<u>54,388</u>	<u>11,190</u>
Total Expenditures	<u>1,244,364</u>	<u>1,205,403</u>	<u>38,961</u>
Excess of Revenues Under Expenditures	(136,064)	(143,194)	(7,130)
Other Financing Sources:			
Transfers In	10,000	10,000	0
Net Change in Fund Balance	(126,064)	(133,194)	(7,130)
Fund Balance at Beginning of Year	412,871	412,871	0
Prior Year Encumbrances Appropriated	<u>179,278</u>	<u>179,278</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$466,085</u></u>	<u><u>\$458,955</u></u>	<u><u>(\$7,130)</u></u>

**CITY OF LEBANON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	Budget	<u>Actual</u>	Final Budget
Revenues:			
Income Taxes	\$727,000	\$732,684	\$5,684
Special Assessments	5,000	463	(4,537)
Interest	15,000	27,689	12,689
	<u>747,000</u>	<u>760,836</u>	<u>13,836</u>
Total Revenues			
Expenditures:			
Debt Service:			
Principal Retirement	1,275,000	1,195,000	80,000
Interest and Fiscal Charges	266,428	206,208	60,220
	<u>1,541,428</u>	<u>1,401,208</u>	<u>140,220</u>
Total Expenditures			
Excess of Revenues Under Expenditures	<u>(794,428)</u>	<u>(640,372)</u>	<u>154,056</u>
Other Financing Sources:			
Transfers In	42,500	42,500	0
Premium on Debt Issued	0	22,050	22,050
	<u>42,500</u>	<u>64,550</u>	<u>22,050</u>
Total Other Financing Sources			
Net Change in Fund Balance	(751,928)	(575,822)	176,106
Fund Balance at Beginning of Year	<u>3,683,473</u>	<u>3,683,473</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,931,545</u>	<u>\$3,107,651</u>	<u>\$176,106</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, 2015**

	<u>Budgeted Amounts</u> Final <u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for Services	\$8,000	\$10,100	\$2,100
Expenditures:			
Current:			
Public Health Services			
Cemetery			
Capital Outlay	5,979	3,862	2,117
Net Change in Fund Balance	2,021	6,238	4,217
Fund Balance at Beginning of Year	82,183	82,183	0
Prior Year Encumbrances Appropriated	1,996	1,996	0
Fund Balance at End of Year	<u>\$86,200</u>	<u>\$90,417</u>	<u>\$4,217</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, 2015**

	<u>Budgeted Amounts</u> Final Budget	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>1,006,676</u>	<u>837,008</u>	<u>169,668</u>
Excess of Revenues Under Expenditures	(1,006,676)	(837,008)	169,668
Other Financing Sources:			
Transfers In	<u>750,000</u>	<u>550,000</u>	<u>(200,000)</u>
Net Change in Fund Balance	(256,676)	(287,008)	(30,332)
Fund Balance at Beginning of Year	163,477	163,477	0
Prior Year Encumbrances Appropriated	<u>256,676</u>	<u>256,676</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$163,477</u></u>	<u><u>\$133,145</u></u>	<u><u>(\$30,332)</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, 2015**

	<u>Budgeted Amounts</u>		Variance with
	Final Budget	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$222,062	\$222,057	(\$5)
Other	<u>0</u>	<u>728</u>	<u>728</u>
Total Revenues	<u>222,062</u>	<u>222,785</u>	<u>723</u>
Expenses:			
Personal Services	192,365	180,161	12,204
Contractual Services	17,500	16,951	549
Supplies and Materials	<u>14,515</u>	<u>14,193</u>	<u>322</u>
Total Expenses	<u>224,380</u>	<u>211,305</u>	<u>13,075</u>
Net Change in Fund Equity	(2,318)	11,480	13,798
Fund Equity at Beginning of Year	71,803	71,803	0
Prior Year Encumbrances Appropriated	<u>2,035</u>	<u>2,035</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$71,520</u></u>	<u><u>\$85,318</u></u>	<u><u>\$13,798</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, 2015**

	<u>Budgeted Amounts</u>		<u>Variance</u>
	Final		with
	<u>Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:			
Charges for Services	\$1,793,600	\$1,792,495	(\$1,105)
Other	245,000	214,505	(30,495)
Interest	<u>7,500</u>	<u>13,353</u>	<u>5,853</u>
Total Revenues	<u>2,046,100</u>	<u>2,020,353</u>	<u>(25,747)</u>
Expenses:			
Contractual Services	407,534	385,486	22,048
Claims	<u>2,661,494</u>	<u>2,075,279</u>	<u>586,215</u>
Total Expenses	<u>3,069,028</u>	<u>2,460,765</u>	<u>608,263</u>
Net Change in Fund Equity	(1,022,928)	(440,412)	582,516
Fund Equity at Beginning of Year	1,215,926	1,215,926	0
Prior Year Encumbrances Appropriated	<u>563,441</u>	<u>563,441</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$756,439</u></u>	<u><u>\$1,338,955</u></u>	<u><u>\$582,516</u></u>

STATISTICAL TABLES

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

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

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities				
Net Investment in Capital Assets	\$33,764,338	\$34,628,876	\$35,598,684	\$39,072,022
Restricted	13,388,372	14,310,899	16,371,911	12,685,486
Unrestricted	<u>4,074,569</u>	<u>4,770,470</u>	<u>6,042,040</u>	<u>7,601,885</u>
<i>Total Governmental Activities Net Position</i>	<u>51,227,279</u>	<u>53,710,245</u>	<u>58,012,635</u>	<u>59,359,393</u>
Business Type - Activities				
Net Investment in Capital Assets	44,463,041	40,865,125	44,388,792	49,797,775
Restricted	3,698,199	8,083,620	7,782,930	6,844,532
Unrestricted	<u>22,594,015</u>	<u>28,616,768</u>	<u>28,282,539</u>	<u>29,352,329</u>
<i>Total Business-Type Activities Net Position</i>	<u>70,755,255</u>	<u>77,565,513</u>	<u>80,454,261</u>	<u>85,994,636</u>
Primary Government				
Net Investment in Capital Assets	78,227,379	75,494,001	79,987,476	88,869,797
Restricted	17,086,571	22,394,519	24,154,841	19,530,018
Unrestricted	<u>26,668,584</u>	<u>33,387,238</u>	<u>34,324,579</u>	<u>36,954,214</u>
<i>Total Primary Government Net Position</i>	<u>\$121,982,534</u>	<u>\$131,275,758</u>	<u>\$138,466,896</u>	<u>\$145,354,029</u>

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015 (1)</u>
\$39,380,807	\$39,051,129	\$40,044,806	\$39,004,204	\$41,585,043	\$44,393,758
10,226,109	10,873,564	8,952,231	5,585,635	6,267,670	7,975,274
<u>10,223,471</u>	<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>59,830,387</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>
48,615,352	50,068,883	54,208,669	55,500,876	59,251,800	60,080,356
6,713,271	6,302,061	6,212,490	5,680,330	5,267,826	4,724,747
<u>31,650,518</u>	<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>86,979,141</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>
87,996,159	89,120,012	94,253,475	94,505,080	100,836,843	104,474,114
16,939,380	17,175,625	15,164,721	11,265,965	11,535,496	12,700,021
<u>41,873,989</u>	<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>\$146,809,528</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>

