

CITY OF LANCASTER, OHIO

Fairfield County, Ohio



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2024



**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, 2024

Prepared by the City Auditor's Office

Patricia Nettles
City Auditor



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FAIRFIELD COUNTY, OHIO**

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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

June 25, 2025

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, 2024.

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 four 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, 2024***

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, 2024***

ECONOMIC CONDITION AND OUTLOOK

Lancaster is leading Ohio with two JobsOhio Authenticated Sites within the industrial core and the efforts are being recognized in projects and leads. Google purchased 120 JobsOhio Authenticated acres for its new Google Data Center in Lancaster and is currently up and running on phase 1. Google will begin constructions on a second (phase 2) soon which will help power Google's AI innovation, particularly tools like Gmail Search and Maps. Cirba Solutions announced a \$250 million dollar expansion to their east side industrial park facility they acquired from Retreiv Technologies. The expansion will include construction of an additional building as well as creating 150 new jobs. Cirba, a play on words for Circular Battery Solutions, will recycle electric vehicle batters and use the components and minerals in those to make new batteries. This expansion is currently under construction. The City of Lancaster began construction on a new North Water Treatment Plant in Miller Park. The new plant will have an initial capacity of 8 million gallons per day. At just under \$100 million, the project will be the most expensive infrastructure project for the City of Lancaster. ClearSky Health announced they're locating a medical rehabilitation hospital specializing in care to individuals living with disabling injuries or illnesses such as strokes, brain injuries, hip fractures, spinal injuries, Parkinson's disease, and multiple sclerosis. The facility will provide approximately 30 new beds and will treat about 650 patients annually. Trilogy Health Services is wrapping up construction for a senior living facility that will provide independent living, assisted living, short term skilled nursing and rehabilitation, memory care, long term care and adult day care services. This facility will provide 125 permanent jobs and should open in the first half of 2024. The City continues to work collaboratively with developers on a mixed-use redevelopment of the long-vacant Essex building downtown. The project, which was announced in 2023, is being led by Urban Restorations who received a \$3.2 million state tax credit to renovate the building which has now been renamed to The Shumaker. The project is currently under construction and is expected to bring a new restaurant concept, short-term vacation rentals and market rate apartments. Lancaster City Schools began construction on their new high school in the fall of 2022 with a completion date estimated in 2026.

Lancaster is a desirable location to live and the community is experiencing high growth in residential development. Population has grown in Lancaster year over year and currently sits at 41,422. To accommodate the additional population, the City of Lancaster has been meeting with developers to grow housing stock of all types. The City of Lancaster is expanding in affordable housing, businesses, new schools, medical facilities and is a great community to invest in.

Long-term Financial Planning:

In May of 2023, the City of Lancaster citizens renewed the ten-year 3 mill property tax levy to support the City's street improvement plan. The annual levy proceeds (\$3,074,500) along with STP (Surface Transportation Program) funds will work together to help the City maintain the street and bridge repairs/replacement that are on a ten-year street improvement plan.

The City's Water Pollution Control Department is working on two large improvement projects which are the Lawrence Street Water Pollution Control Facility Upgrade (\$22,612,249) and the Upper Hocking Water Pollution Control Facility Expansion (\$39,466,383). Both capital improvement projects will be financed with Ohio Water Development Authority (OWDA) at lower interest rates. The City's Water Department is working on replacing the North Water Treatment Plant (\$98,510,709) this project will also be financed with Ohio Water Development Authority (OWDA) at a lower interest rate.

***Letter of Transmittal
For the Year Ended December 31, 2024***

The Sanitation Department replaced their transfer station and is located at the same address as the old transfer station that was constructed in 1973. The new transfer station will be located at the same address. The city issued a 10-year \$3,100,000 General Obligation bond to finance the construction of the new transfer station in May 2023. The construction on the new transfer station began in 2023 and is expected to be completed by the end of 2024.

The city voters passed an additional .10% parks and recreation income tax increase in 2022 to add to the existing .15% parks and recreation income tax. This additional parks and recreation income tax will take effect January 2023 which will make the parks and recreation receiving .25% income tax to help with maintaining the park infrastructure. Beginning January 2023, the City of Lancaster's income tax rate will go from 2.2% to 2.3%.

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 2024 calendar year there were several major **transportation projects** that were completed or are in the design, utility relocation, or ROW acquisition process. Following is a list of those projects:

- 2024 Street Improvement Program (SIP) – Completed
- South Broad Street (OPWC) – Completed
- 2025 Street Improvement Program (SIP) – Design
- Boving Road (STP) – Design
- Sixth Avenue Bridge – ROW Acquisition
- Arbor Valley Drive – Design
- Main Street Sidewalks (PID 122006) - Design
- Memorial Drive Sidewalks - Design

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 National Pollution Discharge Elimination System (NPDES) permit. However, under the permit, the City is required to reduce the number of overflow events at its CSO's. Prior to the current 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

***Letter of Transmittal
For the Year Ended December 31, 2024***

permit. The City anticipates spending \$70,000,000 between 2014-2035 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 along with reducing clean water flows to the Lawrence Street Water Pollution Control Facility. Projects included to mitigate CSO overflow's as well as other drainage related projects are as follows:

- Main Street Sewer Separation Project Design
- Upgrade of the Lawrence Street Water Pollution Control Facility – multi-million, multi-year project (+\$20 million) Completed
- 2024 Sewer System Rehabilitation Project Construction
- Replacement of the Independence Boulevard Culvert Completed
- Replacement of two culverts on Main Street Completed
- Ewing Run Manhole Protection Design
- Fetter's Run Stream Restoration at Ohio University Lancaster Design
- Design of Solids Handling Replacement at the Lawrence St Water Pollution Control Facility

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

- South Water Plant Concentrate Line Improvements Design to increase water production
- Construction of the New North Water Plant to replace the existing Miller Park Water Plant
- Construction of Lateral D Sanitary Trunk Sewer Phase 1 and 2 to serve the US 33 development area completed
- Construction of the Campground Road Pump Station Replacement
- Expansion of the Upper Hocking Water Pollution Control Facility to increase capacity to 4 MGD
- Disinfection improvements at the South Water Plant to increase water production.
- Construction of the Western Transmission Line to increase flows to the US 33 service area.
- Design of Renovations to the Tiki Lane Booster Station.
- Pressure Filter Re-Builds at the South Water Treatment Plant
- Booster Pump Upgrades at the South Water Treatment Plant

The Lancaster Sanitation Transfer Station is 50 years old and has reached the end of it's useful life. A replacement transfer facility has been designed and is currently waiting for Ohio EPA permitting. Construction began in 2023 with completion in the summer of 2024.

Finally, the Division of Water undertook major initiatives in Asset Management Planning, Lead Service Line Identification, Security System Upgrades and Emergency Planning to comply with U.S. EPA and Ohio EPA regulatory requirements.

***Letter of Transmittal
For the Year Ended December 31, 2024***

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.

All funds other than custodial funds and the Drug Enforcement Fund (special revenue fund) are legally required to be budgeted and appropriated. 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.

***Letter of Transmittal
For the Year Ended December 31, 2024***

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, 2023. This was the thirty-seventh year the City has won this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement represents a significant accomplishment by a governmental unit.

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, 2024***

Acknowledgments

A special thanks is extended to my staff Anitra Scott (Assistant Auditor), Tammy Crawford, Allison Ray, Leah Davis, and Mikala Conrad (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,

Sincerely,



Patricia Nettles
City Auditor

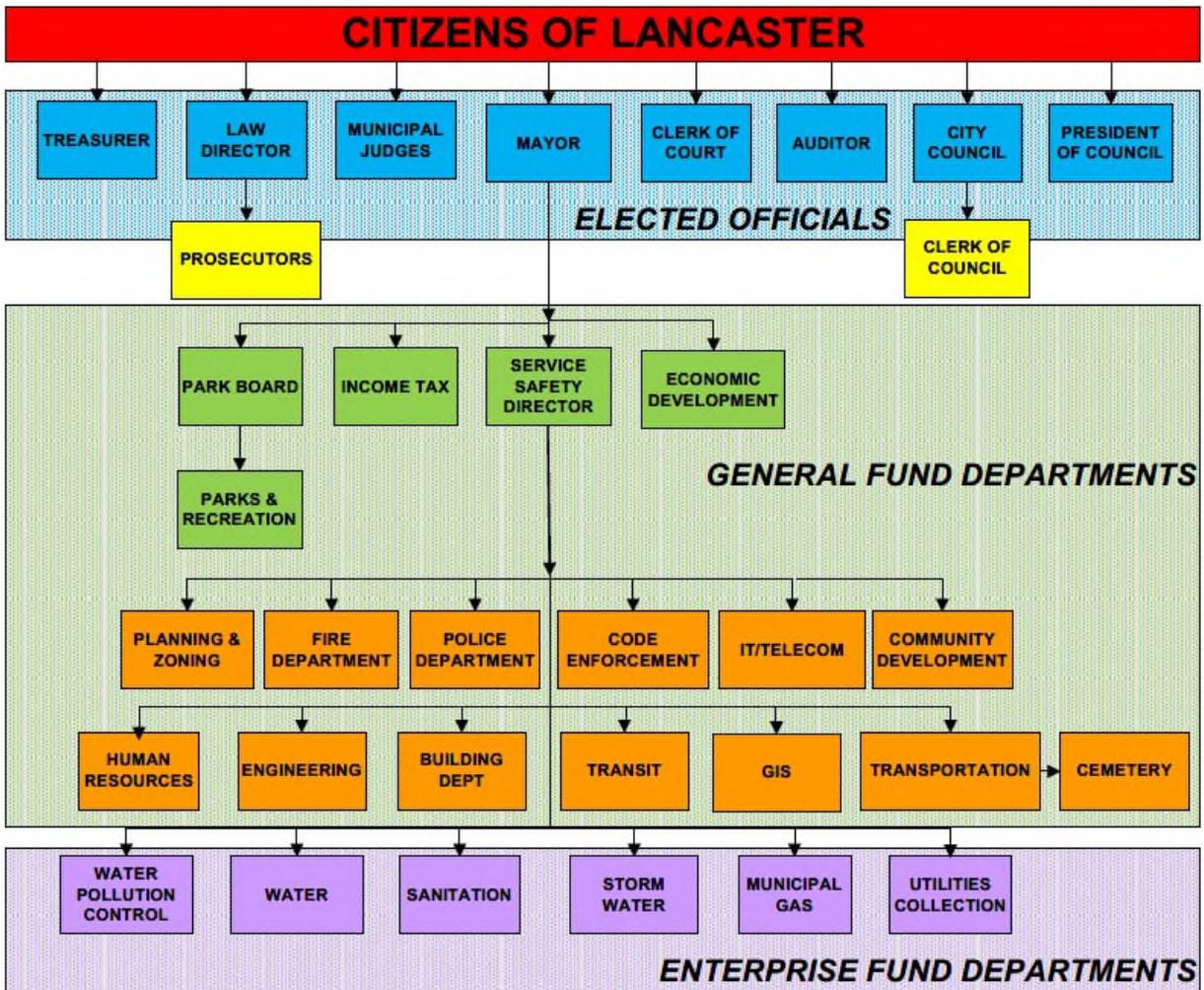
CITY OF LANCASTER, OHIO

***List of Principal Officials
For the Year Ended December 31, 2024***

<i>Name</i>	<i>Title</i>
<i>Executive Officials</i>	
Don McDaniel	Mayor
Patricia Nettles	Auditor
Stephanie Hall	Law Director
Thomas Stoughton	Treasurer
<i>Legislative Officials</i>	
Jeffrey Porter	President of Council
Corey Schoonover	Council-at-Large
Robert Wolfinger	Council-at-Large
Michael Wing	Council-at-Large
Alayna Hoop	Council-at-Large
Presten Ahlers	Council - 1st Ward
Joe Bizjak	Council - 2nd Ward
Steve Luchtenberg	Council - 3rd Ward
Larry Ailes	Council - 4th Ward
Kristina Crites	Council - 5th Ward
Becky Tener	Council - 6th Ward
<i>Administrative Officials</i>	
Carrie Woody	Service/Safety Director
Amy Hamilton	Income Tax Commissioner
Curtis Shonk	City Engineer

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

*City Organizational Chart
For the Year Ended December 31, 2024*



**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, 2023

Christopher P. Morill

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, 2024, 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, 2024, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, .45 Police and 2021 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 60 percent and 15 percent, respectively, of the assets and revenues of the business-type activities. The Port Authority reports a deficit net position of \$27,405,995 compared to the \$137,892,690 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.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, during 2024, the City adopted new accounting guidance in the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 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 June 25, 2025, 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, Shannon & Snow, Inc.

Newark, Ohio
June 25, 2025



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, 2024. 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 2024 are as follows:

- ❑ In total, net position increased \$14,406,006. Net position of governmental activities increased \$11,076,331 which represents a 15% increase from 2023. Net position of business-type activities increased \$3,329,675 which represents a 2% increase from 2023.
- ❑ General revenues accounted for \$53,868,289 in revenue or 40% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$80,254,050 in revenues or 60% of total revenues of \$134,122,339.
- ❑ The City had \$57,568,262 in expenses related to governmental activities; only \$18,124,520 of these expenses were offset by program specific charges for services, grants or contributions.
- ❑ Among major funds, the general fund had \$26,623,708 in revenues and \$22,829,920 in expenditures and other financing uses. The general fund's fund balance increased from \$22,870,378 to \$26,671,928.

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 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, 2024**

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 2024 compared to 2023:

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	Restated 2023	2024	Restated 2023
Current and other assets	\$85,477,789	\$72,979,534	\$626,730,035	\$569,521,795	\$712,207,824	\$642,501,329
Net OPEB Asset	627,477	0	437,058	0	1,064,535	0
Capital assets, Net	76,219,475	72,864,910	283,196,336	204,808,488	359,415,811	277,673,398
Total assets	162,324,741	145,844,444	910,363,429	774,330,283	1,072,688,170	920,174,727
Deferred outflows of resources	25,846,749	24,682,042	5,651,339	7,255,943	31,498,088	31,937,985
Long-term debt outstanding	14,002,608	12,822,804	505,188,271	442,232,222	519,190,879	455,055,026
Net Pension Liability	65,863,683	60,721,926	12,871,976	13,117,488	78,735,659	73,839,414
Net OPEB Liability	3,581,805	3,504,340	0	277,463	3,581,805	3,781,803
Other liabilities	6,824,427	5,789,485	17,774,156	13,697,880	24,598,583	19,487,365
Total liabilities	90,272,523	82,838,555	535,834,403	469,325,053	626,106,926	552,163,608
Deferred inflows of resources	12,028,725	11,934,125	242,287,675	177,471,719	254,316,400	189,405,844
Net position:						
Net investment in capital assets	67,465,387	63,422,894	105,789,986	98,344,387	173,255,373	161,767,281
Restricted	26,558,487	24,206,047	2,515,038	2,237,710	29,073,525	26,443,757
Unrestricted (Deficit)	(8,153,632)	(11,875,135)	29,587,666	34,207,357	21,434,034	22,332,222
Total net position	\$85,870,242	\$75,753,806	\$137,892,690	\$134,789,454	\$223,762,932	\$210,543,260

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.

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
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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 2024 compared to 2023:

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services and Sales	\$9,027,678	\$7,714,513	\$54,400,627	\$51,967,856	\$63,428,305	\$59,682,369
Operating Grants and Contributions	8,164,361	7,416,566	5,172,956	461,132	13,337,317	7,877,698
Capital Grants and Contributions	932,481	692,046	2,555,947	1,607,608	3,488,428	2,299,654
Total Program Revenues	18,124,520	15,823,125	62,129,530	54,036,596	80,254,050	69,859,721
General Revenues:						
Property Taxes	6,312,608	5,550,788	0	0	6,312,608	5,550,788
Income Taxes	39,381,199	36,927,197	0	0	39,381,199	36,927,197
Other Local Taxes	653,468	639,568	0	0	653,468	639,568
Intergovernmental Revenues, Contributions not Restricted to Specific Programs	1,746,754	1,739,249	0	0	1,746,754	1,739,249
Investment Earnings	2,909,296	2,732,670	1,919,941	1,927,465	4,829,237	4,660,135
Miscellaneous	945,023	1,041,281	0	0	945,023	1,041,281
Total General Revenues	51,948,348	48,630,753	1,919,941	1,927,465	53,868,289	50,558,218
Total Revenues	70,072,868	64,453,878	64,049,471	55,964,061	134,122,339	120,417,939
Program Expenses						
Security of Persons and Property	30,612,641	27,380,825	0	0	30,612,641	27,380,825
Public Health and Welfare Services	1,122,546	972,475	0	0	1,122,546	972,475
Leisure Time Activities	4,367,922	3,500,079	0	0	4,367,922	3,500,079
Community Environment	1,534,667	1,502,294	0	0	1,534,667	1,502,294
Transportation	6,673,044	7,982,001	0	0	6,673,044	7,982,001
General Government	12,867,222	12,975,626	0	0	12,867,222	12,975,626
Interest on Long Term Debt	390,220	396,059	0	0	390,220	396,059
Gas	0	0	13,938,780	15,197,827	13,938,780	15,197,827
Water	0	0	9,172,973	7,759,856	9,172,973	7,759,856
Water Pollution	0	0	9,684,993	9,444,559	9,684,993	9,444,559
Sanitation	0	0	5,245,942	4,437,631	5,245,942	4,437,631
Storm Water	0	0	2,535,010	2,296,851	2,535,010	2,296,851
Port Authority	0	0	20,064,098	14,887,113	20,064,098	14,887,113
Total Expenses	57,568,262	54,709,359	60,641,796	54,023,837	118,210,058	108,733,196
Change in Net Position before Transfers and Special Items	12,504,606	9,744,519	3,407,675	1,940,224	15,912,281	11,684,743
Special Item - Transfer of Operations	(1,506,275)	0	0	0	(1,506,275)	0
Transfers	78,000	78,000	(78,000)	(78,000)	0	0
Total Change in Net Position	11,076,331	9,822,519	3,329,675	1,862,224	14,406,006	11,684,743
Beginning Net Position - Restated	74,793,911	65,931,287	134,563,015	132,927,230	209,356,926	198,858,517
Ending Net Position	\$85,870,242	\$75,753,806	\$137,892,690	\$134,789,454	\$223,762,932	\$210,543,260

***Management’s Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

Governmental Activities

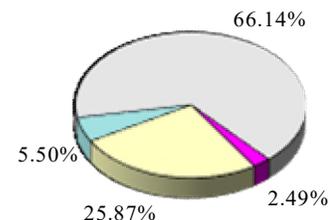
Net position of the City’s governmental activities increased \$11,076,331, or 15%. City public transit operations were transferred to Fairfield County effective July 1, 2024. This resulted in a decrease in charges for service revenue and transportation expenses. This decrease in transit service revenue was offset by an increase in fire impact fees for new construction. An increase in income taxes can be attributed to the 0.45% increase in the income tax rate.

An increase in security of persons and property can be attributed to the hiring of additional public safety employees.

The City receives an income tax, which is based on 2.3% 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 56% and 9% respectively of revenues for governmental activities for the City in 2024. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 66% of total revenues from general tax revenues:

Revenue Sources	2024	Percent of Total
General Tax Revenues	\$46,347,275	66.14%
Unrestricted		
Intergovernmental/Contributions	1,746,754	2.49%
Program Revenues	18,124,520	25.87%
General Other	3,854,319	5.50%
Total Revenue	<u>\$70,072,868</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business type activities increased \$3,329,675, or 2%.

A mild winter resulted in a decrease in gas service charges to consumers and expenses for purchased gas.

The decrease in gas service charges was offset by an increase in charges to consumers for water, water pollution, and sanitation services due to an increase in rates charged to consumers.

An increase in water expenses can be attributed to costs for various contractual services and supplies. Port Authority expenses increased due to interest expense and costs associated with the debt refunding.

CITY OF LANCASTER, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2024**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$59,580,133, which is an increase from last year's balance of \$49,509,643. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2024 and 2023:

	Fund Balance December 31, 2024	Fund Balance December 31, 2023	Increase (Decrease)
General	\$26,671,928	\$22,870,378	\$3,801,550
.45 Police and Fire Levy	5,640,482	5,494,328	146,154
2021 Police and Fire Levy	4,702,322	4,015,564	686,758
Other Governmental	22,565,401	17,129,373	5,436,028
Total	\$59,580,133	\$49,509,643	\$10,070,490

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:

	2024 Revenues	2023 Revenues	Increase (Decrease)
Taxes	\$17,956,656	\$19,631,870	(\$1,675,214)
Intergovernmental Revenue	1,647,162	1,862,541	(215,379)
Charges for Services	3,143,483	3,722,079	(578,596)
Licenses, Permits, and Fees	57,293	18,615	38,678
Investment Earnings	2,822,258	2,678,337	143,921
Fines and Forfeitures	707,225	657,164	50,061
All Other Revenue	289,631	145,128	144,503
Total	\$26,623,708	\$28,715,734	(\$2,092,026)

General Fund revenues decreased approximately 7% compared to revenues in 2023. A decrease in income taxes was due to an increase in the amount of tax revenue allocated to other funds. A decrease in charges for services was mostly due to a decrease in EMS receipts.

	2024 Expenditures	2023 Expenditures	Increase (Decrease)
Security of Persons and Property	\$10,151,780	\$9,989,553	\$162,227
Public Health and Welfare Services	379,035	366,500	12,535
Community Environment	593,103	549,033	44,070
General Government	9,881,292	9,797,872	83,420
Debt Service:			
Principal Retirement	38,224	37,406	818
Interest and Fiscal Charges	9,118	6,767	2,351
Total	\$21,052,552	\$20,747,131	\$305,421

General Fund expenditures remained stable in 2024, increasing \$305,421 or approximately 1% compared to the prior year.

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

.45 Police and Fire Levy Fund – The .45 Police and Fire Levy Fund balance increased \$146,154 or 3%. Expenditures increased 35%, due to an increase in the amount of public safety costs funded from this levy. This increase in expenditures was funded by an increase in the amount of tax revenue allocated to this fund.

2021 Police and Fire Levy Fund – The 2021 Police and Fire Levy Fund balance increased \$686,758 or 17%. Expenditures increased 10%, due to an increase in the amount of public safety costs funded from this levy. This increase in expenditures was funded by an increase in the amount of tax revenue allocated to this 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 2024, the City amended its General Fund budget several times. Final budget basis expenditures and other financing uses of \$31,003,339, increased \$2,257,801 from the original budget. This increase was due to transfers out to other funds. The General Fund's positive variance was mostly the result of the shifting of police and fire department costs to the .45 Police and Fire Levy Fund and 2021 Police and Fire Levy Fund.

For the General Fund, final budget basis revenue and other financing sources increased \$1,913,044, due mostly to an increase in income taxes. Actual budgetary basis revenue of \$26,336,890 was \$1,036,023 less than final estimates due mostly to an increase in the amount of tax revenue allocated to other funds.

***Management's Discussion and Analysis
For the Year Ended December 31, 2024***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024 the City had \$359,415,811 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$76,219,475 was related to governmental activities and \$283,196,336 to the business-type activities. The following table shows 2024 and 2023 balances:

	Governmental Activities		Increase (Decrease)
	2024	2023	
Land	\$19,204,645	\$19,204,645	\$0
Construction In Progress	941,402	161,943	779,459
Buildings	18,319,957	18,067,995	251,962
Improvements Other than Buildings	9,066,361	8,881,845	184,516
Machinery and Equipment	7,066,381	7,179,307	(112,926)
Vehicles	9,296,717	10,024,719	(728,002)
Infrastructure	57,554,201	53,545,483	4,008,718
Less: Accumulated Depreciation	<u>(45,230,189)</u>	<u>(44,201,027)</u>	<u>(1,029,162)</u>
Totals	<u>\$76,219,475</u>	<u>\$72,864,910</u>	<u>\$3,354,565</u>

Changes in governmental activities capital assets included the addition of several police cruisers, as well as various equipment purchases for public safety and parks. Infrastructure additions included routine maintenance of several streets.

	Business-Type Activities		Increase (Decrease)
	2024	2023	
Land	\$3,710,557	\$3,784,056	(\$73,499)
Construction in Progress	168,918,795	90,152,762	78,766,033
Buildings	84,072,496	81,285,152	2,787,344
Improvements	34,699,716	34,699,716	0
Machinery and Equipment	12,158,091	11,751,234	406,857
Vehicles	9,556,975	9,187,763	369,212
Infrastructure	123,025,428	121,437,193	1,588,235
Less: Accumulated Depreciation	<u>(152,945,722)</u>	<u>(147,489,388)</u>	<u>(5,456,334)</u>
Totals	<u>\$283,196,336</u>	<u>\$204,808,488</u>	<u>\$78,387,848</u>

Changes in business type capital assets included various vehicle and equipment purchases. Two large water pollution projects as well as improvements at the North Water Plant resulted in the increase in construction in progress. Additional information on the City's capital assets can be found in Note 10.

CITY OF LANCASTER, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2024**

Unaudited

Debt

The following table summarizes the City's debt outstanding as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Governmental Activities:		
General Obligation Bond Payable	\$6,100,532	\$6,714,770
Ohio Water Development Authority Loans	158,602	180,185
State Infrastructure Bank Loan	118,722	146,259
Installment Loans	794,452	799,772
Compensated Absences	6,546,040	4,981,818
Leases	284,260	0
Total Governmental Activities	<u>14,002,608</u>	<u>12,822,804</u>
Business-Type Activities:		
Ohio Water Development Authority Loans	160,789,099	90,203,988
Revenue Bonds Payable	338,156,138	344,799,019
General Obligation Bonds Payable	2,833,000	3,100,000
Long Term Note Payable	0	975,000
Installment Loans	136,932	179,022
Ohio Public Works Commission Loan	173,113	207,735
Landfill Postclosure Care Liability	653,265	673,395
Compensated Absences	2,446,724	2,094,063
Total Business-Type Activities	<u>505,188,271</u>	<u>442,232,222</u>
Totals	<u><u>\$519,190,879</u></u>	<u><u>\$455,055,026</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, 2024, 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.

- Cirba Solutions, formerly known as Retriev Technology, continues to expand their facility on Quarry Road into one of the largest battery recycling plants in North America by building a new 100,000 square foot building. This is the second phase of a long-term project that could bring as much as \$400,000,000 in investment and numerous new jobs.
- The first Google data center is up and running in Lancaster. Construction has begun on an additional data center on site. These facilities and other Google data centers in Central Ohio help power Google's AI innovation, particularly tools like Gmail, Search and Maps.
- The North Water Treatment Plant construction should be wrapped up in 2025. The new plant will have an initial capacity of 8 million gallons per day. At just under \$100 million, the project will be the most expensive infrastructure project in the history of Lancaster.
- After announcing their new location in Lancaster, ClearSky Health officially opened their facility on River Valley Boulevard. The rehabilitation hospital employes occupational therapists, registered nurses and respiratory therapists. The hospital specializes in care to individuals living with disabling injuries or illnesses such as strokes, brain injuries, hip fractures, spinal injuries, Parkinson's disease, multiple sclerosis, or other medically complex conditions such as COVID-19.
- In 2024 Trilogy Health Services completed construction and welcomed their first clients to the Springs at Wyandot Trail. The facility will provide independent living, assisted living, short term skilled nursing and rehabilitation, memory care, long term care and adult day care services. This facility will provide 125 full-time permanent jobs.
- Lancaster has welcomed many new commercial users including Whit's Frozen Custard, Dollar General on South Broad Street, 7 Brew Coffee, Scooter's Coffee, Sheetz, El Parian and Aire Studios. Tiberio's Pizza reopened in a new location downtown and Rhonemus Cellars, a locally owned winery at The View Golf Club.

