

CITY OF LANCASTER, OHIO

Fairfield County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021



**CITY OF LANCASTER, OHIO
OFFICE OF THE AUDITOR
104 E. Main St. Room 107
Lancaster, Ohio 43130
(740) 687-6611**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2021

Prepared by the City Auditor's Office

Patricia Nettles
City Auditor



TABLE OF CONTENTS

CITY OF LANCASTER
FAIRFIELD COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittalv
B List of Principal Officialsxii
C City Organizational Chartxiii
D Certificate of Achievement for Excellence in Financial Reporting.....xiv

II FINANCIAL SECTION

A Independent Auditors' Report.....1
B Management's Discussion and Analysis5
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position..... 16
 Statement of Activities 18
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet..... 20
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities 21
 Statement of Revenues, Expenditures and Changes in Fund Balances 23
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities..... 24
 Statement of Revenues, Expenditures and Changes in Fund Balance
 (Budget and Actual):
 General Fund..... 26
 .45 Police and Fire Levy Fund 27
 Proprietary Funds:
 Statement of Net Position..... 28
 Statement of Revenues, Expenses and Changes in Fund Net Position 32
 Statement of Cash Flows..... 34
 Fiduciary Funds:
 Statement of Net Position..... 38
 Statement of Changes in Net Position 39
Notes to the Basic Financial Statements 40

D	Required Supplementary Information:	
	Schedule of the City’s Proportionate Share of the Net Pension Liability	106
	Schedule of City Pension Contributions	108
	Schedule of the City’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset)	110
	Schedule of City’s Other Postemployment Benefit (OPEB) Contributions.....	112
	Notes to the Required Supplementary Information	114
E	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Financial Statements:	
	Combining Balance Sheet	124
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	125
	Combining Balance Sheet – Nonmajor Special Revenue Funds	126
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	132
	Combining Balance Sheet – Nonmajor Debt Service Funds	138
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	139
	Combining Balance Sheet – Nonmajor Capital Projects Funds.....	140
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	142
	Individual Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual):	
	Major Governmental Funds:	
	<i>General Fund</i>	144
	<i>Special Revenue Fund:</i>	
	.45 Police and Fire Levy Fund	149
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds:</i>	
	Cemetery Fund.....	150
	Street Construction, Maintenance and Repair Fund	151
	Street Levy Fund.....	152
	Parks and Recreation Fund	153
	Special Improvement District Fund	154
	Lancaster Public Transit Program Fund	155
	911 Tariff Fund.....	156

Special Revenue Funds (Continued):

Edward Byrne Grant Fund	157
Law Director Victim Assistance Fund	158
Lancaster Community Development Fund.....	159
Law Enforcement Block Grant Fund	160
Police and Fire Pension Fund.....	161
Fairfield County Court Surveillance Fund	162
Indigent Drivers Alcohol Treatment Fund	163
Law Enforcement and Education Fund	164
Municipal Court Judicial Computer Fund	165
Municipal Court Probation Fund	166
Municipal Court Computerization Fund	167
Municipal Court Special Projects Fund.....	168
Municipal Court Family Violence Fund	169
Municipal Drug Court Fund.....	170
Ohio Peace Officers Training Fund	171
DARE Officer Retention Grant Fund.....	172
Safe Routes to School Fund	173
.15 Fire Levy Fund.....	174
DOJ Equitable Sharing Grant Fund	175
2021 Police and Fire Levy Fund	176
Local Fiscal Recovery Fund	177
Community Development Block Grant Fund.....	178
State Highway Fund.....	179
Cemetery Interment Fund	180
Cemetery Perpetual Care Fund	181

Debt Service Funds:

General Bond Retirement Fund	182
Special Assessment Debt Retirement Fund.....	183

Capital Projects Funds:

LDOT Improvement Fund	184
Parks Improvement Fund	185
Capital Improvement Fund	186
Fire Impact-District One Fund	187
Ety Road TIF Project Fund	188
Columbian Construction Fund	189

Proprietary Funds:

Internal Service Funds:

Combining Statement of Net Position	191
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	192
Combining Statement of Cash Flows	193

Fiduciary Funds – Custodial Funds:

Combining Statement of Net Position	196
Combining Statement of Changes in Net Position	197

III

STATISTICAL SECTION

Net Position by Component - Last Ten Years	S 2
Changes in Net Position - Last Ten Years	S 4
Fund Balances, Governmental Funds - Last Ten Years	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years	S 10
Income Tax Revenues by Source, Governmental Funds - Last Ten Years	S 14
Income Tax Collections - Current Year and Nine Years Ago	S 17
Ratio of Outstanding Debt By Type - Last Ten Years	S 18
Ratios of General Bonded Debt Outstanding - Last Ten Years	S 20
Computation of Direct and Overlapping - Debt Attributable to Governmental Activities - Current Year	S 23
Debt Limitations - Last Ten Years	S 24
Pledged Revenue Coverage - Last Ten Years	S 26
Demographic and Economic Statistics - Last Ten Years	S 28
Principal Employers - Current Year and Nine Years Ago	S 31
Full Time Equivalent Employees by Function - Last Ten Years	S 32
Operating Indicators by Function - Last Ten Years	S 34
Capital Asset Statistics by Function - Last Ten Years	S 36

INTRODUCTORY SECTION





CITY OF LANCASTER, OHIO

OFFICE OF THE AUDITOR
104 E. Main St. Room 107
Lancaster, Ohio 43130
(740) 687-6611

Patricia Nettles, Auditor

July 22, 2022

To the Citizens and
Elected Officials of
Lancaster, Ohio:

I am pleased to present to you the Annual Comprehensive Financial Report, of the City of Lancaster, Ohio (the "City"), for the year ended December 31, 2021.

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Lancaster to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been presented.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Lancaster's MD&A can be found immediately following the Independent Auditors' Report.

The Reporting Entity

The City of Lancaster is a statutory city operating under the provisions of the Ohio Revised Code which provides for an elected Mayor, Auditor, Treasurer, Law Director, President of Council, Council (six elected from wards and three at-large members), two Judges of the Municipal Court and a Municipal Court Clerk.

Lancaster is a full-service City, and in order to provide necessary services to its citizens, the City of Lancaster is divided into departments. Services provided include full time police and fire protection, park and recreational activities, city owned gas company, solid waste disposal, sewage collections and treatment, water treatment and distribution, street maintenance and repair and traffic control. These activities are provided by the City Council through the budgetary process and other elected officials through administrative and managerial policies and procedures and by the statutes of the State of Ohio.

The City's reporting entity includes the financial activities of the Lancaster Port Authority, a blended component unit.

***Letter of Transmittal
For the Year Ended December 31, 2021***

The City participates in the following Jointly Governed Organizations: Fairfield Metropolitan Housing Authority, Lancaster-Fairfield Community Action Agency, Fairfield Regional Planning Commission, Mid-Ohio Regional Planning Commission, Fairfield County Family, Adult and Children First, Fairfield County Multi-System Youth Committee, Community Corrections Board, and Fairfield, Hocking and Athens Counties Council of Governments on Major Crimes Investigations.

The Lancaster City School District, under the Board of Education, and the Fairfield Medical Center are separate and independent entities and as such, are not included in this report.

A complete discussion of the City's reporting entity is provided in Note 1 of the Notes to the Basic Financial Statements.

City Overview

The City of Lancaster is the county seat of Fairfield County and is located in central Ohio approximately thirty miles southeast of Columbus.

History abounds in Lancaster and the surrounding area. Colonel Ebenezer Zane, a famous trailblazing pioneer and soldier, is generally considered the founding father of Lancaster. In 1796, Zane petitioned Congress to grant him a contract to open a road through Ohio, a distance of two hundred sixty-six (266) miles, which stretched from Wheeling, West Virginia, to Limestone, Kentucky, (1797 "ZANES TRACE" opened). In payment for Zane's work, he received three square mile tracts of land where Lancaster now stands. He sold some of his real estate and the town began to take root and was named New Lancaster. His two sons, Noah and John, laid out the original town from Pearl Street on the east to Front Street (now Memorial Drive) on the west and included Chestnut, Main, Wheeling and Mulberry Streets running east and west between Pearl and Front Streets. The town was named New Lancaster at the request of the early German settlers from Lancaster, Pennsylvania, but was shortened to Lancaster in 1805.

Items of Local Interest

The City of Lancaster is known for its excellent park system, including Rising Park and Mount Pleasant. General William T. Sherman was born in Lancaster, and his home on downtown Main Street is maintained by the State of Ohio as a Civil War Museum. Other important men who have called Lancaster home are U.S. Senator Thomas Ewing and three Governors of Ohio, William Medill, John Brough and John Brown.

Culture and Education

Lancaster is home to the annual Lancaster Festival and the Fairfield Heritage annual tour of beautiful and historic buildings and homes. The Lancaster Public Library is second-to-none and offers full library services. In addition to the excellent public school system, grades K-12, operated by the Lancaster Board of Education, Ohio University maintains a branch college in the City and offers a variety of Associate, Bachelor and Master's Degree opportunities as well as continuing education programs. The Fairfield County Fair is held in Lancaster every year in the month of October and is the last county fair each year in the State of Ohio.

***Letter of Transmittal
For the Year Ended December 31, 2021***

ECONOMIC CONDITION AND OUTLOOK

Lancaster is leading Ohio with three Ohio Onesite certified industrial parks and the efforts are being recognized in projects and leads. Magna Seating of America completed its new manufacturing operation of seat structures for the automotive industry and as of first quarter 2021 has employed over three hundred persons. South Central Power moved into its new headquarters and operations center in 2021. The operations center has consolidated regional facilities to report out of the new Lancaster thirty-million-dollar combined facility. The new facility has brought over two hundred new employees into the city. Lancaster has been chosen by Google to build a new Google Data Center. The construction began in August 2021 in which Google purchased 120 acres to build their new facility. Chiyoda Integre of Japan has chosen Lancaster as its first U.S. manufacturing facility, investing \$1 million and will create an expected fifty jobs. Chiyoda began hiring Production associates in July 2021. Existing Lancaster industries expanded in 2021 include Anchor Hocking Glass with 200 new jobs, Blue Label Digital with 100 new jobs, and Max Container Solutions and CFM Global are investing and expanding as well creating jobs for the region.

Lancaster is a desirable location to live and the community is experiencing high growth in residential development. The largest project is Timbertop, a seventy-seven-acre mixed development that will provide an assisted living facility, condominiums, market rentals, and single-family development. Other single-family projects include Misty Meadows and the Outlook projects. Multi-family projects are approaching four hundred units and are the Flats (220 units), Gateway (110 units), and East Pointe (60 units). Developers are in the city frequently looking for opportunity to continue this trend.

Education and Health facilities are nearly completed with their new facilities. Lancaster City Schools has completed five new elementary buildings and two new middle schools and will begin construction of a new high school in the Fall 2022. Fairfield Medical Center has completed over fifty million dollars in new and renovated space.

Boasting certified sites, essential industries, new schools, new medical facilities, expanding in a very affordable community is finding Lancaster to be a great community to invest in.

Long-term Financial Planning:

In May of 2013, the City of Lancaster citizens passed a ten-year 3 mill property tax levy to support the City's ten-year street improvement plan. The annual levy proceeds (\$2,000,000) along with STP (Surface Transportation Program) funds will work together to help the City maintain the street and bridge repairs/replacement that are on the ten-year street improvement plan. The City will be working on the 3 mill street improvement levy renewal process within the next year.

All City debt including Enterprise Departments are always being reviewed for reduced cost opportunities. In December 2021 the City called the outstanding 2012 Wastewater Revenue Bonds. The City will finance the additional capital improvement projects at a lower interest rate with Ohio Water Development Authority (OWDA). The City is in the initial stages of developing a long term Capital Expenditure Plan. The City voters passed a .45% police and fire income tax increase in November 2020 that took effect January 2021 which increased the income tax rate from 1.75% to 2.2%.

***Letter of Transmittal
For the Year Ended December 31, 2021***

MAJOR INITIATIVES

Lancaster is one of five “Large Cities” outside of the designated Metropolitan Planning Organizations areas that the Ohio Department of Transportation provides an annual apportionment of federal surface transportation program funds (STP). The use of those funds is limited to Federal-Aid Off-System streets, but those eligible streets are the City’s major streets. The funding provides 80 percent of the project costs with the City being responsible for the local 20 percent match. Recent changes to this program have changed the Federal and Local distribution to be a 95/5 split. The City has programmed the use of federal surface transportation program (STP) funds for various street rehabilitation projects.

During the 2021 calendar year there were several major projects that were completed or are in the design, utility relocation, or ROW acquisition process. Following is a list of those projects:

- 2021 Street Improvement Program (SIP)
- PID 108470–Ety Road Safety Improvements
- OPWC – Sixth Ave (Memorial to Roosevelt)
- Hawthorne Bridge Replacement
- PID 106437 Safe Routes to Schools
- PID 106859 Fair Ave (Memorial to High)

Amendments to the federal Clean Water Act have directed pollution mitigation efforts to other water pollution sources, one being combined sewer overflows (CSO's). The CSO’s are permitted under the City’s recently issued National Pollution Discharge Elimination System (NPDES) permit. However, under the new permit, the City is required to reduce the number of overflow events at its CSO’s. Prior to the new permit, the City retained a consulting engineer to develop a plan of improvements and schedule for construction of those improvements to meet the stricter permit conditions. The City and the Ohio Environmental Protection Agency finalized negotiations of this pollution mitigation plan, and that plan is part of the City’s NPDES permit. The City anticipates spending \$70,000,000 over the next 15-years to construct the required improvements to the City’s sewerage system. To date the City has reduced the number of CSO locations from 33 in 1995 to 9 at the end of 2013. The City will keep these 9 CSO locations, due to the necessity of them, but we are monitoring/reducing the amount of time that they would be activated. Projects included to mitigate CSO overflow’s as well as other drainage related projects are as follows:

- 5th Avenue/6th Avenue/Forest Rose Sewer separation project
- Waterline Loop for Rock Mill and Whiley Road Redundancy/Capacity
- Initial Design and Project Development of CSO 1029
- Lawrence Street Water Pollution Control Facility – multi-million, multi-year project (+\$20 million)
- Lateral D Sanitary Trunk Sewer Phase 1 to serve properties between Campground and Wilson Roads
- Zane Alley design/repair of sanitary sewer

***Letter of Transmittal
For the Year Ended December 31, 2021***

Due to development pressures in the U.S. 33 service area, a number of projects were under study and design. These include:

- South Water Plant Concentrate Line Improvements to increase water production
- New North Water Plant to replace the existing Miller Park Water Plant
- Phase 2 Expansion of the Upper Hocking Water Pollution Control Facility to increase flow capacity

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

Development of the City's accounting system included substantial consideration of the adequacy of the internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance of the following:

1. The City's assets are protected against loss and unauthorized use or disposition.
2. Reliable financial reports for preparing financial statements and providing accountability for assets are maintained.

The concept of reasonable assurance states that internal controls should be evaluated applying the following criteria:

1. The expense associated with providing the internal controls should not exceed the benefits likely to be derived from their implementation.
2. The evaluation of the offsetting costs and benefits involves estimates and judgment by the City administration and the Auditor's Office.

All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

The Auditor's Office is responsible for the auditing and analysis of all purchase orders of the City. Personnel of the Auditor's Office carefully review purchase orders to help ensure the availability of monies in the proper funds and accounts prior to the certification and subsequent payment of approved invoices. The City utilizes a fully-automated accounting system as well as, an automated system of controls for capital asset accounting and payroll. These systems, coupled with the review and examination performed by the City Auditor's Office, help ensure that the financial information generated is both accurate and reliable.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Budgetary control is maintained at the object level for each department within each fund via legislation approved by City Council. Lower levels within each object are accounted for and reported internally. Such lower levels are referred to as line items of expenditure. Estimated amounts must be encumbered prior to final approval of purchase orders or other contracts to vendors. Encumbrances in excess of the available object level appropriations are not approved unless additional appropriations are authorized. Unencumbered appropriations return (lapse) to the unappropriated balances in the individual funds at the end of each fiscal year, which coincides with the calendar year.

OTHER INFORMATION

Independent Audit

This report includes an unmodified audit report regarding the City's financial statements. The audit was conducted by Wilson, Shannon & Snow, Inc., which was selected by the Auditor of State's Office. The Auditor's Report on the basic financial statements is included in the financial section of this report. The Auditor's report relating to the Federal Single Audit Act of 1996 is issued separately.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ending December 31, 2020. This was the thirty-fourth year the City has won this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements, and I am again submitting it to the GFOA to determine its eligibility for another certificate.

Public Disclosure

The publication of this Annual Comprehensive Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Lancaster, the recipients of this report include city, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the continued efforts of the City to improve its overall financial accounting, management and reporting capabilities.

***Letter of Transmittal
For the Year Ended December 31, 2021***

Acknowledgments

A special thanks is extended to my staff Anitra Scott, Jody Sheets, Paula Wahl, and Tammy Crawford, Deputy Auditors, for their assistance in compiling the cash reports and other data. I would like to thank Donald J. Schonhardt & Associates, Inc. for their professional guidance and many hours of hard work that went into preparing this report. The cooperation of many people is required to produce a quality product such as this Annual Comprehensive Financial Report.

Sincerely,



Patricia Nettles
City Auditor

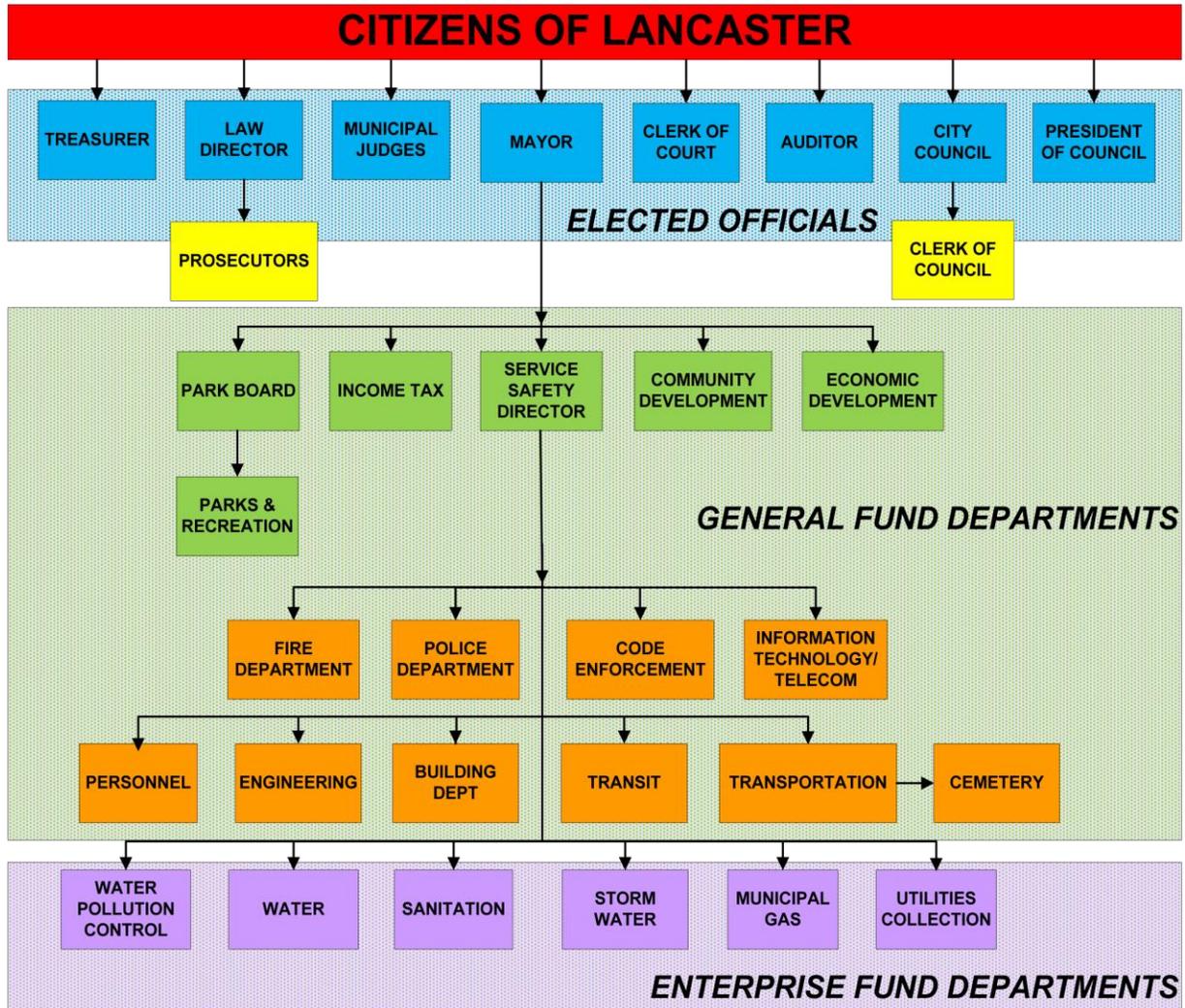
CITY OF LANCASTER, OHIO

***List of Principal Officials
For the Year Ended December 31, 2021***

<u><i>Name</i></u>	<u><i>Title</i></u>
<i>Executive Officials</i>	
David Scheffler	Mayor
Patricia Nettles	Auditor
Randall Ullom	Law Director
Robert Wolfinger	Treasurer
<i>Legislative Officials</i>	
David Uhl	President of Council
Corey Schoonover	Council-at-Large
Orman Hall	Council-at-Large
Don McDaniel	Council-at-Large
Melody Bobbitt	Council - 1st Ward
Thomas James	Council - 2nd Ward
Jack Mattlin	Council - 3rd Ward
Tom Stoughton	Council - 4th Ward
Kristina Crites	Council - 5th Ward
Becky Tener	Council - 6th Ward
<i>Administrative Officials</i>	
Paul Martin	Service/Safety Director
Amy Hamilton	Income Tax Commissioner
Mitch Noland	City Engineer

City Address:
City of Lancaster
104 East Main Street
Lancaster, Ohio 43130

*City Organizational Chart
For the Year Ended December 31, 2021*



*Government Finance Officers Association of the United States and Canada
Certificate of Achievement for Excellence in Financial Reporting*



Government Finance Officers Association

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

Presented to

**City of Lancaster
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

City of Lancaster
Fairfield County
104 East Main Street
Lancaster, Ohio 43130

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster, Fairfield County, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying 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 Lancaster, as of December 31, 2021, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and .45 Police and Fire Levy funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Lancaster Port Authority (the Port Authority), which is both a major fund and 63 percent and 14 percent, respectively, of the assets and revenues of the business-type activities. The Port Authority reports a deficit net position of \$112,241,546 compared to the \$11,735,064 total net position report for the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Port Authority, is based solely on the report of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

City of Lancaster
Fairfield County
Independent Auditor's Report

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
July 22, 2022



***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

The discussion and analysis of the City of Lancaster's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2021 are as follows:

- ❑ In total, net position increased \$25,399,003. Net position of governmental activities increased \$22,062,020 which represents an 82.8% increase from 2020. Net position of business-type activities increased \$3,336,983 which represents a 39.7% increase from 2020.
- ❑ General revenues accounted for \$38,182,359 in revenue or 34.8% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$71,595,129 in revenues or 65.2% of total revenues of \$109,777,488.
- ❑ The City had \$34,722,616 in expenses related to governmental activities; only \$18,643,277 of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$21,691,982 in revenues and other financing sources \$18,699,080 in expenditures and other financing uses. The general fund's fund balance increased from \$11,969,991 to \$14,949,083.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis*, the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining and individual statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net-position (the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's gas, water, water pollution, storm water, sanitation services and a port authority are reported as business-type activities.

Fund Financial Statements

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

Governmental Funds – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The City's major funds are the General Fund and the .45 Police and Fire Levy Fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Gas, Water, Water Pollution, Sanitation, Storm Water, and Port Authority funds, all of which are considered major funds.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Net Position.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2021 compared to 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$51,221,061	\$39,461,142	\$384,786,322	\$483,862,314	\$436,007,383	\$523,323,456
Net OPEB Asset	1,148,694	0	830,234	0	1,978,928	0
Capital assets, Net	68,932,348	65,152,630	134,957,419	128,317,597	203,889,767	193,470,227
Total assets	121,302,103	104,613,772	520,573,975	612,179,911	641,876,078	716,793,683
Deferred outflows of resources	9,736,674	11,039,342	2,916,391	3,977,178	12,653,065	15,016,520
Long-term debt outstanding	14,548,652	15,359,117	388,179,785	393,126,799	402,728,437	408,485,916
Net Pension Liability	39,126,938	42,038,010	6,957,803	9,087,193	46,084,741	51,125,203
Net OPEB Liability	4,585,919	12,714,167	0	6,308,724	4,585,919	19,022,891
Other liabilities	5,999,353	4,962,166	15,294,711	9,567,923	21,294,064	14,530,089
Total liabilities	64,260,862	75,073,460	410,432,299	418,090,639	474,693,161	493,164,099
Deferred inflows of resources	18,084,492	13,948,251	101,323,003	189,668,369	119,407,495	203,616,620
Net position:						
Net investment in capital assets	58,885,098	54,184,923	84,187,043	78,086,549	143,072,141	132,271,472
Restricted	16,744,795	11,217,660	1,992,264	2,345,297	18,737,059	13,562,957
Unrestricted (Deficit)	(26,936,470)	(38,771,180)	(74,444,243)	(72,033,765)	(101,380,713)	(110,804,945)
Total net position	\$48,693,423	\$26,631,403	\$11,735,064	\$8,398,081	\$60,428,487	\$35,029,484

The implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," significantly revised accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows of resources related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows of resources related to pension and OPEB and the net OPEB asset.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

CITY OF LANCASTER, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2021**

Unaudited

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

Changes in Net Position –The following table shows the changes in net position for 2021 compared to 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services and Sales	\$7,329,444	\$6,490,959	\$50,508,749	\$44,821,772	\$57,838,193	\$51,312,731
Operating Grants, Contributions and Interest	7,640,862	10,536,359	1,065,156	486,293	8,706,018	11,022,652
Capital Grants and Contributions	3,672,971	492,066	1,377,947	40,663	5,050,918	532,729
Total Program Revenues	18,643,277	17,519,384	52,951,852	45,348,728	71,595,129	62,868,112
General Revenues:						
Property Taxes	5,088,790	4,808,856	0	0	5,088,790	4,808,856
Income Taxes	30,503,110	20,733,365	0	0	30,503,110	20,733,365
Other Local Taxes	630,640	622,615	0	0	630,640	622,615
Intergovernmental Revenues, Contributions not Restricted to Specific Programs	1,816,233	1,587,080	0	0	1,816,233	1,587,080
Investment Earnings	(220,389)	679,766	0	0	(220,389)	679,766
Miscellaneous	363,975	3,339,108	0	0	363,975	3,339,108
Total General Revenues	38,182,359	31,770,790	0	0	38,182,359	31,770,790
Total Revenues	56,825,636	49,290,174	52,951,852	45,348,728	109,777,488	94,638,902
Program Expenses						
Security of Persons and Property	19,210,651	20,807,024	0	0	19,210,651	20,807,024
Public Health and Welfare Services	725,083	908,121	0	0	725,083	908,121
Leisure Time Activities	1,858,571	2,246,039	0	0	1,858,571	2,246,039
Community Environment	1,044,872	929,581	0	0	1,044,872	929,581
Transportation	5,085,549	8,335,716	0	0	5,085,549	8,335,716
General Government	6,382,205	10,736,341	0	0	6,382,205	10,736,341
Interest and Fiscal Charges	415,685	467,415	0	0	415,685	467,415
Gas	0	0	13,193,322	10,832,957	13,193,322	10,832,957
Water	0	0	5,855,954	8,338,909	5,855,954	8,338,909
Water Pollution	0	0	7,706,479	9,454,081	7,706,479	9,454,081
Sanitation	0	0	2,869,401	4,121,258	2,869,401	4,121,258
Storm Water	0	0	1,745,749	2,366,316	1,745,749	2,366,316
Port Authority	0	0	18,284,964	16,295,697	18,284,964	16,295,697
Total Expenses	34,722,616	44,430,237	49,655,869	51,409,218	84,378,485	95,839,455
Change in Net Position before Transfers and Special Item	22,103,020	4,859,937	3,295,983	(6,060,490)	25,399,003	(1,200,553)
Special Item	0	0	0	2,332,026	0	2,332,026
Transfers	(41,000)	(348,057)	41,000	348,057	0	0
Total Change in Net Position	22,062,020	4,511,880	3,336,983	(3,380,407)	25,399,003	1,131,473
Beginning Net Position,	26,631,403	22,119,523	8,398,081	11,778,488	35,029,484	33,898,011
Ending Net Position	\$48,693,423	\$26,631,403	\$11,735,064	\$8,398,081	\$60,428,487	\$35,029,484

***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

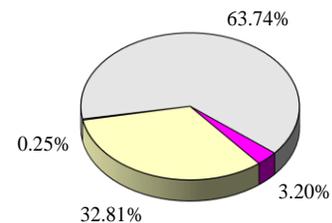
Governmental Activities

Net position of the City’s governmental activities increased by \$22,062,020. Approximately \$11 million of this increase was due to a plan design change with the OPERS OPEB plan. OPERS no longer offers a self-insured OPEB plan to its retirees. Instead, retirees receive a monthly fixed stipend based on their eligibility. As a result, the OPERS OPEB 2020 net liability converted to a net asset in 2021 with the offset recognized as a reduction in OPEB expense. The remaining increase in net position was due to the 0.45% increase in the income tax rate, revenue replacement allowable under the ARPA funds and the contribution of infrastructure by developers and street construction programs through the State of Ohio.

The City receives an income tax, which is based on 2.2% of all salaries, wages, commissions and other compensation and on net profits earned from those working in the City.

Income taxes and property taxes made up 53.7% and 9.0% respectively of revenues for governmental activities for the City in 2021. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 63.74% of total revenues from general tax revenues:

Revenue Sources	2021	Percent of Total
General Tax Revenues Unrestricted	\$36,222,540	63.74%
Intergovernmental/Contributions	1,816,233	3.20%
Program Revenues	18,643,277	32.81%
General Other	143,586	0.25%
Total Revenue	<u>\$56,825,636</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business type activities increased by \$3,336,983. This increase is partly attributable to the change in the OPERS OPEB plan mentioned above, the increase in natural gas prices and the contribution of infrastructure by developers.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$31,531,008, which is an increase from last year's balance of \$23,529,978. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2021 and 2020:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General	\$14,949,083	\$11,969,991	\$2,979,092
.45 Police and Fire Levy	2,590,199	1,802,070	788,129
Other Governmental	13,991,726	9,757,917	4,233,809
Total	<u>\$31,531,008</u>	<u>\$23,529,978</u>	<u>\$8,001,030</u>

General Fund – The City's General Fund balance increase is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2021 Revenues	2020 Revenues	Increase (Decrease)
Taxes	\$16,137,952	\$13,810,040	\$2,327,912
Intergovernmental Revenue	1,436,629	1,317,927	118,702
Charges for Services	3,251,090	2,928,908	322,182
Licenses, Permits, and Fees	18,630	18,045	585
Investment Earnings	(219,624)	659,458	(879,082)
Fines and Forfeitures	617,640	611,560	6,080
All Other Revenue	84,773	2,824,403	(2,739,630)
Total	<u>\$21,327,090</u>	<u>\$22,170,341</u>	<u>(\$843,251)</u>

General Fund revenues in 2021 decreased approximately 3.8% compared to revenues in 2020. The large increase in taxes was due to the 0.45% income tax increase. The increase was more than offset by a decrease in All Other Revenue due to a rebate of premiums from the Bureau of Workers' Compensation of \$2,440,870 in 2020. The decline in the fair value of the City's investments resulted in negative Investment Earnings.

	2021 Expenditures	2020 Expenditures	Increase (Decrease)
Security of Persons and Property	\$9,505,804	\$9,229,970	\$275,834
Public Health and Welfare Services	337,046	319,675	17,371
Community Environment	152,816	127,529	25,287
General Government	7,415,622	7,150,836	264,786
Debt Service:			
Principal Retirement	26,116	36,354	(10,238)
Interest and Fiscal Charges	5,336	3,514	1,822
Total	<u>\$17,442,740</u>	<u>\$16,867,878</u>	<u>\$574,862</u>

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

General Fund expenditures increased by \$574,862 or 3.4% compared to the prior year. The increase was a result of union contract wage increases, an increase in health insurance costs, increased contractual services, building repairs, equipment purchases and hiring new employees within the City.