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

	2006	2007	2008 (1)	2009
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
General Government	\$2,371,502	\$2,094,209	\$2,083,300	\$1,855,435
Security of Persons and Property:				
Police	537,467	532,708	573,826	578,197
Fire	129,802	197,057	245,713	245,743
Public Health Services	105,554	117,795	102,754	104,390
Leisure Time Services	65,125	79,680	59,555	96,924
Community and Economic Development	0	0	0	0
Transportation	50	24,421	27,925	36,914
Subtotal - Charges for Services	<u>3,209,500</u>	<u>3,045,870</u>	<u>3,093,073</u>	<u>2,917,603</u>
Operating Grants, Contributions and Interest:				
General Government	2,611	2,813	3,938	651
Security of Persons and Property:				
Police	107,769	0	0	5,857
Fire	0	210,790	97,633	244,478
Public Health Services	30,000	54,056	42,562	50,741
Leisure Time Services	0	16,105	0	0
Community and Economic Development	895	869	878	3,501
Transportation	896,955	1,066,568	957,203	1,606,253
Subtotal - Operating Grants, Contributions and Interest	<u>1,038,230</u>	<u>1,351,201</u>	<u>1,102,214</u>	<u>1,911,481</u>
Capital Grants, Contributions and Interest:				
General Government	0	0	143,557	0
Security of Persons and Property:				
Fire	0	0	185,544	0
Public Health Services	0	0	0	0
Leisure Time Services	0	0	144,680	0
Transportation	1,038,941	667,331	1,157,245	945,434
Subtotal - Capital Grants, Contributions and Interest	<u>1,038,941</u>	<u>667,331</u>	<u>1,631,026</u>	<u>945,434</u>
<i>Total Governmental Activities Program Revenues</i>	<u>5,286,671</u>	<u>5,064,402</u>	<u>5,826,313</u>	<u>5,774,518</u>
Business-Type Activities:				
Charges for Services:				
Electric	17,737,799	28,405,280	28,332,284	28,867,568
Sanitation	1,107,928	1,189,868	1,250,052	1,349,490
Sewer	3,208,346	3,520,108	3,247,959	3,241,806
Telecommunications	5,940,724	169,831	98,749	126,404
Water	2,600,842	2,753,207	2,794,469	2,687,619
Storm Water Utility	779,837	837,314	770,567	818,352
Capital Grants, Contributions and Interest				
Sewer	264,491	0	130,531	0
Water	216,081	0	50,008	0
Storm Water Utility	144,060	0	83,066	33,720
<i>Total Business-Type Activities Program Revenues</i>	<u>32,000,108</u>	<u>36,875,608</u>	<u>36,757,685</u>	<u>37,124,959</u>
<i>Total Primary Government Program Revenues</i>	<u>\$37,286,779</u>	<u>\$41,940,010</u>	<u>\$42,583,998</u>	<u>\$42,899,477</u>

2010	2011	2012	2013	2014	2015 (2)
\$1,857,748	\$1,883,236	\$2,319,719	\$2,209,851	\$2,466,267	\$981,480
597,025	556,218	641,330	626,391	742,244	1,787,766
402,002	467,450	420,701	370,420	424,694	432,627
102,577	106,911	126,381	104,226	119,496	153,546
73,419	53,410	24,508	21,916	36,481	356,308
0	0	8,129	8,130	8,130	8,129
37,823	24,198	15,496	130,505	40,923	24,122
3,070,594	3,091,423	3,556,264	3,471,439	3,838,235	3,743,978
319	0	0	0	0	0
5,005	191,533	0	0	0	0
360,224	351,001	247,639	240,311	315,717	0
33,645	30,000	29,792	15,000	11,463	20,750
0	1,848	12,134	19,195	20,000	0
5,965	24,800	67,873	489,069	0	0
943,012	1,057,251	985,902	1,051,014	1,033,035	1,017,682
1,348,170	1,656,433	1,343,340	1,814,589	1,380,215	1,038,432
0	0	0	0	0	0
0	0	0	0	0	0
0	0	9,855	2,874	8,146	3,669
61,444	0	0	559,470	220,000	538,267
821,157	752,724	1,432,669	2,652,544	1,374,725	1,346,575
882,601	752,724	1,442,524	3,214,888	1,602,871	1,888,511
5,301,365	5,500,580	6,342,128	8,500,916	6,821,321	6,670,921
28,078,497	25,694,050	28,988,955	30,606,725	32,857,624	30,582,103
1,456,893	1,549,157	1,556,865	1,512,454	1,628,911	1,683,702
3,407,107	3,139,479	3,321,870	3,248,192	3,377,730	3,461,898
150,371	125,060	148,887	156,348	155,642	145,296
2,956,864	2,803,705	3,175,134	3,093,645	3,371,176	3,643,684
815,451	834,440	836,426	793,106	848,592	976,963
0	0	249,255	0	0	0
0	0	167,155	0	0	0
69,410	0	0	0	0	0
36,934,593	34,145,891	38,444,547	39,410,470	42,239,675	40,493,646
\$42,235,958	\$39,646,471	\$44,786,675	\$47,911,386	\$49,060,996	\$47,164,567

(continued)

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

	2006	2007	2008 (1)	2009
Expenses				
Governmental Activities:				
General Government	\$3,606,717	\$4,678,341	\$4,125,692	\$3,812,972
Security of Persons and Property:				
Police	3,258,125	3,662,803	3,861,017	4,218,030
Fire	1,985,638	2,687,928	2,631,887	2,735,622
Public Health Services	201,838	204,228	195,983	181,562
Leisure Time Services	440,546	526,995	498,379	588,970
Community and Economic Development	1,157,580	843,839	802,169	868,309
Transportation	2,077,765	3,866,183	3,090,437	3,591,609
Intergovernmental	0	0	244,657	257,623
Interest and Fiscal Charges	373,156	386,205	354,128	326,399
<i>Total Governmental Activities Expenses</i>	<u>13,101,365</u>	<u>16,856,522</u>	<u>15,804,349</u>	<u>16,581,096</u>
Business-Type Activities:				
Electric	16,433,153	25,617,652	26,754,920	26,164,717
Sanitation	1,213,352	1,285,576	1,327,449	1,363,001
Sewer	3,389,076	3,214,858	3,386,470	3,166,397
Telecommunications	5,799,642	180,577	222,847	210,102
Water	2,969,131	2,553,235	2,526,916	2,534,870
Storm Water Utility	416,054	422,249	490,366	512,516
<i>Total Business-Type Activities Expenses</i>	<u>30,220,408</u>	<u>33,274,147</u>	<u>34,708,968</u>	<u>33,951,603</u>
<i>Total Primary Government Program Expenses</i>	<u>43,321,773</u>	<u>50,130,669</u>	<u>50,513,317</u>	<u>50,532,699</u>
Net (Expense)/Revenue				
Governmental Activities	(7,814,694)	(11,792,120)	(9,978,036)	(10,806,578)
Business-Type Activities	1,779,700	3,601,461	2,048,717	3,173,356
<i>Total Primary Government Net Expense</i>	<u>(6,034,994)</u>	<u>(8,190,659)</u>	<u>(7,929,319)</u>	<u>(7,633,222)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes Levied For:				
General Purposes	1,085,029	1,281,491	1,353,504	1,375,734
Fire and Life Squad	2,107,551	2,222,553	2,327,576	2,224,683
Debt Service	121,488	37,774	43,186	27,499
Income Taxes	6,509,453	5,888,391	6,260,249	5,409,147
Other Taxes	858,253	1,229,554	1,468,021	1,318,586
Payments in Lieu of Taxes	1,181,361	1,235,888	1,269,275	1,269,899
Grants and Entitlements not Restricted to				
Specific Programs	603,496	1,082,225	684,035	818,872
Unrestricted Contributions	3,119	10,345	7,494	7,375
Investment Earnings	822,519	1,353,237	781,418	1,063,750
Gain on Sale of Capital Assets	27,760	8,172	17,828	14,168
Other	356,384	403,496	185,479	160,078
Transfers	(13,752)	(478,040)	(117,639)	(1,536,455)
<i>Total Governmental Activities</i>	<u>\$13,662,661</u>	<u>\$14,275,086</u>	<u>\$14,280,426</u>	<u>\$12,153,336</u>