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, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	\$ 62,211,140	\$ 75,097,044	\$ 137,308,184
Investments	1,013,111	0	1,013,111
Receivables:			
Taxes	15,863,484	0	15,863,484
Accounts	291,339	6,028,505	6,319,844
Intergovernmental	4,677,259	0	4,677,259
Interest	212,108	93,475	305,583
Settlement	291,433	0	291,433
Loans	1,376,624	0	1,376,624
Leases	173,217	0	173,217
Internal Balances	(1,352,885)	1,352,885	0
Inventory of Supplies	613,603	3,225,268	3,838,871
Prepaid Items	77,042	99,282	176,324
Prepaid Gas Supply - Current	0	4,796,939	4,796,939
Prepaid Gas Supply	0	317,782,770	317,782,770
Land Held for Resale	0	2,962,482	2,962,482
Fair Value of Derivative Instruments	0	206,695,252	206,695,252
Restricted Assets:			
Cash and Cash Equivalents	0	8,003,556	8,003,556
Cash and Cash Equivalents with Fiscal Agent	30,314	0	30,314
Investments	0	592,577	592,577
Net OPEB Asset	627,477	437,058	1,064,535
Capital Assets Not Being Depreciated	20,146,047	172,629,352	192,775,399
Capital Assets Being Depreciated, Net	56,073,428	110,566,984	166,640,412
Total Assets	162,324,741	910,363,429	1,072,688,170
Deferred Outflows of Resources:			
Deferred Loss on Early Retirement of Debt	0	874,365	874,365
Pension	23,035,422	4,401,976	27,437,398
OPEB	2,811,327	374,998	3,186,325
Total Deferred Outflows of Resources	25,846,749	5,651,339	31,498,088

(Continued)

CITY OF LANCASTER, OHIO

	Governmental Activities	Business-Type Activities	Total
Liabilities:			
Accounts Payable	2,102,805	2,296,733	4,399,538
Accrued Wages and Benefits	1,451,574	483,270	1,934,844
Intergovernmental Payable	292,371	1,960	294,331
Claims Payable	1,394,459	0	1,394,459
Retainage Payable	0	3,145,449	3,145,449
Due to Others, Payable from Restricted Assets	121,885	150,157	272,042
Unearned Revenue	123,382	4,630,948	4,754,330
Accrued Interest Payable	40,431	6,590,639	6,631,070
General Obligation Notes Payable	1,297,520	475,000	1,772,520
Long Term Liabilities:			
Due within one year	1,774,563	5,086,041	6,860,604
Due in More than One Year:			
Net Pension Liability	65,863,683	12,871,976	78,735,659
Net OPEB Liability	3,581,805	0	3,581,805
Other Amounts Due in More than One Year	12,228,045	500,102,230	512,330,275
Total Liabilities	90,272,523	535,834,403	626,106,926
Deferred Inflows of Resources:			
Property Taxes	6,910,414	0	6,910,414
Leases	173,217	0	173,217
Pension	1,596,137	48,446	1,644,583
OPEB	3,348,957	250,083	3,599,040
Gain on Refunding	0	35,293,894	35,293,894
Deferred Inflow from Derivative Instruments	0	206,695,252	206,695,252
Total Deferred Inflows of Resources	12,028,725	242,287,675	254,316,400
Net Position:			
Net Investment in Capital Assets	67,465,387	105,789,986	173,255,373
Restricted For:			
OPEB	627,477	437,058	1,064,535
Streets and Highways	3,770,069	0	3,770,069
Community Development	3,758,402	0	3,758,402
Security of Persons and Property	15,374,618	0	15,374,618
Public Health and Welfare	2,431,525	0	2,431,525
Capital Projects	596,396	0	596,396
Debt Service	0	2,077,980	2,077,980
Unrestricted (Deficit)	(8,153,632)	29,587,666	21,434,034
Total Net Position	\$ 85,870,242	\$ 137,892,690	\$ 223,762,932

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

**Statement of Activities
For the Year Ended December 31, 2024**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 30,612,641	\$ 3,117,845	\$ 302,351	\$ 0
Public Health and Welfare Services	1,122,546	774,238	0	0
Leisure Time Activities	4,367,922	733,841	346,742	0
Community Environment	1,534,667	83,437	1,779,701	0
Transportation	6,673,044	1,079,756	4,254,733	932,481
General Government	12,867,222	3,238,561	1,480,834	0
Interest on Long Term Debt	390,220	0	0	0
Total Governmental Activities	57,568,262	9,027,678	8,164,361	932,481
Business-Type Activities:				
Gas	13,938,780	14,963,316	0	0
Water	9,172,973	11,486,752	90,021	2,331,269
Water Pollution	9,684,993	14,650,066	0	50,000
Sanitation	5,245,942	5,928,357	0	0
Storm Water	2,535,010	3,213,857	0	97,647
Port Authority	20,064,098	4,158,279	5,082,935	77,031
Total Business-Type Activities	60,641,796	54,400,627	5,172,956	2,555,947
Totals	\$ 118,210,058	\$ 63,428,305	\$ 13,337,317	\$ 3,488,428

General Revenues, Special Items, and Transfers:

Property Taxes Levied for:
General Purposes
Special Purposes
Capital Outlay
Income Taxes
Other Local Taxes
Intergovernmental Revenues not Restricted to Specific Programs
Investment Earnings
Miscellaneous
Special Item - Transfer of Operations
Transfers
Total General Revenues, Special Items, and Transfers
Change in Net Position
Net Position as Previously Reported
Change in Accounting Principle (GASB Statement 101)
Prepaid Gas Correction
Net Position Beginning of Year as Restated
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
\$ (27,192,445)	\$ 0	\$ (27,192,445)
(348,308)	0	(348,308)
(3,287,339)	0	(3,287,339)
328,471	0	328,471
(406,074)	0	(406,074)
(8,147,827)	0	(8,147,827)
(390,220)	0	(390,220)
<u>(39,443,742)</u>	<u>0</u>	<u>(39,443,742)</u>
0	1,024,536	1,024,536
0	4,735,069	4,735,069
0	5,015,073	5,015,073
0	682,415	682,415
0	776,494	776,494
0	(10,745,853)	(10,745,853)
0	1,487,734	1,487,734
<u>\$ (39,443,742)</u>	<u>\$ 1,487,734</u>	<u>\$ (37,956,008)</u>
2,684,749	0	2,684,749
3,319,919	0	3,319,919
307,940	0	307,940
39,381,199	0	39,381,199
653,468	0	653,468
1,746,754	0	1,746,754
2,909,296	1,919,941	4,829,237
945,023	0	945,023
(1,506,275)	0	(1,506,275)
78,000	(78,000)	0
<u>50,520,073</u>	<u>1,841,941</u>	<u>52,362,014</u>
11,076,331	3,329,675	14,406,006
75,753,806	18,596,428	94,350,234
(959,895)	(226,439)	(1,186,334)
0	116,193,026	116,193,026
<u>74,793,911</u>	<u>134,563,015</u>	<u>209,356,926</u>
<u>\$ 85,870,242</u>	<u>\$ 137,892,690</u>	<u>\$ 223,762,932</u>

CITY OF LANCASTER, OHIO

**Balance Sheet
Governmental Funds
December 31, 2024**

	General	.45 Police and Fire Levy	2021 Police and Fire Levy
Assets:			
Pooled Cash and Investments	\$ 29,271,489	\$ 4,089,941	\$ 3,233,101
Investments	0	0	0
Receivables:			
Taxes	6,523,950	1,736,329	1,736,329
Accounts	289,089	0	0
Intergovernmental	811,142	99,033	0
Interest	204,844	0	0
Settlement	0	0	0
Loans	0	0	0
Leases	0	0	0
Due from Other Funds	0	978,262	978,261
Inventory of Supplies	119,523	0	0
Prepaid Items	50,705	0	0
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	4,743	0	0
Total Assets	\$ 37,275,485	\$ 6,903,565	\$ 5,947,691
Liabilities:			
Accounts Payable	\$ 1,107,838	\$ 119,357	\$ 85,372
Accrued Wages and Benefits Payable	607,199	226,750	243,021
Intergovernmental Payable	292,371	0	0
Due to Others	0	0	0
Due to Other Funds	3,086,957	0	0
Unearned Revenue	0	0	0
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Advances from Other Funds	0	0	0
Total Liabilities	5,094,365	346,107	328,393

CITY OF LANCASTER, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 19,399,205	\$ 55,993,736
1,013,111	1,013,111
5,866,876	15,863,484
2,250	291,339
3,767,084	4,677,259
7,264	212,108
291,433	291,433
1,376,624	1,376,624
173,217	173,217
1,130,434	3,086,957
464,011	583,534
20,481	71,186
25,571	30,314
<u>\$ 33,537,561</u>	<u>\$ 83,664,302</u>
\$ 689,504	\$ 2,002,071
347,834	1,424,804
0	292,371
121,885	121,885
0	3,086,957
123,382	123,382
721	721
1,297,520	1,297,520
100,700	100,700
<u>2,681,546</u>	<u>8,450,411</u>

(Continued)

CITY OF LANCASTER, OHIO

**Balance Sheet
Governmental Funds
December 31, 2024**

	General	.45 Police and Fire Levy	2021 Police and Fire Levy
Deferred Inflows of Resources:			
Property Taxes	3,096,000	0	0
Leases	0	0	0
Unavailable Revenue	2,413,192	916,976	916,976
Total Deferred Inflows of Resources	<u>5,509,192</u>	<u>916,976</u>	<u>916,976</u>
Fund Balances:			
Nonspendable	170,228	0	0
Restricted	0	5,640,482	4,702,322
Committed	0	0	0
Assigned	908,948	0	0
Unassigned	25,592,752	0	0
Total Fund Balances	<u>26,671,928</u>	<u>5,640,482</u>	<u>4,702,322</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 37,275,485</u>	<u>\$ 6,903,565</u>	<u>\$ 5,947,691</u>

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
3,814,414	6,910,414
173,217	173,217
<u>4,302,983</u>	<u>8,550,127</u>
<u>8,290,614</u>	<u>15,633,758</u>
484,492	654,720
13,158,022	23,500,826
10,307,237	10,307,237
0	908,948
<u>(1,384,350)</u>	<u>24,208,402</u>
<u>22,565,401</u>	<u>59,580,133</u>
<u>\$ 33,537,561</u>	<u>\$ 83,664,302</u>

CITY OF LANCASTER, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2024***

Total Governmental Fund Balances \$ 59,580,133

***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. 75,771,483

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 8,550,127

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. 3,455,745

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	22,831,123	
Deferred Inflows - Pension	(1,595,153)	
Net Pension Liability	(65,266,009)	(44,030,039)

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

Net OPEB Asset	607,170	
Deferred Outflows - OPEB	2,793,903	
Deferred Inflows - OPEB	(3,337,337)	
Net OPEB Liability	(3,581,805)	(3,518,069)

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	(6,100,532)	
State Infrastructure Bank Loan Payable	(118,722)	
Ohio Water Development Authority Loan Payable	(158,602)	
Installment Loans	(794,452)	
Leases Payable	(284,260)	
Compensated Absences Payable	(6,442,860)	
Accrued Interest Payable	(39,710)	(13,939,138)

Net Position of Governmental Activities **\$ 85,870,242**

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, 2024**

	General	.45 Police and Fire Levy	2021 Police and Fire Levy
Revenues:			
Taxes	\$ 17,956,656	\$ 7,603,748	\$ 7,603,747
Intergovernmental Revenues	1,647,162	111,707	0
Charges for Services	3,143,483	98,108	1,350
Licenses, Permits and Fees	57,293	0	0
Investment Earnings	2,822,258	0	0
Special Assessments	0	0	0
Fines and Forfeitures	707,225	0	0
All Other Revenue	289,631	11,117	10,938
Total Revenue	26,623,708	7,824,680	7,616,035
Expenditures:			
Current:			
Security of Persons and Property	10,151,780	7,957,220	6,929,277
Public Health and Welfare Services	379,035	0	0
Leisure Time Activities	0	0	0
Community Environment	593,103	0	0
Transportation	0	0	0
General Government	9,881,292	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	38,224	26,234	0
Interest and Fiscal Charges	9,118	5,566	0
Total Expenditures	21,052,552	7,989,020	6,929,277
Excess (Deficiency) of Revenues Over Expenditures	5,571,156	(164,340)	686,758
Other Financing Sources (Uses):			
Installment Loans	0	0	0
Transfers In	0	0	0
Transfers Out	(1,777,368)	0	0
Other Financing Source - Lease Issuance	0	310,494	0
Total Other Financing Sources (Uses)	(1,777,368)	310,494	0
Special Item: Transfer of Operations	0	0	0
Net Change in Fund Balances	3,793,788	146,154	686,758
Fund Balances at Beginning of Year	22,870,378	5,494,328	4,015,564
Increase in Inventory Reserve	7,762	0	0
Fund Balances End of Year	\$ 26,671,928	\$ 5,640,482	\$ 4,702,322

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 12,632,391	\$ 45,796,542
8,543,389	10,302,258
3,264,570	6,507,511
8,950	66,243
110,746	2,933,004
83,400	83,400
1,533,778	2,241,003
832,684	1,144,370
<u>27,009,908</u>	<u>69,074,331</u>
3,300,291	28,338,568
769,088	1,148,123
4,047,407	4,047,407
925,107	1,518,210
8,135,984	8,135,984
2,961,967	12,843,259
1,670,236	1,670,236
897,675	962,133
357,116	371,800
<u>23,064,871</u>	<u>59,035,720</u>
3,945,037	10,038,611
271,459	271,459
2,688,846	2,688,846
(833,478)	(2,610,846)
0	310,494
<u>2,126,827</u>	<u>659,953</u>
(759,278)	(759,278)
5,312,586	9,939,286
17,129,373	49,509,643
123,442	131,204
<u>\$ 22,565,401</u>	<u>\$ 59,580,133</u>

CITY OF LANCASTER, OHIO

**Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 9,939,286

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	6,821,084	
Depreciation Expense	<u>(2,772,636)</u>	4,048,448

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

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.	(773,020)
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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.	991,294
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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.	4,940,774
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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.	(7,331,875)
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Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.	(132,363)
--	-----------

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.

Lease Issuance	(310,494)	
Installment Loans	(271,459)	(581,953)

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.

Lease Payable	26,234	
General Obligation Bonds Payable	610,000	
Ohio Water Development Authority Loan Payable	21,583	
Installment Loan Payable	276,779	
State Infrastructure Bank Loan Payable	<u>27,537</u>	962,133

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(9,168)
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(Continued)

CITY OF LANCASTER, OHIO

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	(659,872)	
Change in Inventory	131,204	
Amortization of Loss on Early Retirement of Debt	(13,490)	
Amortization of Bond Premium	4,238	(537,920)

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.

(439,305)

Change in Net Position of Governmental Activities

\$ 11,076,331

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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 17,959,024	\$ 19,872,068	\$ 17,802,215	\$ (2,069,853)
Intergovernmental Revenue	1,596,853	1,596,853	1,474,216	(122,637)
Charges for Services	4,231,892	4,231,892	4,109,695	(122,197)
Licenses, Permits and Fees	21,000	21,000	57,293	36,293
Investment Earnings	1,000,000	1,000,000	1,891,869	891,869
Fines and Forfeitures	631,100	631,100	703,331	72,231
All Other Revenues	20,000	20,000	298,271	278,271
Total Revenues	<u>25,459,869</u>	<u>27,372,913</u>	<u>26,336,890</u>	<u>(1,036,023)</u>
Expenditures:				
Current:				
Security of Persons and Property	13,110,095	13,119,095	10,851,064	2,268,031
Public Health and Welfare Services	399,006	399,006	388,006	11,000
Community Environment	818,725	818,725	624,133	194,592
General Government	12,579,344	12,915,101	11,568,444	1,346,657
Debt Service:				
Principal Retirement	38,300	38,300	38,224	76
Interest and Fiscal Charges	12,700	12,700	9,129	3,571
Total Expenditures	<u>26,958,170</u>	<u>27,302,927</u>	<u>23,479,000</u>	<u>3,823,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,498,301)	69,986	2,857,890	2,787,904
Other Financing Sources (Uses):				
Transfers Out	(1,787,368)	(3,700,412)	(1,777,368)	1,923,044
Total Other Financing Sources (Uses):	<u>(1,787,368)</u>	<u>(3,700,412)</u>	<u>(1,777,368)</u>	<u>1,923,044</u>
Net Change in Fund Balance	(3,285,669)	(3,630,426)	1,080,522	4,710,948
Fund Balance at Beginning of Year	24,629,855	24,629,855	24,629,855	0
Prior Year Encumbrances	904,733	904,733	904,733	0
Fund Balance at End of Year	<u>\$ 22,248,919</u>	<u>\$ 21,904,162</u>	<u>\$ 26,615,110</u>	<u>\$ 4,710,948</u>

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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,441,308	\$ 7,419,568	\$ 7,419,569	\$ 1
Intergovernmental Revenue	0	0	102,105	102,105
Charges for Services	0	75,000	98,108	23,108
All Other Revenues	0	0	18,721	18,721
Total Revenues	<u>6,441,308</u>	<u>7,494,568</u>	<u>7,638,503</u>	<u>143,935</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>8,447,025</u>	<u>9,800,285</u>	<u>7,830,184</u>	<u>1,970,101</u>
Total Expenditures	<u>8,447,025</u>	<u>9,800,285</u>	<u>7,830,184</u>	<u>1,970,101</u>
Net Change in Fund Balance	(2,005,717)	(2,305,717)	(191,681)	2,114,036
Fund Balance at Beginning of Year	3,207,479	3,207,479	3,207,479	0
Prior Year Encumbrances	<u>890,239</u>	<u>890,239</u>	<u>890,239</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,092,001</u>	<u>\$ 1,792,001</u>	<u>\$ 3,906,037</u>	<u>\$ 2,114,036</u>

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 - 2021 Police and Fire Levy Fund
For the Year Ended December 31, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,441,308	\$ 7,419,568	\$ 7,419,569	\$ 1
Charges for Services	0	0	1,350	1,350
All Other Revenues	0	0	12,963	12,963
Total Revenues	6,441,308	7,419,568	7,433,882	14,314
Expenditures:				
Current:				
Security of Persons and Property	7,261,529	8,456,789	7,183,426	1,273,363
Total Expenditures	7,261,529	8,456,789	7,183,426	1,273,363
Net Change in Fund Balance	(820,221)	(1,037,221)	250,456	1,287,677
Fund Balance at Beginning of Year	2,590,078	2,590,078	2,590,078	0
Prior Year Encumbrances	123,859	123,859	123,859	0
Fund Balance at End of Year	\$ 1,893,716	\$ 1,676,716	\$ 2,964,393	\$ 1,287,677

See accompanying notes to the basic financial statements



CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Assets:				
Current assets:				
Pooled Cash and Investments	\$ 14,013,852	\$ 14,764,338	\$ 25,695,509	\$ 2,896,653
Accounts receivable	2,725,049	1,044,709	1,444,637	500,001
Interest receivable	0	33,333	60,142	0
Due from Other Funds	0	0	0	0
Inventory	1,962,789	1,205,589	30,111	26,229
Prepaid Items	45,241	15,172	32,335	5,477
Prepaid Gas Supply - current	0	0	0	0
Total current assets	<u>18,746,931</u>	<u>17,063,141</u>	<u>27,262,734</u>	<u>3,428,360</u>
Noncurrent assets:				
Restricted Assets:				
Cash and Cash Equivalents	109,609	2,429,034	2,834,943	0
Investments	0	0	0	592,577
Total restricted assets	<u>109,609</u>	<u>2,429,034</u>	<u>2,834,943</u>	<u>592,577</u>
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	100,700
Net OPEB Asset	92,156	122,244	77,906	67,073
Capital assets:				
Capital Assets Not Being Depreciated	290,273	82,727,648	87,681,672	265,622
Capital Assets Being Depreciated	16,832,651	16,393,757	43,516,905	5,529,058
Total capital assets (net of accumulated depreciation)	<u>17,122,924</u>	<u>99,121,405</u>	<u>131,198,577</u>	<u>5,794,680</u>
Total noncurrent assets	<u>17,324,689</u>	<u>101,672,683</u>	<u>134,111,426</u>	<u>6,555,030</u>
Total Assets	<u>36,071,620</u>	<u>118,735,824</u>	<u>161,374,160</u>	<u>9,983,390</u>
Deferred Outflows of Resources:				
Deferred Loss on Early Retirement of Debt	0	166,806	707,559	0
Pension	927,137	1,229,828	783,768	674,788
OPEB	79,071	104,885	66,843	57,549
Total Deferred Outflows of Resources	<u>1,006,208</u>	<u>1,501,519</u>	<u>1,558,170</u>	<u>732,337</u>

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Total	Internal Service Funds
\$ 4,839,319	\$ 12,447,076	\$ 74,656,747	\$ 6,657,701
314,109	0	6,028,505	0
0	0	93,475	0
0	534,593	534,593	0
0	0	3,224,718	30,619
0	0	98,225	6,913
0	4,796,939	4,796,939	0
<u>5,153,428</u>	<u>17,778,608</u>	<u>89,433,202</u>	<u>6,695,233</u>
0	2,629,970	8,003,556	0
0	0	592,577	0
<u>0</u>	<u>2,629,970</u>	<u>8,596,133</u>	<u>0</u>
0	317,782,770	317,782,770	0
0	2,962,482	2,962,482	0
0	206,695,252	206,695,252	0
0	0	100,700	0
20,411	5,171	384,961	72,404
1,576,930	87,207	172,629,352	184,243
28,237,905	5,457	110,515,733	315,000
<u>29,814,835</u>	<u>92,664</u>	<u>283,145,085</u>	<u>499,243</u>
<u>29,835,246</u>	<u>530,168,309</u>	<u>819,667,383</u>	<u>571,647</u>
<u>34,988,674</u>	<u>547,946,917</u>	<u>909,100,585</u>	<u>7,266,880</u>
0	0	874,365	0
205,364	56,957	3,877,842	728,433
17,512	4,437	330,297	62,125
<u>222,876</u>	<u>61,394</u>	<u>5,082,504</u>	<u>790,558</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Liabilities:				
Current liabilities:				
Accounts Payable	350,443	805,601	485,490	394,513
Accrued Wages and Benefits	101,482	141,113	83,523	72,155
Intergovernmental Payable	0	0	0	0
Claims Payable	0	0	0	0
Retainage Payable	0	1,823,139	1,322,310	0
Due to Others	109,609	20,274	20,274	0
Due to Other Funds	534,593	0	0	0
Unearned Revenue	0	2,624,624	0	0
Accrued Interest Payable	0	29,187	252,260	7,673
General Obligation Notes Payable	0	475,000	0	0
General Obligation Bonds Payable - Current	0	0	0	276,000
Revenue Bond Payable - Current	0	410,000	925,000	0
Installment Loan Payable - Current	0	0	0	0
OWDA Loans Payable - Current	0	7,592	1,893,320	0
OPWC Loans Payable - Current	0	0	0	0
Landfill Postclosure Care Liability - Current	0	0	0	107,989
Compensated Absences Payable - Current	69,360	139,729	86,985	72,034
Total Current Liabilities	<u>1,165,487</u>	<u>6,476,259</u>	<u>5,069,162</u>	<u>930,364</u>
Noncurrent Liabilities:				
General Obligation Bonds Payable	0	0	0	2,557,000
Installment Loans Payable	0	0	0	0
Revenue Bonds Payable	0	1,962,917	9,934,853	0
OWDA Loans Payable	0	70,720,161	84,575,712	0
OPWC Loans Payable	0	0	0	0
Landfill Postclosure Care Liability	0	0	0	545,276
Compensated Absences Payable	459,348	603,885	429,626	322,959
Net Pension Liability	2,712,326	3,597,836	2,292,898	1,974,085
Total noncurrent liabilities	<u>3,171,674</u>	<u>76,884,799</u>	<u>97,233,089</u>	<u>5,399,320</u>
Total Liabilities	<u>4,337,161</u>	<u>83,361,058</u>	<u>102,302,251</u>	<u>6,329,684</u>
Deferred Inflows of Resources:				
Pension	4,773	6,389	4,109	3,531
OPEB	52,732	69,947	44,577	38,379
Gain on Refunding	0	0	0	0
Deferred Inflow from Derivative Instruments	0	0	0	0
Total Deferred Inflow of Resources	<u>57,505</u>	<u>76,336</u>	<u>48,686</u>	<u>41,910</u>

CITY OF LANCASTER, OHIO

Storm Water	Port Authority	Total	Internal Service Funds
229,035	400	2,265,482	131,985
22,455	4,899	425,627	84,413
0	1,960	1,960	0
0	0	0	1,394,459
0	0	3,145,449	0
0	0	150,157	0
0	0	534,593	0
0	2,006,324	4,630,948	0
2,844	6,298,675	6,590,639	0
0	0	475,000	0
0	0	276,000	0
0	715,000	2,050,000	0
43,819	0	43,819	0
268,283	0	2,169,195	0
34,622	0	34,622	0
0	0	107,989	0
11,869	0	379,977	44,708
<u>612,927</u>	<u>9,027,258</u>	<u>23,281,457</u>	<u>1,655,565</u>
0	0	2,557,000	0
93,113	0	93,113	0
0	324,208,368	336,106,138	0
3,324,031	0	158,619,904	0
138,491	0	138,491	0
0	0	545,276	0
58,331	0	1,874,149	251,070
600,736	160,748	11,338,629	2,131,021
<u>4,214,702</u>	<u>324,369,116</u>	<u>511,272,700</u>	<u>2,382,091</u>
<u>4,827,629</u>	<u>333,396,374</u>	<u>534,554,157</u>	<u>4,037,656</u>
1,050	25,827	45,679	3,751
11,679	2,959	220,273	41,430
0	35,293,894	35,293,894	0
0	206,695,252	206,695,252	0
<u>12,729</u>	<u>242,017,932</u>	<u>242,255,098</u>	<u>45,181</u>

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Net Position:				
Net Investment in Capital Assets	17,122,924	25,277,542	34,577,251	2,961,680
Restricted for OPEB	92,156	122,244	77,906	67,073
Restricted for Debt Service	0	585,621	1,492,359	0
Unrestricted	15,468,082	10,814,542	24,433,877	1,315,380
Total Net Position	\$ 32,683,162	\$ 36,799,949	\$ 60,581,393	\$ 4,344,133

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>
25,706,674	92,664	105,738,735	499,243
20,411	5,171	384,961	72,404
0	0	2,077,980	0
4,644,107	(27,503,830)	29,172,158	3,402,954
<u>\$ 30,371,192</u>	<u>\$ (27,405,995)</u>	<u>\$ 137,373,834</u>	<u>\$ 3,974,601</u>
		518,856	
		<u>\$ 137,892,690</u>	

CITY OF LANCASTER, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024**

	Business-Type Activities			
	Enterprise Funds			
	Gas	Water	Water Pollution	Sanitation
Operating Revenues:				
Charges for Services	\$ 14,532,141	\$ 11,429,936	\$ 14,594,137	\$ 5,717,459
Other Operating Revenues	431,102	9,413	11,438	210,853
Total Operating Revenues	14,963,243	11,439,349	14,605,575	5,928,312
Operating Expenses:				
Personal Services	1,545,110	3,738,390	2,360,115	2,082,250
Contractual Services	2,703,369	1,876,602	2,027,355	1,963,745
Cost of Gas Sold	8,205,645	0	0	0
Materials and Supplies	252,902	1,887,117	1,323,428	446,649
Depreciation	1,165,513	1,434,999	2,846,019	508,970
Health Insurance Claims	0	0	0	0
Total Operating Expenses	13,872,539	8,937,108	8,556,917	5,001,614
Operating Income (Loss)	1,090,704	2,502,241	6,048,658	926,698
Non-Operating Revenue (Expenses):				
Interest Income	0	562,956	980,576	15,460
Interest and Fiscal Charges	0	(152,126)	(919,777)	(100,027)
Gain on Sale of Capital Assets	73	35,000	20,000	0
Gain on Derivative Instrument	0	0	0	0
Intergovernmental Grants	0	90,021	0	0
Loss on Disposal of Capital Assets	0	0	(150,530)	(99,571)
Other Nonoperating Revenue	0	12,403	24,491	45
Total Non-Operating Revenues (Expenses)	73	548,254	(45,240)	(184,093)
Income (Loss) Before Contributions and Transfers	1,090,777	3,050,495	6,003,418	742,605
Capital Contributions	0	2,331,269	50,000	0
Transfers Out	0	(78,000)	0	0
Change in Net Position	1,090,777	5,303,764	6,053,418	742,605
Net Position as Previously Reported	31,592,385	31,545,994	54,632,653	3,673,480
Change in Accounting Principle (GASB Statement 101)	0	(49,809)	(104,678)	(71,952)
Prepaid Gas Correction	0	0	0	0
Net Position Beginning of Year Restated	31,592,385	31,496,185	54,527,975	3,601,528
Net Position End of Year	\$ 32,683,162	\$ 36,799,949	\$ 60,581,393	\$ 4,344,133

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

Storm Water	Port Authority	Total	Internal Service Funds
\$ 3,211,969	\$ 3,826,657	\$ 53,312,299	\$ 13,871,463
1,888	10,452	675,146	118,266
<u>3,213,857</u>	<u>3,837,109</u>	<u>53,987,445</u>	<u>13,989,729</u>
532,702	132,664	10,391,231	2,159,176
1,519,559	3,180,432	13,271,062	559,566
0	0	8,205,645	0
2,708	0	3,912,804	1,193,582
454,072	1,501	6,411,074	48,588
0	0	0	10,744,688
<u>2,509,041</u>	<u>3,314,597</u>	<u>42,191,816</u>	<u>14,705,600</u>
704,816	522,512	11,795,629	(715,871)
0	360,949	1,919,941	0
(6,316)	(16,749,501)	(17,927,747)	0
0	0	55,073	0
0	5,082,935	5,082,935	0
0	0	90,021	7,243
0	0	(250,101)	(2,809)
0	321,170	358,109	0
<u>(6,316)</u>	<u>(10,984,447)</u>	<u>(10,671,769)</u>	<u>4,434</u>
698,500	(10,461,935)	1,123,860	(711,437)
97,647	77,031	2,555,947	0
0	0	(78,000)	0
796,147	(10,384,904)	3,601,807	(711,437)
29,575,045	(133,214,117)	17,805,440	4,686,038
0	0	(226,439)	0
0	116,193,026	116,193,026	0
<u>29,575,045</u>	<u>(17,021,091)</u>	<u>133,772,027</u>	<u>4,686,038</u>
<u>\$ 30,371,192</u>	<u>\$ (27,405,995)</u>	<u>\$ 137,373,834</u>	<u>\$ 3,974,601</u>
		\$ 3,601,807	
		(272,132)	
		<u>\$ 3,329,675</u>	