.45 Police and Fire Levy Fund – The increase in fund balance is the result of the Police and Fire Departments not spending down their special revenue fund budget and using the General Fund budget for their expenditures instead of paying the expenditures out of the .45 Police and Fire Levy Fund.

Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of 2021, the City amended its General Fund budget several times. The final budget basis expenditures and other financing uses of \$21,441,945, increased \$1,738,847 from the original budget. The increase was partly due to an increase in General Government for intrafund reimbursements within the General fund not budgeted in the original budget and partly due to 5% wage increases in Security and Property. The General Government's positive variance was partly the result of the offsetting of intrafund reimbursement in the General Government function and for contract labor expenditures that did not occur.

For the General Fund, final budget basis revenue and other financing sources of did not significantly change from the original budget estimates. Actual budgetary revenue of \$24,563,922 was \$4.1 million higher due to the 0.45% increase in the income tax rate.

***Management's Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 the City had \$203,889,767 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$68,932,348 was related to governmental activities and \$134,957,419 to the business-type activities. The following table shows 2021 and 2020 balances:

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$19,204,645	\$18,516,691	\$687,954
Construction In Progress	130,911	163,106	(32,195)
Buildings	18,037,591	18,037,591	0
Improvements Other than Buildings	8,804,598	8,680,886	123,712
Machinery and Equipment	6,797,734	6,484,612	313,122
Vehicles	8,714,827	8,739,760	(24,933)
Infrastructure	47,808,356	42,926,654	4,881,702
Less: Accumulated Depreciation	(40,566,314)	(38,396,670)	(2,169,644)
Totals	<u>\$68,932,348</u>	<u>\$65,152,630</u>	<u>\$3,779,718</u>

The primary increases occurred in Land and Infrastructure as a result purchasing land for right of way and completing major street improvements in 2021.

	Business-Type Activities		Increase (Decrease)
	2021	2020	
Land	\$3,819,852	\$3,832,495	(\$12,643)
Construction in Progress	10,627,522	9,323,629	1,303,893
Buildings	83,868,905	83,602,223	266,682
Improvements	34,787,770	34,736,406	51,364
Machinery and Equipment	11,084,976	10,834,200	250,776
Vehicles	7,545,164	7,367,795	177,369
Infrastructure	119,993,037	109,792,735	10,200,302
Less: Accumulated Depreciation	(136,769,807)	(131,171,886)	(5,597,921)
Totals	<u>\$134,957,419</u>	<u>\$128,317,597</u>	<u>\$6,639,822</u>

Business type capital assets increased by \$6,639,822. Two large water pollution projects resulted in the increase in Construction in Progress. The additions to infrastructure include two large completed storm water projects and the construction of gas lines. Additional information on the City's capital assets can be found in Note 10.

***Management’s Discussion and Analysis
For the Year Ended December 31, 2021***

Unaudited

Debt

At December 31, 2021, the City had \$8,020,890 in general obligation bonds outstanding, \$690,000 due within one year; \$353,033,727 in revenue bonds outstanding, \$2,480,000 due within one year; and \$32,032,606 in Ohio Water Development Authority Loans outstanding, \$3,880,730 due within one year. The following table summarizes the City’s debt outstanding as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Governmental Activities:		
General Obligation Bond Payable	\$8,020,890	\$8,703,949
Ohio Public Works Commission Loan	0	72,257
Ohio Water Development Authority Loans	221,319	240,912
State Infrastructure Bank Loan	198,932	224,115
Installment Loan Payable	106,623	157,374
Compensated Absences	5,078,934	4,969,223
Capital Leases	921,954	991,287
Total Governmental Activities	<u>\$14,548,652</u>	<u>\$15,359,117</u>
Business-Type Activities:		
Ohio Water Development Authority Loans	\$31,811,287	\$30,079,620
Revenue Bonds Payable	353,033,727	359,498,900
Ohio Public Works Commission Loan	276,979	328,912
Landfill Postclosure Care Liability	821,889	862,688
Capital Leases	80,449	151,844
Compensated Absences	2,155,454	2,204,835
Total Business-Type Activities	<u>\$388,179,785</u>	<u>\$393,126,799</u>
Totals	<u><u>\$402,728,437</u></u>	<u><u>\$408,485,916</u></u>

Under current state statutes, the City’s general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2021, the City’s outstanding debt was below the legal limit. Additional information on the City’s long-term debt can be found in Note 14.

ECONOMIC FACTORS

Lancaster is home to a diversified community of businesses. The more than 150 manufacturing operations in the area are supported by an equal number of service operations that provide a comprehensive network of support. Industrial activity continues to grow at a steady pace. Lancaster has been chosen by Google to build a new Google Data Center with construction beginning in August 2021. Chiyoda Integre of Japan has chosen Lancaster as its first U.S. manufacturing facility, which will bring an expected fifty jobs. The Lancaster City Schools will begin construction of a new high school in 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Patricia Nettles, City Auditor of the City of Lancaster.

CITY OF LANCASTER, OHIO

**Statement of Net Position
December 31, 2021**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 20,326,640	\$ 17,513,210	\$ 37,839,850
Investments	14,142,923	38,216,117	52,359,040
Receivables:			
Taxes	11,350,368	0	11,350,368
Accounts	270,186	5,305,934	5,576,120
Intergovernmental	3,533,838	0	3,533,838
Interest	60,069	38,891	98,960
Loans	1,442,691	0	1,442,691
Internal Balances	(732,882)	732,882	0
Inventory of Supplies	466,110	3,298,984	3,765,094
Prepaid Items	74,387	75,075	149,462
Prepaid Gas Supply - Current	0	14,618,637	14,618,637
Prepaid Gas Supply	0	197,926,816	197,926,816
Land Held for Resale	0	1,764,580	1,764,580
Fair Value of Derivative Instruments	0	95,588,402	95,588,402
Restricted Assets:			
Cash and Cash Equivalents	0	9,143,190	9,143,190
Cash and Cash Equivalents with Fiscal Agent	286,731	0	286,731
Investments	0	563,604	563,604
Net OPEB Asset	1,148,694	830,234	1,978,928
Capital Assets Not Being Depreciated	19,335,556	14,447,374	33,782,930
Capital Assets Being Depreciated, Net	49,596,792	120,510,045	170,106,837
Total Assets	121,302,103	520,573,975	641,876,078
Deferred Outflows of Resources:			
Deferred Loss on Early Retirement of Debt	40,468	1,210,305	1,250,773
Pension	6,049,935	1,259,902	7,309,837
OPEB	3,646,271	446,184	4,092,455
Total Deferred Outflows of Resources	9,736,674	2,916,391	12,653,065
Liabilities:			
Accounts Payable	726,269	3,174,280	3,900,549
Accrued Wages and Benefits	1,268,169	406,460	1,674,629
Intergovernmental Payable	236,885	1,820	238,705
Claims Payable	555,477	0	555,477
Due to Others, Payable from Restricted Assets	64,570	202,154	266,724
Unearned Revenue	1,000,000	3,406,651	4,406,651
Accrued Interest Payable	27,944	6,603,346	6,631,290
General Obligation Notes Payable	2,120,039	1,500,000	3,620,039
Long Term Liabilities:			
Due within one year	1,632,827	6,744,130	8,376,957
Due in More than One Year:			
Net Pension Liability	39,126,938	6,957,803	46,084,741
Net OPEB Liability	4,585,919	0	4,585,919
Other Amounts Due in More than One Year	12,915,825	381,435,655	394,351,480
Total Liabilities	64,260,862	410,432,299	474,693,161

CITY OF LANCASTER, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Taxes	4,733,423	0	4,733,423
Pension	8,123,921	3,121,750	11,245,671
OPEB	5,227,148	2,612,851	7,839,999
Deferred Inflow from Derivative Instruments	0	95,588,402	95,588,402
Total Deferred Inflows of Resources	<u>18,084,492</u>	<u>101,323,003</u>	<u>119,407,495</u>
Net Position:			
Net Investment in Capital Assets	58,885,098	84,187,043	143,072,141
Restricted For:			
Streets and Highways	3,670,588	0	3,670,588
Community Development	2,490,571	0	2,490,571
Security of Persons and Property	8,287,723	0	8,287,723
Public Health and Welfare	1,837,355	0	1,837,355
Capital Projects	458,558	0	458,558
Debt Service	0	1,992,264	1,992,264
Unrestricted (Deficit)	<u>(26,936,470)</u>	<u>(74,444,243)</u>	<u>(101,380,713)</u>
Total Net Position	<u>\$ 48,693,423</u>	<u>\$ 11,735,064</u>	<u>\$ 60,428,487</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Activities
For the Year Ended December 31, 2021**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 19,210,651	\$ 2,576,228	\$ 153,950	\$ 0
Public Health and Welfare Services	725,083	313,816	0	0
Leisure Time Activities	1,858,571	623,329	375,977	188,080
Community Environment	1,044,872	78,665	960,711	0
Transportation	5,085,549	985,332	5,293,847	3,484,891
General Government	6,382,205	2,752,074	856,377	0
Interest and Fiscal Charges	415,685	0	0	0
Total Governmental Activities	34,722,616	7,329,444	7,640,862	3,672,971
Business-Type Activities:				
Gas	13,193,322	14,339,436	342,680	0
Water	5,855,954	8,989,994	678,394	298,693
Water Pollution	7,706,479	12,187,323	(30,046)	312,979
Sanitation	2,869,401	4,526,303	9,991	0
Storm Water	1,745,749	3,139,944	60,979	766,275
Port Authority	18,284,964	7,325,749	3,158	0
Total Business-Type Activities	49,655,869	50,508,749	1,065,156	1,377,947
Totals	\$ 84,378,485	\$ 57,838,193	\$ 8,706,018	\$ 5,050,918

General Revenues:

Property Taxes Levied for:

General Purposes

Special Purposes

Debt Service

Capital Outlay

Income Taxes

Other Local Taxes

Intergovernmental Revenues not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (16,480,473)	\$ 0	\$ (16,480,473)
(411,267)	0	(411,267)
(671,185)	0	(671,185)
(5,496)	0	(5,496)
4,678,521	0	4,678,521
(2,773,754)	0	(2,773,754)
(415,685)	0	(415,685)
<u>(16,079,339)</u>	<u>0</u>	<u>(16,079,339)</u>
0	1,488,794	1,488,794
0	4,111,127	4,111,127
0	4,763,777	4,763,777
0	1,666,893	1,666,893
0	2,221,449	2,221,449
0	(10,956,057)	(10,956,057)
<u>0</u>	<u>3,295,983</u>	<u>3,295,983</u>
<u>(16,079,339)</u>	<u>3,295,983</u>	<u>(12,783,356)</u>
2,237,953	0	2,237,953
2,620,804	0	2,620,804
117,031	0	117,031
113,002	0	113,002
30,503,110	0	30,503,110
630,640	0	630,640
1,816,233	0	1,816,233
(220,389)	0	(220,389)
363,975	0	363,975
(41,000)	41,000	0
<u>38,141,359</u>	<u>41,000</u>	<u>38,182,359</u>
22,062,020	3,336,983	25,399,003
26,631,403	8,398,081	35,029,484
<u>\$ 48,693,423</u>	<u>\$ 11,735,064</u>	<u>\$ 60,428,487</u>

CITY OF LANCASTER, OHIO

**Balance Sheet
Governmental Funds
December 31, 2021**

	General	.45 Police and Fire Levy	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,148,887	\$ 1,466,962	\$ 11,190,195	\$ 16,806,044
Investments	12,062,665	0	2,080,258	14,142,923
Receivables:				
Taxes	4,967,845	1,300,635	5,081,888	11,350,368
Accounts	208,063	0	30,459	238,522
Intergovernmental	701,203	0	2,832,635	3,533,838
Interest	52,293	0	7,776	60,069
Loans	0	0	1,442,691	1,442,691
Due from Other Funds	0	818,182	1,436,363	2,254,545
Inventory of Supplies	110,187	0	334,434	444,621
Prepaid Items	30,643	28,110	15,634	74,387
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	286,731	0	0	286,731
Total Assets	\$ 22,568,517	\$ 3,613,889	\$ 24,452,333	\$ 50,634,739
Liabilities:				
Accounts Payable	\$ 234,930	\$ 80,615	\$ 325,980	\$ 641,525
Accrued Wages and Benefits Payable	502,893	207,725	535,532	1,246,150
Intergovernmental Payable	236,885	0	0	236,885
Due to Others	0	0	64,570	64,570
Due to Other Funds	2,254,545	0	0	2,254,545
Unearned Revenue	0	0	1,000,000	1,000,000
Accrued Interest Payable	0	0	111	111
General Obligation Notes Payable	0	0	2,120,039	2,120,039
Advances from Other Funds	0	0	136,100	136,100
Total Liabilities	3,229,253	288,340	4,182,332	7,699,925
Deferred Inflows of Resources:				
Property Taxes	2,074,000	0	2,659,423	4,733,423
Unavailable Revenue	2,316,181	735,350	3,618,852	6,670,383
Total Deferred Inflows of Resources	4,390,181	735,350	6,278,275	11,403,806
Fund Balances:				
Nonspendable	140,830	28,110	350,068	519,008
Restricted	0	2,562,089	11,983,077	14,545,166
Committed	0	0	3,900,469	3,900,469
Assigned	4,676,463	0	0	4,676,463
Unassigned	10,131,790	0	(2,241,888)	7,889,902
Total Fund Balances	14,949,083	2,590,199	13,991,726	31,531,008
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,568,517	\$ 3,613,889	\$ 24,452,333	\$ 50,634,739

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2021***

Total Governmental Fund Balances \$ 31,531,008

*Amounts reported for governmental activities in the
statement of net position are different because*

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds. 68,509,954

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 6,670,383

Internal Service Funds are used by management to charge the costs of insurance, fuel usage and information services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 2,080,727

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 governmental funds:

Deferred Outflows - Pension	5,999,979	
Deferred Inflows - Pension	(7,958,899)	
Net Pension Liability	<u>(38,761,782)</u>	(40,720,702)

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

Net OPEB Asset	1,105,095	
Deferred Outflows - OPEB	3,624,837	
Deferred Inflows - OPEB	(5,089,160)	
Net OPEB Liability	<u>(4,585,919)</u>	(4,945,147)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds Payable	(8,020,890)	
Less: Deferred Loss on Early Retirement	40,468	
State Infrastructure Bank Loan Payable	(198,932)	
Ohio Water Development Authority Loan Payable	(221,319)	
Installment Loan	(106,623)	
Capital Leases Payable	(921,954)	
Compensated Absences Payable	(4,975,717)	
Accrued Interest Payable	<u>(27,833)</u>	
		<u>(14,432,800)</u>

Net Position of Governmental Activities \$ 48,693,423

See accompanying notes to the basic financial statements



CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General	.45 Police and Fire Levy	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 16,137,952	\$ 5,967,779	\$ 12,475,213	\$ 34,580,944
Intergovernmental Revenues	1,436,629	58,431	8,015,581	9,510,641
Charges for Services	3,251,090	17,357	2,333,773	5,602,220
Licenses, Permits and Fees	18,630	0	36,921	55,551
Investment Earnings	(219,624)	0	(655)	(220,279)
Special Assessments	0	0	111,606	111,606
Fines and Forfeitures	617,640	0	1,320,244	1,937,884
All Other Revenue	84,773	6,579	400,495	491,847
Total Revenue	21,327,090	6,050,146	24,693,178	52,070,414
Expenditures:				
Current:				
Security of Persons and Property	9,505,804	5,262,017	5,459,379	20,227,200
Public Health and Welfare Services	337,046	0	535,921	872,967
Leisure Time Activities	0	0	2,273,985	2,273,985
Community Environment	152,816	0	1,087,332	1,240,148
Transportation	0	0	8,268,546	8,268,546
General Government	7,415,622	0	1,701,311	9,116,933
Capital Outlay	0	0	790,391	790,391
Debt Service:				
Principal Retirement	26,116	0	1,167,295	1,193,411
Interest and Fiscal Charges	5,336	0	407,023	412,359
Total Expenditures	17,442,740	5,262,017	21,691,183	44,395,940
Excess (Deficiency) of Revenues Over Expenditures	3,884,350	788,129	3,001,995	7,674,474
Other Financing Sources (Uses):				
Sale of Capital Assets	82,892	0	0	82,892
Transfers In	0	0	2,188,278	2,188,278
Transfers Out	(1,256,340)	0	(972,938)	(2,229,278)
Other Financing Source - Capital Lease	282,000	0	0	282,000
Total Other Financing Sources (Uses)	(891,448)	0	1,215,340	323,892
Net Change in Fund Balances	2,992,902	788,129	4,217,335	7,998,366
Fund Balances at Beginning of Year	11,969,991	1,802,070	9,757,917	23,529,978
Increase (Decrease) in Inventory	(13,810)	0	16,474	2,664
Fund Balances End of Year	\$ 14,949,083	\$ 2,590,199	\$ 13,991,726	\$ 31,531,008

See accompanying notes to the basic financial statements

***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, 2021***

Net Change in Fund Balances - Total Governmental Funds \$ 7,998,366

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital Outlay	3,802,912	
Depreciation Expense	(2,769,123)	1,033,789

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase/(decrease) net position.

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	3,064,860
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The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(353,565)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,690,362
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Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	3,661,092
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(2,981,426)
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Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities.	5,887,142
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The issuance of long-term debt (e.g. loans, leases) provides current financial resources to governmental funds, but has no effect on net position.

Also governmental funds report the effect of premiums and similar items when debt is first issued, whereas, the amounts are deferred and amortized in the statement of activities.

Capital Lease Payable	(282,000)
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(Continued)

CITY OF LANCASTER, OHIO

Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Ohio Public Works Commission Loans Payable	72,257	
General Obligation Bonds Payable	675,000	
Ohio Water Development Authority Loan Payable	19,593	
Installment Loan Payable	50,751	
State Infrastructure Bank Loan Payable	25,183	
Capital Leases Payable	351,333	1,194,117

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,104

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(110,084)	
Change in Inventory	2,664	
Amortization of Loss on Early Retirement	(13,489)	
Amortization of Bond Premium	8,059	(112,850)

Internal Service Funds used by management to charge the costs of insurance, fuel use and information services to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities. 1,260,029

Change in Net Position of Governmental Activities \$ 22,062,020

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,010,146	\$ 14,010,146	\$ 18,254,218	\$ 4,244,072
Intergovernmental Revenue	1,176,562	1,176,562	1,413,424	236,862
Charges for Services	3,700,688	3,700,688	3,825,243	124,555
Licenses, Permits and Fees	20,175	20,175	18,630	(1,545)
Investment Earnings	275,000	275,000	261,921	(13,079)
Fines and Forfeitures	801,500	801,500	622,821	(178,679)
All Other Revenues	379,694	472,595	84,773	(387,822)
Total Revenues	20,363,765	20,456,666	24,481,030	4,024,364
Expenditures:				
Current:				
Security of Persons and Property	9,491,514	10,484,514	9,802,497	682,017
Public Health and Welfare Services	345,770	346,030	338,546	7,484
Community Environment	162,340	167,340	146,203	21,137
General Government	8,413,233	9,150,668	8,303,836	846,832
Debt Service:				
Principal Retirement	23,075	26,116	26,116	0
Interest and Fiscal Charges	5,826	5,937	5,336	601
Total Expenditures	18,441,758	20,180,605	18,622,534	1,558,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,922,007	276,061	5,858,496	5,582,435
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	82,892	82,892
Transfers Out	(1,261,340)	(1,261,340)	(1,256,340)	5,000
Total Other Financing Sources (Uses):	(1,261,340)	(1,261,340)	(1,173,448)	87,892
Net Change in Fund Balance	660,667	(985,279)	4,685,048	5,670,327
Fund Balance at Beginning of Year	10,694,476	10,694,476	10,694,476	0
Prior Year Encumbrances	303,406	303,406	303,406	0
Fund Balance at End of Year	\$ 11,658,549	\$ 10,012,603	\$ 15,682,930	\$ 5,670,327

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund - .45 Police and Fire Levy Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,075,937	\$ 5,075,937	\$ 5,075,937	\$ 0
Intergovernmental Revenue	0	38,422	62,118	23,696
Charges for Services	0	0	17,357	17,357
All Other Revenues	0	0	6,579	6,579
Total Revenues	<u>5,075,937</u>	<u>5,114,359</u>	<u>5,161,991</u>	<u>47,632</u>
Expenditures:				
Current:				
Security of Persons and Property	5,670,598	6,387,394	5,385,281	1,002,113
Total Expenditures	<u>5,670,598</u>	<u>6,387,394</u>	<u>5,385,281</u>	<u>1,002,113</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(594,661)	(1,273,035)	(223,290)	1,049,745
Fund Balance at Beginning of Year	1,362,179	1,362,179	1,362,179	0
Prior Year Encumbrances	117,576	117,576	117,576	0
Fund Balance at End of Year	<u>\$ 885,094</u>	<u>\$ 206,720</u>	<u>\$ 1,256,465</u>	<u>\$ 1,049,745</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Assets:				
Current assets:				
Cash and Cash Equivalents	\$ 2,074,055	\$ 2,889,746	\$ 5,826,793	\$ 481,899
Investments	7,006,338	9,010,443	18,224,159	1,448,644
Accounts receivable	2,550,457	841,670	1,220,849	407,398
Interest receivable	0	12,244	25,896	751
Due from Other Funds	0	0	0	0
Inventory	2,313,790	895,377	31,529	36,996
Prepaid Items	33,389	14,715	23,034	3,128
Prepaid Gas Supply - current	0	0	0	0
Total current assets	13,978,029	13,664,195	25,352,260	2,378,816
Noncurrent assets:				
Restricted Assets:				
Cash and Cash Equivalents	147,566	587,890	1,458,962	0
Investments	0	0	0	563,604
Total restricted assets	147,566	587,890	1,458,962	563,604
Prepaid Gas Supply	0	0	0	0
Land Held for Resale	0	0	0	0
Fair Value of Derivative Instruments	0	0	0	0
Advance to Other Funds	0	0	0	136,100
Net OPEB Asset	171,833	234,475	149,193	129,245
Capital assets:				
Capital Assets Not Being Depreciated	290,273	2,025,145	11,810,762	265,622
Capital Assets Being Depreciated	15,989,684	20,196,602	50,208,993	1,983,410
Total capital assets (net of accumulated depreciation)	16,279,957	22,221,747	62,019,755	2,249,032
Total noncurrent assets	16,599,356	23,044,112	63,627,910	3,077,981
Total Assets	30,577,385	36,708,307	88,980,170	5,456,797
Deferred Outflows of Resources:				
Deferred Loss on Early Retirement of Debt	0	266,892	943,413	0
Pension	256,677	350,251	222,859	193,062
OPEB	84,475	115,270	73,345	63,538
Total Deferred Outflows of Resources	341,152	732,413	1,239,617	256,600

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Total	Internal Service Funds
\$ 821,467	\$ 4,620,136	\$ 16,714,096	\$ 4,319,710
2,526,533	0	38,216,117	0
285,560	0	5,305,934	31,664
0	0	38,891	0
0	850,880	850,880	0
0	0	3,277,692	42,781
0	0	74,266	809
0	14,618,637	14,618,637	0
<u>3,633,560</u>	<u>20,089,653</u>	<u>79,096,513</u>	<u>4,394,964</u>
0	6,948,772	9,143,190	0
0	0	563,604	0
<u>0</u>	<u>6,948,772</u>	<u>9,706,794</u>	<u>0</u>
0	197,926,816	197,926,816	0
0	1,764,580	1,764,580	0
0	95,588,402	95,588,402	0
0	0	136,100	0
38,763	8,035	731,544	142,289
9,600	45,972	14,447,374	130,911
<u>29,231,203</u>	<u>2,863,279</u>	<u>120,473,171</u>	<u>328,357</u>
<u>29,240,803</u>	<u>2,909,251</u>	<u>134,920,545</u>	<u>459,268</u>
<u>29,279,566</u>	<u>305,145,856</u>	<u>440,774,781</u>	<u>601,557</u>
<u>32,913,126</u>	<u>325,235,509</u>	<u>519,871,294</u>	<u>4,996,521</u>
0	0	1,210,305	0
44,412	79,564	1,146,825	163,033
19,056	41,983	397,667	69,951
<u>63,468</u>	<u>121,547</u>	<u>2,754,797</u>	<u>232,984</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Liabilities:				
Current liabilities:				
Accounts Payable	379,932	418,735	2,170,653	149,380
Accrued Wages and Benefits	81,491	113,090	78,911	63,684
Intergovernmental Payable	0	0	0	0
Claims Payable	0	0	0	0
Due to Others, Payable from Restricted Assets	147,566	27,294	27,294	0
Due to Other Funds	850,880	0	0	0
Unearned Revenue	0	3,391,011	0	0
Accrued Interest Payable	0	57,881	340,686	0
General Obligation Notes Payable	0	1,500,000	0	0
Capital Leases Payable - Current	0	0	0	0
Revenue Bond Payable - Current	0	375,000	820,000	0
OWDA Loans Payable - Current	0	1,854,114	1,717,767	0
OPWC Loans Payable - Current	0	0	0	0
Landfill Postclosure Care Liability - Current	0	0	0	78,600
Compensated Absences Payable - Current	27,230	67,282	42,699	31,651
Total Current Liabilities	1,487,099	7,804,407	5,198,010	323,315
Noncurrent Liabilities:				
Revenue Bonds Payable	0	3,221,663	12,956,468	0
OWDA Loans Payable	0	828,618	23,060,933	0
OPWC Loans Payable	0	0	0	0
Landfill Postclosure Care Liability	0	0	0	743,289
Compensated Absences Payable	424,820	504,603	455,163	239,226
Net Pension Liability	1,439,113	1,963,752	1,249,504	1,082,442
Total noncurrent liabilities	1,863,933	6,518,636	37,722,068	2,064,957
Total Liabilities	3,351,032	14,323,043	42,920,078	2,388,272
Deferred Inflows of Resources:				
Pension	667,883	866,405	558,300	489,099
OPEB	555,217	728,349	468,009	408,987
Deferred Inflow from Derivative Instruments	0	0	0	0
Total Deferred Inflow of Resources	1,223,100	1,594,754	1,026,309	898,086
Net Position:				
Net Investment in Capital Assets	16,279,957	15,633,566	22,544,843	2,249,032
Restricted for Debt Service	0	560,596	1,431,668	0
Unrestricted	10,064,448	5,328,761	22,296,889	178,007
Total Net Position	\$ 26,344,405	\$ 21,522,923	\$ 46,273,400	\$ 2,427,039

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Total Net Position of Business Type Activities

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Storm Water</u>	<u>Port Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
21,970	0	3,140,670	118,354
19,247	0	356,423	72,056
0	1,820	1,820	0
0	0	0	555,477
0	0	202,154	0
0	0	850,880	0
0	15,640	3,406,651	0
0	6,204,779	6,603,346	0
0	0	1,500,000	0
80,449	0	80,449	0
0	1,285,000	2,480,000	0
288,613	0	3,860,494	0
34,622	0	34,622	0
0	0	78,600	0
13,803	0	182,665	32,764
<u>458,704</u>	<u>7,507,239</u>	<u>22,778,774</u>	<u>778,651</u>
0	334,375,596	350,553,727	0
4,061,242	0	27,950,793	0
242,357	0	242,357	0
0	0	743,289	0
107,829	0	1,731,641	311,601
<u>324,632</u>	<u>71,818</u>	<u>6,131,261</u>	<u>1,191,698</u>
<u>4,736,060</u>	<u>334,447,414</u>	<u>387,353,068</u>	<u>1,503,299</u>
<u>5,194,764</u>	<u>341,954,653</u>	<u>410,131,842</u>	<u>2,281,950</u>
144,363	30,997	2,757,047	529,725
121,148	24,550	2,306,260	444,579
0	95,588,402	95,588,402	0
<u>265,511</u>	<u>95,643,949</u>	<u>100,651,709</u>	<u>974,304</u>
24,533,520	2,909,251	84,150,169	459,268
0	0	1,992,264	0
<u>2,982,799</u>	<u>(115,150,797)</u>	<u>(74,299,893)</u>	<u>1,513,983</u>
<u>\$ 27,516,319</u>	<u>\$ (112,241,546)</u>	<u>\$ 11,842,540</u>	<u>\$ 1,973,251</u>
		<u>(107,476)</u>	
		<u>\$ 11,735,064</u>	

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Operating Revenues:				
Charges for Services	\$ 14,098,845	\$ 8,971,233	\$ 12,184,813	\$ 4,366,061
Other Operating Revenues	237,584	2,922	2,510	158,022
Total Operating Revenues	14,336,429	8,974,155	12,187,323	4,524,083
Operating Expenses:				
Personal Services	612,610	1,276,828	814,572	806,273
Contractual Services	1,110,993	1,934,553	1,769,587	1,511,873
Cost of Gas Sold	10,194,194	0	0	0
Materials and Supplies	527,193	1,281,836	1,391,605	389,705
Depreciation	1,058,667	1,433,577	2,689,052	383,512
Health Insurance Claims	0	0	0	0
Total Operating Expenses	13,503,657	5,926,794	6,664,816	3,091,363
Operating Income	832,772	3,047,361	5,522,507	1,432,720
Non-Operating Revenue (Expenses):				
Interest Income	0	(38,261)	(124,351)	1,482
Interest and Fiscal Charges	0	(260,614)	(1,287,906)	0
Gain on Sale of Capital Assets	3,007	0	0	0
Loss on Disposal of Capital Assets	0	0	0	(2,812)
Intergovernmental Grants	342,680	716,655	94,305	8,509
Other Nonoperating Revenue	0	15,839	0	2,220
Total Non-Operating Revenues (Expenses)	345,687	433,619	(1,317,952)	9,399
Income (Loss) Before Contributions, and Transfers	1,178,459	3,480,980	4,204,555	1,442,119
Capital Contributions	0	298,693	312,979	0
Transfers In	0	25,010	15,990	0
Change in Net Position	1,178,459	3,804,683	4,533,524	1,442,119
Net Position Beginning of Year	25,165,946	17,718,240	41,739,876	984,920
Net Position End of Year	\$ 26,344,405	\$ 21,522,923	\$ 46,273,400	\$ 2,427,039

Change in Net Position of Enterprise Funds

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

CITY OF LANCASTER, OHIO

<u>Storm Water</u>	<u>Port Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
\$ 3,117,412	\$ 6,937,154	\$ 49,675,518	\$ 11,835,693
22,532	194,512	618,082	40,013
<u>3,139,944</u>	<u>7,131,666</u>	<u>50,293,600</u>	<u>11,875,706</u>
245,709	112,737	3,868,729	912,387
1,262,200	185,430	7,774,636	573,507
0	4,525,994	14,720,188	0
3,761	0	3,594,100	1,095,660
351,561	78,169	5,994,538	120,618
0	0	0	6,809,603
<u>1,863,231</u>	<u>4,902,330</u>	<u>35,952,191</u>	<u>9,511,775</u>
1,276,713	2,229,336	14,341,409	2,363,931
0	3,158	(157,972)	0
(13,332)	(13,382,634)	(14,944,486)	0
0	148,558	151,565	0
0	0	(2,812)	0
60,979	0	1,223,128	139,718
0	45,525	63,584	0
<u>47,647</u>	<u>(13,185,393)</u>	<u>(13,666,993)</u>	<u>139,718</u>
1,324,360	(10,956,057)	674,416	2,503,649
766,275	0	1,377,947	0
0	0	41,000	0
2,090,635	(10,956,057)	2,093,363	2,503,649
25,425,684	(101,285,489)	9,749,177	(530,398)
<u>\$ 27,516,319</u>	<u>\$ (112,241,546)</u>	<u>\$ 11,842,540</u>	<u>\$ 1,973,251</u>
		\$ 2,093,363	
		1,243,620	
		<u>\$ 3,336,983</u>	