2010	2011	2012	2013	2014	2015 (2)
\$4,068,631	\$3,881,199	\$3,591,911	\$3,731,306	\$3,858,814	\$3,924,199
4,470,394	4,547,632	4,414,356	4,067,094	4,361,049	4,243,356
2,832,199	2,866,797	3,308,046	3,136,542	2,611,925	3,165,407
197,806	220,299	221,850	216,095	211,544	196,806
382,313	674,644	778,510	1,328,928	848,639	1,340,847
873,466	930,934	1,080,804	1,278,496	1,459,944	1,021,078
3,790,494	3,561,887	4,207,949	3,934,203	4,112,839	4,584,011
277,310	310,704	345,607	900,216	0	418,817
281,437	253,316	338,645	280,800	239,369	213,544
17,174,050	17,247,412	18,287,678	18,873,680	17,704,123	19,108,065
28,153,003	25,488,085	28,898,408	27,155,807	29,100,455	26,348,054
1,522,129	1,512,397	1,508,493	1,524,770	1,568,798	1,625,356
3,385,521	3,444,593	3,739,025	2,541,355	3,722,315	3,504,416
171,385	164,107	178,763	153,569	132,226	161,943
2,767,146	3,086,876	3,691,306	3,839,171	3,848,723	3,971,143
572,544	612,275	502,542	506,859	664,189	634,635
36,571,728	34,308,333	38,518,537	35,721,531	39,036,706	36,245,547
53,745,778	51,555,745	56,806,215	54,595,211	56,740,829	55,353,612
(11,872,685)	(11,746,832)	(11,945,550)	(10,372,764)	(10,882,802)	(12,437,144)
362,865	(162,442)	(73,990)	3,688,939	3,202,969	4,248,099
(11,509,820)	(11,909,274)	(12,019,540)	(6,683,825)	(7,679,833)	(8,189,045)
1,206,503	1,147,868	1,054,552	989,809	988,577	1,002,485
2,373,747	2,228,171	2,028,866	1,905,228	1,905,588	2,639,539
0	0	0	0	0	0
5,451,284	5,762,855	6,232,249	6,371,559	6,751,574	7,425,983
1,371,444	1,245,078	1,366,321	1,337,972	1,380,635	1,439,547
1,259,657	1,395,381	1,758,769	1,476,519	1,772,913	1,757,214
661,125	814,808	342,899	420,153	750,994	406,357
2,000	0	0	0	0	0
179,250	(217,091)	317,837	227,603	396,425	64,872
9,150	7,414	0	0	0	508
139,756	225,740	155,073	374,038	384,300	294,305
(310,237)	(392,268)	(274,620)	(500,000)	(2,420,508)	(84,131)
\$12,343,679	\$12,217,956	\$12,981,946	\$12,602,881	\$11,910,498	\$14,946,679

(continued)

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

	2006	2007	2008 (1)	2009
General Revenues and Other Changes in Net Position (continued)				
Business-Type Activities:				
Investment Earnings	\$942,160	\$693,586	\$447,260	\$700,087
Gain on Sale of Capital Assets	17,300	0	0	2,310
Loss from Discontinued Segments of Telecommunications				
Operations	0	(328,948)	0	0
Gain on Disposal of Segments of Telecommunications				
Operations	0	2,742,921	0	0
Other	457,877	88,918	275,132	128,167
Transfers	13,752	12,320	117,639	1,536,455
<i>Total Business-Type Activities</i>	<u>1,431,089</u>	<u>3,208,797</u>	<u>840,031</u>	<u>2,367,019</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>15,093,750</u>	<u>17,483,883</u>	<u>15,120,457</u>	<u>14,520,355</u>
Prior Year Restatement of Governmental Activities Net Position	(2,146,171)	0	0	0
Prior Year Restatement of Business-Type Activities Net Position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Position				
Governmental Activities	3,701,796	2,482,966	4,302,390	1,346,758
Business-Type Activities	<u>3,210,789</u>	<u>6,810,258</u>	<u>2,888,748</u>	<u>5,540,375</u>
<i>Total Primary Government Change in Net Position</i>	<u><u>\$6,912,585</u></u>	<u><u>\$9,293,224</u></u>	<u><u>\$7,191,138</u></u>	<u><u>\$6,887,133</u></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.

2010	2011	2012	2013	2014	2015 (2)
\$232,745	(\$288,217)	\$219,886	\$113,323	\$282,679	\$139,240
10,200	12,415	3,800	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
68,458	665,346	2,018,744	168,793	103,639	67,067
310,237	392,268	274,620	500,000	2,420,508	84,131
<u>621,640</u>	<u>781,812</u>	<u>2,517,050</u>	<u>782,116</u>	<u>2,806,826</u>	<u>290,438</u>
<u>12,965,319</u>	<u>12,999,768</u>	<u>15,498,996</u>	<u>13,384,997</u>	<u>14,717,324</u>	<u>15,237,117</u>
0	0	0	0	(8,904,211)	0
0	0	0	0	(1,519,574)	0
470,994	471,124	1,036,396	2,230,117	(7,876,515)	2,509,535
984,505	619,370	2,443,060	4,471,055	4,490,221	4,538,537
<u>\$1,455,499</u>	<u>\$1,090,494</u>	<u>\$3,479,456</u>	<u>\$6,701,172</u>	<u>(\$3,386,294)</u>	<u>\$7,048,072</u>

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

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

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

2009	2010	2011	2012	2013	2014	2015
\$1,184,302	\$1,064,339	\$921,909	\$813,297	\$682,168	\$565,102	\$411,009
15,190	0	0	0	0	0	0
0	0	183,215	260,111	194,031	140,952	628,373
3,800,626	4,071,783	4,267,452	5,137,124	5,056,978	5,779,984	5,399,631
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>5,000,118</u>	<u>5,136,122</u>	<u>5,372,576</u>	<u>6,210,532</u>	<u>5,933,177</u>	<u>6,486,038</u>	<u>6,439,013</u>
262,740	198,933	189,965	190,824	124,814	197,501	187,072
7,969,375	8,864,107	9,490,132	7,704,927	4,764,186	5,531,792	7,144,478
3,121,909	3,129,214	3,196,405	5,055,548	9,520,830	4,702,921	5,903,271
0	0	0	0	0	(238,372)	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>11,354,024</u>	<u>12,192,254</u>	<u>12,876,502</u>	<u>12,951,299</u>	<u>14,409,830</u>	<u>10,193,842</u>	<u>13,234,821</u>
<u>0</u>						
<u>\$16,354,142</u>	<u>\$17,328,376</u>	<u>\$18,249,078</u>	<u>\$19,161,831</u>	<u>\$20,343,007</u>	<u>\$16,679,880</u>	<u>\$19,673,834</u>

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

	2006	2007	2008	2009
Revenues				
Property Taxes	\$3,344,659	\$3,536,738	\$3,758,401	\$3,594,477
Income Taxes	6,437,444	5,988,089	5,719,316	5,510,661
Other Local Taxes	857,100	1,230,707	1,466,536	1,319,827
Payments in Lieu of Taxes	1,181,361	1,235,888	1,269,275	1,269,899
Special Assessments	152,172	89,412	94,678	103,030
Charges for Services	2,113,406	2,154,757	2,122,822	2,113,504
Fines, Licenses and Permits	1,090,009	891,574	969,440	795,107
Intergovernmental	2,650,427	3,042,013	2,897,793	3,563,319
Interest	796,824	1,316,866	732,751	911,684
Contributions and Donations	3,119	10,345	7,494	4,375
Other	366,095	406,585	188,765	163,574
<i>Total Revenues</i>	<u>18,992,616</u>	<u>19,902,974</u>	<u>19,227,271</u>	<u>19,349,457</u>
Expenditures				
Current:				
General Government	3,823,519	4,936,788	4,594,923	3,858,069
Security of Persons and Property:				
Police	3,432,462	3,760,488	3,975,505	4,165,490
Fire	2,022,690	2,552,853	2,513,055	2,540,690
Public Health Services	175,691	188,855	175,878	159,879
Leisure Time Services	967,844	485,810	434,985	424,044
Community and Economic Development	1,102,447	719,007	863,405	851,361
Transportation	769,950	1,622,542	875,710	1,000,611
Intergovernmental	212,289	229,308	244,657	257,623
Capital Outlay	2,184,601	4,540,579	3,194,419	6,231,284
Debt Service:				
Principal Retirement	530,771	464,861	2,819,636	576,144
Interest and Fiscal Charges	327,457	286,716	370,358	309,873
Interest Paid on Capital Appreciation Bonds	0	91,687	95,767	103,322
Bond Issuance Costs	0	0	103,476	0
<i>Total Expenditures</i>	<u>15,549,721</u>	<u>19,879,494</u>	<u>20,261,774</u>	<u>20,478,390</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,442,895</u>	<u>23,480</u>	<u>(1,034,503)</u>	<u>(1,128,933)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	49,758	20,436	39,550	14,168
Transfers In	1,445,692	2,551,127	1,575,558	2,575,617
Transfers Out	(1,459,444)	(3,144,659)	(1,589,309)	(2,624,391)
Inception of Capital Lease	0	0	60,361	0
General Obligation Bonds Issued	0	0	3,750,000	0
Bond Anticipation Notes Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Notes	0	2,280,000	0	0
Premium on Debt Issued	0	1,993	92,821	0
Payment to Refunded Bond Escrow Agent	0	0	(1,738,460)	0
<i>Total Other Financing Sources (Uses)</i>	<u>36,006</u>	<u>1,708,897</u>	<u>2,190,521</u>	<u>(34,606)</u>
<i>Net Change in Fund Balances</i>	<u>\$3,478,901</u>	<u>\$1,732,377</u>	<u>\$1,156,018</u>	<u>(\$1,163,539)</u>
Debt Service as a Percentage of Noncapital Expenditures	6.4%	5.5%	20.4%	6.9%