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Water	Water Pollution
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$14,943,424	\$11,422,775	\$14,570,913
Cash Received from Swap Providers	0	0	0
Other Miscellaneous Cash Receipts	0	0	0
Cash Received from Interfund Services	0	0	0
Cash Payments for Goods and Services	(9,821,902)	(3,012,523)	(2,746,930)
Cash Payments to and on behalf of Employees	(863,788)	(2,786,602)	(1,789,775)
Cash Payments for Claims	0	0	0
Cash Payments for Interfund Services	(1,042,552)	(1,252,580)	(880,435)
Customer Deposits Returned	(40,728)	(7,532)	(7,532)
Net Cash Provided (Used) by Operating Activities	3,174,454	4,363,538	9,146,241
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants Received	0	90,021	0
Receipt of Interfund Advance Repayment	0	0	0
Acquisition of Land Held for Resale	0	0	0
Principal Paid on Revenue Bond Payable	0	0	0
Proceeds from Refunding Bonds	0	0	0
Premium on Refunding Bonds	0	0	0
Payment to Bond Escrow Agent	0	0	0
Interest Paid on Debt	0	0	0
Transfers Out to Other Funds	0	(78,000)	0
Net Cash Provided by Noncapital Financing Activities	0	12,021	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Intergovernmental Grants Received	0	0	50,000
Proceeds from Ohio Water Development Authority Loan	0	44,083,995	29,107,624
Proceeds from General Obligation Notes	0	475,000	0
Principal Paid on General Obligation Notes	0	(975,000)	0
Proceeds from Sales of Capital Assets	0	35,000	20,000
Acquisition and Construction of Assets	(1,915,897)	(45,550,623)	(30,300,988)
Installment Loan Payments	0	0	0
Principal Paid on General Obligation Bonds Payable	0	0	0
Principal Paid on Revenue Bonds Payable	0	(400,000)	(890,000)
Principal Paid on Ohio Water Development Authority Loans	0	(7,441)	(2,360,539)
Principal Paid on Ohio Public Works Commission Loan	0	0	0
Interest Paid on All Debt	0	(160,241)	(988,824)
Net Cash Used by Capital and Related Financing Activities	(1,915,897)	(2,499,310)	(5,362,727)
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investments	0	0	0
Change in Fair Value of Investments	0	213,849	346,698
Receipt of Investment Earnings	0	342,870	617,847
Net Cash Provided for Investing Activities	0	556,719	964,545
Net Increase (Decrease) in Cash and Cash Equivalents	1,258,557	2,432,968	4,748,059
Cash and Cash Equivalents at Beginning of Year	12,864,904	14,760,404	23,782,393
Cash and Cash Equivalents at End of Year	\$14,123,461	\$17,193,372	\$28,530,452

CITY OF LANCASTER, OHIO

Sanitation	Storm Water	Port Authority	Totals	Internal Service Funds
\$5,927,841	\$3,223,222	\$3,639,292	\$53,727,467	\$0
0	0	13,832,597	13,832,597	0
0	0	331,250	331,250	0
0	0	0	0	14,008,428
(1,818,207)	(1,214,851)	(34,254,899)	(52,869,312)	(1,753,158)
(1,528,260)	(462,203)	(124,538)	(7,555,166)	(1,644,847)
0	0	0	0	(9,679,048)
(899,171)	(350,911)	0	(4,425,649)	(454,260)
0	0	0	(55,792)	0
1,682,203	1,195,257	(16,576,298)	2,985,395	477,115
0	0	2,000,000	2,090,021	7,243
12,300	0	0	12,300	0
0	0	(50,610)	(50,610)	0
0	0	(1,460,000)	(1,460,000)	0
0	0	300,525,000	300,525,000	0
0	0	24,811,900	24,811,900	0
0	0	(295,746,123)	(295,746,123)	0
0	0	(14,653,250)	(14,653,250)	0
0	0	0	(78,000)	0
12,300	0	15,426,917	15,451,238	7,243
0	97,647	0	147,647	0
0	0	0	73,191,619	0
0	0	0	475,000	0
0	0	0	(975,000)	0
0	0	0	55,000	0
(2,553,128)	(1,051,280)	0	(81,371,916)	(117,992)
0	(42,090)	0	(42,090)	0
(267,000)	0	0	(267,000)	0
0	0	0	(1,290,000)	0
0	(238,528)	0	(2,606,508)	0
0	(34,622)	0	(34,622)	0
(100,750)	(7,190)	0	(1,257,005)	0
(2,920,878)	(1,276,063)	0	(13,974,875)	(117,992)
(16,907)	0	0	(16,907)	0
0	0	0	560,547	0
16,907	0	360,949	1,338,573	0
0	0	360,949	1,882,213	0
(1,226,375)	(80,806)	(788,432)	6,343,971	366,366
4,123,028	4,920,125	15,865,478	76,316,332	6,291,335
\$2,896,653	\$4,839,319	\$15,077,046	\$82,660,303	\$6,657,701

(Continued)

CITY OF LANCASTER, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Gas	Water	Water Pollution
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$14,013,852	\$14,764,338	\$25,695,509
Restricted Cash and Cash Equivalents	109,609	2,429,034	2,834,943
Cash and Cash Equivalents at End of Year	<u>\$14,123,461</u>	<u>\$17,193,372</u>	<u>\$28,530,452</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$1,090,704	\$2,502,241	\$6,048,658
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	1,165,513	1,434,999	2,846,019
Gain on Derivative Instrument	0	0	0
Miscellaneous Nonoperating Revenue	73	12,403	24,491
Changes in Assets, Deferred Outflows of Resources,			
Liabilities, and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	(19,892)	(28,977)	(59,153)
(Increase) Decrease in Inventory	671,296	(5,724)	21,312
(Increase) Decrease in Prepaid Items	(18,368)	1,070	(4,155)
Increase in Net OPEB Asset	(92,156)	(122,244)	(77,906)
Decrease in Deferred Outflows of Resources - Pension	196,097	273,943	184,020
Decrease in Deferred Outflows of Resources - OPEB	91,279	123,177	79,932
Increase (Decrease) in Accounts Payable	(67,951)	181,389	127,113
Increase (Decrease) in Accrued Wages and Benefits	6,185	11,909	(1,751)
Increase in Due to Other Funds	187,365	0	0
Increase in Intergovernmental Payable	0	0	0
Decrease in Customer Deposits	(40,728)	(7,532)	(7,532)
Decrease in Unearned Revenue	0	0	0
Decrease in Landfill Postclosure Care Liability	0	0	0
Increase (Decrease) in Compensated Absences	41,553	69,807	41,576
Increase (Decrease) in Net Pension Liability	(2,783)	(37,112)	(46,460)
Decrease in Net OPEB Liability	(57,496)	(76,975)	(49,539)
Increase (Decrease) in Deferred Inflows of Resources - Pension	(10,006)	(13,396)	(8,622)
Increase in Deferred Inflows of Resources - OPEB	33,769	44,560	28,238
Increase in Claims Payable	0	0	0
Total Adjustments	<u>2,083,750</u>	<u>1,861,297</u>	<u>3,097,583</u>
Net Cash Provided (Used) by Operating Activities	<u>\$3,174,454</u>	<u>\$4,363,538</u>	<u>\$9,146,241</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2024, the Water Fund and Storm Water Fund had outstanding liabilities of \$434,999 and \$205,802, respectively for certain capital assets.

See accompanying notes to the basic financial statements

CITY OF LANCASTER, OHIO

Sanitation	Storm Water	Port Authority	Totals	Internal Service Funds
\$2,896,653	\$4,839,319	\$12,447,076	\$74,656,747	\$6,657,701
0	0	2,629,970	8,003,556	0
<u>\$2,896,653</u>	<u>\$4,839,319</u>	<u>\$15,077,046</u>	<u>\$82,660,303</u>	<u>\$6,657,701</u>
\$926,698	\$704,816	\$522,512	\$11,795,629	(\$715,871)
508,970	454,072	1,501	6,411,074	48,588
0	0	5,082,935	5,082,935	0
45	0	321,170	358,182	0
(516)	9,365	(187,365)	(286,538)	18,699
182	0	0	687,066	961
(1,620)	0	(22,323,611)	(22,346,684)	(420)
(67,073)	(20,411)	(5,171)	(384,961)	(72,404)
156,354	41,837	65,162	917,413	154,670
68,502	19,978	10,872	393,740	71,806
145,247	9,126	(1,194)	393,730	(68,695)
1,759	1,162	817	20,081	11,522
0	0	0	187,365	0
0	0	94	94	0
0	0	0	(55,792)	0
0	0	(372)	(372)	0
(20,130)	0	0	(20,130)	0
24,358	(20,535)	0	156,759	(7,195)
(34,971)	3,196	(85,911)	(204,041)	(3,634)
(42,545)	(12,653)	(4,905)	(244,113)	(45,206)
(7,404)	(2,202)	25,827	(15,803)	(7,867)
24,347	7,506	1,341	139,761	26,521
0	0	0	0	1,065,640
<u>755,505</u>	<u>490,441</u>	<u>(17,098,810)</u>	<u>(8,810,234)</u>	<u>1,192,986</u>
<u>\$1,682,203</u>	<u>\$1,195,257</u>	<u>(\$16,576,298)</u>	<u>\$2,985,395</u>	<u>\$477,115</u>

CITY OF LANCASTER, OHIO

***Statement of Net Position
Fiduciary Funds
December 31, 2024***

	<u>Custodial</u>
Assets:	
Cash and Cash Equivalents	\$ 350,981
Receivables:	
Intergovernmental	2,134
Total Assets	<u>353,115</u>
Liabilities:	
Intergovernmental Payable	5,447
Total Liabilities	<u>5,447</u>
Net Position:	
Restricted For:	
Individuals, Organizations and Other Governments	347,668
Total Net Position	<u>\$ 347,668</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, 2024***

	<u>Custodial</u>
Additions:	
Fines and Forfeitures Collections for Others	\$ 3,679,597
Income Tax Collections for Other Governments	16,535
Total Additions	<u>3,696,132</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	3,582,603
Distribution of Income Taxes to Other Governments	16,535
Total Deductions	<u>3,599,138</u>
Change in Net Position	96,994
Net Position at Beginning of Year	250,674
Net Position End of Year	<u><u>\$ 347,668</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2024 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 19.

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, 2024***

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.

2021 Police and Fire Levy Fund – This fund is used to account for a voted income tax levy used for police and fire operations and equipment.

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, 2024***

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, engineering services, 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. These funds are reported using the economic resources measurement focus. 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, 2024***

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, 2024***

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, 2024***

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 2024.

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 the year, 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, 2024**

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 funds:

	Net Change in Fund Balance		
	General Fund	.45 Police and Fire Levy Fund	2021 Police and Fire Levy Fund
GAAP Basis (as reported)	\$3,793,788	\$146,154	\$686,758
Increase (Decrease):			
Accrued Revenues at December 31, 2024 received during 2025	(2,666,167)	(1,896,648)	(1,797,614)
Accrued Revenues at December 31, 2023 received during 2024	2,133,504	1,710,471	1,615,461
Accrued Expenditures at December 31, 2024 paid during 2025	5,094,365	346,107	328,393
Accrued Expenditures at December 31, 2023 paid during 2024	(4,379,001)	(313,861)	(313,834)
2023 Prepays for 2024	47,176	0	0
2024 Prepays for 2025	(50,705)	0	0
Change in Cash with Fiscal Agent	(4)	0	0
Adjustment to Fair Value	(875,649)	0	0
Outstanding Encumbrances	(2,016,785)	(183,904)	(268,708)
Budget Basis	<u>\$1,080,522</u>	<u>(\$191,681)</u>	<u>\$250,456</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 2024, 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, 2024***

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, 2024, 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, 2024, 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, 2024***

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, 2024**

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/Sanitation 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 Loans	General Fund, Cemetery Fund, Street Construction, Maintenance and Repair Fund, Fire Impact-District One Fund Parks and Recreation Fund, Storm Water Fund
Net Pension Liability Net OPEB Liability	General Fund, .45 Police and Fire Levy Fund, Cemetery Fund, Street Construction, Maintenance and Repair Fund, Parks and Recreation Fund, Lancaster 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, 2024***

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 pro-rata amount of accumulated sick leave based on the employee's date of hire and position and on negotiated work agreements with the City.

GASB Statement No. 101, "*Compensated Absences*", requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. For governmental funds, the portion of unpaid compensated absences expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net position, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

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, 2024***

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, 2024***

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 restricted resources first, then unrestricted (committed, assigned and unassigned) 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, 2024***

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 assets 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 assets 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, leases, 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 revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue 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 in 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, 2024**

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 AND RESTATEMENT OF NET POSITION

For 2024 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections” and Statement No. 101, “Compensated Absences.” GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. In addition, certain adjustments were necessary to correct errors in accounting for prepaid gas balances.

The implementation of GASB Statement 101 and correction of prepaid gas balances had the following effect on net position as reported December 31, 2023:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water Fund</u>
Net Position at December 31, 2023, as Reported	\$75,753,806	\$18,596,428	\$31,545,994
Adjustments:			
Increase in Compensated Absences	(959,895)	(226,439)	(49,809)
Prepaid Gas Correction	0	116,193,026	0
Net Position at December 31, 2023, as Restated	<u>\$74,793,911</u>	<u>\$134,563,015</u>	<u>\$31,496,185</u>
	<u>Water Pollution Fund</u>	<u>Sanitation Fund</u>	<u>Port Authority Fund</u>
Net Position at December 31, 2023, as Reported	\$54,632,653	\$3,673,480	(\$133,214,117)
Adjustments:			
Increase in Compensated Absences	(104,678)	(71,952)	0
Prepaid Gas Correction	0	0	116,193,026
Net Position at December 31, 2023, as Restated	<u>\$54,527,975</u>	<u>\$3,601,528</u>	<u>(\$17,021,091)</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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	2021 Police and Fire Levy Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$50,705	\$0	\$0	\$20,481	\$71,186
Inventory of Supplies	119,523	0	0	464,011	583,534
Total Nonspendable	<u>170,228</u>	<u>0</u>	<u>0</u>	<u>484,492</u>	<u>654,720</u>
Restricted:					
Transportation Projects	0	0	0	2,645,145	2,645,145
Cemetery	0	0	0	1,918,683	1,918,683
Court Projects	0	0	0	2,725,427	2,725,427
Public Transportation	0	0	0	6,897	6,897
911 Services	0	0	0	225,522	225,522
Police and Fire Operations	0	5,640,482	4,702,322	2,730,861	13,073,665
Addiction Treatment	0	0	0	199,563	199,563
Pension for Public Safety	0	0	0	30	30
Community Development	0	0	0	2,024,908	2,024,908
Fire Insurance Escrow	0	0	0	84,035	84,035
Debt Retirement	0	0	0	555	555
Capital Improvements	0	0	0	596,396	596,396
Total Restricted	<u>0</u>	<u>5,640,482</u>	<u>4,702,322</u>	<u>13,158,022</u>	<u>23,500,826</u>
Committed:					
Parks and Recreation	0	0	0	4,581,304	4,581,304
Capital Improvements	0	0	0	5,725,933	5,725,933
Total Committed	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,307,237</u>	<u>10,307,237</u>
Assigned:					
Services and Supplies	908,948	0	0	0	908,948
Total Assigned	<u>908,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>908,948</u>
Unassigned:					
	25,592,752	0	0	(1,384,350)	24,208,402
Total Fund Balances	<u>\$26,671,928</u>	<u>\$5,640,482</u>	<u>\$4,702,322</u>	<u>\$22,565,401</u>	<u>\$59,580,133</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

The fund deficits at December 31, 2024 of \$1,023,629 in the Ety Road TIF Project Fund and \$360,721 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 \$27,405,995 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 \$661,696 in the Utilities Collection Fund and \$71,633 in the Environmental Engineering Fund (internal service funds) 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, 2024***

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 fair 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 fair value 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, 2024***

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 fair 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 fair 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 fair 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 \$62,061,882 and the bank balance was \$63,308,062. Federal depository insurance covered \$1,954,764 of the bank balance and \$61,353,298 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the City's name and securities held in the Ohio Pooled Collateral System.

Investment earnings of \$1,885,093 earned by other funds were credited to the General Fund as required by state statute.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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

B. Investments

The City’s investments at December 31, 2024 were as follows:

	Fair Value	Credit Rating	Concentration of Credit Risk	Investment Maturities (in Years)			
				less than 1	1-3	3-5	more than 5
STAR Ohio	\$67,743	AAAm ¹	0.08%	\$67,743	\$0	\$0	\$0
Negotiable CD's	5,750,013	N/A ³	6.75%	3,198,125	2,053,576	498,312	0
Money Market	5,177,229	AA+ ¹ , Aaa ²	6.07%	5,177,229	0	0	0
School Bonds	1,288,804	AA+ ¹ , Aaa ²	1.51%	507,707	226,653	554,444	0
U.S. Treasuries	32,246,965	AA+ ¹ , Aaa ²	37.83%	7,991,840	12,555,126	11,699,999	0
FNMA	7,177,497	AA+ ¹ , Aaa ²	8.42%	3,901,630	2,191,317	1,084,550	0
FHLB	13,225,326	AA+ ¹ , Aaa ²	15.52%	2,471,056	7,129,018	3,625,252	0
FFCB	9,559,142	AA+ ¹ , Aaa ²	11.21%	4,613,112	4,946,030	0	0
FHLMC	10,744,122	AA+ ¹ , Aaa ²	12.61%	388,900	2,485,305	7,869,917	0
Total Investments	\$85,236,841		100.00%	\$28,317,342	\$31,587,025	\$25,332,474	\$0

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 fair value 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.

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, 2024***

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 2024 were levied after October 1, 2023 on assessed values as of January 1, 2023, 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.

The full tax rate for the City's operations for the year ended December 31, 2024 was \$6.40 per \$1,000 of assessed value. The assessed value upon which the 2024 property tax receipts were based was \$1,067,649,850. This amount constitutes \$1,023,095,890 in real property assessed value and \$44,553,960 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%, 1.65% 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 7 - RECEIVABLES

Receivables at December 31, 2024 consisted of taxes, accounts, interest, settlements, 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 \$6,988,912 and \$8,874,572 respectively. Delinquents are included in the amounts presented.

Leases Receivable - The City leases office space as lessor. In 2024 the City received \$54,847 in lease payments. The total lease receivable balance at December 31, 2024 was \$173,217.

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CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 8 – INTERFUND ACCOUNTS

Interfund balances at December 31, 2024 consist of the following individual fund receivables and payables:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$3,086,957
.45 Police and Fire Levy	978,262	0
2021 Police and Fire Levy	978,261	0
Nonmajor Governmental Funds	1,130,434	0
Total Governmental Funds	<u>3,086,957</u>	<u>3,086,957</u>
Enterprise Funds:		
Gas	0	534,593
Port Authority	534,593	0
Total Enterprise Funds	<u>534,593</u>	<u>534,593</u>
Totals	<u>\$3,621,550</u>	<u>\$3,621,550</u>
	<u>Advance to Other Funds</u>	<u>Advance from Other Funds</u>
Nonmajor Governmental Funds	\$0	\$100,700
Enterprise Fund:		
Sanitation Fund	100,700	0
Totals	<u>\$100,700</u>	<u>\$100,700</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 2024:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$1,777,368
Nonmajor Governmental Funds	2,688,846	833,478
Enterprise Funds:		
Water Fund	0	78,000
Total Transfers	<u>\$2,688,846</u>	<u>\$2,688,846</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, 2024**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at December 31, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$19,204,645	\$0	\$0	\$19,204,645
Construction in Progress	161,943	779,459	0	941,402
Subtotal	19,366,588	779,459	0	20,146,047
<i>Capital assets being depreciated:</i>				
Buildings	18,067,995	251,962	0	18,319,957
Improvements Other than Buildings	8,881,845	184,516	0	9,066,361
Machinery and Equipment	7,179,307	395,473	(508,399)	7,066,381
Vehicles	10,024,719	1,154,200	(1,882,202)	9,296,717
Infrastructure	53,545,483	4,159,545	(150,827)	57,554,201
Subtotal	97,699,349	6,145,696	(2,541,428)	101,303,617
Total Cost	\$117,065,937	\$6,925,155	(\$2,541,428)	\$121,449,664

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Buildings	(\$7,107,566)	(\$402,607)	\$0	(\$7,510,173)
Improvements Other than Buildings	(6,395,582)	(223,836)	0	(6,619,418)
Machinery and Equipment	(5,182,992)	(434,767)	334,846	(5,282,913)
Vehicles	(7,553,798)	(646,250)	1,284,825	(6,915,223)
Infrastructure	(17,961,089)	(1,087,301)	145,928	(18,902,462)
Total Depreciation	(\$44,201,027)	(\$2,794,761) *	\$1,765,599	(\$45,230,189)
<i>Net Value:</i>	\$72,864,910			\$76,219,475

* Depreciation was charged to governmental functions as follows:

Security of Persons and Property	\$670,505
Leisure Time Activities	303,080
Public Health and Welfare	29,507
Transportation	1,389,823
General Government	379,721
Internal Service Fund Capital Assets	22,125
Total Depreciation Expense	\$2,794,761

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 10 – CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at December 31, 2024:

Historical Cost:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$3,784,056	\$77,031	(\$150,530)	\$3,710,557
Construction in Progress	90,152,762	81,553,377	(2,787,344)	168,918,795
Subtotal	93,936,818	81,630,408	(2,937,874)	172,629,352
<i>Capital assets being depreciated:</i>				
Buildings	81,285,152	2,787,344	0	84,072,496
Improvements	34,699,716	0	0	34,699,716
Machinery and Equipment	11,751,234	506,272	(99,415)	12,158,091
Vehicles	9,187,763	1,350,571	(981,359)	9,556,975
Infrastructure	121,437,193	1,588,235	0	123,025,428
Subtotal	258,361,058	6,232,422	(1,080,774)	263,512,706
Total Cost	\$352,297,876	\$87,862,830	(\$4,018,648)	\$436,142,058

Accumulated Depreciation:

Class	December 31, 2023	Additions	Deletions	December 31, 2024
Buildings	(\$36,171,169)	(\$1,988,431)	\$0	(\$38,159,600)
Improvements	(32,911,683)	(115,247)	0	(33,026,930)
Machinery and Equipment	(9,662,455)	(465,129)	66,684	(10,060,900)
Vehicles	(6,573,062)	(820,904)	914,519	(6,479,447)
Infrastructure	(62,171,019)	(3,047,826)	0	(65,218,845)
Total Depreciation	(\$147,489,388)	(\$6,437,537)	\$981,203	(\$152,945,722)
<i>Net Value:</i>	\$204,808,488			\$283,196,336

Internal service funds serve both governmental and business-type funds. Accordingly, capital assets for these funds are included as part of the above totals for governmental and business-type funds. At year-end, \$447,992 and \$51,251 of internal service funds capital assets, net of depreciation are included in the respective above amounts. Also, \$22,125 and \$26,463 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, 2024***

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 *intergovernmental 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 is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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

Traditional plan state and local 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 amount of a member’s pension benefit vests at retirement. Law enforcement and public safety members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2024 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 \$2,732,564 for 2024. Of this amount, \$321,908 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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>
2024 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2024 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$3,305,612 for 2024. Of this amount, \$378,116 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2023, 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, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$31,339,807	\$47,395,852	\$78,735,659
Proportion of the Net Pension Liability-2024	0.119093%	0.490570%	
Proportion of the Net Pension Liability-2023	<u>0.109474%</u>	<u>0.434298%</u>	
Percentage Change	<u>0.009619%</u>	<u>0.056272%</u>	
Pension Expense	\$4,159,589	\$5,168,007	\$9,327,596

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2024, 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	\$2,995,371	\$2,995,371
Differences between expected and actual experience	512,229	1,521,549	2,033,778
Net difference between projected and actual earnings on pension plan investments	6,325,720	5,370,956	11,696,676
Change in proportionate share	1,144,209	3,529,188	4,673,397
City contributions subsequent to the measurement date	<u>2,732,564</u>	<u>3,305,612</u>	<u>6,038,176</u>
Total Deferred Outflows of Resources	<u>\$10,714,722</u>	<u>\$16,722,676</u>	<u>\$27,437,398</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$719,764	\$719,764
Differences between expected and actual experience	0	530,071	530,071
Change in proportionate share	<u>82,663</u>	<u>312,085</u>	<u>394,748</u>
Total Deferred Inflows of Resources	<u>\$82,663</u>	<u>\$1,561,920</u>	<u>\$1,644,583</u>

\$6,038,176 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, 2025. 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:			
2025	\$2,282,860	\$2,768,894	\$5,051,754
2026	2,480,651	3,124,218	5,604,869
2027	4,036,709	4,475,797	8,512,506
2028	(900,725)	542,297	(358,428)
2029	0	916,435	916,435
2030	<u>0</u>	<u>27,503</u>	<u>27,503</u>
Total	<u>\$7,899,495</u>	<u>\$11,855,144</u>	<u>\$19,754,639</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2023 and December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2023
Wage Inflation	2.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA:	2.75 to 10.75 percent including wage inflation
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	2.75 to 10.75 percent including wage inflation 3.0 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$49,337,240	\$31,339,807	\$16,371,130

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2023 is based on the results of an actuarial valuation date of January 1, 2023, 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, 2023, compared with January 1, 2022, are presented below.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.25 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	2.2 percent simple

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2023, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
Total	125.00 %	

Note: Assumptions are geometric.

* levered 2.0x

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 the 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, 2024**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2023, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2022 was 7.50 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 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$62,779,336	\$47,395,852	\$34,602,989

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least page 55.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>	<i>January 1, 2015 through December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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 allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2024.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2024, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The City's contractually required contribution to OP&F was \$77,519 for 2024. Of this amount, \$8,849 is reported as an intergovernmental 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, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	(\$1,064,535)	\$3,581,805	
Proportion of the Net OPEB Liability (Asset)-2024	0.117378%	0.490570%	
Proportion of the Net OPEB Liability (Asset)-2023	0.108613%	0.434298%	
Percentage Change	<u>0.008765%</u>	<u>0.056272%</u>	
OPEB Expense	(\$243,849)	\$259,219	\$15,370

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2024, 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	\$274,064	\$1,232,531	\$1,506,595
Differences between expected and actual experience	0	172,238	172,238
Net difference between projected and actual earnings on OPEB plan investments	639,316	264,493	903,809
Change in proportionate share	0	526,164	526,164
City contributions subsequent to the measurement date	0	77,519	77,519
Total Deferred Outflows of Resources	<u>\$913,380</u>	<u>\$2,272,945</u>	<u>\$3,186,325</u>
Deferred Inflows of Resources			
Changes in assumptions	\$457,611	\$2,306,597	\$2,764,208
Differences between expected and actual experience	151,515	658,231	809,746
Change in proportionate share	0	25,086	25,086
Total Deferred Inflows of Resources	<u>\$609,126</u>	<u>\$2,989,914</u>	<u>\$3,599,040</u>

\$77,519 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 2025. 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
2025	(\$27,013)	\$56,005	\$28,992
2026	49,488	(101,933)	(52,445)
2027	497,649	(30,042)	467,607
2028	(215,870)	(237,280)	(453,150)
2029	0	(256,250)	(256,250)
2030	0	(298,251)	(298,251)
2031	0	50,984	50,984
2032	0	22,279	22,279
Total	<u>\$304,254</u>	<u>(\$794,488)</u>	<u>(\$490,234)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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, 2022, rolled forward to the measurement date of December 31, 2023. 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	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.70 percent
Prior measurement date	5.22 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	3.77 percent
Prior measurement date	4.05 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2038
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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 benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

Discount Rate A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index").

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, 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 5.70 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 (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$585,037	(\$1,064,535)	(\$2,430,971)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 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 the health care 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)	(\$1,108,739)	(\$1,064,535)	(\$1,014,379)

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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.