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$13,746,975	\$9,037,083	\$12,287,836	\$4,536,918
Cash Received from Swap Providers	0	0	0	0
Cash Received from Interfund Services	0	0	0	0
Cash Payments for Goods and Services	(11,563,735)	(2,677,315)	(2,604,835)	(1,566,952)
Cash Payments to and on behalf of Employees	(1,503,537)	(2,488,195)	(1,576,800)	(1,415,336)
Cash Payments for Claims	0	0	0	0
Cash Payments for Interfund Services	(1,040,851)	(1,183,220)	(831,679)	(785,230)
Customer Deposits Received	16,152	2,987	2,987	0
Customer Deposits Returned	(7,603)	(1,406)	(1,406)	0
Net Cash Provided (Used) by Operating Activities	<u>(352,599)</u>	<u>2,689,934</u>	<u>7,276,103</u>	<u>769,400</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Intergovernmental Grants Received	342,680	4,107,666	94,305	8,509
Receipt of Interfund Advance Repayment	0	0	0	10,900
Proceeds from Sale of Land	0	0	0	0
Principal Paid on Revenue Bond Payable	0	0	0	0
Interest Paid on Debt	0	0	0	0
Transfers In from Other Funds	0	25,010	15,990	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>342,680</u>	<u>4,132,676</u>	<u>110,295</u>	<u>19,409</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from Ohio Water Development Authority Loan	0	0	0	0
Proceeds from General Obligation Notes	0	1,500,000	0	0
Proceeds from Sales of Capital Assets	3,007	0	0	0
Acquisition and Construction of Assets	(1,519,305)	(1,179,982)	(1,148,731)	(347,260)
Capital Lease Payments	0	0	0	0
Principal Paid on Revenue Bonds Payable	0	(370,000)	(3,220,000)	0
Principal Paid on Ohio Water Development Authority Loans	0	(1,783,110)	(1,662,945)	0
Principal Paid on Ohio Public Works Commission Loan	0	0	0	0
Interest Paid on All Debt	0	(267,689)	(1,254,522)	0
Net Cash Used by Capital and Related Financing Activities	<u>(1,516,298)</u>	<u>(2,100,781)</u>	<u>(7,286,198)</u>	<u>(347,260)</u>
<u>Cash Flows from Investing Activities:</u>				
Sale of Investments	1,327,607	0	0	0
Purchase of Investments	0	(3,522,953)	(96,615)	(341,572)
Receipt of Investment Earnings	0	46,321	132,140	26,180
Net Cash Provided (Used) for Investing Activities	<u>1,327,607</u>	<u>(3,476,632)</u>	<u>35,525</u>	<u>(315,392)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(198,610)	1,245,197	135,725	126,157
Cash and Cash Equivalents at Beginning of Year	2,420,231	2,232,439	7,150,030	355,742
Cash and Cash Equivalents at End of Year	<u>\$2,221,621</u>	<u>\$3,477,636</u>	<u>\$7,285,755</u>	<u>\$481,899</u>
<u>Reconciliation of Cash and</u>				
<u>Cash Equivalents per the Statement of Net Position:</u>				
Cash and Cash Equivalents	\$2,074,055	\$2,889,746	\$5,826,793	\$481,899
Restricted Cash and Cash Equivalents	147,566	587,890	1,458,962	0
Cash and Cash Equivalents at End of Year	<u>\$2,221,621</u>	<u>\$3,477,636</u>	<u>\$7,285,755</u>	<u>\$481,899</u>

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Totals	Internal Service Funds
\$3,154,689	\$6,678,418	\$49,441,919	\$0
0	10,888,641	10,888,641	0
0	0	0	11,853,186
(972,724)	(185,430)	(19,570,991)	(1,548,653)
(397,237)	(105,395)	(7,486,500)	(1,461,174)
0	0	0	(6,615,371)
(368,189)	0	(4,209,169)	(415,528)
0	0	22,126	0
0	0	(10,415)	0
<u>1,416,539</u>	<u>17,276,234</u>	<u>29,075,611</u>	<u>1,812,460</u>
60,979	0	4,614,139	139,718
0	0	10,900	0
0	89,037	89,037	0
0	(1,225,000)	(1,225,000)	0
0	(14,848,875)	(14,848,875)	0
0	0	41,000	0
<u>60,979</u>	<u>(15,984,838)</u>	<u>(11,318,799)</u>	<u>139,718</u>
545,822	0	545,822	0
0	0	1,500,000	0
0	221,100	224,107	0
(1,224,246)	(362,427)	(5,781,951)	(141,161)
(69,742)	0	(69,742)	(1,653)
0	0	(3,590,000)	0
(183,285)	0	(3,629,340)	0
(51,933)	0	(51,933)	0
(13,332)	0	(1,535,543)	0
<u>(996,716)</u>	<u>(141,327)</u>	<u>(12,388,580)</u>	<u>(142,814)</u>
0	0	1,327,607	0
(326,043)	0	(4,287,183)	0
0	3,158	207,799	0
<u>(326,043)</u>	<u>3,158</u>	<u>(2,751,777)</u>	<u>0</u>
154,759	1,153,227	2,616,455	1,809,364
666,708	10,415,681	23,240,831	2,510,346
<u>\$821,467</u>	<u>\$11,568,908</u>	<u>\$25,857,286</u>	<u>\$4,319,710</u>
\$821,467	\$4,620,136	\$16,714,096	\$4,319,710
0	6,948,772	9,143,190	0
<u>\$821,467</u>	<u>\$11,568,908</u>	<u>\$25,857,286</u>	<u>\$4,319,710</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income	\$832,772	\$3,047,361	\$5,522,507	\$1,432,720
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,058,667	1,433,577	2,689,052	383,512
Miscellaneous Nonoperating Revenue	0	2,277	0	2,220
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable	(589,454)	60,651	100,513	10,615
Increase in Due to Other Funds	0	0	0	0
(Increase) Decrease in Inventory	(910,922)	(3,591)	16,216	1,432
Increase in Prepaid Items	(1,151)	(865)	(2,122)	(383)
Decrease in Prepaid Gas Supply	0	0	0	0
Increase in Net OPEB Asset	(171,833)	(234,475)	(149,193)	(129,245)
(Increase) Decrease in Deferred Outflows of Resources - Pension	51,176	77,717	47,511	32,147
Increase in Deferred Outflows of Resources - OPEB	124,942	176,297	110,786	89,778
Increase (Decrease) in Accounts Payable	75,248	744	118,063	(67,684)
Increase in Accrued Wages and Benefits	5,026	2,191	5,860	5,522
Increase in Due to Other Funds	498,495	0	0	0
Decrease in Intergovernmental Payable	0	0	0	0
Increase in Customer Deposits	8,549	1,581	1,581	0
Increase in Unearned Revenue	0	0	0	0
Decrease in Landfill Postclosure Care Liability	0	0	0	(40,799)
Increase (Decrease) in Compensated Absences	29,298	(30,618)	(18,103)	(37,926)
Increase (Decrease) in Net Pension Liability	(466,237)	(689,029)	(425,786)	(312,482)
Increase (Decrease) in Net OPEB Liability	(1,322,776)	(1,841,676)	(1,163,059)	(968,417)
Increase in Deferred Inflows of Resources - Pension	132,782	250,919	149,696	131,840
Increase in Deferred Inflows of Resources - OPEB	292,819	436,873	272,581	236,550
Increase in Claims Payable	0	0	0	0
Total Adjustments	<u>(1,185,371)</u>	<u>(357,427)</u>	<u>1,753,596</u>	<u>(663,320)</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$352,599)</u>	<u>\$2,689,934</u>	<u>\$7,276,103</u>	<u>\$769,400</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2021, the Water and the Water Pollution Funds had outstanding liabilities of \$207,395 and \$1,863,157 respectively for certain capital assets.

During 2021 the Water Pollution Fund incurred a liability of \$4,815,185 to the Ohio Water Development Authority for capitalized interest and construction payments made by the Authority directly to contractors.

During 2021 the Water, Water Pollution, and Storm Water Funds received capital contributions from developers of \$298,693 \$312,979, and \$766,275 respectively.

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Totals	Internal Service Funds
\$1,276,713	\$2,229,336	\$14,341,409	\$2,363,931
351,561	78,169	5,994,538	120,618
0	37,419	41,916	0
14,745	0	(402,930)	(22,520)
0	(498,495)	(498,495)	0
0	0	(896,865)	13,988
0	0	(4,521)	(145)
0	15,414,635	15,414,635	0
(38,763)	(8,035)	(731,544)	(142,289)
21,040	(70,004)	159,587	82,677
25,522	(41,983)	485,342	97,403
(1,789)	0	124,582	44,792
2,523	0	21,122	13,265
0	0	498,495	0
0	(1)	(1)	0
0	0	11,711	0
0	7,828	7,828	0
0	0	(40,799)	0
6,687	0	(50,662)	908
(80,951)	71,818	(1,902,667)	(330,948)
(281,573)	0	(5,577,501)	(1,057,088)
46,426	30,997	742,660	163,654
74,398	24,550	1,337,771	269,982
0	0	0	194,232
139,826	15,046,898	14,734,202	(551,471)
\$1,416,539	\$17,276,234	\$29,075,611	\$1,812,460

CITY OF LANCASTER, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2021**

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 196,155
Due from Other Funds	<u>2,478</u>
Total Assets	<u>198,633</u>
Liabilities:	
Intergovernmental Payable	2,478
Due to Others	193,677
Due to Other Funds	<u>2,478</u>
Total Liabilities	<u>198,633</u>
Restricted for Individuals, Organizations and Other Governments	<u>0</u>
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2021***

	<u>Custodial</u>
Additions:	
Fines and Forfeitures Collections for Others	\$ 2,720,638
Total Additions	<u>2,720,638</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	2,720,638
Total Deductions	<u>2,720,638</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lancaster, Ohio (the "City") was incorporated in 1831 under the laws of the State of Ohio. The Citizens elect Council members (six wards, three at large and a president) who serve two year terms, and the Mayor, City Auditor, City Solicitor and City Treasurer who all serve four year terms. In addition, two municipal court judges are elected to serve six year terms.

The financial statements are presented as of December 31, 2021 and for the year then ended, and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB 61, in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

The City's financial reporting entity includes a blended component unit, the Lancaster Port Authority, as well as, all funds, agencies, boards and commissions that are part of the primary government, which include the following services: police and fire protection, parks and recreation, cemetery department, planning, zoning, street maintenance, basic utility (water, sewer, electric, gas, and refuse) and other governmental services. The Port Authority, although a legally separate entity, provides services almost entirely to the City by financing the purchase of gas supply for the Gas Fund. The Executive Director of the Port Authority also serves as the General Manager to the Lancaster Municipal Gas Department. In addition, the City Treasurer voluntarily serves as the Treasurer to the Port Authority. Separately issued financial statements can be obtained from Lancaster Port Authority, 104 East Main Street, Lancaster, OH 43130.

The City participates in several Jointly Governed Organizations which are further described in Note 20.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

The following fund types are used by the City:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's major governmental funds:

General Fund - This fund is used to account for all financial resources except those accounted 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.

.45 Police and Fire Levy Fund – This fund is used to account for a .45% voted income tax levy to be used for the operations of the Police and Fire Departments.

Proprietary Funds

All proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are:

Gas Fund – This fund is used to account for the operation of the City's gas service.

Water Fund – This fund is used to account for the operation of the City's water service.

Water Pollution Fund – This fund is used to account for the operation of the City's sanitary sewer service.

Sanitation Fund – This fund is used to account for the operation of the City's solid waste collection and disposal service.

Storm Water Fund – This fund is used to account for the operation of the City's storm water drainage service.

Port Authority Fund – This fund is used to account for the operation of the City's economic development.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Internal Service Funds - These funds are used to account for the utilities billing services, information services, fuel deposits, and health insurance services provided to other departments or agencies of the governmental unit on a cost-reimbursement basis.

Fiduciary Funds

Custodial Funds - These funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units and therefore not available to support the City's own programs. The custodial funds account for municipal court collections that are distributed to the state and various local governments and fee collections to be distributed to the law library.

C. Basis of Presentation – Financial Statements

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 fiduciary funds. Internal Service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which 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 business segment or governmental function is self-financing or draws from the general revenues of the City.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Fund Financial Statements – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which the City considers to be 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. 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 specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue.

Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

The accrual basis of accounting is utilized for reporting purposes for the government-wide, the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than custodial funds and the Drug Enforcement Fund (special revenue fund) are legally required to be budgeted and appropriated; however, only the general fund and major special revenue funds are required to be reported. The primary level of budgetary control is at the object level within each department. Budgetary modifications may be made only by ordinance of the City Council. More detailed appropriation allocations may be made by the City Auditor as long as the allocations are within Council's appropriated amount.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Tax Budget

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2021.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level (the legal level of control). The appropriation ordinance may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified by the County Budget Commission. The allocation of appropriations among departments and objects within a fund may only be modified during the year by an ordinance of City Council. During 2021, several supplemental appropriations were legally enacted by Council. Administrative control is maintained through the establishment of more detailed line-item budgets. The amounts reported as the original budget amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The budgetary figures which appear on the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual" are presented on a budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the general fund and major special revenue fund:

	Net Change in Fund Balance	
	General Fund	.45 Police and Fire Levy Fund
GAAP Basis (as reported)	\$2,992,902	\$788,129
Increase (Decrease):		
Accrued Revenues at December 31, 2021 received during 2022	(2,099,554)	(1,383,467)
Accrued Revenues at December 31, 2020 received during 2021	1,673,187	495,312
Accrued Expenditures at December 31, 2021 paid during 2022	3,229,253	288,340
Accrued Expenditures at December 31, 2020 paid during 2021	(1,120,449)	(203,742)
2020 Prepays for 2021	29,197	30,745
2021 Prepays for 2022	(30,643)	(28,110)
Adjustment to Fair Value	444,657	0
Outstanding Encumbrances	(433,502)	(210,497)
Budget Basis	<u>\$4,685,048</u>	<u>(\$223,290)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio) and certificates of deposit with original maturity dates of three months or less. See Note 5, "Cash, Cash Equivalents and Investments."

The City pools its cash, except for that held by fiscal agents and fiduciary fund cash and investments, for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application", the City reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The City's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes. See Note 5, "Cash, Cash Equivalents and Investments."

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Derivative Instruments

The City's derivative financial instruments are accounted for in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instrument* and GASB Statement No. 72, *Fair Value Measurement and Application*. In connection with this Statement, the fair value of the City's derivative financial instruments is recorded on the Statement of Net position, with an offsetting deferred inflow or outflow. At December 31, 2021, the fair value of the City's derivative instruments are offset by a deferred inflow.

Derivative instruments are utilized by the City to manage market risk and reduce its exposure resulting from fluctuations in prices of natural gas in order to meet debt service requirements. These instruments include commodity swap agreements which convert index-priced natural gas revenues to fixed prices for servicing outstanding debt obligations.

I. Inventory

Inventory is stated at cost using the first-in, first-out (FIFO) method. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the government-wide and proprietary funds when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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.

K. Prepaid Gas Supply

The City prepaid for deliveries of natural gas supplies with the proceeds from revenue bonds. Prepaid gas supplies are stated at the present value of the remaining fixed delivery amounts, as determined by the prepay contract. Swap agreements are used to convert the variable index prices to fixed prices sufficient to meet debt service requirements.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets and Depreciation

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and more than \$1,000 for the Port Authority.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at acquisition value at the date received. Capital assets include land, construction in progress, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Donated capital assets are recorded at acquisition value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	40
Improvements other than Buildings	20-25
Infrastructure	10-100
Machinery and Equipment, Vehicles	3 - 10

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds Payable	General Bond Retirement Fund
Revenue Bonds Payable	Water Fund, Water Pollution Fund, Port Authority Fund
Ohio Water Development Authority Loans	Street, Construction, Maintenance and Repair Fund, Water Fund, Water Pollution Fund Storm Water Fund
Ohio Public Works Commission Loan	General Bond Retirement Fund, Street Levy Fund, Storm Water Fund
State Infrastructure Bank Loan	Street Construction, Maintenance and Repair Fund
Installment Loan	Fire Impact-District One Fund
Capital Leases	General Fund, Cemetery Fund, Street Construction, Maintenance and Repair Fund, Parks and Recreation Fund, Storm Water Fund
Compensated Absences	General Fund, .45 Police and Fire Levy Fund,
Net Pension Liability	Cemetery Fund, Street Construction, Maintenance and Repair Fund, Parks and Recreation Fund, Lancaster
Net OPEB Liability	Community Development Fund, Gas Fund, Water Fund, Water Pollution Fund, Sanitation Fund, Storm Water Fund, Port Authority Fund, Utilities Collection Fund, Information Services Fund

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

City employees earn vacation at varying rates based upon length of service. Vacation leave is accrued on January 1 of every year regardless of employee's anniversary date. One week of vacation time can be carried over with the department superintendent's permission. Upon separation from the City, the employee (or his estate) is paid for accumulated unused vacation leave balance.

Sick leave is accrued by all employees at the rate of 4.6 hours every 80 hours of compensation for a total of fifteen days of sick leave accrued per year. Upon retirement, employees are paid a prorata amount of accumulated sick leave based on the employee's date of hire and position and on negotiated work agreements with the City.

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," the City records a liability for vacation time and sick leave when the obligation is attributable to services previously rendered and it is probable that the City will compensate the employees for the benefits at termination or retirement. The City uses the vesting method for determining the liability for sick leave. Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction of improvement of those assets. Net position is reported as restricted when there are limitations imposed on their 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 resources are available.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pensions/Other Postemployment Benefits (OPEB)

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

Q. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund 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. Interfund services provided and used are not eliminated in the process of consolidation. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. 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 (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Balances (Continued)

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority. For the City, these constraints consist of ordinances passed by City Council. Committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City has no formal policy authorizing a body or official to assign amounts for specific purposes.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

S. Restricted Assets

Customer deposits, bond reserve accounts, landfill postclosure reserve accounts, and cash with fiscal agent are classified as restricted assets because these funds are being held for specified purposes.

T. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. 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 gas distribution, water treatment and distribution, wastewater collection and treatment, maintenance of storm water collection systems and collection of solid waste refuse. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

U. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans, long-term interfund loans or interfund services provided and used 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualifies for reporting in this category. One is the deferred loss on early retirement of debt reported in the government-wide and proprietary statements of net position. A deferred loss on early retirement of debt 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, hedging derivatives and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. The cumulative increase in the hedging derivative is reported as a deferred inflow on both the proprietary statement of net position and government wide statement of net position. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for delinquent property taxes, income taxes, special assessments, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary fund statements of net position explained in Notes 11 and 12.

W. Contributions of Capital

Contributions of capital on the governmental and business type activities and the proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants for capital acquisition or construction.

X. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Y. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Z. Land Held for Resale

As part of the economic development program, the City has acquired land with the intent for the land to be sold to businesses to promote economic development within the City. Transactions are conducted through the City's Port Authority Fund.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	.45 Police and Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$30,643	\$28,110	\$15,634	\$74,387
Inventory of Supplies	110,187	0	334,434	444,621
Total Nonspendable	<u>140,830</u>	<u>28,110</u>	<u>350,068</u>	<u>519,008</u>
Restricted:				
Transportation Projects	0	0	1,731,675	1,731,675
Cemetery	0	0	1,840,446	1,840,446
Court Projects	0	0	2,003,115	2,003,115
Public Transportation	0	0	736,011	736,011
911 Services	0	0	306,165	306,165
Police and Fire Operations	0	2,562,089	3,340,939	5,903,028
Pension for Public Safety	0	0	32,547	32,547
Community Development	0	0	1,652,231	1,652,231
Debt Retirement	0	0	1,017	1,017
Capital Improvements	0	0	338,931	338,931
Total Restricted	<u>0</u>	<u>2,562,089</u>	<u>11,983,077</u>	<u>14,545,166</u>
Committed:				
Parks and Recreation	0	0	1,561,978	1,561,978
Capital Improvements	0	0	2,338,491	2,338,491
Total Committed	<u>0</u>	<u>0</u>	<u>3,900,469</u>	<u>3,900,469</u>
Assigned:				
Projected budgetary deficit	4,504,965	0	0	4,504,965
Services and Supplies	171,498	0	0	171,498
Total Assigned	<u>4,676,463</u>	<u>0</u>	<u>0</u>	<u>4,676,463</u>
Unassigned:				
	10,131,790	0	(2,241,888)	7,889,902
Total Fund Balances	<u>\$14,949,083</u>	<u>\$2,590,199</u>	<u>\$13,991,726</u>	<u>\$31,531,008</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits at December 31, 2021 of \$1,341,777 in the Ety Road TIF Project Fund and \$900,111 in the Columbian Construction Fund (capital projects funds) are the result of recording notes payable amounts in the individual fund balance sheets. The accumulated deficit of \$112,241,546 in the Port Authority Fund (enterprise fund) is the result of recording the prepaid gas supply at the present value of the future shipments and the related bonds payable at outstanding par value. At the end of the contract period, the net result will be zero. The accumulated deficit of \$704,258 in the Utilities Collection Fund (internal service fund) is the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers, upon City Council's approval when cash is required not when accruals occur.

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. The City has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Auditor and Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Category 3 consists of "interim" funds - those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- 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;
- Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook account;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasury Asset Reserve of Ohio (STAR Ohio);
- Securities lending agreements in which the City lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;
- Commercial paper notes, corporate notes and banker's acceptances; and,
- Debt interest rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of City cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by the Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City's deposits was \$49,658,527 and the bank balance was \$49,755,478. Federal depository insurance covered \$1,121,095 of the bank balance and \$48,634,383 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System	<u>\$48,634,383</u>
Total Balance	<u><u>\$48,634,383</u></u>

Investment earnings of (\$146,932) earned by other funds was credited to the General Fund as required by state statute.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

B. Investments

The City's investments at December 31, 2021 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)			
			less than 1	1-3	3-5	more than 5
STAR Ohio	\$60,191	AAAm ¹	\$60,191	\$0	\$0	\$0
Negotiable CD's	8,965,939	N/A ³	1,981,932	4,515,397	2,468,610	0
Municipal Bonds	6,233,290	*	249,644	4,616,429	504,576	862,641
FNMA	3,916,700	AA+ ¹ ,Aaa ²	0	0	3,916,700	0
FHLB	11,115,657	AA+ ¹ ,Aaa ²	0	4,256,084	6,859,573	0
FFCB	15,537,190	AA+ ¹ ,Aaa ²	0	10,920,834	4,616,356	0
FHLMC	4,901,076	AA+ ¹ ,Aaa ²	0	4,508,120	392,956	0
Total Investments	<u>\$50,730,043</u>		<u>\$2,291,767</u>	<u>\$28,816,864</u>	<u>\$18,758,771</u>	<u>\$862,641</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured

* Standard & Poor's ratings of AA and A+, Moody's ratings of Aa1-Aa3

The City's investments are valued using quoted market prices (Level 2 inputs).

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The City has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

Investment Credit Risk – The City has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. Of the City's total investments, 0.1% are in STAROhio, 17.7% are in negotiable CDs, 12.3% are in Municipal Bonds, 7.7% are FNMA, 21.9% are FHLB, 30.6% are FFCB, and 9.7% are FHLMC.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 5 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio is treated as a cash equivalent. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statements No. 3 and 40.

A reconciliation between classifications of cash and investments on the financial statements and the classifications per items A and B of this note are as follows:

	Cash and Cash Equivalents *	Investments
Per Financial Statements	\$47,465,926	\$52,922,644
Certificates of Deposit (with maturities of more than 3 months)	2,252,792	(2,252,792)
Investments:		
STAR Ohio	(60,191)	60,191
Per GASB Statements No. 3 and 40	<u>\$49,658,527</u>	<u>\$50,730,043</u>

* Includes Cash with Fiscal Agent

NOTE 6 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2019. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Lancaster. The County Auditor periodically remits to the City its portion of the taxes collected.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 6 - TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for the City's operations for the year ended December 31, 2021 was \$6.40 per \$1,000 of assessed value. The assessed value upon which the 2021 property tax receipts were based was \$851,347,650. This amount constitutes \$825,804,070 in real property assessed value and \$25,543,580 in public utility property. Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .64% (6.40 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.2%, 1.2% of which is voter approved, on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. The City allows a credit of 100% of the first 1.0% unvoted tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2021 consisted of taxes, accounts, special assessments, interest, loans and intergovernmental receivables arising from shared revenues. These amounts are shown separately on the face of the financial statements with the exception of property and income taxes receivable in the amount of \$4,991,706 and \$6,358,662 respectively. Delinquents are included in the amounts presented.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 8 – INTERFUND ACCOUNTS

Interfund balances at December 31, 2021 consist of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$2,254,545
.45 Police and Fire Levy	818,182	0
Nonmajor Governmental Funds	1,436,363	0
Total Governmental Funds	<u>2,254,545</u>	<u>2,254,545</u>
Enterprise Funds:		
Gas	0	850,880
Port Authority	850,880	0
Total Enterprise Funds	<u>850,880</u>	<u>850,880</u>
Custodial Funds:		
Municipal Court	0	2,478
Law Library	2,478	0
Total Custodial Funds	<u>2,478</u>	<u>2,478</u>
Totals	<u><u>\$3,107,903</u></u>	<u><u>\$3,107,903</u></u>
	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Nonmajor Governmental Funds	\$0	\$136,100
Enterprise Fund:		
Sanitation Fund	136,100	0
Totals	<u><u>\$136,100</u></u>	<u><u>\$136,100</u></u>

The Due to Other Funds is income tax collections due to other funds and a payment for gas purchases to the Port Authority. The Advance Loan consists of a long-term loan to be paid back in annual installments through 2031.

NOTE 9 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,256,340
Nonmajor Governmental Funds	2,188,278	972,938
Enterprise Funds:		
Water Fund	25,010	0
Water Pollution Fund	15,990	0
Total Transfers	<u><u>\$2,229,278</u></u>	<u><u>\$2,229,278</u></u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
<i>Capital assets not being depreciated:</i>				
Land	\$18,516,691	\$1,002,710	(\$314,756)	\$19,204,645
Construction in Progress	163,106	130,911	(163,106)	130,911
Subtotal	18,679,797	1,133,621	(477,862)	19,335,556
<i>Capital assets being depreciated:</i>				
Buildings	18,037,591	0	0	18,037,591
Improvements Other than Buildings	8,680,886	123,712	0	8,804,598
Machinery and Equipment	6,484,612	477,289	(164,167)	6,797,734
Vehicles	8,739,760	296,888	(321,821)	8,714,827
Infrastructure	42,926,654	5,140,529	(258,827)	47,808,356
Subtotal	84,869,503	6,038,418	(744,815)	90,163,106
Total Cost	\$103,549,300	\$7,172,039	(\$1,222,677)	\$109,498,662

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$5,957,062)	(\$398,091)	\$0	(\$6,355,153)
Improvements Other than Buildings	(5,730,250)	(255,263)	0	(5,985,513)
Machinery and Equipment	(4,484,913)	(538,103)	143,934	(4,879,082)
Vehicles	(6,599,280)	(729,540)	321,821	(7,006,999)
Infrastructure	(15,625,165)	(954,653)	240,251	(16,339,567)
Total Depreciation	(\$38,396,670)	(\$2,875,650) *	\$706,006	(\$40,566,314)
<i>Net Value:</i>	\$65,152,630			\$68,932,348

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	(\$448,985)
Leisure Time Activities	(262,424)
Public Health and Welfare	(19,297)
Transportation	(1,580,022)
General Government	(458,395)
Internal Service Fund Capital Assets	(106,527)
Total Depreciation Expense	(\$2,875,650)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 10 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2021:

Historical Cost:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
<i>Capital assets not being depreciated:</i>				
Land	\$3,832,495	\$0	(\$12,643)	\$3,819,852
Construction in Progress	9,323,629	8,605,667	(7,301,774)	10,627,522
Subtotal	13,156,124	8,605,667	(7,314,417)	14,447,374
<i>Capital assets being depreciated:</i>				
Buildings	83,602,223	362,427	(95,745)	83,868,905
Improvements	34,736,406	51,364	0	34,787,770
Machinery and Equipment	10,834,200	345,223	(94,447)	11,084,976
Vehicles	7,367,795	462,534	(285,165)	7,545,164
Infrastructure	109,792,735	10,200,302	0	119,993,037
Subtotal	246,333,359	11,421,850	(475,357)	257,279,852
Total Cost	\$259,489,483	\$20,027,517	(\$7,789,774)	\$271,727,226

Accumulated Depreciation:

Class	December 31, 2020	Additions	Deletions	December 31, 2021
Buildings	(\$30,595,937)	(\$2,015,014)	\$35,846	(\$32,575,105)
Improvements	(32,613,001)	(136,706)	0	(32,749,707)
Machinery and Equipment	(9,060,161)	(373,407)	89,697	(9,343,871)
Vehicles	(5,450,817)	(645,786)	285,165	(5,811,438)
Infrastructure	(53,451,970)	(2,837,716)	0	(56,289,686)
Total Depreciation	(\$131,171,886)	(\$6,008,629)	\$410,708	(\$136,769,807)
<i>Net Value:</i>	\$128,317,597			\$134,957,419

Internal service funds serve both governmental and business-type funds. Accordingly, capital assets for them are included as part of the above totals for governmental and business-type funds. At year-end, \$422,394 and \$36,874 of internal service funds capital assets, net of depreciation are included in the respective above amounts. Also, \$106,527 and \$14,091 of depreciation expense for the internal service funds are included in the respective above amounts.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 11 – 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.

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 accrued wages and benefits payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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 3.00% 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 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</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 \$2,270,981 for 2021. Of this amount, \$186,217 is reported as accrued wages and benefits payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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 July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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

Under normal service retirement, retired members who are at least 55 years old and have been receiving 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 participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% 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 3.00% of their base pension or disability benefit.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2021 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$2,340,240 for 2021. Of this amount, \$181,203 is reported as accrued wages and benefits 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	\$16,578,243	\$29,506,498	\$46,084,741
Proportion of the Net Pension Liability-2021	0.111471%	0.432831%	
Proportion of the Net Pension Liability-2020	<u>0.106490%</u>	<u>0.446472%</u>	
Percentage Change	<u>0.004981%</u>	<u>(0.013641%)</u>	
Pension Expense	\$869,177	\$1,986,410	\$2,855,587

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$0	\$494,839	\$494,839
Differences between expected and actual experience	0	1,233,471	1,233,471
Change in proportionate share	805,218	165,088	970,306
City contributions subsequent to the measurement date	<u>2,270,981</u>	<u>2,340,240</u>	<u>4,611,221</u>
Total Deferred Outflows of Resources	<u>\$3,076,199</u>	<u>\$4,233,638</u>	<u>\$7,309,837</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$6,461,715	\$1,431,256	\$7,892,971
Differences between expected and actual experience	693,480	1,149,488	1,842,968
Change in proportionate share	<u>126,173</u>	<u>1,383,559</u>	<u>1,509,732</u>
Total Deferred Inflows of Resources	<u>\$7,281,368</u>	<u>\$3,964,303</u>	<u>\$11,245,671</u>

\$4,611,221 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2022	(\$2,280,921)	(\$430,754)	(\$2,711,675)
2023	(679,935)	334,323	(345,612)
2024	(2,634,016)	(1,576,549)	(4,210,565)
2025	(881,278)	(363,701)	(1,244,979)
2026	<u>0</u>	<u>(34,224)</u>	<u>(34,224)</u>
Total	<u>(\$6,476,150)</u>	<u>(\$2,070,905)</u>	<u>(\$8,547,055)</u>

Actuarial Assumptions - OPERS

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2020
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	0.5 percent simple through 2021. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2019
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

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

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

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 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 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$31,623,092	\$16,578,243	\$4,068,481

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, 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. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

	January 1, 2020	January 1, 2019
Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2020 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

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

For the January 1, 2020 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

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, 2020 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

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 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$41,076,825	\$29,506,498	\$19,823,303

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability (asset) on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued wages and benefits payable on both the accrual and modified accrual bases of accounting.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$54,662 for 2021. Of this amount, \$4,237 is reported as an accrued wages and benefits payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$1,978,928)	\$4,585,919	\$2,606,991
Proportion of the Net OPEB Liability (Asset) -2021	0.110626%	0.432831%	
Proportion of the Net OPEB Liability-2020	<u>0.105793%</u>	<u>0.446472%</u>	
Percentage Change	<u>0.004833%</u>	<u>(0.013641%)</u>	
OPEB Expense	(\$11,532,407)	\$352,809	(\$11,179,598)

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	OP&F	Total
Deferred Outflows of Resources			
Changes in assumptions	\$972,863	\$2,533,468	\$3,506,331
Change in proportionate share	343,262	188,200	531,462
City contributions subsequent to the measurement date	0	54,662	54,662
Total Deferred Outflows of Resources	<u>\$1,316,125</u>	<u>\$2,776,330</u>	<u>\$4,092,455</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$1,054,004	\$170,423	\$1,224,427
Changes in assumptions	3,206,452	731,080	3,937,532
Differences between expected and actual experience	1,785,967	756,430	2,542,397
Change in proportionate share	80,929	54,714	135,643
Total Deferred Inflows of Resources	<u>\$6,127,352</u>	<u>\$1,712,647</u>	<u>\$7,839,999</u>

\$54,662 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2022	(\$2,490,052)	\$216,290	(\$2,273,762)
2023	(1,738,955)	256,647	(1,482,308)
2024	(458,029)	193,022	(265,007)
2025	(124,191)	210,270	86,079
2026	0	66,018	66,018
2027	0	50,327	50,327
2028	0	16,447	16,447
Total	<u>(\$4,811,227)</u>	<u>\$1,009,021</u>	<u>(\$3,802,206)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	6.00 percent
Prior Measurement date	3.16 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.00 percent
Prior Measurement date	2.75 percent
Health Care Cost Trend Rate:	
Current measurement date	8.5 percent initial, 3.5 percent ultimate in 2035
Prior Measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Actuarial Cost Method	Individual Entry Age Normal

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB liability (asset)	(\$492,071)	(\$1,978,928)	(\$3,201,239)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	(\$2,027,156)	(\$1,978,928)	(\$1,924,965)

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12- DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	2.96 percent	3.56 percent
Cost of Living Adjustments	2.2 percent simple	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

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

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

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

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized below:

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</u>	

* levered 2x

Note: Assumptions are geometric

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

	1% Decrease (1.96%)	Current Discount Rate (2.96%)	1% Increase (3.96%)
City's proportionate share of the net OPEB liability	\$5,718,378	\$4,585,919	\$3,651,772

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 13 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources. The City is retiring its notes by the issuance of one year renewal notes with a portion of the principal being retired in accordance with the above provisions.