2010	2011	2012	2013	2014	2015
\$3,563,064	\$3,377,780	\$3,070,560	\$2,936,952	\$2,940,203	\$3,651,116
5,565,246	5,463,788	6,155,444	6,334,779	6,765,581	7,055,726
1,371,120	1,245,646	1,366,321	1,337,972	1,380,635	1,439,547
1,259,657	1,428,970	1,758,769	1,476,519	1,772,913	1,757,214
87,439	112,287	89,051	124,099	37,671	324
2,303,809	2,309,288	2,819,113	2,601,728	2,902,988	2,886,962
775,800	788,547	737,151	754,072	906,570	857,016
2,884,405	2,932,834	2,647,883	5,404,430	2,407,179	4,674,712
200,297	(86,371)	329,748	167,756	397,885	58,337
63,444	1,848	12,134	19,195	20,000	20,750
143,475	225,740	155,073	374,038	384,300	294,305
18,217,756	17,800,357	19,141,247	21,531,540	19,915,925	22,696,009
3,837,352	3,512,438	3,353,208	3,845,070	4,022,641	3,905,327
4,208,892	4,138,153	4,155,702	4,145,205	4,491,399	4,367,772
2,579,293	2,538,806	3,055,494	2,867,920	2,960,394	2,646,167
164,718	175,537	171,222	166,325	180,868	158,906
390,839	493,220	648,820	1,184,816	750,673	1,198,390
826,380	861,847	1,010,993	1,225,319	990,247	1,099,926
1,102,322	868,916	1,146,286	1,226,412	947,545	1,217,506
277,310	296,891	345,607	900,216	407,960	418,817
2,993,629	3,205,214	3,718,437	7,728,631	8,522,810	3,906,252
590,158	540,884	466,645	605,496	2,080,519	2,595,541
272,577	244,320	220,992	291,117	283,889	239,999
0	0	0	0	0	0
0	0	0	0	0	0
17,243,470	16,876,226	18,293,406	24,186,527	25,638,945	21,754,603
974,286	924,131	847,841	(2,654,987)	(5,723,020)	941,406
13,700	37,825	64,912	32,077	19,541	30,498
1,212,115	433,620	502,500	702,500	1,632,500	1,007,500
(1,225,867)	(474,874)	(502,500)	(1,202,500)	(1,632,500)	(1,007,500)
0	0	0	0	0	0
0	0	0	2,655,000	0	0
0	0	0	0	0	2,000,000
0	0	0	2,311,603	0	0
0	0	0	1,500,000	2,000,000	0
0	0	0	239,158	40,352	22,050
0	0	0	(2,401,675)	0	0
(52)	(3,429)	64,912	3,836,163	2,059,893	2,052,548
\$974,234	\$920,702	\$912,753	\$1,181,176	(\$3,663,127)	\$2,993,954
6.1%	5.5%	4.6%	5.4%	12.6%	15.6%

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

<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2006	1.00%	\$6,509,453	\$46,588	71.57%	\$770,068	11.83%	\$10,806	16.60%
2007	1.00	5,888,391	4,362,709	74.09	542,910	9.22	982,772	16.69
2008	1.00	6,260,249	4,757,789	76.00	438,217	7.00	1,064,242	17.00
2009	1.00	5,409,147	4,105,542	75.90	402,441	7.44	901,164	16.66
2010	1.00	5,451,284	4,021,412	73.77	493,341	9.05	936,531	17.18
2011	1.00	5,762,855	4,320,412	74.97	418,960	7.27	1,023,483	17.76
2012	1.00	6,232,249	4,594,414	73.72	572,120	9.18	1,065,715	17.10
2013	1.00	6,323,285	4,609,675	72.90	670,268	10.60	1,043,342	16.50
2014	1.00	6,658,556	4,892,707	73.48	763,736	11.47	1,002,113	15.05
2015	1.00	7,054,685	5,275,555	74.78	641,281	9.09	1,137,849	16.13

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 2014 AND 2005 (1)

Tax Year 2014 (2)

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	1,229	20.61 %	\$194,744,606	51.82 %
75,001-100,000	653	10.95	56,661,703	15.08
50,001-75,000	960	16.10	59,018,505	15.70
25,000-50,000	1,237	20.74	45,413,482	12.08
Under 25,000	1,885	31.60	19,963,251	5.32
Total	5,964	100.00	\$375,801,547	100.00

Tax Year 2005

Income Range	Number of Filed Returns	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	781	11.69 %	\$110,925,189	33.88 %
75,001-100,000	777	11.63	67,097,398	20.49
50,001-75,000	1,057	15.83	65,412,600	19.98
25,000-50,000	1,590	23.82	58,147,303	17.76
Under 25,000	2,474	37.03	25,839,529	7.89
Total	6,679	100.00	\$327,422,019	100.00

Source: City Income Tax Department

- (1) Tax year 2015 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>2006</u>	<u>2007 (2)</u>	<u>2008</u>	<u>2009</u>
Residential	\$8,611,965	\$9,608,478	\$9,716,139	\$9,699,704
Industrial	1,526,030	1,694,059	1,730,682	1,764,978
Commercial (1)	<u>7,727,224</u>	<u>16,249,343</u>	<u>17,957,635</u>	<u>17,065,759</u>
Total (3)	<u>\$17,865,219</u>	<u>\$27,551,880</u>	<u>\$29,404,456</u>	<u>\$28,530,441</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$9,631,822	\$9,512,740	\$9,669,899	\$10,001,557	\$10,015,251	\$9,602,351
1,657,291	1,690,421	1,802,374	1,890,244	1,930,896	1,801,187
<u>16,797,199</u>	<u>14,495,444</u>	<u>17,583,205</u>	<u>18,967,595</u>	<u>20,582,711</u>	<u>19,712,760</u>
<u><u>\$28,086,312</u></u>	<u><u>\$25,698,605</u></u>	<u><u>\$29,055,478</u></u>	<u><u>\$30,859,396</u></u>	<u><u>\$32,528,858</u></u>	<u><u>\$31,116,298</u></u>

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CITY OF LEBANON, OHIO
 PRINCIPAL ELECTRIC CUSTOMERS
 2015 AND 2006

2015		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
CyrusOne LLC	\$3,294,574	10.59 %
Advics Mfg.	2,619,600	8.42
Mane Inc.	1,093,512	3.51
Warren County	862,892	2.77
HTNA	807,271	2.59
Green Bay Packaging	489,630	1.57
Countryside YMCA	404,531	1.30
JBM Envelope	350,561	1.13
EPC Range	330,030	1.06
Wal-Mart	329,771	1.06
Total	\$10,582,372	34.00 %
Total Electric Charges for Services	\$31,116,298	