	January 1, 2023	January 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent	3.25 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	4.07 percent	4.27 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple
Projected Depletion Year of OPEB Assets	2038	2036

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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 OP&F's Statement of Investment Policy. A forecasted rate of inflation serves as a 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 average 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 real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
 Total	 <u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.0x

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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 the 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 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

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 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent) than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City’s proportionate share of the net OPEB liability	\$4,411,789	\$3,581,805	\$2,882,794

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.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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, 2024	Additions	(Reductions)	Balance December 31, 2024
Capital Projects Notes Payable:					
4.000% Street Improvement TIF	12/31/2024	\$820,128	\$0	(\$820,128)	\$0
4.000% Street Improvement TIF	12/31/2025	0	215,527	0	215,527
4.000% Island Capital TIF	12/31/2024	254,392	0	(254,392)	0
4.000% Island Capital TIF	12/31/2025	0	221,965	0	221,965
4.000% Menards TIF	12/31/2025	0	175,731	0	175,731
4.000% Walmart TIF	12/31/2025	0	251,100	0	251,100
4.000% RLG TIF	12/31/2025	0	73,197	0	73,197
5.600% Columbian Construction	12/15/2024	540,000	0	(540,000)	0
4.300% Columbian Construction	12/15/2025	0	360,000	0	360,000
Total Capital Projects Notes Payable		\$1,614,520	\$1,297,520	(\$1,614,520)	\$1,297,520
Enterprise Funds Notes Payable:					
4.75% Various Purpose Water Note	1/31/2025	\$0	\$475,000	\$0	\$475,000
Total Enterprise Notes Payable		\$0	\$475,000	\$0	\$475,000

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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

Long-term debt and other long-term obligations of the City at December 31, 2024 were as follows:

	Restated Balance December 31, 2023	Additions	(Reductions)	Balance December 31, 2024	Due Within One Year	
Business-Type Activities:						
Ohio Water Development Authority Loans (OWDA):*						
2003 2.00%	Water Treatment Plant/Clearwells/Wellfield	\$72,623	\$0	(\$7,441)	\$65,182	\$7,592
2024 2.53%	South Water Plant Booster Pump	0	45,659	0	45,659	0
2009 3.27%	Water Pollution Control Plant	16,471,350	0	(1,832,894)	14,638,456	1,893,320
2021 0.70%	Water Pollution Lawrence Facility Upgrade	22,495,349	34,405	(527,645)	22,002,109	0
2018 0.00%	Cherokee Drive Drainage Improvements	382,408	0	(69,529)	312,879	69,529
2020 0.00%	Fifth Ave/Sixth Ave/Forest Rose Ave CSO	3,448,434	0	(168,999)	3,279,435	198,754
2024 2.66%	Lateral D Trunk Sewer and Pump Station	0	15,323,581	0	15,323,581	0
2022 0.86%	Upper Hocking Water Pollution Control Facility	20,755,248	13,749,638	0	34,504,886	0
2022 2.52%	North Water Treatment Plant Replacement	26,578,576	44,038,336	0	70,616,912	0
	Total Ohio Water Development Authority Loans	<u>90,203,988</u>	<u>73,191,619</u>	<u>(2,606,508)</u>	<u>160,789,099</u>	<u>2,169,195</u>
Revenue Bonds Payable:						
2012 2-3.5%	Refunding Water System Improvement Revenue Bond	2,675,000	0	(400,000)	2,275,000	410,000
	Premium	117,499	0	(19,582)	97,917	0
2016 3-4%	Refunding Wastewater System Improvement Revenue Bond	10,695,000	0	(890,000)	9,805,000	925,000
	Premium	1,172,058	0	(117,205)	1,054,853	0
2019 5.00%	Refunding Port Authority Gas Supply Revenue Bond	293,405,000	0	(293,405,000)	0	0
	Discount	36,734,462	0	(36,734,462)	0	0
2024 5.00%	Refunding Port Authority Gas Supply Revenue Bond	0	300,525,000	0	300,525,000	715,000
	Premium	0	24,811,900	(413,532)	24,398,368	0
	Total Revenue Bonds Payable	<u>344,799,019</u>	<u>325,336,900</u>	<u>(331,979,781)</u>	<u>338,156,138</u>	<u>2,050,000</u>
General Obligation Bonds Payable:						
2023 3.25%	Sanitation System Improvements	3,100,000	0	(267,000)	2,833,000	276,000
	Total General Obligation Bonds Payable	<u>3,100,000</u>	<u>0</u>	<u>(267,000)</u>	<u>2,833,000</u>	<u>276,000</u>
Long Term Notes:						
2023 4.70%	Various Purpose Water	975,000	0	(975,000)	0	0
	Total Long Term Notes	<u>975,000</u>	<u>0</u>	<u>(975,000)</u>	<u>0</u>	<u>0</u>
Installment Loans:*						
2022 4.11%	Street Sweeper	179,022	0	(42,090)	136,932	43,819
	Total Installment Loans	<u>179,022</u>	<u>0</u>	<u>(42,090)</u>	<u>136,932</u>	<u>43,819</u>
Ohio Public Works Commission Loan (OPWC):*						
2018 0.00%	Cherokee Drive Drainage Improvements	207,735	0	(34,622)	173,113	34,622
Landfill Postclosure Care Liability						
		673,395	0	(20,130)	653,265	107,989
Compensated Absences						
		2,320,502	126,222	0	2,446,724	404,416
	Total Business-Type Long-Term Debt	<u>\$442,458,661</u>	<u>\$398,654,741</u>	<u>(\$335,925,131)</u>	<u>\$505,188,271</u>	<u>\$5,086,041</u>

*December 31, 2023 compensated absences balances were restated due to implementation of Governmental Accounting Standards Board Statement 101. See note 2.

CITY OF LANCASTER, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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

	Restated Balance December 31, 2023	Additions	(Reductions)	Balance December 31, 2024	Due Within One Year
Governmental Activities Long-Term Debt:					
2014 2-3% Refunding General Obligation Bond Payable	\$280,000	\$0	(\$280,000)	\$0	\$0
2014 2-4% General Obligation Bond Payable-Court Facility	6,235,000	0	(215,000)	6,020,000	220,000
Premium	84,770	0	(4,238)	80,532	0
2014 1-3.45% General Obligation Bond Payable - Land	115,000	0	(115,000)	0	0
Total General Obligation Bonds Payable	<u>6,714,770</u>	<u>0</u>	<u>(614,238)</u>	<u>6,100,532</u>	<u>220,000</u>
2010 3.25% Ohio Water Development Authority Loan*	180,185	0	(21,583)	158,602	22,290
2019 0.00% State Infrastructure Bank Loan*	146,259	0	(27,537)	118,722	28,369
Installment Loans:*					
2019 3.85% Street Master Lease Purchase	76,942	0	(76,942)	0	0
2019 3.85% Cemetery Master Lease Purchase	14,509	0	(14,509)	0	0
2021 2.49% Fire Horton Medic Master Lease	175,502	0	(57,051)	118,451	58,492
2022 2.49% Parks - Various Equipment	266,383	0	(64,133)	202,250	65,755
2022 2.49% Street - Various Equipment	266,436	0	(64,144)	202,292	65,769
2024 6.75% Cemetery - Various Equipment	0	66,500	0	66,500	10,548
2024 6.75% Street - Various Equipment	0	204,959	0	204,959	32,509
Total Installment Loans	<u>799,772</u>	<u>271,459</u>	<u>(276,779)</u>	<u>794,452</u>	<u>233,073</u>
Leases	0	310,494	(26,234)	284,260	41,177
Compensated Absences	5,941,713	604,327	0	6,546,040	1,229,654
Total Governmental Activities	<u>\$13,782,699</u>	<u>\$1,186,280</u>	<u>(\$966,371)</u>	<u>\$14,002,608</u>	<u>\$1,774,563</u>

*December 31, 2023 compensated absences balances were restated due to implementation of Governmental Accounting Standards Board Statement 101. See note 2.

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, \$103,180 and \$192,598 of internal service funds compensated absences are included in the respective above amounts.

A. Long Term Note Payable

The City reported \$975,000 of long term notes payable at December 31, 2023 for Various Purpose water improvements. The City has been retiring a portion of the Various Purpose Improvement Notes as they mature and issuing new notes for the remaining balance. On February 2, 2024 the City issued \$475,000 of notes at an interest rate of 4.75%. The City paid off the \$475,000 note on February 14, 2025 without issuing new notes; therefore, these notes payable are recorded as a short term obligation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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

B. Gas Supply Revenue Bonds, Series 2019

In November, 2024, the Port Authority issued \$300,525,000 of gas supply revenue refunding bonds in a current refunding to redeem \$291,945,000 of gas supply revenue refunding bonds issued in May, 2019 as well as provide for the prepayment of the extension of the original prepaid gas agreement through the year 2054. The 2024 gas supply revenue refunding bonds carry an interest rate of 5.00% and are scheduled to mature on February 1, 2055, with the bonds maturing after August 1, 2030 being subject to a mandatory tender as of that date.

The principal and interest remaining to be paid on these bonds is \$577,241,469. Principal and interest paid for the current year and total customer net revenues were \$16,113,250 and \$884,962, respectively.

C. 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 \$2,561,075. Principal and interest paid for the current year and total customer net revenues were \$511,625 and \$4,500,196, 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 \$11,867,200. Principal and interest paid for the current year and total customer net revenues were \$1,317,800 and \$9,875,253, respectively.

D. Ohio Water Development Authority Loans

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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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

D. Ohio Water Development Authority Loans (Continued)

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 interest rate on the loans is 0%, per annum.

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 a combined sewer overflow project. The amount is subject to change and has not been finalized. The interest rate on the loans is 0%, per annum.

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, 2024, the City had received \$22,529,754, from OWDA. As of December 31, 2024, the loan has not been finalized and there is no amortization schedule for the loan.

In 2022, 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 \$39,381,069. The proceeds are being used for upgrades to the Upper Hocking Water Pollution Control Facility. The amount is subject to change and has not been finalized. The interest rate on the loans is 0.86%, 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, 2024, the City had received \$34,504,886, from OWDA. As of December 31, 2024, the loan has not been finalized and there is no amortization schedule for the loan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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

D. Ohio Water Development Authority Loans (Continued)

In 2022, 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 \$98,215,679. The proceeds are being used for replacement of the North Water Treatment Plant. The amount is subject to change and has not been finalized. The interest rate on the loans is 2.52%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2024, the City had received \$70,616,912, from OWDA. As of December 31, 2024, the loan has not been finalized and there is no amortization schedule for the loan.

In 2024, 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 \$3,416,610. The proceeds are being used for the South Water Plant Booster Pump. The amount is subject to change and has not been finalized. The interest rate on the loans is 2.53%, per annum. This loan is payable from water charges and is received by the City in increments as the project is completed. As of December 31, 2024, the City had received \$45,659, from OWDA. As of December 31, 2024, the loan has not been finalized and there is no amortization schedule for the loan.

In 2024, 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 \$25,732,491. The proceeds are being used for the Lateral D Trunk Sewer and Upper Hocking Pump Station. The amount is subject to change and has not been finalized. The interest rate on the loans is 2.66%, 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, 2024, the City had received \$15,323,581 from OWDA. As of December 31, 2024, the loan has not been finalized and there is no amortization schedule for the loan.

E. Installment Loans

In 2022 the City received an installment loan in the amount of \$219,450 for the purchase of a street sweeper. The loan carries an interest rate of 4.11% and matures in 2027. In 2022 the City also received two installment loans in the amount of \$325,000 each for the purchase of parks and street equipment. The loans carry an interest rate of 2.49% and mature in 2027. In 2024 the City received installment loans of \$271,459 for the purchase of various cemetery and street equipment. The loans carry an interest of 6.75% and mature in 2029.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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

F. 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, 2024 follows:

Governmental Activities:				
Years	General Obligation Bond Payable		OWDA Loan	
	Principal	Interest	Principal	Interest
2025	\$220,000	\$236,787	\$22,290	\$4,592
2026	230,000	229,363	23,021	3,918
2027	235,000	221,600	23,775	3,222
2028	245,000	212,787	24,554	2,503
2029	255,000	203,600	25,358	1,760
2030-2034	1,435,000	856,800	39,604	1,194
2035-2039	1,740,000	546,200	0	0
2040-2043	1,660,000	169,400	0	0
Totals	<u>\$6,020,000</u>	<u>\$2,676,537</u>	<u>\$158,602</u>	<u>\$17,189</u>

State Infrastructure				
Years	Bank Loan		Installment Loan	
	Principal	Interest	Principal	Interest
2025	\$28,369	\$3,351	\$233,073	\$32,904
2026	29,226	2,493	247,490	18,487
2027	59,346	1,610	193,737	11,161
2028	1,781	698	58,501	5,613
2029	0	0	61,651	2,463
	<u>\$118,722</u>	<u>\$8,152</u>	<u>\$794,452</u>	<u>\$70,628</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

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

F. Future Long-Term Financing Requirements (Continued)

Business-Type Activities:

Years	OWDA Loans		Revenue Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$2,169,195	\$426,335	\$2,050,000	\$11,635,794	\$276,000	\$92,073
2026	2,231,765	368,918	2,535,000	15,410,825	285,000	83,103
2027	2,296,396	309,611	2,645,000	15,293,100	294,000	73,840
2028	2,363,156	248,350	2,810,000	15,170,150	304,000	64,285
2029	2,397,350	186,832	2,895,000	15,046,375	314,000	54,405
2030-2034	5,546,190	172,036	44,530,000	70,539,600	1,360,000	112,287
2035-2039	993,770	0	51,425,000	58,135,125	0	0
2040-2044	298,130	0	58,435,000	44,510,875	0	0
2045-2049	0	0	66,295,000	29,040,625	0	0
2050-2054	0	0	71,360,000	11,907,875	0	0
2055	0	0	7,625,000	190,625	0	0
Totals	\$18,295,952	\$1,712,082	\$312,605,000	\$286,880,969	\$2,833,000	\$479,993

Years	OPWC Loans		Installment Loans	
	Principal	Interest	Principal	Interest
2025	\$34,622	\$0	\$43,819	\$5,626
2026	34,622	0	45,619	3,826
2027	34,622	0	47,494	1,951
2028	34,622	0	0	0
2029	34,625	0	0	0
Totals	\$173,113	\$0	\$136,932	\$11,403

G. Leases Payable

The City leases various public safety vehicles and related equipment. The lease liability is accounted for as Governmental Activities other long-term obligations.

The following is a schedule of future lease payments as of December 31, 2024:

Years	Governmental Activities	
	Leases	
	Principal	Interest
2025	\$41,177	\$19,843
2026	58,505	15,751
2027	62,903	11,353
2028	67,633	6,623
2029	54,042	1,651
Totals	284,260	\$55,221

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

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

H. 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 \$2,460,000 at December 31, 2024, 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 \$1,525,000 at December 31, 2024, 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 \$10,305,000 at December 31, 2024, 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, 2024**

NOTE 15 - DERIVATIVE INSTRUMENTS

A. Composition of Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding as of December 31, 2024, 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	61,142,491 mmbtu	\$ 206,695,252	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 \$20,656,743 for 2024. 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, 2024:

<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.	2055	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, 2024***

NOTE 15 - 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, 2024***

NOTE 16 - 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 \$25,000 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 \$1,394,459 reported at December 31, 2024 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:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2023	\$300,562	\$8,235,077	(\$8,206,820)	\$328,819
2024	\$328,819	\$10,744,688	(\$9,679,048)	\$1,394,459

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 17 - SOLID WASTE LANDFILL AND TRANSFER STATION CLOSURE AND POSTCLOSURE CARE COSTS

A. Solid Waste Landfill

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 \$623,876. 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 \$592,577 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.

B. Transfer Station

This City operates a solid waste transfer facility which is used for the transfer of solid waste from the City to a commercial landfill located outside the City. At December 31, 2024, the current final closure cost estimate is \$29,389, and includes, among other things, waste removal, cleaning, leachate removal, signage, treatment for vectors and filing of paperwork. The liability and associated funds to cover the costs are reported on the City's books in the Sanitation Fund.

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**Notes to the Basic Financial Statements
For the Year Ended December 31, 2024**

NOTE 18 - SIGNIFICANT COMMITMENTS

As of December 31, 2024, the City had the following commitments with respect to capital improvements:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>
Water Pollution - Lawrence Street	\$77,542
Zane Alley Sewer Replacement	452,365
Water Pollution - Lateral D PH2 Campground Road	6,461,227
Water Pollution - Upper Hocking	2,675,306
Water - South Water Plant	5,772,068
Water - North Water Plant	17,341,738
	<u>\$32,780,246</u>

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 \$1,536,722 in the Gas Fund.

NOTE 19 - 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.

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 19 - 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, 2024***

NOTE 19 - 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, 2024***

NOTE 19 - 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 20 - 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, 2024 to December 31, 2024, 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 21 – 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2024***

NOTE 22 - 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 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.

NOTE 23- SPECIAL ITEM

Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City Public Transit operations were transferred to Fairfield County, effective July 1, 2024. The Public Transit Fund is reporting a special item in the amount of (\$759,278), which reflects costs directly associated with the disposal of these operations. The entity wide Statement of Activities reflects the transfer of operations as a special item in the amount of (\$1,506,275), which is inclusive of the disposal of capital assets used for transit operations. Normal operating costs for the period preceding the transfer are reported as revenues or expenses/expenditures in the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LANCASTER, OHIO***Schedule of City's Proportionate Share of the Net Pension Liability
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2015	2016	2017	2018
City's proportion of the net pension liability	0.107214%	0.106637%	0.102972%	0.105408%
City's proportionate share of the net pension liability	\$12,931,207	\$18,470,873	\$23,383,190	\$16,536,473
City's covered payroll	\$13,144,467	\$13,283,725	\$13,311,258	\$13,922,223
City's proportionate share of the net pension liability as a percentage of its covered payroll	98.38%	139.05%	175.66%	118.78%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	81.08%	77.25%	84.66%

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

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
City's proportion of the net pension liability	0.464319%	0.465095%	0.449586%	0.456191%
City's proportionate share of the net pension liability	\$24,053,640	\$29,919,887	\$28,476,326	\$27,998,502
City's covered payroll	\$9,092,747	\$9,346,715	\$9,604,901	\$9,816,433
City's proportionate share of the net pension liability as a percentage of its covered payroll	264.54%	320.11%	296.48%	285.22%
Plan fiduciary net position as a percentage of the total pension liability	71.71%	66.77%	68.36%	70.91%

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

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

2019	2020	2021	2022	2023	2024
0.106715%	0.106490%	0.111471%	0.111141%	0.109474%	0.119093%
\$29,227,075	\$21,048,471	\$16,578,243	\$9,724,438	\$32,585,323	\$31,339,807
\$14,414,043	\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121	\$19,708,979
202.77%	140.48%	105.09%	59.95%	190.49%	159.01%
74.70%	82.17%	86.88%	92.62%	75.74%	79.01%
2019	2020	2021	2022	2023	2024
0.457354%	0.446472%	0.432831%	0.433504%	0.434298%	0.490570%
\$37,332,171	\$30,076,732	\$29,506,498	\$27,082,829	\$41,254,091	\$47,395,852
\$10,225,157	\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953	\$13,384,625
365.10%	284.49%	280.21%	247.72%	353.81%	354.11%
63.07%	69.89%	70.65%	75.03%	62.90%	63.63%

CITY OF LANCASTER, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$1,594,047	\$1,597,351	\$1,809,889	\$2,017,966
Contributions in relation to the contractually required contribution	<u>1,594,047</u>	<u>1,597,351</u>	<u>1,809,889</u>	<u>2,017,966</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$13,283,725	\$13,311,258	\$13,922,223	\$14,414,043
Contributions as a percentage of covered payroll	12.00%	12.00%	13.00%	14.00%

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

Ohio Police and Fire Pension Fund

Year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$1,995,215	\$2,045,844	\$2,085,992	\$2,178,981
Contributions in relation to the contractually required contribution	<u>1,995,215</u>	<u>2,045,844</u>	<u>2,085,992</u>	<u>2,178,981</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$9,346,715	\$9,604,901	\$9,816,433	\$10,225,157
Contributions as a percentage of covered payroll	21.35%	21.30%	21.25%	21.31%

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

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$2,097,584	\$2,208,517	\$2,270,981	\$2,394,857	\$2,759,257	\$2,732,564
<u>2,097,584</u>	<u>2,208,517</u>	<u>2,270,981</u>	<u>2,394,857</u>	<u>2,759,257</u>	<u>2,732,564</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121	\$19,708,979	\$19,518,314
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$2,256,121	\$2,248,177	\$2,340,240	\$2,498,331	\$2,882,004	\$3,305,612
<u>2,256,121</u>	<u>2,248,177</u>	<u>2,340,240</u>	<u>2,498,331</u>	<u>2,882,004</u>	<u>3,305,612</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953	\$13,384,625	\$15,503,768
21.34%	21.35%	21.41%	21.43%	21.53%	21.32%

CITY OF LANCASTER, OHIO

Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Eight 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>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.105793%	0.110626%	0.110471%	0.108613%	0.117378%
\$14,612,762	(\$1,978,928)	(\$3,478,447)	\$689,728	(\$1,064,535)
\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121	\$19,708,979
97.53%	(12.54%)	(21.44%)	4.03%	(5.40%)
47.80%	115.57%	128.23%	94.79%	107.76%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.446472%	0.432831%	0.433504%	0.434298%	0.490570%
\$4,410,129	\$4,585,919	\$4,751,578	\$3,092,075	\$3,581,805
\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953	\$13,384,625
41.71%	43.55%	43.46%	26.52%	26.76%
47.08%	45.42%	46.86%	52.59%	51.89%

CITY OF LANCASTER, OHIO***Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Ten Years*****Ohio Public Employees Retirement System**

Year	2015	2016	2017	2018
Contractually required contribution	\$265,675	\$266,225	\$139,222	\$0
Contributions in relation to the contractually required contribution	265,675	266,225	139,222	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$13,283,725	\$13,311,258	\$13,922,223	\$14,414,043
Contributions as a percentage of covered payroll	2.00%	2.00%	1.00%	0.00%

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

Ohio Police and Fire Pension Fund

Year	2015	2016	2017	2018
Contractually required contribution	\$46,734	\$48,025	\$49,080	\$51,119
Contributions in relation to the contractually required contribution	46,734	48,025	49,080	51,119
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
City's covered payroll	\$9,346,715	\$9,604,901	\$9,816,433	\$10,225,157
Contributions as a percentage of covered payroll	0.50%	0.50%	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.

See accompanying notes to the Required Supplementary Information

CITY OF LANCASTER, OHIO

2019	2020	2021	2022	2023	2024
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0
\$14,982,743	\$15,775,121	\$16,221,293	\$17,106,121	\$19,708,979	\$19,518,314
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2019	2020	2021	2022	2023	2024
\$52,864	\$52,648	\$54,662	\$58,299	\$66,924	\$77,519
52,864	52,648	54,662	58,299	66,924	77,519
\$0	\$0	\$0	\$0	\$0	\$0
\$10,572,263	\$10,530,103	\$10,932,624	\$11,659,953	\$13,384,625	\$15,503,768
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2016: 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.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023-2024: 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, 2024***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2015-2024.

Changes in assumptions:

2015-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2018: 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 8.25% 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.

2022: 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%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table.

2024: 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, 2024***

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, and 2023-2024.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

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%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

2024: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 4.05% to 3.77%
- The single discount rate changed from 5.22% to 5.70%.

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 - 2024: There were no changes in benefit terms.

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%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: 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 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2024***

NET OPEB LIABILITY (ASSET) (Continued)

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

2023: 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 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

2024: 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 4.27% to 4.07%.

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*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.

Law Enforcement Block Grant Fund

To account for Federal grants administered through the State designated for law enforcement.

(Continued)

Special Revenue Funds (Continued)

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.

Ohio Peace Officers Training Fund

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

(Continued)

Special Revenue Funds (Continued)

Fire Insurance Escrow Fund

To account for monies received from an insurance company's claim to be used for the City's cost of repairing, removing or securing a property damaged by fire. (This fund is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

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.

One Ohio Opioid Settlement Fund

To account for funds received from opioid settlements from drug manufacturers and distributors. The monies are designated for resources to assist with community drug recovery, prevention and treatment.

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

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.

(Continued)

Special Revenue Funds (Continued)

CDBG-CV CARES Act Grant Fund

To account for monies received from the federal government under the Community Development Block Grant Program to prevent, prepare and respond to the spread of COVID19. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

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.

Timbertop TIF Fund

To account for financial resources to be used for development projects of the Timbertop property.

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, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 13,323,706	\$ 555	\$ 6,074,944	\$ 19,399,205
Investments	1,013,111	0	0	1,013,111
Receivables				
Taxes	5,112,140	0	754,736	5,866,876
Accounts	2,250	0	0	2,250
Intergovernmental	3,767,084	0	0	3,767,084
Interest	7,264	0	0	7,264
Settlement	291,433	0	0	291,433
Loans	1,376,624	0	0	1,376,624
Leases	0	0	173,217	173,217
Due from Other Funds	891,304	0	239,130	1,130,434
Inventory of Supplies	464,011	0	0	464,011
Prepaid Items	20,481	0	0	20,481
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	25,571	0	0	25,571
Total Assets	\$ 26,294,979	\$ 555	\$ 7,242,027	\$ 33,537,561
Liabilities:				
Accounts Payable	\$ 512,064	\$ 0	\$ 177,440	\$ 689,504
Accrued Wages and Benefits Payable	347,834	0	0	347,834
Due to Others	121,885	0	0	121,885
Unearned Revenue	123,382	0	0	123,382
Accrued Interest Payable	0	0	721	721
General Obligation Notes Payable	0	0	1,297,520	1,297,520
Advances from Other Funds	0	0	100,700	100,700
Total Liabilities	1,105,165	0	1,576,381	2,681,546
Deferred Inflows of Resources:				
Property Taxes	3,484,114	0	330,300	3,814,414
Leases	0	0	173,217	173,217
Unavailable Revenue	4,078,833	0	224,150	4,302,983
Total Deferred Inflows of Resources	7,562,947	0	727,667	8,290,614
Fund Balances:				
Nonspendable	484,492	0	0	484,492
Restricted	12,561,071	555	596,396	13,158,022
Committed	4,581,304	0	5,725,933	10,307,237
Unassigned	0	0	(1,384,350)	(1,384,350)
Total Fund Balances	17,626,867	555	4,937,979	22,565,401
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,294,979	\$ 555	\$ 7,242,027	\$ 33,537,561

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 10,244,142	\$ 0	\$ 2,388,249	\$ 12,632,391
Intergovernmental Revenues	8,021,427	0	521,962	8,543,389
Charges for Services	2,003,268	0	1,261,302	3,264,570
Licenses, Permits and Fees	8,950	0	0	8,950
Investment Earnings	110,746	0	0	110,746
Special Assessments	83,400	0	0	83,400
Fines and Forfeitures	1,533,778	0	0	1,533,778
All Other Revenue	577,187	639	254,858	832,684
Total Revenue	22,582,898	639	4,426,371	27,009,908
Expenditures:				
Current:				
Security of Persons and Property	3,300,291	0	0	3,300,291
Public Health and Welfare Services	769,088	0	0	769,088
Leisure Time Activities	4,047,407	0	0	4,047,407
Community Environment	925,107	0	0	925,107
Transportation	8,135,984	0	0	8,135,984
General Government	2,928,191	0	33,776	2,961,967
Capital Outlay	0	0	1,670,236	1,670,236
Debt Service:				
Principal Retirement	287,589	610,086	0	897,675
Interest and Fiscal Charges	24,127	255,770	77,219	357,116
Total Expenditures	20,417,784	865,856	1,781,231	23,064,871
Excess (Deficiency) of Revenues Over Expenditures				
	2,165,114	(865,217)	2,645,140	3,945,037
Other Financing Sources (Uses):				
Installment Loan	271,459	0	0	271,459
Transfers In	1,388,000	865,606	435,240	2,688,846
Transfers Out	(833,478)	0	0	(833,478)
Total Other Financing Sources (Uses)	825,981	865,606	435,240	2,126,827
Special Item: Transfer of Operations	(759,278)	0	0	(759,278)
Net Change in Fund Balances	2,231,817	389	3,080,380	5,312,586
Fund Balances at Beginning of Year	15,271,608	166	1,857,599	17,129,373
Increase in Inventory Reserve	123,442	0	0	123,442
Fund Balances End of Year	\$ 17,626,867	\$ 555	\$ 4,937,979	\$ 22,565,401

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Cemetery Fund	Street Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Assets:				
Pooled Cash and Investments	\$ 600,927	\$ 1,554,800	\$ 884,758	\$ 3,821,237
Investments	0	0	0	0
Receivables				
Taxes	38,585	0	2,913,562	964,627
Accounts	0	0	0	0
Intergovernmental	0	1,415,784	80,586	0
Interest	1,473	0	0	0
Settlement	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	21,739	0	0	543,478
Inventory of Supplies	0	457,054	0	6,957
Prepaid Items	1,469	7,930	0	11,082
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	25,571	0	0
Total Assets	\$ 664,193	\$ 3,461,139	\$ 3,878,906	\$ 5,347,381
Liabilities:				
Accounts Payable	\$ 1,854	\$ 80,044	\$ 302,906	\$ 45,636
Accrued Wages and Benefits Payable	16,661	99,337	0	71,086
Due to Others	0	0	0	121,885
Unearned Revenue	0	0	0	0
Total Liabilities	18,515	179,381	302,906	238,607
Deferred Inflows of Resources:				
Property Taxes	0	0	2,874,500	0
Unavailable Revenue	20,377	943,856	119,648	509,431
Total Deferred Inflows of Resources	20,377	943,856	2,994,148	509,431
Fund Balances:				
Nonspendable	1,469	464,984	0	18,039
Restricted	623,832	1,872,918	581,852	0
Committed	0	0	0	4,581,304
Total Fund Balances	625,301	2,337,902	581,852	4,599,343
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 664,193	\$ 3,461,139	\$ 3,878,906	\$ 5,347,381

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Police and Fire Pension Fund	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund
Assets:				
Pooled Cash and Investments	\$ 30	\$ 28,164	\$ 205,004	\$ 103,603
Investments	0	0	0	0
Receivables				
Taxes	616,590	0	0	0
Accounts	0	0	0	0
Intergovernmental	30,768	0	0	0
Interest	0	0	0	0
Settlement	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
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	\$ 647,388	\$ 28,164	\$ 205,004	\$ 103,603
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Property Taxes	609,614	0	0	0
Unavailable Revenue	37,744	0	0	0
Total Deferred Inflows of Resources	647,358	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	30	28,164	205,004	103,603
Committed	0	0	0	0
Total Fund Balances	30	28,164	205,004	103,603
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 647,388	\$ 28,164	\$ 205,004	\$ 103,603

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Ohio Peace Officers Training Fund	Fire Insurance Escrow Fund	DARE Officer Retention Grant Fund	Safe Routes to School Fund
Assets:				
Pooled Cash and Investments	\$ 40,833	\$ 84,035	\$ 98,687	\$ 2,780
Investments	0	0	0	0
Receivables				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Settlement	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
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Total Assets	<u>\$ 40,833</u>	<u>\$ 84,035</u>	<u>\$ 98,687</u>	<u>\$ 2,780</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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	40,833	84,035	98,687	2,780
Committed	0	0	0	0
Total Fund Balances	<u>40,833</u>	<u>84,035</u>	<u>98,687</u>	<u>2,780</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 40,833</u>	<u>\$ 84,035</u>	<u>\$ 98,687</u>	<u>\$ 2,780</u>