	Maturity Date	Balance January 1, 2020	Additions	(Reductions)	Balance December 31, 2021
Capital Projects Notes Payable:					
2.896% Street Improvement 2020	12/31/2021	\$968,045	\$0	(\$968,045)	\$0
2.938% Street Improvement 2021	12/31/2022	0	931,202	0	931,202
2.896% Island Capital Note 2020	12/31/2021	300,264	0	(300,264)	0
2.938% Island Capital Note 2020	12/31/2022	0	288,837	0	288,837
0.500% Columbian Construction Note 2020	12/22/2021	1,080,000	0	(1,080,000)	0
0.500% Columbian Construction Note 2021	12/22/2022	0	900,000	0	900,000
Total Capital Projects Notes Payable		<u>\$2,348,309</u>	<u>\$2,120,039</u>	<u>(\$2,348,309)</u>	<u>\$2,120,039</u>
Enterprise Funds Notes Payable:					
0.50% Various Purpose Water Note	2/3/2022	\$0	\$1,500,000	\$0	\$1,500,000
Total Enterprise Notes Payable		<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$1,500,000</u>

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2021 were as follows:

	Balance December 31, 2020	Additions	(Reductions)	Balance December 31, 2021	Due Within One Year
Business-Type Activities:					
Ohio Water Development Authority Loans (OWDA):*					
2003 2.00% Water Treatment Plant/Clearwells/Wellfield	\$94,080	\$0	(\$7,011)	\$87,069	\$7,151
2001 4.14% Water Transmission Line/Waste Force Main	768,752	0	(376,502)	392,250	392,250
2001 3.90% Water Treatment Plant/Clearwells/Wellfield	3,603,010	0	(1,399,597)	2,203,413	1,454,713
2009 3.27% Water Pollution Control Plant	21,626,460	0	(1,662,945)	19,963,515	1,717,767
2021 0.70% Water Pollution Lawrence Facility Upgrade	0	4,815,185	0	4,815,185	0
2018 0.00% Cherokee Drive Drainage Improvements	578,352	0	(77,957)	500,395	77,957
2020 0.00% Fifth Ave/Sixth/Ave/Forest Rose Ave CSO	3,408,966	545,822	(105,328)	3,849,460	210,656
Total Ohio Water Development Authority Loans	<u>30,079,620</u>	<u>5,361,007</u>	<u>(3,629,340)</u>	<u>31,811,287</u>	<u>3,860,494</u>
Revenue Bonds Payable:					
2012 2-3.5% Refunding Water System Improvement Revenue Bond	3,810,000	0	(370,000)	3,440,000	375,000
Premium	176,245	0	(19,582)	156,663	0
2012 2-3.5% Refunding Wastewater System Improvement Revenue Bond	2,425,000	0	(2,425,000)	0	0
2016 3-4% Refunding Wastewater System Improvement Revenue Bond	13,165,000	0	(795,000)	12,370,000	820,000
Premium	1,596,492	0	(190,024)	1,406,468	0
2019 5.00% Refunding Port Authority Gas Supply Revenue Bond	297,270,000	0	(1,225,000)	296,045,000	1,285,000
Premium	41,056,163	0	(1,440,567)	39,615,596	0
Total Revenue Bonds Payable	<u>359,498,900</u>	<u>0</u>	<u>(6,465,173)</u>	<u>353,033,727</u>	<u>2,480,000</u>
Ohio Public Works Commission Loan (OWPC):*					
2018 0.00% Cherokee Drive Drainage Improvements	328,912	0	(51,933)	276,979	34,622
Landfill Postclosure Care Liability	862,688	0	(40,799)	821,889	78,600
Capital Leases	151,844	0	(71,395)	80,449	80,449
Compensated Absences	2,204,835	442,911	(492,292)	2,155,454	209,965
Total Business-Type Long-Term Debt	<u>\$393,126,799</u>	<u>\$5,803,918</u>	<u>(\$10,750,932)</u>	<u>\$388,179,785</u>	<u>\$6,744,130</u>

* The OWDA and OPWC Loans are direct borrowings.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

	Balance December 31, 2020	Additions	(Reductions)	Balance December 31, 2021	Due Within One Year
Governmental Activities Long-Term Debt:					
2010 2-3.125% General Obligation Bond Payable - Ety Road TIF	\$225,000	\$0	(\$110,000)	\$115,000	\$115,000
2014 2-3% Refunding General Obligation Bond Payable	1,080,000	0	(260,000)	820,000	265,000
Premium	11,465	0	(3,821)	7,644	0
2014 2-4% General Obligation Bond Payable-Court Facility	6,845,000	0	(200,000)	6,645,000	200,000
Premium	97,484	0	(4,238)	93,246	0
2014 1-3.45% General Obligation Bond Payable - Land	445,000	0	(105,000)	340,000	110,000
Total General Obligation Bonds Payable	<u>8,703,949</u>	<u>0</u>	<u>(683,059)</u>	<u>8,020,890</u>	<u>690,000</u>
Ohio Public Works Commission Loans (OPWC):*					
2000 0.00% Ohio Public Works Commission Loan Payable	9,129	0	(9,129)	0	0
2016 0.00% Ohio Public Works Commission Loan Payable	63,128	0	(63,128)	0	0
Total Ohio Public Works Commission Loans Payable	<u>72,257</u>	<u>0</u>	<u>(72,257)</u>	<u>0</u>	<u>0</u>
2010 3.25% Ohio Water Development Authority Loan*	240,912	0	(19,593)	221,319	20,236
2019 0.00% State Infrastructure Bank Loan*	224,115	0	(25,183)	198,932	25,945
Installment Loans Payable:*					
2013 3.30% Fire Aerial Truck Platform	157,374	0	(50,751)	106,623	52,439
Total Installment Loans Payable	<u>157,374</u>	<u>0</u>	<u>(50,751)</u>	<u>106,623</u>	<u>52,439</u>
Compensated Absences	4,969,223	1,635,689	(1,525,978)	5,078,934	455,721
Capital Leases	991,287	282,000	(351,333)	921,954	388,486
Total Governmental Activities	<u>\$15,359,117</u>	<u>\$1,917,689</u>	<u>(\$2,728,154)</u>	<u>\$14,548,652</u>	<u>\$1,632,827</u>

* The OWDA, OPWC, SIB and Installment Loans are direct borrowings.

Internal service funds serve both governmental and business-type funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental and business-type funds. At year-end, \$103,217 and \$241,148 of internal service funds compensated absences are included in the respective above amounts.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Gas Supply Revenue Bonds, Series 2019

In May, 2019, the Port Authority issued \$300,065,000 of gas supply revenue refunding bonds in a current refunding to redeem \$259,320,000 of gas supply revenue refunding bonds issued in July, 2014 as well as provide for the prepayment of the extension of the original prepaid gas agreement through the year 2049. The 2019 gas supply revenue refunding bonds carry an interest rate of 5.00% and are scheduled to mature on August 1, 2049, with the bonds maturing after February 1, 2025 being subject to a mandatory tender as of that date.

The principal and interest remaining to be paid on these bonds is \$544,715,375. Principal and interest paid for the current year and total customer net revenues were \$16,073,875 and \$2,310,350, respectively.

B. Water and Wastewater Revenue Bonds

The City has pledged future customer revenues, net of specified operating expenses, to repay Water Revenue Bonds, series 2012. The 2012 bonds were issued to partially refund 2004 bonds which were originally issued to pay the cost of constructing two 2 million gallon storage tanks and various water lines. The principal and interest remaining to be paid on these bonds is \$4,097,044. Principal and interest paid for the current year and total customer net revenues were \$516,631 and \$4,442,677, respectively.

The City has pledged future customer revenues, net of specified operating expenses, to repay Wastewater Revenue Bonds 2016. The 2016 bonds were issued to partially refund the 2008 bonds which were originally issued to pay the cost of constructing a new wastewater treatment plant. The principal and interest remaining to be paid on these bonds is \$15,817,400. Principal and interest paid for the current year and total customer net revenues were \$3,835,350 and \$8,087,208, respectively.

C. Ohio Water Development Authority Loans

In 2001, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$5,464,939. This loan is payable from water charges and the proceeds were used for the water treatment plant.

In 2001, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$21,064,709. This loan is payable from water charges and the proceeds were used for the water treatment plant, clearwells and wellfield.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

C. Ohio Water Development Authority Loans (Continued)

In 2003, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$199,091. The proceeds were used for the water treatment plant.

In 2009, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$34,396,999. The proceeds were used to build the Upper Hocking Wastewater Treatment Plant.

In 2010, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$398,675. The proceeds were used to build a salt storage barn and wash bays.

In 2018, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$779,572. The proceeds are being used for drainage improvements. The amount is subject to change and has not been finalized. The interest rate on the loans is 0%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2021, the City had received \$695,288, from OWDA. An estimate of future financing requirements has been made based on the loan balance of \$500,395 at December 31, 2021.

In 2020, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$4,213,115. The proceeds are being used for drainage improvements. The amount is subject to change and has not been finalized. The interest rate on the loans is 0%, per annum. This loan is payable from storm water charges and is received by the City in increments as the project is completed. As of December 31, 2021, the City had received \$3,954,788, from OWDA. An estimate of future financing requirements has been made based on the loan balance of \$3,849,460 at December 31, 2021.

In 2021, the City entered into an agreement with the OWDA, as administrator for the U. S. Environmental Protection Agency (EPA), for the City to receive a loan of \$22,379,560. The proceeds are being used for upgrades to the Lawrence Street Wastewater facility. The amount is subject to change and has not been finalized. The interest rate on the loans is 0.7%, per annum. This loan is payable from wastewater charges and is received by the City in increments as the project is completed. As of December 31, 2021, the City had received \$4,815,185, from OWDA. An estimate of future financing requirements has been made based on the loan balance of \$4,815,185 at December 31, 2021.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. Future Long-Term Financing Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2021 follows:

Governmental Activities:

Years	General Obligation Bond Payable		OWDA Loan	
	Principal	Interest	Principal	Interest
2022	\$690,000	\$291,258	\$20,236	\$6,489
2023	600,000	272,575	20,898	5,877
2024	610,000	255,606	21,583	5,245
2025	220,000	236,787	22,290	4,592
2026	230,000	229,363	23,021	3,918
2027-2031	1,275,000	1,014,187	113,291	8,680
2032-2036	1,550,000	739,800	0	0
2037-2041	1,880,000	404,200	0	0
2042	865,000	52,200	0	0
Totals	<u>\$7,920,000</u>	<u>\$3,495,976</u>	<u>\$221,319</u>	<u>\$34,801</u>

Years	State Infrastructure Bank Loan		Installment Loan	
	Principal	Interest	Principal	Interest
2022	\$25,945	\$5,775	\$52,439	\$3,088
2023	26,728	4,991	54,184	1,343
2024	27,536	4,183	0	0
2025	28,368	3,351	0	0
2026	29,226	2,493	0	0
2027-2028	61,129	2,308	0	0
	<u>\$198,932</u>	<u>\$23,101</u>	<u>\$106,623</u>	<u>\$4,431</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 14 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

D. Future Long-Term Financing Requirements (Continued)

Business-Type Activities:

Years	OWDA Loans		Revenue Bonds Payable		OPWC Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$3,860,494	\$651,986	\$2,480,000	\$15,417,206	\$34,622	\$0
2023	2,819,005	546,965	2,600,000	15,307,563	34,622	0
2024	2,241,309	498,774	2,750,000	15,192,675	34,622	0
2025	2,415,426	458,860	6,680,000	15,070,575	34,622	0
2026	2,479,580	399,859	10,785,000	14,647,700	34,622	0
2027-2031	13,155,983	1,045,490	57,455,000	65,015,225	103,869	0
2032-2036	2,264,883	89,382	56,330,000	50,805,000	0	0
2037-2041	1,935,271	46,481	59,970,000	36,604,750	0	0
2042-2046	639,336	6,729	67,875,000	20,741,000	0	0
2047-2049	0	0	44,930,000	3,973,125	0	0
Totals	<u>\$31,811,287</u>	<u>\$3,744,526</u>	<u>\$311,855,000</u>	<u>\$252,774,819</u>	<u>\$276,979</u>	<u>\$0</u>

E. Defeased Debt

In June 2012, the City defeased \$5,915,000 of Water Revenue Bonds dated September, 2004 (the "2004 Bonds") through the issuance of \$5,795,000 of Water Revenue Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$3,675,000 at December 31, 2021, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In June 2012, the City defeased \$3,665,000 of Wastewater Revenue Bonds dated September, 2004 (the "2004 Bonds") through the issuance of \$3,680,000 of Wastewater Revenue Bonds. The net proceeds of the 2012 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$2,280,000 at December 31, 2021, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

In June 2016, the City defeased \$15,885,000 of Wastewater Revenue Bonds dated September, 2008 (the "2008 Bonds") through the issuance of \$15,395,000 of Wastewater Revenue Bonds. The net proceeds of the 2016 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$12,885,000 at December 31, 2021, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 15 - CAPITALIZED LEASES

Under capital leases the City a fire pumper, two street sweepers, and several street paving equipment, cemetery equipment and park and recreation trucks, tractors, mowers. The cost of the improvements and equipment obtained under capital leases is included in the appropriate proprietary fund or Governmental Activities Capital Assets and the related liability is included in the appropriate proprietary fund or in the Governmental Activities Long-Term Liabilities. The original cost of the assets acquired under capital lease was \$2,031,876.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2021:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2022	\$418,685	\$83,156
2023	281,631	0
2024	155,225	0
2025	61,079	0
2026	61,079	0
Minimum Lease Payments	977,699	83,156
Less amount representing interest at the City's incremental borrowing rate of interest	(55,745)	(2,707)
Present value of minimum lease payments	<u>\$921,954</u>	<u>\$80,449</u>

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 16 - DERIVATIVE INSTRUMENTS

A. Composition of Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding as of December 31, 2021, classified by type, are as follows:

	<u>Notional Amount</u>		<u>Fair Value</u>	<u>Counterparty Credit Rating</u>
Positive Cash Flow Hedge:				
Pay-variable, receive fixed commodity swap	56,951,687 mmbtu	\$	95,588,402	A-

All fair values are classified as derivative instruments on the Statement of Net Position. The decrease in fair values of these derivatives instruments was \$90,734,866 for 2021. As these commodity swaps are considered hedging derivatives instruments, the change in fair value is reflected within deferred inflows on the Statement of Net Position. The fair values of the commodity swaps are based on forward prices from established indexes for the applicable region and discounted using established interest rate indexes. The fair value of the derivatives is calculated based on current market rates (Level 2 inputs).

B. Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the Port Authority hedging derivative instruments outstanding at December 31, 2021:

<u>Type</u>	<u>Objective</u>	<u>Maturity Date</u>	<u>Terms</u>
Pay-variable, receive fixed commodity swap	The Port Authority has entered into a fixed to floating commodity swap in connection with the natural gas prepay transaction. The purpose of the Commodity Swap is to correlate gas sales revenues the Port Authority receives based on floating natural gas indices to a fixed stream of payments necessary to make debt service payments on its Bonds.	2049	The commodity swap extends to the date of the final maturity of the related Natural Gas Supply Agreements. The commodity swap requires monthly payments based on a notional quantity of natural gas that corresponds to the volume of natural gas sold pursuant to the related Natural Gas Supply Agreements. Payments under the commodity swap are based on nationally published gas indices at the gas delivery points.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 16 - DERIVATIVE INSTRUMENTS (Continued)

C. Commodity Swap Risks

Termination Risk: The Commodity Swaps terminate in the event of a “triggering event” under the related Prepaid Natural Gas Sales Agreements, in the event of the Port Authority or counterparty nonperformance, and in connection with other specified events. Under the Commodity Swaps no payment, in the amount of the fair value or otherwise, is to be made by the Swap Counterparty in connection with an early termination of such swap. However, if the Commodity Swaps are terminated as a result of the Port Authority’s default or as a result of the termination of the Prepaid Natural Gas Sales Agreements, the Port Authority would be obligated to pay a termination payment to the Swap Counterparty based on the net present value of the remaining notional quantities of gas during the remaining term multiplied by a fixed amount.

Credit Risk: The Commodity Swaps are tied to related gas prepay transactions and terminate in the event such transactions terminate. Therefore, the only credit risk associated with the Commodity Swaps is for margins lost on future commodity deliveries associated with a termination of the related gas prepay transactions in the event of a counterparty’s inability to perform in accordance with the terms of the related Commodity Swaps. Generally, the only amounts due upon termination of the Commodity Swap would be previously accrued but unpaid amounts. If the Swap Counterparty is rated below "A1" by Moody’s Investors Service, Inc., the Swap Counterparty is permitted to post collateral or post an alternative security arrangement within twenty-five Local Business Days of such downgrade. The Swap Counterparty must provide the Port Authority adequate assurances of Swap Counterparty’s ability to continue performing under all Transactions, which adequate assurances must be satisfactory to the Port Authority.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 17 - INSURANCE AND RISK MANAGEMENT

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.

Insurance for property holds a \$10,000 disappearing deductible, general liability holds a \$1,000 deductible. The City carries a \$25,000 deductible for both police and professional liability insurance. The City also has an umbrella policy with Selective Insurance Company for claims in excess of \$1,000,000. The City has a Cyber Liability Insurance through Travelers in the amount of \$1,000,000 with a \$25,000 deductible.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The City pays unemployment claims to the State of Ohio as incurred.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

On July 1, 2020, the City became independently self-funded for health, dental, and prescription drug benefits. The City contracts with United Health Care for medical and prescription claims servicing and Delta Dental for dental claims servicing. The City has stop loss coverage through United Health Care for medical claims exceeding \$150,000 per covered member per year. The City has no stop loss coverage for dental claims. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the Health Insurance Management Fund (internal service fund) are available to pay claims.

The City offers a vision plan that is fully insured through VSP. Employees pay 100% of the premium cost for vision coverage.

The claims liability of \$555,477 reported at December 31, 2021 is based on an estimate provided by an actuary for medical and dental claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two years, including medical, surgical, prescription drug, and dental are as follows:

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2020	\$1,025,183	\$7,348,497	(\$8,012,435)	\$361,245
2021	\$361,245	\$6,809,603	(\$6,615,371)	\$555,477

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2021**

NOTE 18 - SIGNIFICANT COMMITMENTS

As of December 31, 2021, the City had the following commitments with respect to capital improvements:

Capital Projects	Remaining Construction Commitment
Water Pollution –Lawrence Street	\$16,685,659
Water Pollution – Lateral D Trunk Sewer	2,909,845
Water – Whiley Road Water Line	617,983
Water – Miller Park Plant Renovation	1,850,445

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the significant cash basis commitments for encumbrances were \$1,718,720 in the Gas Fund.

NOTE 19 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

In 1976, the City stopped accepting waste at the City of Lancaster Landfill. In 1988, the Ohio Environmental Protection Agency filed a complaint against the City. The recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date. The City Landfill is at 100% capacity. The consent order was approved in December 1996 by all respective parties involved and filed in January of 1997. The consent order required the City to place a final cover on the landfill site as well as perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City has accrued a liability for landfill closure and postclosure care costs in the Sanitation Fund of \$821,889. These costs are funded by a sanitation rate increase that became effective April 1, 1997. The rate will remain in effect for twenty-five years to cover annual postclosure care costs. The remaining five years of postclosure care costs will be funded by \$563,604 which has been placed in a restricted account. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables.

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

A. Fairfield Metropolitan Housing Authority (the “Authority”)

The Authority was created in 1980 and currently operates pursuant of Revised Code section 3735.27. A five-member board operates the Authority of which two are appointed by the City. The remaining three members are appointed by Fairfield County. The Authority adopts their own appropriations, is their own contracting authority, hires/fires personnel, authorizes all expenditures, and does not rely on the City or Fairfield County to finance its deficits. The Authority receives funding from the federal government in the form of grants. Grant funds are received directly by the Authority in the Authority's name. Although the City appoints members to the board, continued existence of the Board is not dependent upon the City's continued participation, no equity interest exists, and no debt is outstanding. Complete financial information can be obtained from the Fairfield Metropolitan Housing Authority, 315 North Columbus Street, Suite 200 Lancaster, Ohio.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Lancaster-Fairfield County Community Action Agency (the “Agency”)

The Agency is a non-profit corporation organized to plan, conduct, and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Fairfield County. A fifteen-member board governs the Agency. This board is made up of five representatives from the public sector, five representatives from the private sector, and five representatives from the low-income sector. The Fairfield County Recorder, the Fairfield County Commissioners, and the Fairfield County Sheriff appoint three representatives from the public sector. Continued existence of the Agency is not dependent upon the City’s continued participation, nor does the City have an equity interest in the Agency, and no debt is outstanding.

C. Fairfield Regional Planning Commission (the “Commission”)

The City participates in this Commission which is a statutorily created political subdivision of the State. The Commission is jointly governed by Fairfield County, municipalities, and townships. The City appoints one of the 48 members of the Commission’s board. Monies are contributed to the Commission based on the population of the City which serves as a membership fee. Continued existence of the Commission is not dependent on the City’s continued participation. There is no equity interest and no debt is outstanding.

D. Fairfield County Family, Adult and Children First (the “Council”)

The Council was created under Ohio Revised Code Section 121.37. Fairfield County has established a Council made up of the following members: the Director of the Fairfield County Community Mental Health Services Recovery Board; the Health Commissioner of the Fairfield County Health Department; the Director of Fairfield County Human Services; the Director of the Children’s Services Department; the Superintendent of Fairfield County MRDD; the Fairfield County Juvenile Court Judge; the Superintendent of Lancaster City Schools and Fairfield County Board of Education; the City of Lancaster; the Chair of the Fairfield County Commissioners; the State Department of Youth Services Regional Representative; a representative from the County Head Start Agencies; a representative of the County’s early intervention collaborative established pursuant to the federal early intervention program operated under the “Education of the Handicapped Act Amendments of 1986”; and at least three individuals representing the interests of families in the county. Where possible, the number of members representing families shall be equal to twenty percent of the Council’s remaining membership. The City participates in the Council. The Council’s revenues consist of operating grants along with pooled funding from other government sources. Continued existence of the Council is not dependent on the City’s continued participation, no equity interest exists, and no debt is outstanding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

E. Fairfield County Multi-System Youth Committee (the “Committee”)

The Committee is a group of agencies that coordinates the provision of services to multi-need youth in the area. Members of the Committee include representatives of the Fairfield County Youth Services, the Fairfield County Board of MRDD, the Fairfield County Juvenile Court, the Fairfield County Board of Education, the Fairfield County ADAMHS Board, the Fairfield County Children Services, the Fairfield County Health Department, New Horizons, the local office of the Rehabilitation Services Commission, the Fairfield Drug and Alcohol Recovery Center, and the Lancaster City Board of Education. Operations are paid out of a balance of remaining state and federal grants. The Committee is not dependent upon the continued participation of the City, no equity interest exists, and no debt is outstanding.

F. Community Corrections Board (the “Board”)

The Board is created by Ohio Revised Code Section 5149.30 and other related sections. The Board is made up of fifteen members that are appointed in accordance with the by-laws of the Board. Three of the members are City officials and include the Law Director, the City Police Chief, and the Municipal Court Judge. The Board prepares and administers the Community Corrections Planning Grant. This Board was a joint effort of the City and Fairfield County. The County acts as fiscal agent for this Board since the original grant was in the County’s name. Continued existence of the Board is not dependent on the City’s continued participation. There is no equity interest and no debt is outstanding.

G. Fairfield, Hocking and Athens Counties Council of Governments on Major Crimes Investigations (the “Council”)

The Council is a regional council of governments, created in 2001 under Ohio Revised Code Section 167.01. Their purpose is to provide additional police protection to the citizens of Fairfield, Hocking, and Athens Counties to reduce the influence and effects of illegal drug trafficking activities and other major crimes. The Council has a seven member Governing Board which consists of one County Commissioner or designee from each county, and the Mayor, City Manager, or designee from each of the following cities: City of Lancaster, City of Pickerington, City of Logan and City of Athens. The Council also has a twelve member Operating Board which handles the daily operations and reports to the Governing Board. The Operating Board consists of the following: the Fairfield, Hocking, and Athens County Sheriffs and Prosecuting Attorneys, and the Chiefs of Police from the four cities listed above and the Chiefs of Police from the City of Nelsonville and of Ohio University. The Council’s revenues will consist of an annual grant applied for by the Fairfield County Commissioners that is given to the Council to maintain and local matches from the involved entities. Continued existence of the Board is not dependent upon the City’s continued participation, no equity interest exists, and no debt is outstanding.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

H. Mid-Ohio Regional Planning Commission (MORPC)

The City is a participant in the Mid-Ohio Regional Planning Commission (MORPC), a jointly governed organization. MORPC is composed of 74 representatives appointed by member governments who make up the Commission, the policy-making body of MORPC, and the oversight board. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency whose membership includes over 60 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Knox, Marion, Morrow, Union, Pickaway, Madison, Licking, Hocking, Logan, Perry, and Fairfield counties, Ohio. The purpose of the organization is to improve the quality of life for member communities by improving housing conditions, to promote and support livability/sustainability measures as a means of addressing regional growth challenges, and to administer and facilitate the availability of regional environmental infrastructure program funding to the full advantage of MORPC's members.

NOTE 21 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

For the period January 1, 2021 to December 31, 2021, the City received federal and state grants for specific purposes that are subject to reviews and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

NOTE 22- COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. In addition, the impact of the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 23- SUBSEQUENT EVENTS

In February, 2022, the City issued \$1,475,000 of 1 year renewal general obligation notes payable for water improvements. The notes carry an interest rate of 0.70%.

In March, 2022, the City engaged into a 5 year \$325,000.00 Master Lease for the Lancaster Department of Transportation for equipment purchases. The lease carries an interest rate of 4.50%

In March, 2022, the City engaged into a 5 year \$325,000.00 Master Lease for the Lancaster Parks Department for equipment purchases. The lease carries an interest rate of 4.50%

NOTE 24 - SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

A. Major Suppliers

The Port Authority purchased all of its natural gas supply from the Royal Bank of Canada. There are a limited number of national gas suppliers with which the Port Authority could contract under prepay gas transactions and any disruption of deliveries under the supply contracts could have an impact on the Port Authority's operations.

B. Current Economic Conditions

The Port Authority survived the past few years of economic decline with relatively minor implications of both industrial demand for natural gas and the overall economy and revenue. The City of Lancaster's growth of all economic sectors of residential, commercial, and industrial activities has resumed to pre-recession levels and is expected to grow its population at a historic level of approximately one percent per year.

The Port Authority continually monitors the demand for natural gas against the provisions of the pre-pay transaction to assess the long-term feasibility of continuing the program as it is currently structured. The Port Authority continues to make all financial decisions and commitments with available cash and will not borrow funds against this transaction. The Port Authority is exploring other types of projects as it moves forward to maintain its overall goal of improving the economic development within the City of Lancaster.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2021***

NOTE 25 – ASSET RETIREMENT OBLIGATION

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City has not applied for, nor does it have, an approved permit from Ohio EPA to dispose of all or part of its sewage treatment plant. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the City has determined that the amount of the Asset Retirement Obligation (ARO) associated with this capital asset cannot be reasonably estimated at this time.

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REQUIRED SUPPLEMENTARY INFORMATION

***Schedule of City's Proportionate Share of the Net Pension Liability
Last Eight Years***

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.107214%	0.107214%	0.106637%
City's proportionate share of the net pension liability	\$12,639,134	\$12,931,207	\$18,470,873
City's covered payroll	\$12,633,231	\$13,144,467	\$13,283,725
City's proportionate share of the net pension liability as a percentage of its covered payroll	100.05%	98.38%	139.05%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
City's proportion of the net pension liability	0.464319%	0.464319%	0.465095%
City's proportionate share of the net pension liability	\$22,613,773	\$24,053,640	\$29,919,887
City's covered payroll	\$8,245,423	\$9,092,747	\$9,346,715
City's proportionate share of the net pension liability as a percentage of its covered payroll	274.26%	264.54%	320.11%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	71.71%	66.77%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.102972%	0.105408%	0.106715%	0.106490%	0.111471%
\$23,383,190	\$16,536,473	\$29,227,075	\$21,048,471	\$16,578,243
\$13,311,258	\$13,922,223	\$14,414,043	\$14,982,743	\$15,775,121
175.66%	118.78%	202.77%	140.48%	105.09%
77.25%	84.66%	74.70%	82.17%	86.88%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.449586%	0.456191%	0.457354%	0.446472%	0.432831%
\$28,476,326	\$27,998,502	\$37,332,171	\$30,076,732	\$29,506,498
\$9,604,901	\$9,816,433	\$10,225,157	\$10,572,263	\$10,530,103
296.48%	285.22%	365.10%	284.49%	280.21%
68.36%	70.91%	63.07%	69.89%	70.65%

CITY OF LANCASTER, OHIO

***Schedule of City Pension Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$1,642,320	\$1,577,336	\$1,594,047
Contributions in relation to the contractually required contribution	<u>1,642,320</u>	<u>1,577,336</u>	<u>1,594,047</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$12,633,231	\$13,144,467	\$13,283,725
Contributions as a percentage of covered payroll	13.00%	12.00%	12.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$1,521,402	\$1,942,722	\$1,995,215
Contributions in relation to the contractually required contribution	<u>1,521,402</u>	<u>1,942,722</u>	<u>1,995,215</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$8,245,423	\$9,092,747	\$9,346,715
Contributions as a percentage of covered payroll	18.45%	21.37%	21.35%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$1,597,351	\$1,809,889	\$2,017,966	\$2,097,584	\$2,208,517	\$2,270,981
<u>1,597,351</u>	<u>1,809,889</u>	<u>2,017,966</u>	<u>2,097,584</u>	<u>2,208,517</u>	<u>2,270,981</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$13,311,258	\$13,922,223	\$14,414,043	\$14,982,743	\$15,775,121	\$16,221,293
12.00%	13.00%	14.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$2,045,844	\$2,085,992	\$2,178,981	\$2,256,121	\$2,248,177	\$2,340,240
<u>2,045,844</u>	<u>2,085,992</u>	<u>2,178,981</u>	<u>2,256,121</u>	<u>2,248,177</u>	<u>2,340,240</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,604,901	\$9,816,433	\$10,225,157	\$10,572,263	\$10,530,103	\$10,932,624
21.30%	21.25%	21.31%	21.34%	21.35%	21.41%

CITY OF LANCASTER, OHIO

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Five Years

Ohio Public Employees Retirement System

Year	2017	2018	2019
City's proportion of the net OPEB liability (asset)	0.102590%	0.104580%	0.105930%
City's proportionate share of the net OPEB liability (asset)	\$10,361,938	\$11,356,618	\$13,810,771
City's covered payroll	\$13,311,258	\$13,922,223	\$14,414,043
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	77.84%	81.57%	95.81%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.50%	54.14%	46.33%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2017	2018	2019
City's proportion of the net OPEB liability	0.449586%	0.456191%	0.457354%
City's proportionate share of the net OPEB liability	\$21,340,836	\$25,847,143	\$4,164,910
City's covered payroll	\$9,604,901	\$9,816,433	\$10,225,157
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	222.19%	263.30%	40.73%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2020</u>	<u>2021</u>
0.105793%	0.110626%
\$14,612,762	(\$1,978,928)
\$14,982,743	\$15,775,121
97.53%	(12.54%)
47.80%	115.57%

<u>2020</u>	<u>2021</u>
0.446472%	0.432831%
\$4,410,129	\$4,585,919
\$10,572,263	\$10,530,103
41.71%	43.55%
47.08%	45.42%

***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Nine Years***

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$126,332	\$262,889	\$265,675
Contributions in relation to the contractually required contribution	<u>126,332</u>	<u>262,889</u>	<u>265,675</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$12,633,231	\$13,144,467	\$13,283,725
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

Source: City Auditor's Office and the Ohio Public Employees Retirement System

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$279,733	\$45,464	\$46,734
Contributions in relation to the contractually required contribution	<u>279,733</u>	<u>45,464</u>	<u>46,734</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$8,245,423	\$9,092,747	\$9,346,715
Contributions as a percentage of covered payroll	3.39%	0.50%	0.50%

Source: City Auditor's Office and the Ohio Police and Fire Pension Fund

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$266,225	\$139,222	\$0	\$0	\$0	\$0
<u>266,225</u>	<u>139,222</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>
\$13,311,258	\$13,922,223	\$14,414,043	\$14,982,743	\$15,775,121	\$16,221,293
2.00%	1.00%	0.00%	0.00%	0.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$48,025	\$49,080	\$51,119	\$52,864	\$52,648	\$54,662
<u>48,025</u>	<u>49,080</u>	<u>51,119</u>	<u>52,864</u>	<u>52,648</u>	<u>54,662</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,604,901	\$9,816,433	\$10,225,157	\$10,572,263	\$10,530,103	\$10,932,624
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2021.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021.