2006		
Customer	Electric Charges for Services	Percentage of Total Charges for Services
Wal-Mart	\$455,225	2.55 %
Franklin Brazing & Metal	304,193	1.70
Inna Tech	303,314	1.70
Kroger	282,260	1.58
Warren County Fair Board	261,221	1.46
PNG Products Inc.	240,526	1.35
Board of Education	220,610	1.23
Warren County(Justice Center)	211,069	1.18
Countryside YMCA	205,176	1.15
Warren County(Jail)	198,197	1.11
Total	\$2,681,791	15.01 %
Total Electric Charges for Services	\$17,865,219	

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

	2006	2007 (1)	2008	2009 (2)	2010
Residential					
Customer Service Charge	\$4.48	\$4.52	\$4.57	\$4.61	\$5.15
Energy Charge KWH:					
All KWH	-	-	-	-	\$0.0670
First 1,500 KWH	\$0.04225	\$0.06260	\$0.06322	\$0.06385	-
Above 1,500 KWH	\$0.02565	\$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)	\$0.05200	\$0.03890	\$0.04510	\$0.01610	(\$0.00820)
KWH Tax:					
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
General Service Rate					
Customer Service Charge:					
Single Phase (1 Ph) Meter	\$7.71	\$7.78	\$7.86	\$7.93	\$15.45
Three Phase (3 Ph) Meter	\$12.86	\$12.98	\$13.11	\$13.24	\$20.60
Single and Three Phase Meter	\$20.57	\$20.78	\$20.99	\$21.20	-
Energy Charge KWH:					
First 2,000 KWH	\$0.04925	\$0.06940	\$0.07009	\$0.07079	-
Next 6,000 KWH	\$0.03482	\$0.05500	\$0.05555	\$0.05611	-
Over 8,000 KWH	\$0.02359	\$0.04370	\$0.04413	\$0.04457	-
Over 100,000 KWH	\$0.01030	\$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	Free	-
Next 15 KW	\$6.11990	\$6.24290	\$6.30532	\$6.36837	-
Over 25 KW	\$5.41316	\$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)	\$0.05200	\$0.03890	\$0.04510	\$0.01610	(\$0.00820)
KWH Tax:					
First 2,000 KWH	\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
Next 13,000 KWH	\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
Above 15,000 KWH	\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

2011	2012	2013	2014	2015
\$5.15	\$5.15	\$5.15	\$5.15	\$5.15
\$0.0670	\$0.0670	\$0.0670	\$0.0670	\$0.0670
-	-	-	-	-
-	-	-	-	-
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$20.60	\$20.60	\$20.60	\$20.60	\$20.60
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$0.0824	\$0.0824	\$0.0824	\$0.0824	\$0.0824
\$0.0721	\$0.0721	\$0.0721	\$0.0721	\$0.0721
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0618	\$0.0618	\$0.0618	\$0.0618	\$0.0618
\$0.0309	\$0.0309	\$0.0309	\$0.0309	\$0.0309
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Free	Free	Free	Free	Free
\$7.21	\$7.21	\$7.21	\$7.21	\$7.21
\$9.27	\$9.27	\$9.27	\$9.27	\$9.27
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
\$0.0412	\$0.0412	\$0.0412	\$0.0412	\$0.0412
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.0258	\$0.0258	\$0.0258	\$0.0258	\$0.0258
\$0.0206	\$0.0206	\$0.0206	\$0.0206	\$0.0206
\$0.0155	\$0.0155	\$0.0155	\$0.0155	\$0.0155
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363

(continued)

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

	2006	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
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
-	-	-	-	-
\$0.0361	\$0.0361	\$0.0361	\$0.0361	\$0.0361
\$0.0288	\$0.0288	\$0.0288	\$0.0288	\$0.0288
-	-	-	-	-
\$15.45	\$15.45	\$15.45	\$15.45	\$15.45
\$13.39	\$13.39	\$13.39	\$13.39	\$13.39
\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
\$0.01030	\$0.01030	\$0.01030	\$0.01030	\$0.01030
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00419	\$0.00419	\$0.00419
\$0.00363	\$0.00363	\$0.00363	\$0.00363	\$0.00363
\$103.00	\$103.00	\$103.00	\$103.00	\$103.00
-	-	-	-	-
\$0.0464	\$0.0464	\$0.0464	\$0.0464	\$0.0464
\$0.0103	\$0.0103	\$0.0103	\$0.0103	\$0.0103
-	-	-	-	-
\$8.24	\$8.24	\$8.24	\$8.24	\$8.24
\$10.30	\$10.30	\$10.30	\$10.30	\$10.30
\$0.02580	\$0.02580	\$0.02580	\$0.02580	\$0.02580
\$0.01550	\$0.01550	\$0.01550	\$0.01550	\$0.01550
(\$0.00840)	(\$0.00400)	\$0.00140	\$0.00010	\$0.00010
\$0.00465	\$0.00465	\$0.00465	\$0.00465	\$0.00465
\$0.00419	\$0.00419	\$0.00412	\$0.00411	\$0.00411
\$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
2006	\$5,864,320	\$499,445	\$16,162	\$840,000
2007	5,456,426	409,529	0	2,560,000
2008	7,048,239	315,883	60,361	1,280,000
2009	6,499,576	218,507	46,315	0
2010	6,058,568	87,401	31,595	0
2011	5,650,893	12,985	16,168	0
2012	5,200,655	9,439	0	0
2013	7,461,050	0	0	1,509,526
2014	6,861,017	0	0	2,010,088
2015	6,245,984	0	0	2,007,350

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
\$35,530,846	\$617,607	\$1,750,000	\$0	\$45,118,380	12.73%	\$2,660
33,632,086	0	5,750,000	0	47,808,041	13.49	2,819
36,030,824	0	1,250,000	0	45,985,307	12.97	2,711
34,175,122	0	4,900,000	0	45,839,520	8.94	2,288
32,234,420	0	6,300,000	3,360,000	48,071,984	9.38	2,400
31,142,688	0	8,150,000	2,752,260	47,724,994	9.31	2,382
36,840,609	0	550,000	339,290	42,939,993	8.38	2,143
34,507,122	0	1,400,000	0	44,877,698	8.76	2,240
32,093,636	0	1,200,000	0	42,164,741	8.23	2,105
29,605,150	0	1,000,000	0	38,858,484	7.58	1,940

CITY OF LEBANON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 DECEMBER 31, 2015

<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	\$6,245,984	100.00%	\$6,245,984
Notes Payable	<u>2,007,350</u>	100.00	<u>2,007,350</u>
<i>Total Direct Debt</i>	<u>8,253,334</u>		<u>8,253,334</u>
Overlapping			
Lebanon City School District			
General Obligation Bonds	57,214,754	50.24	28,744,692
Capital Leases	2,660,000	50.24	1,336,384
Kings Local School District			
General Obligation Bonds	56,095,864	1.15	645,102
Warren County Career Center			
Energy Conservation Notes	600,000	10.49	62,940
Capital Leases	12,041	10.49	1,263
Warren County			
General Obligation Bonds	9,339,172	7.07	660,279
Special Assessment Bonds	<u>7,472,884</u>	7.07	<u>528,333</u>
<i>Total Overlapping Debt</i>	<u>133,394,715</u>		<u>31,978,994</u>
Total	<u><u>\$141,648,049</u></u>		<u><u>\$40,232,328</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
2006	16,962	\$1,330,955,444	\$5,864,320	0.44%	\$345.73
2007	16,962	1,525,874,800	5,456,426	0.36	321.69
2008	16,962	1,276,594,439	7,048,239	0.55	415.53
2009	16,962	1,192,296,133	6,499,576	0.55	383.18
2010	20,033	1,191,372,162	6,058,568	0.51	302.43
2011	20,033	1,185,040,310	5,610,870	0.47	280.08
2012	20,033	1,126,990,932	5,200,655	0.46	259.60
2013	20,033	1,126,979,400	7,461,050	0.66	372.44
2014	20,033	1,137,115,970	6,861,017	0.60	342.49
2015	20,033	1,190,838,314	6,245,984	0.52	311.78

Sources:

(1) 2006-2009 from 2000 Federal Census/2010-2015 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