CITY OF LANCASTER, OHIO

<u>.15 Fire Levy Fund</u>	<u>DOJ Equitable Sharing Grant Fund</u>	<u>One Ohio Opioid Settlement Fund</u>	<u>Local Fiscal Recovery Fund</u>	<u>CDBG Fund</u>	<u>State Highway Fund</u>
\$ 1,680,130	\$ 240,418	\$ 199,563	\$ 123,382	\$ 340,793	\$ 158,288
0	0	0	0	0	0
578,776	0	0	0	0	0
2,250	0	0	0	0	0
0	0	0	0	1,865,716	78,888
0	0	0	0	0	5,791
0	0	291,433	0	0	0
0	0	0	0	1,376,624	0
326,087	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 2,587,243</u>	<u>\$ 240,418</u>	<u>\$ 490,996</u>	<u>\$ 123,382</u>	<u>\$ 3,583,133</u>	<u>\$ 242,967</u>
\$ 1,180	\$ 0	\$ 0	\$ 0	\$ 28,326	\$ 0
98,157	0	0	0	0	0
0	0	0	0	0	0
0	0	0	123,382	0	0
<u>99,337</u>	<u>0</u>	<u>0</u>	<u>123,382</u>	<u>28,326</u>	<u>0</u>
0	0	0	0	0	0
305,658	0	291,433	0	1,733,494	52,592
<u>305,658</u>	<u>0</u>	<u>291,433</u>	<u>0</u>	<u>1,733,494</u>	<u>52,592</u>
0	0	0	0	0	0
2,182,248	240,418	199,563	0	1,821,313	190,375
0	0	0	0	0	0
<u>2,182,248</u>	<u>240,418</u>	<u>199,563</u>	<u>0</u>	<u>1,821,313</u>	<u>190,375</u>
<u>\$ 2,587,243</u>	<u>\$ 240,418</u>	<u>\$ 490,996</u>	<u>\$ 123,382</u>	<u>\$ 3,583,133</u>	<u>\$ 242,967</u>

(Continued)

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2024**

	Drug Enforcement Fund	Cemetery Interment Fund	Cemetery Perpetual Care Fund	Total Nonmajor Special Revenue Funds
Assets:				
Pooled Cash and Investments	\$ 46,484	\$ 5,021	\$ 276,719	\$ 13,323,706
Investments	0	274,634	738,477	1,013,111
Receivables				
Taxes	0	0	0	5,112,140
Accounts	0	0	0	2,250
Intergovernmental	0	0	0	3,767,084
Interest	0	0	0	7,264
Settlement	0	0	0	291,433
Loans	0	0	0	1,376,624
Due from Other Funds	0	0	0	891,304
Inventory of Supplies	0	0	0	464,011
Prepaid Items	0	0	0	20,481
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agent	0	0	0	25,571
Total Assets	\$ 46,484	\$ 279,655	\$ 1,015,196	\$ 26,294,979
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 512,064
Accrued Wages and Benefits Payable	0	0	0	347,834
Due to Others	0	0	0	121,885
Unearned Revenue	0	0	0	123,382
Total Liabilities	0	0	0	1,105,165
Deferred Inflows of Resources:				
Property Taxes	0	0	0	3,484,114
Unavailable Revenue	0	0	0	4,078,833
Total Deferred Inflows of Resources	0	0	0	7,562,947
Fund Balances:				
Nonspendable	0	0	0	484,492
Restricted	46,484	279,655	1,015,196	12,561,071
Committed	0	0	0	4,581,304
Total Fund Balances	46,484	279,655	1,015,196	17,626,867
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,484	\$ 279,655	\$ 1,015,196	\$ 26,294,979

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2024**

	Cemetery Fund	Street Construction, Maintenance and Repair Fund	Street Levy Fund	Parks and Recreation Fund
Revenues:				
Taxes	\$ 168,972	\$ 0	\$ 2,731,653	\$ 4,224,304
Intergovernmental Revenues	0	2,979,145	396,683	346,742
Charges for Services	292,087	852,451	0	650,944
Licenses, Permits and Fees	0	0	0	8,950
Investment Earnings	29,266	0	0	0
Special Assessments	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	31,193	68,020	0	81,939
Total Revenue	521,518	3,899,616	3,128,336	5,312,879
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	745,533	0	0	0
Leisure Time Activities	0	0	0	4,047,407
Community Environment	0	0	0	0
Transportation	0	3,836,512	3,064,104	0
General Government	0	0	0	0
Debt Service:				
Principal Retirement	14,509	190,206	0	64,133
Interest and Fiscal Charges	153	16,383	0	6,262
Total Expenditures	760,195	4,043,101	3,064,104	4,117,802
Excess (Deficiency) of Revenues Over Expenditures	(238,677)	(143,485)	64,232	1,195,077
Other Financing Sources (Uses):				
Installment Loan	66,500	204,959	0	0
Transfers In	270,000	340,000	0	78,000
Transfers Out	0	(75,000)	0	0
Total Other Financing Sources (Uses)	336,500	469,959	0	78,000
Special Item: Transfer of Operations	0	0	0	0
Net Change in Fund Balances	97,823	326,474	64,232	1,273,077
Fund Balances (Deficit) at Beginning of Year	527,478	1,874,016	517,620	3,327,360
Increase (Decrease) in Inventory Reserve	0	137,412	0	(1,094)
Fund Balances End of Year	\$ 625,301	\$ 2,337,902	\$ 581,852	\$ 4,599,343

(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, 2024**

	Special Improvement District Fund	Lancaster Public Transit Program Fund	911 Tariff Fund	Edward Byrne Grant Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	1,174,232	121,003	0
Charges for Services	0	118,163	0	0
Licenses, Permits and Fees	0	0	0	0
Investment Earnings	0	0	0	0
Special Assessments	83,400	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	25,785	13,132	0
Total Revenue	83,400	1,318,180	134,135	0
Expenditures:				
Current:				
Security of Persons and Property	0	0	76,372	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	83,400	0	0	0
Transportation	0	1,235,368	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	83,400	1,235,368	76,372	0
Excess (Deficiency) of Revenues Over Expenditures	0	82,812	57,763	0
Other Financing Sources (Uses):				
Installment Loan	0	0	0	0
Transfers In	0	75,000	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	75,000	0	0
Special Item: Transfer of Operations	0	(759,278)	0	0
Net Change in Fund Balances	0	(601,466)	57,763	0
Fund Balances (Deficit) at Beginning of Year	0	621,239	167,759	428
Increase (Decrease) in Inventory Reserve	0	(12,876)	0	0
Fund Balances End of Year	\$ 0	\$ 6,897	\$ 225,522	\$ 428

CITY OF LANCASTER, OHIO

Law Director Victim Assistance Fund	Lancaster Community Development Fund	Law Enforcement Block Grant Fund	Police and Fire Pension Fund	Fairfield County Court Surveillance Fund	Indigent Drivers Alcohol Treatment Fund	Law Enforcement and Education Fund
\$ 0	\$ 0	\$ 0	\$ 584,630	\$ 0	\$ 0	\$ 0
48,817	515,492	23,058	66,118	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	0	43,532	2,167
245	1,106	0	0	0	0	0
<u>49,062</u>	<u>516,598</u>	<u>23,058</u>	<u>650,748</u>	<u>0</u>	<u>43,532</u>	<u>2,167</u>
0	0	0	782,833	0	17,400	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	601,919	0	0	0	0	0
0	0	0	0	0	0	0
117,255	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>117,255</u>	<u>601,919</u>	<u>0</u>	<u>782,833</u>	<u>0</u>	<u>17,400</u>	<u>0</u>
(68,193)	(85,321)	23,058	(132,085)	0	26,132	2,167
0	0	0	0	0	0	0
75,000	150,000	0	0	0	0	0
0	0	0	0	0	0	0
<u>75,000</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	0
6,807	64,679	23,058	(132,085)	0	26,132	2,167
50,406	138,916	0	132,115	28,164	178,872	101,436
0	0	0	0	0	0	0
<u>\$ 57,213</u>	<u>\$ 203,595</u>	<u>\$ 23,058</u>	<u>\$ 30</u>	<u>\$ 28,164</u>	<u>\$ 205,004</u>	<u>\$ 103,603</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, 2024**

	Municipal Court Judicial Computer Fund	Municipal Court Probation Fund	Municipal Court Computerization Fund	Municipal Court Special Projects Fund
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	318,854	0	0
Charges for Services	0	47,623	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	39,523	397,570	186,732	857,922
All Other Revenue	69	5,324	220	50,007
Total Revenue	39,592	769,371	186,952	907,929
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	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	58,172	828,028	169,734	292,476
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	58,172	828,028	169,734	292,476
Excess (Deficiency) of Revenues Over Expenditures	(18,580)	(58,657)	17,218	615,453
Other Financing Sources (Uses):				
Installment Loan	0	0	0	0
Transfers In	0	150,000	0	200,000
Transfers Out	0	0	0	(668,478)
Total Other Financing Sources (Uses)	0	150,000	0	(468,478)
Special Item: Transfer of Operations	0	0	0	0
Net Change in Fund Balances	(18,580)	91,343	17,218	146,975
Fund Balances (Deficit) at Beginning of Year	53,452	1,120,293	189,897	434,383
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 34,872	\$ 1,211,636	\$ 207,115	\$ 581,358

CITY OF LANCASTER, OHIO

Municipal Court Family Violence Fund	Municipal Drug Court Fund	Ohio Peace Officers Training Fund	Fire Insurance Escrow Fund	DARE Officer Retention Grant Fund	Safe Routes to School Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	640,356	0	0	9,449	0
353	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	3,068	0	117,431	0	0
353	643,424	0	117,431	9,449	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	523,112	0	90,303	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	523,112	0	90,303	0	0
353	120,312	0	27,128	9,449	0
0	0	0	0	0	0
0	50,000	0	0	0	0
0	0	0	0	0	0
0	50,000	0	0	0	0
0	0	0	0	0	0
353	170,312	0	27,128	9,449	0
21,345	200,377	40,833	56,907	89,238	2,780
0	0	0	0	0	0
\$ 21,698	\$ 370,689	\$ 40,833	\$ 84,035	\$ 98,687	\$ 2,780

(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, 2024***

	.15 Fire Levy Fund	DOJ Equitable Sharing Grant Fund	One Ohio Opioid Settlement Fund	Local Fiscal Recovery Fund
Revenues:				
Taxes	\$ 2,534,583	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	528,921
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	6,332	0	0
All Other Revenue	54,248	0	125,363	0
Total Revenue	2,588,831	6,332	125,363	528,921
Expenditures:				
Current:				
Security of Persons and Property	2,409,443	7,147	0	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	528,921
Debt Service:				
Principal Retirement	18,741	0	0	0
Interest and Fiscal Charges	1,329	0	0	0
Total Expenditures	2,429,513	7,147	0	528,921
Excess (Deficiency) of Revenues Over Expenditures	159,318	(815)	125,363	0
Other Financing Sources (Uses):				
Installment Loan	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Special Item: Transfer of Operations	0	0	0	0
Net Change in Fund Balances	159,318	(815)	125,363	0
Fund Balances (Deficit) at Beginning of Year	2,022,930	241,233	74,200	0
Increase (Decrease) in Inventory Reserve	0	0	0	0
Fund Balances End of Year	\$ 2,182,248	\$ 240,418	\$ 199,563	\$ 0

CITY OF LANCASTER, OHIO

CDBG Fund	State Highway Fund	Drug Enforcement Fund	Cemetery Interment Fund	Cemetery Perpetual Care Fund	CDBG-CV Cares Act Grant Fund	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,244,142
384,279	148,088	0	0	0	320,190	8,021,427
0	0	0	23,750	17,897	0	2,003,268
0	0	0	0	0	0	8,950
2,866	54,906	0	0	23,708	0	110,746
0	0	0	0	0	0	83,400
0	0	0	0	0	0	1,533,778
37	0	0	0	0	0	577,187
<u>387,182</u>	<u>202,994</u>	<u>0</u>	<u>23,750</u>	<u>41,605</u>	<u>320,190</u>	<u>22,582,898</u>
0	0	7,096	0	0	0	3,300,291
0	0	0	23,555	0	0	769,088
0	0	0	0	0	0	4,047,407
239,788	0	0	0	0	0	925,107
0	0	0	0	0	0	8,135,984
0	0	0	0	0	320,190	2,928,191
0	0	0	0	0	0	287,589
0	0	0	0	0	0	24,127
<u>239,788</u>	<u>0</u>	<u>7,096</u>	<u>23,555</u>	<u>0</u>	<u>320,190</u>	<u>20,417,784</u>
147,394	202,994	(7,096)	195	41,605	0	2,165,114
0	0	0	0	0	0	271,459
0	0	0	0	0	0	1,388,000
<u>0</u>	<u>(90,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(833,478)</u>
<u>0</u>	<u>(90,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>825,981</u>
0	0	0	0	0	0	(759,278)
147,394	112,994	(7,096)	195	41,605	0	2,231,817
1,673,919	77,381	53,580	279,460	973,591	0	15,271,608
0	0	0	0	0	0	123,442
<u>\$ 1,821,313</u>	<u>\$ 190,375</u>	<u>\$ 46,484</u>	<u>\$ 279,655</u>	<u>\$ 1,015,196</u>	<u>\$ 0</u>	<u>\$ 17,626,867</u>

CITY OF LANCASTER, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2024**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund
Assets:			
Cash and Cash Equivalents	\$ 528,550	\$ 112,162	\$ 3,961,665
Receivables			
Taxes	0	38,585	385,851
Leases	0	0	173,217
Due from Other Funds	0	21,739	217,391
Total Assets	\$ 528,550	\$ 172,486	\$ 4,738,124
Liabilities:			
Accounts Payable	\$ 8,275	\$ 0	\$ 105,140
Accrued Interest Payable	0	0	0
General Obligation Notes Payable	0	0	0
Advances from Other Funds	0	0	0
Total Liabilities	8,275	0	105,140
Deferred Inflows of Resources:			
Property Taxes	0	0	0
Leases	0	0	173,217
Unavailable Revenue	0	20,377	203,773
Total Deferred Inflows of Resources	0	20,377	376,990
Fund Balances:			
Restricted	520,275	0	0
Committed	0	152,109	4,255,994
Unassigned	0	0	0
Total Fund Balances	520,275	152,109	4,255,994
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 528,550	\$ 172,486	\$ 4,738,124

CITY OF LANCASTER, OHIO

Timbertop TIF Fund	Fire Impact - District One Fund	Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 76,121	\$ 1,376,605	\$ 19,841	\$ 0	\$ 6,074,944
122,216	0	208,084	0	754,736
0	0	0	0	173,217
0	0	0	0	239,130
<u>\$ 198,337</u>	<u>\$ 1,376,605</u>	<u>\$ 227,925</u>	<u>\$ 0</u>	<u>\$ 7,242,027</u>
\$ 0	\$ 58,775	\$ 5,250	\$ 0	\$ 177,440
0	0	0	721	721
0	0	937,520	360,000	1,297,520
0	0	100,700	0	100,700
<u>0</u>	<u>58,775</u>	<u>1,043,470</u>	<u>360,721</u>	<u>1,576,381</u>
122,216	0	208,084	0	330,300
0	0	0	0	173,217
0	0	0	0	224,150
<u>122,216</u>	<u>0</u>	<u>208,084</u>	<u>0</u>	<u>727,667</u>
76,121	0	0	0	596,396
0	1,317,830	0	0	5,725,933
0	0	(1,023,629)	(360,721)	(1,384,350)
<u>76,121</u>	<u>1,317,830</u>	<u>(1,023,629)</u>	<u>(360,721)</u>	<u>4,937,979</u>
<u>\$ 198,337</u>	<u>\$ 1,376,605</u>	<u>\$ 227,925</u>	<u>\$ 0</u>	<u>\$ 7,242,027</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, 2024**

	LDOT Improvement Fund	Parks Improvement Fund	Capital Improvement Fund
Revenues:			
Taxes	\$ 0	\$ 168,972	\$ 1,911,337
Intergovernmental Revenues	0	0	521,962
Charges for Services	0	0	56,344
All Other Revenue	254,787	71	0
Total Revenue	254,787	169,043	2,489,643
Expenditures:			
Current:			
General Government	0	0	0
Capital Outlay	404,170	117,000	1,090,291
Debt Service:			
Interest and Fiscal Charges	0	0	0
Total Expenditures	404,170	117,000	1,090,291
Excess (Deficiency) of Revenues Over Expenditures	(149,383)	52,043	1,399,352
Other Financing Sources (Uses):			
Transfers In	75,000	0	150,000
Total Other Financing Sources (Uses)	75,000	0	150,000
Net Change in Fund Balances	(74,383)	52,043	1,549,352
Fund Balances at Beginning of Year	594,658	100,066	2,706,642
Fund Balances End of Year	\$ 520,275	\$ 152,109	\$ 4,255,994

CITY OF LANCASTER, OHIO

Timbertop TIF Fund	Fire Impact - District One Fund	Ety Road TIF Project Fund	Columbian Construction Fund	Total Nonmajor Capital Projects Funds
\$ 96,741	\$ 0	\$ 211,199	\$ 0	\$ 2,388,249
0	0	0	0	521,962
0	1,204,958	0	0	1,261,302
0	0	0	0	254,858
<u>96,741</u>	<u>1,204,958</u>	<u>211,199</u>	<u>0</u>	<u>4,426,371</u>
20,620	0	13,156	0	33,776
0	58,775	0	0	1,670,236
0	0	47,501	29,718	77,219
<u>20,620</u>	<u>58,775</u>	<u>60,657</u>	<u>29,718</u>	<u>1,781,231</u>
76,121	1,146,183	150,542	(29,718)	2,645,140
0	0	0	210,240	435,240
0	0	0	210,240	435,240
76,121	1,146,183	150,542	180,522	3,080,380
0	171,647	(1,174,171)	(541,243)	1,857,599
<u>\$ 76,121</u>	<u>\$ 1,317,830</u>	<u>\$ (1,023,629)</u>	<u>\$ (360,721)</u>	<u>\$ 4,937,979</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 17,959,024	\$ 19,872,068	\$ 17,802,215	\$ (2,069,853)
Intergovernmental Revenues	1,596,853	1,596,853	1,474,216	(122,637)
Charges for Services	4,231,892	4,231,892	4,109,695	(122,197)
License, Permits and Fees	21,000	21,000	57,293	36,293
Investment Earnings	1,000,000	1,000,000	1,891,869	891,869
Fines and Forfeitures	631,100	631,100	703,331	72,231
All Other Revenues	20,000	20,000	298,271	278,271
Total Revenues	25,459,869	27,372,913	26,336,890	(1,036,023)
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	5,614,571	5,627,571	4,789,883	837,688
Operations and Maintenance	1,261,795	1,254,795	1,141,187	113,608
Capital Outlay	1,913,540	1,907,540	1,406,758	500,782
Total Police	8,789,906	8,789,906	7,337,828	1,452,078
Fire:				
Personal Services	2,969,958	2,977,558	2,403,686	573,872
Operations and Maintenance	929,100	921,500	713,500	208,000
Capital Outlay	7,000	7,000	4,189	2,811
Total Fire	3,906,058	3,906,058	3,121,375	784,683
Street Lighting:				
Operations and Maintenance	414,131	423,131	391,861	31,270
Total Street Lighting	414,131	423,131	391,861	31,270
Total Security of Persons and Property	13,110,095	13,119,095	10,851,064	2,268,031
Public Health and Welfare Services:				
Health:				
Operations and Maintenance	372,000	372,000	372,000	0
Total Health	372,000	372,000	372,000	0
Assistance to Needy:				
Operations and Maintenance	27,006	27,006	16,006	11,000
Total Assistance to Needy	27,006	27,006	16,006	11,000
Total Public Health and Welfare Services	399,006	399,006	388,006	11,000

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Zoning, Planning, Tree Commissions:				
Personal Services	560,742	564,242	476,338	87,904
Operations and Maintenance	218,689	215,189	114,904	100,285
Capital Outlay	32,794	32,794	30,661	2,133
Total Zoning, Planning, Tree Commission	812,225	812,225	621,903	190,322
Economic Development:				
Operations and Maintenance	6,500	6,500	2,230	4,270
Total Economic Development	6,500	6,500	2,230	4,270
Total Community Environment	818,725	818,725	624,133	194,592
General Government:				
Council:				
Personal Services	142,142	142,142	138,385	3,757
Operations and Maintenance	24,468	26,227	20,258	5,969
Total Council	166,610	168,369	158,643	9,726
Mayor:				
Personal Services	265,286	265,286	251,377	13,909
Operations and Maintenance	101,094	101,094	83,918	17,176
Capital Outlay	200	200	0	200
Total Mayor	366,580	366,580	335,295	31,285
Personnel:				
Personal Services	235,593	234,593	141,501	93,092
Operations and Maintenance	276,843	276,843	227,378	49,465
Capital Outlay	2,000	2,000	0	2,000
Total Personnel	514,436	513,436	368,879	144,557
Auditor:				
Personal Services	700,922	649,922	600,705	49,217
Operations and Maintenance	118,413	169,413	145,922	23,491
Capital Outlay	6,553	6,553	1,014	5,539
Total Auditor	825,888	825,888	747,641	78,247
Treasurer:				
Personal Services	83,088	83,088	70,266	12,822
Operations and Maintenance	19,115	19,115	13,449	5,666
Total Treasurer	102,203	102,203	83,715	18,488

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Law Director:				
Personal Services	1,114,932	1,114,932	968,266	146,666
Operations and Maintenance	165,821	188,167	108,630	79,537
Capital Outlay	5,218	5,218	3,500	1,718
Total Law Director	1,285,971	1,308,317	1,080,396	227,921
Law Director-Code Enforcement:				
Personal Services	257,646	257,646	233,809	23,837
Operations and Maintenance	120,299	120,298	114,157	6,141
Capital Outlay	1,659	1,659	1,621	38
Total Law Director-Code Enforcement	379,604	379,603	349,587	30,016
Municipal Court:				
Personal Services	1,434,331	1,434,331	1,420,012	14,319
Operations and Maintenance	128,121	128,121	111,706	16,415
Total Municipal Court	1,562,452	1,562,452	1,531,718	30,734
Judicial:				
Personal Services	913,378	913,378	887,364	26,014
Operations and Maintenance	79,705	81,705	72,440	9,265
Capital Outlay	2,000	0	0	0
Total Judicial	995,083	995,083	959,804	35,279
Civil Service:				
Personal Services	12,102	12,102	10,766	1,336
Operations and Maintenance	70,935	72,685	69,937	2,748
Total Civil Service	83,037	84,787	80,703	4,084
City Hall Maintenance:				
Personal Services	83,889	83,964	75,501	8,463
Operations and Maintenance	278,206	268,942	188,060	80,882
Capital Outlay	106,684	68,470	18,113	50,357
Total City Hall Maintenance	468,779	421,376	281,674	139,702
City Hall Maintenance-Annex:				
Operations and Maintenance	95,459	125,959	87,714	38,245
Total City Hall Maintenance-Annex	95,459	125,959	87,714	38,245

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Chestnut Street Parking Lot:				
Capital Outlay	0	90,000	0	90,000
Total Chestnut Street Parking Lot	0	90,000	0	90,000
GIS:				
Personal Services	219,578	219,589	218,057	1,532
Operations and Maintenance	146,317	146,306	134,279	12,027
Capital Outlay	2,582	2,582	2,067	515
Total GIS	368,477	368,477	354,403	14,074
Service Safety Director:				
Personal Services	334,454	334,455	332,517	1,938
Operations and Maintenance	36,679	35,679	21,256	14,423
Capital Outlay	254	254	0	254
Total Service Safety Director	371,387	370,388	353,773	16,615
Engineer:				
Personal Services	519,628	530,499	516,217	14,282
Operations and Maintenance	335,529	336,129	152,268	183,861
Capital Outlay	5,000	4,400	3,000	1,400
Total Engineer	860,157	871,028	671,485	199,543
Certified Building Inspection:				
Personal Services	518,375	518,375	499,419	18,956
Operations and Maintenance	195,210	195,210	149,255	45,955
Capital Outlay	7,103	7,103	4,841	2,262
Total Certified Building Inspection	720,688	720,688	653,515	67,173
Administration Support:				
Personal Services	35,000	35,000	22,559	12,441
Operations and Maintenance	618,938	646,872	627,100	19,772
Total Administration Support	653,938	681,872	649,659	32,213
Miscellaneous:				
Operations and Maintenance	652,321	652,321	691,333	(39,012)
Total Miscellaneous	652,321	652,321	691,333	(39,012)

(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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Income Tax:				
Personal Services	527,269	527,269	510,929	16,340
Operations and Maintenance	1,568,553	1,767,018	1,605,673	161,345
Capital Outlay	10,452	11,987	11,905	82
Total Income Tax	<u>2,106,274</u>	<u>2,306,274</u>	<u>2,128,507</u>	<u>177,767</u>
Total General Government	<u>12,579,344</u>	<u>12,915,101</u>	<u>11,568,444</u>	<u>1,346,657</u>
Debt Services:				
Principal Retirement	38,300	38,300	38,224	76
Interest and Fiscal Charges	12,700	12,700	9,129	3,571
Total Expenditures	<u>26,958,170</u>	<u>27,302,927</u>	<u>23,479,000</u>	<u>3,823,927</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,498,301)	69,986	2,857,890	2,787,904
Other Financing Sources (Uses):				
Transfers Out	(1,787,368)	(3,700,412)	(1,777,368)	1,923,044
Total Other Financing Sources (Uses)	<u>(1,787,368)</u>	<u>(3,700,412)</u>	<u>(1,777,368)</u>	<u>1,923,044</u>
Net Change in Fund Balance	(3,285,669)	(3,630,426)	1,080,522	4,710,948
Fund Balance at Beginning of Year	24,629,855	24,629,855	24,629,855	0
Prior Year Encumbrances	904,733	904,733	904,733	0
Fund Balance at End of Year	<u>\$ 22,248,919</u>	<u>\$ 21,904,162</u>	<u>\$ 26,615,110</u>	<u>\$ 4,710,948</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,441,308	\$ 7,419,568	\$ 7,419,569	\$ 1
Intergovernmental Revenues	0	0	102,105	102,105
Charges for Services	0	75,000	98,108	23,108
All Other Revenues	0	0	18,721	18,721
Total Revenues	<u>6,441,308</u>	<u>7,494,568</u>	<u>7,638,503</u>	<u>143,935</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	3,433,366	3,997,496	3,181,045	816,451
Operations and Maintenance	225,000	225,000	147,700	77,300
Capital Outlay	480,947	480,947	474,007	6,940
Total Police	<u>4,139,313</u>	<u>4,703,443</u>	<u>3,802,752</u>	<u>900,691</u>
Fire:				
Personal Services	3,204,868	3,800,998	3,642,906	158,092
Operations and Maintenance	746,496	639,496	132,522	506,974
Capital Outlay	356,348	656,348	252,004	404,344
Total Fire	<u>4,307,712</u>	<u>5,096,842</u>	<u>4,027,432</u>	<u>1,069,410</u>
Total Expenditures	<u>8,447,025</u>	<u>9,800,285</u>	<u>7,830,184</u>	<u>1,970,101</u>
Net Change in Fund Balance	(2,005,717)	(2,305,717)	(191,681)	2,114,036
Fund Balance at Beginning of Year	3,207,479	3,207,479	3,207,479	0
Prior Year Encumbrances	890,239	890,239	890,239	0
Fund Balance at End of Year	<u>\$ 2,092,001</u>	<u>\$ 1,792,001</u>	<u>\$ 3,906,037</u>	<u>\$ 2,114,036</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 – 2021 Police and Fire Levy Fund
For the Year Ended December 31, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,441,308	\$ 7,419,568	\$ 7,419,569	\$ 1
Charges for Services	0	0	1,350	1,350
All Other Revenues	0	0	12,963	12,963
Total Revenues	<u>6,441,308</u>	<u>7,419,568</u>	<u>7,433,882</u>	<u>14,314</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	6,395,640	7,398,600	6,602,493	796,107
Operations and Maintenance	630,339	630,639	570,389	60,250
Capital Outlay	235,550	427,550	10,544	417,006
Total Expenditures	<u>7,261,529</u>	<u>8,456,789</u>	<u>7,183,426</u>	<u>1,273,363</u>
Net Change in Fund Balance	(820,221)	(1,037,221)	250,456	1,287,677
Fund Balance at Beginning of Year	2,590,078	2,590,078	2,590,078	0
Prior Year Encumbrances	123,859	123,859	123,859	0
Fund Balance at End of Year	<u>\$ 1,893,716</u>	<u>\$ 1,676,716</u>	<u>\$ 2,964,393</u>	<u>\$ 1,287,677</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, 2024**