Changes in assumptions:

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

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020 - 2021: There were no changes in benefit terms.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2021***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, INTERNAL
SERVICE FUNDS AND FIDUCIARY FUNDS.*

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted or committed to expenditures for specified purposes.

Cemetery Fund

To account for the operation and maintenance of the public cemetery.

Street Construction, Maintenance and Repair Fund

To account for state levied and controlled gasoline tax and motor vehicle registration fees restricted for street maintenance and repair.

Street Levy Fund

To account for 3 mill voted levy designated for road improvements.

Parks and Recreation Fund

To account for the operation and maintenance of public recreational facilities.

Special Improvement District Fund

To account for fees assessed to all downtown business owners for the up-keep of the grounds surrounding their properties. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Lancaster Public Transit Program Fund

To account for monies from the Rural Transit and Grant Program and the Ohio Elderly and Disabled Transit Fare Assistance Program.

911 Tariff Fund

To account for monies to enhance 911 wireless services.

Edward Byrne Grant Fund

To account for grant monies received from the United States Department of Justice for the purpose of funding special enforcement initiatives in areas which have been identified as high crime risk.

Law Director Victim Assistance Fund

To account for grant funds received to provide assistance to victims of domestic violence.

Lancaster Community Development Fund

To account for grant monies received to provide for redevelopment projects in the City.

(Continued)

Special Revenue Funds (Continued)

Law Enforcement Block Grant Fund

To account for Federal grants administered through the State designated for law enforcement. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Police and Fire Pension Fund

To accumulate property taxes for the partial payment of the current and accrued liability for police and fire disability and pension benefits.

Fairfield County Court Surveillance Fund

To account for grant money from the Ohio Department of Rehabilitation and Corrections directed toward jail diversion of non-violent misdemeanants. Monies cover operating costs, equipment and salary. Jail population reduction is the overall goal of the program.

Indigent Drivers Alcohol Treatment Fund

To account for monies received from OMVI fines and costs collected to pay for alcohol treatment for repeat offenders of the OMVI laws.

Law Enforcement and Education Fund

To account for monies received from OMVI fines from convictions to be used to pay for security of persons and property.

Municipal Court Judicial Computer Fund

To account for monies received from the Municipal Court to be used for computer systems for the Municipal Judges.

Municipal Court Probation Fund

To account for fees assessed to criminal and traffic offenders who are placed by the Municipal Court on probation or other control sanctions to cover the cost of Probation department services and related expenditures.

Municipal Court Computerization Fund

To account for monies received from the Municipal Court to be used for a computer system.

Municipal Court Special Projects Fund

To account for an extra three dollar fee charged by the municipal court on all cases to be used for projects within the municipal court.

Municipal Court Family Violence Fund

To account for fees for family drug abuse and domestic violence programs.

Municipal Drug Court Fund

To account for grant monies to be used for a jail-alternative program, also known as The Fresh Start Program, which targets individuals with significant drug addictions and provides an intensive treatment program with a great deal of accountability.

(Continued)

Special Revenue Funds (Continued)

Ohio Peace Officers Training Fund

To account for monies to be used for continuing professional training programs for law enforcement officers.

DARE Officer Retention Grant Fund

To account for grant monies to be used for the salaries of certified DARE officers training in the local schools.

Safe Routes to School Fund

To account for grant monies to develop programs to enable children to walk or bike to school safely.

.15 Fire Levy Fund

To accumulate .15% voted income taxes restricted for operations of the Fire Department.

DOJ Equitable Sharing Grant Fund

To account for grant monies to be used for purchasing law enforcement equipment.

2021 Police and Fire Levy Fund

To account for a voted property tax levy used for police and fire operations and equipment.

Local Fiscal Recovery Fund

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures on a GAAP basis.)

Community Development Block Grant (CDBG) Fund

To account for monies received from the federal government under the Community Development Block Grant Program and The Community Housing Improvement Program.

State Highway Fund

To account for that portion of the state gasoline tax and motor vehicle registration fees restricted for street maintenance and repair of state highways within the City.

Drug Enforcement Fund

To account for monies received from fines to be used for drug enforcement activities. (This fund is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

Cemetery Interment Fund

Established to hold cemetery interment costs that have been received in advance.

Cemetery Perpetual Care Fund

Established to hold perpetual care monies received for the maintenance of the cemetery grounds.

Debt Service Funds

The Debt Service Funds are used to account for retirement of the City's general obligation and special assessment bonds.

General Bond Retirement Fund

To account for the accumulation of resources for the payment of general obligation debt of the City including self-supporting obligations not otherwise paid from proprietary funds.

Special Assessment Debt Retirement Fund

To accumulate special assessment revenues collected by the County Treasurer and remitted to the City by the County Auditor for payment of assessment debt.

Capital Projects Fund

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

LDOT (Lancaster Department of Transportation) Improvement Fund

To account for financial resources other than the 3 mill voted levy for road and bridge improvement.

Parks Improvement Fund

To account for Capital improvement and maintenance of City parks and recreation.

Capital Improvement Fund

To account for financial resources to be used for the acquisition or construction of major facilities.

Fire Impact - District One Fund

To account for new construction impact fees used for capital projects for the Fire Department.

Ety Road TIF Project Fund

To account for financial resources to be used for Ety Road infrastructure improvements.

Columbian Construction Fund

To account for financial resources to be used for the construction of the Fairfield County Municipal Court.

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 8,581,754	\$ 1,017	\$ 2,607,424	\$ 11,190,195
Investments	2,080,258	0	0	2,080,258
Receivables (net of allowance for doubtful accounts):				
Taxes	4,759,756	118,594	203,538	5,081,888
Accounts	30,459	0	0	30,459
Intergovernmental	2,713,008	0	119,627	2,832,635
Interest	7,776	0	0	7,776
Loans	1,442,691	0	0	1,442,691
Due from Other Funds	1,381,818	0	54,545	1,436,363
Inventory of Supplies	334,434	0	0	334,434
Prepaid Items	15,634	0	0	15,634
Total Assets	\$ 21,347,588	\$ 119,611	\$ 2,985,134	\$ 24,452,333
Liabilities:				
Accounts Payable	\$ 318,109	\$ 0	\$ 7,871	\$ 325,980
Accrued Wages and Benefits Payable	535,532	0	0	535,532
Due to Others	64,570	0	0	64,570
Unearned Revenue	1,000,000	0	0	1,000,000
Accrued Interest Payable	0	0	111	111
General Obligation Notes Payable	0	0	2,120,039	2,120,039
Advances from Other Funds	0	0	136,100	136,100
Total Liabilities	1,918,211	0	2,264,121	4,182,332
Deferred Inflows of Resources:				
Property Taxes	2,424,000	118,594	116,829	2,659,423
Unavailable Revenue	3,450,202	0	168,650	3,618,852
Total Deferred Inflows of Resources	5,874,202	118,594	285,479	6,278,275
Fund Balances:				
Nonspendable	350,068	0	0	350,068
Restricted	11,643,129	1,017	338,931	11,983,077
Committed	1,561,978	0	2,338,491	3,900,469
Unassigned	0	0	(2,241,888)	(2,241,888)
Total Fund Balances	13,555,175	1,017	435,534	13,991,726
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,347,588	\$ 119,611	\$ 2,985,134	\$ 24,452,333

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021***

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 11,847,328	\$ 117,031	\$ 510,854	\$ 12,475,213
Intergovernmental Revenues	7,606,973	0	408,608	8,015,581
Charges for Services	1,698,141	0	635,632	2,333,773
Licenses, Permits and Fees	36,921	0	0	36,921
Investment Earnings	(655)	0	0	(655)
Special Assessments	78,313	33,293	0	111,606
Fines and Forfeitures	1,320,244	0	0	1,320,244
All Other Revenue	332,652	0	67,843	400,495
Total Revenue	22,919,917	150,324	1,622,937	24,693,178
Expenditures:				
Current:				
Security of Persons and Property	5,459,379	0	0	5,459,379
Public Health and Welfare Services	535,921	0	0	535,921
Leisure Time Activities	2,273,985	0	0	2,273,985
Community Environment	1,087,332	0	0	1,087,332
Transportation	8,268,546	0	0	8,268,546
General Government	1,583,437	109,331	8,543	1,701,311
Capital Outlay	0	0	790,391	790,391
Debt Service:				
Principal Retirement	327,700	675,000	164,595	1,167,295
Interest and Fiscal Charges	33,501	308,197	65,325	407,023
Total Expenditures	19,569,801	1,092,528	1,028,854	21,691,183
Excess (Deficiency) of Revenues Over Expenditures				
	3,350,116	(942,204)	594,083	3,001,995
Other Financing Sources (Uses):				
Transfers In	1,016,712	866,166	305,400	2,188,278
Transfers Out	(931,938)	0	(41,000)	(972,938)
Total Other Financing Sources (Uses)	84,774	866,166	264,400	1,215,340
Net Change in Fund Balances	3,434,890	(76,038)	858,483	4,217,335
Fund Balances (Deficit) at Beginning of Year	10,103,811	77,055	(422,949)	9,757,917
Increase in Inventory	16,474	0	0	16,474
Fund Balances End of Year	\$ 13,555,175	\$ 1,017	\$ 435,534	\$ 13,991,726

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Cemetery Fund	Street Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Assets:				
Cash and Cash Equivalents	\$ 492,372	\$ 272,730	\$ 304,086	\$ 1,267,851
Investments	0	862,878	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	28,903	0	2,092,519	433,545
Accounts	0	0	0	632
Intergovernmental	0	1,358,397	111,000	0
Interest	5,457	0	0	0
Loans	0	0	0	0
Due from Other Funds	18,182	0	0	272,727
Inventory of Supplies	0	316,005	0	7,478
Prepaid Items	901	8,341	0	6,392
Total Assets	\$ 545,815	\$ 2,818,351	\$ 2,507,605	\$ 1,988,625
Liabilities:				
Accounts Payable	\$ 17,084	\$ 125,751	\$ 3,737	\$ 51,066
Accrued Wages and Benefits Payable	12,094	82,534	0	52,024
Due to Others	0	0	0	64,570
Unearned Revenue	0	0	0	0
Total Liabilities	29,178	208,285	3,737	167,660
Deferred Inflows of Resources:				
Property Taxes	0	0	1,979,000	0
Unavailable Revenue	16,680	913,000	224,519	245,117
Total Deferred Inflows of Resources	16,680	913,000	2,203,519	245,117
Fund Balances:				
Nonspendable	901	324,346	0	13,870
Restricted	499,056	1,372,720	300,349	0
Committed	0	0	0	1,561,978
Total Fund Balances	499,957	1,697,066	300,349	1,575,848
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 545,815	\$ 2,818,351	\$ 2,507,605	\$ 1,988,625

CITY OF LANCASTER, OHIO

Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund	Law Director Victim Assistance Fund	Lancaster Community Development Fund	Police and Fire Pension Fund	Fairfield County Court Surveillance Fund
\$ 741,912 0	\$ 306,275 0	\$ 428 0	\$ 48,550 0	\$ 24,843 0	\$ 32,547 0	\$ 28,164 0
0	0	0	0	0	470,609	0
29,827	0	0	0	0	0	0
144,698	0	0	16,042	0	27,000	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
10,841	0	0	0	110	0	0
0	0	0	0	0	0	0
<u>\$ 927,278</u>	<u>\$ 306,275</u>	<u>\$ 428</u>	<u>\$ 64,592</u>	<u>\$ 24,953</u>	<u>\$ 530,156</u>	<u>\$ 28,164</u>
\$ 10,862	\$ 110	\$ 0	\$ 81	\$ 323	\$ 0	\$ 0
55,269	0	0	3,674	12,952	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>66,131</u>	<u>110</u>	<u>0</u>	<u>3,755</u>	<u>13,275</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	445,000	0
114,295	0	0	16,042	0	52,609	0
<u>114,295</u>	<u>0</u>	<u>0</u>	<u>16,042</u>	<u>0</u>	<u>497,609</u>	<u>0</u>
10,841	0	0	0	110	0	0
736,011	306,165	428	44,795	11,568	32,547	28,164
0	0	0	0	0	0	0
<u>746,852</u>	<u>306,165</u>	<u>428</u>	<u>44,795</u>	<u>11,678</u>	<u>32,547</u>	<u>28,164</u>
<u>\$ 927,278</u>	<u>\$ 306,275</u>	<u>\$ 428</u>	<u>\$ 64,592</u>	<u>\$ 24,953</u>	<u>\$ 530,156</u>	<u>\$ 28,164</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund	Municipal Court Judicial Computer Fund	Municipal Court Probation Fund
Assets:				
Cash and Cash Equivalents	\$ 280,470	\$ 97,661	\$ 67,565	\$ 858,572
Investments	0	0	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	27,190
Interest	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	<u>\$ 280,470</u>	<u>\$ 97,661</u>	<u>\$ 67,565</u>	<u>\$ 885,762</u>
Liabilities:				
Accounts Payable	\$ 8,421	\$ 0	\$ 0	\$ 1,129
Accrued Wages and Benefits Payable	0	0	0	24,215
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>8,421</u>	<u>0</u>	<u>0</u>	<u>25,344</u>
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	272,049	97,661	67,565	860,418
Committed	0	0	0	0
Total Fund Balances	<u>272,049</u>	<u>97,661</u>	<u>67,565</u>	<u>860,418</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 280,470</u>	<u>\$ 97,661</u>	<u>\$ 67,565</u>	<u>\$ 885,762</u>

CITY OF LANCASTER, OHIO

Municipal Court Computerization Fund	Municipal Court Special Projects Fund	Municipal Court Family Violence Fund	Municipal Drug Court Fund	Ohio Peace Officers Training Fund	DARE Officer Retention Grant Fund
\$ 187,165	\$ 591,151	\$ 20,488	\$ 150,510	\$ 40,833	\$ 34,002
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	50,683	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 187,165</u>	<u>\$ 591,151</u>	<u>\$ 20,488</u>	<u>\$ 201,193</u>	<u>\$ 40,833</u>	<u>\$ 34,002</u>
\$ 3,524	\$ 18,867	\$ 0	\$ 2,876	\$ 0	\$ 0
4,111	0	0	8,054	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,635</u>	<u>18,867</u>	<u>0</u>	<u>10,930</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
179,530	572,284	20,488	190,263	40,833	34,002
0	0	0	0	0	0
<u>179,530</u>	<u>572,284</u>	<u>20,488</u>	<u>190,263</u>	<u>40,833</u>	<u>34,002</u>
<u>\$ 187,165</u>	<u>\$ 591,151</u>	<u>\$ 20,488</u>	<u>\$ 201,193</u>	<u>\$ 40,833</u>	<u>\$ 34,002</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021**

	Safe Routes to School Fund	.15 Fire Levy Fund	DOJ Equitable Sharing Grant Fund	2021 Police and Fire Levy Fund
Assets:				
Cash and Cash Equivalents	\$ 2,780	\$ 604,075	\$ 67,344	\$ 685,800
Investments	0	0	0	0
Receivables (net of allowance for doubtful accounts):				
Taxes	0	433,545	0	1,300,635
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	0	272,727	0	818,182
Inventory of Supplies	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 2,780	\$ 1,310,347	\$ 67,344	\$ 2,804,617
Liabilities:				
Accounts Payable	\$ 0	\$ 6,746	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	47,582	0	233,023
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	0	54,328	0	233,023
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	0	245,117	0	735,350
Total Deferred Inflows of Resources	0	245,117	0	735,350
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	2,780	1,010,902	67,344	1,836,244
Committed	0	0	0	0
Total Fund Balances	2,780	1,010,902	67,344	1,836,244
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,780	\$ 1,310,347	\$ 67,344	\$ 2,804,617

CITY OF LANCASTER, OHIO

Local Fiscal Recovery Fund	CDBG Fund	State Highway Fund	Drug Enforcement Fund	Cemetery Interment Fund	Cemetery Perpetual Care Fund	Total Nonmajor Special Revenue Funds
\$ 1,000,000	\$ 198,052	\$ 9,928	\$ 18,304	\$ 8,695	\$ 138,601	\$ 8,581,754
0	0	23,286	0	257,955	936,139	2,080,258
0	0	0	0	0	0	4,759,756
0	0	0	0	0	0	30,459
0	905,682	72,316	0	0	0	2,713,008
0	0	2,319	0	0	0	7,776
0	1,442,691	0	0	0	0	1,442,691
0	0	0	0	0	0	1,381,818
0	0	0	0	0	0	334,434
0	0	0	0	0	0	15,634
<u>\$ 1,000,000</u>	<u>\$ 2,546,425</u>	<u>\$ 107,849</u>	<u>\$ 18,304</u>	<u>\$ 266,650</u>	<u>\$ 1,074,740</u>	<u>\$ 21,347,588</u>
\$ 0	\$ 67,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 318,109
0	0	0	0	0	0	535,532
0	0	0	0	0	0	64,570
1,000,000	0	0	0	0	0	1,000,000
<u>1,000,000</u>	<u>67,532</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,918,211</u>
0	0	0	0	0	0	2,424,000
0	838,230	49,243	0	0	0	3,450,202
<u>0</u>	<u>838,230</u>	<u>49,243</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,874,202</u>
0	0	0	0	0	0	350,068
0	1,640,663	58,606	18,304	266,650	1,074,740	11,643,129
0	0	0	0	0	0	1,561,978
<u>0</u>	<u>1,640,663</u>	<u>58,606</u>	<u>18,304</u>	<u>266,650</u>	<u>1,074,740</u>	<u>13,555,175</u>
<u>\$ 1,000,000</u>	<u>\$ 2,546,425</u>	<u>\$ 107,849</u>	<u>\$ 18,304</u>	<u>\$ 266,650</u>	<u>\$ 1,074,740</u>	<u>\$ 21,347,588</u>

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Cemetery Fund	Street Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Revenues:				
Taxes	\$ 132,618	\$ 0	\$ 2,079,577	\$ 1,989,259
Intergovernmental Revenues	0	3,020,987	221,093	375,977
Charges for Services	256,502	738,995	0	458,888
Licenses, Permits and Fees	0	0	0	36,921
Investment Earnings	10,149	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	10,082	106,175	1,263	133,798
Total Revenue	409,351	3,866,157	2,301,933	2,994,843
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	513,138	0	0	0
Leisure Time Activities	0	0	0	2,273,985
Community Environment	0	0	0	0
Transportation	0	3,953,676	2,322,125	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	12,923	201,690	63,128	41,592
Interest and Fiscal Charges	2,013	29,111	0	2,266
Total Expenditures	528,074	4,184,477	2,385,253	2,317,843
Excess (Deficiency) of Revenues Over Expenditures	(118,723)	(318,320)	(83,320)	677,000
Other Financing Sources (Uses):				
Transfers In	220,000	417,500	0	0
Transfers Out	0	(120,000)	0	0
Total Other Financing Sources (Uses)	220,000	297,500	0	0
Net Change in Fund Balances	101,277	(20,820)	(83,320)	677,000
Fund Balances (Deficit) at Beginning of Year	398,680	1,702,783	383,669	896,608
Increase (Decrease) in Inventory	0	15,103	0	2,240
Fund Balances End of Year	\$ 499,957	\$ 1,697,066	\$ 300,349	\$ 1,575,848

CITY OF LANCASTER, OHIO

Special Improvement District Fund	Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund	Law Director Victim Assistance Fund	Lancaster Community Development Fund	Law Enforcement Block Grant Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	1,952,861	70,906	0	57,130	214,569	11,473
0	144,718	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
78,313	0	0	0	0	0	0
0	0	0	0	0	0	0
0	69,803	0	0	0	24	0
<u>78,313</u>	<u>2,167,382</u>	<u>70,906</u>	<u>0</u>	<u>57,130</u>	<u>214,593</u>	<u>11,473</u>
0	0	14,992	0	0	0	11,473
0	0	0	0	0	0	0
0	0	0	0	0	0	0
78,313	0	0	0	0	288,426	0
0	1,992,745	0	0	0	0	0
0	0	0	0	85,913	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>78,313</u>	<u>1,992,745</u>	<u>14,992</u>	<u>0</u>	<u>85,913</u>	<u>288,426</u>	<u>11,473</u>
0	174,637	55,914	0	(28,783)	(73,833)	0
0	73,000	0	0	31,212	25,000	0
0	0	0	0	0	0	0
<u>0</u>	<u>73,000</u>	<u>0</u>	<u>0</u>	<u>31,212</u>	<u>25,000</u>	<u>0</u>
0	247,637	55,914	0	2,429	(48,833)	0
0	499,262	250,251	428	42,366	61,333	0
0	(47)	0	0	0	(822)	0
<u>\$ 0</u>	<u>\$ 746,852</u>	<u>\$ 306,165</u>	<u>\$ 428</u>	<u>\$ 44,795</u>	<u>\$ 11,678</u>	<u>\$ 0</u>

(Continued)

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Police and Fire Pension Fund	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund
Revenues:				
Taxes	\$ 468,640	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	53,636	0	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	38,001	2,174
All Other Revenue	0	0	0	0
Total Revenue	522,276	0	38,001	2,174
Expenditures:				
Current:				
Security of Persons and Property	489,867	0	47,014	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	489,867	0	47,014	0
Excess (Deficiency) of Revenues Over Expenditures	32,409	0	(9,013)	2,174
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	32,409	0	(9,013)	2,174
Fund Balances (Deficit) at Beginning of Year	138	28,164	281,062	95,487
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 32,547	\$ 28,164	\$ 272,049	\$ 97,661

CITY OF LANCASTER, OHIO

Municipal Court Judicial Computer Fund	Municipal Court Probation Fund	Municipal Court Computerization Fund	Municipal Court Special Projects Fund	Municipal Court Family Violence Fund	Municipal Drug Court Fund	Ohio Peace Officers Training Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	324,510	65,116	18,736	0	388,033	0
0	41,401	0	0	323	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
36,461	413,828	144,929	665,033	0	0	0
606	563	190	7,982	0	1,540	0
<u>37,067</u>	<u>780,302</u>	<u>210,235</u>	<u>691,751</u>	<u>323</u>	<u>389,573</u>	<u>0</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
39,409	747,568	154,274	223,351	0	332,922	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>39,409</u>	<u>747,568</u>	<u>154,274</u>	<u>223,351</u>	<u>0</u>	<u>332,922</u>	<u>0</u>
(2,342)	32,734	55,961	468,400	323	56,651	0
0	150,000	0	100,000	0	0	0
0	0	0	(644,438)	0	0	0
<u>0</u>	<u>150,000</u>	<u>0</u>	<u>(544,438)</u>	<u>0</u>	<u>0</u>	<u>0</u>
(2,342)	182,734	55,961	(76,038)	323	56,651	0
69,907	677,684	123,569	648,322	20,165	133,612	40,833
0	0	0	0	0	0	0
<u>\$ 67,565</u>	<u>\$ 860,418</u>	<u>\$ 179,530</u>	<u>\$ 572,284</u>	<u>\$ 20,488</u>	<u>\$ 190,263</u>	<u>\$ 40,833</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	DARE Officer Retention Grant Fund	Safe Routes to School Fund	.15 Fire Levy Fund	DOJ Equitable Sharing Grant Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 1,989,259	\$ 0
Intergovernmental Revenues	10,015	0	0	0
Charges for Services	0	0	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	18,720
All Other Revenue	0	0	274	0
Total Revenue	10,015	0	1,989,533	18,720
Expenditures:				
Current:				
Security of Persons and Property	0	0	1,527,442	16,235
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	0	0	8,367	0
Interest and Fiscal Charges	0	0	111	0
Total Expenditures	0	0	1,535,920	16,235
Excess (Deficiency) of Revenues Over Expenditures	10,015	0	453,613	2,485
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	10,015	0	453,613	2,485
Fund Balances (Deficit) at Beginning of Year	23,987	2,780	557,289	64,859
Increase (Decrease) in Inventory	0	0	0	0
Fund Balances End of Year	\$ 34,002	\$ 2,780	\$ 1,010,902	\$ 67,344

CITY OF LANCASTER, OHIO

2021 Police and Fire Levy Fund	CDBG Fund	State Highway Fund	Drug Enforcement Fund	Cemetery Interment Fund	Cemetery Perpetual Care Fund	Total Nonmajor Special Revenue Funds
\$ 5,187,975	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,847,328
0	671,811	150,120	0	0	0	7,606,973
0	0	0	0	22,200	35,114	1,698,141
0	0	0	0	0	0	36,921
0	2,864	(13,668)	0	0	0	(655)
0	0	0	0	0	0	78,313
0	0	0	1,098	0	0	1,320,244
0	352	0	0	0	0	332,652
<u>5,187,975</u>	<u>675,027</u>	<u>136,452</u>	<u>1,098</u>	<u>22,200</u>	<u>35,114</u>	<u>22,919,917</u>
3,351,731	0	0	625	0	0	5,459,379
0	0	0	0	22,783	0	535,921
0	0	0	0	0	0	2,273,985
0	720,593	0	0	0	0	1,087,332
0	0	0	0	0	0	8,268,546
0	0	0	0	0	0	1,583,437
0	0	0	0	0	0	327,700
0	0	0	0	0	0	33,501
<u>3,351,731</u>	<u>720,593</u>	<u>0</u>	<u>625</u>	<u>22,783</u>	<u>0</u>	<u>19,569,801</u>
1,836,244	(45,566)	136,452	473	(583)	35,114	3,350,116
0	0	0	0	0	0	1,016,712
0	0	(167,500)	0	0	0	(931,938)
0	0	(167,500)	0	0	0	84,774
1,836,244	(45,566)	(31,048)	473	(583)	35,114	3,434,890
0	1,686,229	89,654	17,831	267,233	1,039,626	10,103,811
0	0	0	0	0	0	16,474
<u>\$ 1,836,244</u>	<u>\$ 1,640,663</u>	<u>\$ 58,606</u>	<u>\$ 18,304</u>	<u>\$ 266,650</u>	<u>\$ 1,074,740</u>	<u>\$ 13,555,175</u>

CITY OF LANCASTER, OHIO

***Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2021***

	General Bond Retirement Fund	Special Assessment Debt Retirement	Total Nonmajor Debt Service Funds
Assets:			
Cash and Cash Equivalents	\$ 0	\$ 1,017	\$ 1,017
Receivables (net of allowance for doubtful accounts):			
Taxes	118,594	0	118,594
Total Assets	<u>\$ 118,594</u>	<u>\$ 1,017</u>	<u>\$ 119,611</u>
Liabilities:			
Deferred Inflows of Resources:			
Property Taxes	118,594	0	118,594
Total Deferred Inflows of Resources	<u>118,594</u>	<u>0</u>	<u>118,594</u>
Fund Balances:			
Restricted	0	1,017	1,017
Total Fund Balances	<u>0</u>	<u>1,017</u>	<u>1,017</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 118,594</u>	<u>\$ 1,017</u>	<u>\$ 119,611</u>

CITY OF LANCASTER, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021***

	General Bond Retirement Fund	Special Assessment Debt Retirement	Total Nonmajor Debt Service Funds
Revenues:			
Taxes	\$ 117,031	\$ 0	\$ 117,031
Special Assessments	0	33,293	33,293
Total Revenue	<u>117,031</u>	<u>33,293</u>	<u>150,324</u>
Expenditures:			
General Government	0	109,331	109,331
Debt Service:			
Principal Retirement	675,000	0	675,000
Interest and Fiscal Charges	308,197	0	308,197
Total Expenditures	<u>983,197</u>	<u>109,331</u>	<u>1,092,528</u>
Excess (Deficiency) of Revenues Over Expenditures	(866,166)	(76,038)	(942,204)
Other Financing Sources (Uses):			
Transfers In	866,166	0	866,166
Total Other Financing Sources (Uses)	<u>866,166</u>	<u>0</u>	<u>866,166</u>
Net Change in Fund Balances	0	(76,038)	(76,038)
Fund Balances at Beginning of Year	<u>0</u>	<u>77,055</u>	<u>77,055</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 1,017</u>	<u>\$ 1,017</u>

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund	Fire Impact - District One Fund
Assets:				
Cash and Cash Equivalents	\$ 339,523	\$ 113,366	\$ 918,619	\$ 1,216,304
Receivables (net of allowance for doubtful accounts):				
Taxes	0	28,903	57,806	0
Intergovernmental	119,627	0	0	0
Due from Other Funds	0	18,182	36,363	0
Total Assets	\$ 459,150	\$ 160,451	\$ 1,012,788	\$ 1,216,304
Liabilities:				
Accounts Payable	\$ 592	\$ 2,029	\$ 0	\$ 0
Accrued Interest Payable	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Advances from Other Funds	0	0	0	0
Total Liabilities	592	2,029	0	0
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	119,627	16,341	32,682	0
Total Deferred Inflows of Resources	119,627	16,341	32,682	0
Fund Balances:				
Restricted	338,931	0	0	0
Committed	0	142,081	980,106	1,216,304
Unassigned	0	0	0	0
Total Fund Balances	338,931	142,081	980,106	1,216,304
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 459,150	\$ 160,451	\$ 1,012,788	\$ 1,216,304

CITY OF LANCASTER, OHIO

Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 19,612	\$ 0	\$ 2,607,424
116,829	0	203,538
0	0	119,627
0	0	54,545
<u>\$ 136,441</u>	<u>\$ 0</u>	<u>\$ 2,985,134</u>
\$ 5,250	\$ 0	\$ 7,871
0	111	111
1,220,039	900,000	2,120,039
136,100	0	136,100
<u>1,361,389</u>	<u>900,111</u>	<u>2,264,121</u>
116,829	0	116,829
0	0	168,650
<u>116,829</u>	<u>0</u>	<u>285,479</u>
0	0	338,931
0	0	2,338,491
(1,341,777)	(900,111)	(2,241,888)
<u>(1,341,777)</u>	<u>(900,111)</u>	<u>435,534</u>
<u>\$ 136,441</u>	<u>\$ 0</u>	<u>\$ 2,985,134</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund	Fire Impact - District One Fund
Revenues:				
Taxes	\$ 0	\$ 132,618	\$ 265,234	\$ 0
Intergovernmental Revenues	408,608	0	0	0
Charges for Services	0	0	63,699	571,933
All Other Revenue	67,633	210	0	0
Total Revenue	476,241	132,828	328,933	571,933
Expenditures:				
Current:				
General Government	0	0	0	0
Capital Outlay	577,245	135,296	77,850	0
Debt Service:				
Principal Retirement	0	0	0	164,595
Interest and Fiscal Charges	0	0	0	17,337
Total Expenditures	577,245	135,296	77,850	181,932
Excess (Deficiency) of Revenues Over Expenditures	(101,004)	(2,468)	251,083	390,001
Other Financing Sources (Uses):				
Transfers In	120,000	0	0	0
Transfers Out	(41,000)	0	0	0
Total Other Financing Sources (Uses)	79,000	0	0	0
Net Change in Fund Balances	(22,004)	(2,468)	251,083	390,001
Fund Balances (Deficit) at Beginning of Year	360,935	144,549	729,023	826,303
Fund Balances (Deficit) End of Year	\$ 338,931	\$ 142,081	\$ 980,106	\$ 1,216,304