	2006	2007	2008	2009
Total Assessed Property Value	<u>\$454,976,445</u>	<u>\$451,956,350</u>	<u>\$443,736,980</u>	<u>\$416,119,870</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>47,772,527</u>	<u>47,455,417</u>	<u>46,592,383</u>	<u>43,692,586</u>
Debt Outstanding:				
General Obligation Bonds	5,674,778	5,316,381	6,945,794	6,481,492
Mortgage Revenue Bonds	36,740,000	34,740,000	37,045,000	35,115,000
Special Assessment Bonds	449,445	409,529	315,883	218,507
Bond Anticipation Notes	<u>2,590,000</u>	<u>8,310,000</u>	<u>2,530,000</u>	<u>4,900,000</u>
Total Gross Indebtedness	45,454,223	48,775,910	46,836,677	46,714,999
Less:				
General Obligation Bonds	(5,585,554)	(5,260,470)	(6,919,116)	(6,481,492)
Mortgage Revenue Bonds	(36,740,000)	(34,740,000)	(37,045,000)	(35,115,000)
Special Assessment Bonds	(449,445)	(409,529)	(315,883)	(218,507)
Bond Anticipation Notes	(1,750,000)	(5,750,000)	(1,250,000)	(4,900,000)
General Obligation Bond Retirement Fund Balance	<u>(261,135)</u>	<u>(182,304)</u>	<u>(103,180)</u>	<u>0</u>
Total Net Debt Applicable to Debt Limit	<u>668,089</u>	<u>2,433,607</u>	<u>1,203,498</u>	<u>0</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$47,104,438</u>	<u>\$45,021,810</u>	<u>\$45,388,885</u>	<u>\$43,692,586</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.60%	94.87%	97.42%	100.00%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$25,023,704</u>	<u>\$24,857,599</u>	<u>\$24,405,534</u>	<u>\$22,886,593</u>
Total Gross Indebtedness	45,454,223	48,775,910	46,836,677	46,714,999
Less:				
General Obligation Bonds	(5,585,554)	(5,260,470)	(6,919,116)	(6,481,492)
Mortgage Revenue Bonds	(36,740,000)	(34,740,000)	(37,045,000)	(35,115,000)
Special Assessment Bonds	(449,445)	(409,529)	(315,883)	(218,507)
Bond Anticipation Notes	<u>(1,750,000)</u>	<u>(5,750,000)</u>	<u>(1,250,000)</u>	<u>(4,900,000)</u>
Net Debt Within 5 ½ % Limitations	<u>668,089</u>	<u>2,615,911</u>	<u>1,306,678</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$24,355,615</u>	<u>\$22,241,688</u>	<u>\$23,098,856</u>	<u>\$22,886,593</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.33%	89.48%	94.65%	100.00%

Source: City Financial Records

2010	2011	2012	2013	2014	2015
<u>\$417,778,478</u>	<u>\$414,764,110</u>	<u>\$396,556,600</u>	<u>\$396,645,380</u>	<u>\$397,990,590</u>	<u>\$416,793,410</u>
<u>43,866,740</u>	<u>43,550,232</u>	<u>41,638,443</u>	<u>41,647,765</u>	<u>41,789,012</u>	<u>43,763,308</u>
6,037,598	5,587,014	5,140,560	7,196,603	6,816,603	6,021,603
33,100,000	31,010,000	36,525,000	34,220,000	31,835,000	29,375,000
87,401	12,985	9,439	0	0	0
<u>6,300,000</u>	<u>8,150,000</u>	<u>550,000</u>	<u>4,500,000</u>	<u>5,200,000</u>	<u>3,000,000</u>
45,524,999	44,759,999	42,224,999	45,916,603	43,851,603	38,396,603
(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)	(6,816,603)	(6,021,603)
(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)	(31,835,000)	(29,375,000)
(87,401)	(12,985)	(9,439)	0	0	0
(6,300,000)	(8,150,000)	(550,000)	(4,500,000)	(5,200,000)	(3,000,000)
<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>\$43,866,740</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>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</u>
45,524,999	44,759,999	42,224,999	45,916,603	43,851,603	38,396,603
(6,037,598)	(5,587,014)	(5,140,560)	(7,196,603)	(6,816,603)	(6,021,603)
(33,100,000)	(31,010,000)	(36,525,000)	(34,220,000)	(31,835,000)	(29,375,000)
(87,401)	(12,985)	(9,439)	0	0	0
(6,300,000)	(8,150,000)	(550,000)	(4,500,000)	(5,200,000)	(3,000,000)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$22,977,816</u>	<u>\$22,812,026</u>	<u>\$21,810,613</u>	<u>\$21,815,496</u>	<u>\$21,889,482</u>	<u>\$22,923,638</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	
2006	\$24,143,085	\$19,441,416	\$4,701,669	\$730,000	\$301,463	\$1,031,463	4.56%
2007	28,884,945	23,994,524	4,890,421	950,000	695,938	1,645,938	2.97
2008	28,585,522	24,931,692	3,653,830	1,070,000	752,988	1,822,988	2.00
2009	29,285,522	24,079,628	5,205,894	1,180,000	880,604	2,060,604	2.53
2010	28,291,909	25,998,247	2,293,662	1,235,000	722,651	1,957,651	1.17
2011	25,478,741	23,255,870	2,222,871	1,285,000	701,325	1,986,325	1.12
2012	29,119,640	26,483,052	2,636,588	1,340,000	655,186	1,995,186	1.32
2013	30,705,867	25,338,073	5,367,794	1,390,000	602,025	1,992,025	2.69
2014	33,074,747	27,381,946	5,692,801	1,440,000	549,438	1,989,438	2.86
2015	30,765,726	24,583,288	6,182,438	1,495,000	491,838	1,986,838	3.11

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

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

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

Year	Sewer Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service			Coverage
				Principal	Interest	Total	
2006	\$3,223,609	\$1,737,309	\$1,486,300	\$435,000	\$522,556	\$957,556	1.55%
2007	3,689,432	1,719,657	1,969,775	620,000	503,030	1,123,030	1.75
2008	3,347,674	1,923,716	1,423,958	645,000	475,766	1,120,766	1.27
2009	3,382,159	1,729,070	1,653,089	465,000	446,991	911,991	1.81
2010	3,389,268	1,907,162	1,482,106	480,000	425,971	905,971	1.64
2011	3,105,295	1,965,877	1,139,418	490,000	407,482	897,482	1.27
2012	3,368,455	2,117,451	1,251,004	510,000	387,881	897,881	1.39
2013	3,234,784	1,140,723	2,094,061	535,000	367,481	902,481	2.32
2014	3,404,925	2,323,575	1,081,350	560,000	346,081	906,081	1.19
2015	3,475,157	2,029,082	1,446,075	575,000	323,681	898,681	1.61

(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	
2006	\$2,603,513	\$1,873,634	\$729,879	\$415,000	\$398,400	\$813,400	0.90%
2007	2,905,422	1,436,995	1,468,427	430,000	380,970	810,970	1.81
2008	2,864,853	1,434,585	1,430,268	445,000	362,480	807,480	1.77
2009	2,801,673	1,361,027	1,440,646	285,000	342,900	627,900	2.29
2010	2,997,829	1,431,532	1,566,297	300,000	330,218	630,218	2.49
2011	2,759,278	1,827,517	931,761	315,000	316,568	631,568	1.48
2012	3,217,644	1,944,281	1,273,363	455,000	226,870	681,870	1.87
2013	3,105,305	2,137,596	967,709	380,000	466,863	846,863	1.14
2014	3,392,408	2,383,892	1,008,516	385,000	459,263	844,263	1.19
2015	3,643,684	2,533,639	1,110,045	390,000	451,563	841,563	1.32

(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>
2005	16,962	\$354,454,914	\$20,897	\$46,856	31.9
2006	16,962	354,454,914	20,897	46,856	31.9
2007	16,962	354,454,914	20,897	46,856	31.9
2008	16,962	354,454,914	20,897	46,856	31.9
2009	16,962	354,454,914	20,897	46,856	31.9
2010	20,033	512,544,305	25,585	61,085	33.9
2011	20,033	512,544,305	25,585	61,085	33.9
2012	20,033	512,544,305	25,585	61,085	33.9
2013	20,033	512,544,305	25,585	61,085	33.9
2014	20,033	512,544,305	25,585	61,085	33.9
2015	20,033	512,544,305	25,585	61,085	33.9