CEMETERY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 143,140	\$ 143,140	\$ 164,879	\$ 21,739
Charges for Services	235,000	235,000	292,537	57,537
Investment Earnings	11,500	11,500	29,495	17,995
All Other Revenues	47,500	47,500	32,728	(14,772)
Total Revenues	<u>437,140</u>	<u>437,140</u>	<u>519,639</u>	<u>82,499</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	451,418	456,218	446,434	9,784
Operations and Maintenance	265,750	263,950	229,721	34,229
Capital Outlay	24,372	87,318	83,801	3,517
Debt Service:				
Principal Retirement	14,510	14,510	14,385	125
Interest Charges	430	430	277	153
Total Expenditures	<u>756,480</u>	<u>822,426</u>	<u>774,618</u>	<u>47,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(319,340)	(385,286)	(254,979)	130,307
Other Financing Sources (Uses):				
Transfers In	270,000	270,000	270,000	0
Installment Loan Issuance	0	65,946	65,946	0
Total Other Financing Sources (Uses)	<u>270,000</u>	<u>335,946</u>	<u>335,946</u>	<u>0</u>
Net Change in Fund Balance	(49,340)	(49,340)	80,967	130,307
Fund Balance at Beginning of Year	489,712	489,712	489,712	0
Prior Year Encumbrances	13,494	13,494	13,494	0
Fund Balance at End of Year	<u>\$ 453,866</u>	<u>\$ 453,866</u>	<u>\$ 584,173</u>	<u>\$ 130,307</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, 2024***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,990,500	\$ 2,990,500	\$ 2,970,125	\$ (20,375)
Charges for Services	855,368	855,368	852,451	(2,917)
All Other Revenues	169,000	169,000	75,806	(93,194)
Total Revenues	<u>4,014,868</u>	<u>4,014,868</u>	<u>3,898,382</u>	<u>(116,486)</u>
Expenditures:				
Transportation:				
Personal Services	2,640,814	2,666,484	2,524,280	142,204
Operations and Maintenance	1,551,999	1,540,147	1,080,946	459,201
Capital Outlay	435,299	600,869	471,731	129,138
Total Transportation	<u>4,628,112</u>	<u>4,807,500</u>	<u>4,076,957</u>	<u>730,543</u>
Debt Service:				
Principal Retirement	178,822	178,822	177,982	840
Interest and Fiscal Charges	15,704	15,704	15,200	504
Total Debt Service	<u>194,526</u>	<u>194,526</u>	<u>193,182</u>	<u>1,344</u>
Total Expenditures	<u>4,822,638</u>	<u>5,002,026</u>	<u>4,270,139</u>	<u>731,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(807,770)	(987,158)	(371,757)	615,401
Other Financing Sources (Uses):				
Transfers In	420,000	420,000	340,000	(80,000)
Transfers Out	(75,000)	(75,000)	(75,000)	0
Installment Loan Issuance	0	179,388	179,388	0
Total Other Financing Sources (Uses)	<u>345,000</u>	<u>524,388</u>	<u>444,388</u>	<u>(80,000)</u>
Net Change in Fund Balance	(462,770)	(462,770)	72,631	535,401
Fund Balance at Beginning of Year	1,055,777	1,055,777	1,055,777	0
Prior Year Encumbrances	325,466	325,466	325,466	0
Fund Balance at End of Year	<u>\$ 918,473</u>	<u>\$ 918,473</u>	<u>\$ 1,453,874</u>	<u>\$ 535,401</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, 2024***

STREET LEVY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,062,000	\$ 2,869,000	\$ 2,731,653	\$ (137,347)
Intergovernmental Revenues	205,500	550,379	502,139	(48,240)
All Other Revenues	500	500	447	(53)
Total Revenues	<u>2,268,000</u>	<u>3,419,879</u>	<u>3,234,239</u>	<u>(185,640)</u>
Expenditures:				
Transportation:				
Operations and Maintenance	3,077,586	3,872,365	3,290,579	581,786
Total Expenditures	<u>3,077,586</u>	<u>3,872,365</u>	<u>3,290,579</u>	<u>581,786</u>
Net Change in Fund Balance	(809,586)	(452,486)	(56,340)	396,146
Fund Balance at Beginning of Year	410,571	410,571	410,571	0
Prior Year Encumbrances	227,586	227,586	227,586	0
Fund Balance at End of Year	<u>\$ (171,429)</u>	<u>\$ 185,671</u>	<u>\$ 581,817</u>	<u>\$ 396,146</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, 2024***

PARKS AND RECREATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,578,504	\$ 3,578,504	\$ 4,121,983	\$ 543,479
Intergovernmental Revenues	139,342	139,342	346,742	207,400
Charges for Services	652,000	652,000	650,944	(1,056)
Licenses, Permits and Fees	45,000	45,000	8,950	(36,050)
All Other Revenues	37,000	37,000	88,456	51,456
Total Revenues	<u>4,451,846</u>	<u>4,451,846</u>	<u>5,217,075</u>	<u>765,229</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	2,269,694	2,360,516	2,192,195	168,321
Operations and Maintenance	1,679,374	1,740,988	1,277,555	463,433
Capital Outlay	944,206	791,770	778,426	13,344
Total Leisure Time Activities	<u>4,893,274</u>	<u>4,893,274</u>	<u>4,248,176</u>	<u>645,098</u>
Debt Service:				
Principal Retirement	60,000	64,092	64,092	0
Interest and Fiscal Charges	12,000	7,908	7,908	0
Total Debt Service	<u>72,000</u>	<u>72,000</u>	<u>72,000</u>	<u>0</u>
Total Expenditures	<u>4,965,274</u>	<u>4,965,274</u>	<u>4,320,176</u>	<u>645,098</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(513,428)	(513,428)	896,899	1,410,327
Other Financing Sources (Uses):				
Transfers In	78,000	78,000	78,000	0
Total Other Financing Sources (Uses)	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>	<u>0</u>
Net Change in Fund Balance	(435,428)	(435,428)	974,899	1,410,327
Fund Balance at Beginning of Year	2,407,525	2,407,525	2,407,525	0
Prior Year Encumbrances	113,417	113,417	113,417	0
Fund Balance at End of Year	<u>\$ 2,085,514</u>	<u>\$ 2,085,514</u>	<u>\$ 3,495,841</u>	<u>\$ 1,410,327</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	\$ 85,000	\$ 85,000	\$ 83,400	\$ (1,600)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>83,400</u>	<u>(1,600)</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	85,000	83,400	83,400	0
Total Expenditures	<u>85,000</u>	<u>83,400</u>	<u>83,400</u>	<u>0</u>
Net Change in Fund Balance	0	1,600	0	(1,600)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 1,600</u>	<u>\$ 0</u>	<u>\$ (1,600)</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, 2024**

LANCASTER PUBLIC TRANSIT PROGRAM FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,468,301	\$ 1,769,300	\$ 1,462,261	\$ (307,039)
Charges for Services	180,000	180,000	135,655	(44,345)
All Other Revenues	45,750	45,750	37,845	(7,905)
Total Revenues	<u>1,694,051</u>	<u>1,995,050</u>	<u>1,635,761</u>	<u>(359,289)</u>
Expenditures:				
Transportation:				
Personal Services	1,241,172	1,036,606	1,028,202	8,404
Operations and Maintenance	440,912	1,098,433	1,047,227	51,206
Capital Outlay	153,925	1,968	1,500	468
Total Expenditures	<u>1,836,009</u>	<u>2,137,007</u>	<u>2,076,929</u>	<u>60,078</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,958)	(141,957)	(441,168)	(299,211)
Other Financing Sources (Uses):				
Transfers In	75,000	75,000	75,000	0
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	(66,958)	(66,957)	(366,168)	(299,211)
Fund Balance at Beginning of Year	306,106	306,106	306,106	0
Prior Year Encumbrances	66,958	66,958	66,958	0
Fund Balance at End of Year	<u>\$ 306,106</u>	<u>\$ 306,107</u>	<u>\$ 6,896</u>	<u>\$ (299,211)</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, 2024***

911 TARIFF FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 85,000	\$ 85,000	\$ 121,003	\$ 36,003
All Other Revenues	0	0	13,132	13,132
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>134,135</u>	<u>49,135</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	188,848	188,848	124,863	63,985
Capital Outlay	14,129	14,129	3,050	11,079
Total Expenditures	<u>202,977</u>	<u>202,977</u>	<u>127,913</u>	<u>75,064</u>
Net Change in Fund Balance	(117,977)	(117,977)	6,222	124,199
Fund Balance at Beginning of Year	128,527	128,527	128,527	0
Prior Year Encumbrances	57,977	57,977	57,977	0
Fund Balance at End of Year	<u>\$ 68,527</u>	<u>\$ 68,527</u>	<u>\$ 192,726</u>	<u>\$ 124,199</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, 2024***

	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, 2024***

LAW DIRECTOR VICTIM ASSISTANCE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 44,264	\$ 44,264	\$ 34,648	\$ (9,616)
All Other Revenues	0	0	245	245
Total Revenues	<u>44,264</u>	<u>44,264</u>	<u>34,893</u>	<u>(9,371)</u>
Expenditures:				
General Government:				
Personal Services	117,805	117,805	117,047	758
Total Expenditures	<u>117,805</u>	<u>117,805</u>	<u>117,047</u>	<u>758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(73,541)	(73,541)	(82,154)	(8,613)
Other Financing Sources (Uses):				
Transfers In	70,000	70,000	75,000	5,000
Total Other Financing Sources (Uses)	<u>70,000</u>	<u>70,000</u>	<u>75,000</u>	<u>5,000</u>
Net Change in Fund Balance	(3,541)	(3,541)	(7,154)	(3,613)
Fund Balance at Beginning of Year	55,306	55,306	55,306	0
Prior Year Encumbrances	99	99	99	0
Fund Balance at End of Year	<u>\$ 51,864</u>	<u>\$ 51,864</u>	<u>\$ 48,251</u>	<u>\$ (3,613)</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,510,584	\$ 1,510,584	\$ 537,452	\$ (973,132)
All Other Revenues	0	0	1,106	1,106
Total Revenues	<u>1,510,584</u>	<u>1,510,584</u>	<u>538,558</u>	<u>(972,026)</u>
Expenditures:				
Community Environment:				
Personal Services	545,960	453,860	417,294	36,566
Operations and Maintenance	1,118,955	202,385	193,969	8,416
Total Expenditures	<u>1,664,915</u>	<u>656,245</u>	<u>611,263</u>	<u>44,982</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(154,331)	854,339	(72,705)	(927,044)
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	(4,331)	1,004,339	77,295	(927,044)
Fund Balance at Beginning of Year	87,610	87,610	87,610	0
Prior Year Encumbrances	2,741	2,741	2,741	0
Fund Balance at End of Year	<u>\$ 86,020</u>	<u>\$ 1,094,690</u>	<u>\$ 167,646</u>	<u>\$ (927,044)</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, 2024***

LAW ENFORCEMENT BLOCK GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 23,058	\$ 23,058	\$ 0
Total Revenues	0	23,058	23,058	0
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	0	23,058	0	23,058
Total Expenditures	0	23,058	0	23,058
Net Change in Fund Balance	0	0	23,058	23,058
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 23,058	\$ 23,058

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, 2024***

POLICE AND FIRE PENSION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 609,614	\$ 683,128	\$ 584,630	\$ (98,498)
Intergovernmental Revenues	0	0	98,528	98,528
Total Revenues	<u>609,614</u>	<u>683,128</u>	<u>683,158</u>	<u>30</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	698,250	772,792	772,792	0
Operations and Maintenance	11,000	10,079	10,079	0
Total Expenditures	<u>709,250</u>	<u>782,871</u>	<u>782,871</u>	<u>0</u>
Net Change in Fund Balance	(99,636)	(99,743)	(99,713)	30
Fund Balance at Beginning of Year	<u>99,743</u>	<u>99,743</u>	<u>99,743</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 107</u>	<u>\$ 0</u>	<u>\$ 30</u>	<u>\$ 30</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, 2024***

	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
Fund Balance at Beginning of Year	28,164	28,164	28,164	0
Fund Balance at End of Year	\$ 28,164	\$ 28,164	\$ 28,164	\$ 0

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, 2024***

INDIGENT DRIVERS ALCOHOL TREATMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 35,000	\$ 35,000	\$ 43,662	\$ 8,662
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>43,662</u>	<u>8,662</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	105,078	105,078	17,400	87,678
Total Expenditures	<u>105,078</u>	<u>105,078</u>	<u>17,400</u>	<u>87,678</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(70,078)	(70,078)	26,262	96,340
Other Financing Sources (Uses):				
Transfers Out	(100,000)	(100,000)	0	100,000
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balance	(170,078)	(170,078)	26,262	196,340
Fund Balance at Beginning of Year	172,361	172,361	172,361	0
Prior Year Encumbrances	5,078	5,078	5,078	0
Fund Balance at End of Year	<u>\$ 7,361</u>	<u>\$ 7,361</u>	<u>\$ 203,701</u>	<u>\$ 196,340</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 2,109	\$ 2,109
Total Revenues	<u>0</u>	<u>0</u>	<u>2,109</u>	<u>2,109</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	2,109	2,109
Fund Balance at Beginning of Year	<u>101,234</u>	<u>101,234</u>	<u>101,234</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 101,234</u>	<u>\$ 101,234</u>	<u>\$ 103,343</u>	<u>\$ 2,109</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, 2024***

MUNICIPAL COURT JUDICIAL COMPUTER FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 40,000	\$ 40,000	\$ 39,221	\$ (779)
All Other Revenues	0	0	69	69
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>39,290</u>	<u>(710)</u>
Expenditures:				
General Government:				
Operations and Maintenance	77,000	68,500	44,713	23,787
Capital Outlay	5,000	13,500	13,459	41
Total Expenditures	<u>82,000</u>	<u>82,000</u>	<u>58,172</u>	<u>23,828</u>
Net Change in Fund Balance	(42,000)	(42,000)	(18,882)	23,118
Fund Balance at Beginning of Year	<u>50,769</u>	<u>50,769</u>	<u>50,769</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,769</u>	<u>\$ 8,769</u>	<u>\$ 31,887</u>	<u>\$ 23,118</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, 2024***

MUNICIPAL COURT PROBATION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 339,948	\$ 339,948	\$ 318,854	\$ (21,094)
Charges for Services	40,000	40,000	82,638	42,638
Fines and Forfeitures	350,000	350,000	394,518	44,518
All Other Revenues	8,000	8,000	6,004	(1,996)
Total Revenues	<u>737,948</u>	<u>737,948</u>	<u>802,014</u>	<u>64,066</u>
Expenditures:				
General Government:				
Personal Services	774,823	774,823	697,407	77,416
Operations and Maintenance	207,620	207,620	133,650	73,970
Total Expenditures	<u>982,443</u>	<u>982,443</u>	<u>831,057</u>	<u>151,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244,495)	(244,495)	(29,043)	215,452
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	(94,495)	(94,495)	120,957	215,452
Fund Balance at Beginning of Year	1,077,143	1,077,143	1,077,143	0
Prior Year Encumbrances	3,156	3,156	3,156	0
Fund Balance at End of Year	<u>\$ 985,804</u>	<u>\$ 985,804</u>	<u>\$ 1,201,256</u>	<u>\$ 215,452</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 150,000	\$ 150,000	\$ 175,348	\$ 25,348
All Other Revenues	0	0	495	495
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>175,843</u>	<u>25,843</u>
Expenditures:				
General Government:				
Personal Services	107,440	107,439	106,074	1,365
Operations and Maintenance	126,978	126,978	55,965	71,013
Capital Outlay	15,513	15,513	9,085	6,428
Total Expenditures	<u>249,931</u>	<u>249,930</u>	<u>171,124</u>	<u>78,806</u>
Net Change in Fund Balance	(99,931)	(99,930)	4,719	104,649
Fund Balance at Beginning of Year	177,876	177,876	177,876	0
Prior Year Encumbrances	4,931	4,931	4,931	0
Fund Balance at End of Year	<u>\$ 82,876</u>	<u>\$ 82,877</u>	<u>\$ 187,526</u>	<u>\$ 104,649</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, 2024***

MUNICIPAL COURT SPECIAL PROJECTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 735,000	\$ 735,000	\$ 855,820	\$ 120,820
All Other Revenues	30,000	30,000	50,007	20,007
Total Revenues	<u>765,000</u>	<u>765,000</u>	<u>905,827</u>	<u>140,827</u>
Expenditures:				
General Government:				
Personal Services	97,267	97,267	63,203	34,064
Operations and Maintenance	631,661	543,183	240,784	302,399
Capital Outlay	75,000	40,000	2,358	37,642
Total Expenditures	<u>803,928</u>	<u>680,450</u>	<u>306,345</u>	<u>374,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,928)	84,550	599,482	514,932
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	200,000	0
Transfers Out	(665,000)	(668,478)	(668,478)	0
Total Other Financing Sources (Uses)	<u>(465,000)</u>	<u>(468,478)</u>	<u>(468,478)</u>	<u>0</u>
Net Change in Fund Balance	(503,928)	(383,928)	131,004	514,932
Fund Balance at Beginning of Year	369,399	369,399	369,399	0
Prior Year Encumbrances	21,711	21,711	21,711	0
Fund Balance at End of Year	<u>\$ (112,818)</u>	<u>\$ 7,182</u>	<u>\$ 522,114</u>	<u>\$ 514,932</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 353	\$ 353
Total Revenues	0	0	353	353
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	353	353
Fund Balance at Beginning of Year	21,345	21,345	21,345	0
Fund Balance at End of Year	\$ 21,345	\$ 21,345	\$ 21,698	\$ 353

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, 2024***

MUNICIPAL DRUG COURT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 499,526	\$ 499,526	\$ 527,074	\$ 27,548
All Other Revenues	1,500	1,500	3,068	1,568
Total Revenues	<u>501,026</u>	<u>501,026</u>	<u>530,142</u>	<u>29,116</u>
Expenditures:				
General Government:				
Personal Services	266,439	266,701	263,214	3,487
Operations and Maintenance	406,961	426,699	277,591	149,108
Total Expenditures	<u>673,400</u>	<u>693,400</u>	<u>540,805</u>	<u>152,595</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(172,374)	(192,374)	(10,663)	181,711
Other Financing Sources (Uses):				
Transfers In	50,000	50,000	50,000	0
Transfers Out	(25,000)	(5,000)	0	5,000
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>45,000</u>	<u>50,000</u>	<u>5,000</u>
Net Change in Fund Balance	(147,374)	(147,374)	39,337	186,711
Fund Balance at Beginning of Year	154,164	154,164	154,164	0
Prior Year Encumbrances	17,450	17,450	17,450	0
Fund Balance at End of Year	<u>\$ 24,240</u>	<u>\$ 24,240</u>	<u>\$ 210,951</u>	<u>\$ 186,711</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, 2024***

	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	\$ 30,833	\$ 30,833	\$ 40,833	\$ 10,000

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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 9,449	\$ 9,449
Total Revenues	0	0	9,449	9,449
Expenditures:				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	9,449	9,449
Fund Balance at Beginning of Year	89,238	89,238	89,238	0
Fund Balance at End of Year	\$ 89,238	\$ 89,238	\$ 98,687	\$ 9,449

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, 2024***

SAFE ROUTES TO SCHOOL FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	<u>2,780</u>	<u>2,780</u>	<u>2,780</u>	<u>0</u>
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, 2024***

.15 FIRE LEVY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,147,103	\$ 2,473,189	\$ 2,473,190	\$ 1
All Other Revenues	0	0	52,941	52,941
Total Revenues	<u>2,147,103</u>	<u>2,473,189</u>	<u>2,526,131</u>	<u>52,942</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	2,030,687	2,360,473	2,172,156	188,317
Capital Outlay	312,000	288,112	201,390	86,722
Total Security of Persons and Property	<u>2,342,687</u>	<u>2,648,585</u>	<u>2,373,546</u>	<u>275,039</u>
Debt Service:				
Principal Retirement	0	18,741	18,741	0
Interest and Fiscal Charges	0	1,447	1,329	118
Total Debt Service	<u>0</u>	<u>20,188</u>	<u>20,070</u>	<u>118</u>
Total Expenditures	<u>2,342,687</u>	<u>2,668,773</u>	<u>2,393,616</u>	<u>275,157</u>
Net Change in Fund Balance	(195,584)	(195,584)	132,515	328,099
Fund Balance at Beginning of Year	1,546,372	1,546,372	1,546,372	0
Prior Year Encumbrances	45	45	45	0
Fund Balance at End of Year	<u>\$ 1,350,833</u>	<u>\$ 1,350,833</u>	<u>\$ 1,678,932</u>	<u>\$ 328,099</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, 2024***

DOJ EQUITABLE SHARING GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 6,332	\$ 6,332
Total Revenues	<u>0</u>	<u>0</u>	<u>6,332</u>	<u>6,332</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	61,307	61,307	8,000	53,307
Total Expenditures	<u>61,307</u>	<u>61,307</u>	<u>8,000</u>	<u>53,307</u>
Net Change in Fund Balance	(61,307)	(61,307)	(1,668)	59,639
Fund Balance at Beginning of Year	237,126	237,126	237,126	0
Prior Year Encumbrances	4,107	4,107	4,107	0
Fund Balance at End of Year	<u>\$ 179,926</u>	<u>\$ 179,926</u>	<u>\$ 239,565</u>	<u>\$ 59,639</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, 2024***

ONE OHIO OPIOID SETTLEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 125,363	\$ 125,363
Total Revenues	<u>0</u>	<u>0</u>	<u>125,363</u>	<u>125,363</u>
Expenditures:				
Public Health and Welfare Services:				
Operations and Maintenance	<u>70,517</u>	<u>70,517</u>	<u>0</u>	<u>70,517</u>
Total Expenditures	<u>70,517</u>	<u>70,517</u>	<u>0</u>	<u>70,517</u>
Net Change in Fund Balance	(70,517)	(70,517)	125,363	195,880
Fund Balance at Beginning of Year	<u>74,200</u>	<u>74,200</u>	<u>74,200</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,683</u>	<u>\$ 3,683</u>	<u>\$ 199,563</u>	<u>\$ 195,880</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, 2024***

	LOCAL FISCAL RECOVERY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Operations and Maintenance	640,000	640,000	528,921	111,079
Total Expenditures	640,000	640,000	528,921	111,079
Net Change in Fund Balance	(640,000)	(640,000)	(528,921)	111,079
Fund Balance at Beginning of Year	652,303	652,303	652,303	0
Fund Balance at End of Year	\$ 12,303	\$ 12,303	\$ 123,382	\$ 111,079

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, 2024***

COMMUNITY DEVELOPMENT BLOCK GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,576,100	\$ 1,576,100	\$ 483,060	\$ (1,093,040)
All Other Revenues	1,200	1,200	684	(516)
Total Revenues	<u>1,577,300</u>	<u>1,577,300</u>	<u>483,744</u>	<u>(1,093,556)</u>
Expenditures:				
Community Environment:				
Operations and Maintenance	216,350	36,350	34,129	2,221
Capital Outlay	1,364,254	597,029	397,430	199,599
Total Expenditures	<u>1,580,604</u>	<u>633,379</u>	<u>431,559</u>	<u>201,820</u>
Net Change in Fund Balance	(3,304)	943,921	52,185	(891,736)
Fund Balance at Beginning of Year	254,644	254,644	254,644	0
Prior Year Encumbrances	3,304	3,304	3,304	0
Fund Balance at End of Year	<u>\$ 254,644</u>	<u>\$ 1,201,869</u>	<u>\$ 310,133</u>	<u>\$ (891,736)</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, 2024***

STATE HIGHWAY FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 162,800	\$ 162,800	\$ 147,654	\$ (15,146)
Investment Earnings	10,000	10,000	53,329	43,329
Total Revenues	<u>172,800</u>	<u>172,800</u>	<u>200,983</u>	<u>28,183</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	172,800	172,800	200,983	28,183
Other Financing Sources (Uses):				
Transfers Out	(170,000)	(170,000)	(90,000)	80,000
Total Other Financing Sources (Uses)	<u>(170,000)</u>	<u>(170,000)</u>	<u>(90,000)</u>	<u>80,000</u>
Net Change in Fund Balance	2,800	2,800	110,983	108,183
Fund Balance at Beginning of Year	47,305	47,305	47,305	0
Fund Balance at End of Year	<u>\$ 50,105</u>	<u>\$ 50,105</u>	<u>\$ 158,288</u>	<u>\$ 108,183</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, 2024***

CEMETERY INTERMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 27,000	\$ 27,000	\$ 23,750	\$ (3,250)
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>23,750</u>	<u>(3,250)</u>
Expenditures:				
Public Health and Welfare Services:				
Operations and Maintenance	30,000	30,000	23,555	6,445
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>23,555</u>	<u>6,445</u>
Net Change in Fund Balance	(3,000)	(3,000)	195	3,195
Fund Balance at Beginning of Year	<u>279,460</u>	<u>279,460</u>	<u>279,460</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 276,460</u></u>	<u><u>\$ 276,460</u></u>	<u><u>\$ 279,655</u></u>	<u><u>\$ 3,195</u></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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 43,500	\$ 43,500	\$ 17,897	\$ (25,603)
Total Revenues	<u>43,500</u>	<u>43,500</u>	<u>17,897</u>	<u>(25,603)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	43,500	43,500	17,897	(25,603)
Fund Balance at Beginning of Year	<u>995,175</u>	<u>995,175</u>	<u>995,175</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,038,675</u>	<u>\$ 1,038,675</u>	<u>\$ 1,013,072</u>	<u>\$ (25,603)</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, 2024***

CDBG-CV CARES ACT GRANT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 336,600	\$ 320,190	\$ (16,410)
Total Revenues	<u>0</u>	<u>336,600</u>	<u>320,190</u>	<u>(16,410)</u>
Expenditures:				
General Government:				
Operations and Maintenance	0	320,190	320,190	0
Total Expenditures	<u>0</u>	<u>320,190</u>	<u>320,190</u>	<u>0</u>
Net Change in Fund Balance	0	16,410	0	(16,410)
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>\$ 16,410</u>	<u>\$ 0</u>	<u>\$ (16,410)</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, 2024***

GENERAL BOND RETIREMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 85	\$ 639	\$ 554
Total Revenues	<u>0</u>	<u>85</u>	<u>639</u>	<u>554</u>
Expenditures:				
Debt Service:				
Principal Retirement	877,000	877,250	877,250	0
Interest and Fiscal Charges	356,356	356,356	356,356	0
Total Expenditures	<u>1,233,356</u>	<u>1,233,606</u>	<u>1,233,606</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,233,356)	(1,233,521)	(1,232,967)	554
Other Financing Sources (Uses):				
Transfers In	1,233,356	1,233,356	1,233,356	0
Total Other Financing Sources (Uses)	<u>1,233,356</u>	<u>1,233,356</u>	<u>1,233,356</u>	<u>0</u>
Net Change in Fund Balance	0	(165)	389	554
Fund Balance at Beginning of Year	<u>166</u>	<u>166</u>	<u>166</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 166</u>	<u>\$ 1</u>	<u>\$ 555</u>	<u>\$ 554</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, 2024***

LDOT IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 231,508	\$ 254,787	\$ 23,279
Total Revenues	0	231,508	254,787	23,279
Expenditures:				
Capital Outlay	465,000	761,508	435,576	325,932
Total Expenditures	465,000	761,508	435,576	325,932
Excess (Deficiency) of Revenues Over (Under) Expenditures	(465,000)	(530,000)	(180,789)	349,211
Other Financing Sources (Uses):				
Transfers In	75,000	75,000	75,000	0
Total Other Financing Sources (Uses)	75,000	75,000	75,000	0
Net Change in Fund Balance	(390,000)	(455,000)	(105,789)	349,211
Fund Balance at Beginning of Year	594,658	594,658	594,658	0
Fund Balance at End of Year	<u>\$ 204,658</u>	<u>\$ 139,658</u>	<u>\$ 488,869</u>	<u>\$ 349,211</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, 2024***

PARKS IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 143,140	\$ 143,140	\$ 164,879	\$ 21,739
All Other Revenues	0	0	71	71
Total Revenues	<u>143,140</u>	<u>143,140</u>	<u>164,950</u>	<u>21,810</u>
Expenditures:				
Capital Outlay	130,002	130,002	129,369	633
Total Expenditures	<u>130,002</u>	<u>130,002</u>	<u>129,369</u>	<u>633</u>
Net Change in Fund Balance	13,138	13,138	35,581	22,443
Fund Balance at Beginning of Year	64,210	64,210	64,210	0
Prior Year Encumbrances	2	2	2	0
Fund Balance at End of Year	<u>\$ 77,350</u>	<u>\$ 77,350</u>	<u>\$ 99,793</u>	<u>\$ 22,443</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, 2024***

CAPITAL IMPROVEMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,431,402	\$ 1,431,402	\$ 1,648,793	\$ 217,391
Charges for Services	54,702	54,702	56,344	1,642
Total Revenues	<u>1,486,104</u>	<u>1,486,104</u>	<u>1,705,137</u>	<u>219,033</u>
Expenditures:				
Capital Outlay	692,108	1,488,570	1,238,935	249,635
Total Expenditures	<u>692,108</u>	<u>1,488,570</u>	<u>1,238,935</u>	<u>249,635</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	793,996	(2,466)	466,202	468,668
Other Financing Sources (Uses):				
Transfers In	150,000	671,962	671,962	0
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>671,962</u>	<u>671,962</u>	<u>0</u>
Net Change in Fund Balance	943,996	669,496	1,138,164	468,668
Fund Balance at Beginning of Year	2,428,595	2,428,595	2,428,595	0
Prior Year Encumbrances	144,092	144,092	144,092	0
Fund Balance at End of Year	<u>\$ 3,516,683</u>	<u>\$ 3,242,183</u>	<u>\$ 3,710,851</u>	<u>\$ 468,668</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, 2024***

	TIMBERTOP TIF FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 0	\$ 116,746	\$ 96,741	\$ (20,005)
Total Revenues	<u>0</u>	<u>116,746</u>	<u>96,741</u>	<u>(20,005)</u>
Expenditures:				
Security of Persons and Property:				
Operations and Maintenance	0	96,742	20,620	76,122
Total Expenditures	<u>0</u>	<u>96,742</u>	<u>20,620</u>	<u>76,122</u>
Net Change in Fund Balance	0	20,004	76,121	56,117
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 20,004</u>	<u>\$ 76,121</u>	<u>\$ 56,117</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, 2024***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 1,204,958	\$ 1,204,958
Total Revenues	0	0	1,204,958	1,204,958
Expenditures:				
Security of Persons and Property: Capital Outlay	125,000	125,000	60,000	65,000
Total Expenditures	125,000	125,000	60,000	65,000
Net Change in Fund Balance	(125,000)	(125,000)	1,144,958	1,269,958
Fund Balance at Beginning of Year	171,647	171,647	171,647	0
Fund Balance at End of Year	\$ 46,647	\$ 46,647	\$ 1,316,605	\$ 1,269,958

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, 2024***

ETY ROAD TIF PROJECT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 160,000	\$ 160,000	\$ 211,199	\$ 51,199
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>211,199</u>	<u>51,199</u>
Expenditures:				
General Government:				
Operations and Maintenance	20,500	20,500	14,906	5,594
Debt Service:				
Principal Retirement	0	1,074,520	1,074,520	0
Interest and Fiscal Charges	0	42,981	42,981	0
Total Expenditures	<u>20,500</u>	<u>1,138,001</u>	<u>1,132,407</u>	<u>5,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,500	(978,001)	(921,208)	56,793
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	1,074,520	937,520	(137,000)
Advances Out	(16,820)	(16,820)	(16,820)	0
Total Other Financing Sources (Uses)	<u>(16,820)</u>	<u>1,057,700</u>	<u>920,700</u>	<u>(137,000)</u>
Net Change in Fund Balance	122,680	79,699	(508)	(80,207)
Fund Balance at Beginning of Year	6,349	6,349	6,349	0
Prior Year Encumbrances	7,000	7,000	7,000	0
Fund Balance at End of Year	<u>\$ 136,029</u>	<u>\$ 93,048</u>	<u>\$ 12,841</u>	<u>\$ (80,207)</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, 2024***

COLUMBIAN CONSTRUCTION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Debt Service:				
Principal Retirement	0	540,000	540,000	0
Interest and Fiscal Charges	0	30,240	30,240	0
Total Expenditures	0	570,240	570,240	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	(570,240)	(570,240)	0
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	360,000	360,000	0
Transfers In	0	210,240	210,240	0
Total Other Financing Sources (Uses)	0	570,240	570,240	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.