CITY OF LANCASTER, OHIO

Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 113,002	\$ 0	\$ 510,854
0	0	408,608
0	0	635,632
0	0	67,843
<u>113,002</u>	<u>0</u>	<u>1,622,937</u>
8,543	0	8,543
0	0	790,391
0	0	164,595
42,610	5,378	65,325
<u>51,153</u>	<u>5,378</u>	<u>1,028,854</u>
61,849	(5,378)	594,083
0	185,400	305,400
0	0	(41,000)
0	185,400	264,400
61,849	180,022	858,483
(1,403,626)	(1,080,133)	(422,949)
<u>\$ (1,341,777)</u>	<u>\$ (900,111)</u>	<u>\$ 435,534</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,010,146	\$ 14,010,146	\$ 18,254,218	\$ 4,244,072
Intergovernmental Revenues	1,176,562	1,176,562	1,413,424	236,862
Charges for Services	3,700,688	3,700,688	3,825,243	124,555
License, Permits and Fees	20,175	20,175	18,630	(1,545)
Investment Earnings	275,000	275,000	261,921	(13,079)
Fines and Forfeitures	801,500	801,500	622,821	(178,679)
All Other Revenues	379,694	472,595	84,773	(387,822)
Total Revenues	20,363,765	20,456,666	24,481,030	4,024,364
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	4,900,502	5,354,502	5,001,842	352,660
Operations and Maintenance	450,824	506,224	370,377	135,847
Capital Outlay	109,523	109,523	106,514	3,009
Total Police	5,460,849	5,970,249	5,478,733	491,516
Fire:				
Personal Services	3,645,652	4,126,952	3,961,521	165,431
Operations and Maintenance	105,010	105,010	94,513	10,497
Total Fire	3,750,662	4,231,962	4,056,034	175,928
Street Lighting:				
Operations and Maintenance	280,003	282,303	267,730	14,573
Total Street Lighting	280,003	282,303	267,730	14,573
Total Security of Persons and Property	9,491,514	10,484,514	9,802,497	682,017
Public Health and Welfare Services:				
Health:				
Operations and Maintenance	334,000	334,000	333,296	704
Total Health	334,000	334,000	333,296	704
Assistance to Needy:				
Operations and Maintenance	11,770	12,030	5,250	6,780
Total Assistance to Needy	11,770	12,030	5,250	6,780
Total Public Health and Welfare Services	345,770	346,030	338,546	7,484

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Zoning, Planning, Tree Commissions:				
Personal Services	101,840	101,841	92,435	9,406
Operations and Maintenance	60,500	65,499	53,768	11,731
Total Community Environment	162,340	167,340	146,203	21,137
General Government:				
Council:				
Personal Services	119,974	121,769	121,104	665
Operations and Maintenance	14,259	13,619	5,818	7,801
Total Council	134,233	135,388	126,922	8,466
Mayor:				
Personal Services	182,281	182,281	177,037	5,244
Operations and Maintenance	43,594	79,594	63,635	15,959
Total Mayor	225,875	261,875	240,672	21,203
Personnel:				
Personal Services	88,480	110,290	94,866	15,424
Operations and Maintenance	91,340	211,210	150,383	60,827
Total Personnel	179,820	321,500	245,249	76,251
Auditor:				
Personal Services	429,503	447,498	425,848	21,650
Operations and Maintenance	100,435	100,324	82,960	17,364
Capital Outlay	5,325	5,325	4,946	379
Total Auditor	535,263	553,147	513,754	39,393
Treasurer:				
Personal Services	32,364	32,364	32,164	200
Operations and Maintenance	10,412	10,412	9,800	612
Total Treasurer	42,776	42,776	41,964	812

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	849,179	881,074	852,431	28,643
Operations and Maintenance	153,344	158,620	87,904	70,716
Capital Outlay	2,747	2,747	2,747	0
Total Law Director	1,005,270	1,042,441	943,082	99,359
Law Director-Code Enforcement:				
Personal Services	174,296	174,296	136,627	37,669
Operations and Maintenance	82,266	82,266	73,741	8,525
Capital Outlay	1,600	1,600	1,457	143
Total Law Director-Code Enforcement	258,162	258,162	211,825	46,337
Municipal Court:				
Personal Services	1,190,014	1,190,014	1,156,833	33,181
Operations and Maintenance	127,481	127,482	118,502	8,980
Total Municipal Court	1,317,495	1,317,496	1,275,335	42,161
Judicial:				
Personal Services	877,008	878,620	876,897	1,723
Operations and Maintenance	68,548	67,687	57,388	10,299
Capital Outlay	1,000	250	0	250
Total Judicial	946,556	946,557	934,285	12,272
Civil Service:				
Personal Services	9,680	9,680	9,081	599
Operations and Maintenance	47,038	80,038	77,826	2,212
Total Civil Service	56,718	89,718	86,907	2,811
City Hall Maintenance:				
Personal Services	67,362	68,507	67,836	671
Operations and Maintenance	98,943	167,221	127,395	39,826
Capital Outlay	22,886	32,112	26,478	5,634
Total City Hall Maintenance	189,191	267,840	221,709	46,131
City Hall Maintenance-Annex:				
Operations and Maintenance	41,310	41,760	36,724	5,036
Capital Outlay	0	11,700	0	11,700
Total City Hall Maintenance-Annex	41,310	53,460	36,724	16,736

(Continued)

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Service Safety Director:				
Personal Services	243,182	239,132	227,854	11,278
Operations and Maintenance	6,783	6,523	5,278	1,245
Capital Outlay	4,050	8,100	8,100	0
Total Service Safety Director	254,015	253,755	241,232	12,523
Engineer:				
Personal Services	467,889	467,889	464,102	3,787
Operations and Maintenance	77,637	184,137	70,297	113,840
Capital Outlay	3,700	3,700	2,670	1,030
Total Engineer	549,226	655,726	537,069	118,657
Certified Building Inspection:				
Personal Services	536,209	567,209	555,646	11,563
Operations and Maintenance	113,169	110,969	91,066	19,903
Capital Outlay	3,440	5,640	2,646	2,994
Total Certified Building Inspection	652,818	683,818	649,358	34,460
Administration Support:				
Personal Services	37,444	39,602	37,906	1,696
Operations and Maintenance	411,084	405,885	378,781	27,104
Total Administration Support	448,528	445,487	416,687	28,800
Miscellaneous:				
Operations and Maintenance	608,490	732,827	541,089	191,738
Total Miscellaneous	608,490	732,827	541,089	191,738
Income Tax:				
Personal Services	377,741	403,949	374,680	29,269
Operations and Maintenance	579,864	679,864	660,470	19,394
Capital Outlay	9,882	4,882	4,823	59
Total Income Tax	967,487	1,088,695	1,039,973	48,722
Total General Government	8,413,233	9,150,668	8,303,836	846,832

(Continued)

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt Services:				
Principal Retirement	23,075	26,116	26,116	0
Interest and Fiscal Charges	5,826	5,937	5,336	601
Total Expenditures	18,441,758	20,180,605	18,622,534	1,558,071
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,922,007	276,061	5,858,496	5,582,435
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	82,892	82,892
Transfers Out	(1,261,340)	(1,261,340)	(1,256,340)	5,000
Total Other Financing Sources (Uses)	(1,261,340)	(1,261,340)	(1,173,448)	87,892
Net Change in Fund Balance	660,667	(985,279)	4,685,048	5,670,327
Fund Balance at Beginning of Year	10,694,476	10,694,476	10,694,476	0
Prior Year Encumbrances	303,406	303,406	303,406	0
Fund Balance at End of Year	<u>\$ 11,658,549</u>	<u>\$ 10,012,603</u>	<u>\$ 15,682,930</u>	<u>\$ 5,670,327</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund - .45 Police and Fire Levy Fund
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,075,937	\$ 5,075,937	\$ 5,075,937	\$ 0
Intergovernmental Revenues	0	38,422	62,118	23,696
Charges for Services	0	0	17,357	17,357
All Other Revenues	0	0	6,579	6,579
Total Revenues	<u>5,075,937</u>	<u>5,114,359</u>	<u>5,161,991</u>	<u>47,632</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	2,304,151	2,487,218	2,262,285	224,933
Operations and Maintenance	220,578	238,938	216,152	22,786
Capital Outlay	0	247,769	98,339	149,430
Total Police	<u>2,524,729</u>	<u>2,973,925</u>	<u>2,576,776</u>	<u>397,149</u>
Fire:				
Personal Services	2,229,398	2,456,498	1,973,843	482,655
Operations and Maintenance	552,664	678,437	602,828	75,609
Capital Outlay	363,807	278,534	231,834	46,700
Total Fire	<u>3,145,869</u>	<u>3,413,469</u>	<u>2,808,505</u>	<u>604,964</u>
Total Expenditures	<u>5,670,598</u>	<u>6,387,394</u>	<u>5,385,281</u>	<u>1,002,113</u>
Net Change in Fund Balance	(594,661)	(1,273,035)	(223,290)	1,049,745
Fund Balance at Beginning of Year	1,362,179	1,362,179	1,362,179	0
Prior Year Encumbrances	117,576	117,576	117,576	0
Fund Balance at End of Year	<u>\$ 885,094</u>	<u>\$ 206,720</u>	<u>\$ 1,256,465</u>	<u>\$ 1,049,745</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

CEMETERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 112,799	\$ 112,799	\$ 112,799	\$ 0
Charges for Services	202,500	202,500	256,502	54,002
Investment Earnings	18,000	18,000	8,244	(9,756)
All Other Revenues	21,000	21,000	10,082	(10,918)
Total Revenues	<u>354,299</u>	<u>354,299</u>	<u>387,627</u>	<u>33,328</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	358,182	358,182	348,456	9,726
Operations and Maintenance	238,100	243,260	217,474	25,786
Capital Outlay	14,942	9,782	2,227	7,555
Debt Service:				
Principal Retirement	13,000	13,000	12,923	77
Interest Charges	2,100	2,100	2,013	87
Total Expenditures	<u>626,324</u>	<u>626,324</u>	<u>583,093</u>	<u>43,231</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(272,025)	(272,025)	(195,466)	76,559
Other Financing Sources (Uses):				
Transfers In	220,000	220,000	220,000	0
Total Other Financing Sources (Uses)	<u>220,000</u>	<u>220,000</u>	<u>220,000</u>	<u>0</u>
Net Change in Fund Balance	(52,025)	(52,025)	24,534	76,559
Fund Balance at Beginning of Year	386,668	386,668	386,668	0
Prior Year Encumbrances	38,658	38,658	38,658	0
Fund Balance at End of Year	<u>\$ 373,301</u>	<u>\$ 373,301</u>	<u>\$ 449,860</u>	<u>\$ 76,559</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 3,088,000	\$ 3,088,000	\$ 3,003,438	\$ (84,562)
Charges for Services	740,600	740,600	738,995	(1,605)
All Other Revenues	193,500	193,500	106,280	(87,220)
Total Revenues	<u>4,022,100</u>	<u>4,022,100</u>	<u>3,848,713</u>	<u>(173,387)</u>
Expenditures:				
Transportation:				
Personal Services	2,324,215	2,323,215	2,204,897	118,318
Operations and Maintenance	1,509,371	1,505,081	1,309,532	195,549
Capital Outlay	561,573	733,531	719,108	14,423
Total Transportation	<u>4,395,159</u>	<u>4,561,827</u>	<u>4,233,537</u>	<u>328,290</u>
Debt Service:				
Principal Retirement	192,000	201,718	201,690	28
Interest and Fiscal Charges	27,000	30,614	29,111	1,503
Total Debt Service	<u>219,000</u>	<u>232,332</u>	<u>230,801</u>	<u>1,531</u>
Total Expenditures	<u>4,614,159</u>	<u>4,794,159</u>	<u>4,464,338</u>	<u>329,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(592,059)	(772,059)	(615,625)	156,434
Other Financing Sources (Uses):				
Transfers In	420,000	420,000	417,500	(2,500)
Transfers Out	(150,000)	(120,000)	(120,000)	0
Total Other Financing Sources (Uses)	<u>270,000</u>	<u>300,000</u>	<u>297,500</u>	<u>(2,500)</u>
Net Change in Fund Balance	(322,059)	(472,059)	(318,125)	153,934
Fund Balance at Beginning of Year	962,554	962,554	962,554	0
Prior Year Encumbrances	340,878	340,878	340,878	0
Fund Balance at End of Year	<u>\$ 981,373</u>	<u>\$ 831,373</u>	<u>\$ 985,307</u>	<u>\$ 153,934</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

STREET LEVY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,930,000	\$ 1,930,000	\$ 2,079,577	\$ 149,577
Intergovernmental Revenues	225,000	225,000	221,093	(3,907)
All Other Revenues	2,200	2,200	1,263	(937)
Total Revenues	<u>2,157,200</u>	<u>2,157,200</u>	<u>2,301,933</u>	<u>144,733</u>
Expenditures:				
Transportation:				
Operations and Maintenance	2,465,474	2,466,345	2,333,927	132,418
Total Transportation	<u>2,465,474</u>	<u>2,466,345</u>	<u>2,333,927</u>	<u>132,418</u>
Debt Service:				
Principal Retirement	64,000	63,128	63,128	0
Total Debt Service	<u>64,000</u>	<u>63,128</u>	<u>63,128</u>	<u>0</u>
Total Expenditures	<u>2,529,474</u>	<u>2,529,473</u>	<u>2,397,055</u>	<u>132,418</u>
Net Change in Fund Balance	(372,274)	(372,273)	(95,122)	277,151
Fund Balance at Beginning of Year	347,305	347,305	347,305	0
Prior Year Encumbrances	40,474	40,474	40,474	0
Fund Balance at End of Year	<u>\$ 15,505</u>	<u>\$ 15,506</u>	<u>\$ 292,657</u>	<u>\$ 277,151</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

PARKS AND RECREATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,691,979	\$ 1,691,979	\$ 1,691,979	\$ 0
Intergovernmental Revenues	40,000	40,000	375,977	335,977
Charges for Services	685,000	685,000	458,256	(226,744)
Licenses, Permits and Fees	4,000	4,000	36,921	32,921
All Other Revenues	41,000	41,000	133,798	92,798
Total Revenues	<u>2,461,979</u>	<u>2,461,979</u>	<u>2,696,931</u>	<u>234,952</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	1,609,015	1,590,436	1,478,494	111,942
Operations and Maintenance	771,693	947,557	834,676	112,881
Capital Outlay	22,427	339,763	27,333	312,430
Total Leisure Time Activities	<u>2,403,135</u>	<u>2,877,756</u>	<u>2,340,503</u>	<u>537,253</u>
Debt Service:				
Principal Retirement	40,350	41,592	41,592	0
Interest and Fiscal Charges	3,550	2,308	2,266	42
Total Debt Service	<u>43,900</u>	<u>43,900</u>	<u>43,858</u>	<u>42</u>
Total Expenditures	<u>2,447,035</u>	<u>2,921,656</u>	<u>2,384,361</u>	<u>537,295</u>
Net Change in Fund Balance	14,944	(459,677)	312,570	772,247
Fund Balance at Beginning of Year	736,834	736,834	736,834	0
Prior Year Encumbrances	78,866	78,866	78,866	0
Fund Balance at End of Year	<u>\$ 830,644</u>	<u>\$ 356,023</u>	<u>\$ 1,128,270</u>	<u>\$ 772,247</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

SPECIAL IMPROVEMENT DISTRICT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 77,000	\$ 78,313	\$ 78,313	\$ 0
Total Revenues	<u>77,000</u>	<u>78,313</u>	<u>78,313</u>	<u>0</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	77,000	78,313	78,313	0
Total Expenditures	<u>77,000</u>	<u>78,313</u>	<u>78,313</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

LANCASTER PUBLIC TRANSIT PROGRAM FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,934,453	\$ 1,934,453	\$ 1,945,540	\$ 11,087
Charges for Services	496,780	496,780	137,937	(358,843)
All Other Revenues	23,500	23,500	72,235	48,735
Total Revenues	<u>2,454,733</u>	<u>2,454,733</u>	<u>2,155,712</u>	<u>(299,021)</u>
Expenditures:				
Transportation:				
Personal Services	1,811,204	1,738,204	1,278,141	460,063
Operations and Maintenance	747,053	770,053	689,914	80,139
Capital Outlay	181,575	156,575	113,945	42,630
Total Expenditures	<u>2,739,832</u>	<u>2,664,832</u>	<u>2,082,000</u>	<u>582,832</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(285,099)	(210,099)	73,712	283,811
Other Financing Sources (Uses):				
Transfers In	73,000	73,000	73,000	0
Total Other Financing Sources (Uses)	<u>73,000</u>	<u>73,000</u>	<u>73,000</u>	<u>0</u>
Net Change in Fund Balance	(212,099)	(137,099)	146,712	283,811
Fund Balance at Beginning of Year	389,940	389,940	389,940	0
Prior Year Encumbrances	143,330	143,330	143,330	0
Fund Balance at End of Year	<u>\$ 321,171</u>	<u>\$ 396,171</u>	<u>\$ 679,982</u>	<u>\$ 283,811</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	911 TARIFF FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 85,000	\$ 85,000	\$ 70,906	\$ (14,094)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>70,906</u>	<u>(14,094)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	<u>265,579</u>	<u>265,579</u>	<u>24,950</u>	<u>240,629</u>
Total Expenditures	<u>265,579</u>	<u>265,579</u>	<u>24,950</u>	<u>240,629</u>
Net Change in Fund Balance	(180,579)	(180,579)	45,956	226,535
Fund Balance at Beginning of Year	244,672	244,672	244,672	0
Prior Year Encumbrances	<u>5,579</u>	<u>5,579</u>	<u>5,579</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 69,672</u>	<u>\$ 69,672</u>	<u>\$ 296,207</u>	<u>\$ 226,535</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	EDWARD BYRNE GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	428	428	428	0
Fund Balance at End of Year	<u>\$ 428</u>	<u>\$ 428</u>	<u>\$ 428</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

LAW DIRECTOR VICTIM ASSISTANCE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 60,000	\$ 60,000	\$ 57,130	\$ (2,870)
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>57,130</u>	<u>(2,870)</u>
Expenditures:				
General Government:				
Personal Services	86,165	87,571	85,573	1,998
Total Expenditures	<u>86,165</u>	<u>87,571</u>	<u>85,573</u>	<u>1,998</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,165)	(27,571)	(28,443)	(872)
Other Financing Sources (Uses):				
Transfers In	31,212	31,212	31,212	0
Total Other Financing Sources (Uses)	<u>31,212</u>	<u>31,212</u>	<u>31,212</u>	<u>0</u>
Net Change in Fund Balance	5,047	3,641	2,769	(872)
Fund Balance at Beginning of Year	45,619	45,619	45,619	0
Fund Balance at End of Year	<u>\$ 50,666</u>	<u>\$ 49,260</u>	<u>\$ 48,388</u>	<u>\$ (872)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 641,630	\$ 641,630	\$ 214,569	\$ (427,061)
All Other Revenues	0	0	24	24
Total Revenues	<u>641,630</u>	<u>641,630</u>	<u>214,593</u>	<u>(427,037)</u>
Expenditures:				
Community Environment:				
Personal Services	281,647	281,647	273,018	8,629
Operations and Maintenance	381,515	85,654	16,358	69,296
Total Expenditures	<u>663,162</u>	<u>367,301</u>	<u>289,376</u>	<u>77,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,532)	274,329	(74,783)	(349,112)
Other Financing Sources (Uses):				
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	3,468	299,329	(49,783)	(349,112)
Fund Balance at Beginning of Year	69,504	69,504	69,504	0
Prior Year Encumbrances	509	509	509	0
Fund Balance at End of Year	<u>\$ 73,481</u>	<u>\$ 369,342</u>	<u>\$ 20,230</u>	<u>\$ (349,112)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 34,739	\$ 11,473	\$ (23,266)
Total Revenues	<u>0</u>	<u>34,739</u>	<u>11,473</u>	<u>(23,266)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	<u>0</u>	<u>11,473</u>	<u>11,473</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>11,473</u>	<u>11,473</u>	<u>0</u>
Net Change in Fund Balance	0	23,266	0	(23,266)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 23,266</u>	<u>\$ 0</u>	<u>\$ (23,266)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 490,000	\$ 490,000	\$ 468,640	\$ (21,360)
Intergovernmental Revenues	0	0	53,636	53,636
Total Revenues	<u>490,000</u>	<u>490,000</u>	<u>522,276</u>	<u>32,276</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	481,000	481,000	481,000	0
Operations and Maintenance	9,000	9,000	8,867	133
Total Expenditures	<u>490,000</u>	<u>490,000</u>	<u>489,867</u>	<u>133</u>
Net Change in Fund Balance	0	0	32,409	32,409
Fund Balance at Beginning of Year	<u>138</u>	<u>138</u>	<u>138</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 138</u>	<u>\$ 138</u>	<u>\$ 32,547</u>	<u>\$ 32,409</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	28,164	28,164	28,164	0
Fund Balance at End of Year	<u>\$ 28,164</u>	<u>\$ 28,164</u>	<u>\$ 28,164</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ 38,220	\$ (11,780)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>38,220</u>	<u>(11,780)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	<u>100,000</u>	<u>100,000</u>	<u>38,793</u>	<u>61,207</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>38,793</u>	<u>61,207</u>
Net Change in Fund Balance	(50,000)	(50,000)	(573)	49,427
Fund Balance at Beginning of Year	<u>279,939</u>	<u>279,939</u>	<u>279,939</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 229,939</u>	<u>\$ 229,939</u>	<u>\$ 279,366</u>	<u>\$ 49,427</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 2,244	\$ 2,244
Total Revenues	<u>0</u>	<u>0</u>	<u>2,244</u>	<u>2,244</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	2,244	2,244
Fund Balance at Beginning of Year	<u>95,332</u>	<u>95,332</u>	<u>95,332</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 95,332</u>	<u>\$ 95,332</u>	<u>\$ 97,576</u>	<u>\$ 2,244</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

MUNICIPAL COURT JUDICIAL COMPUTER FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 36,924	\$ (8,076)
All Other Revenues	0	0	606	606
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>37,530</u>	<u>(7,470)</u>
Expenditures:				
General Government:				
Operations and Maintenance	82,652	82,652	43,156	39,496
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	<u>87,652</u>	<u>87,652</u>	<u>43,156</u>	<u>44,496</u>
Net Change in Fund Balance	(42,652)	(42,652)	(5,626)	37,026
Fund Balance at Beginning of Year	63,815	63,815	63,815	0
Prior Year Encumbrances	3,151	3,151	3,151	0
Fund Balance at End of Year	<u>\$ 24,314</u>	<u>\$ 24,314</u>	<u>\$ 61,340</u>	<u>\$ 37,026</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

MUNICIPAL COURT PROBATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 300,760	\$ 300,760	\$ 324,510	\$ 23,750
Charges for Services	50,000	50,000	41,401	(8,599)
Fines and Forfeitures	350,000	350,000	412,000	62,000
All Other Revenues	8,100	8,100	563	(7,537)
Total Revenues	<u>708,860</u>	<u>708,860</u>	<u>778,474</u>	<u>69,614</u>
Expenditures:				
General Government:				
Personal Services	745,719	751,135	663,115	88,020
Operations and Maintenance	186,577	185,578	99,803	85,775
Total Expenditures	<u>932,296</u>	<u>936,713</u>	<u>762,918</u>	<u>173,795</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(223,436)	(227,853)	15,556	243,409
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	150,000	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Net Change in Fund Balance	(73,436)	(77,853)	165,556	243,409
Fund Balance at Beginning of Year	650,480	650,480	650,480	0
Prior Year Encumbrances	2,569	2,569	2,569	0
Fund Balance at End of Year	<u>\$ 579,613</u>	<u>\$ 575,196</u>	<u>\$ 818,605</u>	<u>\$ 243,409</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
MUNICIPAL COURT COMPUTERIZATION FUND				
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 65,116	\$ 65,116
Fines and Forfeitures	180,000	180,000	146,573	(33,427)
All Other Revenues	300	300	190	(110)
Total Revenues	<u>180,300</u>	<u>180,300</u>	<u>211,879</u>	<u>31,579</u>
Expenditures:				
General Government:				
Personal Services	96,499	96,499	95,638	861
Operations and Maintenance	144,585	144,755	54,446	90,309
Capital Outlay	24,188	24,018	6,863	17,155
Total Expenditures	<u>265,272</u>	<u>265,272</u>	<u>156,947</u>	<u>108,325</u>
Net Change in Fund Balance	(84,972)	(84,972)	54,932	139,904
Fund Balance at Beginning of Year	111,943	111,943	111,943	0
Prior Year Encumbrances	6,100	6,100	6,100	0
Fund Balance at End of Year	<u>\$ 33,071</u>	<u>\$ 33,071</u>	<u>\$ 172,975</u>	<u>\$ 139,904</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

MUNICIPAL COURT SPECIAL PROJECTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 24,720	\$ 24,720
Fines and Forfeitures	800,000	800,000	673,758	(126,242)
All Other Revenues	0	0	7,982	7,982
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>706,460</u>	<u>(93,540)</u>
Expenditures:				
General Government:				
Personal Services	0	700	700	0
Operations and Maintenance	426,220	425,520	276,712	148,808
Capital Outlay	50,000	50,000	5,000	45,000
Total Expenditures	<u>476,220</u>	<u>476,220</u>	<u>282,412</u>	<u>193,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	323,780	323,780	424,048	100,268
Other Financing Sources (Uses):				
Transfers In	100,000	100,000	100,000	0
Transfers Out	(650,000)	(650,000)	(644,438)	5,562
Total Other Financing Sources (Uses)	<u>(550,000)</u>	<u>(550,000)</u>	<u>(544,438)</u>	<u>5,562</u>
Net Change in Fund Balance	(226,220)	(226,220)	(120,390)	105,830
Fund Balance at Beginning of Year	591,418	591,418	591,418	0
Prior Year Encumbrances	24,220	24,220	24,220	0
Fund Balance at End of Year	<u>\$ 389,418</u>	<u>\$ 389,418</u>	<u>\$ 495,248</u>	<u>\$ 105,830</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

MUNICIPAL COURT FAMILY VIOLENCE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 281	\$ 281
Total Revenues	<u>0</u>	<u>0</u>	<u>281</u>	<u>281</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	281	281
Fund Balance at Beginning of Year	<u>20,150</u>	<u>20,150</u>	<u>20,150</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,150</u>	<u>\$ 20,150</u>	<u>\$ 20,431</u>	<u>\$ 281</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 232,540	\$ 307,540	\$ 392,825	\$ 85,285
All Other Revenues	0	0	1,540	1,540
Total Revenues	<u>232,540</u>	<u>307,540</u>	<u>394,365</u>	<u>86,825</u>
Expenditures:				
General Government:				
Personal Services	203,631	203,631	189,059	14,572
Operations and Maintenance	98,500	173,500	163,831	9,669
Total Expenditures	<u>302,131</u>	<u>377,131</u>	<u>352,890</u>	<u>24,241</u>
Net Change in Fund Balance	(69,591)	(69,591)	41,475	111,066
Fund Balance at Beginning of Year	85,612	85,612	85,612	0
Prior Year Encumbrances	1,399	1,399	1,399	0
Fund Balance at End of Year	<u>\$ 17,420</u>	<u>\$ 17,420</u>	<u>\$ 128,486</u>	<u>\$ 111,066</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

OHIO PEACE OFFICERS TRAINING FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Net Change in Fund Balance	(10,000)	(10,000)	0	10,000
Fund Balance at Beginning of Year	40,833	40,833	40,833	0
Fund Balance at End of Year	<u>\$ 30,833</u>	<u>\$ 30,833</u>	<u>\$ 40,833</u>	<u>\$ 10,000</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 10,015	\$ 10,015
Total Revenues	<u>0</u>	<u>0</u>	<u>10,015</u>	<u>10,015</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	10,015	10,015
Fund Balance at Beginning of Year	<u>23,987</u>	<u>23,987</u>	<u>23,987</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,987</u>	<u>\$ 23,987</u>	<u>\$ 34,002</u>	<u>\$ 10,015</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	2,780	2,780	2,780	0
Fund Balance at End of Year	<u>\$ 2,780</u>	<u>\$ 2,780</u>	<u>\$ 2,780</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	.15 FIRE LEVY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,691,979	\$ 1,691,979	\$ 1,691,979	\$ 0
All Other Revenues	0	0	274	274
Total Revenues	1,691,979	1,691,979	1,692,253	274
Expenditures:				
Security of Persons and Property:				
Personal Services	1,522,864	1,788,984	1,428,142	360,842
Operations and Maintenance	167,160	163,868	144,979	18,889
Total Security of Persons and Property	1,690,024	1,952,852	1,573,121	379,731
Debt Service:				
Principal Retirement	8,370	8,367	8,367	0
Interest and Fiscal Charges	115	111	111	0
Total Debt Service	8,485	8,478	8,478	0
Total Expenditures	1,698,509	1,961,330	1,581,599	379,731
Net Change in Fund Balance	(6,530)	(269,351)	110,654	380,005
Fund Balance at Beginning of Year	433,087	433,087	433,087	0
Prior Year Encumbrances	24,215	24,215	24,215	0
Fund Balance at End of Year	\$ 450,772	\$ 187,951	\$ 567,956	\$ 380,005

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 5,000	\$ 5,000	\$ 18,720	\$ 13,720
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>18,720</u>	<u>13,720</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	34,928	34,928	16,235	18,693
Capital Outlay	30,500	30,500	0	30,500
Total Expenditures	<u>65,428</u>	<u>65,428</u>	<u>16,235</u>	<u>49,193</u>
Net Change in Fund Balance	(60,428)	(60,428)	2,485	62,913
Fund Balance at Beginning of Year	<u>64,859</u>	<u>64,859</u>	<u>64,859</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,431</u>	<u>\$ 4,431</u>	<u>\$ 67,344</u>	<u>\$ 62,913</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,804,508	\$ 3,804,508	\$ 3,804,508	\$ 0
Total Revenues	<u>3,804,508</u>	<u>3,804,508</u>	<u>3,804,508</u>	<u>0</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	3,660,376	3,502,040	3,033,649	468,391
Operations and Maintenance	0	48,507	35,800	12,707
Capital Outlay	0	109,829	109,829	0
Total Expenditures	<u>3,660,376</u>	<u>3,660,376</u>	<u>3,179,278</u>	<u>481,098</u>
Net Change in Fund Balance	144,132	144,132	625,230	481,098
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 144,132</u>	<u>\$ 144,132</u>	<u>\$ 625,230</u>	<u>\$ 481,098</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

LOCAL FISCAL RECOVERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 6,300,000	\$ 6,300,000	\$ 1,000,000	\$ (5,300,000)
Total Revenues	<u>6,300,000</u>	<u>6,300,000</u>	<u>1,000,000</u>	<u>(5,300,000)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	1,000,000	1,000,000	0	1,000,000
Total Expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,300,000	5,300,000	1,000,000	(4,300,000)
Other Financing Sources (Uses):				
Transfers Out	(5,300,000)	(5,278,086)	0	5,278,086
Total Other Financing Sources (Uses)	<u>(5,300,000)</u>	<u>(5,278,086)</u>	<u>0</u>	<u>5,278,086</u>
Net Change in Fund Balance	0	21,914	1,000,000	978,086
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 21,914</u>	<u>\$ 1,000,000</u>	<u>\$ 978,086</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,111,540	\$ 1,696,899	\$ 765,404	\$ (931,495)
All Other Revenues	48,000	48,000	1,531	(46,469)
Total Revenues	<u>1,159,540</u>	<u>1,744,899</u>	<u>766,935</u>	<u>(977,964)</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	1,200	206,829	196,621	10,208
Capital Outlay	1,111,540	700,781	500,140	200,641
Total Expenditures	<u>1,112,740</u>	<u>907,610</u>	<u>696,761</u>	<u>210,849</u>
Net Change in Fund Balance	46,800	837,289	70,174	(767,115)
Fund Balance at Beginning of Year	<u>127,878</u>	<u>127,878</u>	<u>127,878</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 174,678</u>	<u>\$ 965,167</u>	<u>\$ 198,052</u>	<u>\$ (767,115)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