(1) Source: 2006-2009 from 2000 Federal Census/2010-2015 from 2010 Federal Census

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

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

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

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (3)	Warren County Unemployment Rate (4)
25.0 %	4,997	4.4
25.0	5,238	4.2
25.0	5,383	4.7
25.0	5,202	8.5
25.0	5,301	9.3
26.0	5,379	8.4
26.0	5,450	7.0
26.0	5,442	5.6
26.0	5,442	5.6
26.0	5,715	4.8
26.0	5,381	3.9

CITY OF LEBANON, OHIO
 PRINCIPAL EMPLOYERS
 2014 AND 2006

2014

Employer	Employees
Warren County	1,212
Lebanon City School District	889
Countryside YMCA	807
CM Temporary	756
Advics Manufacturing	689
Kroger	547
Hayashi Telemu (Amtex, Inc.)	498
FedEx	455
Wal-Mart	378
Mane Inc.	377
Total	6,608

2006

Employer	Employees
Warren County	1,135
Countryside YMCA	866
Lebanon City School District	830
Advics Manufacturing	673
Kroger	642
Wal-Mart	531
CM Temporary	429
Hayashi Telemu North America	322
Warren Co. Educational Srvc Cnt	295
Frisch Ohio Inc.	275
Total	5,998

Information on total employment within the City is not available.

The 2015 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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	8.00	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	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Administration	4.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00	5.00	5.00
Building Maintenance	2.00	3.00	3.00	3.00	3.00	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	4.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Court	8.00	7.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Probation	2.00	2.00	2.00	2.00	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	3.00	2.00	2.00	2.00	2.00	2.00
Police - Sergeants	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Police - Officers	20.00	23.00	22.00	22.00	22.00	22.00	22.00	21.00	21.00	21.00
Police - Dispatchers	7.00	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	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Health										
Cemetery	2.50	3.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Leisure Time Services										
Parks & Recreation (3)	0.50	2.00	2.00	2.00	1.00	3.00	3.00	3.00	3.00	3.00
Community Development										
Building and Zoning	3.00	0.00	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Planning and Development	3.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Internal Service										
Automotive Maintenance	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Transportation										
Street M&R (3)	8.00	8.00	8.00	8.00	5.00	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)	11.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	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	12.00	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	2.00	1.00
Water - Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	3.00
Water - Supply and Treatment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Wastewater - Administration	1.00	2.00	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	2.00	3.00	3.00	3.00
Wastewater - Collection and Treatment	6.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Totals:	<u>150.00</u>	<u>158.00</u>	<u>145.00</u>	<u>145.00</u>	<u>142.00</u>	<u>141.00</u>	<u>139.00</u>	<u>136.00</u>	<u>135.00</u>	<u>135.00</u>

Source: City of Lebanon Annual Budget

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

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

Function/Program	2006	2007	2008	2009
General Government				
<i>Council and Clerk</i>				
Number of Ordinances and Resolutions Passed	191	190	163	113
Number of Planning Commission Docket Items	44	46	24	30
Zoning Board of Appeals Docket Items	8	9	6	5
<i>Finance Department (1)</i>				
Number of Checks Issued	5,393	4,788	4,952	4,477
Number of Purchase Orders Issued	3,136	2,507	1,106	1,016
Amount of Checks Written (includes interfund transfers)	\$64,977,705	\$78,123,022	\$79,454,629	\$67,670,694
Interest Earnings for Fiscal Year (cash basis)	\$1,098,245	\$1,631,436	\$729,505	\$460,240
Number of Supplemental Appropriations Issued	49	65	46	34
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aaa	Aaa
Health Insurance Costs vs. General Fund Expenditures	14.61%	12.86%	14.46%	12.32%
General Fund Receipts (cash basis in thousands)	\$8,789	\$10,325	\$9,354	\$8,883
General Fund Expenditures (cash basis in thousands)	\$7,986	\$10,260	\$9,185	\$9,019
General Fund (unexpended) Cash Balances (in thousands)	\$2,807	\$2,873	\$3,042	\$2,906
<i>Income Tax Department</i>				
Number of Individual Returns	8,202	8,679	9,202	9,827
Number of Business Returns	1,014	1,408	1,506	1,507
Number of Business Withholding Accounts	1,244	1,305	1,496	1,496
Annual Number of Corporate Withholding Forms Processed	6,823	6,900	7,936	8,514
Annual Number of Balance Due Statements Forms Processed	1,520	2,160	500	600
Annual Number of Estimated Payment Forms Processed	1,706	1,850	2,000	2,000
Annual Number of Reconciliations of Withholdings Processed	1,329	1,517	1,346	1,322
<i>Engineering Department</i>				
Capital Improvement (public and private) Overseen by Dept.	\$5,221,623	\$5,301,116	\$5,010,259	\$7,545,020
<i>Municipal Court</i>				
Number of Civil Cases	1,212	1,275	1,321	1,087
Number of Criminal Cases	1,471	1,540	1,597	1,393
<i>Civil Service</i>				
Number of Police Entry Tests Administered	0	151	153	429
Number of Police Promotional Tests Administered	0	0	8	0
Number of Hires of Police Officers from Certified Lists	0	0	3	3
Number of Promotions from Police Certified Lists	0	0	1	0

2010	2011	2012	2013	2014	2015
131	107	115	114	99	132
23	22	28	32	34	63
6	2	3	3	11	9
4,540	4,433	4,753	5,509	4,425	4,173
1,000	1,039	1,084	1,045	873	992
\$70,323,107	\$73,041,394	\$78,807,285	\$72,899,728	\$78,072,236	\$71,328,633
\$366,830	\$241,760	\$455,725	\$231,840	\$251,836	\$390,473
20	26	42	20	21	23
A1	A1	Aa2	Aa2	Aa2	Aa2
8.99%	9.29%	10.50%	11.13%	11.90%	10.19%
\$9,251	\$9,257	\$9,951	\$10,055	\$10,604	\$10,857
\$8,918	\$8,918	\$8,945	\$10,186	\$10,323	\$10,663
\$3,239	\$3,758	\$4,853	\$4,721	\$5,003	\$5,196
9,790	9,630	9,982	9,807	10,573	10,091
1,518	1,593	1,470	1,522	1,713	1,346
1,472	2,356	2,344	2,385	2,632	1,310
8,418	8,415	8,298	8,411	8,448	8,010
791	720	800	745	760	586
2,500	2,016	2,118	2,158	2,017	1,801
1,356	1,530	1,166	1,343	1,278	1,726
\$3,235,575	\$7,181,756	\$5,885,336	\$8,577,939	\$11,874,633	\$2,173,804
1,063	826	754	593	605	638
1,372	1,417	1,515	1,475	1,573	1,562
0	0	1	1	30	57
0	2	0	0	5	1
1	0	2	2	2	2
0	2	1	0	2	2

(continued)

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

Function/Program	2006	2007	2008	2009
<i>Building Department Indicators</i>				
Commercial Construction Permits Issued	99	93	176	127
Estimated Value of Commercial Construction	\$12,249,758	\$15,704,396	\$24,382,169	\$6,017,287
Residential Construction Building Permits Issued	92	140	127	137
Estimated Value of Residential Construction	\$17,034,844	\$9,761,281	\$8,273,210	\$10,780,028
Security of Persons and Property				
<i>Police</i>				
Total Calls for Services	25,475	23,823	25,459	23,389
Number of Traffic Citations Issued	1,841	1,576	1,767	1,373
Number of Parking Citations Issued	0	235	125	217
Number of Criminal Arrests	1,561	1,649	1,794	1,335
Number of Accident Reports Completed	835	595	400	392
Part 1 Offenses (major offenses)	644	449	480	519
Animal Complaints	410	360	322	343
DUI Arrests	149	152	165	112
Traffic Crashes	440	595	400	392
Crash Injuries	143	137	125	97
Crash Deaths	0	0	0	1
Prisoners	389	118	12	3
Prisoner Meal Costs	\$7,486	\$1,300	\$63	\$0
Gasoline Costs of Fleet	\$57,754	\$55,796	\$76,614	\$49,409
<i>Fire</i>				
EMS Calls	2,037	2,131	2,152	2,235
Ambulance Billing Collections (net)	\$129,802	\$189,844	\$245,713	\$245,743
Fire Calls	1,139	1,535	1,884	1,521
Fires with Loss	50	42	55	25
Fires with Losses Exceeding \$10K	3	9	12	12
Fire Losses	\$229,275	\$643,967	\$914,225	\$1,357,420
Fire Safety Inspections	540	610	650	n/a
Number of Times Mutual Aid Given to Fire and EMS	26	54	58	53
Number of Times Mutual Aid Received for Fire and EMS	6	42	67	70
Public Health				
Cemetery Receipts (includes interfund transfers)	\$163,759	\$168,527	\$156,522	\$160,398