Environmental Engineering Fund

To account for the accumulation and allocation of costs associated with assisting other departments with environmental regulation and compliance.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Internal Service Funds
December 31, 2024**

	Utilities Collection	Fuel Depot	Information Services
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 351,109	\$ 308,124	\$ 892,882
Inventory of Supplies at Cost	550	24,777	5,292
Prepaid Items	1,057	0	5,856
Total Current Assets	352,716	332,901	904,030
<i>Non Current Assets:</i>			
Net OPEB Asset	45,983	0	20,307
Capital Assets Not Being Depreciated	0	0	184,243
Capital Assets Being Depreciated, Net	51,251	0	263,749
Total capital assets (net of accumulated depreciation)	51,251	0	447,992
Total Non Current Assets	97,234	0	468,299
Total Assets	449,950	332,901	1,372,329
Deferred Outflows of Resources:			
Pension	462,610	0	204,299
OPEB	39,454	0	17,424
Total Deferred Outflows of Resources	502,064	0	221,723
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	25,409	61,833	16,502
Accrued Wages and Benefits	50,788	0	26,770
Claims Payable	0	0	0
Compensated Absences Payable - Current	22,250	0	20,269
Total Current Liabilities	98,447	61,833	63,541
<i>Long Term Liabilities:</i>			
Compensated Absences Payable	133,138	0	82,911
Net Pension Liability	1,353,359	0	597,674
Total Liabilities	1,584,944	61,833	744,126
Deferred Inflows of Resources:			
Pension	2,455	0	984
OPEB	26,311	0	11,620
Total Deferred Inflows of Resources	28,766	0	12,604
Net Position:			
Net Investment in Capital Assets	51,251	0	447,992
OPEB	45,983	0	20,307
Unrestricted	(758,930)	271,068	369,023
Total Net Position	\$ (661,696)	\$ 271,068	\$ 837,322

CITY OF LANCASTER, OHIO

Health Insurance Management	Environmental Engineering	Total
\$ 5,016,398	\$ 89,188	\$ 6,657,701
0	0	30,619
0	0	6,913
5,016,398	89,188	6,695,233
0	6,114	72,404
0	0	184,243
0	0	315,000
0	0	499,243
0	6,114	571,647
5,016,398	95,302	7,266,880
0	61,524	728,433
0	5,247	62,125
0	66,771	790,558
22,399	5,842	131,985
0	6,855	84,413
1,394,459	0	1,394,459
0	2,189	44,708
1,416,858	14,886	1,655,565
0	35,021	251,070
0	179,988	2,131,021
1,416,858	229,895	4,037,656
0	312	3,751
0	3,499	41,430
0	3,811	45,181
0	0	499,243
0	6,114	72,404
3,599,540	(77,747)	3,402,954
\$ 3,599,540	\$ (71,633)	\$ 3,974,601

CITY OF LANCASTER, OHIO

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2024**

	Utilities Collection	Fuel Depot	Information Services
Operating Revenues:			
Charges for Services	\$ 1,644,093	\$ 1,023,015	\$ 895,260
Other Operating Revenue	116,965	54	921
Total Operating Revenues	1,761,058	1,023,069	896,181
Operating Expenses:			
Personal Services	1,368,982	0	634,559
Contractual Services	277,137	11,782	198,420
Materials and Supplies	150,745	988,004	53,623
Depreciation	26,463	0	22,125
Health Insurance Claims	0	0	0
Total Operating Expenses	1,823,327	999,786	908,727
Operating Income (Loss)	(62,269)	23,283	(12,546)
Nonoperating Revenue (Expenses):			
Intergovernmental Revenue	0	7,243	0
Loss on Disposal of Capital Assets	0	0	(2,809)
Total Nonoperating Revenues (Expenses)	0	7,243	(2,809)
Change in Net Position	(62,269)	30,526	(15,355)
Net Position Beginning of Year	(599,427)	240,542	852,677
Net Position End of Year	\$ (661,696)	\$ 271,068	\$ 837,322

CITY OF LANCASTER, OHIO

Health Insurance Management	Environmental Engineering	Total
\$ 10,101,948	\$ 207,147	\$ 13,871,463
0	326	118,266
<u>10,101,948</u>	<u>207,473</u>	<u>13,989,729</u>
0	155,635	2,159,176
9,489	62,738	559,566
0	1,210	1,193,582
0	0	48,588
10,744,688	0	10,744,688
<u>10,754,177</u>	<u>219,583</u>	<u>14,705,600</u>
(652,229)	(12,110)	(715,871)
0	0	7,243
0	0	(2,809)
<u>0</u>	<u>0</u>	<u>4,434</u>
(652,229)	(12,110)	(711,437)
4,251,769	(59,523)	4,686,038
<u>\$ 3,599,540</u>	<u>\$ (71,633)</u>	<u>\$ 3,974,601</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024**

	Utilities Collection	Fuel Depot	Information Services
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Services	\$1,761,809	\$1,039,901	\$897,297
Cash Payments for Goods and Services	(361,903)	(1,075,160)	(254,453)
Cash Payments to and on behalf of Employees	(1,049,524)	0	(456,384)
Cash Payments for Claims	0	0	0
Cash Payments for Interfund Services	(334,953)	0	(94,623)
Net Cash Provided (Used) by Operating Activities	<u>15,429</u>	<u>(35,259)</u>	<u>91,837</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Intergovernmental Grants Received	0	7,243	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>7,243</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(13,921)	0	(104,071)
Net Cash Used by Capital and Related Financing Activities	<u>(13,921)</u>	<u>0</u>	<u>(104,071)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,508	(28,016)	(12,234)
Cash and Cash Equivalents at Beginning of Year	349,601	336,140	905,116
Cash and Cash Equivalents at End of Year	<u>\$351,109</u>	<u>\$308,124</u>	<u>\$892,882</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$62,269)	\$23,283	(\$12,546)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	26,463	0	22,125
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
Decrease in Accounts Receivable	751	16,832	1,116
(Increase) Decrease in Inventory	960	(372)	373
Increase in Prepaid Items	(112)	0	(308)
Increase in Net OPEB Asset	(45,983)	0	(20,307)
Decrease in Deferred Outflows of Resources - Pension	115,661	0	27,304
Decrease in Deferred Outflows of Resources - OPEB	48,246	0	17,701
Increase (Decrease) in Accounts Payable	(2,199)	(75,002)	(3,387)
Increase in Accrued Wages and Benefits	6,235	0	4,796
Increase (Decrease) in Compensated Absences	(9,669)	0	23,342
Increase (Decrease) in Net Pension Liability	(44,450)	0	37,837
Decrease in Net OPEB Liability	(29,601)	0	(11,856)
Decrease in Deferred Outflows of Resources - Pension	(5,152)	0	(2,063)
Increase in Deferred Outflows of Resources - OPEB	16,548	0	7,710
Increase in Claims Payable	0	0	0
Total Adjustments	<u>77,698</u>	<u>(58,542)</u>	<u>104,383</u>
Net Cash Provided (Used) by Operating Activities	<u>\$15,429</u>	<u>(\$35,259)</u>	<u>\$91,837</u>

CITY OF LANCASTER, OHIO

Health Insurance Management	Environmental Engineering	Totals
\$10,101,948	\$207,473	\$14,008,428
0	(61,642)	(1,753,158)
0	(138,939)	(1,644,847)
(9,679,048)	0	(9,679,048)
0	(24,684)	(454,260)
422,900	(17,792)	477,115
0	0	7,243
0	0	7,243
0	0	(117,992)
0	0	(117,992)
422,900	(17,792)	366,366
4,593,498	106,980	6,291,335
\$5,016,398	\$89,188	\$6,657,701
(\$652,229)	(\$12,110)	(\$715,871)
0	0	48,588
0	0	18,699
0	0	961
0	0	(420)
0	(6,114)	(72,404)
0	11,705	154,670
0	5,859	71,806
9,489	2,404	(68,695)
0	491	11,522
0	(20,868)	(7,195)
0	2,979	(3,634)
0	(3,749)	(45,206)
0	(652)	(7,867)
0	2,263	26,521
1,065,640	0	1,065,640
1,075,129	(5,682)	1,192,986
\$422,900	(\$17,792)	\$477,115



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.

Violet Township JEDD Fund

Established to account for income tax collections and distributions from the Violet Township Joint Economic Development District.

CITY OF LANCASTER, OHIO

**Combining Statement of Net Position
Fiduciary Funds
December 31, 2024**

	Municipal Court	Law Library	Violet Township JEDD	Total Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 347,668	\$ 0	\$ 3,313	\$ 350,981
Receivables:				
Intergovernmental	0	2,134	0	2,134
Total Assets	<u>347,668</u>	<u>2,134</u>	<u>3,313</u>	<u>353,115</u>
Liabilities:				
Intergovernmental Payable	0	2,134	3,313	5,447
Total Liabilities	<u>0</u>	<u>2,134</u>	<u>3,313</u>	<u>5,447</u>
Net Position:				
Restricted For:				
Restricted for Individuals, Organizations and Other Governments	347,668	0	0	347,668
Total Net Position	<u>\$ 347,668</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 347,668</u>

CITY OF LANCASTER, OHIO

**Combining Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2024**

	Municipal Court	Law Library	Violet Township JEDD	Total Custodial Funds
Additions:				
Fines and Forfeiture Collections for Others	\$ 3,647,761	\$ 31,836	\$ 0	\$ 3,679,597
Income Tax Collections for Other Governments	0	0	16,535	16,535
Total Additions	<u>3,647,761</u>	<u>31,836</u>	<u>16,535</u>	<u>3,696,132</u>
Deductions:				
Distribution of Fines and Forfeitures to Others	3,550,767	31,836	0	3,582,603
Distribution of Income Taxes to Other Governments	0	0	16,535	16,535
Total Deductions	<u>3,550,767</u>	<u>31,836</u>	<u>16,535</u>	<u>3,599,138</u>
Change in Net Position	96,994	0	0	96,994
Net Position at Beginning of Year	<u>250,674</u>	<u>0</u>	<u>0</u>	<u>250,674</u>
Net Position End of Year	<u>\$ 347,668</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 347,668</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)

	2015	2016	Restated 2017	2018
Governmental Activities:				
Net Investment in Capital Assets	\$41,576,482	\$44,062,621	\$46,837,859	\$49,673,604
Restricted	11,077,774	10,154,360	9,467,802	10,031,606
Unrestricted	(17,997,524)	(19,731,872)	(49,496,982)	(56,187,581)
Total Governmental Activities Net Position	<u>\$34,656,732</u>	<u>\$34,485,109</u>	<u>\$6,808,679</u>	<u>\$3,517,629</u>
Business-type Activities:				
Net Investment in Capital Assets	\$54,167,749	\$59,487,303	\$62,067,035	\$66,438,543
Restricted	2,469,078	2,342,642	2,351,745	2,372,321
Unrestricted (Deficit)	(56,322,159)	(53,545,337)	(54,965,234)	(52,187,952)
Total Business-type Activities Net Position	<u>\$314,668</u>	<u>\$8,284,608</u>	<u>\$9,453,546</u>	<u>\$16,622,912</u>
Primary Government:				
Net Investment in Capital Assets	\$95,744,231	\$103,549,924	\$108,904,894	\$116,112,147
Restricted	13,546,852	12,497,002	11,819,547	12,403,927
Unrestricted	(74,319,683)	(73,277,209)	(104,462,216)	(108,375,533)
Total Primary Government Net Position	<u>\$34,971,400</u>	<u>\$42,769,717</u>	<u>\$16,262,225</u>	<u>\$20,140,541</u>

Source: City Auditor's Office

City of Lancaster, Ohio

2019	2020	2021	2022	Restated 2023	2024
\$52,330,007	\$54,184,923	\$58,885,098	\$62,227,835	\$63,422,894	\$67,465,387
11,332,790	11,217,660	16,744,795	22,072,597	24,206,047	26,558,487
(41,543,274)	(38,771,180)	(26,936,470)	(18,369,145)	(11,875,135)	(8,153,632)
<u>\$22,119,523</u>	<u>\$26,631,403</u>	<u>\$48,693,423</u>	<u>\$65,931,287</u>	<u>\$75,753,806</u>	<u>\$85,870,242</u>
\$71,050,827	\$78,086,549	\$84,187,043	\$91,055,634	\$98,344,387	\$105,789,986
2,379,486	2,345,297	1,992,264	2,076,467	2,237,710	2,515,038
(61,651,825)	(72,033,765)	(74,444,243)	(76,397,897)	34,207,357	29,587,666
<u>\$11,778,488</u>	<u>\$8,398,081</u>	<u>\$11,735,064</u>	<u>\$16,734,204</u>	<u>\$134,789,454</u>	<u>\$137,892,690</u>
\$123,380,834	\$132,271,472	\$143,072,141	\$153,283,469	\$161,767,281	\$173,255,373
13,712,276	13,562,957	18,737,059	24,149,064	26,443,757	29,073,525
(103,195,099)	(110,804,945)	(101,380,713)	(94,767,042)	22,332,222	21,434,034
<u>\$33,898,011</u>	<u>\$35,029,484</u>	<u>\$60,428,487</u>	<u>\$82,665,491</u>	<u>\$210,543,260</u>	<u>\$223,762,932</u>

City of Lancaster, Ohio

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
Security of Persons and Property	\$17,702,358	\$19,853,945	\$19,504,799	\$22,136,304
Public Health and Welfare Services	1,232,576	855,731	903,382	893,040
Leisure Time Activities	2,135,524	2,336,363	2,490,616	2,532,518
Community Environment	725,687	995,091	821,972	840,623
Transportation	6,477,311	6,887,838	6,897,020	7,252,943
General Government	7,927,531	8,712,430	10,430,660	10,154,186
Interest on Long Term Debt	517,344	505,547	482,033	493,076
<i>Total Governmental Activities Expenses</i>	<u>36,718,331</u>	<u>40,146,945</u>	<u>41,530,482</u>	<u>44,302,690</u>
Business-type Activities:				
Gas	13,583,412	11,271,767	13,411,673	12,324,393
Water	8,163,396	8,100,342	8,455,739	8,152,728
Water Pollution	9,087,256	9,565,843	9,597,039	10,539,850
Sanitation	3,226,109	3,274,150	3,871,760	4,961,644
Storm Water	1,974,803	1,778,616	2,561,602	2,613,555
Port Authority	6,638,568	6,265,348	6,168,445	5,806,494
<i>Total Business-type Activities Expenses</i>	<u>42,673,544</u>	<u>40,256,066</u>	<u>44,066,258</u>	<u>44,398,664</u>
<i>Total Primary Government Expenses</i>	<u><u>\$79,391,875</u></u>	<u><u>\$80,403,011</u></u>	<u><u>\$85,596,740</u></u>	<u><u>\$88,701,354</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$2,195,779	\$2,214,724	\$2,306,416	\$2,221,015
Public Health and Welfare Services	206,503	216,640	231,257	253,543
Leisure Time Activities	346,570	369,206	388,952	453,724
Community Environment	75,115	79,245	72,519	76,987
Transportation	1,414,529	1,289,483	1,537,874	1,252,681
General Government	2,903,193	2,784,562	2,724,061	2,861,278
Operating Grants and Contributions	5,063,305	4,697,405	4,626,308	6,463,567
Capital Grants and Contributions	1,223,675	863,655	1,455,314	412,042
<i>Total Governmental Activities Program Revenues:</i>	<u>13,428,669</u>	<u>12,514,920</u>	<u>13,342,701</u>	<u>13,994,837</u>

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
\$1,799,062	\$20,807,024	\$19,210,651	\$19,986,940	\$27,380,825	\$30,612,641
955,434	908,121	725,083	1,077,611	972,475	1,122,546
2,879,347	2,246,039	1,858,571	2,551,602	3,500,079	4,367,922
1,055,812	929,581	1,044,872	1,222,792	1,502,294	1,534,667
7,809,758	8,335,716	5,085,549	6,374,770	7,982,001	6,673,044
10,973,019	10,736,341	6,382,205	8,979,014	12,975,626	12,867,222
483,957	467,415	415,685	407,409	396,059	390,220
<u>25,956,389</u>	<u>44,430,237</u>	<u>34,722,616</u>	<u>40,600,138</u>	<u>54,709,359</u>	<u>57,568,262</u>
13,986,387	10,832,957	13,193,322	17,814,214	15,197,827	13,938,780
9,448,889	8,338,909	5,855,954	6,611,260	7,759,856	9,172,973
9,117,280	9,454,081	7,706,479	8,208,115	9,444,559	9,684,993
4,640,674	4,121,258	2,869,401	3,673,774	4,437,631	5,245,942
2,500,991	2,366,316	1,745,749	1,827,856	2,296,851	2,535,010
15,048,563	16,295,697	18,284,964	23,289,484	14,887,113	20,064,098
<u>54,742,784</u>	<u>51,409,218</u>	<u>49,655,869</u>	<u>61,424,703</u>	<u>54,023,837</u>	<u>60,641,796</u>
<u>\$80,699,173</u>	<u>\$95,839,455</u>	<u>\$84,378,485</u>	<u>\$102,024,841</u>	<u>\$108,733,196</u>	<u>\$118,210,058</u>
\$2,530,566	\$2,361,458	\$2,576,228	\$2,587,905	\$2,486,791	\$3,117,845
229,398	232,990	313,816	225,289	329,355	774,238
554,954	227,714	623,329	691,677	587,616	733,841
69,616	77,264	78,665	75,989	84,865	83,437
1,319,871	981,977	985,332	1,132,763	1,274,191	1,079,756
3,068,730	2,609,556	2,752,074	2,903,685	2,951,695	3,238,561
5,736,348	10,536,359	7,640,862	6,744,353	7,416,566	8,164,361
324,419	492,066	3,672,971	1,242,533	692,046	932,481
<u>13,833,902</u>	<u>17,519,384</u>	<u>18,643,277</u>	<u>15,604,194</u>	<u>15,823,125</u>	<u>18,124,520</u>

(continued)

City of Lancaster, Ohio

Changes in Net Position Last Ten Years (accrual basis of accounting)

	2015	2016	2017	2018
Business-type Activities:				
Charges for Services				
Gas	14,060,793	12,419,202	13,346,170	14,177,606
Water	8,229,806	8,645,087	8,947,621	8,791,515
Water Pollution	11,442,588	12,175,681	12,599,473	12,336,673
Sanitation	3,767,681	3,914,303	3,839,528	4,045,384
Storm Water	3,015,638	3,041,305	2,892,094	3,031,541
Port Authority	5,672,858	5,290,812	6,529,140	6,244,520
Operating Grants and Contributions	203,559	1,647,722	1,107,583	2,630,791
Capital Grants and Contributions	1,248,639	1,082,611	633,684	310,000
<i>Total Business-type Activities Program Revenues</i>	<i>47,641,562</i>	<i>48,216,723</i>	<i>49,895,293</i>	<i>51,568,030</i>
<i>Total Primary Government Program Revenues</i>	<i>61,070,231</i>	<i>60,731,643</i>	<i>63,237,994</i>	<i>65,562,867</i>
Net (Expense)/Revenue				
Governmental Activities	(23,289,662)	(27,632,025)	(28,187,781)	(30,307,853)
Business-type Activities	4,968,018	7,960,657	5,829,035	7,169,366
<i>Total Primary Government Net (Expense)/Revenue</i>	<i>(\$18,321,644)</i>	<i>(\$19,671,368)</i>	<i>(\$22,358,746)</i>	<i>(\$23,138,487)</i>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$1,768,791	\$1,746,676	\$1,886,173	\$1,798,528
Special Purposes	2,288,683	2,247,405	2,387,133	2,281,700
Debt Service	331,769	330,869	334,119	121,369
Capital Outlay	175,432	247,126	129,768	90,393
Income Taxes	19,459,814	20,293,739	19,528,225	19,526,066
Other Local Taxes	644,847	621,499	683,298	478,311
Intergovernmental Revenue/ Contributions, Unrestricted	1,519,113	1,261,622	1,260,634	1,520,356
Investment Earnings	302,372	130,686	431,605	559,647
Miscellaneous	427,219	590,063	724,771	640,433
Special Items	0	0	0	0
Transfers	0	(9,283)	0	0
<i>Total Governmental Activities</i>	<i>26,918,040</i>	<i>27,460,402</i>	<i>27,365,726</i>	<i>27,016,803</i>
Business-type Activities:				
Special Items	0	0	0	0
Investment Earnings	0	0	0	0
Transfers	0	9,283	0	0
<i>Total Business-type Activities</i>	<i>0</i>	<i>9,283</i>	<i>0</i>	<i>0</i>
<i>Total Primary Government</i>	<i>\$26,918,040</i>	<i>\$27,469,685</i>	<i>\$27,365,726</i>	<i>\$27,016,803</i>
Change in Net Position				
Governmental Activities	\$3,628,378	(\$171,623)	(\$822,055)	(\$3,291,050)
Business-type Activities	4,968,018	7,969,940	5,829,035	7,169,366
<i>Total Primary Government Change in Net Position</i>	<i>\$8,596,396</i>	<i>\$7,798,317</i>	<i>\$5,006,980</i>	<i>\$3,878,316</i>

Source: City Auditor's Office

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
12,876,071	11,744,347	14,339,436	20,777,648	17,717,519	14,963,316
8,828,660	9,351,767	8,989,994	9,866,668	9,551,980	11,486,752
12,533,969	12,611,471	12,187,323	13,086,788	12,605,619	14,650,066
4,219,316	4,377,576	4,526,303	4,721,194	4,794,013	5,928,357
3,274,242	3,091,294	3,139,944	3,113,149	3,115,931	3,213,857
5,031,902	3,645,317	7,325,749	12,609,224	4,182,794	4,158,279
899,748	486,293	1,065,156	0	461,132	5,172,956
127,606	40,663	1,377,947	3,105,596	1,607,608	2,555,947
<u>47,791,514</u>	<u>45,348,728</u>	<u>52,951,852</u>	<u>67,280,267</u>	<u>54,036,596</u>	<u>62,129,530</u>
<u>61,625,416</u>	<u>62,868,112</u>	<u>71,595,129</u>	<u>82,884,461</u>	<u>69,859,721</u>	<u>80,254,050</u>
(12,122,487)	(26,910,853)	(16,079,339)	(24,995,944)	(38,886,234)	(39,443,742)
<u>(6,951,270)</u>	<u>(6,060,490)</u>	<u>3,295,983</u>	<u>5,855,564</u>	<u>12,759</u>	<u>1,487,734</u>
<u>(\$19,073,757)</u>	<u>(\$32,971,343)</u>	<u>(\$12,783,356)</u>	<u>(\$19,140,380)</u>	<u>(\$38,873,475)</u>	<u>(\$37,956,008)</u>
\$1,825,529	\$2,106,171	\$2,237,953	\$2,128,621	\$2,660,554	\$2,684,749
2,305,255	2,459,283	2,620,804	2,465,959	2,735,992	3,319,919
118,481	120,331	117,031	118,594	0	0
110,050	123,071	113,002	108,886	154,242	307,940
20,977,070	20,733,365	30,503,110	35,351,543	36,927,197	39,381,199
664,742	622,615	630,640	703,982	639,568	653,468
2,757,540	1,587,080	1,816,233	1,896,753	1,739,249	1,746,754
1,067,622	679,766	(220,389)	(1,347,221)	2,732,670	2,909,296
898,092	3,339,108	363,975	728,691	1,041,281	945,023
0	0	0	0	0	(1,506,275)
0	(348,057)	(41,000)	78,000	78,000	78,000
<u>30,724,381</u>	<u>31,422,733</u>	<u>38,141,359</u>	<u>42,233,808</u>	<u>48,708,753</u>	<u>50,520,073</u>
2,106,846	2,332,026	0	0	0	0
0	0	0	(778,424)	1,927,465	1,919,941
0	348,057	41,000	(78,000)	(78,000)	(78,000)
<u>2,106,846</u>	<u>2,680,083</u>	<u>41,000</u>	<u>(856,424)</u>	<u>1,849,465</u>	<u>1,841,941</u>
<u>\$32,831,227</u>	<u>\$34,102,816</u>	<u>\$38,182,359</u>	<u>\$41,377,384</u>	<u>\$50,558,218</u>	<u>\$52,362,014</u>
\$18,601,894	\$4,511,880	\$22,062,020	\$17,237,864	\$9,822,519	\$11,076,331
(4,844,424)	(3,380,407)	3,336,983	4,999,140	1,862,224	3,329,675
<u>\$13,757,470</u>	<u>\$1,131,473</u>	<u>\$25,399,003</u>	<u>\$22,237,004</u>	<u>\$11,684,743</u>	<u>\$14,406,006</u>

City of Lancaster, Ohio

*Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nonspendable	\$186,934	\$232,405	\$140,780	\$144,510
Assigned	1,358,651	1,303,159	2,987,873	1,463,374
Unassigned	<u>5,684,567</u>	<u>6,518,690</u>	<u>5,069,422</u>	<u>5,618,519</u>
<i>Total General Fund</i>	<u>7,230,152</u>	<u>8,054,254</u>	<u>8,198,075</u>	<u>7,226,403</u>
All Other Governmental Funds				
Nonspendable	2,974,874	1,392,532	1,305,960	1,364,716
Restricted	7,070,766	8,185,382	7,080,577	7,567,853
Committed	2,006,007	2,041,240	2,177,475	2,270,690
Assigned	0	0	0	0
Unassigned	<u>(2,158,940)</u>	<u>(3,430,546)</u>	<u>(3,183,154)</u>	<u>(2,971,594)</u>
<i>Total All Other Governmental Funds</i>	<u>9,892,707</u>	<u>8,188,608</u>	<u>7,380,858</u>	<u>8,231,665</u>
<i>Total Governmental Funds</i>	<u><u>\$17,122,859</u></u>	<u><u>\$16,242,862</u></u>	<u><u>\$15,578,933</u></u>	<u><u>\$15,458,068</u></u>

Source: City Auditor's Office

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
\$141,819	\$153,194	\$140,830	\$319,327	\$158,937	\$170,228
1,322,697	171,498	4,676,463	3,503,063	2,848,524	908,948
6,349,751	11,645,299	10,131,790	12,806,532	19,862,917	25,592,752
<u>7,814,267</u>	<u>11,969,991</u>	<u>14,949,083</u>	<u>16,628,922</u>	<u>22,870,378</u>	<u>26,671,928</u>
333,337	363,398	378,178	1,000,793	360,832	484,492
10,135,924	11,095,229	14,545,166	18,442,353	21,430,535	23,500,826
2,450,773	2,585,119	3,900,469	4,394,186	6,288,312	10,307,237
0	0	0	200,000	275,000	0
<u>(2,734,927)</u>	<u>(2,483,759)</u>	<u>(2,241,888)</u>	<u>(1,998,421)</u>	<u>(1,715,414)</u>	<u>(1,384,350)</u>
<u>10,185,107</u>	<u>11,559,987</u>	<u>16,581,925</u>	<u>22,038,911</u>	<u>26,639,265</u>	<u>32,908,205</u>
<u>\$17,999,374</u>	<u>\$23,529,978</u>	<u>\$31,531,008</u>	<u>\$38,667,833</u>	<u>\$49,509,643</u>	<u>\$59,580,133</u>