STATE HIGHWAY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 157,500	\$ 157,500	\$ 149,969	\$ (7,531)
Investment Earnings	10,000	10,000	7,896	(2,104)
Total Revenues	<u>167,500</u>	<u>167,500</u>	<u>157,865</u>	<u>(9,635)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	167,500	167,500	157,865	(9,635)
Other Financing Sources (Uses):				
Transfers Out	<u>(167,500)</u>	<u>(167,500)</u>	<u>(167,500)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(167,500)</u>	<u>(167,500)</u>	<u>(167,500)</u>	<u>0</u>
Net Change in Fund Balance	0	0	(9,635)	(9,635)
Fund Balance at Beginning of Year	<u>50,973</u>	<u>50,973</u>	<u>50,973</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,973</u>	<u>\$ 50,973</u>	<u>\$ 41,338</u>	<u>\$ (9,635)</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	CEMETERY INTERMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Charges for Services	\$ 14,000	\$ 14,000	\$ 22,200	\$ 8,200
Total Revenues	14,000	14,000	22,200	8,200
Expenditures:				
Public Health and Welfare Services:				
Operations and Maintenance	40,000	40,000	22,783	17,217
Total Expenditures	40,000	40,000	22,783	17,217
Net Change in Fund Balance	(26,000)	(26,000)	(583)	25,417
Fund Balance at Beginning of Year	267,233	267,233	267,233	0
Fund Balance at End of Year	\$ 241,233	\$ 241,233	\$ 266,650	\$ 25,417

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 35,114	\$ 35,114
Total Revenues	<u>0</u>	<u>0</u>	<u>35,114</u>	<u>35,114</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	35,114	35,114
Fund Balance at Beginning of Year	<u>1,039,626</u>	<u>1,039,626</u>	<u>1,039,626</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,039,626</u>	<u>\$ 1,039,626</u>	<u>\$ 1,074,740</u>	<u>\$ 35,114</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021***

	GENERAL BOND RETIREMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	565,000	565,000	565,000	0
Interest and Fiscal Charges	301,166	301,166	301,166	0
Total Expenditures	866,166	866,166	866,166	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(866,166)	(866,166)	(866,166)	0
Other Financing Sources (Uses):				
Transfers In	866,166	866,166	866,166	0
Total Other Financing Sources (Uses)	866,166	866,166	866,166	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Funds
For the Year Ended December 31, 2021***

SPECIAL ASSESSMENT DEBT RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 0	\$ 33,293	\$ 33,293	\$ 0
Total Revenues	0	33,293	33,293	0
Expenditures:				
General Government:				
Operations and Maintenance	77,055	110,348	109,331	1,017
Total Expenditures	77,055	110,348	109,331	1,017
Net Change in Fund Balance	(77,055)	(77,055)	(76,038)	1,017
Fund Balance at Beginning of Year	77,055	77,055	77,055	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 1,017	\$ 1,017

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

LDOT IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 408,608	\$ 408,608	\$ 0
All Other Revenues	0	67,633	67,633	0
Total Revenues	<u>0</u>	<u>476,241</u>	<u>476,241</u>	<u>0</u>
Expenditures:				
Capital Outlay	476,272	934,105	599,590	334,515
Total Expenditures	<u>476,272</u>	<u>934,105</u>	<u>599,590</u>	<u>334,515</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(476,272)	(457,864)	(123,349)	334,515
Other Financing Sources (Uses):				
Transfers In	150,000	150,000	120,000	(30,000)
Transfers Out	0	(41,000)	(41,000)	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>109,000</u>	<u>79,000</u>	<u>(30,000)</u>
Net Change in Fund Balance	(326,272)	(348,864)	(44,349)	304,515
Fund Balance at Beginning of Year	341,332	341,332	341,332	0
Prior Year Encumbrances	37,533	37,533	37,533	0
Fund Balance at End of Year	<u>\$ 52,593</u>	<u>\$ 30,001</u>	<u>\$ 334,516</u>	<u>\$ 304,515</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	PARKS IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 112,799	\$ 112,799	\$ 112,799	\$ 0
All Other Revenues	0	0	210	210
Total Revenues	<u>112,799</u>	<u>112,799</u>	<u>113,009</u>	<u>210</u>
Expenditures:				
Capital Outlay	<u>227,248</u>	<u>227,248</u>	<u>156,670</u>	<u>70,578</u>
Total Expenditures	<u>227,248</u>	<u>227,248</u>	<u>156,670</u>	<u>70,578</u>
Net Change in Fund Balance	(114,449)	(114,449)	(43,661)	70,788
Fund Balance at Beginning of Year	111,933	111,933	111,933	0
Prior Year Encumbrances	<u>30,247</u>	<u>30,247</u>	<u>30,247</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,731</u>	<u>\$ 27,731</u>	<u>\$ 98,519</u>	<u>\$ 70,788</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 225,597	\$ 225,597	\$ 225,597	\$ 0
Charges for Services	63,250	63,250	63,699	449
Total Revenues	<u>288,847</u>	<u>288,847</u>	<u>289,296</u>	<u>449</u>
Expenditures:				
Capital Outlay	78,853	77,850	77,850	0
Debt Service:				
Principal Retirement	110,000	110,000	0	110,000
Total Expenditures	<u>188,853</u>	<u>187,850</u>	<u>77,850</u>	<u>110,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	99,994	100,997	211,446	110,449
Fund Balance at Beginning of Year	<u>707,173</u>	<u>707,173</u>	<u>707,173</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 807,167</u>	<u>\$ 808,170</u>	<u>\$ 918,619</u>	<u>\$ 110,449</u>

CITY OF LANCASTER, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021***

FIRE IMPACT-DISTRICT ONE FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 200,000	\$ 200,000	\$ 571,933	\$ 371,933
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>571,933</u>	<u>371,933</u>
Expenditures:				
Security of Persons and Property:				
Capital Outlay	1,270	283,185	0	283,185
Debt Service:				
Principal Retirement	164,597	164,598	164,595	3
Interest and Fiscal Charges	17,388	17,337	17,337	0
Total Expenditures	<u>183,255</u>	<u>465,120</u>	<u>181,932</u>	<u>283,188</u>
Net Change in Fund Balance	16,745	(265,120)	390,001	655,121
Fund Balance at Beginning of Year	825,033	825,033	825,033	0
Prior Year Encumbrances	1,270	1,270	1,270	0
Fund Balance at End of Year	<u>\$ 843,048</u>	<u>\$ 561,183</u>	<u>\$ 1,216,304</u>	<u>\$ 655,121</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

ETY ROAD TIF PROJECT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 228,531	\$ 228,531	\$ 230,033	\$ 1,502
Total Revenues	<u>228,531</u>	<u>228,531</u>	<u>230,033</u>	<u>1,502</u>
Expenditures:				
General Government:				
Operations and Maintenance	28,000	28,000	18,543	9,457
Debt Service:				
Principal Retirement	110,000	1,378,309	1,378,309	0
Interest and Fiscal Charges	12,911	49,641	49,641	0
Total Expenditures	<u>150,911</u>	<u>1,455,950</u>	<u>1,446,493</u>	<u>9,457</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	77,620	(1,227,419)	(1,216,460)	10,959
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	1,268,309	1,220,039	(48,270)
Advances Out	(10,900)	(10,900)	(10,900)	0
Total Other Financing Sources (Uses)	<u>(10,900)</u>	<u>1,257,409</u>	<u>1,209,139</u>	<u>(48,270)</u>
Net Change in Fund Balance	66,720	29,990	(7,321)	(37,311)
Fund Balance at Beginning of Year	6,933	6,933	6,933	0
Prior Year Encumbrances	10,000	10,000	10,000	0
Fund Balance at End of Year	<u>\$ 83,653</u>	<u>\$ 46,923</u>	<u>\$ 9,612</u>	<u>\$ (37,311)</u>

CITY OF LANCASTER, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2021**

COLUMBIAN CONSTRUCTION FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	0	1,080,000	1,080,000	0
Interest and Fiscal Charges	0	5,400	5,400	0
Total Expenditures	0	1,085,400	1,085,400	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	(1,085,400)	(1,085,400)	0
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	900,000	900,000	0
Transfers In	0	185,400	185,400	0
Total Other Financing Sources (Uses)	0	1,085,400	1,085,400	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis.

Utilities Collection Fund

To account for the operation of the utility collections department for services provided to the gas, water, water pollution and sanitation departments. The funds using the utility billing services are charged for the cost of operation.

Fuel Depot Fund

To account for the operation of the fuel depot for services provided for departments within the City and outside agencies that are exempt from the federal excise tax.

Information Services Fund

To account for the operation of the information services department for services provided for all departments within the City.

Health Insurance Management Fund

To account for the accumulation and allocation of costs associated with providing health care benefits to employees.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Internal Service Funds
December 31, 2021**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management	Total
Assets:					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ 799,114	\$ 262,302	\$ 720,953	\$ 2,537,341	\$ 4,319,710
<i>Receivables:</i>					
Accounts	0	31,664	0	0	31,664
Inventory of Supplies at Cost	21,292	16,759	4,730	0	42,781
Prepaid Items	809	0	0	0	809
Total Current Assets	821,215	310,725	725,683	2,537,341	4,394,964
<i>Non Current Assets:</i>					
Net OPEB Asset	98,690	0	43,599	0	142,289
Capital Assets Not Being Depreciated	0	0	130,911	0	130,911
Capital Assets Being Depreciated, Net	36,874	0	291,483	0	328,357
Total capital assets (net of accumulated depreciation)	36,874	0	422,394	0	459,268
Total Non Current Assets	135,564	0	465,993	0	601,557
Total Assets	956,779	310,725	1,191,676	2,537,341	4,996,521
Deferred Outflows of Resources:					
Pension	113,077	0	49,956	0	163,033
OPEB	48,517	0	21,434	0	69,951
Total Deferred Outflows of Resources	161,594	0	71,390	0	232,984
Liabilities:					
<i>Current Liabilities:</i>					
Accounts Payable	33,610	68,852	15,892	0	118,354
Accrued Wages and Benefits	50,037	0	22,019	0	72,056
Claims Payable	0	0	0	555,477	555,477
Compensated Absences Payable - Current	27,300	0	5,464	0	32,764
Total Current Liabilities	110,947	68,852	43,375	555,477	778,651
<i>Long Term Liabilities:</i>					
Compensated Absences Payable	213,848	0	97,753	0	311,601
Net Pension Liability	826,542	0	365,156	0	1,191,698
Total Liabilities	1,151,337	68,852	506,284	555,477	2,281,950
Deferred Inflows of Resources:					
Pension	364,703	0	165,022	0	529,725
OPEB	306,591	0	137,988	0	444,579
Total Deferred Inflows of Resources	671,294	0	303,010	0	974,304
Net Position:					
Net Investment in Capital Assets	36,874	0	422,394	0	459,268
Unrestricted (Deficit)	(741,132)	241,873	31,378	1,981,864	1,513,983
Total Net Position	\$ (704,258)	\$ 241,873	\$ 453,772	\$ 1,981,864	\$ 1,973,251

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2021**

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management	Total
Operating Revenues:					
Charges for Services	\$ 1,774,086	\$ 896,527	\$ 918,550	\$ 8,246,530	\$ 11,835,693
Other Operating Revenue	38,399	13	1,601	0	40,013
Total Operating Revenues	1,812,485	896,540	920,151	8,246,530	11,875,706
Operating Expenses:					
Personal Services	648,006	0	264,381	0	912,387
Contractual Services	334,402	5,052	234,053	0	573,507
Materials and Supplies	160,278	897,429	37,953	0	1,095,660
Depreciation	14,091	0	106,527	0	120,618
Health Insurance Claims	0	0	0	6,809,603	6,809,603
Total Operating Expenses	1,156,777	902,481	642,914	6,809,603	9,511,775
Operating Income (Loss)	655,708	(5,941)	277,237	1,436,927	2,363,931
Nonoperating Revenue (Expenses):					
Intergovernmental Revenue	0	139,718	0	0	139,718
Total Nonoperating Revenues (Expenses)	0	139,718	0	0	139,718
Change in Net Position	655,708	133,777	277,237	1,436,927	2,503,649
Net Position Beginning of Year	(1,359,966)	108,096	176,535	544,937	(530,398)
Net Position End of Year	\$ (704,258)	\$ 241,873	\$ 453,772	\$ 1,981,864	\$ 1,973,251

CITY OF LANCASTER, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021***

	Utilities Collection	Fuel Depot	Information Services	Health Insurance Management	Totals
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Interfund Services	\$1,812,485	\$874,020	\$920,151	\$8,246,530	\$11,853,186
Cash Payments for Goods and Services	(428,158)	(853,830)	(266,665)	0	(1,548,653)
Cash Payments to and on behalf of Employees	(1,014,864)	0	(446,310)	0	(1,461,174)
Cash Payments for Claims	0	0	0	(6,615,371)	(6,615,371)
Cash Payments for Interfund Services	(307,979)	0	(107,549)	0	(415,528)
Net Cash Provided by Operating Activities	61,484	20,190	99,627	1,631,159	1,812,460
<u>Cash Flows from Noncapital Financing Activities:</u>					
Intergovernmental Grants Received	0	139,718	0	0	139,718
Net Cash Provided by Noncapital Financing Activities	0	139,718	0	0	139,718
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Acquisition and Construction of Assets	0	0	(141,161)	0	(141,161)
Capital Lease Payments	(1,653)	0	0	0	(1,653)
Net Cash Used by Capital and Related Financing Activities	(1,653)	0	(141,161)	0	(142,814)
Net Increase (Decrease) in Cash and Cash Equivalents	59,831	159,908	(41,534)	1,631,159	1,809,364
Cash and Cash Equivalents at Beginning of Year	739,283	102,394	762,487	906,182	2,510,346
Cash and Cash Equivalents at End of Year	\$799,114	\$262,302	\$720,953	\$2,537,341	\$4,319,710
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	\$655,708	(\$5,941)	\$277,237	\$1,436,927	\$2,363,931
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	14,091	0	106,527	0	120,618
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Increase in Accounts Receivable	0	(22,520)	0	0	(22,520)
(Increase) Decrease in Inventory	(2,876)	10,966	5,898	0	13,988
Increase in Prepaid Items	(145)	0	0	0	(145)
Increase in Net OPEB Asset	(98,690)	0	(43,599)	0	(142,289)
Decrease in Deferred Outflows of Resources - Pension	56,851	0	25,826	0	82,677
Decrease in Deferred Outflows of Resources - OPEB	67,247	0	30,156	0	97,403
Increase (Decrease) in Accounts Payable	9,208	37,685	(2,101)	0	44,792
Increase in Accrued Wages and Benefits	7,686	0	5,579	0	13,265
Increase (Decrease) in Compensated Absences	1,281	0	(373)	0	908
Decrease in Net Pension Liability	(226,723)	0	(104,225)	0	(330,948)
Decrease in Net OPEB Liability	(731,223)	0	(325,865)	0	(1,057,088)
Increase in Deferred Outflows of Resources - Pension	118,977	0	44,677	0	163,654
Increase in Deferred Outflows of Resources - OPEB	190,092	0	79,890	0	269,982
Increase in Claims Payable	0	0	0	194,232	194,232
Total Adjustments	(594,224)	26,131	(177,610)	194,232	(551,471)
Net Cash Provided by Operating Activities	\$61,484	\$20,190	\$99,627	\$1,631,159	\$1,812,460



Fiduciary Funds

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Custodial Funds

Municipal Court Fund

Established to account for monies that flow through the Clerk of Courts Office.

Law Library Fund

Established to account for accumulation and distribution of resources for the law library.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Fiduciary Funds
December 31, 2021**

	Municipal Court	Law Library	Total Custodial Funds
Assets:			
Cash and Cash Equivalents	\$ 196,155	\$ 0	\$ 196,155
Due from Other Funds	0	2,478	2,478
Total Assets	<u>196,155</u>	<u>2,478</u>	<u>198,633</u>
Liabilities:			
Intergovernmental Payable	0	2,478	2,478
Due to Others	193,677	0	193,677
Due to Other Funds	2,478	0	2,478
Total Liabilities	<u>196,155</u>	<u>2,478</u>	<u>198,633</u>
Restricted for Individuals, Organizations and Other Governments	0	0	0
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF LANCASTER, OHIO

***Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2021***

	Municipal Court	Law Library	Total Custodial Funds
Additions:			
Fines and Forfeiture Collections for Others	\$ 2,683,975	\$ 36,663	\$ 2,720,638
Total Additions	<u>2,683,975</u>	<u>36,663</u>	<u>2,720,638</u>
Deductions:			
Distribution of Fines and Forfeitures to Others	2,683,975	36,663	2,720,638
Total Deductions	<u>2,683,975</u>	<u>36,663</u>	<u>2,720,638</u>
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



STATISTICAL SECTION



STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 13
These schedules contain trend information to help the reader understand how the City's financial position has changed over time.	
Revenue Capacity	S 14 – S 17
These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue source which is income tax.	
Debt Capacity	S 18 – S 27
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.	
Economic and Demographic Information	S 28 – S 31
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 32 – S 39
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 Note:	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	

City of Lancaster, Ohio

*Net Position by Component
Last Ten Years
(accrual basis of accounting)*

	2012	2013	Restated 2014
Governmental Activities:			
Net Investment in Capital Assets	\$30,705,182	\$34,859,182	\$38,638,721
Restricted	10,328,275	10,580,754	11,237,072
Unrestricted	3,783,554	5,391,809	(18,847,439)
Total Governmental Activities Net Position	<u>\$44,817,011</u>	<u>\$50,831,745</u>	<u>\$31,028,354</u>
Business-type Activities:			
Net Investment in Capital Assets	\$40,307,130	\$42,495,213	\$46,787,496
Restricted	2,479,228	2,469,200	2,469,033
Unrestricted (Deficit)	(32,023,328)	(41,515,012)	(53,909,879)
Total Business-type Activities Net Position	<u>\$10,763,030</u>	<u>\$3,449,401</u>	<u>(\$4,653,350)</u>
Primary Government:			
Net Investment in Capital Assets	\$71,012,312	\$77,354,395	\$85,426,217
Restricted	12,807,503	13,049,954	13,706,105
Unrestricted	(28,239,774)	(36,123,203)	(72,757,318)
Total Primary Government Net Position	<u>\$55,580,041</u>	<u>\$54,281,146</u>	<u>\$26,375,004</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2015	2016	Restated 2017	2018	2019	2020	2021
\$41,576,482	\$44,062,621	\$46,837,859	\$49,673,604	\$52,330,007	\$54,184,923	\$58,885,098
11,077,774	10,154,360	9,467,802	10,031,606	11,332,790	11,217,660	16,744,795
(17,997,524)	(19,731,872)	(49,496,982)	(56,187,581)	(41,543,274)	(38,771,180)	(26,936,470)
<u>\$34,656,732</u>	<u>\$34,485,109</u>	<u>\$6,808,679</u>	<u>\$3,517,629</u>	<u>\$22,119,523</u>	<u>\$26,631,403</u>	<u>\$48,693,423</u>
\$54,167,749	\$59,487,303	\$62,067,035	\$66,438,543	\$71,050,827	\$78,086,549	\$84,187,043
2,469,078	2,342,642	2,351,745	2,372,321	2,379,486	2,345,297	1,992,264
(56,322,159)	(53,545,337)	(54,965,234)	(52,187,952)	(61,651,825)	(72,033,765)	(74,444,243)
<u>\$314,668</u>	<u>\$8,284,608</u>	<u>\$9,453,546</u>	<u>\$16,622,912</u>	<u>\$11,778,488</u>	<u>\$8,398,081</u>	<u>\$11,735,064</u>
\$95,744,231	\$103,549,924	\$108,904,894	\$116,112,147	\$123,380,834	\$132,271,472	\$143,072,141
13,546,852	12,497,002	11,819,547	12,403,927	13,712,276	13,562,957	18,737,059
(74,319,683)	(73,277,209)	(104,462,216)	(108,375,533)	(103,195,099)	(110,804,945)	(101,380,713)
<u>\$34,971,400</u>	<u>\$42,769,717</u>	<u>\$16,262,225</u>	<u>\$20,140,541</u>	<u>\$33,898,011</u>	<u>\$35,029,484</u>	<u>\$60,428,487</u>

City of Lancaster, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2012	2013	2014	2015
Expenses				
Governmental Activities:				
Security of Persons and Property	\$15,424,941	\$16,617,988	\$16,849,215	\$17,702,358
Public Health and Welfare Services	744,949	857,082	785,007	1,232,576
Leisure Time Activities	1,893,828	1,810,306	2,256,990	2,135,524
Community Environment	825,620	688,405	873,446	725,687
Transportation	6,385,975	4,825,294	6,817,662	6,477,311
General Government	9,512,336	7,943,615	7,840,741	7,927,531
Interest and Fiscal Charges	329,507	355,061	416,240	517,344
<i>Total Governmental Activities Expenses</i>	<u>35,117,156</u>	<u>33,097,751</u>	<u>35,839,301</u>	<u>36,718,331</u>
Business-type Activities:				
Gas	12,339,382	14,481,150	15,574,440	13,583,412
Water	8,689,156	8,193,295	8,468,594	8,163,396
Water Pollution	9,525,692	9,576,190	9,729,438	9,087,256
Sanitation	3,205,787	3,197,770	3,274,326	3,226,109
Storm Water	1,717,429	1,941,058	1,807,062	1,974,803
Port Authority	17,564,850	18,664,845	17,208,616	6,638,568
<i>Total Business-type Activities Expenses</i>	<u>53,042,296</u>	<u>56,054,308</u>	<u>56,062,476</u>	<u>42,673,544</u>
<i>Total Primary Government Expenses</i>	<u>\$88,159,452</u>	<u>\$89,152,059</u>	<u>\$91,901,777</u>	<u>\$79,391,875</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$2,355,439	\$2,720,979	\$2,231,913	\$2,195,779
Public Health and Welfare Services	242,805	235,910	230,884	206,503
Leisure Time Activities	509,880	351,611	502,389	346,570
Community Environment	88,238	65,761	77,256	75,115
Transportation	777,280	955,710	1,378,452	1,414,529
General Government	2,522,371	2,438,708	3,111,858	2,903,193
Operating Grants and Contributions	8,668,164	5,242,074	4,791,064	5,063,305
Capital Grants and Contributions	169,670	3,173,702	4,326,483	1,223,675
<i>Total Governmental Activities Program Revenues</i>	<u>15,333,847</u>	<u>15,184,455</u>	<u>16,650,299</u>	<u>13,428,669</u>

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
\$19,853,945	\$19,504,799	\$22,136,304	\$1,799,062	\$20,807,024	\$19,210,651
855,731	903,382	893,040	955,434	908,121	725,083
2,336,363	2,490,616	2,532,518	2,879,347	2,246,039	1,858,571
995,091	821,972	840,623	1,055,812	929,581	1,044,872
6,887,838	6,897,020	7,252,943	7,809,758	8,335,716	5,085,549
8,712,430	10,430,660	10,154,186	10,973,019	10,736,341	6,382,205
505,547	482,033	493,076	483,957	467,415	415,685
<u>40,146,945</u>	<u>41,530,482</u>	<u>44,302,690</u>	<u>25,956,389</u>	<u>44,430,237</u>	<u>34,722,616</u>
11,271,767	13,411,673	12,324,393	13,986,387	10,832,957	13,193,322
8,100,342	8,455,739	8,152,728	9,448,889	8,338,909	5,855,954
9,565,843	9,597,039	10,539,850	9,117,280	9,454,081	7,706,479
3,274,150	3,871,760	4,961,644	4,640,674	4,121,258	2,869,401
1,778,616	2,561,602	2,613,555	2,500,991	2,366,316	1,745,749
6,265,348	6,168,445	5,806,494	15,048,563	16,295,697	18,284,964
<u>40,256,066</u>	<u>44,066,258</u>	<u>44,398,664</u>	<u>54,742,784</u>	<u>51,409,218</u>	<u>49,655,869</u>
<u>\$80,403,011</u>	<u>\$85,596,740</u>	<u>\$88,701,354</u>	<u>\$80,699,173</u>	<u>\$95,839,455</u>	<u>\$84,378,485</u>
\$2,214,724	\$2,306,416	\$2,221,015	\$2,530,566	\$2,361,458	\$2,576,228
216,640	231,257	253,543	229,398	232,990	313,816
369,206	388,952	453,724	554,954	227,714	623,329
79,245	72,519	76,987	69,616	77,264	78,665
1,289,483	1,537,874	1,252,681	1,319,871	981,977	985,332
2,784,562	2,724,061	2,861,278	3,068,730	2,609,556	2,752,074
4,697,405	4,626,308	6,463,567	5,736,348	10,536,359	7,640,862
863,655	1,455,314	412,042	324,419	492,066	3,672,971
<u>12,514,920</u>	<u>13,342,701</u>	<u>13,994,837</u>	<u>13,833,902</u>	<u>17,519,384</u>	<u>18,643,277</u>

(continued)

City of Lancaster, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2012	2013	2014	2015
Business-type Activities:				
Charges for Services				
Gas	12,786,252	15,121,742	17,597,507	14,060,793
Water	8,172,166	7,891,739	7,991,000	8,229,806
Water Pollution	10,620,930	11,082,399	11,278,415	11,442,588
Sanitation	3,687,918	3,635,892	3,655,721	3,767,681
Storm Water	2,726,348	2,956,331	3,000,829	3,015,638
Port Authority	5,798,134	7,748,116	9,474,189	5,672,858
Operating Grants and Contributions	163,697	198,065	149,107	203,559
Capital Grants and Contributions	432,880	106,395	0	1,248,639
<i>Total Business-type</i>				
<i>Activities Program Revenues</i>	<u>44,388,325</u>	<u>48,740,679</u>	<u>53,146,768</u>	<u>47,641,562</u>
<i>Total Primary</i>				
<i>Government Program Revenues</i>	<u>59,722,172</u>	<u>63,925,134</u>	<u>69,797,067</u>	<u>61,070,231</u>
Net (Expense)/Revenue				
Governmental Activities	(19,783,309)	(17,913,296)	(19,189,002)	(23,289,662)
Business-type Activities	(8,653,971)	(7,313,629)	(2,915,708)	4,968,018
<i>Total Primary Government</i>				
<i>Net (Expense)/Revenue</i>	<u>(\$28,437,280)</u>	<u>(\$25,226,925)</u>	<u>(\$22,104,710)</u>	<u>(\$18,321,644)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$1,787,647	\$1,775,753	\$1,769,125	\$1,768,791
Special Purposes	404,582	392,439	2,530,507	2,288,683
Debt Service	332,419	331,819	331,119	331,769
Capital Outlay	158,607	135,935	157,845	175,432
Income Taxes	18,218,093	17,948,988	18,135,381	19,459,814
Other Local Taxes	617,585	618,634	624,904	644,847
Intergovernmental Revenue/ Contributions, Unrestricted	1,493,621	1,794,651	1,468,722	1,519,113
Investment Earnings	272,735	110,281	328,271	302,372
Miscellaneous	992,265	819,530	585,543	427,219
Transfers	(44,539)	0	0	0
<i>Total Governmental Activities</i>	<u>24,233,015</u>	<u>23,928,030</u>	<u>25,931,417</u>	<u>26,918,040</u>
Business-type Activities:				
Special Item	0	0	0	0
Transfers	44,539	0	0	0
<i>Total Business-type Activities</i>	<u>44,539</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$24,277,554</u>	<u>\$23,928,030</u>	<u>\$25,931,417</u>	<u>\$26,918,040</u>
Change in Net Position				
Governmental Activities	\$4,449,706	\$6,014,734	\$6,742,415	\$3,628,378
Business-type Activities	(8,609,432)	(7,313,629)	(2,915,708)	4,968,018
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	<u>(\$4,159,726)</u>	<u>(\$1,298,895)</u>	<u>\$3,826,707</u>	<u>\$8,596,396</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
12,419,202	13,346,170	14,177,606	12,876,071	11,744,347	14,339,436
8,645,087	8,947,621	8,791,515	8,828,660	9,351,767	8,989,994
12,175,681	12,599,473	12,336,673	12,533,969	12,611,471	12,187,323
3,914,303	3,839,528	4,045,384	4,219,316	4,377,576	4,526,303
3,041,305	2,892,094	3,031,541	3,274,242	3,091,294	3,139,944
5,290,812	6,529,140	6,244,520	5,031,902	3,645,317	7,325,749
1,647,722	1,107,583	2,630,791	899,748	486,293	1,065,156
1,082,611	633,684	310,000	127,606	40,663	1,377,947
<u>48,216,723</u>	<u>49,895,293</u>	<u>51,568,030</u>	<u>47,791,514</u>	<u>45,348,728</u>	<u>52,951,852</u>
<u>60,731,643</u>	<u>63,237,994</u>	<u>65,562,867</u>	<u>61,625,416</u>	<u>62,868,112</u>	<u>71,595,129</u>
(27,632,025)	(28,187,781)	(30,307,853)	(12,122,487)	(26,910,853)	(16,079,339)
<u>7,960,657</u>	<u>5,829,035</u>	<u>7,169,366</u>	<u>(6,951,270)</u>	<u>(6,060,490)</u>	<u>3,295,983</u>
<u>(\$19,671,368)</u>	<u>(\$22,358,746)</u>	<u>(\$23,138,487)</u>	<u>(\$19,073,757)</u>	<u>(\$32,971,343)</u>	<u>(\$12,783,356)</u>
\$1,746,676	\$1,886,173	\$1,798,528	\$1,825,529	\$2,106,171	\$2,237,953
2,247,405	2,387,133	2,281,700	2,305,255	2,459,283	2,620,804
330,869	334,119	121,369	118,481	120,331	117,031
247,126	129,768	90,393	110,050	123,071	113,002
20,293,739	19,528,225	19,526,066	20,977,070	20,733,365	30,503,110
621,499	683,298	478,311	664,742	622,615	630,640
1,261,622	1,260,634	1,520,356	2,757,540	1,587,080	1,816,233
130,686	431,605	559,647	1,067,622	679,766	(220,389)
590,063	724,771	640,433	898,092	3,339,108	363,975
(9,283)	0	0	0	(348,057)	(41,000)
<u>27,460,402</u>	<u>27,365,726</u>	<u>27,016,803</u>	<u>30,724,381</u>	<u>31,422,733</u>	<u>38,141,359</u>
0	0	0	2,106,846	2,332,026	0
9,283	0	0	0	348,057	41,000
<u>9,283</u>	<u>0</u>	<u>0</u>	<u>2,106,846</u>	<u>2,680,083</u>	<u>41,000</u>
<u>\$27,469,685</u>	<u>\$27,365,726</u>	<u>\$27,016,803</u>	<u>\$32,831,227</u>	<u>\$34,102,816</u>	<u>\$38,182,359</u>
(\$171,623)	(\$822,055)	(\$3,291,050)	\$18,601,894	\$4,511,880	\$22,062,020
<u>7,969,940</u>	<u>5,829,035</u>	<u>7,169,366</u>	<u>(4,844,424)</u>	<u>(3,380,407)</u>	<u>3,336,983</u>
<u>\$7,798,317</u>	<u>\$5,006,980</u>	<u>\$3,878,316</u>	<u>\$13,757,470</u>	<u>\$1,131,473</u>	<u>\$25,399,003</u>

City of Lancaster, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2012	2013	2014	2015
General Fund				
Nonspendable	\$237,825	\$218,362	\$184,142	\$186,934
Assigned	1,581,288	1,242,718	1,335,785	1,358,651
Unassigned	3,614,790	5,251,121	5,482,881	5,684,567
<i>Total General Fund</i>	<u>5,433,903</u>	<u>6,712,201</u>	<u>7,002,808</u>	<u>7,230,152</u>
All Other Governmental Funds				
Nonspendable	3,037,984	3,019,060	3,018,879	2,974,874
Restricted	5,980,246	6,525,938	13,494,830	7,070,766
Committed	1,560,269	1,323,924	1,965,953	2,006,007
Unassigned	(2,249,664)	(2,656,486)	(1,805,141)	(2,158,940)
<i>Total All Other Governmental Funds</i>	<u>8,328,835</u>	<u>8,212,436</u>	<u>16,674,521</u>	<u>9,892,707</u>
<i>Total Governmental Funds</i>	<u>\$13,762,738</u>	<u>\$14,924,637</u>	<u>\$23,677,329</u>	<u>\$17,122,859</u>