2010	2011	2012	2013	2014	2015
90	60	67	65	93	81
\$7,898,118	\$18,480,315	\$37,700,000	\$33,482,059	\$44,964,185	\$125,985,538
112	30	88	170	176	149
\$6,536,428	\$6,124,089	\$3,200,000	\$2,533,487	\$5,870,806	\$3,308,718
22,024	21,229	22,410	21,449	21,932	22,617
1,203	989	1,472	1,656	1,406	1,192
68	63	130	572	48	352
1,263	1,072	1,232	1,138	1,308	1,118
398	433	419	550	645	455
474	385	585	500	494	1,255
336	345	378	317	358	362
109	76	70	104	137	78
398	432	419	550	452	455
86	81	80	100	73	91
1	0	0	1	0	0
2	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$63,837	\$83,778	\$81,418	\$78,641	\$83,046	\$53,001
2,226	2,174	2,262	2,169	2,149	2,360
\$402,002	\$467,450	\$420,701	\$370,420	\$424,694	\$432,627
1,468	1,409	1,428	1,528	1,252	1,116
33	47	31	19	15	20
5	11	7	7	6	4
\$846,664	\$1,380,239	\$401,631	\$249,056	\$331,491	\$235,434
141	n/a	35	38	300	575
52	31	44	24	32	21
45	95	69	56	42	68
\$156,010	\$187,242	\$167,721	\$158,214	\$178,975	\$189,634

(continued)

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

Function/Program	2006	2007	2008	2009
Leisure Time Services				
<i>Recreation Receipts</i>				
Farmer's Market	\$1,250	\$1,000	\$850	\$800
Recreation Programs	15,030	26,864	27,680	66,093
Field Usage Fees	15,930	20,790	26,223	26,605
Total Recreation Department Receipts	<u>\$32,210</u>	<u>\$48,654</u>	<u>\$54,753</u>	<u>\$93,498</u>
Transportation				
Crackseal Coating Program (Miles)	2.50	4.00	3.50	4.10
Street Repair (Curbs, aprons, berms, asphalt) (hours)	1,950	2,080	2,175	1,975
Street Sweeper (hours)	1,440	1,400	1,906	1,706
Cold Patch (hours)	210	65	96	102
After Hours Sewer and Water Calls	224	150	111	105
Sewer Cleaning (feet)	51,030	32,313	27,557	29,744
Sewer Jet, Vac-All, Video (feet)	45,681	26,050	23,299	13,281
Landscaping Stump-Chipper Service (hours)	200	168	128	84
Leaf Collection (hours)	3,000	3,696	3,696	3,562
Downtown Square Repair After Events (hours)	25	352	410	435
Equipment Repair/Body Shop (hours)	4,160	4,475	4,160	4,160
Sign Department (hours)	500	200	350	290
Tons of Snow Melting Salt Purchased (Nov-Mar)	542	2,200	500	1,070
Cost of Salt Purchased	\$22,927	\$95,700	\$93,992	\$134,810
Water Department				
Water Rates per 1st 2,500 Gallons of Water Used	\$9.19	\$9.74	\$10.03	\$10.63
Avg. Number of Water Accounts Billed Monthly	7,000	7,125	7,179	7,235
Total Water Collections Annually	\$3,327,223	\$2,753,207	\$2,315,455	\$2,430,625
Wastewater Department				
Wastewater Rates per 1st 2,500 Gallons Used	\$14.28	\$14.99	\$14.99	\$15.74
Total Flow of Wastewater Treatment Plant (MG)	1,028.000	1,061.000	1,051.670	935.570
Average Daily Flow (millions of gallons per day)	2.800	2.900	2.900	2.600
Tons of Dry Sludge Removed	461.00	460.25	473.18	481.16

(1) Receipts and expenditures include interfund transfers

2010	2011	2012	2013	2014	2015
\$900	\$1,150	\$1,740	\$1,600	\$1,540	\$1,150
23,230	21,995	20,600	19,940	20,995	21,945
38,645	34,145	43,280	29,332	41,945	50,778
<u>\$62,775</u>	<u>\$57,290</u>	<u>\$65,620</u>	<u>\$50,872</u>	<u>\$64,480</u>	<u>\$73,873</u>
5.50	11.20	7.00	8.00	8.50	6.50
2,080	1,865	1,700	2,000	2,150	2,400
1,280	1,280	750	1,300	750	1,100
105	8	20	30	48	40
106	92	100	64	117	74
16,955	28,950	36,112	51,451	68,813	85,434
21,566	54,555	19,541	23,998	17,241	15,485
80	96	50	20	80	100
1,920	1,920	2,000	1,900	2,250	1,500
365	420	400	500	550	500
4,360	4,360	4,458	4,507	5,334	5,224
816	816	850	1,000	1,150	1,600
2,307	1,875	840	2,400	3,000	700
\$196,394	\$62,589	\$33,028	\$112,832	\$208,172	\$214,245
\$11.27	\$11.95	\$12.67	\$14.24	\$14.24	\$16.34
7,296	7,305	7,350	7,360	7,377	7,412
\$2,706,968	\$2,733,116	\$3,040,209	\$2,987,747	\$3,209,751	\$3,518,933
\$16.21	\$16.21	\$16.70	\$17.20	\$17.20	\$18.06
961.950	1,215.369	928.000	1,045.000	1,022.000	1,036.900
2.600	3.330	2.500	2.860	2.810	2.840
444.78	414.03	472.00	348.31	473.43	454.37

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	9	8	7	8	8	6	7	7	7	10
Inspection Vehicles	7	6	4	3	3	3	3	3	3	3
Information Technology	1	2	2	2	2	2	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	2	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	21	17	17	18	17	16	16	18	16	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	21	20	21	21	21	19	20	20	19	17
Recreation										
Number of Parks	15	15	15	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	11	12	12	12	12	12	12	12
Number of Soccer Fields	27	27	27	30	37	37	37	37	37	37
Number of Community Access Buildings (1)	4	4	4	4	4	4	4	4	4	3
Number of Disc Golf Course	0	0	0	0	0	1	1	1	1	1
Other Public Works										
Streets (miles)	94.724	94.813	94.813	94.813	94.813	94.813	94.813	95.040	102.893	102.893
Service Vehicles	17	19	18	23	22	24	24	24	21	23
Auto Maintenance Internal Service	2	2	2	2	2	2	2	2	2	1
Square Footage of Building(NEW-2015)										37,060
Electric										
Vehicles	20	21	22	23	24	22	19	20	17	18
Sanitation										
Vehicles	0	1	1	1	1	1	1	1	1	1
Telecommunications										
Vehicles	7	1	1	2	2	2	2	2	2	2
Wastewater										
Sanitary Sewers (miles)	81.744	81.744	113.457	113.591	113.591	113.610	113.799	114.327	114.406	114.419
Storm Sewers (miles)	47.598	48.288	83.439	84.512	86.10	86.53	88.05	88.52	90.00	90.94
Vehicles	9	8	7	7	7	7	7	7	6	6
Water Department										
Water Lines (miles)	84.870	85.628	109.305	110.425	110.432	110.432	113.609	113.636	114.145	114.145
Vehicles	9	10	10	10	11	10	10	10	10	10

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