City of Lancaster, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	2015	2016	2017	2018
Revenues:				
Taxes	\$23,802,285	\$25,039,914	\$24,444,584	\$24,544,397
Intergovernmental Revenues	7,574,806	6,146,543	6,718,005	8,040,780
Charges for Services	5,163,513	5,205,674	5,368,744	5,110,981
Licenses and Permits	24,527	21,640	19,345	21,511
Investment Earnings	281,853	138,918	441,291	557,479
Special Assessments	112,508	120,658	109,350	117,219
Fines and Forfeitures	2,338,992	2,011,572	2,223,888	2,273,587
Donations	0	0	0	0
All Other Revenue	395,121	599,899	740,648	668,267
Total Revenue	39,693,605	39,284,818	40,065,855	41,334,221
Expenditures:				
Current:				
Security of Persons and Property	16,760,874	17,243,275	17,646,731	18,117,157
Public Health and Welfare Services	1,249,017	822,750	905,566	848,159
Leisure Time Activities	1,847,968	1,912,169	2,152,419	2,010,682
Community Environment	724,103	982,147	785,013	799,357
Transportation	7,635,265	6,911,218	7,592,879	7,247,162
General Government	7,579,778	8,526,437	8,867,751	8,504,140
Capital Outlay	8,961,855	2,399,353	1,492,592	2,287,025
Debt Service:				
Principal Retirement	1,358,335	1,226,164	1,262,897	1,177,763
Interest and Fiscal Charges	521,659	501,561	478,803	488,754
Total Expenditures	46,638,854	40,525,074	41,184,651	41,480,199
Excess (Deficiency) of Revenues Over Expenditures	(6,945,249)	(1,240,256)	(1,118,796)	(145,978)

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
\$25,350,871	\$25,708,543	\$34,580,944	\$39,221,544	\$43,149,624	\$45,796,542
7,315,696	12,181,964	9,510,641	9,564,304	9,878,055	10,302,258
5,619,741	4,911,515	5,602,220	5,642,657	6,075,365	6,507,511
23,235	35,805	55,551	58,253	38,412	66,243
1,044,249	701,163	(220,279)	(1,359,619)	2,753,097	2,933,004
104,100	115,648	111,606	75,681	84,641	83,400
2,466,185	1,900,619	1,937,884	2,227,456	2,055,132	2,241,003
1,324,575	0	0	0	0	0
897,279	3,391,697	491,847	767,038	1,081,799	1,144,370
<u>44,145,931</u>	<u>48,946,954</u>	<u>52,070,414</u>	<u>56,197,314</u>	<u>65,116,125</u>	<u>69,074,331</u>
18,732,982	18,852,844	20,227,200	21,851,543	24,966,040	28,338,568
907,678	892,387	872,967	1,166,519	1,082,639	1,148,123
2,184,273	1,987,952	2,273,985	3,038,641	3,274,364	4,047,407
968,318	878,652	1,240,148	1,330,242	1,500,471	1,518,210
7,674,236	7,921,027	8,268,546	9,199,264	8,374,827	8,135,984
8,317,600	8,983,268	9,116,933	10,406,044	12,232,658	12,843,259
2,157,622	2,017,312	790,391	1,329,874	1,332,874	1,670,236
1,368,026	1,117,957	1,193,411	1,177,106	1,085,506	962,133
480,456	463,370	412,359	386,506	403,395	371,800
<u>42,791,191</u>	<u>43,114,769</u>	<u>44,395,940</u>	<u>49,885,739</u>	<u>54,252,774</u>	<u>59,035,720</u>
1,354,740	5,832,185	7,674,474	6,311,575	10,863,351	10,038,611

(Continued)

City of Lancaster, Ohio

*Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	0	0
State Infrastructure Bank Loan	0	0	0	0
Other Financing Source - Lease Issuance	469,044	244,069	625,000	0
Ohio Public Works Commission Loan	0	210,428	0	0
Installment Loans	0	0	0	0
Transfers In	11,887,104	11,523,088	11,847,598	13,788,372
Transfers Out	(11,951,592)	(11,664,159)	(11,924,017)	(13,790,372)
Total Other Financing Sources (Uses)	<u>404,556</u>	<u>313,426</u>	<u>548,581</u>	<u>(2,000)</u>
Special Items	0	0	0	0
Net Change in Fund Balance	<u><u>(\$6,540,693)</u></u>	<u><u>(\$926,830)</u></u>	<u><u>(\$570,215)</u></u>	<u><u>(\$147,978)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	5.33%	4.75%	4.65%	4.47%

Source: City Auditor's Office

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
0	0	82,892	0	0	0
217,587	6,528	0	0	0	0
986,000	0	282,000	0	0	310,494
0	0	0	0	0	0
0	0	0	650,000	0	271,459
13,023,384	2,554,327	2,188,278	2,755,466	2,755,604	2,688,846
(13,025,884)	(2,902,384)	(2,229,278)	(2,687,466)	(2,677,604)	(2,610,846)
1,201,087	(341,529)	323,892	718,000	78,000	659,953
0	0	0	0	0	(759,278)
<u>\$2,555,827</u>	<u>\$5,490,656</u>	<u>\$7,998,366</u>	<u>\$7,029,575</u>	<u>\$10,941,351</u>	<u>\$9,939,286</u>
4.79%	4.00%	3.96%	3.53%	2.99%	2.55%

City of Lancaster, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Income Tax Rate	1.75%	1.75%	1.75%	1.75%
Estimated Personal Income (in thousands)	\$1,595,603	\$1,675,569	\$1,760,445	\$1,857,432
Total Tax Collected	\$18,672,494	\$20,100,001	\$19,944,236	\$19,964,681
Income Tax Receipts				
Withholding	14,439,064	15,248,970	15,278,799	15,737,489
Percentage	77.34%	75.88%	76.62%	78.83%
Corporate	2,067,737	2,444,653	2,413,546	1,974,128
Percentage	11.07%	12.16%	12.10%	9.89%
Individuals	2,165,693	2,406,378	2,251,891	2,253,064
Percentage	11.59%	11.96%	11.28%	11.28%

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

2019	2020	2021	2022	2023	2024
1.75%	1.75%	2.20%	2.20%	2.30%	2.30%
\$1,889,057	\$2,071,952	\$2,074,356	\$2,527,691	\$2,183,602	\$2,274,109
\$20,823,359	\$20,751,089	\$28,452,710	\$33,031,456	\$37,858,328	\$38,072,828
16,084,541	16,477,967	22,094,648	25,317,669	28,752,961	29,842,476
77.24%	79.41%	77.65%	76.65%	75.95%	78.38%
2,179,517	1,974,049	3,468,436	3,883,875	4,657,500	4,144,269
10.47%	9.51%	12.19%	11.76%	12.30%	10.89%
2,559,301	2,299,073	2,889,626	3,829,912	4,447,867	4,086,083
12.29%	11.08%	10.16%	11.59%	11.75%	10.73%



City of Lancaster, Ohio

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2024				
Income Tax Filers	Number of Filers	Percent of Total	Income Tax Collections	Percent of Income
Top Ten	10	0.15%	\$9,363,738	24.59%
All Others	6,780	99.85%	28,709,090	75.41%
Total	6,790	100.00%	\$38,072,828	100.00%
Calendar Year 2015				
Income Tax Filers	Number of Filers	Percent of Total	Income Tax Collections	Percent of Income
Top Ten	10	0.10%	\$5,077,779	27.19%
All Others	9,858	99.90%	13,594,715	72.81%
Total	9,868	100.00%	\$18,672,494	100.00%

Source: City Income Tax Department

City of Lancaster, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2015	2016	2017
Governmental Activities ⁽¹⁾			
Housing and Urban Development Loan Payable	\$130,000	\$40,000	\$0
Ohio Public Works Commission Loan Payable	33,474	240,859	192,686
Ohio Water Development Authority Loans Payable	329,941	313,264	296,041
Special Assessment Bonds Payable	150,000	128,000	99,050
General Obligation Bonds Payable	12,369,244	11,541,185	10,688,126
State Infrastructure Bank Loan Payable	0	0	0
Installment Loan Payable	1,790,370	1,519,878	1,613,850
Leases Payable	0	0	0
Business-type Activities ⁽¹⁾			
Ohio Water Development Authority Loans Payable	\$43,497,740	\$39,590,748	\$36,000,351
Ohio Public Works Commission Loan Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Revenue Bonds Payable	334,188,997	321,226,153	306,054,973
Long-Term Notes Payable	0	0	0
Installment Loan Payable	165,790	1,158,017	1,060,429
Total Primary Government	<u>\$392,655,556</u>	<u>\$375,758,104</u>	<u>\$356,005,506</u>
Population ⁽²⁾			
City of Lancaster	38,780	39,848	39,848
Outstanding Debt Per Capita	\$10,125	\$9,430	\$8,934
Income ⁽³⁾			
Personal (in thousands)	1,595,603	1,675,569	1,760,445
Percentage of Personal Income	24.61%	22.43%	20.22%

Sources:

- (1) Source: City Auditor's Office
- (2) Fairfield County Economic Development website using the Ohio Dept of Taxation Census Population estimates (2015-2018) the U.S. Census Department estimates (2019-2024)
- (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

2018	2019	2020	2021	2022	2023	2024
\$0	\$0	\$0	\$0	\$0	\$0	\$0
144,514	96,343	72,257	0	0	0	0
278,254	259,884	240,912	221,319	201,083	180,185	158,602
80,500	0	0	0	0	0	0
10,035,067	9,382,008	8,703,949	8,020,890	7,322,831	6,714,770	6,100,532
0	217,587	224,115	198,932	172,987	146,259	118,722
1,151,158	1,554,682	1,148,661	1,028,577	1,237,652	799,772	794,452
0	0	0	0	0	0	284,260
\$33,301,643	\$30,055,009	\$30,079,620	\$31,811,287	\$48,747,533	\$90,203,988	\$160,789,099
152,634	346,223	328,912	276,979	242,357	207,735	173,113
0	0	0	0	0	3,100,000	2,833,000
290,378,793	363,624,346	359,498,900	353,033,727	348,976,373	344,799,019	338,156,138
0	0	0	1,500,000	1,475,000	975,000	0
290,368	222,068	151,844	80,449	219,450	179,022	136,932
<u>\$335,812,931</u>	<u>\$405,758,150</u>	<u>\$400,449,170</u>	<u>\$396,172,160</u>	<u>\$408,595,266</u>	<u>\$447,305,750</u>	<u>\$509,544,850</u>
40,280	39,942	40,505	40,552	41,000	41,422	41,422
\$8,337	\$10,159	\$9,886	\$9,769	\$9,966	\$10,799	\$12,301
1,857,432	1,889,057	2,071,952	2,074,356	2,527,691	2,183,602	2,274,109
18.08%	21.48%	19.33%	19.10%	16.16%	20.48%	22.41%

City of Lancaster, Ohio

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2015	2016	2017	2018
Population (1)	38,780	39,848	39,848	40,280
Assessed Value (2)	\$719,521,390	\$722,023,270	\$740,245,390	\$737,217,750
General Bonded Debt (3)				
General Obligation Bonds	\$12,369,244	\$11,541,185	\$10,688,126	\$10,035,067
Resources Available to Pay Principal (4)	\$11,869	\$0	\$0	\$0
Net General Bonded Debt	\$12,357,375	\$11,541,185	\$10,688,126	\$10,035,067
Ratio of Net Bonded Debt to Assessed Value	1.72%	1.60%	1.44%	1.36%
Net Bonded Debt per Capita	\$318.65	\$289.63	\$268.22	\$249.13

Source:

- (1) Fairfield County Economic Development website using the Ohio Dept of Taxation Census Population estimates (2015-2018) the U.S. Census Department estimates (2019-2024)
- (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

2019	2020	2021	2022	2023	2024
39,942	40,505	40,552	41,000	41,422	41,422
\$745,389,440	\$843,415,140	\$851,347,650	\$875,438,160	\$1,051,418,450	\$1,067,649,850
\$9,382,008	\$8,703,949	\$8,020,890	\$7,322,831	\$6,714,770	\$6,100,532
\$0	\$0	\$0	\$0	\$0	\$0
\$9,382,008	\$8,703,949	\$8,020,890	\$7,322,831	\$6,714,770	\$6,100,532
1.26%	1.03%	0.94%	0.84%	0.64%	0.57%
\$234.89	\$214.89	\$197.79	\$178.61	\$162.11	\$147.28



City of Lancaster, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2024*

<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)	\$7,456,568	100.00%	\$7,456,568
Overlapping:				
Lancaster City School District	(2)	144,375,167	79.85%	115,283,571
Fairfield County	(3)	35,232,410	18.83%	6,634,263
			Subtotal	<u>121,917,834</u>
			Total	<u><u>\$129,374,402</u></u>

Source:

- (1) City Auditor's Office
- (2) Lancaster City School District, as of June 30, 2024, 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	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$719,521,390	\$722,023,270	\$740,245,390	\$737,217,750
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	75,549,746	75,812,443	77,725,766	77,407,864
City Debt Outstanding (2)	12,369,244	11,541,185	10,688,126	10,035,067
Less: Applicable Debt Service Fund Amounts	(11,869)	0	0	0
Net Indebtedness Subject to Limitation	<u>12,357,375</u>	<u>11,541,185</u>	<u>10,688,126</u>	<u>10,035,067</u>
Overall Legal Debt Margin	<u>\$63,192,371</u>	<u>\$64,271,258</u>	<u>\$67,037,640</u>	<u>\$67,372,797</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$719,521,390	\$722,023,270	\$740,245,390	\$737,217,750
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	39,573,676	39,711,280	40,713,496	40,546,976
City Debt Outstanding (2)	12,369,244	11,541,185	10,688,126	10,035,067
Less: Applicable Debt Service Fund Amounts	(11,869)	0	0	0
Net Indebtedness Subject to Limitation	<u>12,357,375</u>	<u>11,541,185</u>	<u>10,688,126</u>	<u>10,035,067</u>
Overall Legal Debt Margin	<u>\$27,216,301</u>	<u>\$28,170,095</u>	<u>\$30,025,370</u>	<u>\$30,511,909</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

2019	2020	2021	2022	2023	2024
\$745,389,440	\$843,415,140	\$851,347,650	\$875,438,160	\$1,051,418,450	\$1,067,649,850
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
78,265,891	88,558,590	89,391,503	91,921,007	110,398,937	112,103,234
9,382,008	8,703,949	8,020,890	7,322,831	6,714,770	6,100,532
0	0	0	0	0	0
9,382,008	8,703,949	8,020,890	7,322,831	6,714,770	6,100,532
\$68,883,883	\$79,854,641	\$81,370,613	\$84,598,176	\$103,684,167	\$106,002,702
\$745,389,440	\$843,415,140	\$851,347,650	\$875,438,160	\$1,051,418,450	\$1,067,649,850
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
40,996,419	46,387,833	46,824,121	48,149,099	57,828,015	58,720,742
9,382,008	8,703,949	8,020,890	7,322,831	6,714,770	6,100,532
0	0	0	0	0	0
9,382,008	8,703,949	8,020,890	7,322,831	6,714,770	6,100,532
\$31,614,411	\$37,683,884	\$38,803,231	\$40,826,268	\$51,113,245	\$52,620,210

City of Lancaster, Ohio

Pledged Revenue Coverage Last Ten Years

	2015	2016	2017	2018
Water Revenue Bonds (1 a)				
Gross Revenues (2)	\$8,211,328	\$8,643,136	\$8,992,669	\$8,877,949
Direct Operating Expenses (3)	5,822,634	5,914,565	6,108,057	5,946,393
Net Revenue Available for Debt Service	2,388,694	2,728,571	2,884,612	2,931,556
Annual Debt Service Requirement	514,981	513,981	509,831	517,431
Coverage	4.64	5.31	5.66	5.67
Water Pollution Revenue Bonds (1 b)				
Gross Revenues (2)	\$11,499,199	\$12,185,806	\$12,745,699	\$12,638,715
Direct Operating Expenses (3)	3,930,137	4,609,387	4,778,447	6,340,117
Net Revenue Available for Debt Service	7,569,062	7,576,419	7,967,252	6,298,598
Annual Debt Service Requirement	1,753,812	1,688,038	1,637,900	1,635,000
Coverage	4.32	4.49	4.86	3.85
Port Authority Gas Supply Revenue Bonds (1 c)				
Gross Revenues (2)	\$5,668,319	\$5,291,860	\$6,540,915	\$6,291,644
Direct Operating Expenses (3)	290,978	242,969	328,795	246,515
Net Revenue Available for Debt Service	5,377,341	5,048,891	6,212,120	6,045,129
Annual Debt Service Requirement	15,284,079	16,505,174	18,078,461	20,013,639
Coverage	0.35	0.31	0.34	0.30
Special Assessment Bonds (1 d)				
Special Assessment Collections	\$39,239	\$43,231	\$38,304	\$40,471
Debt Service				
Principal	21,000	22,000	28,950	18,550
Interest	8,550	7,500	7,550	3,803
Coverage	1.33	1.47	1.05	1.81

(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

2019	2020	2021	2022	2023	2024
\$8,988,156	\$9,441,826	\$8,935,894	\$9,466,007	\$10,144,555	\$12,002,305
7,408,599	6,605,168	4,493,217	5,144,462	6,259,566	7,502,109
1,579,557	2,836,658	4,442,677	4,321,545	3,884,989	4,500,196
514,231	510,631	516,631	510,532	513,813	511,625
3.07	5.56	8.60	8.46	7.56	8.80
\$13,097,897	\$12,962,949	\$12,062,972	\$12,566,043	\$13,617,135	\$15,586,151
5,462,606	5,179,942	3,975,764	4,604,001	5,793,973	5,710,898
7,635,291	7,783,007	8,087,208	7,962,042	7,823,162	9,875,253
1,635,350	1,639,750	3,835,350	1,314,800	1,317,000	1,317,800
4.67	4.75	2.11	6.06	5.94	7.49
\$5,052,764	\$3,617,450	\$7,134,824	\$12,570,115	\$4,361,955	\$4,198,058
4,672,212	2,753,731	4,824,161	9,917,948	1,632,829	3,313,096
380,552	863,719	2,310,663	2,652,167	2,729,126	884,962
11,759,029	19,016,715	16,073,875	16,071,875	16,076,750	16,113,250
0.03	0.05	0.14	0.17	0.17	0.05
\$35,443	\$38,816	\$33,293	\$10	\$0	\$0
80,500	0	0	0	0	0
2,012	0	0	0	0	0
0.43	N/A	N/A	N/A	N/A	N/A

City of Lancaster, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2015	2016	2017	2018
Population				
City of Lancaster (2)(3)	38,780	39,848	39,848	40,280
Fairfield County (1)(3)	151,408	152,597	154,733	155,782
Income (3) (a)				
Total Personal (in thousands)	1,595,603	1,675,569	1,760,445	1,857,432
Per Capita	41,145	42,049	44,179	46,113
Unemployment Rate (4)				
Federal	5.3%	4.9%	4.4%	3.9%
State	4.9%	4.9%	5.0%	4.6%
Fairfield County	4.3%	4.2%	4.3%	4.0%
Civilian Work Force Estimates (4)				
State	5,700,300	5,713,100	5,780,000	5,754,900
Fairfield County	75,400	75,800	77,400	77,300
Lancaster	17,900	17,900	17,400	17,300

Sources:

- (1) US Bureau of Census of Population
- (2) Fairfield County Economic Development website using the Ohio Dept of Taxation Census Population estimates (2015-2018) the U.S. Census Department estimates (2019-2024)
- (3) US Department of Commerce, Bureau of Economic Analysis information is only available through 2023 for the presentation of 2024 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

2019	2020	2021	2022	2023	2024
39,942	40,505	40,552	41,000	41,422	41,422
157,574	159,709	161,064	162,898	165,360	167,762
1,889,057	2,071,952	2,074,356	2,527,691	2,183,602	2,274,109
47,295	51,153	51,153	61,651	52,716	54,901
3.7%	8.1%	5.3%	3.6%	3.7%	3.8%
4.1%	8.1%	5.1%	4.0%	3.5%	4.2%
3.7%	6.6%	4.3%	3.5%	2.9%	4.1%
5,802,300	5,754,300	5,736,900	5,741,300	5,582,400	5,646,100
78,000	78,600	79,800	80,500	80,900	80,500
17,969	18,194	18,766	18,600	18,700	18,500



City of Lancaster, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2024		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	1,975	1	10.56%
Anchor Acquisition LLC	Manufacturer	1,550	2	8.29%
Fairfield County	Government	1,287	3	6.88%
Lancaster City Schools	Education	1,267	4	6.78%
MAGNA	Manufacturer	1,223	5	6.54%
Kroger	Grocer	587	6	3.14%
State of Ohio	Government	428	7	2.29%
Luxe Rehabilitation & Care	Medical Services	360	8	1.93%
Fairfield Healthcare Prof'l's	Medical Services	344	9	1.84%
Lancaster Enterprises LTD	Fast Food	293	10	1.57%
Total		9,314		49.82%
Total Employment within the City		18,700		

Employer	Nature of Business	2015		
		Number of Employees	Rank	Percentage of Total Employment
Fairfield Medical Center	Medical Services	2,085	1	12.19%
Anchor Hocking	Glass Manufacturer	1,150	2	6.73%
Fairfield County	Government	872	3	5.10%
Lancaster City Schools	Education	720	4	4.21%
City of Lancaster	Government	422	5	2.47%
Ralston Foods/Con Agra	Manufacturer	342	6	2.00%
Kroger	Food	313	7	1.83%
Diamond Power	Metal Fabrication	303	8	1.77%
Crestview**	Nursing Care	215	9	1.26%
Fairfield Homes**	Construction	185	10	1.08%
Total		6,607		38.64%
Total Employment within the City		17,100		

www.businesscounty.com

** And information from companies responding via telephone.

Sources:

2024 - Lancaster City Income Tax Department

2015 - Fairfield County Chamber of Commerce

City of Lancaster, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Auditor	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00
Legal	7.00	10.00	11.00	11.00
City Council	11.00	11.00	11.00	11.00
Court	36.00	39.00	39.00	41.00
Administration	4.00	4.00	5.00	5.00
Engineering	3.00	3.00	3.00	3.00
Certified Building	3.00	4.00	5.00	5.00
Income Tax	4.00	4.00	4.00	3.00
Maintenance	1.00	1.00	1.00	1.00
Information Systems	8.00	8.00	6.00	5.00
Security of Persons and Property				
Police	82.00	85.00	84.00	80.00
Fire	72.00	70.00	72.00	72.00
Public Health and Welfare				
Cemetery	4.00	4.00	4.00	4.00
Transportation				
Street	23.00	23.00	23.00	24.00
Leisure Time Activities				
Parks	25.00	29.00	28.00	26.00
Community Environment				
Community Development	3.00	3.00	3.00	3.00
Public Transit*	2.00	3.00	3.00	3.00
Civil Service	1.00	1.00	1.00	1.00
Business-Type Activities				
Utilities				
Gas	25.00	25.00	26.00	27.00
Water	38.00	38.00	39.00	37.00
Water Pollution	24.00	25.00	23.00	23.00
Sanitation	20.00	21.00	21.00	22.00
Storm Water	5.00	5.00	5.00	5.00
Utilities Collection	15.00	15.00	16.00	16.00
<i>Total Employees</i>	424.00	439.00	441.00	437.00

*Public Transit operations moved to County in 2024.

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

2019	2020	2021	2022	2023	2024
5.00	5.00	5.00	6.00	6.00	6.00
1.00	1.00	1.00	2.00	2.00	2.00
11.00	11.00	12.00	11.00	12.00	11.00
11.00	11.00	11.00	11.00	11.00	11.00
41.00	40.00	44.00	42.00	45.00	45.00
5.00	5.00	5.00	6.00	7.00	4.00
4.00	4.00	4.00	4.00	4.00	5.00
6.00	6.00	6.00	8.00	7.00	8.00
4.00	5.00	5.00	5.00	8.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	5.00	7.00	5.00	8.00	7.00
84.00	77.00	89.00	85.00	90.00	95.00
68.00	65.00	78.00	78.00	81.00	81.00
3.00	3.00	3.00	4.00	4.00	4.00
4.00	4.00	4.00	5.00	5.00	5.00
24.00	27.00	28.00	28.00	28.00	28.00
28.00	26.00	22.00	18.00	20.00	17.00
3.00	3.00	3.00	4.00	3.00	4.00
3.00	36.00	29.00	39.00	19.00	0.00
1.00	1.00	1.00	1.00	2.00	2.00
27.00	27.00	28.00	28.00	27.00	27.00
37.00	38.00	36.00	37.00	36.00	38.00
23.00	23.00	25.00	21.00	23.00	22.00
22.00	23.00	28.00	24.00	23.00	23.00
5.00	5.00	7.00	5.00	6.00	5.00
16.00	16.00	17.00	16.00	15.00	16.00
<u>443.00</u>	<u>468.00</u>	<u>499.00</u>	<u>494.00</u>	<u>493.00</u>	<u>474.00</u>

City of Lancaster, Ohio

Operating Indicators by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Court				
Number of Traffic Cases	17,631	16,678	17,733	15,395
Number of Open Cases	1,271	1,449	1,673	1,389
Licenses and Permits				
Number of Building Permits	1,258	1,338	2,233	2,101
Number of Building Inspections	2,878	3,759	4,145	5,388
Security of Persons and Property				
Police				
Number of Calls Received	60,578	60,685	62,306	60,456
Number of Traffic Citations	4,205	2,412	4,399	3,809
Number of Arrests	1,481	1,447	1,991	1,177
Parking Tickets Written	598	451	929	1,352
Fire				
Number of Fire Calls	1,767	1,910	2,005	2,086
Number of EMS Runs	7,259	7,358	7,696	7,831
Number of Inspections	1,503	1,596	1,584	1,563
Leisure Time Activities				
Parks				
Number of Programs Offered	62	62	62	67
Number of Pool Admissions	19,022	24,597	13,380	27,505
Business-Type Activities				
Water				
Number of Service Connections	15,464	15,499	15,554	15,642
Daily Average Consumption (thousands of gallons)	4.57M	3.67M	3.63M	3.85M
Peak Daily Consumption (thousands of gallons)	5.89M	5.64M	6.18M	6.2M
Water Pollution				
Number of Service Connections	15,095	15,215	15,264	15,384
Maximum Daily Capacity	14M	14M	14M	17.87M
Daily Average Sewage Treatment (thousands of gallons)	6.84M	7.07M	7.56M	8.99M
Sanitation				
Number of Customers	15,518	15,566	15,622	15,703
Storm Water				
Number of Customers	14,832	14,876	14,954	15,009

Source: City Auditor's Office

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
15,178	10,537	10,243	12,304	10,175	9,723
1,185	1,055	642	1,002	981	896
1,654	1,116	1,218	1,072	1,224	1,188
2,011	3,222	3,640	3,973	3,146	3,591
62,282	56,281	50,839	58,291	70,690	72,578
4,442	3,028	2,431	1,887	2,043	1,698
1,889	1,847	3,097	1,764	1,859	2,085
999	368	100	91	101	125
1,209	1,138	1,150	1,306	1,442	1,333
8,198	7,721	8,450	8,944	8,797	8,686
1,477	980	1,351	2,340	2,400	2,398
46	13	37	42	43	42
28,397	0	20,716	19,342	18,660	20,215
15,677	15,706	15,985	16,183	16,163	16,037
3.93M	3.85M	3.89M	3.82M	3.89M	4.54M
6.44M	6.24M	6.6M	6.6M	6.7M	6.72M
15,478	15,418	15,420	15,406	15,884	15,890
18.13M	18.73M	13.933M	15.29M	13.89M	14.25M
8.94M	7.73M	6.904M	7.41M	6.3M	6.04M
16,100	15,793	15,822	16,151	16,165	16,000
15,754	15,106	15,148	15,369	15,320	15,330

City of Lancaster, Ohio

Capital Asset Statistics by Function Last Ten Years

	2015	2016	2017	2018
Governmental Activities				
General Government				
Public Land and Buildings				
Land (1)	18,598	1,453.94	1,453.94	1,427.97
Buildings	36	37	38	38
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	37	38	40	36
Fire				
Stations	3	3	3	3
Vehicles	18	19	20	19
Public Health & Welfare				
Cemetery				
Land (acres)	150	150	150	150
Transportation				
Street				
Streets (lane miles) (2)	185	185	185	185
Street Lights	2,476	2,476	2,476	2,527
Traffic Signals	86	88	86	86
Leisure Time Activities				
Parks				
Land (acres)	733	733	733	757
Buildings	21	21	21	21
Parks	27	27	27	27
Playgrounds	12	12	12	12
Swimming Pools	2	2	2	3
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

2019	2020	2021	2022	2023	2024
1,453.94	1,514.82	1,551.54	1,565.01	1,569.08	1,571.91
38	38	55	57	57	58
1	1	1	1	1	1
37	36	35	31	31	47
3	3	3	3	3	3
18	19	18	18	19	21
150	150	122	122	122	122
185	372	372	372	392	394
2,509	2,517	2,529	2,539	2,541	2,541
80	78	79	79	79	79
830	830	830	841	841	841
35	21	21	24	24	23
27	27	27	28	28	28
13	13	13	13	13	13
3	3	3	3	3	3
15	15	15	13	13	13
25	25	25	21	21	22
20	20	20	19	19	19

(continued)

City of Lancaster, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Business-Type Activities				
Utilities				
Water				
Waterlines (Miles)	182	182	183	183
Pump Stations	2	2	2	2
Number of Hydrants	1,892	1,900	1,864	1,864
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	10	10
Sanitation				
Packers	9	9	9	11
Storm Water				
Storm Sewers (Miles)	88	88	88	88
Gas				
Gaslines (Miles)	249	255	254	256

Source: City Auditor's Office

City of Lancaster, Ohio

2019	2020	2021	2022	2023	2024
184	184	192	192	192	192
2	2	2	2	2	2
1,872	2,000	2,000	2,009	2,009	2,013
9.8M	9.8M	9.8M	9.8M	9.8M	9.8M
187	187	181	182	183	188
10	10	10	10	10	10
11	11	10	11	11	11
88	88	94	94	94	95
254	256	260	256	258	263