Source: City Auditor's Office

City of Lancaster, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$232,405	\$140,780	\$144,510	\$141,819	\$153,194	\$140,830
1,303,159	2,987,873	1,463,374	1,322,697	171,498	4,676,463
<u>6,518,690</u>	<u>5,069,422</u>	<u>5,618,519</u>	<u>6,349,751</u>	<u>11,645,299</u>	<u>10,131,790</u>
<u>8,054,254</u>	<u>8,198,075</u>	<u>7,226,403</u>	<u>7,814,267</u>	<u>11,969,991</u>	<u>14,949,083</u>
1,392,532	1,305,960	1,364,716	333,337	363,398	378,178
8,185,382	7,080,577	7,567,853	10,135,924	11,095,229	14,545,166
2,041,240	2,177,475	2,270,690	2,450,773	2,585,119	3,900,469
<u>(3,430,546)</u>	<u>(3,183,154)</u>	<u>(2,971,594)</u>	<u>(2,734,927)</u>	<u>(2,483,759)</u>	<u>(2,241,888)</u>
<u>8,188,608</u>	<u>7,380,858</u>	<u>8,231,665</u>	<u>10,185,107</u>	<u>11,559,987</u>	<u>16,581,925</u>
<u>\$16,242,862</u>	<u>\$15,578,933</u>	<u>\$15,458,068</u>	<u>\$17,999,374</u>	<u>\$23,529,978</u>	<u>\$31,531,008</u>

City of Lancaster, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2012	2013	2014	2015
Revenues:				
Taxes	\$20,167,837	\$20,522,054	\$22,629,962	\$23,802,285
Intergovernmental Revenues	10,125,086	9,925,610	10,402,482	7,574,806
Charges for Services	4,463,521	5,018,577	5,376,488	5,163,513
Licenses and Permits	26,190	21,320	30,544	24,527
Investment Earnings	314,243	117,176	322,355	281,853
Special Assessments	122,408	99,710	116,689	112,508
Fines and Forfeitures	2,313,306	2,111,093	2,339,400	2,338,992
Donations	0	0	0	0
All Other Revenue	1,089,910	849,946	770,866	395,121
Total Revenue	38,622,501	38,665,486	41,988,786	39,693,605
Expenditures:				
Current:				
Security of Persons and Property	16,629,053	16,396,860	16,387,166	16,760,874
Public Health and Welfare Services	759,395	897,647	791,543	1,249,017
Leisure Time Activities	1,901,633	1,840,118	1,994,089	1,847,968
Community Environment	827,142	687,389	884,703	724,103
Transportation	4,309,998	4,443,455	6,722,387	7,635,265
General Government	7,290,528	7,490,162	8,216,413	7,579,778
Capital Outlay	4,489,551	4,721,837	6,324,867	8,961,855
Debt Service:				
Principal Retirement	769,591	969,263	1,390,042	1,358,335
Interest and Fiscal Charges	332,330	352,094	395,077	521,659
Total Expenditures	37,309,221	37,798,825	43,106,287	46,638,854
Excess (Deficiency) of Revenues Over Expenditures	1,313,280	866,661	(1,117,501)	(6,945,249)

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
\$25,039,914	\$24,444,584	\$24,544,397	\$25,350,871	\$25,708,543	\$34,580,944
6,146,543	6,718,005	8,040,780	7,315,696	12,181,964	9,510,641
5,205,674	5,368,744	5,110,981	5,619,741	4,911,515	5,602,220
21,640	19,345	21,511	23,235	35,805	55,551
138,918	441,291	557,479	1,044,249	701,163	(220,279)
120,658	109,350	117,219	104,100	115,648	111,606
2,011,572	2,223,888	2,273,587	2,466,185	1,900,619	1,937,884
0	0	0	1,324,575	0	0
599,899	740,648	668,267	897,279	3,391,697	491,847
<u>39,284,818</u>	<u>40,065,855</u>	<u>41,334,221</u>	<u>44,145,931</u>	<u>48,946,954</u>	<u>52,070,414</u>
17,243,275	17,646,731	18,117,157	18,732,982	18,852,844	20,227,200
822,750	905,566	848,159	907,678	892,387	872,967
1,912,169	2,152,419	2,010,682	2,184,273	1,987,952	2,273,985
982,147	785,013	799,357	968,318	878,652	1,240,148
6,911,218	7,592,879	7,247,162	7,674,236	7,921,027	8,268,546
8,526,437	8,867,751	8,504,140	8,317,600	8,983,268	9,116,933
2,399,353	1,492,592	2,287,025	2,157,622	2,017,312	790,391
1,226,164	1,262,897	1,177,763	1,368,026	1,117,957	1,193,411
501,561	478,803	488,754	480,456	463,370	412,359
<u>40,525,074</u>	<u>41,184,651</u>	<u>41,480,199</u>	<u>42,791,191</u>	<u>43,114,769</u>	<u>44,395,940</u>
(1,240,256)	(1,118,796)	(145,978)	1,354,740	5,832,185	7,674,474

(Continued)

City of Lancaster, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2012	2013	2014	2015
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
State Infrastructure Bank Loan	0	0	0	0
Other Financing Sources - Capital Leases	9,806	20,751	423,428	469,044
Ohio Public Works Commission Loan	0	0	0	0
General Obligation Bonds Issued	0	0	9,350,000	0
Premium on General Obligation Bonds	0	0	127,150	0
Refunding General Obligation Bonds Issued	0	0	2,380,000	0
Premium on Refunding General Obligation Bonds	0	0	38,212	0
Payment to Refunded Bond Escrow Agent	0	0	(2,359,891)	0
Installment Loan	1,049,337	470,575	0	0
Transfers In	1,288,514	2,035,399	11,404,518	11,887,104
Transfers Out	(1,633,053)	(2,214,087)	(11,469,006)	(11,951,592)
Total Other Financing Sources (Uses)	<u>714,604</u>	<u>312,638</u>	<u>9,894,411</u>	<u>404,556</u>
Net Change in Fund Balance	<u>\$2,027,884</u>	<u>\$1,179,299</u>	<u>\$8,776,910</u>	<u>(\$6,540,693)</u>
Debt Service as a Percentage of Noncapital Expenditures	3.10%	4.07%	4.95%	5.33%

Source: City Auditor's Office

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
0	0	0	0	0	82,892
0	0	0	217,587	6,528	0
244,069	625,000	0	986,000	0	282,000
210,428	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
11,523,088	11,847,598	13,788,372	13,023,384	2,554,327	2,188,278
(11,664,159)	(11,924,017)	(13,790,372)	(13,025,884)	(2,902,384)	(2,229,278)
<u>313,426</u>	<u>548,581</u>	<u>(2,000)</u>	<u>1,201,087</u>	<u>(341,529)</u>	<u>323,892</u>
<u>(\$926,830)</u>	<u>(\$570,215)</u>	<u>(\$147,978)</u>	<u>\$2,555,827</u>	<u>\$5,490,656</u>	<u>\$7,998,366</u>
4.75%	4.65%	4.47%	4.79%	4.00%	3.96%

City of Lancaster, Ohio

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

Tax year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Estimated Personal Income (in thousands)	\$1,396,920	\$1,543,778	\$1,566,749	\$1,595,603
Total Tax Collected	\$17,457,624	\$17,750,771	\$17,809,533	\$18,672,494
Income Tax Receipts				
Withholding	13,557,810	13,659,993	13,883,166	14,439,064
Percentage	77.66%	76.96%	77.96%	77.34%
Corporate	1,649,607	1,932,043	1,897,976	2,067,737
Percentage	9.45%	10.88%	10.66%	11.07%
Individuals	2,250,207	2,158,735	2,028,391	2,165,693
Percentage	12.89%	12.16%	11.38%	11.59%

Source: City Income Tax Department

Credit is given for tax paid to city of employment up to a maximum of 1.0%

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
1.75%	1.75%	1.75%	1.75%	1.75%	2.20%
\$1,675,569	\$1,760,445	\$1,857,432	\$1,889,057	\$2,071,952	\$2,074,356
\$20,100,001	\$19,944,236	\$19,964,681	\$20,823,359	\$20,751,089	\$28,452,710
15,248,970	15,278,799	15,737,489	16,084,541	16,477,967	22,094,648
75.88%	76.62%	78.83%	77.24%	79.41%	77.65%
2,444,653	2,413,546	1,974,128	2,179,517	1,974,049	3,468,436
12.16%	12.10%	9.89%	10.47%	9.51%	12.19%
2,406,378	2,251,891	2,253,064	2,559,301	2,299,073	2,889,626
11.96%	11.28%	11.28%	12.29%	11.08%	10.16%



City of Lancaster, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2021

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.11%	\$7,646,404	26.87%
All Others	9,326	99.89%	20,806,306	73.13%
Total	9,336	100.00%	\$28,452,710	100.00%

Calendar Year 2012

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.10%	\$5,152,732	29.52%
All Others	9,755	99.90%	12,304,892	70.48%
Total	9,765	100.00%	\$17,457,624	100.00%

Source: City Income Tax Department

City of Lancaster, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2012	2013	2014	2015
Governmental Activities ⁽¹⁾				
Housing and Urban Development Loan Payable	\$400,000	\$310,000	\$220,000	\$130,000
Ohio Public Works Commission Loan Payable	54,775	45,646	39,560	33,474
Ohio Water Development Authority Loans Payable	376,754	361,723	346,088	329,941
Special Assessment Bonds Payable	210,000	191,000	171,000	150,000
General Obligation Bonds Payable	4,835,000	4,360,000	13,177,942	12,369,244
State Infrastructure Bank Loan Payable	464,867	314,502	159,592	0
Installment Loan Payable	1,492,108	1,695,230	1,378,506	1,053,040
Capital Leases	184,820	114,214	447,016	737,330
Business-type Activities ⁽¹⁾				
Ohio Water Development Authority Loans Payable	\$56,434,105	\$52,134,520	\$47,606,083	\$43,497,740
Ohio Public Works Commission Loan Payable	0	0	0	0
Revenue Bonds Payable	361,341,879	356,703,101	347,855,825	334,188,997
Installment Loan Payable	0	0	0	0
Capital Leases	325,974	280,665	233,665	165,790
Total Primary Government	<u>\$426,120,282</u>	<u>\$416,510,601</u>	<u>\$411,635,277</u>	<u>\$392,655,556</u>
Population ⁽²⁾				
City of Lancaster	38,880	39,359	38,854	38,780
Outstanding Debt Per Capita	\$10,960	\$10,582	\$10,594	\$10,125
Income ⁽³⁾				
Personal (in thousands)	1,396,920	1,543,778	1,566,749	1,595,603
Percentage of Personal Income	30.50%	26.98%	26.27%	24.61%

Sources:

(1) Source: City Auditor's Office

(2) Lancaster Community Development Department estimates (2012- 2013)

Fairfield County Economic Development website using
the Ohio Dept of Taxation Census Population estimates (2014-2018)
the U.S. Census Department estimates (2019-2021)

(3) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
\$40,000	\$0	\$0	\$0	\$0	\$0
240,859	192,686	144,514	96,343	72,257	0
313,264	296,041	278,254	259,884	240,912	221,319
128,000	99,050	80,500	0	0	0
11,541,185	10,688,126	10,035,067	9,382,008	8,703,949	8,020,890
0	0	0	217,587	224,115	198,932
739,482	438,492	324,391	206,487	157,374	106,623
780,396	1,175,358	826,767	1,348,195	991,287	921,954
\$39,590,748	\$36,000,351	\$33,301,643	\$30,055,009	\$30,079,620	\$31,811,287
0	0	152,634	346,223	328,912	276,979
321,226,153	306,054,973	290,378,793	363,624,346	359,498,900	353,033,727
1,050,000	700,000	0	0	0	0
108,017	360,429	290,368	222,068	151,844	80,449
<u>\$375,758,104</u>	<u>\$356,005,506</u>	<u>\$335,812,931</u>	<u>\$405,758,150</u>	<u>\$400,449,170</u>	<u>\$394,672,160</u>
39,848	39,848	40,280	39,942	40,505	40,552
\$9,430	\$8,934	\$8,337	\$10,159	\$9,886	\$9,732
1,675,569	1,760,445	1,857,432	1,889,057	2,071,952	2,074,356
22.43%	20.22%	18.08%	21.48%	19.33%	19.03%

City of Lancaster, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2012	2013	2014	2015
Population ⁽¹⁾	38,880	39,359	38,854	38,780
Assessed Value ⁽²⁾	\$723,028,400	\$727,831,260	\$722,645,450	\$719,521,390
General Bonded Debt ⁽³⁾				
General Obligation Bonds	\$4,835,000	\$4,360,000	\$13,177,942	\$12,369,244
Resources Available to Pay Principal ⁽⁴⁾	\$91,191	\$91,191	\$0	\$11,869
Net General Bonded Debt	\$4,743,809	\$4,268,809	\$13,177,942	\$12,357,375
Ratio of Net Bonded Debt to Assessed Value	0.66%	0.59%	1.82%	1.72%
Net Bonded Debt per Capita	\$122.01	\$108.46	\$339.17	\$318.65

Source:

- (1) Lancaster Community Development Department estimates (2012- 2013)
Fairfield County Economic Development website using
the Ohio Dept of Taxation Census Population estimates (2014-2018)
the U.S. Census Department estimates (2019-2021)
- (2) Fairfield County Auditor
- (3) Includes all general obligation bonded debt supported by property taxes.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported
by property taxes.

City of Lancaster, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
39,848	39,848	40,280	39,942	40,505	40,552
\$722,023,270	\$740,245,390	\$737,217,750	\$745,389,440	\$843,415,140	\$851,347,650
\$11,541,185	\$10,688,126	\$10,035,067	\$9,382,008	\$8,703,949	\$8,020,890
\$0	\$0	\$0	\$0	\$0	\$0
\$11,541,185	\$10,688,126	\$10,035,067	\$9,382,008	\$8,703,949	\$8,020,890
1.60%	1.44%	1.36%	1.26%	1.03%	0.94%
\$289.63	\$268.22	\$249.13	\$234.89	\$214.89	\$197.79



City of Lancaster, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2021*

<u>Jurisdiction</u>		<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Lancaster</u>	<u>Amount Applicable to the City of Lancaster</u>
Direct:				
City of Lancaster	(1)	\$9,469,718	100.00%	\$9,469,718
Overlapping:				
Lancaster City School District	(2)	156,175,915	79.85%	124,706,468
Fairfield County	(3)	36,568,598	18.83%	<u>6,885,867</u>
			Subtotal	<u>131,592,335</u>
			Total	<u><u>\$141,062,053</u></u>

Source:

- (1) City Auditor's Office
- (2) Lancaster City School District, as of June 30, 2021, the District's fiscal year end.
- (3) Fairfield County Auditor -Annual Comprehensive Financial Report

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Lancaster, Ohio

Debt Limitations Last Ten Years

Collection Year	2012	2013	2014	2015
<u>Total Debt</u>				
Net Assessed Valuation	\$723,028,400	\$727,831,260	\$722,645,450	\$719,521,390
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	75,917,982	76,422,282	75,877,772	75,549,746
City Debt Outstanding (2)	4,835,000	4,360,000	13,177,942	12,369,244
Less: Applicable Debt Service Fund Amounts	(91,191)	(91,191)	0	(11,869)
Net Indebtedness Subject to Limitation	<u>4,743,809</u>	<u>4,268,809</u>	<u>13,177,942</u>	<u>12,357,375</u>
Overall Legal Debt Margin	<u>\$71,174,173</u>	<u>\$72,153,473</u>	<u>\$62,699,830</u>	<u>\$63,192,371</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$723,028,400	\$727,831,260	\$722,645,450	\$719,521,390
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	39,766,562	40,030,719	39,745,500	39,573,676
City Debt Outstanding (2)	4,835,000	4,360,000	13,177,942	12,369,244
Less: Applicable Debt Service Fund Amounts	(91,191)	(91,191)	0	(11,869)
Net Indebtedness Subject to Limitation	<u>4,743,809</u>	<u>4,268,809</u>	<u>13,177,942</u>	<u>12,357,375</u>
Overall Legal Debt Margin	<u>\$35,022,753</u>	<u>\$35,761,910</u>	<u>\$26,567,558</u>	<u>\$27,216,301</u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
\$722,023,270	\$740,245,390	\$737,217,750	\$745,389,440	\$843,415,140	\$851,347,650
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
75,812,443	77,725,766	77,407,864	78,265,891	88,558,590	89,391,503
11,541,185	10,688,126	10,035,067	9,382,008	8,703,949	8,020,890
0	0	0	0	0	0
11,541,185	10,688,126	10,035,067	9,382,008	8,703,949	8,020,890
\$64,271,258	\$67,037,640	\$67,372,797	\$68,883,883	\$79,854,641	\$81,370,613
\$722,023,270	\$740,245,390	\$737,217,750	\$745,389,440	\$843,415,140	\$851,347,650
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
39,711,280	40,713,496	40,546,976	40,996,419	46,387,833	46,824,121
11,541,185	10,688,126	10,035,067	9,382,008	8,703,949	8,020,890
0	0	0	0	0	0
11,541,185	10,688,126	10,035,067	9,382,008	8,703,949	8,020,890
\$28,170,095	\$30,025,370	\$30,511,909	\$31,614,411	\$37,683,884	\$38,803,231

City of Lancaster, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2012	2013	2014	2015
Water Revenue Bonds (1 a)				
Gross Revenues (2)	\$8,210,753	\$7,885,740	\$8,023,002	\$8,211,328
Direct Operating Expenses (3)	5,919,515	5,453,543	5,802,924	5,822,634
Net Revenue Available for Debt Service	2,291,238	2,432,197	2,220,078	2,388,694
Annual Debt Service Requirement	519,035	416,144	516,081	514,981
Coverage	4.41	5.84	4.30	4.64
Water Pollution Revenue Bonds (1 b)				
Gross Revenues (2)	\$10,715,711	\$11,072,967	\$11,378,708	\$11,499,199
Direct Operating Expenses (3)	4,297,101	4,054,109	4,403,285	3,930,137
Net Revenue Available for Debt Service	6,418,610	7,018,858	6,975,423	7,569,062
Annual Debt Service Requirement	1,761,279	1,749,669	1,749,756	1,753,812
Coverage	3.64	4.01	3.99	4.32
Port Authority Gas Supply Revenue Bonds (1 c)				
Gross Revenues (2)	\$5,758,552	\$7,732,965	\$9,475,747	\$5,668,319
Direct Operating Expenses (3)	4,540,457	5,819,723	6,531,561	290,978
Net Revenue Available for Debt Service	1,218,095	1,913,242	2,944,186	5,377,341
Annual Debt Service Requirement	3,741,661	3,884,923	2,852,227	15,284,079
Coverage	0.33	0.49	1.03	0.35
Special Assessment Bonds (1 d)				
Special Assessment Collections	\$37,246	\$36,571	\$41,881	\$39,239
Debt Service				
Principal	18,000	19,000	20,000	21,000
Interest	11,400	10,500	9,550	8,550
Coverage	1.27	1.24	1.42	1.33

(1 a) In 2004 the City issued \$8,205,000 of Water Revenue Bonds

These bonds were refunded in 2012 with the issuance of \$5,795,000 in Water Revenue Bonds.

(1 b) In 2004 the City issued \$5,095,000 of Water Pollution Revenue Bonds

These bonds were refunded in 2012 with the issuance of \$3,680,000 in Water Pollution Revenue Bonds.

In 2008 the City issued \$21,195,000 of Water Pollution Revenue Bonds

These bonds were refunded in 2016 with the issuance of \$15,395,000 in Water Pollution Revenue Bonds.

(1 c) In 2008 the City issued \$348,750,000 of Gas Supply Bonds

In 2019 the City issued \$300,065,000 of Gas Supply Bonds to refund the 2008 bonds

(1 d) In 2001 the City issued \$367,000 of Special Assessment Bonds, which were paid off in 2019.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

N/A = not applicable

Source: City Auditor's Office

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
\$8,643,136	\$8,992,669	\$8,877,949	\$8,988,156	\$9,441,826	\$8,935,894
5,914,565	6,108,057	5,946,393	7,408,599	6,605,168	4,493,217
2,728,571	2,884,612	2,931,556	1,579,557	2,836,658	4,442,677
513,981	509,831	517,431	514,231	510,631	516,631
5.31	5.66	5.67	3.07	5.56	8.60
\$12,185,806	\$12,745,699	\$12,638,715	\$13,097,897	\$12,962,949	\$12,062,972
4,609,387	4,778,447	6,340,117	5,462,606	5,179,942	3,975,764
7,576,419	7,967,252	6,298,598	7,635,291	7,783,007	8,087,208
1,688,038	1,637,900	1,635,000	1,635,350	1,639,750	3,835,350
4.49	4.86	3.85	4.67	4.75	2.11
\$5,291,860	\$6,540,915	\$6,291,644	\$5,052,764	\$3,617,450	\$7,134,824
242,969	328,795	246,515	4,672,212	2,753,731	4,824,161
5,048,891	6,212,120	6,045,129	380,552	863,719	2,310,663
16,505,174	18,078,461	20,013,639	11,759,029	19,016,715	16,073,875
0.31	0.34	0.30	0.03	0.05	0.14
\$43,231	\$38,304	\$40,471	\$35,443	\$38,816	\$33,293
22,000	28,950	18,550	80,500	0	0
7,500	7,550	3,803	2,012	0	0
1.47	1.05	1.81	0.43	N/A	N/A

City of Lancaster, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2012	2013	2014	2015	2016
Population					
City of Lancaster (2)(3)	38,880	39,359	38,854	38,780	39,848
Fairfield County (1)(3)	147,747	148,797	150,381	151,408	152,597
Income (3) (a)					
Total Personal (in thousands)	1,396,920	1,543,778	1,566,749	1,595,603	1,675,569
Per Capita	35,929	39,223	40,324	41,145	42,049
Unemployment Rate (4)					
Federal	8.1%	7.4%	6.2%	5.3%	4.9%
State	7.2%	7.4%	5.7%	4.9%	4.9%
Fairfield County	6.3%	6.4%	5.0%	4.3%	4.2%
Civilian Work Force Estimates (4)					
State	5,747,900	5,765,700	5,719,500	5,700,300	5,713,100
Fairfield County	74,800	75,600	74,900	75,400	75,800
Lancaster	17,500	17,700	17,900	17,900	17,900

Sources:

- (1) US Bureau of Census of Population
- (2) Lancaster Community Development Department estimates (2012- 2013)
Fairfield County Economic Development website using
the Ohio Dept of Taxation Census Population estimates (2014-2018)
the U.S. Census Department estimates (2019-2021)
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2020
for the presentation of 2021 statistics, the City is using the latest information available.
(a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (4) State Department of Labor Statistics

City of Lancaster, Ohio

2017	2018	2019	2020	2021
39,848	40,280	39,942	40,505	40,552
154,733	155,782	157,574	159,709	161,064
1,760,445	1,857,432	1,889,057	2,071,952	2,074,356
44,179	46,113	47,295	51,153	51,153
4.4%	3.9%	3.7%	8.1%	5.3%
5.0%	4.6%	4.1%	8.1%	5.1%
4.3%	4.0%	3.7%	6.6%	4.3%
5,780,000	5,754,900	5,802,300	5,754,300	5,736,900
77,400	77,300	78,000	78,600	79,800
17,400	17,300	17,969	18,194	18,766



City of Lancaster, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2021		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	2,314	1	12.33%
Anchor Acquisition LLC	Manufacturer	1,782	2	9.50%
Fairfield County	Government	1,387	3	7.39%
Lancaster City Schools	Education	1,121	4	5.97%
Kroger - Lancaster Locations	Grocer	936	5	4.99%
MAGNA	Manufacturer	621	6	3.31%
City of Lancaster	Government	496	7	2.64%
SRI Ohio Inc	Manufacturer	456	8	2.43%
Daily Services	Employment Services	432	9	2.30%
Group Management Services	Employment Services	412	10	2.20%
Total		<u>9,957</u>		<u>53.06%</u>
Total Employment within the City		<u>18,766</u>		

Employer	Nature of Business	2012		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	2,025	1	11.57%
Anchor Hocking	Glass Manufacturer	1,202	2	6.87%
Fairfield County	Government	944	3	5.39%
Lancaster City Schools	Education	687	4	3.93%
City of Lancaster	Government	411	5	2.35%
Ralston Foods	Cereal	362	6	2.07%
Giant Eagle	Food	350	7	2.00%
Diamond Power	Metal Fabrication	309	8	1.77%
Wal-Mart	Food	300	9	1.71%
Kroger	Food	255	10	1.46%
Total		<u>6,845</u>		<u>39.12%</u>
Total Employment within the City		<u>17,500</u>		

Sources:

2021 - Lancaster City Income Tax Department

2012 - Fairfield County Chamber of Commerce

City of Lancaster, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2012	2013	2014	2015	2016
Governmental Activities					
General Government					
Auditor	4.00	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00	1.00
Legal	9.00	7.00	9.00	7.00	10.00
City Council	11.00	11.00	11.00	11.00	11.00
Court	33.00	33.00	36.00	36.00	39.00
Administration	4.00	5.00	5.00	4.00	4.00
Engineering	3.00	4.00	3.00	3.00	3.00
Certified Building	3.00	3.00	3.00	3.00	4.00
Income Tax	4.00	4.00	4.00	4.00	4.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Information Systems	7.00	7.00	8.00	8.00	8.00
Security of Persons and Property					
Police	83.00	80.00	83.00	82.00	85.00
Fire	70.00	70.00	72.00	72.00	70.00
Public Health and Welfare	1.00	1.00	2.00	2.00	2.00
Cemetery	4.00	4.00	4.00	4.00	4.00
Transportation					
Street	21.00	22.00	22.00	23.00	23.00
Leisure Time Activities					
Parks	25.00	24.00	26.00	25.00	29.00
Community Environment					
Community Development	3.00	3.00	3.00	3.00	3.00
Public Transit	1.00	1.00	1.00	2.00	3.00
Civil Service	1.00	1.00	1.00	1.00	1.00
Business-Type Activities					
Utilities					
Gas	25.00	25.00	25.00	25.00	25.00
Water	42.00	41.00	39.00	38.00	38.00
Water Pollution	24.00	23.00	24.00	24.00	25.00
Sanitation	21.00	21.00	21.00	20.00	21.00
Storm Water	4.00	4.00	5.00	5.00	5.00
Utilities Collection	15.00	15.00	15.00	15.00	15.00
<i>Total Employees</i>	<u>420.00</u>	<u>416.00</u>	<u>429.00</u>	<u>424.00</u>	<u>439.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

City of Lancaster, Ohio

2017	2018	2019	2020	2021
5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00
11.00	11.00	11.00	11.00	12.00
11.00	11.00	11.00	11.00	11.00
39.00	41.00	41.00	40.00	44.00
5.00	5.00	5.00	5.00	5.00
3.00	3.00	4.00	4.00	4.00
5.00	5.00	6.00	6.00	6.00
4.00	3.00	4.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00
6.00	5.00	6.00	5.00	7.00
84.00	80.00	84.00	77.00	89.00
72.00	72.00	68.00	65.00	78.00
2.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00
23.00	24.00	24.00	27.00	28.00
28.00	26.00	28.00	26.00	22.00
3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	36.00	29.00
1.00	1.00	1.00	1.00	1.00
26.00	27.00	27.00	27.00	28.00
39.00	37.00	37.00	38.00	36.00
23.00	23.00	23.00	23.00	25.00
21.00	22.00	22.00	23.00	28.00
5.00	5.00	5.00	5.00	7.00
16.00	16.00	16.00	16.00	17.00
441.00	437.00	443.00	468.00	499.00

City of Lancaster, Ohio

Operating Indicators by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	17,053	17,933	17,898	17,631
Number of Open Cases	1,345	1,606	1,335	1,271
Licenses and Permits				
Number of Building Permits	1,146	1,156	1,049	1,258
Number of Building Inspections	2,566	2,983	2,436	2,878
Security of Persons and Property				
Police				
Number of Calls Received	62,591	58,228	56,254	60,578
Number of Traffic Citations	4,361	5,079	2,616	4,205
Number of Arrests	1,543	1,647	1,494	1,481
Parking Tickets Written	984	833	696	598
Fire				
Number of Fire Calls	1,709	1,530	1,569	1,767
Number of EMS Runs	6,729	6,819	6,931	7,259
Number of Inspections	2,363	1,464	1,433	1,503
Leisure Time Activities				
Parks				
Number of Programs Offered	57	63	61	62
Number of Pool Admissions	28,533	18,758	18,283	19,022
Business-Type Activities				
Water				
Number of Service Connections	15,275	15,363	15,424	15,464
Daily Average Consumption (thousands of gallons)	3.79M	3.58M	3.75M	4.57M
Peak Daily Consumption (thousands of gallons)	5.23M	5.89M	5.76M	5.89M
Water Pollution				
Number of Service Connections	14,974	15,088	15,129	15,095
Maximum Daily Capacity	14M	14M	14M	14M
Daily Average Sewage Treatment (thousands of gallons)	6.96M	7.10M	7.23M	6.84M
Sanitation				
Number of Customers	15,441	15,468	15,490	15,518
Storm Water				
Number of Customers	14,680	14,750	14,820	14,832

Source: City Auditor's Office

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
16,678	17,733	15,395	15,178	10,537	10,243
1,449	1,673	1,389	1,185	1,055	642
1,338	2,233	2,101	1,654	1,116	1,218
3,759	4,145	5,388	2,011	3,222	3,640
60,685	62,306	60,456	62,282	56,281	50,839
2,412	4,399	3,809	4,442	3,028	2,431
1,447	1,991	1,177	1,889	1,847	3,097
451	929	1,352	999	368	100
1,910	2,005	2,086	1,209	1,138	1,150
7,358	7,696	7,831	8,198	7,721	8,450
1,596	1,584	1,563	1,477	980	1,351
62	62	67	46	13	37
24,597	13,380	27,505	28,397	0	20,716
15,499	15,554	15,642	15,677	15,706	15,985
3.67M	3.63M	3.85M	3.93M	3.85M	3.89M
5.64M	6.18M	6.2M	6.44M	6.24M	6.6M
15,215	15,264	15,384	15,478	15,418	15,420
14M	14M	17.87M	18.13M	18.73M	13.933M
7.07M	7.56M	8.99M	8.94M	7.73M	6.904M
15,566	15,622	15,703	16,100	15,793	15,822
14,876	14,954	15,009	15,754	15,106	15,148

City of Lancaster, Ohio

Capital Asset Statistics by Function Last Ten Years

	2012	2013	2014	2015
Governmental Activities				
General Government				
Public Land and Buildings				
Land (1)	18,590	18,598	18,598	18,598
Buildings	36	36	36	36
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	38	34	38	37
Fire				
Stations	3	3	3	3
Vehicles	21	20	18	18
Public Health & Welfare				
Cemetery				
Land (acres)	150	150	150	150
Transportation				
Street				
Streets (lane miles) (2)	185	185	185	185
Street Lights	2,300	2,476	2,476	2,476
Traffic Signals	85	85	86	86
Leisure Time Activities				
Parks				
Land (acres)	733	733	733	733
Buildings	21	21	21	21
Parks	27	27	27	27
Playgrounds	12	12	12	12
Swimming Pools	2	2	2	2
Tennis Courts	13	13	13	13
Baseball/Softball Diamonds	26	26	26	26
Soccer Fields	22	22	22	22

- (1) Previous to 2016, total land (shown in square miles) within the corporate boundaries of the City was being reported. Beginning in 2016, only City owned land (shown in acres) is reported.
- (2) Previous to 2020, the miles were reported as centerline miles. Beginning in 2020, the miles are reported as lane miles.

City of Lancaster, Ohio

2016	2017	2018	2019	2020	2021
1,453.94	1,453.94	1,427.97	1,453.94	1,514.82	1,551.54
37	38	38	38	38	55
1	1	1	1	1	1
38	40	36	37	36	35
3	3	3	3	3	3
19	20	19	18	19	18
150	150	150	150	150	122
185	185	185	185	372	372
2,476	2,476	2,527	2,509	2,517	2,529
88	86	86	80	78	79
733	733	757	830	830	830
21	21	21	35	21	21
27	27	27	27	27	27
12	12	12	13	13	13
2	2	3	3	3	3
13	13	13	15	15	15
26	26	26	25	25	25
22	22	22	20	20	20

(continued)

City of Lancaster, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	181	182	182	182
Pump Stations	2	2	2	2
Number of Hydrants	1,842	1,848	1,885	1,892
Storage Capacity (thousands of gallons)	9.8M	9.8M	9.8M	9.8M
Water Pollution				
Sewerlines (Miles)	186	186	186	186
Lift Stations	11	11	11	11
Sanitation				
Packers	9	9	10	9
Storm Water				
Storm Sewers (Miles)	64	66	88	88
Gas				
Gaslines (Miles)	260	249	249	249

Source: City Auditor's Office

City of Lancaster, Ohio

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
182	183	183	184	184	192
2	2	2	2	2	2
1,900	1,864	1,864	1,872	2,000	2,000
9.8M	9.8M	9.8M	9.8M	9.8M	9.8M
186	186	186	187	187	181
11	10	10	10	10	10
9	9	11	11	11	10
88	88	88	88	88	94
255	254	256	254	256	260

